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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2009

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

ROSA L. DELAURO, Connecticut, *Chairwoman*

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SAM FARR, California
ALLEN BOYD, Florida
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MARCY KAPTUR, Ohio
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JACK KINGSTON, Georgia
TOM LATHAM, Iowa
JO ANN EMERSON, Missouri
RAY LAHOOD, Illinois
RODNEY ALEXANDER, Louisiana

NOTE: Under Committee Rules, Mr. Obey, as Chairman of the Full Committee, and Mr. Lewis, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

MARTHA FOLEY, LESLIE BARRACK, JASON WELLER, and MATT SMITH,
Staff Assistants

PART 2

TESTIMONY OF INTERESTED INDIVIDUALS AND ORGANIZATIONS

Printed for the use of the Committee on Appropriations

PART 2—AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2009

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ROB NABORS, *Clerk and Staff Director*

Alliance for Community Trees
American Forest Foundation
American Forest & Paper Association
American Forests
American Nursery & Landscape Association
The Hardwood Federation
Michigan United Conservation Clubs
National Association of State Foresters
National Plant Board
The Ohio State University, Department of Entomology
Purdue University, Department of Entomology
Society of American Florists
Society of American Foresters
The Nature Conservancy
Union of Concerned Scientists
University of Georgia, Center for Invasive Species & Ecosystem Health

March 12, 2008

The Honorable Rosa DeLauro
Chairperson
Subcommittee on Agriculture, Rural Development, Food
and Drug Administration, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jack Kingston
Ranking Member
Subcommittee on Agriculture, Rural Development, Food
and Drug Administration, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

RE: Fiscal Year 2009 Appropriation for the USDA Animal and Plant Health Inspection Service, Emerging Plant Pests

Dear Chairperson DeLauro and Ranking Member Kingston:

We urge the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies to increase funding substantially for the USDA Animal and Plant Health Inspection Service (APHIS) Emerging Plant Pests program. A sharp increase in funding is necessary in order to ensure adequate funding for eradication and control efforts targeting the emerald ash borer, Asian longhorned beetle, sudden oak death pathogen, and *Sirex* woodwasp. All four foreign and invasive species threaten trees in our forests and communities and related economic values worth hundreds of billions of dollars.

This coalition represents a widely diverse group of stakeholders that are unified in support of the following program areas. This statement of common goals supplements individual letters submitted to the Subcommittee by several of these organizations. Some of these individual letters address additional issues.

We seek an appropriation of $45 million for FY2009 to contain the emerald ash borer. This represents a significant increase over the current funding level of $30 million. The emerald ash borer threatens sixteen species of ash across the continent, especially in the upper Midwest and Southeast. At risk are the $25 billion ash timber industry in the Northeast, street trees across the Nation valued at $20 to $60 billion, and myriad trees found in our neighborhoods and parks. The emerald ash borer outbreak is large, but the core of the infestation remains in the lower peninsula of Michigan, Indiana and Ohio. It is absolutely crucial that APHIS and its partners carry out detection surveys and regulatory and educational programs aimed at preventing movement of infested firewood, nursery stock, and other materials that spread the insect. Movement of these materials has been responsible for long distance spread and the establishment of numerous outlying populations of the insect. APHIS and its state partners need additional funding in FY2009 to enable affected states to contain or eradicate limited and isolated outbreaks found in Illinois, Maryland, Pennsylvania, and West Virginia, as well as on Michigan's Upper Peninsula. Education, effective quarantine, and elimination of isolated infestations are necessary to create the potential to contain the core outbreak. Recent breakthroughs and promising work on biocontrol agents and pesticides must also be funded.

We seek an appropriation of $30 million for FY2009 to carry out eradication of the few remaining populations of the Asian longhorned beetle. The FY2008 appropriation is $19.8 million. The Asian longhorned beetle poses an alarming threat to hardwood forests reaching from New England into Minnesota and in the West, and to the hardwood timber, maple syrup, and autumn foliage tourism industries dependent on these forests. Also at risk are street trees across the Nation valued at more than $600 billion. Eradication has been successful in Chicago and parts of New Jersey, proving the efficacy of this approach. Remaining beetle populations in New Jersey are well on track for eradication. Only the populations in New York persist – and that is because funding for the New York effort has been reduced in past years. It is essential to provide sufficient funding now and in coming years to complete eradication in New Jersey and New York. The detection of an outbreak on Staten and Prall's islands in March 2007 is an indication of the risk placed on the environment due to chronic under-funding of these programs.

We support a request for $10 million in appropriations for FY2009 to contain a third damaging forest pest, the sudden oak death pathogen (also called the phytophthora leaf and stem blight pathogen). Our request would almost double the FY08 appropriation of $5.3 million. This disease is a major threat to the nation's nursery industry as it readily attacks species such as rhododendron, camellias, and a long list of other common ornamentals. In addition, if sudden oak death does escape confinement, it threatens oaks in forests in Oregon and Washington as well as throughout the Appalachians, Ozarks, and even into southern New England. Many wildlife species are dependent upon oaks and other threatened forest species for forage - the potential for devastating impacts on forests and wildlife is very real.

The *Sirex* woodwasp is now found across much of New York State, four counties in Pennsylvania, one county in Vermont and two counties in Michigan, as well as in Ontario, Canada. The woodwasp threatens valuable pine timber resources, especially those of the Southeast. It is

essential that APHIS receive $5 million in FY2009 to implement a program including regulatory and educational components aimed at preventing movement of infested wood, nursery stock, and other materials that spread the insect. Congress did not appropriate any funding for the *Sirex* woodwasp in FY08, despite the threat posed by the woodwasp to pine harvests across the Continent. Additionally this funding would support the establishment of available biocontrol organisms to manage this pest on a long term basis.

In addition to the appropriations needed to support these line items in APHIS's Emerging Plant Pest program, we also strongly support the Congress' numerous statements urging the Administration to release emergency funds from the Commodity Credit Corporation (CCC) sufficient to enable full implementation of these management plans. The combination of the appropriations and the release of CCC funds are necessary to accomplish the needed tasks.

Action now at the funding level requested would help ensure that these forest pests do not reach populations so large as to threaten trees in our forests and communities, garden nursery stock, and related economic activities worth hundreds of billions of dollars.

Sincerely,

Drue Deberry, Senior Vice President, Conservation, American Forest Foundation
Dr. G. Keith Douce, Co-Director, Center for Invasive Species & Ecosystem Health, and Professor of Entomology, College of Agricultural & Environmental Sciences, University of Georgia
Jay Farrell, Executive Director, National Association of State Foresters
Deborah Gangloff, Executive Director, American Forests
Michael Goergen, Executive Vice-President, Society of American Foresters
Walker Gray Haun, President, National Plant Board
Deb Hawkinson, Executive Director, The Hardwood Federation
Daniel Herms, Associate Professor, Department of Entomology, The Ohio State University
Dr. David Moorhead, Co-Director, Center for Invasive Species & Ecosystem Health, and Professor of Silviculture, Warnell School of Forestry and Natural Resources, University of Georgia
Craig Regelbrugge, Senior Director of Government Relations, American Nursery & Landscape Association
Dr. Clifford S. Sadof, Professor, Department of Entomology, Purdue University
Lin Schmale, Senior Director - Government Relations, Society of American Florists
Donna Stine, Deputy Director for Policy, Michigan United Conservation Clubs
Dave Tenny, Vice President, Forestry and Wood Products, American Forest & Paper Association
Alice Ewen Walker, Executive Director, Alliance for Community Trees
Nat Williams, Acting Director of Government Relations, The Nature Conservancy
Phyllis N. Windle, Director, Invasive Species, Union of Concerned Scientists

Nanine Bilski, President
America the Beautiful Fund
725 15 Street, N.W., Suite 605
Washington, DC 20005

Testimony to the House Committee on Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Submitted for the Hearing Record 3/13/2008

Since 1980, America the Beautiful Fund's Operation Green Plant (www.freeseeds.us) has been collecting surplus vegetable seed packets donated from the major American seed companies and distributing them to 10 million volunteers in all 50 states to grow food for the hungry. America the Beautiful Fund is the only organization in America that distributes free seeds and is totally supported by private donations and has an overhead of less than 3%. The Operation Green Plant program has saved more than 80 tons of seeds from going to waste in landfills, distributed and planted enough vegetable seeds to grow 320,000,000 pounds of food for the hungry, and provided over 20,000 pounds of corn, beans, tomato, watermelon, cucumber, peas and squash seeds to Gulf Coast Hurricane Victims. This year we have $5,000,000 worth of donated seeds from Burpee Seed Company, Johnny's Select Seed, Page Seed Company, Harris Seed/Garden Trends, Applewood Seed Company, Charles C. Hart Seed Company, Terra International, Livingston Company, Thompson & Morgan, Crossman Seed Corporation, Lake Valley Seed Company, and Seminis Vegetable Seeds that we want to distribute to the 26,000,000 hungry people receiving food stamps and we need $ 200,000 per year to do this.

Many members of Congress recently learned first-hand how difficult it is to afford fresh vegetables when they tried to live on a food stamp budget for a week. Food stamp recipients are usually unable to purchase fresh vegetables because of their higher cost compared to less nutritious choices.

Over the past few years the demand for Food Stamps has grown. America the Beautiful Fund has been receiving increasing requests for seeds from agencies distributing food stamps to encourage their clients to grow their own food. This program has been very successful and increased every year as more local Food stamp offices find out about this opportunity. Private giving has decreased 20% over the past year and we have not been able to raise enough private funds to answer these increased requests.

With a small federal investment, America the Beautiful Fund could expand this free seed program to serve all 26,000,000 participants in the Agriculture Department's federal feeding programs and enable them to grow their own fresh vegetables that they

cannot afford to buy with their food stamps or WIC coupons, thereby supplementing the Federal budget for those programs with $ 5,000,000 worth of private donations.

This is how the expanded program would work:

- America the Beautiful Fund will provide $ 5,000,000 worth of donated vegetable seed packets
- America the Beautiful Fund will store these seeds in a warehouse donated by the Department of the Army on Fort Belvoir, VA
- America the Beautiful Fund will contact all the Food Stamp distribution offices in America and offer them free vegetable seed packets to give to their clients with their Food Stamps, along with educational materials to help them grow their own fresh food, e.g. Gardening for Optimal Nutrition, How to Plant a Container Garden, and How to Plant a Square Foot Garden.
- America the Beautiful Fund will respond to each individual request received and ship out from the Fort Belvoir warehouse the exact number and type of seeds requested by the Food Stamp offices.
- America the Beautiful fund will also supply the educational materials requested by each office for their Nutritional Educational Programs
- America the Beautiful Fund will feature this program on its website and in local and national news releases so that the media will spread the word about this innovative approach to ending hunger in America.
- America the Beautiful Fund will give National Recognition Awards each year to the most successful local projects.

Just as the Victory Gardens helped America in World War II, these seeds can help fight the war on hunger in America in the 21st Century.

FREE SEEDS

For those in need-the elderly, the poor the unemployed-this program works!

Food Stamp Programs "I am creating a workshop for children to help feed their neighboring children. During our growing season, neighboring collaborators and Chittenden Community Action will be planting vegetables and herbs to use in our free nutritional workshops. Children will be participating in these workshops and helping their neighbors with self sufficiency and growing nutritious foods."
Food Stamp Outreach-Chittenden Community Action, Burlington, VT

Meals on Wheels "I am currently residing in a complex for Mature People. Most of the residents are on housing assistance, and some receive Meals on Wheels, while others are on Food Stamps and Medicaid. The complex is willing to give us quite a large patch of dirt to grow vegetables and herbs and this would also provide better nutrition for ALL the residents."
Arlington Garden Club, Arlington, TX

Nutrition Education "The University of Maine Cooperative Extension's Limited Income Nutrition Programs would like to extend a most sincere "Thank You" to you for donating seeds to our gardening efforts. The nutrition aides of Aroostook County were instrumental in assisting both adults and children to create 30 new gardens and 2 continuing gardens. These gardens ranged from small container gardens at youth centers to large backyard gardens at private homes. All the participants were considered low-income. Staff from the local Cooperative Extension visited some of the youth gardens and answered questions. And so as we put our gardens to rest for the winter, we want to say thank you for helping to make this a successful gardening season."
UM Cooperative Extension Service, Aroostok County, ME

Master Gardeners "The Nymore community garden is a collaboration of many organizations coming together for the benefit of the community. University of Minnesota Extension, Family Nutrition Education has plots at the garden working with a summer youth program and early childhood classes. Master Gardeners through Extension give advice and training to groups who want gardens and need help. The City of Bemidji donated the land, till the soil, and supply the water for the garden. There is much work done here, however there is little money available and the community is very low income. Any help that you can give with seeds would be greatly appreciated."
Beltami Co. Extension Office, Bemidji, MN

Low Income Families "Generous Gardens is my idea for self-sufficiency in the Oak View/Casitas Springs area of Southern California. Many of the residents here are low income and very dependent on the jobs in the oil industry. Many families with children have WIC and have plenty of milk, eggs and cheese. But few can afford vegetables and fruit. Everyone in our area has a back yard. I have been able to give away many tomato, bean, and pepper seeds from my own garden, to friends and neighbors in need. I want to increase this to all of our 2 cities (6,000 people). I feel that this would greatly benefit our community."
Generous Gardens, Oak View, CA

WIC Clients "We have 3,000 clients a month come to our WIC office for their checks and I want to teach them how they can plant seeds to grow their own fresh vegetables."
WIC Coordinator, Lebanon County, PA

America the Beautiful Fund, 725 15th St. NW, Suit 605 Washington, DC 200005
(202) 638-1449 www.freeseeds.us

Food Banks "Thank you so much for your kind and generous donation of seeds to our community garden. This past season, which was our first, we were able to raise over 500 pounds of squash, lettuce, beets and carrots, as well as 400 pounds of potatoes and onions for our local food bank. Because of your generosity, we know next season will be even better."
Prineville Community Garden, Prineville, OR

The Poor "Our ministry is to the poor. We support them totally. We have a 140-acre farm and raise our own food to feed the 20-27 here and share the rest with others who are struggling. We are not state or church funded. We work to support all those who come to us in need, the people society labels as lepers."
In His Name, Rogersville, MO

Poverty Level Seniors "We gave seeds and fertilizer to the University Plaza Housing Development where many elderly people live. They grew block gardens together and thus had their own vegetables. We gave flower seeds to on 83-year-old man in a small nursing home. The staff gave him a tiny spot and it gave him a new lease on life."
Neighbors Helping Neighbors, Winston-Salem, NC

Children "We intend to have each child become aware of how much food a garden will provide, not only for their family, but to donate to our local food basket and needy neighbors."
Washington Elementary School, Bremerton, WA

Isolated Communities "We are a small group of women in North Idaho. We organized a year ago to help our community. Many people here are in finical straits. Mining, logging and lumbar, which are our principal economic activities, have been severely curtailed in the past few years. Since ours is a rural area, there are places for gardens. Because the need for food is so acute, we are asking for vegetable and herb seeds primarily, but would also like a few flower seed packet."
Careywood Community Garden, Careywood, ID

Farm Belt "You should have seen the large cabbage heads, firm tomatoes, bell peppers and all the other vegetables we grew from the seeds we got from you last year and distributed to the elderly. As long as we can get the seed from you, we will keep on growing vegetables for the needy."
Growing Together Community Garden, Lemont, IL

Rural Poor "This county is rural and among the top tem poverty counties in Oklahoma. INCA sponsors a one-acre garden project for 50 low-income families in Atoka County. This year, seasonal extremes were experienced… even so, a total of 48,088 pounds of produce was harvested by gardeners!"
INCA Community Services, Tishomingo, OK

Urban Unemployed "Our project is to help the needy plant gardens so they may be able to help them selves. These people have been referred to us for emergency food, clothing, prescriptions, ect. All are on very low incomes and some type of assistance. We are greatful for your program and so are the poor and the hungry who receive your kind gift."
Jubilee Gardens Project, Youngstown, OH

American Indians "A lot of our people are unemployed and could use the packets of vegetable seeds. The flower seeds could be used for planting around in places like the front of churches, the Indian School, reservation picnic grove, etc. Thank you for helping us in this way."
Tuscarora Indian Reservation, Niagara County, NY

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(202) 638-1649 www.freeseeds.us

Troubled Youth "Our goal and mission is to help troubled youth that have been abused, neglected, misled in a negative manor, deserted and other similar cases where kids need

direction and one on one care. We have created a program for idle hands, using domestic animals and gardening as a workable healing tool. The America the Beautiful Fund has supported our organization and its large garden project with numerous packages of vegetable seeds. It has been a blessing and has enabled us to give fresh produce to the needy and less fortunate in the Treasure Valley area of Southwestern Idaho. Last year we gave hundreds of pounds to senior lunch programs (Meals on Wheals) for home bound elderly. This year we are adding the Project Dove Organization, for battered women and children as a recipient. The America the Beautiful Fund is a wonderful program and we hope they can continue to help many people in the future."
The Pioneer Youth Ranch, Parma, ID

Food Pantry "We are requesting 200 packets of seeds for distribution to the clients who come to us needing help with food for their families. We are very successful in giving our all the seed packets we receive. We do share some of the seeds with the local cloth pantry. Thank you for your great help in helping others to grow their own vegetables."
South Tama County Food Pantry, Tama, IA

Immigrants "The Lake Worth Food Redistribution Project distributes seeds to families in the Southwest neighborhood of Lake Worth, FL. Residents of the neighborhood are largely migrants from Central America and Haiti who are challenged every day to meet the nutritional needs of their families on very limited incomes. Last year, we distributed six hundred seed packets donated by your organization. These seeds are greatly appreciated by many of the families who have emigrated from countries where they farmed for subsistence and appreciated the opportunity to grow food for their families in their new homeland, The United States of America. We find that growing plants for food, and beauty, is a joy that crosses nationalities and brings diverse people together. By linking neighborhood nutrition needs with beautification efforts, we are helping to improve the overall health of our community. We are a 100% volunteer run effort with very limited financial resources. With your help we can continue helping others."
Lake Worth Food Re-distribution, Lake Worth, FL

Nature Centers "The Children's Quilt Garden was designed to reawaken an awareness of the land and how it provides for our sustenance, both physically and emotionally. The short term goal is to sow seeds, water, weed and harvest the vegetables from the garden for the hungry. The long term goal is to develop an appreciation of the land and how it serves us if we protect and care for it."
Whittemore Wildlife Sanctuary, Clifton, NJ

Low Income Housing "I recently purchased a low-income housing apartment complex. The area we are improving is the vacant lot behind the complex. Before it was covered with rocks and weeds. We have built raised garden beds for the tenants and neighbors to grow their own vegetables. We supplied your seeds to them all and are now planting this area. It is quite gratifying to see an area that was and eyesore now give hope and optimism to people who may not have much in the first place. One of the new "Garden Stewards" came by my house to pick up some more seeds and with tears in his eyes told me this was the first garden he had ever had in his life. We had extra seeds, so I called the Northwest Housing Authority asking if they could use some, which they could. I also contacted my sister's local Girl Scout troop and they wanted to plant gardens for the church and school they hold meetings at, as well as sponsor some families with gardens. Thank you again for the grant, I will continue to spread the seeds to the needy!"
Riverview Place, Portland, OR

America the Beautiful Fund, 725 15th St. NW, Suite 605 Washington, DC 20005
(202) 638-1649 www.freeseeds.us

Community Action Agencies "Thank you for the opportunity to request free seeds through the America the Beautiful Fund. ACTION, Inc. is a non-profit organization that operates a range of human service programs in the ten county Northeast Georgia area. Major

program areas include: Head Start, Child Development, Community Services, Weatherization, and special projects. In Greene, Madison, Oglethorpe and Walton Counties, we operate gardening projects which provide free vegetable seeds and fertilizer to low income individuals and families. During the spring and summer, we provide seeds and support assistance to over 160 families. Seeds received from America the Beautiful Fund will be given to Elderly individuals and families."
ACTION, Inc., Athens, GA

Women's Clubs "The Milledgeville Junior Women's Club has conducted the Feed the Seniors Project for two years. Although we know that vegetable seeds are limited due to the great need in the Gulf Region, we are requesting to receive any if there are any to spare. Our program donates the vegetable seeds to volunteers of the Foster Grandparent & Senior Companion Programs. The programs match up low income seniors with special needs adults and children. The senior volunteers are on strict fixed incomes, mostly no more than $500 a month which must cover all living and medical expenses. The majority of the 100 volunteers on the program are African Americans who continue to have a summer garden to supplement their grocery costs. They have been very excited and grateful to receive the seeds in the past and would again be sincerely grateful to have them again. We will take any vegetable seeds you can spare for these needy seniors who give so much back to their community."
The Milledgeville Junior Women's Club, Milledgeville, GA

AARP "The Lee County Chapter of AARP will provide seeds for gardens to be planted throughout the county to provide food for the impoverished people of our county. We would like packets of vegetable seed for our Share the Food Project."
Lee County AARP, Lee County, AL

Hurricane Relief "I am writing to request seeds for The Mississippi Renaissance Garden Foundation. Our mission is to act as a base to restore green spaces for individuals involved in the recovery of Hurricane Katrina on the Mississippi Gulf Coast. All the gardens and a majority of the trees were destroyed or severely damaged not only by the hurricane, but also by the clean-up efforts. Our foundation is made up of survivors who are rebuilding and replanting our homeland. We are requesting seeds to use in the model garden we are starting and also giving away seed packets and educational assistance to schools, churches and residents of the coastal areas who are ready to plant their home or community gardens."
The Mississippi Renaissance Garden, Biloxi, MS

Daughters of the American Revolution "Thank you on behalf of the National Society Daughters of the American Revolution, Colonial Dames of the XVII Century, United Daughters of the Confederacy, National Society Daughters of 1812, The Jamestown Society, Mount Vernon Ladies Association, The American Red Cross, Korean War Commemoration, The Eisenhower Memorial Project, the Susan G. Komen Memorial Gardens, The Mission San Luis Rey, The Rancho House at Camp Pendleton and Rancho Santa Fe Federation of Republican Women who have all benefited from the free seeds from America the Beautiful Fund."
Daughters of the American Revolution, San Marcos, CA

Congressional Club "The Service Committee tries to assist members of The Congressional Club in a time of need. One of our members, Trica Lott (Mrs. Trent Lott) lost her home in Biloxi to Hurricane Katrina. Tricia said the people of South Mississippi needed our help much more than she did. Senator Trent Lott's office in Gulfport gave us the names of families who needed assistance. Over 100,000 families continue to struggle with rebuilding their lives in Gulfport alone. U-Haul generously donated a truck to carry the goods in and America the Beautiful Fund donated Seeds of Hope, seeds for vegetable and fruit gardens. The children in Pass Christian learned to garden this year at school and are very interested in helping to feed their families."
Congressional Club, Washington, DC

America the Beautiful Fund, 725 15th St. NW, Suite 605 Washington, DC 20005
(202) 638-1649 www.freeseeds.us

March 6, 2008

The Honorable Rosa L. DeLauro
United States House of Representatives
2262 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative DeLauro:

The American Commodity Distribution Association (ACDA) is extremely grateful to know that you are so very committed to the mission of providing high quality commodity foods for household nutrition assistance programs and for meals served to the 27-million school children who eat one or more meals each and everyday in school cafeterias across America.

The disturbing images that were caught on tape at Hallmark/Westland Meat Company in California are an obvious reminder that much more needs to be done to safeguard our nation's food supply. Those images also do not reflect the food safety care taken by the vast majority of food processors with each and every product they produce.

As terrible and appalling as this incident was to all of us at ACDA, we also strive to recognize the impressive things that the United States Department of Agriculture (USDA) has done, and continues to do everyday. We are concerned that some may wrongly and unfairly use the Hallmark/Westland incident to argue against USDA commodity foods for nutrition programs. This would be an unwise and unwarranted action.

The commodity foods procured by the USDA for our nation's schools and household programs are of a very high quality. The USDA also has numerous safeguards in place to ensure that the commodity foods are as safe as possible. At one time commodities were seen as being of a lesser quality and unhealthy. Thanks to the hard work and forward thinking of our allies at the USDA, all commodities now must meet a stringent list of nutritional standards. Acceptable levels of fat, calories, and cholesterol must be accomplished during commodity procurement. Students, parents, school administrators, as well as the general public, must recognize that the USDA commodity programs are administered with an on-going emphasis on quality, safety, nutrition, and acceptability.

In closing, I would again like to thank you for playing such an important role in this process. We respectfully ask that our letter be made part of the fiscal 2009 hearing record.

Sincerely,

Phillip Gambutti
President of ACDA

Statement of the American Farm Bureau Federation

Fiscal Year 2009

House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies

March 14, 2008

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The American Farm Bureau Federation has identified three general areas for increased emphasis and funding for USDA programs in the Fiscal Year 2009 agriculture spending bill. They are:

- Programs that strengthen rural communities.
- Programs that expand export markets for agriculture.
- Food safety and protection programs.

Within these categories, we would like to call your attention to specific programs deserving of your support.

Programs that Strengthen Rural Communities

Business and Industry (B&I) Direct and Guaranteed Loans finance business cooperatives and industry acquisition, construction, conversion, expansion, and repair in rural areas. Loan funds can be used to finance the purchase, and development of land, supplies and materials, and pay start-up costs of rural businesses.

Broadband Loans and Grants support acquisition and construction of broadband facilities in under-served rural areas that are currently at a disadvantage in gaining access to these newer technologies, in part, because the costs per user are higher than in more urbanized areas.

The Enhancement of Access to Broadband Service in Rural Areas program provides loans, grants, and loan guarantees to construct, improve and acquire facilities and equipment to provide broadband service to rural areas with less than 20,000 residents.

Value-Added Agricultural Production Grants provide grants to assist farmers and ranchers in creating greater value for agricultural commodities. A portion of the funding is reserved for the establishment of Agricultural Demonstration Centers, which provide training and technical assistance to new or expanding value-added agricultural enterprises.

Distance Learning and Telemedicine Loans and Grants provide financial assistance to rural community facilities, e.g., schools, libraries, hospitals and medical centers. These programs help rural schools and hospitals obtain and use advanced telecommunications for health and educational services.

Community Facility Direct and Guaranteed Loans are made for constructing, enlarging or improving essential community facilities in rural areas and towns with populations of less than 20,000. Applications for health and public safety projects receive the highest priority.

The Renewable Energy and Energy Efficiency Program offers grants, guaranteed loans and combination grant/guaranteed loans to help agricultural producers and rural small businesses purchase and install renewable energy systems and make energy efficiency improvements in rural areas.

The Resource Conservation and Development (RC&D) program supports economic development and resource protection. This program, in cooperation with rural development councils, helps local volunteers create new businesses, form cooperatives, develop marketing and agri-tourism activities, improve water quality and flood control, improve leadership and other business skills, and implement renewable energy projects.

The Revolving Fund (RFP) Grant Program helps communities acquire safe drinking water and sanitary, environmentally sound waste disposal facilities. With dependable water facilities, rural communities can attract families and businesses that will invest in the community and improve the quality of life for all residents.

Programs that Expand Export Markets for Agriculture

The Market Access Program, the Foreign Market Development Program, the Emerging Markets Program and the Technical Assistance for Specialty Crops program are effective export development and expansion programs. These programs have resulted in record increases in demand for U.S. agriculture and food products abroad.

P.L. 480 programs serve as the primary means by which the United States provides needed foreign food assistance through the purchase of U.S. commodities. In addition to providing short-term humanitarian assistance, the program helps to develop long-term commercial export markets.

The International Food for Education Program is an effective platform for delivering severely needed food aid and educational assistance.

As trade between countries increases, so too does the threat of new invasive and noxious pests that can destroy America's agricultural and natural resources. Animal Plant Health Inspection Service (APHIS) Plant Protection and Quarantine personnel and facilities, especially the plant inspection stations, are necessary to protect U.S. agriculture from costly pest problems that enter the U.S. from foreign lands.

APHIS trade issues resolution and management activities are essential for an effective response when other countries raise pest and disease concerns (i.e., sanitary and phytosanitary measures) to prohibit the entry of American products. APHIS must be active at U.S. ports and in overseas locations to monitor pest and disease conditions, negotiate trading protocols and to intervene when foreign officials wrongfully prevent the entry of American imports.

APHIS Biotechnology Regulatory Services (BRS) play an important role in overseeing the permit, notification and deregulation process for products of biotechnology. BRS personnel and activities are essential to ensure public confidence and international acceptance of biotechnology products.

Foreign Agricultural Service (FAS) staffing is needed to expand services to cover all existing and potential market posts. We urge continued support for the Office of the Secretary for cross-cutting trade negotiations and biotechnology resources.

The U.S. Codex Office is essential to developing harmonized international standards for food and food products. Codex standards provide uniformity in food rules and regulations by allowing countries to adopt similar levels of safety protection for consumers while concurrently facilitating transparency in food trade.

The Chemical Use Survey conducted by the National Agricultural Statistics Service is the only crop-complete, publicly available source of information on actual on-farm pesticide and fertilizer usage. In the 2008 and 2009 budget cycles, USDA chose to not conduct the Chemical Use Survey allegedly due to lack of adequate funding. Survey data are critically needed by public and private interests to assess real world chemical use. The data improve the accuracy and effectiveness of analysis of risk and environmental exposures, and are used to defend the safety of U.S. farm products in export markets.

Food Safety and Protection Programs

The continued safety of food is absolutely crucial to the public, production agriculture and the food industry. Agencies responsible for food safety lack the resources they need to reasonably establish safety, especially food imported from other countries. While food imports have increased about 50 percent in the past five years, the number of FDA food import inspectors has fallen about 20 percent. It is essential that the funding for the Food and Drug Administration's food protection functions be set at $812 million, $192 million more than last year.

Increased funding for USDA's Food Safety Inspection Service also is imperative. Specifically, we urge an increase to at least $952 million, up from $930 million, for FSIS with a focus on full staffing and training of inspectors. FSIS is in the midst of a 60-day enhanced surveillance program to verify and analyze humane animal handling activities in all federally inspected establishments. If the investigation determines that more welfare inspections are necessary, we support increased funding beyond the above request to hire the necessary number of additional inspection personnel.

AFBF has serious concerns about the administration's request for new user fees for inspection activities. Food safety is for the public good and as such, it is a justified use of public funds.

AMERICAN FOREST & PAPER ASSOCIATION

GROWING WITH AMERICA SINCE 1861

Statement of the American Forest & Paper Association
Bill Imbergamo, Director, Forest Policy

U.S. House Committee on Appropriations
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies

Fiscal Year 2009 Appropriations Recommendations

On behalf of the American Forest & Paper Association (AF&PA), I am pleased to submit the following testimony regarding the Fiscal Year (FY) 2009 Forest Service budget. AF&PA is the national trade association of the forest products industry, representing forest landowners, pulp, paper, paperboard, and wood products manufacturers. Our companies are in the business of producing products essential for everyday life from renewable & recyclable resources that sustain the environment. The forest products industry accounts for approximately 6 percent of the total U.S. manufacturing output and employs more than a million people with an estimated annual payroll exceeding $50 billion.

AF&PA supports the sustainable management of our nation's forests and encourages increased funding to advance forestry research, combat invasive species, and enhance food packaging innovations. The following recommendations concern FY 2009 appropriations for the U.S. Department of Agriculture.

Cooperative State Research, Education, and Extension Service (CSREES)

There is a critical need to focus resources on research and outreach that address forest productivity, wood utilization, nanotechnology, and conversion of wood to produce bioenergy/bioproducts. This practical research and outreach will advance our capacity to produce healthier, faster-growing forests and environmentally-sustainable products, and will also contribute to the stewardship of the nation's nonfederal forestlands. CSREES and its partnering universities play a key role on-the-ground in meeting this need.

- **McIntire-Stennis Cooperative Forestry Research Program:** AF&PA is concerned with the President's FY 2009 request of $19.4 million and recommends instead that the program be maintained at the FY 2008 enacted level of $24.8 million. This program is a federal-state partnership for university research on forest resources and supports cutting-edge research on forest productivity, wood utilization, and development of new technologies. AF&PA opposes the President's proposal to divert 62 percent of existing funds to competitive funding, as it would undermine

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valuable forestry research being conducted by our nation's universities. Instead, we encourage a phased approach to building in a competitive grants component to the program.

- **National Research Initiative (NRI) Competitive Grants Program:** AF&PA supports the President's request of $256 million, but with increased focus on forestry research. These grants provide a source of funding for basic and applied research on forest resources, including their management and utilization. In recent years, however, less than six percent of available funding has been allocated for forestry-related research. Given the considerable potential of the program to contribute to the nation's sustainable forestry research needs, that percentage should be increased, with specific focus on grants that support the Agenda 2020 Technology Alliance, such as the Pine Genome Initiative and nanotechnology research. Working in partnership with universities and the private sector, federal funding for the Agenda 2020 program supports research to develop and deploy wood production systems that are ecologically sustainable, socially acceptable, and economically viable, in order to enhance forest conservation and the global competitiveness of forest product manufacturing and biorefinery operations in the U.S.

- **Renewable Resources Extension Act (RREA) Program:** AF&PA recommends an increase over the President's request of $4 million. RREA provides the foundation for extension and outreach efforts delivered to private landowners through universities. Cutting-edge forestry research is of limited benefit unless it can be effectively delivered to the nation's forest landowners.

Animal and Plant Health Inspection Service (APHIS)

- **Emerging Plant Pests Program**: AF&PA encourages increased funding for this program in order to support eradication and control efforts targeting the *Sirex* woodwasp, emerald ash borer, Asian longhorned beetle, and sudden oak death pathogen. All four introduced organisms have already done significant ecological and economic damage and threaten further damage to trees in our forests and communities. Without sufficient funding to prevent movement of these insects and diseases through infested wood, nursery stock, and other materials, the economic cost could escalate to hundreds of billions of dollars. Specific funding recommendations include:

    - $5 million for Sirex woodwasp (zero was enacted in FY 2008)
    - $45 million for Emerald ash borer ($15 million over FY 2008 enacted)
    - $30 million for Asian longhorned beatle ($10 million over FY 2008 enacted)
    - $10 million for Sudden oak death ($5 million over FY 2008 enacted)

Food and Drug Administration (FDA)

- **Food Contact Notification (FCN) Program**: AF&PA urges Congress to support the FDA's proposed FY 2009 budget of $182 million for the Center for Food Safety and Applied Nutrition (CFSAN), which includes the resources needed to continue operation of the Food Contact Notification program (FCN). This highly successful program provides efficient review and timely approval of new food packaging materials and additives. New food-contact materials have enhanced the safety and security of the U.S. food supply while increasing the availability of environmentally friendly products. The elimination of the FCN program would be an enormous detriment to manufacturers seeking clearances for new food-contact materials to be introduced in the U.S. marketplace. The FCN program is essential for continued paper and paperboard food packaging innovation, and for ensuring the most effective protection of packaged foods during transportation, storage, and ultimate use by the consumer.

Conclusion

AF&PA appreciates the opportunity to provide the Subcommittee with testimony regarding the FY 2009 budget for the U.S. Department of Agriculture. If implemented, increased funding for the programs listed above will help promote the sustainable management of our nation's public and private lands and the products that are produced from these lands.

Statement of Mr. Mark Brady
President, American Honey Producers Association, Inc.
for the

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

Washington, D.C.

2008

Chairwoman DeLauro and Members of the Subcommittee, my name is Mark Brady from Waxahachie, Texas, and I currently serve as President of the American Honey Producers Association ("AHPA"). I am pleased today to submit the following statement on behalf of the AHPA, a national organization of commercial beekeepers actively engaged in honey production and crop pollination throughout the country. The purpose of this statement is bring to your attention unprecedented threats to American beekeepers and to U.S. agriculture and to request that you dedicate $20 million in new funding to expand vitally needed honeybee research through the U.S. Department of Agriculture, and its Agricultural Research Service ("ARS").

In early 2007, the National Research Council at the National Academy of Sciences characterized the beekeeping industry as having serious problems and being in "crisis mode" – a point echoed and emphasized in the USDA action plan regarding recent honeybee threats. As you know, the situation for beekeepers has only gotten worse in the past year as the still-mysterious condition known as Colony Collapse Disorder ("CCD") continues to devastate large populations of honeybees, with no imminent signs of relief. Despite extensive, coordinated work over the last year by experts from government, academia and the private sector, the causes and solutions for CCD have yet to be identified, and funding for research is running out. New funding is urgently needed to support the ARS and other USDA efforts to address CCD and other serious threats to honeybee health. In addition, new funds are required to support the private and academic sectors in their vital and groundbreaking research on CCD and other health-related challenges.

In past fiscal years, this Subcommittee has supported the beekeeping industry through funding for agricultural research activities. As you know, in the Fiscal Year 2003 cycle, the Subcommittee rejected a proposal that would have resulted in the elimination of three ARS laboratories that are indispensable to the survival of our industry. In the years since then, the Subcommittee has worked to restore proposed cuts in honeybee research. Such support has helped the ARS to address some of the most critical research needs of the industry. For this past support, the AHPA and its many members thank you sincerely.

As I speak to you today, U.S. beekeepers are facing the most extraordinary challenges. CCD is ravaging bee colonies across the United States. In 2007, some beekeepers experienced losses up to 90% of their bee populations. In 2008, preliminary surveys by USDA scientists indicate that the impact this year is likely to be even more severe. The Department's experts estimate that at least 37% of U.S. commercial honeybees are likely to fall victim to CCD in 2008. For example, one of our AHPA members with significant operations in California has already reported losses of 66% of his entire bee population.

The causes of CCD are still unknown. CCD may be caused by a complicated mix of factors, including the stresses caused by continuing infestations of mites and pests, recent imports of foreign honeybees and by the high demands of pollination services today. However, CCD's *effects* are well known. Hundreds of news articles and many in-depth media reports have chronicled a looming disaster facing American beekeepers and the producers of over 90 fruit, vegetable and fiber crops that rely on honeybee pollination.

Over the past year, Congressional leaders and the Administration have significantly underscored the priority of honeybee health through significant new authorizations in the pending Farm Bill and in proposed increases for honeybee research in the FY 2009 budget. Moreover, experts in the academic and private sectors and U.S. farm leaders have repeatedly been emphasizing the need to make research on honeybee health a much higher national priority.

All of these developments point to a reality that all of us can no longer afford to ignore – the fact that U.S. honeybee research has been substantially under funded for many years. The emergence of CCD shines a bright light on the inadequacies of current honeybee research, particularly on the lack of capacity to address new challenges and to take long-term steps to assure honeybee health. In saying this, we do not mean to diminish the vital, ongoing work of ARS and other honeybee scientists. They do their job and they do it very well. In recent years, however, honeybee research has become largely confined to four ARS laboratories. Universities and the private sector have substantially scaled back their efforts due to a lack of available funds. Moreover, ARS laboratories lack sufficient resources even for current honeybee research priorities. For example, we understand that ARS currently lacks funds even to test high priority CCD samples that ARS scientists have already collected.

To meet the needs of the American beekeeper and to stave off a pending agricultural crisis for growers and consumers, we respectfully urge the Subcommittee to appropriate $20 million in new research funds dedicated toward CCD and other honeybee health research projects. As you may know, the Senate version of the 2008 Farm Bill includes an authorization of $100 million over five years for such initiatives. A $20 million appropriation in FY 2009 would reflect that authorization, and would provide government, academic and private sector researchers with the vital resources needed to combat CCD and other emerging threats and assure long-term honeybee health. Such funding would be a prudent investment in the U.S. farm infrastructure, which, along with U.S. consumers, derives tens of billions of dollars of benefit directly from honeybee pollination.

Finally, we specifically suggest increased funding in the amount of at least $250,000 for promising honeybee genome research at the ARS laboratory in Baton Rouge. Genome research is likely to be central to resolving mysterious threats such as CCD and to ensuring bee health and productivity for generations to come.

We understand that the Administration's FY 2009 Budget would make permanent prior funding levels for certain critical honeybee research conducted at the four ARS Honeybee Research Laboratories, and would add $800,000 in new funding dedicated to combating the grave threat posed by CCD. We appreciate and support the Administration's proposal to make permanent baseline funding for the ARS research laboratories. We also support the Administration's proposal to increase funding for CCD research. However, we believe strongly that an increase in $800,000 does not come close to meeting the growing demands imposed by CCD and other threats to honeybee health. The significant authorizations for honeybee health research in both the House and Senate versions of the Farm Bill also show that the authorizing committees, as well as Congress as a whole, agree that substantial new resources are needed.

We also understand that the Administration proposes to close the Honeybee Research Laboratory in Weslaco, Texas. We respectfully but strongly oppose the Administration's proposal. The four ARS Honeybee Research Laboratories provide the first line of defense against exotic parasitic mites, Africanized bees, viruses, and brood diseases. Equally, the laboratories are needed to respond to new pests, pathogens and other conditions such as CCD that pose very serious and growing threats to the viability and productivity of honeybees and the plants they pollinate. At a time when there is an urgent need to ramp up research on honeybee health, it would be unwise to close the Weslaco facility.

Traditionally, each ARS lab has focused on specific research disciplines, resulting in expertise that is difficult if not impossible to transport to other laboratories. The Weslaco facility specializes in essential research on parasites and necessary inter-governmental cooperation exercises aimed at preventing the importation of foreign-borne diseases. Although we have been assured that the Weslaco funds would be re-distributed among the remaining three ARS laboratories, a disruption of this magnitude

runs directly counter to the current critical needs of the beekeeper industry. In 2009, we need to accelerate existing research and substantially ramp up our research capacity to address current and emerging threats. Closing Weslaco would only reduce honeybee research capacity and distract current scientists from important ongoing work.

I. The Importance of Honeybees to U.S. Agriculture

Honeybees are an irreplaceable part of the U.S. agricultural infrastructure. Honeybee pollination is critical in the production of more than 90 food, fiber, and seed crops and directly results in more than $15 billion in U.S. farm output. The role of pollination is also vital to the health of all Americans given the dietary importance of fruit, vegetables and nuts, most of which are dependent on pollination. Honeybees are necessary for the production of such diverse crops as almonds, apples, oranges, melons, blueberries, broccoli, tangerines, cranberries, strawberries, vegetables, alfalfa, soybeans, sunflower, and cotton, among others. In fact, honeybees pollinate about one-third of the human diet.

The importance of this pollination to contemporary agriculture cannot be understated. In fact, the value of such pollination is vastly greater than the total value of honey and wax produced by honeybees. More than 140 billion honeybees, representing 2 million colonies, are transported by U.S. beekeepers across the country every year to pollinate crops.

The importance of honeybees—and the U.S. honey industry which supplies the honeybees for pollination—is illustrated by the pollination of California's almond crop. California grows 100 percent of the nation's almond crop and supplies 80 percent of the world's almonds. Honeybees are transported from all over the nation to pollinate California almonds, which is the largest single crop requiring honeybees for pollination. More than one million honeybee hives are needed to pollinate the 600,000 acres of almond groves that line California's Central Valley. Thus, nearly half of the managed honey-producing colonies in the U.S. are involved in pollinating California almonds in February and March.

Many other U.S. agriculture producers require extensive honeybee pollination for their crops, including blueberry, avocado, and cotton growers. Cattle and farm-raised catfish industries also benefit from honeybee pollination, as pollination is important for growing alfalfa, which is fodder for cattle and farm-raised fish. As *OnEarth* magazine noted recently, the fate of California's almond crop rests "on the slender back of the embattled honeybee."

II. Threats to U.S. Honeybees

Since 1984, the survival of the honeybee has been threatened by continuing infestations of mites, pests and other conditions for which appropriate controls must continually be developed by scientists at the four ARS laboratories and other highly qualified research institutions. These longstanding and worsening infestations have caused great strain on the American honeybee to the point where some U.S. honey producers have felt the need—for the first time in over eighty years—to import bees from New Zealand and Australia for pollination. The strain exerted by infestations has only been exacerbated over the past two years by the emergence of CCD. Ironically, leading scientists and industry leaders have concluded that there is likely a correlation between the introduction of foreign bees and the emergence of CCD.

CCD remains a mystery to both beekeepers and scientists, and ARS researchers and other researchers will need significant new resources to determine the causes of CCD and to develop effective treatment strategies. This research is complex, as there are a wide range of factors that – either alone or in

combination – may be causes of this serious condition. Areas for research include the stress from the movement of bees to different parts of the country for extensive commercial pollination, the additional stress of pollinating crops, such as almonds, that provide little honey to the bees, and the impact of certain crop pesticides and genetic plants with altered pollination characteristics. Additionally, continuing infestations of the highly destructive Varroa mite, combined with other pests and mites, are also thought to compromise the immune systems of bees and may leave them more vulnerable to CCD. At the same time, researchers will need to focus on the many reported instances in which otherwise healthy, pest-free, stationary bee colonies are also suffering collapse or problems with reproduction.

III. Ongoing and New Critical Research

AHPA, others in the industry, and leading scientists believe that an important contributing factor in the current CCD crisis is the longstanding, substantial under funding of U.S. bee research. In recent years, the Federal Government has spent very modest amounts at each ARS Honeybee Research Laboratory — for a sector that directly contributes $15 billion per year to the U.S. farm economy. Worse still, funding amounts have not been increased to account for growing bee health concerns. USDA honeybee researchers remain under funded. As noted above, current funding shortages have caused important CCD-related bee samples to go untested. Additionally, despite their ability to provide significant and innovative new research on emerging bee threats, researchers in the academic and private sectors also lack the necessary financial resources for these vital tasks. With the emergence of CCD, there is a serious gap between the threats faced by U.S. honeybees and the capacity of our researchers to respond. Closing this gap will require significant new resources. It is estimated that each new scientist, technician and the support materials that they need will cost an additional $500,000 per year.

To address these challenges, the AHPA respectfully requests an appropriation in FY 2009 of at least $20 million to be dedicated to combat CCD and conduct other essential honeybee research. We recommend that such funding be allocated consistent with the authorizations provided in the 2008 House and Senate Farm Bills. It is particularly noteworthy that, of all the "high priority" items listed in the Senate Farm Bill, honeybee health research was the only item provided with a dedicated authorization amount. Accordingly, the AHPA strongly supports Senator Tim Johnson's request that the Subcommittee make significant dedicated allocations for honeybee research, including $5.64 million to ARS facilities (no less than $3.08 million of which should be designated for research at the four ARS Honeybee Research Laboratories), $1.79 million to an ARS Area Wide CCD Research Program divided evenly between the Beltsville, MD and the Tucson, Arizona research laboratories, $10.26 million to the Cooperative State Research, Education, and Extension Service ("CSREES") to support governmental, academic and private sector research, and $2.31 million to the Animal and Plant Health Inspection Service. Together, we believe that this funding would represent an appropriate commitment to existing research and provide the infusion of necessary new funds to combat CCD and assure the long-term health of U.S. honeybee colonies.

Since the beekeeping industry is too small to support the cost of needed research, publicly-funded honeybee research by the four ARS bee laboratories is absolutely key to the survival of the U.S. honey and pollination industry. For example, the pinhead-sized Varroa mite is systematically destroying bee colonies and prior to CCD was considered the most serious threat to honeybees. Tracheal mites are another contributing factor to the loss of honeybees. Tracheal mites infest the breathing tubes of adult honeybees and also feed on the bees' blood. The mites essentially clog the bees' breathing tubes, blocking the flow of oxygen and eventually killing the infested bees.

The industry is also plagued by a honeybee bacterial disease that has become resistant to antibiotics designed to control it, and a honeybee fungal disease for which there is no known treatment. These pests and diseases, especially Varroa mites and the bacterium causing American foulbrood, are now resistant to chemical controls in many regions of the country. Further, we have seen that these pests are building resistance to newly-developed chemicals more quickly than in the past, thereby limiting the longevity of chemical controls.

As previously mentioned, the cause or causes of CCD are unknown. Thus, pest, viral and bacterial disease research takes on added significance. First, pest, viral and bacterial disease research may itself provide insight into the discovery of CCD's root causes. Second, whether pests and bacterial diseases are directly a factor in CCD or not, they nonetheless continue to threaten bee population health and vitality. Given CCD's particularly devastating impact on bee populations, even greater emphasis must be placed on mitigating known threats in order to achieve the overall goal of ensuring adequate honey production and pollination capacity.

In addition to pest and bacterial disease research, the sequencing of the honeybee genome in 2006 at Baylor University has opened the door to creating highly effective solutions to bee health and population problems via marker-assisted breeding. Marker-assisted breeding would permit the rapid screening of potential breeders for specific DNA sequences that underlie specific desirable honeybee traits. The sequenced honeybee genome is the necessary key that will allow scientists to discover the important DNA sequences.

Because of the sequenced honeybee genome, it is now possible to apply molecular biological studies to the development of marker-assisted breeding of honeybees. Marker-facilitated selection offers the first real opportunity to transform the beekeeping industry from one that has been dependent upon a growing number of expensive pesticides and antibiotics into an industry that is free of chemical inputs and that is economically viable in today's competitive global marketplace. Additionally, this new sequencing capacity may prove central to identifying both the causes of and solutions to CCD. New pathogens have recently been identified in the United States that are thought to be associated with CCD. Genetic research can be utilized to determine whether a comparative susceptibility to such pathogens exists among various bee populations, and if so, can serve to facilitate breeding with enhanced resistance.

The ARS Honeybee Research Laboratories work together to provide research solutions to problems facing businesses dependent on the health and vitality of honeybees. The key findings of these laboratories are used by honey producers to protect their producing colonies and by farmers and agribusinesses to ensure the efficient pollination of crops. Each of the four ARS Honeybee Research Laboratories (which are different in function from the ARS Wild Bee Research Laboratory at Logan, Utah) focuses on different problems facing the U.S. honey industry and undertakes research that is vital to sustaining honey production and assuring essential pollination services in this country. Furthermore, each of the four ARS Honeybee Research Laboratories has unique strengths and each is situated and equipped to support independent research programs which would be difficult, and in many cases impossible, to conduct elsewhere. Given the multi-factor research capacity needed to address the scourge of CCD, it is important that each research laboratory is permitted to continue and expand upon their unique strengths.

And while to date the four ARS Research Laboratories have been the backbone of American Honeybee research, we do not believe that those four facilities alone--even when fully funded--will have the capacity to meet today's research needs. This is why last year, after analyzing the new and serious threats to U.S. honeybees, Congress, representatives of the farm sector and leading researchers developed the research priorities that were incorporated into both the House and Senate versions of the Farm Bill and

in separate House and Senate pollination legislation. In addition to increased resources for ARS research, these experts pressed for new funding, through CSREES, for government, academic and private sector research. They also urged new bee surveillance programs through the Animal and Plant Health Inspection Service to address the alarming lack of accurate information about the condition of U.S. bee colonies.

One particularly effective way of adding needed capacity and innovative expertise in the effort to ensure honeybee health would be to reinvigorate private sector and university bee research initiatives. For many years, these sectors played a vital role in honeybee research, and many leading universities have significant bee research capabilities. In recent years, non-federal agency research has substantially declined due to a lack of support for such initiatives. Funding the 2008 Farm Bill authorization of $10.26 million for the Department of Agriculture's Cooperative State Research, Education, and Extension Services (CSREES) would go a long way toward achieving this goal.

CSREES is tasked with advancing knowledge for agriculture by supporting research, education, and extension programs. Funds may be channeled through the Department to researchers at land-grant institutions, other institutions of higher learning, federal agencies, or the private sector. The requested funding for CSREES would provide important flexibility in allocating badly needed federal dollars among government, private sector and university researchers. The recipients would provide more widespread research on honeybee biology, immunology, ecology, and genomics, pollination biology, and investigations into the effects on honeybees of potentially harmful chemicals, pests, other outside influences, and genetically modified crops. The result of such funds would be to ensure flexible financing with a comprehensive plan for battling CCD, pests, and other ongoing and future honeybee threats.

Additionally, the same coalition of experts identified a need for a honeybee pest and pathogen surveillance program. Although significant data exists on American honey production, comparably less and lower quality data exists on beekeepers and bees. Providing $2.31 million under the 2008 Farm Bill authorizations to the Animal and Plant Health Inspection Service at the Department of Agriculture would allow the Department to utilize such data to better respond to pest and disease outbreaks, and to compile data that may better enable prediction of new threats. Given the roughly $15 billion added to the U.S. farm economy each year by honeybees, this is certainly a worthwhile investment in the honeybee and pollinator industry.

IV. Conclusion

In conclusion, we wish to thank you again for your past support of honeybee research and for your Subcommittee's understanding of the critical importance of these ARS laboratories.

By way of summary, the American Honey Producers Association strongly encourages at least $20 million in new funding for CCD and other honeybee research spread among the four ARS Honeybee Research Laboratories, other ARS research facilities across the country, the Cooperative State Research, Education, and Extension Service at the Department of Agriculture, and the Animal and Plant Health Inspection Service. In addition, AHPA opposes the proposed closure of the Weslaco ARS research laboratory, and supports the Administration's proposal to make permanent baseline funding levels at each of the ARS Honeybee Research Laboratories. Finally, AHPA specifically requests an increase of $250,000 for the genome research project at the ARS Baton Rouge Honeybee Research Laboratory.

Only through critical research can we have a viable U.S. beekeeping industry and continue to provide stable and affordable supplies of bee-pollinated crops, which make up fully one-third of the U.S. diet. I would be pleased to provide answers to any questions that you or your colleagues may have.

C. V. for
Mark Brady
3307 Sanger Creek Way
Waxahachie, TX 75165
TEL. 214-356-6791, FAX 972-937-2002

Below is a curriculum vitae for Mr. Brady.

I began working for a beekeeping family while in high school and continued to do so after graduation. In 1975, I started my own business with the purchase of approximately 1,200 bee colonies.

Currently, I own and operate about 6,000 colonies with six full time employees and will expand this year to 9,000 colonies. We operate primarily in Texas and Nebraska with a main warehouse in Liberty, Texas, about 40 miles east of Houston, and provide about 4,000 colonies to pollinate California almonds.

I have lived in Waxahachie, Texas my entire life. I am married with one child.

I have served in the following organizations.

Current President of the American Honey Producers Association.
Served on the Executive Board of American Honey Producers Association for 7 years.
Member of American Honey Producers Association for 20 years.
Vice President of American Honey Producers Association for two years.
President of Texas Beekeepers Association for three years.
Executive Board of the Texas Beekeepers Association for 15 years.

STATEMENT OF THE AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM
SUBMITTED TO THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS -- SUBCOMMITTEE ON
AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

March 26, 2008

Mr. Chairman and Members of the Subcommittee, on behalf of the American Indian Higher Education Consortium (AIHEC) and the 31 Tribal Colleges and Universities (TCUs) that comprise the list of 1994 Land Grant Institutions, thank you for this opportunity to share our funding requests for Fiscal Year 2009 (FY09).

This statement is presented in three parts: a) a summary of our FY09 funding recommendation, b) a brief background on Tribal Colleges and Universities, and c) an outline of the 1994 Tribal College Land Grant Institutions' plan for using our land grant programs to fulfill the agricultural potential of American Indian communities, and to ensure that American Indians have the skills and support needed to maximize the economic development potential of their resources.

I. Summary of Requests

We respectfully request the following funding levels for FY09 for our land grant programs established within the USDA Cooperative State Research, Education, and Extension Service (CSREES) and the Rural Development mission area. In CSREES, we specifically request: $5.0 million for the 1994 Institutions' competitive extension grants program; $3.0 million for the 1994 Institutions' competitive research grants program; $3.342 million for the higher education equity grants; $12 million payment into the Native American endowment fund; and in the Rural Development - Rural Community Advancement Program (RCAP), that $5.0 million be provided for each of the next five fiscal years for the TCU Essential Community Facilities Grants Program. RCAP grants help to address the critical facilities and infrastructure needs at the colleges to increase our capacity to participate fully as land grant partners.

II. Background on Tribal Colleges and Universities

The first Morrill Act was enacted in 1862 specifically to bring education to the people and to serve their fundamental needs. Today, over 140 years after enactment of the first land grant legislation, the 1994 Land Grant Institutions, as much as any other higher education institutions, exemplify the original intent of the land grant legislation, as they are truly community-based institutions.

The Tribal College Movement was launched 40 years ago with the establishment of Navajo Community College, now Diné College, serving the Navajo Nation. Rapid growth of TCUs soon followed, primarily in the Northern Plains region. In 1972, six tribally controlled colleges established the American Indian Higher Education Consortium to provide a support network for member institutions. Today, AIHEC represents 36 Tribal Colleges and Universities - 31 of which comprise the current list of 1994 Land Grant Institutions located in 11 states. However, in FY09, the 1994 Institutions expect to welcome another AIHEC member institution, Ilisagvik College in Barrow, AK as the 32nd tribal college (1994) land grant institution. Our institutions were created specifically to serve the higher education needs of American Indian students. They serve many thousands of Indian full- and part-time students and community members from over 250 federally recognized tribes.

The 1994 Land Grant Institutions are accredited by independent, regional accreditation agencies and like all institutions of higher education, must undergo stringent performance reviews to retain their accreditation status. TCUs serve as community centers by providing libraries, tribal archives, career centers, economic development and business centers, public meeting places, and child and elder care centers. Despite their many obligations, functions, and notable achievements, TCUs remain the most poorly funded institutions of higher education in this country. Most of the 1994 Land Grant Institutions are located on federal trust territory. Therefore, states have no obligation, and in most cases, provide no funding to TCUs. In fact, most states do not even provide funds to our institutions for the non-Indian state residents attending our colleges, leaving the TCUs to assume the per student operational costs for non-Indian students enrolled in our institutions, accounting for approximately 20 percent of our student population. This is a significant financial commitment on the part of TCUs, as they are small, developing institutions and cannot, unlike their state land grant partners, benefit from economies of scale – where the cost per student to operate an institution is reduced by the comparatively large size of the student body.

As a result of 200 years of federal Indian policy—including policies of termination, assimilation and relocation—many reservation residents live in conditions of poverty comparable to those found in Third World nations. Through the efforts of Tribal Colleges and Universities, American Indian communities are availing themselves of resources needed to foster responsible, productive, and self-reliant citizens. It is essential that we continue to invest in the human resources that will help open new avenues to economic development, specifically through enhancing the 1994 Institutions' land grant programs, and securing adequate access to information technology.

III. 1994 Land Grant Programs—Ambitious Efforts to Reach Economic Development Potential

In the past, due to lack of expertise and training, millions of acres on our reservations lie fallow, under-used, or have been developed through methods that have caused irreparable damage. The Equity in Educational Land Grant Status Act of 1994 is addressing this situation and is our hope for future advancement.

Our current land grant programs remain small, yet very important to us. It is essential that American Indians explore and adopt new and evolving technologies for managing our lands. With increased capacity and program funding, we will become even more significant contributors to the agricultural base of the nation and the world.

Competitive Extension Grants Programs: The 1994 Institutions' extension programs strengthen communities through outreach programs designed to bolster economic development; community resources; family and youth development; natural resources development; agriculture; as well as health and nutrition education and awareness.

In the FY08, $3,298,000 was appropriated for the 1994 Institutions' competitive extension grants. Although initially appropriated at the same level as FY07, due to the perennial across-the-board rescission now routinely imposed, our programs have a decreased baseline each year. Without adequate funding, 1994 Institutions' ability to maintain existing programs and to respond to emerging issues such as food safety and homeland security, especially on border reservations, is severely limited. Increased funding is needed to support these vital programs designed to address the inadequate extension services that have been provided to Indian reservations by their respective state programs. It is important to note that the 1994 extension program does not duplicate the Federally Recognized Tribes Extension Program, formerly the

Indian Reservation Extension Agent program. 1994 Tribal College Land Grant programs are very modestly funded. The 1994 Tribal College Land Grant Institutions have applied their ingenuity for making the most of every dollar they have at their disposal by leveraging funds to maximize their programs whenever possible. Some examples of 1994 extension programs include: United Tribes Technical College in North Dakota is providing health and wellness education and outreach to students and their families, with a focus on ensuring that young mothers understand the importance of good early childhood nutrition. Lac Courte Oreilles Ojibwa Community College in Wisconsin is strengthening the household economies of local reservation communities by offering financial education curriculum in managing budgets, saving for the future, and understanding the credit basics. These are just two examples of the innovative programs being conducted at 1994 Institutions. *To continue and expand these successful programs, we request that the Subcommittee support this competitive program by appropriating $5.0 million to sustain the growth and further success of these essential community-based extension programs.*

1994 Competitive Research Program: As the 1994 Tribal College Land Grant Institutions enter into partnerships with 1862/1890 land grant institutions through collaborative research projects, impressive efforts to address economic development through land use have emerged. The 1994 Research program illustrates an ideal combination of federal resources and tribal college-state institutional expertise, with the overall impact being far greater than the sum of its parts. We recognize the severe budget constraints under which Congress is currently functioning. However, $1,533,000 appropriated in FY08 is grossly inadequate to develop capacity and conduct necessary research at our institutions. The 1994 Research program is vital to ensuring that TCUs may finally be recognized as full partners in the nation's land grant system. Many of our institutions are currently conducting applied research, yet finding the resources to conduct this research to meet their communities' needs is a continual challenge. This research authority opens the door to new funding opportunities to maintain and expand the research projects begun at the 1994 Institutions, but only if adequate funds are secured and sustained. A total research budget of $1,533,000, for which 31 institutions compete for funding, is clearly inadequate. Priority issue areas currently being studied at 1994 Institutions include: sustainable agriculture and/or forestry; biotechnology and bioprocessing; agribusiness management and marketing; plant and animal breeding and aquaculture (including native plant preservation for medicinal and economic purposes); human nutrition (including health, obesity, and diabetes); and family, community, and rural development. Two examples include: The College of Menominee Nation in Wisconsin is collecting and analyzing data concerning forest health and sustainability that will help its tribal forest managers meet the growing demand for forest products while protecting the woodlands environment for future generations. Fort Berthold Community College in North Dakota is conducting agricultural trials to determine the economic feasibility of local Juneberry production. Juneberries are an important source of nutrition in many tribal communities. These are two examples of 1994 Research projects. *We strongly urge the Subcommittee to fund this program at a minimum of $3.0 million to enable our institutions to develop and strengthen their research capacity.*

1994 Institutions' Educational Equity Grant Program: This program is designed to assist 1994 Tribal College Land Grant Institutions with academic programs. Through the modest appropriations first made available in fiscal year 2001, the TCU Land Grant Institutions have begun to support courses and to conduct planning activities specifically targeting the unique needs of their respective communities.

The 1994 Institutions have developed and implemented courses and programs in natural resource management; environmental sciences; horticulture; forestry; and food science and nutrition. This last category is helping to address the epidemic rates of diabetes and cardiovascular disease that plague American Indian reservations. If more funds were available through the Educational Equity Grant Program,

Tribal College Land Grant Institutions could devote more of their endowment yield dollars to supplement other facilities projects needed to address their continuing and often critical infrastructure needs. *We request that the subcommittee appropriate $3,342,000 – returning the program funding level to the pre-across-the-board rescission level that was once again imposed on non-defense appropriated funding - to allow the 1994 Tribal College Land Grant Institutions to build upon their courses and successful activities that have been launched.*

Native American Endowment Fund: Endowment installments that are paid into the 1994 Tribal College Land Grant Institutions' account remain with the U.S. Treasury. Only the annual interest yield, less the USDA's administrative fee, is distributed to the institutions. The FY06 gross annual interest yield for the 1994 Institutions Endowment was $3,249,613, and after the USDA's administrative fee of $129,985 was deducted; $3,119,628 was available for distribution to the eligible 1994 Tribal College Land Grant Institutions by statutory formula. While we have not yet been provided the latest interest yield (FY07) and breakdown of funds to be distributed to each of the 1994 institutions, last year USDA's administrative fee amounted to a payment that was larger than the amount paid to 75 percent of the 1994 Tribal College Land Grant Institutions. After the distribution amounts are determined for this year's disbursement, we fully expect similar results. We respectfully ask that the Subcommittee review the Department's administrative fee and consider reducing it for this program, so that more of these already limited funds can be utilized by the 1994 Tribal College Land Grant Institutions to conduct vital community based programs.

Just as other land grant institutions historically received large grants of land or endowments in lieu of land, this endowment assists 1994 Tribal College Land Grant Institutions in establishing and strengthening their academic programs in such areas as curriculum development, faculty preparation, instruction delivery, and to help address critical facilities and infrastructure issues. Many of the colleges have used the endowment in conjunction with the Education Equity Grant funds to develop and implement their academic programs. As earlier stated, TCUs often serve as primary community centers and although conditions at some have improved substantially, many of the colleges still operate under less than satisfactory conditions. In fact, most of the TCUs continue to cite improved facilities as one of their highest priorities. Several of the colleges have indicated the need for immediate new construction and substantial renovations to replace buildings that have long exceeded their effective life spans and to upgrade existing facilities to address accessibility and safety concerns.

Endowment payments increase the size of the corpus held by the U.S. Treasury and thereby increase the annual interest yield disbursed to the 1994 Tribal College Land Grant Institutions. These additional funds would continue to support faculty and staff positions and program needs within 1994 agriculture and natural resources departments, as well as to help address the critical and very expensive facilities needs at these institutions. Currently, the amount that each college receives from this endowment is not adequate to address both curriculum development and instruction delivery, and completely insufficient to address the necessary facilities and infrastructure projects at these institutions. In order for the 1994 Tribal College Land Grant Institutions to become full partners in this nation's great land grant system, we need and, through numerous treaty obligations, are due the facilities and infrastructure necessary to fully engage in education and research programs vital to the future health and well being of our reservation communities. *We respectfully request the subcommittee fund the FY09 endowment payment at $12.0 million – returning the payment amount to the pre across-the-board rescission level imposed each year on non-defense appropriated funding.*

Rural Community Advancement Program (RCAP): In FY08, $4.0 million of the RCAP funds appropriated for loans and grants to benefit federally recognized American Indian tribes were targeted for essential community facility grants for TCUs. This is a decrease of $414,000 from the FY07 funding level. Currently, this program requires that the TCU Essential Community Facilities Grants be subject to the Rural Development graduated scale for determining each institution's share of non-federal matching funds. The scale dictates the TCU share to be 25, 45, 65, or 85 percent of the grant award. At a minimum, a TCU has to pay a non-federal match of 25 percent of the grant. Tribal colleges are chartered by their respective tribes, which are in a government-to-government relationship with the federal government. Due to this relationship, tribal colleges have very limited access to non-federal dollars making non-federal matching requirements a significant barrier to our colleges' ability to compete for these much needed funds. The 2002 Farm Security and Rural Investment Act (Public Law 107-171) included language limiting the non-federal match requirement for the Rural Cooperative Development Grants to no more than 5 percent in the case of a 1994 institution. We seek to have this same language applied to the TCU Essential Community Facilities grants so that more 1994 Institutions are able to participate in this much needed program. *We urge the Subcommittee to designate $5.0 million each year of the next five fiscal years to afford the 1994 Institutions the means to aggressively address critical facilities needs, thereby allowing them to better serve their students and respective communities. Additionally, we request that Congress include language directing the agency to limit the non-federal matching requirement for this program to not more than 5 percent, to help all of the1994 land grant institutions to effectively address critical facilities and construction issues in their communities.*

IV. Conclusion

The 1994 Land Grant Institutions have proven to be efficient and effective vehicles for bringing educational opportunities to American Indians and the promise of self-sufficiency to some of this nation's poorest and most undeveloped regions. The modest federal investment in the 1994 Tribal College Land Grant Institutions has already paid great dividends in terms of increased employment, education, and economic development. Continuation of this investment makes sound moral and fiscal sense. American Indian reservation communities are second to none in their potential for benefiting from effective land grant programs and, as earlier stated, no institutions better exemplify the original intent of the land grant concept than the 1994 Land Grant Institutions.

We appreciate your support of the 1994 Tribal College Land Grant Institutions and their role in the nation's land grant system and we ask you to renew your commitment to help move our students and communities toward self-sufficiency. We look forward to continuing our partnership with you, the U.S. Department of Agriculture, and the other members of the nation's land grant system—a partnership with the potential to bring equitable educational, agricultural, and economic opportunities to Indian Country.

Thank you for this opportunity to present our funding proposals to the subcommittee. We respectfully request your continued support and full consideration of our Fiscal Year 2009 appropriations recommendations.

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Statement before the Subcommittee on
Agriculture, Rural Development,
Food & Drug Administration and Related Agencies
Committee on Appropriations
United States House of Representatives

FY2009 USDA Budget

March 26, 2008

The American Nursery & Landscape Association (ANLA) and the Society of American Florists (SAF) welcome this opportunity to present the nursery and floriculture industry's views regarding the U.S. Department of Agriculture's (USDA) budget for the 2009 fiscal year (FY2009). ANLA and SAF are the national trade associations for the nursery/landscape and the floriculture industries, known collectively as *environmental horticulture*. As described below, we request a total of $8.5 million in the ARS base budget for the Floriculture & Nursery Research Initiative. We also request a total of $12 million for the IR-4 program, and increases to the APHIS and NASS budgets significantly over the amounts requested by the Administration in its budget proposal, as outlined below.

ANLA is the national trade organization representing the U.S. nursery and landscape industry. ANLA represents 2,500 production nurseries, landscape firms, retail garden centers and horticultural distribution centers, and the 16,000 additional family farm and small business members of the state and regional nursery and landscape associations. Domestically, ANLA members are estimated to produce about 75 percent of the nursery and greenhouse crops moving in domestic commerce in the U.S. that are destined for landscape use. Members also produce various plants used in the commercial production of tree and small fruits.

SAF is the national trade association representing the entire floriculture industry, a $19 billion component, at retail, of the U.S. economy. Membership includes some 10,000 small businesses, including growers, wholesalers, retailers, importers and related organizations, located in communities nationwide and abroad. The industry produces and sells cut flowers and foliage, foliage plants, potted flowering plants, and bedding plants, which compete in the international marketplace.

ECONOMIC SIGNIFICANCE OF THE ENVIRONMENTAL HORTICULTURE INDUSTRY

Our industries represent a vibrant, fast-growing part of American agriculture. According to the USDA's National Agricultural Statistics Service (NASS), *the nursery and greenhouse industry remains one of the fastest growing agricultural sectors.* Floriculture and nursery crops are the third-largest domestic crop in value, ahead of wheat, tobacco and cotton, and outranked only by corn and soybeans.[1] Nursery and floriculture crops represent about 15 percent of total U.S. crop receipts, and comprise nearly $15 billion of the U.S. farmgate economy. They are produced in every state in the U.S. However, although nursery farms can be profitable, they are often more capital intensive than other agricultural operations, and are very labor intensive given the thousands of different plant species and the wide-ranging sizes in which they are grown. Thus, the continued support of USDA programs related to specialty crops, and in particular, to floriculture and nursery crops, is extremely important to our industry.

[1] Fruits, Nuts and Berries are aggregated statistically but are not practically thought of as a single industry.

AGRICULTURAL RESEARCH SERVICE (ARS)
Floriculture and Nursery Research Initiative

The Society of American Florists (SAF) and the American Nursery and Landscape Association (ANLA), representing the U.S. floral and nursery industry, worked with USDA's Agricultural Research Service (ARS) to develop a detailed $21 million proposal establishing the "Floriculture and Nursery Research Initiative." The Initiative was first funded in FY1999 and has increased over the past nine years to its current annual funding level of $6.25 million in the ARS base budget. **We ask for an increase of $2.25 million to the FY 2009 USDA-ARS FY 2009 base budget, for a total of $8.5 million devoted to the Initiative.**

The Initiative's priorities focus on research needs of national importance to the industry and are consistent with those in the Administration's proposed FY 2009 ARS Budget:

- **Improved product quality to enhance competitiveness**
- **Improved crop production tools**
- **Improved protection against pests and diseases**
- **Environmental stewardship**

Current Status:

Currently, $6.25 million dollars per year are included in the ARS base budget for Floriculture and Nursery Research Initiative research projects specifically designed to support ARS research priorities and meet industry needs. Funds which are appropriated to the Initiative are divided among university and ARS researchers, often working in collaboration.

ARS and the industry are proud of our partnership, which has produced significant benefits in its nine years of existence. It has changed the face of floriculture and nursery research in this country, upon which the industry and its economy depend. Continued support is essential so this crucial research will not be diminished nor on-going projects invalidated before results can be realized.

Background:

The industry's privately funded foundations spend over $1 to $3 million per year on research. However, the federal government has an appropriate role in partnering with industry to support research that addresses challenges to the floriculture and nursery industry.

The federal funding has added valuable new leverage. ARS researchers, working collaboratively with university horticultural researchers and with private industry-funded research projects, have leveraged research to achievements beyond what they could have accomplished individually. In tight fiscal times, the Initiative has a proven record of return on investment.

The Initiative will benefit *both* the industry and U.S. society by:

- **Improved product quality to enhance competitiveness of U.S. producers** through improved nursery and floral products and production and through products mitigating environmental concerns.
- **Improved crop production tools,** including mechanization, to reduce labor needs and increase productivity; development of "best management practices" to protect crops and the environment against pests and diseases and improve quality; and improved germplasm, leading to pest and disease-resistant varieties, higher consumer demand, and maintaining biodiversity.
- **Improved protection against pests and diseases**, including those imported as a result of increased global trade: *P. ramorum* ("Sudden Oak Death"), *Ralstonia*, and others cause great economic and environmental damage.
- **Enhanced environmental stewardship,** including research leading to reduced use of chemicals, increased biological pest controls, environmental remediation, reduced runoff, use of byproducts and more sustainability in use of materials and waste products, and research on invasives.
- **Strengthening U.S. rural and suburban economies** by providing better technologies to growers across the U.S.
- **Enhancing Americans' quality of life**. Plants and flowers benefit peoples' lives in inner-city, suburban, and rural environments across America.

IR-4 PROGRAM

Growers need access to an array of safe and effective pest management tools. The Interregional Project #4 (IR-4) is a cooperative federal/state research effort that supports pesticide registrations and availability of chemicals for the so-called "minor uses," including the nursery and greenhouse industry and a variety of fruit and vegetable crops. These so-called minor uses involve too small a potential market for many pesticide registrants to have the economic incentive to register and label them. IR-4 is placing most emphasis on new, reduced risk pesticides and biopesticides. IR-4's work is critical to the industry coping with lost pesticide registrations as reregistration and Food Quality Protection Act implementation continue.

On December 26, 2007, the President signed the Consolidated Appropriations Act, 2008, including an $11,368,000 budget for the IR-4 program. This amount is after a 0.7 percent government-wide rescission, and represents a $700,000 increase over the 2007 budget. That increase enabled IR-4 to carry out its mission without any cutbacks or elimination in programs.

Unfortunately, however, the Administration's proposal of $10.3 million for the IR-4 program fails, as it has continually failed, to recognize the importance of this program to the specialty crops industries. In FY 2002, the IR-4 program was funded at $10.6 million – yet the administration has continued, year after year, to request funding in the neighborhood of $10.3 million – not even keeping up with inflation and increased research costs.

SAF and ANLA request $12 million in FY2009 funding for the IR-4 program, the amount provided in last year's Senate markup. Given the huge needs faced by all minor crop uses, IR-4 has the capacity to expand the program to a funding level of $12 million if Congress sees fit to augment the Administration proposal.

Particularly for the ornamentals industry, the IR-4 program has, over the past three to four years, taken on an increasing role not just in registering chemicals, but also in addressing the increased influx of invasive pests which are coming into this country as international trade increases. The IR-4 activities in addressing the new biotype of whitefly, *Bemisia tabaci*, are just one case in point. IR-4's collaboration with the Task Force (including federal and state government representatives, industry leaders, and a team of expert scientists) was key in the success of averting a potential crisis not just for specialty crops, but also for the cotton industry in the U.S. had the new biotype proliferated. That kind of increased cooperation and collaboration leverages the IR-4 budget, as well as the other funds devoted to such an effort. It represents an excellent example of why IR-4 is such an important program for our industry.

USDA ANIMAL & PLANT HEALTH INSPECTION SERVICE (APHIS)

Invasive species including plant pests cause significant economic and environmental harm. Yet APHIS budget fails to keep up with its heavily increased responsibilities. Of equal importance is the need for increases not targeted to priority pests, but rather toward the overarching increase in APHIS responsibilities as our global trade increases. *Despite the threat that agricultural pests and diseases pose to U.S. agriculture, APHIS budget has not kept up. Plant pests alone jeopardize U.S. agriculture ranging from citrus production in Florida to winemaking in California. APHIS budget must significantly increase. Adequate funding must be made available for emergency responses to as yet unknown introductions or outbreaks of pests and diseases. In addition, monies must be provided to allow for phytosanitary research on ongoing or immediately foreseeable pest emergencies.* We request an increase of at least $52 million to the APHIS budget as proposed by the Administration.

In the President's budget, APHIS Plant Protection and Quarantine Emerging Plant Pests program is allocated at $145 million for FY 2009. Incorporated into this proposed increase is funding for top-priority pests, including Asian Longhorned Beetle, Emerald Ash Borer, *Phytophthora* ramorum, and the Sirex woodwasp. However, the proposed levels are below that needed to contain these pests and must be increased, as must funding for other programs included in APHIS' Pest and Disease Management budget. That total budget, estimated at $365 million for FY 2008, is proposed actually to decrease for 2009, to $330 million. We request that the budget for the Pest and Disease Management Program be increased, to $370 million. Similarly, the AQI line item, which the President proposes at $27 million, must be increased to at least $35 million. And finally, APHIS' Pest Detection activities should be increased beyond the proposed $31 million, to at least $35 million.

NATIONAL AGRICULTURAL STATISTICS SERVICE

The Administration proposed a budget for NASS of $153 million. We request an increase of at least $10 million, which should enable NASS to continue (or re-start) several surveys of extreme importance to our industry: the Chemical Use Survey, the Horticultural Crops Specialty Survey, the Nursery Crops Survey, and the Floriculture Crops Survey.

American Lamb Council

American Sheep Industry Association, Inc.
www.sheepusa.org

American Wool Council

Statement of Burdell Johnson

President of the

AMERICAN SHEEP INDUSTRY ASSOCIATION

Before the

U.S. HOUSE of REPRESENTATIVES

APPROPRIATIONS SUBCOMMITTEE on

AGRICULTURE, RURAL DEVELOPMENT, FDA & RELATED AGENCIES

March 4, 2008

The American Sheep Industry Association (ASI) is a federation of state member associations representing 70,000 sheep producers in the United States. The sheep industry views numerous agencies and programs of the U.S. Department of Agriculture as important to lamb and wool production. Sheep industry priorities include expanding sheep operations and inventory by strengthening the infrastructure of the industry primarily through the programs of USDA, APHIS, Veterinary Services and Wildlife Services, as well as targeted research and education being critical. The industry and the benefits to rural communities will be strengthened by fully funding critical predator control activities, national animal health efforts, and expanding research opportunities.

We appreciate this opportunity to comment on the USDA FY 2009 budget.

ANIMAL and PLANT HEALTH INSPECTION SERVICE (APHIS)

Scrapie

The American Sheep Industry Association believes that the Administration's request of $17.487 million is an inadequate level of funding if scrapie eradication is to be achieved in the reasonably near future. ASI urges the subcommittee to increase the funding for scrapie eradication by at least $11.2 million beyond the Administration's request for a total of $28.687 million in fiscal year 2009.

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Scrapie is one of the families of transmissible spongiform encephalopathies (TSEs), all of which are the subject of great importance and interest around the globe. USDA/APHIS, along with the support and assistance of the livestock and allied industries, began an aggressive program to eradicate scrapie in sheep and goats four years ago. The plan USDA/APHIS is implementing is designed to eradicate scrapie by 2010. Through a subsequent monitoring and surveillance program, the U.S. could be declared scrapie-free by 2017. Becoming scrapie-free will have significant positive economic impact to the livestock, meat and feed industries and, of course, rid our flocks and herds of this fatal animal disease. Through a concerted effort, USDA/APHIS, along with industry and state regulatory efforts, is in the position to eradicate scrapie from the United States with a multi-year attack on this animal health issue. As the collective and aggressive efforts of federal and state eradication efforts have included expanded slaughter-surveillance and diagnostics, the costs are, as expected, escalating.

ASI has made it clear to USDA that the appropriations requests of recent years have been inadequate for successful eradication of scrapie. When the scrapie eradication program was first being implemented in 2000, USDA/APHIS projected the cost to be $170,259,083 over the first seven years of the 10-year eradication program with a peak in cost at $31,974,354 in the fifth year and projected funding decreasing afterwards. At the end of 2007, $110,283,000 (not counting rescissions) has been spent and peak-year funding was only $18.6 million in 2006 (see exhibit A "Scrapie Funding Comparisons).

The program cannot function properly without sufficient funding for diagnostic support, surveillance, and enforcement of compliance activities that are dedicated to scrapie eradication as an animal health priority. We believe that funding the scrapie eradication program at an appropriate level will help provide for an achievable eradication program and eventually scrapie-free status for the U.S. As with the other successful animal disease eradication programs conducted by USDA/APHIS in the past, strong programs at the state level are key. Without strong, appropriately-funded scrapie programs at the state level, eradication will not become a reality. Only a fraction of what USDA/APHIS projected for state scrapie cooperative agreements has been spent. In addition to recommending funding of $28.687 million for fiscal year 2009, we urge the Subcommittee to send a clear message to USDA to A) make scrapie eradication a top disease eradication priority within USDA and the APHIS field staff with a focus on animal identification compliance and enforcement; and B) increase the slaughter-surveillance numbers so that the disease can be found and dealt with wherever it resides.

Wildlife Services

With well over one-quarter million sheep and lambs lost to predators each year, the Wildlife Services (WS) program of USDA-APHIS is vital to the economic survival of the sheep industry. The value of sheep and lambs lost to predators and predator control expenses are second only to feed costs for sheep production. Costs associated with depredation currently exceed our industry's veterinary, labor and transportation costs.

Wildlife Services' cooperative nature has made it the most cost effective and efficient program within the federal government in the areas of wildlife management and public health and safety. Wildlife Services has more than 2,000 cooperative agreements with agriculture, forestry groups, private industry, state game and fish departments, departments of health, schools, county and

local governments to mitigate the damage and danger that the public's wildlife can inflict on private property and public health and safety.

ASI requests the Subcommittee to eliminate the Administration's proposed $2.78 million decrease to Wildlife Services operations for "cost share reduction." Such a reduction would place a larger burden on the livestock industry, as well as county and state government cooperators which already fund far more of the livestock protection programs than does federal sources. ASI also requests the Subcommittee to either eliminate the proposed $5.34 million increase for Wildlife Monitoring and Surveillance and the Oral Rabies Vaccination Program, or increase the budget by that amount. As it stands in the Administration budget, the $5.34 million is an unfunded mandate and will require Wildlife Services to redirect the funds from the other operational programs such as livestock protection.

We urge the Subcommittee to fund the livestock industry's request for the western region of Wildlife Services operations of livestock protection at $19 million and the eastern region at $3.6 million.

The western region requires an additional $8.3 million to meet the $19 million federal sourced level of the livestock protection program. Federal funding available for livestock predation management by the Western Region program has remained relatively constant for approximately 16 years. WS program cooperators have been forced to fund more and more of the costs of the program. WS Western Region base funding has increased only 5.6 percent in the past 10 years while cooperative funding has increased 110 percent. This increase has primarily come from individual livestock producers, associations, counties, and states.

The eastern region requires $3.6 million of increased appropriations to meet the need of the eleven states that participate in livestock protection programs with only $878,000 in current funding ($650,000 of which is non-federal). The $3.6 million needed for the Wildlife Services Eastern Region would help fund livestock predation protection programs in Pennsylvania, Virginia, West Virginia, Mississippi, Minnesota, Michigan, Florida, Ohio, Tennessee, Kentucky, and Wisconsin.

Additionally, new federal mandates and program investments such as narrow-banding of radios, computer record keeping and compliance with the Endangered Species Act are requiring a larger portion of the already stretched budget and negatively impacting the amount of livestock predation management work that WS can conduct.

We encourage and support continued recognition in the appropriations process for FY 2009 of the importance of aerial hunting as one of Wildlife Services' most efficient and cost-effective core programs. It is used not only to protect livestock, wildlife and endangered species, but is a crucial component of the Wildlife Services rabies control program. ASI is concerned about the recent crash that resulted in two fatalities and requests the Subcommittee to consider including $1 million to replace seven aircraft in the Wildlife Services' fleet that are over 35 years of age.

Similar to the increasing needs in the aerial hunting program, we encourage continued emphasis in the programs to assist with management of wolf depredation in the states of Montana, Idaho, Wyoming, Minnesota, Wisconsin, Michigan, New Mexico and Arizona. Additionally, program

expenses are expected in the states surrounding the Montana, Idaho and Wyoming wolf populations. Last year funds were reduced in Montana, Idaho, and Wyoming by 25 percent, and the FY 2009 budget recommends an additional 50 percent reduction. ASI urges the Subcommittee to restore the wolf control funds in these three states to the FY 2007 level of $1.5 million. Mexican wolves in Arizona and New Mexico are expanding their ranges and Wildlife Services cannot keep pace with the control requirements. We encourage the Subcommittee to provide an additional $500,000 to these two states for control activities. The wolf program of Minnesota, Wisconsin and Michigan was also reduced by 25 percent and needs to be restored to the $1 million annual appropriation.

It is strongly supported that appropriations be provided for $586,000 for additional wolf costs anticipated in Washington, Oregon, Nevada, Utah, Colorado and North Dakota.

WILDLIFE SERVICES METHODS DEVELOPMENT

The sheep industry considers control of canid predation on sheep as a major concern and believes an array of control tools and methodologies, which includes predacides, is critical. Weather conditions, topography, different species of predators, vegetation cover, and government regulations all pose situations in which one tool may not work for a period and another tool must be employed. ASI supports the development of additional tools that are effective in controlling predation. The USDA, APHIS, Wildlife Services, Methods Development Center is currently evaluating a theobromine and caffeine mixture as a possible tool for predation management. The mixture induces mortality in coyotes with minimal pre-mortality symptoms. The mixture is selectively toxic to canids and is present in high concentrations in the extract of tea, coffee, and cocoa plants. Because theobromine and caffeine are readily available to persons and pets, the medical community has developed antidotes. The agency estimates that it will cost $1.5 million to complete field studies and other EPA registration requirements. ASI urges the subcommittee to recommend funding for this research and registration effort in the FY 2009 budget.

FARM AND FOREIGN AGRICULTURAL SERVICES

Foreign Agricultural Service (FAS)

The sheep industry participates in FAS programs such as the Market Access Program (MAP), Quality Samples Program (QSP) and the Foreign Market Development Program (FMD). ASI strongly supports appropriations at the full authorized level for these critical Foreign Agricultural Service programs. ASI is the cooperator for American wool and sheep pelts and has achieved solid success in increasing exports of domestic product. Exports of American wool have increased dramatically with approximately 60 percent of U.S. production now competing overseas.

NATURAL RESOURCES CONSERVATION SERVICE (NRCS)

ASI urges increased appropriations for the range programs of the Soil Conservation Service to benefit the private range and pasture lands of the United States with conservation assistance. We support the budget item and recommend an increased level for the Grazing Lands Conservation Initiative, which ASI has worked jointly with other livestock and range management organizations, to address this important effort for rangelands in the U.S.

RESEARCH, EDUCATION AND ECONOMICS

Our industry is striving to be profitable and sustainable as a user of and contributor to our natural resource base. Research, both basic and applied, and modern educational programming is essential if we are to succeed. We have been disappointed in the decline in resources USDA has been targeting toward sheep research and outreach programs. In order for the sheep industry to continue to be more globally competitive, we must invest in the discovery and adoption of new technologies for producing, processing and marketing lamb and wool. We urge the Subcommittee to recommend a bold investment in sheep and wool research.

Agricultural Research Service

We continue to vigorously support the administration's funding of research concerning emerging and exotic diseases. Emerging and exotic diseases continue to have significant impact on industry global competitiveness due to animal health and trade issues related to endemic, exotic and wildlife interface disease issues. The continued and expanded support of animal disease research is urgently needed to protect the U.S. livestock industry. Scrapie, the Transmissible Spongiform encephalopathy of sheep, remains an industry priority and we respectively request that the Subcommittee urge ARS to continue important research aimed at rapid diagnostic methods and the role of other small ruminants as environmental sources of the TSE agent in transmission of TSEs within the United States and the world to further understand the basis of genetic resistance and susceptibility to this devastating disease.

Due to the extreme importance of Agricultural genomics in enhancing the global competitiveness of sheep production and the recent progress toward acquiring the sheep genome, we respectively request that this initiative be expanded to include sheep genomics. Endemic, exotic and domestic agricultural animal - wildlife interface infectious diseases continue to impose significant impact on the economy of animal agriculture and related food supply. Most recently the presumed infectious disease risk associated with contact between domestic and bighorn sheep has led to significant economic hardship. Genomics represents a unifying tool for many scientific disciplines and is capable of providing research resolutions to the most difficult disease and resulting economic losses. Genomic research efforts should be directed at early determination of which sheep are susceptible to disease and responsible for economic losses. High throughput genomics has ushered in a new era of unifying research regarding the ability to link control of chronic, economically important diseases such as OPPV and important production traits. There are a number of infectious diseases across domestic and wild animals that will benefit from this research focus. It is becoming clear that not all infected animals transmit diseases with equal efficiency; in fact it appears that the "super shedders" are a small portion of an infected

population. In addition to aiding in the control of chronic infectious diseases such as OPPV, caseous lymphadenitis and foot rot, control of Big Horn Sheep pneumonia and internal parasitism should be aided by this genomics approach. Early detection of susceptibility and resistance will lead to practical intervention strategies. With this in mind, we respectively request that the subcommittee support a "Genomics Competitive Global Health" initiative by enhancing the ARS, Animal Disease Research Unit's budget by $1million to use in collaboration with Utah State University, the University of Idaho, the United States Sheep Experiment Station, Dubois and Washington State University. This initiative is to apply the emerging sheep genomic tools to research directed at resolving important disease problems and their resulting economic losses.

Research into Johne's disease has received additional funding through ARS over the past several years with a focus on cattle. Johne's disease is also endemic in the U.S. sheep population and is not well understood as a sheep disease. The same food safety concerns exist in both sheep and cattle; other countries are also very concerned about Johne's in sheep. We urge the Subcommittee to send a strong message to ARS that Johne's disease in sheep should receive more attention with an emphasis on diagnostics.

We appreciate and support USDA's strategic goals and note that strategic goal (3) "Enhance Domestic Rural and Farm Economies states in part as follows: "Work to expand production and market opportunities for bioenergy and biobased products". In response to this strategic goal of the USDA, we request that the Subcommittee recommend $400,000 as a targeted increase for the ARS USDA-Eastern Regional Research Center (ERRC) at Wyndmoor, Pennsylvania to be directed toward research on wool at the molecular level focusing on anti-microbial properties, flame retardation and enhancement of fiber properties through enzyme treatments targeting high priority military needs and other niche market applications for consumers.

Cooperative State Research, Education, and Extension Service (CSREES)

A virtual map of the sheep genome has recently been completed. The virtual map provides a good low-resolution picture of the sheep genome. It is largely a result of genome mapping efforts (human, bovine, and mouse) and provides a solid starting place for a higher resolution sequence of the sheep genome. A more complete sheep genome sequence is now essential because, as expected, there are significant inconsistencies in the virtual map that will hinder the use of SNPs in animal or population evaluations. The *USDA Animal Genomics Strategic Planning Task Force* recently released a "Blueprint for USDA Efforts in Agricultural Animal Genomics". In this document, it is stated: "....sheep...should have a high quality draft genome sequence (approximately 6X). This level of genome sequence quality is necessary for accurate functional genomics studies as well as comparative analyses". By investing in sequencing the sheep genome now, the U.S. helps insure our competitive position in the global marketplace for sheep, wool and their products. We urge the Subcommittee to remind USDA/CSREES that sheep genome sequencing should be a high priority for the National Research Initiative (NRI) competitive grants program.

The Minor Use Animal Drug Program has had great benefit to the U.S. sheep industry. The research under this category is administered as a national program "NRSP-7" cooperatively with FDA/CVM to provide research information for the approval process on therapeutic drugs that are needed. Without this program, American sheep producers would not have effective products to

keep their sheep healthy. We appreciate the Administration's request for FY-2009 of $582,000 for this program, and we urge the Subcommittee to recommend that it be funded at least at this level to help meet the needs of our rapidly changing industry and increasing costs for research necessary to meet the requirements for approving additional therapeutics for sheep.

On-going funding for the Food Animal Residue Avoidance Databank (FARAD) program is critically important for the livestock industry in general and especially for "minor species" industries, such as sheep, where extra-label use of therapeutic products is more the norm rather than the exception. We urge the Subcommittee to recommend that funding be restored for this program at the level of $1.5 million in 2009 to help meet the needs of the animal industries. FARAD provides veterinarians the ability to accurately prescribe products with appropriate withdrawal times protecting both animal and human health as well as the environment.

On-going research to improve value quantification and marketing of wool is critically important to the sheep and wool industry. ASI urges the Subcommittee's support to restore and continue the CSREES special grants program for wool research at least to the level of $298,000 for FY 2009.

The Livestock Marketing Information Center (LMIC) is a unique and very effective cooperative effort. This is not a state specific effort; it operates as a national virtual "Center of Excellence" for Extension education, research, and public policy. Members of the LMIC represent 26 Land Grant Universities, 6 USDA agencies, and a variety of associate institutions. In conjunction with the USDA's Economic Research Service (ERS), this cooperative effort started in the mid-1950's. This effort is an integral part of U.S. livestock marketing and outlook programs for cattle, hogs, sheep, dairy and poultry. Demands on the LMIC staff continue to increase from other USDA agencies, Land Grant Universities, state governments, commodity associations and directly from producers. We strongly support funding be continued at least at the previously funded level (2006) of $194,000 for the Livestock Marketing Information Center (LMIC) in fiscal year 2009. The coordinating office for this national Land Grant University directed effort is located in Lakewood, Colorado. As in the past, line-item funding should be directed through the USDA CSREES.

Food and Drug Administration, Center for Veterinary Medicine

The Minor Use & Minor Species Animal Health Act of 2004 included a provision to make competitive grants available to fund studies to support new animal drug approval for new animal drug products for minor use and minor species indications that have already obtained "designated" status. This grants program parallels the human orphan drug grants program. The final rule became effective October, 2007 for the administration of this program. All drugs labeled for sheep fall under the minor-use category, therefore this program should be very helpful to our industry. ASI appreciates the Administration's request of $1 million for this program and we urge Congress' support.

EXHIBIT A – SCRAPIE FUNDING COMPARISONS

YEAR	APHIS PROJECTIONS IN 2000	FUNDS RECEIVED BY APHIS*
2000		$12,991,000
2001	$ 6,310,778	3,024,000
2002	20,000,000	9,122,000
2003	20,438,943	15,373,000
2004	30,056,592	15,607,000
2005	31,974,354	17,768,000
2006	30,794,507	17,911,000
2007	26,994,991	18,487,000
2008	26,994,991	17,980,000
2009	26,994,991	

*Does not count rescissions

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Karl Glasener
Director of Science Policy
American Society of Agronomy
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Soil Science Society of America

March 26, 2008 —BY E-mail to AG.Approp@mail.house.gov

Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
Committee on Appropriations
2362A Rayburn House Office Building
United States Senate
Washington, DC 20510
Attention: Martha Foley

RE: FY09Appropriations—Support for Agricultural Research Service; Cooperative State Research, Education and Extension Service; and Natural Resources Conservation Service

Dear Chairman DeLauro, Ranking Member Kingston and Members of the Subcommittee:

The **American Society of Agronomy, Crop Science Society of America, and Soil Science Society of America (ASA-CSSA-SSSA)** are pleased to submit the following funding recommendations for FY 2009. ASA-CSSA-SSSA understand the challenges the Senate Agriculture Appropriations Subcommittee faces with the tight agriculture budget for FY 2009. We also recognize that the Agriculture Appropriations bill has many valuable and necessary components, and we applaud the efforts of the Subcommittee to fund mission-critical research through the ***USDA-Cooperative State, Research, Education and Extension Service*** as well as its intramural research portfolio funded through the ***Agricultural Research Service***. We are particularly grateful to the Subcommittee for funding the ***National Research Initiative*** at $191 million in the FY 2008 Omnibus Appropriations bill. For the ***Agricultural Research Service*** salaries and expenses, ASA-CSSA-SSSA recommend a funding level of $1.124 billion for FY 2009, a 7% increase over the President's recommended FY 2009 ($1.037 billion) funding level and 8.4% above FY 08 enacted. ASA-CSSA-SSSA also recommend a total funding level of $46.752 million (the FY 08 enacted level) for ***ARS*** Buildings and Facilities which would prevent closure of the 11 ***ARS*** facilities. For the ***Cooperative State Research, Education and Extension Service***, we recommend a funding level of $753 million, a 5% increase over FY 2008 ($688 million). We recommend funding levels stay at $3.4 billion for the ***Natural Resources Conservation Service*** in FY 2009. Specifics for each of these and other budget areas follow below.

With more than 25,000 members and practicing professionals, ASA-CSSA-SSSA are the largest life science professional societies in the United States dedicated to the agronomic, crop and soil sciences. ASA-CSSA-SSSA play a major role in promoting progress in these sciences through

the publication of quality journals and books, convening meetings and workshops, developing educational, training, and public information programs, providing scientific advice to inform public policy, and promoting ethical conduct among practitioners of agronomy and crop and soil sciences.

Agricultural Research Service
ASA-CSSA-SSSA applaud the ***Agricultural Research Services' (ARS)*** ability to respond quickly and flexibly to rapidly changing national needs. With more than 22 National Programs, ***ARS*** and its 2,100 scientists located at 100 research locations, including a few international facilities, works to ensure that Americans have reliable, adequate supplies of high-quality food and other agricultural products. ***ARS*** accomplishes its goals through scientific discoveries that help solve problems in crop and livestock production and protection, human nutrition, and the interaction of agriculture and the environment. Therefore, ASA-CSSA-SSSA strongly oppose the President's FY 09 proposal to cut ***ARS*** funding for salaries and expenses to $1.037 billion, further reducing funding by $91 million (-8% from FY 08 enacted -$1.128 billion), as well as the elimination of 11 ***ARS*** facilities totaling more than 354 staff years (more than 4% of FY 08 total staff years), an approximate cut of $33.5 million. These ARS facilities including—Brawley, CA; Brooksville, FL; Watkinsville, GA; Morris, MN; Grand Forks, ND; Coshocton, OH; East Lansing, MI: Lane, OK; University Park, PA; Weslaco, TX; and Laramie, WY— conduct research critical to the development and transfer of solutions to agricultural problems of high national priority and provide information access and dissemination to: ensure high-quality, safe food, and other agricultural products; assess the nutritional needs of Americans; sustain a competitive agricultural economy; enhance the natural resource base and the environment; and provide economic opportunities for rural citizens, communities, and society as a whole. ASA-CSSA-SSSA urge the Subcommittee to act judiciously and not implement such drastic funding cuts for this critical intramural research agency. For total ***Agricultural Research Service*** budget funding, ASA-CSSA-SSSA recommend a funding level of $1.124 billion for FY 2009, a 7% increase over the President's recommended FY 2009 ($1.05 billion) funding level and 8.4% above FY 08 enacted.

Cooperative State Research, Education, and Extension Service (CSREES)

ASA-CSSA-SSSA are very concerned with the downward trend in funding for the research component of CSREES's ***Strategic Objective 6.2: Enhance Soil Quality to Maintain Productive Working Cropland***, which as has seen funding cut from $34.53 million in FY 2007 to $30.293 in FY 08, a 12.3% decrease! Further, ASA-CSSA-SSSA strongly oppose the president's proposal to cut this important research program by an additional 15.4% (-$4.67 million) in FY 2009, bringing funding down to $25.62 million.

Hatch and McIntire-Stennis Formula Funding:
ASA-CSSA-SSSA understand that the shift of earmarked funds to ***Hatch formula*** **funding** (Hatch formula funding reached a record $322.6-million) and ***McIntire-Stennis*** *(McIntire-Stennis* was funded at $30 million) which occurred in FY 07, would and did not occur again in FY 2008, with funding reduced to $195 million for ***Hatch*** and $25 million for ***McIntire-Stennis***. Nevertheless, the need has never been greater to enhance funding for ***Hatch*** and ***McIntire-Stennis*** formula funding if we are to maintain the research capacity at our nation's Land Grant

Universities and Colleges of Agriculture necessary to keep American agriculture competitive. Therefore, ASA-CSSA-SSSA strongly oppose the President's FY 09 budget proposal, which further recommends cuts to both ***Hatch*** (to $139 million, a decrease of $56.6 million from 08 enacted) and ***McIntire-Stennis*** (down by $5.3 million to $19.5 million from 08). ASA-CSSA-SSSA proposes a 10% increase in FY 09 funding levels from FY 08 levels for ***Hatch*** (bringing funding to $215 million) and ***McIntire-Stennis*** ($27 million) programs in order to keep America agriculture competitive.

ASA-CSSA-SSSA also oppose the administration's proposal to change the methodology for distributing ***Hatch*** formula funds, where 70% of funding ($98.3 million) versus 25% in FY 08 will be directed towards a multistate, competitively awarded grants program. As well, we oppose the administration's proposal to change the methodology for distributing ***McIntire-Stennis*** formula funds where 67% of funding ($13.1 million) versus 25% in FY 08 will be directed towards the multistate, competitively awarded grants program. Such drastic changes would be detrimental to the entire USDA research portfolio. Because of their timing and potential regional and intra-state impacts, much of the infrastructure needed to conduct competitively funded research could be compromised if formula funds were to be redirected as proposed, and could irreparably damage programs housed at each land-grant university. This would mean a huge and potentially damaging loss of national infrastructure to conduct agricultural research. The private sector depends heavily on the agricultural technology and training provided by the U.S. land grant system, and the impact of such a drastic transfer of formula funds to a competitive grants program would affect not only the viability of U.S. industry but also the health and survival of millions of people across the globe. Moreover, investments in formula funded research show an excellent annual rate of return.

Cooperative Extension Service:
Extension forms a critical part of research, education and extension program integration, the hallmark of CSREES which is not seen in other agencies. Unfortunately, the ***Smith Lever 3(b) and 3(c)*** account has been flat-funded (in constant dollars, this account has seen a gradual erosion in funding), in recent years. ASA-CSSA-SSSA support $474 million (an increase of $17.6 million or 4% over FY 08 enacted, and $42.2 million or 10% over the president's FY 09 recommendations) for the continuing education and outreach activities of the Extension System. Specifically, ASA-CSSA-SSSA support $300 million for ***Smith-Lever Formula 3(b) & (c)***, an increase of $26.8 million or 10% over FY 08 enacted.

National Research Initiative:
ASA-CSSA-SSSA strongly endorse the President's proposed FY 2009 budget increase of $66 million for the ***National Research Initiative Competitive Grants Program (NRI)*** which would bring total funding for this important research program to a record $257 million in FY 09. However, we do not support the President's proposal to transfer Hatch funding or $42.3 million in funding from Sec 406 (Integrated Research, Education, and Extension program) into the ***NRI***. This transfer may result in the loss of critical programs such as the Organic Transitions Program. ASA-CSSA-SSSA do support the administration's proposal to include additional funding of $19 million for the Departments' bioenergy and biobased fuels research initiative.

ASA-CSSA-SSSA request that any new monies appropriated for the NRI, as requested by the administration, allow the Secretary the discretion to apply up to 30% towards carrying out the NRI integrated research, extension and education competitive grants program.

Sustainable Agriculture Research and Education Programs: ASA/CSSA/SSSA applaud the Subcommittee for the 17% increase in FY 08 ***SARE*** funding; however we oppose the administration's request to cut funding for ***SARE*** by more than $5.2 million. At a minimum, the Subcommittee should continue to fund ***SARE*** at the FY 2008 enacted level of $14.4 million.

Organic Farming Transition Program: ASA-CSSA-SSSA urge the Subcommittee to fund the ***Organic Farming Transition Program*** at $5.0 million in FY 09, rejecting the President's proposed transfer of the program.

Indirect Costs: ASA-CSSA-SSSA applaud the administration's proposal to eliminate the indirect cost cap on the NRI which will broaden its appeal by putting the NRI on equal footing with other federal competitive grants programs such as those of NSF and NIH. However, we are concerned that new funding was not provided to cover this change, which would effectively result in either fewer grants being awarded, or actual research monies reduced.

Agrosecurity: ASA-CSSA-SSSA endorse the administration's request ($2.0 million) for the ***Agrosecurity Curricula Development***, which we consider to be a critical new initiative. Recent security threats facing America require new and expanded agricultural research to protect our nation's natural resources, food processing and distribution network, and rural communities that will secure America's food and fiber system.

Higher Education: ASA-CSSA-SSSA urge the Subcommittee to fund the ***Institution Challenge Grants*** at $6.7 million which will restore some of the funding lost due to the 06 rescission and 07 Continuing Resolution. We applaud the administration's budget request of $4.4 million for the ***Graduate Fellowships Grants***.

Natural Resources Conservation Service

Conservation Security Program:
The ***Conservation Security Program*** provides financial and technical assistance to producers who advance the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands. Since 2004, over 22.4 million collective acres of soil management activities have resulted in an increase of over 11 millions tons of carbon sequestration on over 22.4 million collective acres. ASA-CSSA-SSSA urge the Subcommittee to fund this important working lands conservation program as an uncapped mandatory program, as intended in the 2002 Farm Bill legislation.

Environmental Quality Incentives Program
The ***Environmental Quality Incentives Program*** provides technical assistance to eligible farmers and ranchers to address soil, water, air, and related natural resource concerns on their lands in an environmentally beneficial and cost-effective manner. ASA-CSSA-SSSA oppose the

president's proposed $201 million cut which would bring total funding for EQIP down to $1.05 billion.

Marketing and Regulatory Program

Animal and Plant Health Inspection Service
In a strengthening global economy, it is essential the government take action to prevent disease transference from non-native soils. ASA-CSSA-SSSA endorse the President's proposed increase of the ***Plant and Disease Exclusion*** program to $398 million.

Bioenergy
Impacts from increased biofuel production will not only impact soil and water resources, but also agricultural markets. Therefore ASA-CSSA-SSSA commend the President's proposed increase of $0.4 million for the ***Economic Research Service*** and $1.8 million for the ***National Agricultural Statistics Service*** to study the potential effects and monitoring of biofuel expansion.

A balance of funding mechanisms, including intramural, competitive and formula funding, is essential to maintain the capacity of the United States to conduct both basic and applied agricultural research, improve crop and livestock quality, and deliver safe and nutritious food products, while protecting and enhancing the nation's environment and natural resources. In order to address these challenges and maintain our position in an increasingly competitive world, we must continue to support research programs funded through the ***Agricultural Research Service*** and ***Cooperative State Research, Education, and Extension Service***. Congress must enhance funding for agricultural research to assure Americans of a safe and nutritious food supply and to provide for the next generation of research scientists. According to the USDA's Economic Research Service (Agricultural Economic Report Number 735), publicly funded agricultural research has earned an annual rate of return of 35%. This rate of return suggests that additional allocation of funds to support research in the food and agricultural sciences would be beneficial to the U.S. economy. We must also continue support for CSREES-funded education programs which will help ensure that a new generation of educators and researchers is produced. Finally, we need to ensure support for CSREES-funded extension programs to guarantee that these important new tools and technologies reach and are utilized by producers and other stakeholders.

As you lead the Congress in deliberation on funding levels for agricultural research and conservation, please consider **American Society of Agronomy, Crop Science Society of America, and Soil Science Society of America** as supportive resources. We hope you will call on our membership and scientific expertise whenever the need arises. Thank you for your thoughtful consideration of our requests. For additional information or to learn more about the American Society of Agronomy, Crop Science Society of America and Soil Science Society of America (ASA-CSSA-SSSA), please visit www.agronomy.org, www.crops.org or www.soils.org or contact ASA-CSSA-SSSA Director of Science Policy Karl Glasener (kglasener@agronomy.org, kglasener@crops.org, or kglasener@soils.org).

Statement of the American Society for Microbiology Submitted to the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies on Fiscal Year 2009 Funding for the Food and Drug Administration

The American Society for Microbiology (ASM) appreciates the opportunity to submit testimony in support of increased appropriations for the Food and Drug Administration (FDA) for fiscal year 2009. The ASM continues to believe that the FDA budget request is below the amount required to ensure that public health is protected through research and science based regulatory activities. The FDA regulates products worth nearly $1.5 trillion annually, about 20 percent of consumer spending in the United States. Repeated reports of contaminated or otherwise defective foods and other products, both domestic and imported over the past year, illustrate the crucial need for a strong FDA.

The Administration's proposed FY 2009 FDA budget requests nearly $2.4 billion, a net increase of $130 million, or 5.7 percent over FY 2008. The request includes $1.77 billion in budget authority and $628 million as industry user fees. The budget plan funds a full time equivalent staff increase of 526, a much needed addition to the FDA's over extended workforce. It also includes funding increases earmarked for food safety activities and for medical product safety and development, identified by the Agency as two priority initiatives for FY 2009.

The ASM believes that greater investment in the FDA is required and recommends that Congress increase the FDA budget by $375 million.

Challenges confronting FDA, such as rapidly changing new product technologies, recently led Agency leadership to solicit a year long evaluation of the science underlying the FDA's broad sweeping directive to safeguard consumers. Released last November, the study report decries the deteriorating state of FDA science and calls for a doubling of agency funding over the next two years, conclusions supported by the ASM and others concerned by chronic shortages in FDA budgets and personnel. The report, FDA Science and Mission at Risk, found that the number of appropriated personnel in 2007 was roughly the same as 15 years earlier. It describes twenty unfortunate years of fiscal neglect, during which 123 additional statutes have been enacted increasing the FDA's already heavy workload.

As the nation's scientific regulatory agency, the FDA must stay at the leading edge of science and technology. In 2007, US consumers purchased roughly $2 trillion worth of imported products from 825,000 importers, shipped into the country through more than 300 ports of entry, elements of the inexorable shift toward economic globalization. The FDA assures the safety, efficacy, and security of many of these products, including human and animal drugs, biological products, medical devices, and more. Its mission also encompasses regulating vast numbers of domestic products and most of the nation's food supply, educating the public with accurate, science based information, and encouraging innovation in medicines and other goods for public consumption. Each year, FDA review prompts multiple recalls of unacceptable or fraudulent products. The

agency also evaluates an impressive list of new products, which last year included approved treatments for HIV infection, breast cancer, and hemophilia.

Protecting America's Food Supply

The proposed FY 2009 FDA budget allocates $662 million for food protection activities, a $42.2 million increase over FY 2008, in part to support the Protecting America's Food Supply initiative to improve FDA efforts against foodborne illnesses. In November 2007, the FDA presented its new food protection plan, coordinated with the just released strategic plan of the Interagency Working Group on Import Safety. Using a risk based approach to identify potential threats to the food supply before problems arise, the FDA food protection plan will emphasize early intervention and reprioritize food safety issues to better utilize limited agency resources. The budget increase also will help facilitate new agreements just reached with China that address import safety issues, two Memoranda of Agreement on food, feed, drugs and medical devices signed last December.

From production to consumption, the life cycle of the US food supply typically involves a series of processes, facilities, and human handlers, opening multiple opportunities for contamination and foodborne illnesses. Outbreaks associated with fresh leafy greens and packaged dairy are recent examples. Last year, peanut butter contaminated with *Salmonella* bacteria in the processing plant sickened more than 300, hospitalizing at least 50 patients and forcing costly recalls. In March 2007, the FDA released its Final Guidance for Safe Production of Fresh-Cut Fruits and Vegetables as one step to address the growing problem of microbial contamination of fresh produce. In FY 2008, federal economists expected US agricultural imports to reach a record $75 billion. Food imports have risen sharply in the past five years, increasing by over 10 percent a year at twice the historical rate of import growth. Rising food imports and other factors guarantee that problems will persist and the FDA must heighten its vigilance over the nation's food supply.

In January 2007, the Government Accounting Office (GAO) designated the federal oversight of food safety as a high risk area for the first time, warning that related federal programs are "in need of broad-based transformation" to reduce risks to public health and to the economy. In its evaluation report, the GAO pointed out that the FDA, responsible for regulating about 80 percent of the US food supply, receives only about 24 percent of federal expenditures for food safety inspection. Each month, FDA field inspectors reject hundreds of import shipments deemed filthy, decomposing, contaminated with drug residues, or otherwise unfit. Unfortunately, inspectors evaluate roughly 1 percent of the estimated 9 million food and food ingredient shipments entering the United States annually, as staff shortages coincide with rapidly expanding import numbers.

In 2006, the FDA's Center for Food Safety and Applied Nutrition (CFSAN) regulated an estimated $417 billion worth of domestic food and $49 billion worth of imported food, as well as $60 billion in cosmetics and $18 billion in dietary supplements. The $182 million proposed for CFSAN in FY 2009 is an increase of $10 million over FY 2008 and

includes an additional 31 full-time employees, for a total of 811 FTEs to handle the workload. Increases for CFSAN also will target five areas for improvement: preventing contamination, prevention through mitigation, import enhancements, surveillance, and prevention through research.

Modernizing Medical Product Safety and Development

Under the Administration's FY 2009 proposal, the FDA's Medical Product Safety and Development initiative receives an additional $17.4 million to enhance the safety of human and animal drugs, blood, human tissues, and medical devices. The broad ranging initiative will address both imported products and the need for more new product innovation among US industries. The proposed budget increase also will help implement the Food and Drug Administration Amendments Act enacted by Congress last year that sets new requirements for FDA food, drug and medical device programs. The budget increase will be distributed among the FDA centers and field activities specifically assigned oversight of human drugs, biologics, animal drugs and feeds, medical devices and radiological health, or toxicological research. Current programs need additional funding for modernizing laboratories, hiring more field staff, and improving import safety. The total FY 2009 budget authority proposed for initiative related programs is $887 million, to be supplemented by $21.5 million in user fees.

The recently released report on FDA science provides compelling arguments that the FDA regulatory system responsible for this initiative is overloaded and underfunded. The importance of a fully funded FDA is clear, based on the statistics. In 2006, the Center for Devices and Radiological Health (CDRH) regulated manufacturers with sales of $110 billion. The Center for Drug Evaluation and Research (CDER) oversaw $275 billion in pharmaceutical sales, 2,500 US manufacturers, and 2,500 foreign manufacturers. The Center for Biologics Evaluation and Research (CBER) typically reviews more than 800 new products every year. The Center for Veterinary Medicine is responsible for products tied to more than 10 billion food producing animals, 200 million pets, and more than 90,000 manufacturers.

Each year, the FDA reviews new products and evaluates questionable consumer goods under its huge mandate to protect and improve public health. In 2007, the agency's field force investigated pet food contaminated by tainted wheat gluten imported from China, with more than 100 brands of food recalled by manufacturers. The FDA also approved a unique two hour blood test that marks a significant advance in rapidly detecting drug-resistant staph infections. CDER approved a total of 88 new products, including the first drug to treat all degrees of Alzheimer's disease and a new breast cancer drug that can replace a current one poorly tolerated by many patients. It also approved or tentatively approved 682 new, less costly generic drugs, a 33 percent increase over the previous year. This February, FDA advisors endorsed a new formula for next year's flu vaccine that, unlike most years' vaccines, would include all new influenza virus strains. Through its CBER programs, the FDA improves donated blood supplies by assessing additional testing as needed, in FY 2007 approving screening tests for West Nile virus, Chagas disease, and early detection of hepatitis C virus and HIV-1.

ASM Recommendation for the FDA in FY 2009

The FDA already regulates more than 375,000 facilities worldwide in nearly 100 countries. The volume of FDA regulated imports has doubled over the past five years. Approximately 15 percent of the US food supply is imported and for some items like seafood and fresh fruit, market share reaches 60 to 80 percent. If current market trends persist, the beleaguered agency's workload will continue to expand rapidly inside the United States and elsewhere. It is essential that FDA science capabilities, research and field personnel, and infrastructures also expand to meet these challenges. Although the Administration has proposed an increase of $130 million for the FY 2009 budget for the FDA, this budget increase is still inadequate. The ASM believes the FDA could use a $375 million increase based on the professional judgment budget of the FDA Science Board. We believe the Science Board Report has provided a sound basis for the allocation of new resources for the food supply, biological sciences with emphasis on drug safety, science reorganization, scientific capability including training and a visiting scientist program, and information technology.

Statement of the American Society for Nutrition (ASN)
Submitted to the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
on Fiscal Year 2009 Funding for the U.S. Department of Agriculture Research Programs

The American Society for Nutrition (ASN) appreciates this opportunity to submit testimony regarding fiscal year (FY) 2009 appropriations for the U.S. Department of Agriculture (USDA) and specifically, its research programs. ASN is the professional scientific society dedicated to bringing together the world's top researchers, clinical nutritionists and industry to advance our knowledge and application of nutrition to promote human and animal health. Our focus ranges from the most critical details of research to very broad societal applications. **ASN respectfully requests $1.377 billion for ARS, with $120 million of the total allocated to the Human Nutrition Research program. We request $257 million for the National Research Initiative in FY 2009.**

Basic and applied research on nutrition, food production, nutrient composition, food processing and nutrition monitoring is critical to American health and the U.S. economy. Awareness of the growing epidemic of obesity and the contribution of chronic illness to burgeoning health care costs has highlighted the need for improved information on dietary intake and improved strategies for dietary change. Demand for a safer and more nutritious food supply continues to increase. Preventable chronic diseases related to diet and physical activity cost the economy over $117 billion annually, and this cost is predicted to rise to $1.7 trillion in the next ten years. Nevertheless, funding for food and nutrition research at USDA has not increased in real dollars since 1983! This decline in our national investment in agricultural research seriously threatens our ability to sustain the vitality of food, nutrition and agricultural research programs and in turn, threatens the future of our economy and the health of our nation.

USDA historically has been identified as the lead nutrition agency and the most important federal agency influencing U.S. dietary patterns. Through the nutrition and food assistance programs, which form roughly 60 percent of its budget, USDA has a direct influence on the dietary intake (and ultimately the health) of millions of Americans. It is important to better understand the impact of these programs on the food choices, dietary intake, and nutritional status of those vulnerable populations which they serve. Research is the key to achieving this understanding, and it is the foundation upon which U.S. nutrition policy is built.

USDA is in full or in part responsible for the development and translation of federal dietary guidance, implementation of nutrition and food assistance programs and nutrition education; and, national nutrition monitoring. The USDA Human Nutrition Research programs ensure nutrition policies are evidence-based, ensure we have accurate and valid research methods and databases, and promote new understanding of nutritional needs for optimal health.

ARS Human Nutrition Research Program
USDA has built a program of human nutrition research, housed in six centers (HNRCs)[1] geographically disperse across the nation and affiliated with the ARS, which links producer and consumer interests and forms the core of our knowledge about food and nutrition. These unique centers are working closely with a wide variety of stakeholders to determine just how specific foods, food components, and physical activity can act together during specific life-stages (e.g. prior to conception, in childhood, in older adult years) to promote health and prevent disease. The HNRCs are a critical link between basic food

[1] Of the six HNRCs, three are fully administered by ARS and are located in Davis, CA, Beltsville, MD, and Grand Forks, ND. The other three are administered through cooperative agreements with Baylor University Medical Center in Houston, TX; Tufts University in Boston, MA; and, the University of Arkansas in Little Rock.

production and processing and health, including food safety issues. The center structure adds value by fully integrating a multitude of nutritional science disciplines that cross both traditional university department boundaries and the functional compartmentalization of conventional funding mechanisms.

An important basic premise of research in the HNRCs is that many chronic diseases, such as diabetes and obesity, can be prevented by lifestyle issues, the most important of which are: consuming appropriate amounts of a well-balanced, healthful diet; and regularly engaging in adequate levels of physical activity. Using state-of-the-art facilities and a concentration of critical scientific teams, the HNRCs are conducting the highest quality translational research. Also of importance are the long-term experiments involving the derivation of dietary reference intake values and nutrient requirements of individuals. Often compared to the intramural program at the National Institutes for Health, these centers tackle projects that are unlikely to be funded through other means, such as through competitive grants or by industry.

The proposed 10 percent cut to ARS in FY 2009, coupled with flat-funding of the Human Nutrition Research program for over five years, seriously jeopardizes the future of the centers, their important research projects, and the critical infrastructure provided by the USDA from which the HNRCs and scientists benefit. Specifically, the President has proposed eliminating the center located at Grand Forks, ND. We are concerned about the proposed elimination of this center, as it represents the only HNRC that (1) is located in a major agricultural area; (2) focuses on research in rural areas, where obesity and its co-morbidities, as well as food insecurity, are most prevalent; and (3) partners with Native American communities and tribal colleges to address obesity, diabetes, heart disease and depression in high-need, under-served communities. At a time when the health of our nation, especially its youth, faces significant challenges largely associated with nutrition and physical activity, we cannot afford to lose any of our HNRCs. In fact, $9 million in additional funds is needed across the six HNRCs to ensure they can continue current research projects and to restore purchasing power lost to inflation over years of flat budgets.

ASN supports the inclusion of $12.2 million in the President's FY 2009 budget proposal for health and obesity prevention research to address the efficacy of the healthful eating and physical activity patterns set forth in the *Dietary Guidelines* in preventing obesity in the U.S. population. However, funding for this research should not come at the expense of other important ARS nutrition research programs. Rather, this funding should be *in addition to* that which is allocated to existing research programs.

Another example of the unique nutrition research at ARS is the nutrition monitoring program, "What We Eat in America" (WWEIA). This program allows us to know not only what foods Americans are eating, but also how their diets directly affect their health. Information from the survey guides policies on food safety, food labeling, food assistance, military rations, pesticide exposure and dietary guidance. In addition to having an impact on billions of dollars in federal expenditures, the survey data leverages billions of private sector dollars allocated to nutrition labeling, food product development and production. Despite this, WWEIA has been flat-funded at $11.5 million for over 12 years. The USDA budget for WWEIA must be increased two-fold to $23 million. Otherwise, we risk losing this national treasure if we do not restore lost funding and strengthen it for the future.

National Research Initiative competitive grants program

The National Research Initiative (NRI) funds cutting-edge, investigator-initiated agricultural research, supporting research on key issues of timely importance on a competitive, peer-reviewed basis. The NRI aims to improve the nation's nutrition and health through two objectives: (1) to focus on improving human health by better understanding an individual's nutrient requirements and nutritional value of foods; and (2) to promote research on healthier food choices and lifestyles. Projects funded by the Human Nutrition and Obesity program are leading to a better understanding of the behavioral and environmental

factors that influence obesity, and to the development and evaluation of effective interventions. For example, NRI grants have funded nutrition education interventions focusing on the reduction of childhood obesity in low-income families.

Despite an initial authorization of $500 million per year, funding for the NRI has yet to reach $200 million, and less than $20 million was available in 2007 for the Human Nutrition and Obesity program. If America is to maintain the most nutritious, most affordable, and safest food supply in the world, funding levels need to be increased towards the NRI's authorized amount, lest continued neglect undermine the success of these valuable programs. The breadth and competitive nature of the NRI portfolio should be maintained and expanded to ensure this critical investigator-initiated research continues to improve the health of all Americans.

The NRI and the Human Nutrition Research Program under ARS are symbiotic programs that provide the infrastructure and generation of new knowledge that allow for rapid progress towards meeting national dietary needs. These programs allow USDA to make the connection between what we grow and what we eat. And through strategic nutrition monitoring, we learn more about how dietary intake affects our health.

ASN thanks your Committee for its support of the ARS and the NRI Competitive Grants Program in previous years. If we can provide any additional information, please contact Mary Lee Watts, ASN Director of Public Affairs, at (301) 634-71112 or mwatts@nutrition.org.

Sincerely,

Joanne R. Lupton

Joanne R. Lupton, PhD
President, American Society for Nutrition

American Society for Nutrition March 26, 2008

Statement of the
American Society of Plant Biologists (ASPB)
President C. Robertson McClung
Associate Dean of the Sciences, Dartmouth College
Before the
Subcommittee on Agriculture, Rural Development, FDA
And Related Agencies
Committee on Appropriations
United States House of Representatives

Submitted March 26, 2008

Relating to the
Fiscal Year 2009 Appropriations for
Research Supported by the U.S. Department of Agriculture

The American Society of Plant Biologists (ASPB), a non-profit society representing 5,000 plant scientists, urges the Subcommittee to support The President's Fiscal Year 2009 budget request of $257 million for the Department of Agriculture National Research Initiative Competitive Grants Program (NRI). We urge increased support for the Agricultural Research Service (ARS) over the current year budget.

We urge your support for basic research related to Plant Biology, sponsored by the NRI. NRI-supported Plant Biology research on Gene Function and Regulation will supply fundamental knowledge on basic genetic processes and mechanisms. This will help the plant research community to apply recent advances in plant genomics to traits of economic value in crops. This will support the development of genetically superior varieties of crop and forest species that are more cost-effective to grow and will provide greater yields and improved quality plant products at a greater profit for farmers.

NRI-supported Plant Biology research on Environmental Stress supports inquiries ranging from genomics to physiology. This program element supports fundamental research projects to improve plant tolerance of and resistance to environmental stress. The future of agricultural productivity and sustainability depends on the ability of agricultural and forestry plants to respond to environmental stresses ranging from flooding to global climate change, sustained drought and loss of arable land. The program will provide the basic knowledge necessary to devise new or improved strategies for decreasing the impact of environmental stress on agricultural and forest productivity and sustainability.

Plant Biology research on Biochemistry supported by the NRI will provide basic knowledge about biochemical processes, pathways, and interactions in agriculturally and economically important plants and related organisms. Fundamental knowledge in biochemistry, combined with genomics and other crop improvement techniques, will lead to practical applications, such as enhancing the nutritional value of plant-based foods, increasing the productivity and fitness of

agricultural plants and trees, better utilizing trees and agricultural plants for sustainable production of bioenergy, and developing agricultural plants as bioreactors to produce important industrial compounds.

NRI-supported research on Growth and Development of plants will help to apply recent advances in plant genomics to traits of economic value in important agricultural species. This program will provide knowledge over various phases of the plant life cycle to improve crop plants through modification of plant growth patterns or developmental processes.

Plant Breeding research supported by the NRI will improve transfer of science-based knowledge to producers and consumers through breeding or breeding combined with biotechnology.

NRI-sponsored Plant Genome research supports research and integrated projects ranging from technology development to fundamental science and practical application for crop or forestry improvement. The goal of the program is to contribute knowledge about the biology of agriculturally important plant processes and traits, which can be used to develop plants with greater economic value. In addition to the specific scientific goals outlined above, improved funding of each of the program areas mentioned will help to increase the number of students and scientists trained, which is absolutely necessary to sustain U.S. leadership in plant agricultural science.

We urge a five-year doubling of support for these NRI plant biology and plant genome programs.

The Bioenergy Initiative within the NRI would provide $19.2 million to support interdisciplinary research projects including genomics and genetics, basic and applied plant sciences, novel methods of biological and chemical conversion of biomass, social and economic impacts on rural communities, as well as education and extension. The Bioenergy Initiative will support development of new and sustainable feedstocks; improve biocatalysts for biomasss conversion, improve the understanding of the impact of the biofuel production on the agricultural ecosystem components including soil fertility and water use; determine the impact of a renewable fuels industry on the economic and social dynamics of rural communities; and reduce the overall cost of converting agricultural feedstocks to biofuels through the development of valuable co-products from the bioenergy process. We applaud the Department of Agriculture's collaborations on bioenergy research with the Department of Energy, National Science Foundation, National Aeronautics and Space Administration, Environmental Protection Agency and the National Institutes of Health.

The Department of Agriculture is playing an important role in research on the next generation of biofuels. Cellulosic ethanol is part of the next generation of biofuels that will provide a renewable and sustainable alternative to gasoline. A letter I wrote to The Washington Times on the next generation of biofuels was published on March 6, 2008 and follows this statement.

Increased support for the NRI, CSREES and ARS for research in these above-listed areas of research and other basic plant research areas will help the U.S. to increase reliance on the sun's power for producing food, fiber and bioenergy.

ARS makes many important contributions to advances in agricultural research. ARS scientists are frequently sought after for research collaborations. This intramural research program has a proud and exemplary record of performance that greatly benefits America's farmers and consumers.

We appreciate the Subcommittee's record of strong support for research sponsored by the Department of Agriculture.

Letter to the editor
The Washington Times
March 6, 2008

The next generation of biofuels

Oil closed at $100 a barrel Feb. 19 for the first time. The Washington Times reported on Feb. 20 ("Oil tops $100 on refinery, OPEC," Business) that fears that the Organization of the Petroleum Exporting Countries may cut production contributed to the price increase.

Some analysts see this $100 mark as just a stop on the way to $200-per-barrel oil, possibly by the end of this decade. The reason cited is similar to newspaper reports on the bump to $100 per barrel -- OPEC's control of supply.

In addition to the economic and political challenges imposed by our reliance on foreign oil, we also need to be concerned that greenhouse gas (GHG) emissions associated with the use of fossil fuel contribute significantly to global warming, evident from observed increases in global air and ocean temperatures, widespread melting of snow and ice and a rising global average sea level. Is there a large-volume alternative to the use of increasingly costly oil with its high GHG emissions? There will be.

We are at the early stages of research on the next generation of biofuels using plant cellulose. Plant stems, stalks and leaves will become low-cost feedstocks for biofuels. A 2005 report from the U.S. Department of Agriculture and the U.S. Department of Energy projects that there will be enough biomass (cellulose) to meet more than one-third of the current U.S. demand in transportation fuels.

At the same time, next-generation biofuels will greatly lower emissions of stored carbon compared to gasoline. Biofuels will be better for Americans' pocketbooks and the environment.

The president and Congress are to be commended for initiating needed investments in new-generation biofuels research. Additional investment is needed in all phases of plant research. This will help hasten the day when biofuels make up 33 percent instead of 3 percent of the transportation fuels used in the United States.

C. ROBERTSON MCCLUNG
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Disclosure statement on federal grant support:

The American Society of Plant Biologists (ASPB) received federal grants from USDA-CSREES in the amount of $7,000 in 2005, $7,000 in 2006 and $7,500 in 2007 to help coordinate the USDA-CSREES Plant and Pest Biology Stakeholders' Workshops. Many associations representing growers of commodity crops; science societies representing the research community; and officials administering federal research programs participated.

For additional information, please contact Brian Hyps, Public Affairs Director, American Society of Plant Biologists, 15501 Monona Drive Rockville, MD 20855. Phone 301-251-0560. E-mail: bhyps@aspb.org

Animal Welfare Institute

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Statement in Support of

$21,522,000 for Animal Welfare Act Enforcement,
$13,694,000 APHIS/Investigative and Enforcement Services,
$1,800,000 for NAL's Animal Welfare Information Center,
$1,750,000 for Horse Protection Act Enforcement, and
Strengthened Enforcement of Humane Methods of Slaughter Act
for FY 2009

Submitted to the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies
March 26, 2008
by Cathy Liss, President

Animal and Plant Health Inspection Service (APHIS)/Animal Welfare Act (AWA) Enforcement
Administration Request: $21.522 million SUPPORT

Over the past decade, the Committee has responded to the urgent need for increased funding for the Animal Care program (AC) to improve its inspections of more than 14,000 sites, including commercial breeding facilities, laboratories, zoos, circuses, and airlines, to ensure compliance with AWA standards. AC now has 105 inspectors, compared to 64 inspectors at the end of the 1990s. In 2006, they conducted more than 20,000 inspections, involving over 1 million animals in research facilities alone. This budget request of $21,522,000 will sustain the progress that has been made, as well as enable AC to hire more inspectors to handle its burgeoning responsibilities as the number of licensed/registered facilities continues to increase.

APHIS / Investigative and Enforcement Services
Administration Request: $13.694 million SUPPORT

APHIS' Investigative and Enforcement Services division is essential to meaningful enforcement of the *AWA*. Among other things, it investigates alleged violations of the AWA and undertakes appropriate enforcement action. Of the $13,694,000 for IES in the President's budget, $725,000 will be used to improve enforcement of federal animal welfare laws. The volume of animal welfare cases is rising significantly as new facilities become licensed and registered and AC is able to conduct more inspections.

Agricultural Research Service/NAL/Animal Welfare Information Center (AWIC)
Administration Request: $0 OPPOSE ***NEEDED: $1.8 million Line Item***

It is disturbing that the President's budget proposes elimination of the Animal Welfare Information Center. This would be a serious mistake that would adversely impact the welfare of animals used in research—and the quality of the research produced using animals. AWIC's services are vitally important to the nation's biomedical research enterprise because they facilitate compliance with specific requirements of the federal animal welfare regulations and policies governing animal-related research.

In fact, the AWIC was established by Congress under the *Improved Standards for Laboratory Animals Act* (the 1985 amendment to the *Animal Welfare Act*) to serve as a clearinghouse, training center, and educational resource for institutions using animals in research, testing and teaching. **The Center is the *single most important resource for helping personnel at more than 1,200 U.S. research facilities meet their responsibilities under the AWA*.** Supported by a modest funding level, its services are available to all individuals at these institutions, including cage washers, animal technicians, research investigators, attending veterinarians, Institutional Animal Care and Use Committee (IACUC) representatives and the Institutional Official.

AWIC provides data on alleviating or reducing pain and distress in experimental animals (including anesthetic and analgesic procedures), reducing the number of animals used for research where possible, identifying alternatives to the use of animals for specific research projects, and preventing the unintended duplication of animal experiments. The Center collects, updates, and disseminates material on humane housing and husbandry, the functions and responsibilities of IACUCs, animal behavior, improved methodologies, psychological well-being of primates, and exercise for dogs.

There is general consensus between the biomedical research industry (including the National Association for Biomedical Research) and the animal welfare community about the need for increased funding. A number of individuals representing these disparate interests have endorsed the request for $1.8 million in funding for AWIC, see http://www.awionline.org/pdf/House_AG_AWIC_SignOnMar08.pdf. The AWIC helps to improve the conduct of research, including the care provided to the animals who are used, thereby ensuring a reduction in variables that might skew the research. Better science is the end result.

The AWIC website (http:www.nal.usda.gov/awic) is one of the most accessed sites at the NAL, with over 4 million hits in FY07, a 10 percent increase over FY06. It provides valuable information on issues of importance not only to the science community but also to the agriculture and public health communities, including BSE and avian influenza, two of the top areas of inquiry for visitors to its website. In FY07, in addition to hundreds of millions of kbytes of information downloaded from the website, more than 70,000 hard copies, paper and CD, were distributed as well. In fact, the number of CDs distributed increased 46 percent between FY06 and FY07. AWIC staff provided over 1,300 personal reference services. They conducted 10 formal "IACUC 101" training workshops. Twenty-five exhibitions and/or presentations were conducted at such venues as the 6th World Congress on the Use of Animals in Research, Teaching, and Testing (Japan 2007), American Association for Laboratory Animal Science (AALAS) annual meeting, Society of Neuroscience, New Jersey Association for Biomedical Research, American Veterinary Medical Association, International Conference on Environmental Enrichment, American Association for the Advancement of Science and, Scientists Center for Animal Welfare meetings, and the Public Responsibility in Medicine and Research annual meeting.

We greatly appreciate Congress' past support for AWIC to carry out its programs. Given its indispensability not only to assisting with compliance with the AWA but also to providing up-to-date information on a range of issues, from BSE to primate enrichment, that are critical to the scientific and agricultural communities, we recommend that AWIC be listed as a separate line item. We urge Congress to reject ARS' attempt to eliminate AWIC. On the contrary, it is

essential to provide an appropriation of $1.8 million in FY08 for desperately needed expansion to meet growing demand for AWIC's expertise on two fronts.

First, as evidenced by the findings of an Office of Inspector General (OIG) audit, "APHIS Animal Care Program Inspection and Enforcement Activities," there has been an increase in apparent violations of the AWA by research facilities over the past few years. **There appears to be a significant problem with the oversight of IACUCs and the audit recommends training for IACUC members.** In response to this need, we are requesting funds to allow AWIC to do the following:

1. Continue to conduct workshops at locations around the country rather than being limited to conducting them only from the Center's base in Maryland.
2. Hold a symposium on AWA requirements for IACUC nonaffiliated members (i.e., members from the community charged with representing the communities' concerns for the welfare of the animals).
3. Work with Animal Care more closely to identify and assist those licensees and registrants that are cited for AWA violations most frequently.

Second, increased funding is also necessitated by the expansion of AWIC's mandate to include the broader industry regulated under the *Animal Welfare Act*: animal dealers, carriers and handlers, zoos and other exhibitors. Other topics covered by the Center include animal diseases, animal models, animal training, and environmental enrichment for all species. Animal Care's veterinary medical officers and animal care inspectors are able to utilize the full range of services provided by the AWIC to better fulfill their responsibilities. The AWIC also works closely with both Animal Care and with Emergency Veterinary Services on emerging crises such as the highly pathogenic Avian Influenza. The Center is focused on transmissible spongiform encephalopathy, exotic Avian Newcastle disease, tuberculosis, West Nile Virus and microbacterial diseases.

Among other endeavors, the $1.8 million would be used as follows: To support the addition of two much-needed positions whose jobs would be to expand the content of the Center's database and make it more user-friendly and searchable; exhibitions at major scientific conferences, including underserved areas of the country; workshops, in conjunction with Animal Care, to assist licensees and registrants frequently cited for AWA violations; informational workshops at research institutions across the country and locally at the Center; training for the NAL staff; acquisition of, including electronic access to, data; and the overhead that must be provided to the Agricultural Research Service and the National Agricultural Library.

It is ironic that at the same time as the Administration calls for eliminating AWIC, it seeks additional funding for the Agricultural Network Information Center (AgNIC), which provides "quick and reliable access to quality agricultural information and sources" and in which AWIC is a key partner and participant. The budget also proposes to improve information services for veterinary practitioners, but, by zeroing out AWIC, it in fact deprives those same veterinary practitioners—from those who treat companion animals and farm animals to those who are responsible for the welfare of research animals--of a vital and heavily utilized resource.

Overall, ARS seeks "an increase of $1 million for the continued improvement and expansion of products and services delivered by the National Agricultural Library..." In fulfilling its Congressional mandate, AWIC serves this purpose effectively and efficiently and meets Performance Measure 2.1, which requires that the services and collections of the NAL continue to meet the needs of its customers. AWIC's value to the research community, other

entities that must comply with the Animal Welfare Act, and the general public justifies not elimination but rather this modest proposed increase in its budget and its designation as a separate line item in the budget.

APHIS/Animal Care's Enforcement of the Horse Protection Act (HPA)
Administration Request: $499,000 Support
Additional Request of $251,000, plus a one-time infusion of $1 million

More than 35 years ago Congress adopted the HPA, yet soring of Tennessee Walking Horses continues to be a widespread problem. Soring is defined by APHIS as "the application of any chemical or mechanical agent used on any limb of a horse or any practice inflicted upon the horse that can be expected to cause it physical pain or distress when moving." Horses are sored to produce an exaggerated gait, which is considered attractive by certain sectors of the equestrian community, despite the pain it causes to the horses in question.

The most effective method to reduce soring and the showing of sored horses are to have Animal Care (AC) inspectors present at the shows where sored horses are exhibited to enforce the HPA (under which civil and criminal penalties may be assessed). Oftentimes, as soon as an AC inspector arrives at such a show, there is a rush to put horses back into trailers and haul them away so that any signs of soring cannot be detected. If the likelihood that an AC inspector will show up increases significantly, this will have a huge deterrent effect on those who routinely sore their horses. Yet AC was able to attend *just 32 of 865 events in FY04* (the last year for which we have comprehensive figures) – less than 4% of all shows.

In fact, lack of financial support has made it necessary for Animal Care to rely heavily on the Tennessee Walking Horse industry to assume responsibility for enforcement of the HPA. This is the very same industry that created the need for the HPA and has turned a blind eye to compliance with the law since its passage in 1970. Under the Act "Designated Qualified Persons" (DQPs) are assigned by USDA as "inspectors" from industry to assist AC in identifying sored horses and pursuing action against the individuals who are responsible. The history of the DQPs reveals their failure to achieve the level of enforcement of the unbiased, well-trained, professional inspectors who work for AC, as illustrated by radically different enforcement rates: In 2004 and 2005, the rate of violations cited at a variety of horse shows was as much as 23 times higher under USDA inspections versus DQP inspections.

According to USDA, in 2005, of the samples taken by a gas chromatography machine (used to test for use of illegal substances to sore horses) at the Kentucky Celebration horse show, 100 percent indicated the presence of diesel fuel or another similar fuel plus numbing agents. Clearly the law is not being taken seriously by the industry.

In September 2006, having ignored repeated warnings from USDA that too many horses were showing signs of soring, organizers eventually canceled the Shelbyville (TN) Celebration, the prestige event in the walking horse industry, after USDA inspectors disqualified seven of the ten finalists because of soring. This was an unprecedented action by AC and is a testament to USDA's commitment to vigorous enforcement of the HPA, despite threats to its inspectors and insufficient resources.

Currently just eighteen individuals are disqualified from exhibiting horses under the HPA. Further, the amount of penalties assessed for violations of the law has dropped to a negligible amount. In addition to increasing the presence of inspectors, USDA must increase the penalties that it assesses or the industry will continue to defy the law with impunity. Congress should direct USDA to take this step and authorize the funds to enable such enforcement.

An appropriation of at least $750,000 ($251,000 above the amount included in the President's Budget) is essential in FY09 to permit AC to increase attendance at shows to ensure compliance with the Horse Protection Act. USDA also needs a one-time allocation of $1 million to purchase additional equipment, such as digital radiography machines to take radiographs of the hoof to detect changes indicative of pressure-shoeing; and algometers, which apply consistent pressure during the examination process. Adding these machines to the inspectors' tools for verifying the use of soring techniques further enhances the objectivity and consistency of the evidence obtained.

Strengthened Enforcement of Humane Methods of Slaughter Act (HMSA) by the Food Safety and Inspection Service (FSIS)

Congress has provided generous support for enforcement of the HMSA beginning in 2001. Yet a new report, *Crimes Without Consequences: The Enforcement of Humane Slaughter Laws in the United States,* http://www.awionline.org/farm/humane_slaughter_report.htm, demonstrates the low priority FSIS places on humane treatment of animals at slaughter. Further, it would appear that despite the clear direction that monies should be used to hire new staff to work in the slaughter plants observing the handling, stunning and slaughter of live animals, FSIS has failed to do so. Seventeen veterinarians were hired by FSIS with funding from Congress, but the majority of their time is spent on other tasks.

Animals are suffering needlessly because FSIS is not assigning individuals the sole responsibility of HMSA enforcement and placing them full-time (**not** full-time equivalent) in the plants where they can remain focused on assuring the welfare of live animals and immediately respond by stopping the line if they observe any apparent violations of the law. Egregious acts are occurring that could be prevented by a solid FSIS presence. Live conscious animals are being shackled, hoisted and cut or rolled into scalding tanks. An inspector in Missouri noted a hog whose feet had been removed, yet the animal was moving and appeared to be gasping for breath. Another inspector in an Arkansas plant noted that: "At approximately 1:00 p.m. [a Holstein cow] had a 1 cm hole in its forehead from a captive bolt stunner. At 1:10 p.m. the cow had not been moved and was breathing regularly. An establishment employee tried to re-stun the animal twice but the hand held captive bold stunner did not fire."

Between 2002 and 2005, only 42 enforcement actions beyond issuances of deficiency reports for noncompliances with humane slaughter laws were taken. Crimes are going undetected, unrecognized or merely unreported—and even in the case of those that are reported, appropriate remedial action may not be taken. For the period October 1, 2006 to September 30, 2007, humane handling and slaughter was the subject of only 1.9 % of all USDA verification procedures, 0.6 % of all noncompliance records, and 17 % of all plant suspensions.

We oppose the installation of cameras in plants as an alternative to the presence of inspectors. Cameras cannot possibly catch all of the activity including the movement of animals off of trucks and through the stunning and slaughter process. Some plants have multiple lines and multiple shifts of employees. Who is going to watch all of the footage? And if violations occur, by the time they are noted it will be too late to help the animals who have already suffered before being killed. This proposal sounds more like a desperate attempt to dupe the public into believing that the problem has been taken care of, rather than a real solution.

Additional funding might permit the hiring of full-time inspectors devoted to ensuring humane treatment of live animals. However, does FSIS have the will? We are gravely concerned that it does not.

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OF COUNSEL
JOSEPH C. LUMAN*

March 26, 2008

The Honorable Rosa DeLauro
Chair, Subcommittee on Agriculture,
Rural Development, FDA, and Related Agencies
House Committee on Appropriations

The Honorable Jack Kinston
Ranking Member, Subcommittee on
Agriculture, Rural Development, FDA,
and Related Agencies
House Committee on Appropriations

Dear Madam Chair and Congressman Kingston:

This letter is written on behalf of our client, the Association of Veterinary Biologics Companies (AVBC), a national trade association representing the manufacturers of veterinary vaccines and other biological products. These products are subject to a pre-marketing approval system operated by the Center for Veterinary Biologics (CVB), a unit in USDA's Animal and Plant Health Inspection Service.

The recommendation for funding for the Center for Veterinary Biologics/APHIS is as follows:

Fiscal 2008 Appropriation:	$16,658,000
Fiscal 2009 President's Request:	$19,580,000
Fiscal 2009 AVBC Recommendation:	$26,600,000

CVB runs a comprehensive regulatory program to assure the safety and effectiveness of all the biological products that are administered to animals in the U.S., as well as the products that are exported. CVB's ability to meet its regulatory responsibilities is threatened by its budget situation.

-- Competent oversight of the industry by CVB is crucial for the credibility of U.S. animal health programs and the veterinary biological products that are key components of those programs. The livestock and poultry industries rely on CVB's oversight to assure the quality of veterinary biological products to maintain confidence in meat and poultry products.

-- Respect for the veterinary biologics program and other APHIS regulatory activities is the basis for acceptance of U.S. products of animal origin by our trading partners around the world. Our exports depend on maintaining a strong, credible program.

Funding for the Center for Veterinary Biologics/APHIS
Fiscal Year 2009
Recommended by the Association of Veterinary
Biologics Companies

-- CVB is responsible for assuring the safety and effectiveness of vaccines for rabies, distemper, toxoplasmosis and other diseases which are critical to U.S. public health and the health and well-being of all pet-owning families.

Funding for the Center for Veterinary Biologics has been essentially flat for the past five years. The administration's requests for a modest increase have been largely rebuffed by Congress, but the charges to the Center's budget line for overhead, utilities, COLAs, etc., have of course continued to increase. In FY 2002, approximately 30% of CVB's allocation went to these "administrative" items, but the portion was over 40% in fiscal years 2006 and 2007 and over 50% in the current fiscal year. This leaves CVB with fewer resources to carry out its program responsibilities each year. The administrative expenses are going to jump during FY 2009, as CVB and other USDA units move into the new facilities for the National Center for Animal Health in Ames, Iowa.

Nearly all of the increase in the president's FY 2009 budget recommendation will be eaten up by the added costs for utilities, supplies, and equipment at the new facilities. Our recommended funding beyond the president's request is needed to start to rebuild the professional staff of CVB, which has suffered steady attrition during the years of flat funding. At the beginning of 2008, there were 19 vacancies out of 52 professional positions in CVB, but the 2008 funding provides only enough money to fill 4 of these.

The administration has suggested that user fees in the amount of $7 million per year would be appropriate to supplement direct appropriations for fiscal years 2010 and beyond. AVBC is strongly opposed to the imposition of user fees on this industry. Veterinary biologics are not comparable to pharmaceutical products, for which user fees have been begrudgingly accepted. The sales volumes and profit margins for veterinary biologics are small. All animal owners – whether they care for livestock or pets – face the prospect of losing specialty and niche products which are cost-effective today but would not be if there were the added expense of user fees. Even in the case of larger-volume products for livestock or poultry, just a small increase in the price of a vaccine may be a prohibitive cost for the livestock producer.

Looking at 2009 and beyond, we anticipate, on the basis of past practice, that the management of CVB will attempt to maintain the existing programs at a reduced level of activity, rather than cutting out any functions altogether. Thus, we expect to see a diminished level of performance across the range of regulatory activities – inspecting and licensing manufacturing facilities; reviewing license applications for new or modified products; testing the potency and safety of finished products; carrying out the select agent activities for monitoring sources of animal pathogens, including agents with bioterrorism potential; overseeing the import and export of veterinary biological products and components; developing and distributing reagents and other product testing materials; and working with other units in APHIS to guard against and respond to animal disease outbreaks. In fiscal years 2006 and 2007, CVB has reported reduced numbers of inspections and reductions in the number of licensed products. In part, these reductions are due to mergers in the veterinary biologics industry, but they are also due to fewer personnel to handle

these regulatory activities. Without an infusion of funds, we anticipate a more dramatic decline over the next few years.

The small staff in CVB has proven to be resourceful and efficient in the face of the effective reduction in funds over the past five years. But they cannot be stretched any further. Congress needs to increase the appropriations for CVB to $26,600,000 in fiscal 2009 to assure the regulatory program can continue to do its job.

Please contact me with any questions or comments. Thank you.

Yours truly,

John W. Thomas

John W. Thomas

Statement of the Coalition on Funding Agricultural Research Missions (CoFARM) Submitted to the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies on Fiscal Year 2009 Funding for the United States Department of Agriculture

The Coalition on Funding Agricultural Research Missions (CoFARM) appreciates the opportunity to submit testimony on the Fiscal Year (FY) 2009 appropriation for the United States Department of Agriculture (USDA). CoFARM is a coalition of 24 professional scientific organizations with over 200,000 members dedicated to advancing and sustaining a balanced investment in our nation's research portfolio.

The USDA sponsors research and education programs which contribute to solving agricultural problems of high national priority and ensuring food availability, nutrition, quality and safety, as well as a competitive agricultural economy. Agriculture faces new challenges, including threats from emerging infectious diseases in plants and animals, climate change, and public concern about food safety and security. **It is critical to increase the visibility and investment in agriculture research to respond to these challenges. We are concerned that the NRI has suffered from flat funding since FY 2007. We urge the Subcommittee to provide a 10 percent increase for the NRI in FY 2009. CoFARM recommends $270 million for the NRI in FY 2009.**

This recommended funding level will provide a 10 percent, $19 million, increase for the NRI base programs, and cover the directed funding included in the FY 2009 Administration request of $42 million for the proposed transfer of integrated programs, and $19 million for bioenergy research. A 10 percent increase to the NRI will 1) restore funding to this important program; 2) restore lost purchasing power that this erosion of funding has caused; and 3) provide investments that begin to truly meet the food, energy, and environmental challenges facing the nation.

USDA National Research Initiative Competitive Grants Program

The National Research Initiative Competitive Grants Program (NRI) was established in 1991 in response to recommendations outlined in the report, *Investing in Research: A Proposal to Strengthen the Agricultural, Food and Environmental System,* by the National Research Council's (NRC) Board of Agriculture. This report called for increased funding by USDA of high priority research through a competitive peer-review process directed at:

- Increasing the competitiveness of U.S. agriculture.
- Improving human health and well-being through an abundant, safe, and high-quality food supply.
- Sustaining the quality and productivity of the natural resources and the environment upon which agriculture depends.

Stakeholders of the research community continue their interest in and support of the NRI, which is reflected in two subsequent NRC reports, *Investing in the National Research Initiative: An Update of the Competitive Grants Program of the U.S. Department of Agriculture*, published in

1994, and *National Research Initiative: A Vital Competitive Grants Program in Food, Fiber, and Natural Resources Research*, published in 2000.

Today, the NRI, housed within USDA's Cooperative State Research, Education, and Extension Service (CSREES), supports research on key problems of national and regional importance in biological, environmental, nutritional, physical, and social sciences relevant to agriculture, food, health and the environment on a peer-reviewed, competitive basis. Additionally, NRI enables USDA to develop new partnerships with other federal agencies that advance agricultural science like its current collaborations between NRI and DOE and NSF.

The NRI funds the most cutting-edge agricultural research within the United States. In the September 2007 report, "Economic Returns to Public Agriculture Research," The USDA Economic Research Service (ERS) reviewed over 35 economic studies of the social rate of return to investments in agriculture. The report shows the average rate of return on public investment in agriculture research is 45 percent or for every dollar spent on agricultural research, the return is approximately $10. These returns are shared by all levels of the industry, from producers to consumers. However, if America is to maintain the most abundant, most affordable, and safest food supply in the world, funding levels need to be increased towards the NRI's authorized amount of $500 million.

Because of the federal investment made since 1991, we have gained valuable new knowledge in areas such as:

Food Safety and Nutrition

- USDA funded competitive research has supported studies to understand incentives for firms to adopt food safety controls and industry response to losses when products are recalled for food safety violations.
- USDA supported scientists identified a safe and effective new sanitizer (SANOVA) that achieved a 5-log reduction of E. coli, Listeria, and Salmonella on produce even in the presence of large organic loads. The researchers optimized sanitation treatment procedures to ensure good quality of shredded carrot and fresh-cut lettuce while maintaining the effective killing power of the sanitizer. This research is critical considering there are approximately 76 million foodborne illness cases in the US per year and the findings from this research is especially useful to the fresh produce industry as they provide practical information in selecting a suitable sanitizer to maintain microbial safety and quality of fruits and vegetables.
- Iowa State University researchers have studied fatty acid composition in beef and dairy cattle through a NRI funded grant. They have discovered a single nucleotide polymorphism that is correlated to content of C14-O (myristic acid, the most atherogenic of saturated fatty acids) of beef. Thus, the marker in the throesterase domain in fatty acid synthase gene can be used to select for healthier beef.
- University of Illinois scientists are involved with the assessment of general risk posed from transgenic animals, which is important to their future contributions to society. Identification of potentially harmful properties of transgenic livestock is the initial step in a risk assessment. Direct and indirect impacts of potential harmful properties of transgenic livestock are being evaluated at three levels: 1) characterization of how the

transgene, the transgene product, and the transgenic livestock behave in their immediate environment, that is, in their barn or pen, 2) determination of possible impacts of large scale release of transgenic livestock, that is, if they were to be integrated into the larger population of food animal livestock, and 3) determination of the more complex environmental and safety consequences of their release into the livestock population. This study will determine whether a mammary specific transgene, bovine a-lactalbumin (Ba-LA) is expressed in tissues other than the mammary gland and whether the transgene (Tg) itself, the transgenic RNA or the transgenic protein cross over into non-transgenic (C) animals under various physiological and physical conditions.

Renewable Energy and Fuels

- In a time of volatile gasoline prices, USDA dollars have helped provide economic and policy analyses for specific renewable energy technologies and will estimate national impacts of certain renewable energy policy alternatives.
- An April 2005 joint study of the U.S. Departments of Energy and Agriculture found that with continued advances in research there will be enough renewable biomass grown in the U.S. to meet more than one-third of the current demand for transportation fuels in the nation, without diverting from food crop production.[1] With advances in plant and microbial research, land in every state in the nation could be used to grow plants that produce clean-burning cellulosic ethanol resulting in decreased dependence on foreign oil, reduction of the trade deficit, reduced emissions of stored greenhouse gases, revitalized rural economies and strengthened national security.

Plant and Animal Health and Well-Being

- Pennsylvania researchers are developing rapid diagnostic tests to curb avian influenza, a disease that could cripple the state's $700 million poultry industry.
- Entomologists and Nematologists developed a vaccine for the protection of cattle from the horn fly, a major insect pest in many parts of the world costing the North American cattle industry alone more than $1 billion annually.
- Iowa State University researchers studied fatty liver syndrome in dairy cattle. They found that daily injections of glucagon can be used to prevent and treat fatty liver in transition dairy cows. A patent has been issued for this technology.

Waste Remediation

- Researchers in Florida have tested a common fern's ability to soak up arsenic, a cancer-causing heavy metal, from contaminated soils. The market for plant-based remediation of wastes is estimated to be $370 million in 2005.

The NRI supports research on key issues of timely importance relevant to agriculture, economics, energy, the environment, food, and nutrition on a competitive, peer-reviewed basis. CoFARM encourages you to help move American agricultural research forward through your strong fiscal support of the USDA NRI program.

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[1] "Biomass as Feedstock for a Bioenergy and Bioproducts Industry: The Technical Feasibility of a Billion-Ton Annual Supply, April 2005" http://www1.eere.energy.gov/biomass/pdfs/final_billionton_vision_report2.pdf

We urge you to provide $270 million for the NRI in FY 2009, which will help to continue to boost the American agricultural enterprise and improve our economy by increasing food safety, boosting production, protecting the environment, finding new uses for renewable resources, and enhancing food itself so that food and agricultural systems contribute to a stronger and more healthful society. Research programs in nutrition and food science help to ensure high-quality, safe, and affordable food for consumers, and contribute to the success of a food and agricultural system that creates jobs and income in the U.S.

CoFARM appreciates the opportunity to provide written testimony and would be pleased to assist the Subcommittee as the Department of Agriculture bill is considered throughout the appropriations process. Please contact the Chair, Whitney Tull, at wtull@asmusa.org with any questions.

STATEMENT OF THE AD HOC COALITION IN SUPPORT OF SUSTAINED FUNDING FOR FOOD AID

Submitted for the Hearing Record
of the
Subcommittee on Agriculture, Rural Development,
FDA, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
March 26, 2008

Madam Chairman, Members of the Subcommittee, this statement is respectfully submitted on behalf of the ad hoc coalition[1] composed of the organizations listed below. The coalition supports sustained funding for our nation's food aid programs, including Titles I and II of P.L. 480, and therefore strongly opposes the administration's repeatedly rejected proposal to divert food aid funding to cash assistance programs.

GUIDING PRINCIPLES OF FOOD AID POLICY

The coalition recognizes that American food assistance policy is well-established and founded on certain guiding principles, including:

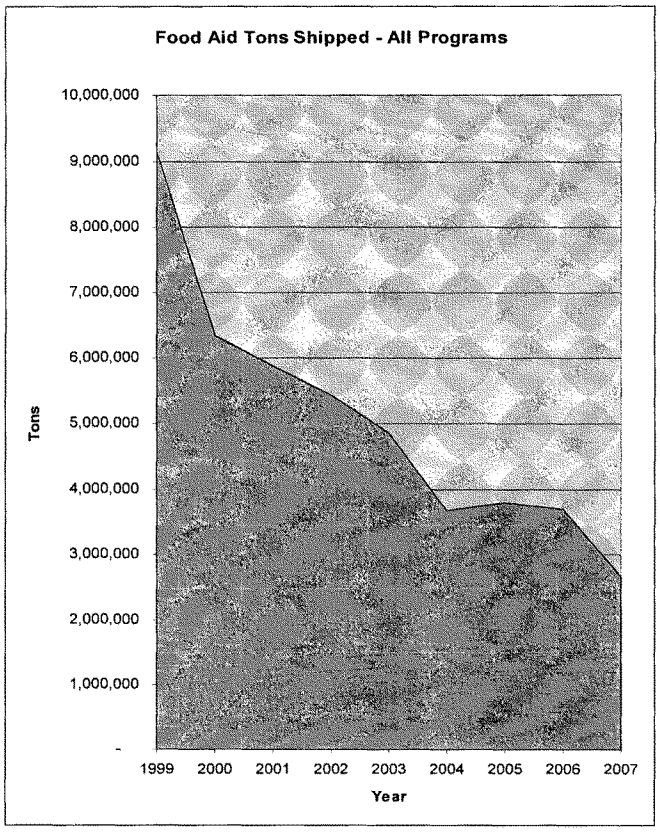
- Meeting America's humanitarian obligation to sustain international aid programs, with U.S. participation in such programs constituting more than 50 percent of all food aid worldwide.
- Employing food assistance programs overseas as stepping stones for economic growth and development, helping break the cycle of hunger and poverty.
- Employing food assistance programs to demonstrate American compassion for disadvantaged populations, thereby enhancing goodwill toward America.

THE SHARP DECLINE IN FOOD AID

Food aid has enjoyed broad, bipartisan support for many decades. The strength of our commitment has made the United States the world's leading supplier of humanitarian assistance. American food aid has saved countless lives while bolstering American agriculture and helping aid recipients strengthen and stabilize their economies.

[1] **The ad hoc coalition is composed of the America Cargo Transport Corp., American Maritime Congress, American Maritime Officers, American Maritime Officers' Service, American Soybean Association, Global Container Lines Ltd., Global Food and Nutrition Inc., International Food Additives Council, International Organization of Masters, Mates & Pilots, Liberty Maritime Corporation, Maersk Line, Ltd., Marine Engineers' Beneficial Association, Maritime Institute for Research and Industrial Development, National Association of Wheat Growers, National Corn Growers Association, National Council of Farmer Cooperatives, National Farmers Union, Seafarers International Union, Sealift, Inc., Tosi Maritime Consultants, LLC, Transportation Institute, United Maritime Group, LLC, USA Dry Pea & Lentil Council, USA Rice Federation, U.S. Dry Bean Council, and U.S. Wheat Associates, Inc.**

In recent years, however, food aid shipments have declined sharply. Food aid shipments have decreased 71%, from 9.1 million tons in 1999 to a low of 2.7 million tons in 2007, as illustrated in the following chart:



Source: United States Maritime Administration

In short, food aid shipment levels are now less than one third of what they were a decade ago. Therefore, we respectfully request that this steady erosion of food aid be reversed, and that funding be restored to sustainable levels to assure the continued effectiveness and stability of these important and historically successful programs.

THE ADMINISTRATION'S BUDGET FOR FY 2009

The administration proposes to continue last year's total elimination of funding for Title I.

Over the last several years, as funding for Title I has disappeared, the vast majority of food aid donations have been provided through the Food for Peace (P.L. 480) Title II program, which the administration proposes to further reduce by $439 million from the actual FY 2007 levels. Moreover, under the President's budget, Title II food aid would be reduced by up to $305 million and converted to overseas aid purchases at the discretion of the Administrator for USAID. The reduction will almost certainly violate the statutory minimum of 2.5 million metric tons of food aid required by Title II.

The administration has requested $100 million for the McGovern-Dole International Food for Education and Child Nutrition Program ("IFEP"), representing approximately 70,000 tons of commodities. This proposal represents a 22% decrease in food shipped from last year's proposal of 90,000 tons shipped under McGovern-Dole.

Lastly, the administration has signaled, once again, that no surplus commodities will be made available for donation in FY 2009 under the authority provided by Section 416(b) of the Agricultural Act of 1949. This represents another year of diminished reliance on the successful 416(b) program, which is funded through the Commodity Credit Corporation ("CCC"). As USAID has explained, the mothballing of 416(b) has resulted in the decline of overall food aid resources available and additional pressures to re-direct Title II non-emergency program resources to emergency programs.

The administration's recommendations, taken together, would lead to significant reductions in food aid. For the reasons set forth below, the coalition urges this subcommittee to sustain Title II funding, reinvigorate the Title I program, and reject, for the fourth time, the administration's proposal to divert up to a quarter of Title II appropriations into a discretionary account for USAID.

RESTORATION OF OVERALL FOOD ASSISTANCE PROGRAM LEVELS

The coalition recommends that food aid be restored over time to sustainable levels in the range of 5 million to 6 million metric tons of grain equivalent in each fiscal year. In FY 2009, this would require restoration of Title I funding, restoration of funding to meet the 2.5 million minimum tons required by statute, and greater use of existing authorities of the CCC.

USDA's FY 2009 Budget Summary justifies the elimination of Title I as necessary because recipient countries have been more interested in direct grants under Title II than concessional sales under Title I.

In order to ensure that countries with the direst need have sufficient donated food aid, the coalition recommends that USDA offer the Title I concessional sales program to countries that can afford it. Among the countries receiving Title II-funded grants in recent years, some reasonably could afford to make the transition from grant assistance to concessional sales, using the direct loan authority of Title I.

To the extent that the Title I funding truly cannot be used for concessional sales, it may be converted to donations on full grant terms through the Food for Progress ("FFP") program. There is strong demand for Title I funding channeled through FFP: For FY 2007, 100 proposals were submitted by PVOs and 16 by governments, but only 11 new proposals were approved.

ELIMINATION OF TITLE II FUNDING FOR "LOCAL PURCHASE"

The coalition is strongly opposed to the administration's attempts to eliminate up to 25% ($305 million) of P.L. 480 Title II funding in favor of an experimental program whereby the USAID Administrator will be granted unchecked discretion to divert U.S. agriculture appropriations to foreign growers and manufacturers. This Committee wisely rejected this proposal during each of the last three budget cycles and it should emphatically reject it once more.

The administration's proposal for a new "local purchase" program would require new legislative authority. However, after extensive consideration, the Agriculture Committees wisely declined to create such a program inside P.L. 480 during recent debate on the Farm Bill—neither the House nor the Senate versions pending before the conference includes such an initiative in P.L. 480.

Moreover, a local purchase program inside P.L. 480 would be redundant. USAID already has existing authority that it uses for local purchases through the International Disaster and Famine Assistance Program ("IDFA") pursuant to the Foreign Assistance Act of 1961. The Foreign Operations appropriators provided new funds for local purchase through the IDFA in 2008 and the administration has proposed continuing the program under that existing authority in FY 2009.

The wisdom of local purchase remains in question. The experts agree that relying upon underdeveloped local food markets seriously risks destabilizing them by spiking local food prices and widening the circle of food insecurity. Local purchase also raises serious food safety issues such as aflatoxin poisoning. Lastly, diverting large sums of cash into places such as sub-Saharan Africa raises real concerns about corruption and abuse.

In addition to being an unwise policy, the administration's proposal is politically unsound. As the Congress admonished the administration when it first proposed the 25% diversion of P.L. 480, the proposal "place[s] at risk a carefully balanced coalition of interests which have served the interest of international food assistance programs for well more than fifty years." The European experience is telling: When the Europeans migrated to local purchase, their contributions to world hunger relief dropped dramatically. The world's hungry cannot afford for us to follow in their footsteps.

CONCLUSIONS AND RECOMMENDATIONS

Madam Chairman, the coalition is committed to maintaining U.S. food assistance programs at responsible levels in order to meet humanitarian needs and enhance the potential for economic growth in recipient countries. Our recommendation is to increase, over time, annual food assistance at combined program levels of between 4.0 million and 6.0 million metric tons of grain equivalent. This can be accomplished, as in the past, with a blend of programs supported by direct appropriations and CCC program authorities.

The coalition respectfully recommends the following:

- Title I program levels should be restored to responsible levels so that the unique efficiencies of the program are not lost and more people can be fed.

- The Title II program should be increased to $1.8 billion in order to satisfy the 2.5 million metric tons required by statute, and responsibly increased to $2 billion over time.

- In committee report language, the Committee should reiterate its FY 2003 directive to the administration to make greater use of existing CCC authorities to expand food aid to regions in critical need, and once more explicitly reject the administration's proposal to convert P.L. 480 into a redundant "local purchase" initiative.

The food aid programs save lives. They have been the bulwark of American humanitarian assistance since the days of the Marshall Plan, and they deserve the support of your subcommittee, the Congress, and the entire nation.

Thank you, Madam Chairman.

Statement of
the
COLORADO RIVER BASIN SALINITY CONTROL FORUM

to the
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

Presented by
JACK A. BARNETT, EXECUTIVE DIRECTOR
March 12, 2008

Requesting Appropriations
for the
COLORADO RIVER BASIN SALINITY CONTROL PROGRAM, TITLE II

For the Department of Agriculture

FY 2009 Appropriation

Colorado River Basin Salinity Control, Title II
Forum's Recommendation Concerning:
Funding for Environmental Quality Incentives Program (EQIP)

Support funding of this nationwide program at the level agreed to by Farm Bill Conferees

Request there be designated to the Colorado River Basin Salinity Control Program 2.5% of the EQIP funding

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The Congress concluded that the Colorado River Basin Salinity Control Program (Program) should be implemented in the most cost-effective way. Realizing that agricultural on-farm strategies were some of the most cost-effective strategies, the Congress authorized a program for the United States Department of Agriculture (USDA) through amendment of the Colorado River Basin Salinity Control Act in 1984. With the enactment of the Federal Agriculture Improvement and Reform Act of 1996 (FAIRA), the Congress directed that the Program should continue to be implemented as one of the components of the Environmental Quality Incentives Program (EQIP). Since the enactment of the Farm Security and Rural Investment Act (FSRIA) in 2002, there have been, for the first time in a number of years, opportunities to adequately fund the Program within the EQIP. Now it is anticipated that Congress will this year with the passage of a new Farm Bill further define how the Colorado River Basin States can cost share in a newly designated "Basin States Program."

The Program, as set forth in the Colorado River Basin Salinity Control Act, is to benefit Lower Basin water users hundreds of miles downstream from salt sources in the Upper Basin as

the salinity of Colorado River water increases as the water flows downstream. There are very significant economic damages caused by high salt levels in this water source. Agriculturalists in the Upper Basin where the salt must be controlled, however, don't first look to downstream water quality standards but look for local benefits. These local benefits are in the form of enhanced beneficial use and improved crop yields. They submit cost-effective proposals to the State Conservationists in Utah, Wyoming and Colorado and offer to cost share in the acquisition of new irrigation equipment. The Colorado River Basin Salinity Control Act provides that the seven Colorado River Basin States will also cost share with the federal funds for this effort. This has brought together a remarkable partnership.

After longstanding urgings from the states and directives from the Congress, the USDA has concluded that this program is different than small watershed enhancement efforts common to the EQIP. In this case, the watershed to be considered stretches more than 1,200 miles from the river's headwater in the Rocky Mountains to the river's terminus in the Gulf of California in Mexico and receives water from numerous tributaries. The USDA has determined that this effort should receive a special funding designation and has appointed a coordinator for this multi-state effort.

In recent fiscal years, the Natural Resources Conservation Service (NRCS) has directed that over $19 million be used for the Program. The Colorado River Basin Salinity Control Forum (Forum) appreciates the efforts of the NRCS leadership and the support of this subcommittee. The plan for water quality control of the Colorado River was prepared by the Forum, adopted by the states, and approved by the United States Environmental Protection Agency (EPA). The Colorado River Basin Salinity Control Advisory Council has taken the position that the funding for the salinity control program should not be below $20 million per year. Over the last three fiscal years, for the first time, funding almost reached the needed level. State and local cost-sharing is triggered by the federal appropriation. In FY 08, it is anticipated that the states will cost share with about $8.3 million and local agriculture producers will add another $7.5 million. Hence, it is anticipated that in FY 08 the state and local contributions will be 45% of the total program cost.

Over the past few years, the NRCS has designated that about 2.5% of the EQIP funds be allocated to the Colorado River salinity control program. The Forum believes this is the appropriate future level of funding as long as the total EQIP funding nationwide is around $1 billion. Funding above this level assists in offsetting pre-fiscal year 2003 funding below this level. The Basin States have cost sharing dollars available to participate in funding on-farm salinity control efforts. The agricultural producers in the Upper Basin are waiting for their applications to be considered so that they might improve their irrigation equipment and also cost share in the Program.

OVERVIEW

The Program was authorized by the Congress in 1974. The Title I portion of the Colorado River Basin Salinity Control Act responded to commitments that the United States made, through a Minute of the International Boundary and Water Commission, to Mexico specific to the quality of water being delivered to Mexico below Imperial Dam. Title II of the Act established a program to respond to salinity control needs of Colorado River water users in

the United States and to comply with the mandates of the then newly-enacted Clean Water Act. This testimony is in support of funding for the Title II program.

After a decade of investigative and implementation efforts, the Basin States concluded that the Salinity Control Act needed to be amended. The Congress agreed and revised the Act in 1984. That revision, while keeping the Department of the Interior as lead coordinator for Colorado River Basin salinity control efforts, also gave new salinity control responsibilities to the USDA. The Congress has charged the Administration with implementing the most cost-effective program practicable (measured in dollars per ton of salt controlled). It has been determined that the agricultural efforts are some of the most cost-effective opportunities.

Since Congressional mandates of three decades ago, much has been learned about the impact of salts in the Colorado River system. The Bureau of Reclamation (Reclamation) has conducted studies on the economic impact of these salts. Reclamation recognizes that the damages to United States' water users alone are hundreds of millions of dollars per year.

The Forum is composed of gubernatorial appointees from Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming. The Forum has become the seven-state coordinating body for interfacing with federal agencies and the Congress in support of the implementation of the Salinity Control Program. In close cooperation with the EPA and pursuant to requirements of the Clean Water Act, every three years the Forum prepares a formal report evaluating the salinity of the Colorado River, its anticipated future salinity, and the program elements necessary to keep the salinity concentrations (measured in Total Dissolved Solids – TDS) at or below the levels measured in the river system in 1972 at Imperial Dam, and below Parker and Hoover Dams.

In setting water quality standards for the Colorado River system, the salinity concentrations at these three locations in 1972 have been identified as the numeric criteria. The plan necessary for controlling salinity and reducing downstream damages has been captioned the "Plan of Implementation." The 2005 Review of water quality standards includes an updated Plan of Implementation. In order to eliminate the shortfall in salinity control resulting from inadequate federal funding for a number of years from the USDA, the Forum has determined that implementation of the Program needs to be accelerated. The level of appropriation requested in this testimony is in keeping with the agreed upon plan. If adequate funds are not appropriated, significant damages from the higher salt concentrations in the water will be more widespread in the United States and Mexico.

Concentrations of salts in the river cause $330 million in quantified damages and significantly more in unquantified damages in the United States and result in poorer quality water being delivered by the United States to Mexico. Damages occur from:

- a reduction in the yield of salt sensitive crops and increased water use for leaching in the agricultural sector,

- a reduction in the useful life of galvanized water pipe systems, water heaters, faucets, garbage disposals, clothes washers, and dishwashers, and increased use of bottled water and water softeners in the household sector,

- an increase in the use of water for cooling, and the cost of water softening, and a decrease in equipment service life in the commercial sector,
- an increase in the use of water and the cost of water treatment, and an increase in sewer fees in the industrial sector,
- a decrease in the life of treatment facilities and pipelines in the utility sector,
- difficulty in meeting wastewater discharge requirements to comply with National Pollutant Discharge Elimination System permit terms and conditions, and an increase in desalination and brine disposal costs due to accumulation of salts in groundwater basins, and
- increased use of imported water for leaching and cost of desalination and brine disposal for recycled water.

For every 30 mg/L increase in salinity concentrations, there is $75 million in additional damages in the United States. The Forum, therefore, believes implementation of the USDA program needs to be funded at 2.5 percent of the total EQIP funding.

Although the Program thus far has been able to implement salinity control measures that comply with the approved plan, recent drought years have caused salinity levels to rise in the river. Predictions are that this will be the trend for the next several years. This places an added urgency for acceleration of the implementation of the Program.

STATE COST-SHARING AND TECHNICAL ASSISTANCE

The authorized cost sharing by the Basin States, as provided by FAIRA, was at first difficult to implement as attorneys for the USDA concluded that the Basin States were authorized to cost share in the effort, but the Congress had not given the USDA authority to receive the Basin States' funds. After almost a year of exploring every possible solution as to how the cost sharing was to occur, the states, in agreement with Reclamation, state officials in Utah, Colorado and Wyoming and with NRCS State Conservationists in Utah, Colorado and Wyoming, agreed upon a program parallel to the salinity control activities provided by the EQIP wherein the states' cost sharing funds are being contributed and used. We now have several years of experience with that program.

The Salinity Control Act designates that the Secretary of the Interior provide the coordination for the federal agencies involved in the salinity control program. That responsibility has been delegated to the United States Bureau of Reclamation (BOR). BOR administers the Basin States cost sharing funds that have been used in the Parallel Program. The BOR requested that there be enacted clearer authority for the use of these funds. In response, there is a provision in the Farm Bill now under consideration that would create a "Basin States Program" that will replace the Parallel Program.

With respect to the use of Basin States' cost sharing funds in the past, the Basin States felt that it was most essential that a portion of the Program be associated with technical

assistance and education activities in the field. Without this necessary support, there is no advanced planning, proposals are not well prepared, assertions in the proposals cannot be verified, implementation of contracts cannot be observed, and valuable partnering and education efforts cannot occur. Recognizing these values, the "parallel" state cost sharing program has expended 40% of the funds available on these needed support activities made possible by contracts with the NRCS.

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March 24, 2008

Statement of
the
COLORADO RIVER BOARD OF CALIFORNIA

to the
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT,
FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

Presented by
GERALD R. ZIMMERMAN, EXECUTIVE DIRECTOR
March 24, 2008

Requesting Appropriations for the
COLORADO RIVER BASIN SALINITY CONTROL PROGRAM, TITLE II

Support for Fiscal Year 2009 Federal Funding of 2.5% of the
U.S. Department of Agriculture's Environmental Quality Incentives Program (at least $20 million annually) for the Colorado River Basin Salinity Control Program

This testimony is in support of funding for the U.S. Department of Agriculture (USDA) with respect to its on-farm Colorado River Basin Salinity Control Program for Fiscal Year 2008. This program has been carried out through the Colorado River Basin Salinity Control Act (P.L. 93-320), since it was enacted by Congress in 1974. With the enactment of the Federal Agricultural Improvement and Reform Act (FAIRA) in 1996 (P.L. 104-127), specific funding for salinity control projects in the Colorado River Basin were eliminated from the federal budget and aggregated into the Department of Agriculture's Environmental Quality Incentives Program (EQIP) as one of its program components. With that action, Congress concluded that the salinity control program could be more effectively implemented as one of the components of the EQIP.

The Program, as set forth in the Act, benefits both the Upper Basin water users through more efficient water management and the Lower Basin water users, hundreds of miles downstream from salt sources in the Upper Basin, through reduced salinity concentration of Colorado River water. California's Colorado River water users are presently suffering economic damages in the hundreds of million of dollars per year due to the River's salinity.

The Colorado River Board of California (Colorado River Board) is the state agency charged with protecting California's interests and rights in the water and power resources of the Colorado River system. In this capacity, California along with the other six Colorado River Basin states through the Colorado River Basin Salinity Control Forum (Forum), the interstate organization responsible for coordinating the Basin States' salinity control efforts, established numeric criteria in June 1975 for salinity concentrations in the River. These criteria were established to lessen the future damages in the Lower Basin states of Arizona, California, and Nevada, as well as assist the United States in delivering water of adequate quality to Mexico in accordance with Minute 242 of the International Boundary and Water Commission.

The goal of the Colorado River Basin Salinity Control Program is to offset the effects of water resources development in the Colorado River Basin after 1972 as each state develops its Colorado River Compact apportionments. In close cooperation with the U. S. Environmental Protection Agency (EPA) and pursuant to requirements of the Clean Water Act (P.L. 92-500), every three years the Forum prepares a formal report analyzing the salinity of the Colorado River, anticipated future salinity, and the program elements necessary to keep the salinity concentrations (measured in Total Dissolved Solids – TDS) at or below the levels measured in the Colorado River system in 1972 at Imperial Dam, and below Parker and Hoover Dams. The latest report was prepared in 2005 titled: *2005 Review, Water Quality Standards for Salinity, Colorado River System* (2005 Review). The plan necessary for controlling salinity and reducing downstream damages has been captioned the "Plan of Implementation." The 2005 Review includes an updated Plan of Implementation.

Concentrations of salts in the River annually cause about $376 million in quantified damage in the United States (there are significant un-quantified damages as well). For example, damages occur from:

- A reduction in the yield of salt sensitive crops and increased water use for leaching in the agricultural sector;

- A reduction in the useful life of galvanized water pipe systems, water heaters, faucets, garbage disposals, clothes washers, and dishwashers, and increased use of bottled water and water softeners in the household sector;

- An increase in the use of water for cooling, and the cost of water softening, and a decrease in equipment service life in the commercial sector;

- An increase in the use of water and the cost of water treatment, and an increase in sewer fees in the industrial sector;

- A decrease in the life of treatment facilities and pipelines in the utility sector;

- Difficulty in meeting wastewater discharge requirements to comply with National Pollutant Discharge Elimination System permit terms and conditions, and an increase in desalination and brine disposal costs due to accumulation of salts in groundwater basins, and fewer opportunities for recycling due to groundwater quality deterioration; and

- Increased use of imported water for leaching and the cost of desalination and brine disposal for recycled water.

For every 30 milligram per liter increase in salinity concentrations, there are $75 million in additional damages in the United States. Although the Program, thus far, has been able to implement salinity control measures that comply with the approved plan, recent drought years have caused salinity levels to rise in the River. Predictions are that this will be the trend for the next several years. This places an added urgency for acceleration of the implementation of the Program.

Enactment of the Farm Security and Rural Investment Act of 2002 provided an opportunity to adequately fund the Salinity Program within EQIP. The Colorado River Basin Salinity Control Advisory Council has taken the position that the USDA portion of the effort be funded at 2.5% of the EQIP funding but at least $20 million annually. Over the past few years, the Natural Resources Conservation Service (NRCS) has designated 2.5 percent of EQIP funds be allocated to the Colorado River Salinity Control program. The Forum at its meeting in October 2007 in Santa Fe, New Mexico, recommended that this is an appropriate level of funding as long as it does not drop below $20 million. Funding above this level assists in offsetting pre-fiscal year 2003 funding below this level. The Colorado River Board supports the recommendation of the Forum and urges this Subcommittee to support funding for the Colorado River Basin Salinity Control Program for 2009 at this level.

These federal dollars will be augmented by the state cost sharing of 30 percent with an additional 25 percent provided by the agricultural producers with whom USDA contracts for implementation of salinity control measures. Over the past years, the Colorado River Basin Salinity Control program has proven to be a very cost effective approach to help mitigate the impacts of increased salinity in the Colorado River. Continued federal funding of this important Basin-wide program is essential.

In addition, the Colorado River Board recognizes that the federal government has made significant commitments to the Republic of Mexico and to the seven Colorado River Basin States with regard to the delivery of quality water to Mexico. In order for those

commitments to continue to be honored, it is essential that in FY 2008, and in future fiscal years, that Congress continues to provide funds to USDA to allow it to provide needed technical support to agricultural producers for addressing salinity control in the Basin.

The Colorado River is, and will continue to be, a major and vital water resource to the 18 million residents of southern California as well as throughout the Colorado River Basin. As stated earlier, preservation and improvement of the Colorado River water quality through an effective salinity control program will avoid the additional economic damages to users of Colorado River water in California, Arizona, and Nevada.

Sincerely,

Gerald R. Zimmerman
Executive Director

Testimony for the Record

to

Appropriations Subcommittee on Agriculture, Rural Development
And Related Agencies
United States House of Representatives
Washington, DC 20515

from

National CSFP Association
Matt Gassen, President

March 1, 2008

National CSFP Association

Website: ***www.csfpcentral.org***

The Honorable Dave Obey:

Mr. Chairman and Subcommittee members, I am Matt Gassen, President of the National Commodity Supplemental Food Program Association (NCSFPA). Thank you for this opportunity to present information regarding the Commodity Supplemental Food Program (CSFP).

CSFP was our nation's first food assistance effort with monthly food packages designed to provide protein, calcium, iron, and vitamins A and C. It began in 1969 for low-income mothers and children, preceding the Special Supplemental Nutrition Program for Women, Infants, and Children known as WIC. Pilot programs in 1983 added low-income seniors to the list of eligible participants and they now comprise 93% all participants.

CSFP is a unique federal/state and public/private effort. The USDA purchases specific nutrient-rich foods at wholesale prices for distribution. State agencies such as the departments of health, agriculture or education provide administration and oversight. These agencies contract with community and faith based organizations to warehouse and distribute food, certify eligibility and educate participants. The local organizations build broad collaboration among non-profits, health units, and Area Agencies on Aging so that seniors and others can quickly be qualified for enrollment and receive their monthly supplemental food package along with nutrition education to improve their health and quality of life. This unique public/private partnership reaches even homebound seniors in both rural and urban settings with vital nutrition.

The foods provided through CSFP include canned fruits and vegetables, juices, meats, fish, peanut butter, cereals and grain products, cheese, and other dairy products targeted to increase healthy food consumption among these low-income populations.

The CSFP is also an important "market" for commodities supported under various farm programs, as well as an increasingly important instrument in meeting the nutritional and dietary needs of special low-income populations.

In FY07, the CSFP provided services through 150 non-profit community and faith-based organizations at over 1,800 sites located in 32 states, the District of Columbia, and two Indian reservations (Red Lake, Minnesota and Oglala Sioux, South Dakota). On behalf of those organizations NCSFPA would like to express our concern and disappointment regarding the reduction of available CSFP resources for FY09.

At a time when many Americans must choose between food or medicine, utilities, and other basic expenses, the federal government should not be reducing benefits for our most vulnerable citizens.

CSFP's 39 years of service stands as testimony to the power of partnerships among community and faith-based organizations, farmers, private industry and government agencies. The CSFP offers a unique combination of advantages unparalleled by any other food assistance program:

- The CSFP specifically targets our nation's most nutritionally vulnerable populations: young children and low-income seniors.
- The CSFP provides a monthly selection of food packages tailored to the nutritional needs of the population served. Eligible participants are guaranteed [by law] a certain level of nutritional assistance every month in addition to nutrition education regarding how to prepare and incorporate these foods into their diets as prescribed by their health care provider.

- The CSFP purchases foods at wholesale prices, which directly supports the farming community. The average food package for FY08 is $18.57, and the retail value is approximately $50.00.
- The CSFP involves the entire community in confronting the problem of hunger. There are thousands of volunteers as well as many private companies who donate money, equipment, and most importantly time and effort to deliver food to needy and homebound seniors. These volunteers not only bring food but companionship and other assistance to seniors who might have no other source of support. (See Attachment 1)

The White House proposed budget for FY 09 would eliminate CSFP completely, and would eliminate all of this effort and support of those 39 years. This proposal has shocked the entire CSFP community as well as legislators, anti-hunger and senior service organizations and the concerned citizens as they have become aware of it. America's Second Harvest, AARP, and FRAC have all voiced their opposition to the elimination of CSFP. It is unconscionable to eliminate benefits for some of our most vulnerable citizens and to eliminate the hope of those waiting for participation in the program. It is the cruelest cut for the greatest generation.

In a recent CSFP survey, more than half of seniors living alone reported an income of less than $750 per month. Of those respondents from two-person households, more than half reported an income of less than $1,000 per month. Fewer than 25% reported being enrolled in the Food Stamp Program. Over 50% said they ran out of food during the month. Also, close to 70% senior respondents say they use money for medical bills not food.

The House Agriculture Appropriations Subcommittee has consistently supported CSFP, acknowledging it as a cost-effective way of providing nutritious supplemental foods. Last year this subcommittee and all of Congress provided funding for CSFP in direct opposition to its proposed elimination. This year, your support is again needed to provide adequate resources for the 473,473 mothers, children and seniors currently receiving benefits, 20,500 low-income participants currently waiting in five new states and 104,137 seniors waiting in current states for this vital nutrition program.

There is no discernible plan to address the long-term needs of those affected by the elimination of CSFP. The proposed transition plan provides that seniors being removed from CSFP will be provided a Food Stamp Program (FSP) benefit of $20 per month for up to six months, or until the participant actually enrolls in the FSP, whichever comes first. Simply transferring seniors to the FSP is an inadequate solution. It is essential for seniors to have access to services which they feel are offered with dignity and respect. Many will outright reject the idea of applying for FSP benefits. According to the ERS Evaluation of the USDA Elderly Nutrition Demonstrations: Volume I:

> "The Commodity alternative benefit demonstration in North Carolina was popular both among new applicants and among existing FSP participants. Clients eligible for low FSP benefits were more likely to get the commodity packages, which had a retail value substantially greater than their FSP benefits". "In particular, seniors described the anxiety of using FSP benefits in stores, where they felt shoppers and store clerks looked down on them". "The demonstrations attracted a particularly large share of clients eligible for the $10 benefit because the retail value of the commodity packages was worth $60-$70."

Depending on their non-cash assets, seniors may not qualify for a FSP benefit level equivalent to the CSFP food package. Seniors receiving the minimum benefit would not be eligible for the $20/month transitional benefit. The 25% of current CSFP participants who already enrolled in the FSP will lose the benefits of CSFP and those benefits will not be replaced at a time when they are struggling to make ends meet. CSFP and FSP are supplemental programs. They work together to make up the shortfall that many of our seniors are facing each month. Both programs need to continue to be available as part of the "safety net" for our low-income participants.

USDA reports that the average benefit paid to senior citizens is about $67 per month, but in reality, many senior citizens receive only the minimum monthly benefit of $10, which has not been updated since 1975. USDA figures also report households rather than individual participants and include households with disabled family members.

The proposed transition plan for women, infants and children enrolled in the CSFP is to transfer them to WIC. However, due to increasing coordination between WIC and CSFP at the state and community levels, the number of WIC-eligible mothers and children enrolled in the CSFP is steadily declining. In some states, this figure is less than 2% of all enrolled women and children, eradicating supplemental food and nutrition benefits for that population as well. Also of importance is the fact the CSFP covers the non-WIC eligible populations of post-partum mothers from 6monts to 1 year and children up to age 6.

As referenced earlier, CSFP provides a food package that costs USDA about $19 per month. It has a retail value of approximately $50. How does someone use $20 to purchase $50 worth of nutritious foods? What happens at the end of 6 months?

The National Commodity Supplemental Food Program Association respectfully requests that the House Agriculture Appropriations Subcommittee take the appropriate actions to funding CSFP for FY09 at $175 million as illustrated below:

To continue serving the **473,473** needy seniors (93% of participants), women, infants and children (7% of participants) currently enrolled in CSFP.	*$142 Million*
To meet USDA's commodity procurement expenses.	*$0.7 Million*
To begin meeting the needs of **20,500** eligible seniors in the 5 states with USDA approved plans: Arkansas (5,000), Delaware (2,500), Oklahoma (5,000), New Jersey (5,000) and Utah (3,000).	*$6.2 Million*
To serve an additional **104,137** individuals among of our nation's most vulnerable individuals in the 32 states with existing programs and documented additional needs.	*$23.4 Million*
TOTAL Appropriation needed to maximize this program's effectiveness in serving 617,251 seniors and women and their infants and young children challenged by hunger	**$175 Million TOTAL**

With the aging of America, CSFP must be an integral part of USDA Senior Nutrition Policy as well as comprehensive plans to support the productivity, health, independence, and quality of life for America's seniors.

Measures to show the positive outcomes of nutrition assistance to seniors must be strengthened. A 1997 report by the National Policy and Resource Center on Nutrition and Aging at Florida International University, Miami-- Elder Insecurities: Poverty, Hunger, and Malnutrition indicated that malnourished elderly patients experience 2 to 20 times more medical complications, have up to 100% longer hospital stays, and incurs hospital costs $2,000 to $10,000 higher per stay. Proper nutrition promotes health, treats chronic disease, decreases hospital length of stay and saves health care dollars.

Rather than eliminating the program, the NCSFPA recommends the following initiatives to strengthen CSFP:

- Develop a formal evaluation process to demonstrate individual and program outcomes of CSFP with federal, state, and local CSFP managers included in the study design;
- Set "greatest need within a project area" as the priority for service or let each state set its priority for service under a plan approved by the Secretary of Agriculture;
- Support and expand the program in those states that have demonstrated an interest in the CSFP, including the 5 states that already have USDA-approved plans to operate CSFP (Arkansas, Delaware, New Jersey, Oklahoma and Utah) or that have demonstrated a willingness to continue and expand current CSFP services.

This program continues with committed grassroots operators and dedicated volunteers. The mission is to provide quality nutrition assistance economically, efficiently, and responsibly always keeping the needs and dignity of our participants first. We commend the Food and Nutrition Service of the Department of Agriculture and particularly the Food Distribution Division for their continued innovations to strengthen the quality of the food package and streamline administration. We also remain committed to providing quality services in collaboration with the community organizations and volunteers that contribute nearly 50% of the resources used in providing these services.

Respectfully Submitted by:

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National CSFP Association Administrative Expense Value Survey FY06

Programs	USDA Reimbursed Cash	Not Reimbursed by USDA Cash	CSFP Expenditures Cash	Goods & Services donated to agency Value	Volunteer Labor Hours Value	Annual Total Program Value	% Paid by USDA	Extra Goods donated to CSFP participants
New Hampshire	$ 416,648	$ 13,227	$ 429,875	$ 6,650	$ 108,235	$ 544,760	76%	$ 2,625
New York	$ 1,804,443	$ 45,000	$ 1,849,443	$ 1,000	$ 296,307	$ 2,146,750	84%	$ 12,755
Vermont FB	$ 246,524	$ 300,000	$ 546,524	$ -	$ 90,200	$ 636,724	39%	$ 2,000.00
Washington DC	$ 439,098	$ 1,600,000	$ 2,039,098	$ 800,000	$ 172,318	$ 3,011,416	15%	$ -
Pennsylvania	$ 835,702	$ 53,197	$ 888,899	$ 22,885	$ 186,985	$ 1,098,769	76%	$ 92,638
Kentucky	$ 898,857	$ 162,681	$ 1,061,538	$ 22,180	$ 704,282	$ 1,788,000	50%	$ 714,055.00
Mississippi	$ 400,448	$ -	$ 400,448	$ 160,370	$ 561,766	$ 1,122,584	36%	$ -
North Carolina	$ 74,583	$ 30,000	$ 104,583	$ -	$ -	$ 104,583	71%	$ 5,000
South Carolina	$ 212,744	$ -	$ 212,744	$ -	$ 58,883	$ 271,627	78%	$ 2,500
*Tennessee	$ 804,260	$ -	$ 804,260	$ -	$ -	$ 804,260	100%	$ -
Illinois	$ 885,767	$ 3,000	$ 888,767	$ -	$ 477,447	$ 1,366,214	65%	$ -
Indiana	$ 246,603	$ 28,072	$ 274,675	$ 22,000	$ 396,880	$ 693,555	36%	$ 443
Michigan	$ 4,490,742	$ 601,805	$ 5,092,547	$ 356,773	$ 2,161,385	$ 7,610,705	59%	$ 769,301
Minnesota	$ 802,557	$ 103,225	$ 905,782	$ 19,000	$ 173,068	$ 1,097,850	73%	$ 199,000
Red Lake, MN	$ 5,841	$ -	$ 5,841	$ -	$ -	$ 5,841	100%	$ -
Ohio	$ 709,662	$ 94,228	$ 803,890	$ 65,000	$ 368,251	$ 1,237,141	57%	$ 302,000
Wisconsin	$ 276,228	$ 56,458	$ 332,686	$ 3,150	$ 300,691	$ 636,527	43%	$ 41,845
Louisiana	$ 4,505,386	$ 250,000	$ 4,755,386	$ 452,000	$ 825,330	$ 6,032,716	75%	$ -
New Mexico	$ 1,009,150	$ 272,139	$ 1,281,289	$ 97,987	$ 350,283	$ 1,729,559	58%	$ 446,378
Texas	$ 708,521	$ 70,000	$ 778,521	$ 15,000	$ 405,900	$ 1,199,421	59%	$ 12,000
Colorado	$ 1,193,799	$ 204,168	$ 1,397,967	$ 30,474	$ 612,151	$ 2,040,592	59%	$ 878,389
Iowa	$ 222,652	$ 520,767	$ 743,419	$ -	$ 29,712	$ 773,131	29%	$ -
Kansas	$ 333,423	$ 45,715	$ 379,138	$ 46,200	$ 209,986	$ 635,323	52%	$ 51,400
Missouri	$ 532,997	$ 29,000	$ 561,997	$ 2,400	$ 398,455	$ 962,852	55%	$ 1,010,950
Montana	$ 385,402	$ 35,525	$ 420,927	$ 107,333	$ 2,163,357	$ 2,691,617	14%	$ 78,825
Nebraska	$ 756,827	$ 87,486	$ 844,313	$ 21,580	$ 308,475	$ 1,174,369	64%	$ 89,709
North Dakota	$ 160,216	$ 7,800	$ 168,016	$ -	$ 235,729	$ 403,745	40%	$ -
South Dakota	$ 160,962	$ 33,520	$ 194,482	$ -	$ 32,842	$ 227,324	71%	$ -
Ogala Sioux, SD	$ 37,341	$ -	$ 37,341	$ -	$ -	$ 37,341	100%	$ -
Alaska	$ 130,334	$ 48,038	$ 178,372	$ 10,000	$ 45,100	$ 233,472	56%	$ -
Arizona	$ 883,204	$ 450,000	$ 1,333,204	$ 4,516	$ 1,549,401	$ 2,887,121	31%	$ 580,460
California	$ 3,078,203	$ 1,265,849	$ 4,344,052	$ 68,600	$ 2,492,966	$ 6,905,618	45%	$ 772,308
Nevada	$ 352,044	$ 97,629	$ 449,673	$ -	$ 84,788	$ 534,461	66%	$ 113,000
Oregon	$ 78,299	$ 48,000	$ 126,299	$ -	$ 75,768	$ 202,067	39%	$ -
Washington	$ 132,094	$ 25,000	$ 157,094	$ 250	$ 39,544	$ 196,888	67%	$ -
Grand Total	**$ 28,211,561**	**$ 6,581,529**	**$ 34,793,090**	**$ 2,335,348**	**$ 15,916,481**	**$ 53,044,919**	**53%**	**$ 6,177,579**

*no information provided

Attachment I

Chairwoman DeLauro, Ranking Member Kingston, and Members of the Subcommittee:

The Council on Food, Agricultural, and Resource Economics (C-FARE) and the Consortium of Social Science Associations (COSSA) appreciate the opportunity to submit testimony on the Fiscal Year (FY) 2009 appropriation for the United States Department of Agriculture. C-FARE is a non-profit, non-partisan organization dedicated to strengthening the presence of the agricultural, natural resources, and applied economics profession to matters of science policy and federal budget determination, and we represent approximately 3,500 economists nationwide. COSSA is an advocacy organization for the social and behavioral sciences supported by more than 110 professional associations, scientific societies, universities, and research centers and institutes.

Our organizations understand the challenges the House Appropriations Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies, face given the proposed tight FY 2009 agriculture budget. We also recognize that the Agriculture Appropriations bill has many valuable and necessary components, and we applaud the past efforts of the Subcommittee to fund mission-critical research. Below are listed our organization's funding priorities for the FY 2009 agriculture budget.

USDA Cooperative State Research, Education, and Extension Service (CSREES)
National Research Initiative

C-FARE and COSSA endorse funding for the National Research Initiative Competitive Grants Program (NRI) at the President's proposed level of $257 million. Included in this amount is an increase of $19 million for the Department's bioenergy and biobased fuels research initiative. The NRI encourages high quality research that is conducted through a peer reviewed format. In particular, the research issues addressed by Markets and Trade and Rural Development are diverse and multi-faceted. Social Science research also enhances ideas and technologies from other fields of science and research which adds value to their role in the NRI. Funding the competitive program at the requested level also allows our scientists to more closely study such important societal issues as biofuels' impacts on rural communities, food security and insecurity, international trade issues, and other areas which touch our nation's food, fiber and fuel system.

Social Science research is highly valued by USDA and much of what our scientists offer can help meet each strategic goal of CSREES. For example, social science research meets CSREES strategic goal number 1, "Enhance International Competitiveness of American Agriculture" by providing science-based information, knowledge, and education to help farmers and ranchers understand risk management, and the long-term impacts of trade barriers.

Research by our members also meets CSREES strategic goal number 2, "Enhance the Competitiveness and Sustainability of Rural and Farm Economies," and strategic goal number 3, "Support Increased Economic Opportunities and Improved Quality of Life in Rural America" by providing information to help inform decisions affecting the quality of life in an increasingly complex and differentiated rural America.

Therefore, we request that the Committee encourage CSREES to fund the social science research components of the NRI at a level sufficient to allowing scientists to address these unmet research needs. Within the last few years, USDA changed funding for these core congressionally-mandated programs to every other year, rather than on a yearly basis. We see the value of CSREES offering these research programs on a continual basis rather than during alternating years.

USDA Economic Research Service (ERS)
Market Analysis and Outlook

As you are aware, the Economic Research Service performs valuable research, data collection, and analysis to inform policymakers about Rural America. Farmers, rural residents, and members of your Subcommittee have relied upon the research and data compiled by ERS. C-FARE and COSSA support the President's proposed FY 2009 funding level for the ERS. The President's FY 2009 budget proposes a $3.5 million increase to strengthen the market analysis and outlook program to ensure the continuity and quality of current market analysis and enhance coverage of increasingly complex global markets for an expanding array of agricultural products. This information is important for our scientists as well as for decision makers, particularly to estimate the impacts of farm policy changes.

Bioenergy Research and Modeling

The push for alternative fuels from farm products can also play an important role in revitalizing Rural America. However, like all potential changes, this one will have consequences both intended and unintended on our rural counties. We therefore support the President's proposed $400,000 enhancement to strengthen ERS' ability to analyze the regional impacts of bioenergy production and evaluate issues related to transportation networks, feedstock storage, marketing channels, and shifts in commodity production. This will help understand the economics of bioenergy production, the demand for by-products, the likely future adjustments in the crop and livestock sectors, and the understanding of the pressures on the rural infrastructure that will come with this new exciting development.

USDA National Agricultural Statistics Service (NASS)

C-FARE and COSSA recommend supporting funding of agricultural estimates, Census of Agriculture, and pay costs at USDA's NASS at a level of $153 million for NASS. The NASS budget reflects program initiatives for both the Census of Agriculture and Bioenergy Statistics.

The census data are relied upon to measure trends and new developments in the agricultural sector. This increase supports the normal increase in activity levels due to the cyclical nature of the five-year Census program. The agricultural estimation program for bioenergy statistics includes an increase of $1.8 million to establish a data series on key elements of bioenergy production and utilization.

Conclusion

America requires new and expanded agricultural research to protect our nation's forests, water supplies, food processing and distribution network, and rural communities and insure the future security, safety and sustainability of our food, fuel and fiber system. In order to address these challenges and maintain our position in an increasingly competitive world, we must continue to support research programs such as the NRI and formula funding, and information systems such as those provided by ERS.

Thank you for the opportunity to present our recommendations. As you know, past investments in agricultural research have yielded many breakthroughs in American agricultural productivity and rural development. If you have any questions or concerns regarding our priorities please do not hesitate to contact us.

Howard Silver

Howard Silver

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C-FARE Disclosure of Government Contracts and Grants
2007

Agency	Year	Background
USDA ERS	2007	$25,000 to help support C-FARE's Educational Outreach Activities by helping provide funding for C-FARE's intern briefings, and other educational seminars.
USDA NASS	2007	$115,000 to support an external review of the USDA Census of Agriculture and to provide travel for the panel members.
USDA GIPSA	2007	$2,500 to support C-FARE's Educational Outreach Activities by providing support for intern briefings and other educational seminars.

COSSA receives no government funds.

Lyman B. Crittenden
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March 21, 2008
Subject: *Public Witness Testimony for the Record.*
To: The House Committee on Appropriations Subcommittee on Agriculture etc.
From: Lyman B. Crittenden, PhD. Retired. Research Geneticist, USDA, ARS, ADOL 1961-1989. Research Professor, Department of Microbiology, Michigan State University, 1989-1995. First Coordinator for Poultry Genomics under NRSP-8 the National Animal Genome Research Program.

I will give a historical perspective on the resources and expertise that were developed through continued stable funding by the USDA for over 65 years of the Regional Poultry Research Laboratory later called the Avian Disease and Oncology Laboratory located on the Michigan State University campus. Then summarize the continuing contributions of the Laboratory to applied and basic research on the control of important diseases of chickens caused by oncogenic viruses and suggest how the loss of funding at this location may affect this research if provisions are not made to continue maintenance of this research at this or another location.

Chicken Lines, Genetic Resistance to Lymphoid Leukosis and Marek's Disease, Endogenous Retroviruses, Transgenics and Genomics.
The Laboratory was established in 1939-1940 when the poultry industry was having losses with several types of tumors in both young and adult chickens and it was decided to establish a central USDA laboratory to coordinate and conduct research on this problem. It was noticed by both researchers at State Experiment Stations and commercial breeders that there were differences in incidence among lines. Therefore, a geneticist, as well as veterinarians and virologists, were hired as professional staff creating an environment for multidisciplinary research.

Inbred lines were developed from crosses of commercial White Leghorns and initially selected for resistance and susceptibility to this complex of diseases. It was soon realized that two forms of neoplasms called Lymphoid Leukosis(LL) and Marek's Disease(MD) were present and that genetic resistance to them was independent. Several of these lines with different combinations of resistance to the diseases have now been brother-sister mated for many generations and are among the most highly inbred lines in the world, and are maintained under specific pathogen free conditions. LL was determined to induced by a virus later determined to be a RNA retrovirus and call Avian Leukosis Virus (ALV). MD was found to be caused by a DNA herpes virus (MDV). Crosses and backcrosses of some these lines infected with different subgroups of ALV showed that resistance to infection was due to recessive genes at three different genetic loci. Collaboration with other laboratories has lead to the genetic cloning of these virus receptors that control ALV penetration of the cell membrane. However, genetic control of the resistance to development of LL after infection is more complex. While resistance to MD is complex, breeders have shown that selection for MD resistance by exposure to MDV can effective. I will discuss the approaches to control of these diseases in another section.

In the early 1960s it was shown that ALV was a retrovirus which means, that in replication, it's RNA genome is transcribed to DNA which is integrated in the genome of the host cell which then is transcribed into RNA and completes the viral replication cycle. The discovery of this mode of replication by ALV and murine retroviruses led to a shared Nobel Prize awarded to Howard Temin and David Baltimore. These discoveries spurred basic research in a number of laboratories leading to basic findings that could be applied by the Poultry Laboratory to understand and develop methods of controlling LL in the poultry industry. It was found in England and at the Poultry Laboratory that during the evolution of chickens the DNA genome of ALV had been integrated into the germline and inherited into the germline and inherited and inherited as single genes which became known as endogenous viruses. Their expression could affect susceptibility of chickens to ALV and interfere with tests for infection in programs to eradicate the virus from commercial breeding flocks. Further work at the Poultry Laboratory in collaboration with other laboratories developed a chicken line free of endogenous ALV by analyzing of their DNA. Using this line, now maintained at the ADOL, it was shown that the ALV genome could be introduced into the chicken genome artificially demonstrating the first method of producing transgenic chickens. Some of these inserts were defective and did not express infectious virus but did express one of the viral genes that interfered with further ALV infection demonstrating pathogen-derived resistance.

In collaboration with Michigan State University the first molecular genetic map of the chicken was developed. The DNA panel developed from male Jungle Fowl backcrossed to inbred White Leghorns, in collaboration with the University of California Davis, was made available to an international group of collaborators who used their own DNA probes to genotype the crosses. The map developed was integrated with maps later developed in England and the Netherlands to produce a comprehensive map. DNA from the Jungle Fowl was used in collaboration with the NIH Genome Project to sequence the chicken genome. This sequence information was used to develop a high density marker panel which is being used in collaboration with commercial breeders to develop methods of marker-assisted selection to enhance the efficiency of their selection programs based on the phenotype of resistance to disease.

The above illustrates the kind of collaborative research for the benefit of the poultry industry that has been developed using the resources developed at the ADOL that will be jeopardized if funding is terminated for the ADOL without providing alternate provisions for maintaining them. The highly characterized inbred lines could be lost which can be used to further characterize genes responsible resistance to MD and ALV by the currently available marker panel. Semen freezing is possible, although not as efficient as in cattle, but, as far as I know, no method is available to store the early fertilized embryo that would be needed to preserve the inbred nature of the lines.

Control of MD and LL,

Breeding for resistance to MD has been used by some breeders by exposing breeding stock to MDV but this is not a preferred method because it involves using highly infectious virus that could easily infect other chickens. However, genes may be found using the high density marker panel to find genes that could be used for marker-assisted selection without exposing the birds to MDV. The vaccine originally developed at the ADOL is universally used, but may not be effective against some of the highly virulent strains of virus. This vaccine has reduced mortality

and condemnations substantially saving the poultry industry an estimated 200 plus million dollars. A new generation recombinant vaccine is in field trial and appears to give better protection than available commercial vaccines.
ALV is transmitted from bird to bird and through the egg. It has not been possible to develop a vaccine for LL. The ADOL has compared a variety of assays for virus and antibody and has helped breeders to reduce or eradicate the virus from their breeding flocks. However, a new subgroup J of ALV is threatening the broiler industry and new methods of control are needed. No genes are known for resistance to ALVJ infection and assay methods are needed for detection of infection.

These comments highlight some of the contributions of the ADOL to the poultry industry and illustrate the losses in resources and expertise that will be lost if funding is suddenly cut from the 2009 budget.

February 16, 2007

The Honorable Rosa DeLauro
U.S. House of Representatives
Chair
Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
Washington, D.C. 20515

Dear Madame Chair:

I am writing on behalf of Easter Seals to request the opportunity to present testimony regarding the status of the USDA AgrAbility Program and make recommendations regarding fiscal year 2008 funding. People with disabilities are a vital part of America's agricultural and rural population. Over 500,000 farmers and ranchers have physical impairments that limit their ability to perform essential farm tasks. Annually 200,000 agricultural workers are injured in farm related accidents, with thousands incurring permanent disabilities. Thousands more agricultural workers experience disability from non-farm causes such as auto accidents, cancer, heart disease, diabetes and age-related impairments.

Fourteen years ago, Easter Seals urged Congress to initiate a USDA program to enhance access to agriculture-oriented assistive technologies and techniques for disabled farmers, ranchers and farmworkers. Pioneering programs in Iowa, Indiana and Vermont had proven that the majority of agricultural workers want to and can continue to support their families through agriculture if provided the proper supports. Yet, all to often, farmers with disabilities fell through the cracks in rural service delivery systems, otherwise available to urban people with disabilities, or were offered services that were unsuitable to agricultural production or rural living.

Congress responded to this situation in the 1990 Farm Bill by establishing the "Assistance for Farmers with Disabilities" program, now known as AgrAbility, to engage USDA and disability community expertise to help farm families affected by disabilities. Today, AgrAbility is at work in twenty-four states including California, Colorado, Delaware, Georgia, Idaho, Kansas, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, Oklahoma, Pennsylvania, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming.

The AgrAbility program creates dynamic partnerships between state cooperative extension services and nonprofit disability organizations to provide information and technical assistance that promotes the safe accommodation of disability in agricultural production. Since 1991, your subcommittee has allocated funds to initiate, expand or sustain AgrAbility projects in over 30 states and to support a national project that provides training, technical assistance and information support.

Easter Seals is ready to provide you and your colleagues with a full accounting of AgrAbility Program activities, and to recommend a fiscal year 2008 funding level that enables the program to respond to pressing needs among farm families affected by disability. Please advise me of the date and time that is suitable for the subcommittee to schedule an Easter Seal witness. Thank you for your consideration.

Sincerely,

Jennifer Dexter
Assistant Vice President, Government Relations

Nick Partin, President,
Federal Managers Association (FMA) Chapter 389.
Residing in Midvale, Idaho.

FMA Chapter 389 membership is open to employees of USDA Rural Development in the 13 western states. Membership in FMA is strictly voluntary and our purpose is to promote building rural America through excellence in public service. I present this testimony, not as a federal employee or representative of my employer, but as an individual representing a group of individuals that work in rural America and share common ideas of how the citizens of rural America can best be served. Our testimony is in support of funding the USDA Rural Development Direct Single Family Housing loan programs at no less than the Fiscal Year 2007 direct loan level of $1,208,000,000.

The USDA Rural Development Section 502 Direct Loan program provides an opportunity for many Low and Very-Low income rural residents to realize the American dream of home ownership. Over two million housing units have been financed since USDA was given authority to finance individual housing in Section 502 of Title 5 of the Federal Housing Act of 1949. In FY 2006, 11,865 families were afforded the opportunity of home ownership. The Section 502 Direct loan program is the only direct federal lending mortgage program that is means tested and offers payment subsidies. It specifically targets low income (50% to 80% of median household income) and very low income (below 50% of the median household income) families in rural areas that are unable to obtain housing credit through conventional credit sources. Presently, no other federal, state, or private financing programs can provide assistance for mortgage financing the way that this program can.[1]

There are two unique unduplicated features of this program. One is its ability to subsidize a monthly mortgage payment down to as low as principal plus 1% interest. This allows low and very low income families to purchase a modest size home. The subsidy is available to income eligible borrowers through the life of the loan and is recaptured by sharing in the profit the borrower realizes from value appreciation of the home. The average income of households assisted under the 502 program in FY 2006 was $18,500.[2] The second unique feature is that USDA Rural Development has the charge and ability to deliver services to the most underserved residents of rural America. Lack of population density often contributes to a lack of conventional mortgage credit because there is not sufficient volume of business to be profitable. Even though there have been remarkable advances in "online" banking, a significant number of the low and very low-income families served by USDA Rural Development, do not have access to or confidence in using "online" banking services. In addition, this program has the ability to direct resources specifically to areas where there are substandard and inadequate housing. The synergy from partnering with non-profits, local communities, and banks exponentially expands the impact this program has on rural communities. Successful homeownership opportunities for all income levels benefit our entire economy. Twelve thousand new homeowners per year are very important to the stability, well being and health of our rural communities.

Demand for Section 502 direct loan program has remained consistently high. At the end of August in 2006 USDA Rural Development had more than 37,000 pre-qualified loan

applications[2]. These applications totaled over $3.5 billion which is approximately three times the amount appropriated for FY 2006.

The President's proposed budget for FY 2009 has no funding allocated for this program. The President's proposed budget states that "with improvements and innovations in the banking industry, utilizing the private sector with guarantees is more efficient way to deliver homeownership assistance."[3]. This has not been found to be true and until such time that a suitable alternative has been developed and proven to be successful in meeting the needs of low and very-low income residents of rural America, the need and demand for the Section 502 Direct loan program will continue.

Our member's support continued funding of the USDA Rural Development Section 502 Single Family Housing Direct loan program at FY 2007 levels or greater.

1 *Additional detail – http://www.whitehouse.gov/omb/expectmore/detail/10002040.2004.html*
2 *Reference:* Housing Assistance Council (HAC). 2007. *From Bad to Worse: Rural Housing in the Administration's FY 2008 Budget*
3 *Reference:* President's 2009 Budget, Department of Agriculture, pages 144-145.

TESTIMONY OF THE FEDERATION OF AMERICAN SOCIETIES FOR EXPERIMENTAL BIOLOGY
HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE AND RELATED AGENCIES – FY 2009
MARCH 20, 2008

***"[P]ublic agricultural research undertaken today will begin to noticeably influence agricultural productivity in as little as 2 years and…its impact could be felt for as long as 30 years."* –Economic Research Service report, September 4, 2007**

The Federation of American Societies for Experimental Biology (FASEB) is grateful for the opportunity to submit testimony for the record in support of the vital research programs of the United States Department of Agriculture (USDA). FASEB comprises 21 scientific societies representing more than 80,000 life science researchers, and our mission is to advance biological science through collaborative advocacy for research policies that promote scientific progress and education and lead to improvements in human health. FASEB enhances the ability of biomedical and life scientists to improve—through their research—the health, well-being and productivity of all people.

Greater investment in basic and applied agricultural research is essential, as threats proliferate and demands for a more nutritious food supply continues to increase. The USDA funds research through its intramural arm, the Agriculture Research Service (ARS), and competitive grants program, the National Research Initiative (NRI). The ARS support allows optimization of the competitive funds offered through the NRI by providing essential research facilities via its research centers across the country. These symbiotic programs provide the infrastructure and continuous generation of new knowledge that allow for rapid progress towards meeting national needs.

A recent report by the Economic Research Service (ERS) found "strong and consistent evidence that investment in agricultural research has yielded high returns per dollar spent" citing mean rates of returns of 53 percent.[1] However, our nation's investment in agricultural research has been declining (Figure 1), threatening our ability to sustain the vitality of our research portfolio. The NRI has not yet reached even half of its initial authorization of $500 million, and ARS funding has been waning. Continuation of this neglect will inevitably undermine the success of the USDA's research programs. Thus it is imperative that the breadth and competitive nature of the NRI portfolio be maintained and expanded to ensure our nation's excellence in agricultural research and the well-being of all Americans.

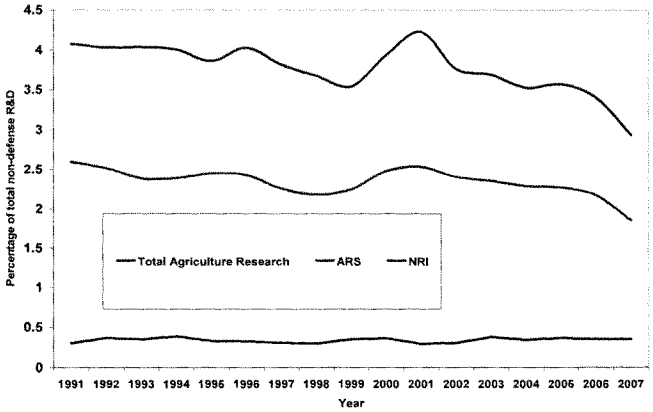

Figure 1: Research at the USDA has been declining in relation to total federal spending on non-defense research & development (R&D), putting our competitive portfolio of agricultural research at serious risk.

[1] Fuglie, KO and Heisey PW. (2007) *Economic returns to public agricultural research.* USDA Economic Research Service, Economic Brief # 10. http://www.ers.usda.gov/Publications/EB10/

Agriculture and the research which advances it remain of crucial importance to our economy and quality of life. Research supported by USDA contributes to our understanding of the nutrition that underlies our health; it protects human life and our food supply from pandemic disease and introduced pathogens; it allows us to respond quickly to emerging issues like Colony Collapse Disorder or foot-and-mouth disease; and has led the way in development of bioenergy resources. Below are a few examples of the important contributions resulting from USDA-funded research.

HUMAN NUTRITION, HEALTH, AND POLICY

Nutrition is the foundation upon which human and animal health is built, and whose mysteries fascinate the American people like no other aspect of science. This is perhaps most evident in the daily news stories that seek to uncover the optimal diet required to maximize health or minimize risk of disease. Research has identified the critical role that nutrition plays in a myriad of health conditions, from cancer to heart disease to diabetes. Perhaps the most striking evidence of the importance of nutrition to health is the alarming increase in the rates of obesity in this country, especially in children and adolescents. Further research is essential as we seek to understand the causes, both innate and environmental, of this public health crisis.

The USDA is uniquely positioned to conduct nutrition and food-related research because of its singular perspective on the entire food system, from crop to livestock to food supply to human consumption. No other agency has the capacity to understand the connections among food, the food supply and its production, and the health of our nation. Through its research programs, the USDA is making the connection between what we eat and the healthfulness of our lifestyle.

- ***Folate and colon cancer:*** Folate, a B-complex vitamin, is strongly implicated in the prevention of colorectal cancer. It has been estimated that the risk of developing colorectal cancer in people consuming the largest amounts of dietary folate is 30-40% lower than in people consuming less folate. NRI-supported scientists are investigating the mechanisms by which differences in folate intake can protect against cancer and other diseases, which may provide evidence for increasing the Dietary Reference Intake values for folate. This is a necessary first step in developing effective public health measures which would use folate as a cancer preventive measure and improve the health of the nation.
- ***Obesity:*** Our country is facing a rising storm of health problems related to increasing rates of obesity, in both adults and children, including diabetes, hypertension, and heart disease. The direct and indirect costs of obesity represent a $100 billion annual burden on the U.S. economy. The USDA is funding cutting edge research at universities across the nation, where scientists are examining genetic and metabolic factors that influence obesity, including the balance of protein, fat, and carbohydrate, dietary calcium and milk intake, the roles of the hormones leptin and ghrelin, as well as the effects of conjugated linoleic acid, and new and genetically modified foods. Unique research projects linked to dietary interventions are being carried out in rural towns in three states in the West, in African American communities in the South, and in Native American communities.
- ***Functional foods for disease prevention:*** Antioxidants have been shown to be of primary importance in preventing age-related disease and health problems, including cancer and coronary heart disease, two of our nation's leading causes of death. USDA-funded scientists are working to develop functional foods, rich in antioxidants, which could provide nutritional benefit while protecting against disease. Scientific data suggests that processing of wheat could maximize the antioxidant capacity of this cornerstone of our food supply. Researchers have developed a processing procedure to enhance the antioxidant availability in wheat-based food ingredients that involves no chemical or organic solvents and generates no waste. These processing procedures require no special equipment or operation and may be easily scaled up for commercial production.

SAFETY OF OUR FOOD SUPPLY

Over the past year, our national attention has focused on food safety and the security of our food supply. The research programs of the USDA are at the forefront of developing new technologies to protect our food supply and discovering new ways to detect and neutralize threats to our crops, livestock, and food products. Research activities range from food-borne illnesses to microbial resistance to food processing safety to biosecurity at our borders. Moreover, projects funded by NRI and ARS are addressing concerns not only related to our domestic supply of foods, but also those items that we import from international partners. As the United States forges new ties and reinforces existing relationships in our

increasingly global economy, it becomes even more critically important to ensure agricultural research is delivering the knowledge to protect our citizens and the foods they eat.

- ***International food safety:*** Concerns have been raised about the safety of food products and goods imported from other nations. Researchers at the University of Minnesota are setting up models to examine the role of the role of imported food products in the local and global dissemination of food-borne pathogens. Using epidemiological data, these models will enable development of intervention to reduce the risk of disease outbreaks due to food imports. Meanwhile, another team of NRI-funded scientists is developing edible food sensors, made of luminescent nanoparticles. These tiny sensors will be able to screen foods for a host of safety and quality issues, from presence of bacteria and toxins to pH, in a rapid, easy-to-use and inexpensive manner.
- ***Preventing Salmonella outbreaks:*** The multibillion dollar American poultry industry loses 10 to 15% of its potential income to disease annually. Additionally, microbes that infect poultry represent a major human health risk, particularly *Salmonella* which causes over one million cases of illness and results in 500 deaths in the U.S. each year. Using sophisticated DNA technologies, USDA-funded scientists are identifying the genes related to disease resistance and response in poultry. Understanding the genetic basis for the immune response to *Salmonella* and other diseases may lead to breeding of disease-resistant birds, as well as vaccine development.
- ***Biohazard detecting cloth:*** Through use of nanotechnology, NRI-funded scientists at Cornell University have created a cloth that has the ability to detect bacteria, viruses, and other biohazards. When the cloth contacts a contaminant or hazardous substance, a dye is released, providing a rapid response test that allows visualization of the threat with the naked eye. This has applications in detecting foodborne diseases at food preparation or manufacturing sites, screening for bioterror agents like anthrax, and even confirmation that operating rooms or medical facilities are clear of pathogens.

RESPONDING TO EMERGING THREATS

When beekeepers across the country began to report the alarming and mysterious loss of 50-90 percent of bees from their hives, the USDA took the lead in mobilizing research resources to find the source of what is now know as Colony Collapse Disorder (CCD). This is only one example of how a unique and emerging agricultural threat can swiftly challenge our nation's economy, health or food supply. A new outbreak of foot and mouth disease in Europe, the looming specter of pandemic avian flu, and the continuing threat of mad cow disease all illustrate the need for the research resources required to address new and emerging pathogens and diseases. Only with an adequately funded agriculture research infrastructure can our nation be prepared to react and rapidly counter threats to our health and food supply.

- ***Virus implicated in colony collapse disorder:*** Scientists funded by the USDA have recently announced discovery of a virus that may be linked to Colony Collapse Disorder (CCD), which has decimated bee colonies across the country. Bees are essential for the pollination of nearly 100 fruit and vegetable crops worldwide, and play an integral role us U.S. agricultural products representing an estimated economic value of more than $14.6 billion. Identification of Israeli Acute Paralysis Virus (IAPV) as a marker for CCD is a breakthrough step in solving this major agricultural problem. The USDA has also announced a strategic CCD Research Action Plan which will focus, among other things, on ways to improve the general health of bees to reduce their susceptibility to IAPV, CCD, and other disorders.
- ***Avian influenza:*** Avian influenza is a threat to both the multibillion dollar U.S. poultry industry and to human health. A major challenge in dealing with this disease is being able to differentiate between infected birds and vaccinated birds, as well as to be able to rapidly differentiate between different strains of avian flu. Through DNA microarray technology, USDA funded scientists are developing fast and accurate tests that will be cost effective for producers and allow more rapid response to outbreaks of avian influenza worldwide.

BIOENERGY AND CLIMATE CHANGE

Bioenergy has the potential to not only reduce our dependence on foreign oils but to provide a clean, sustainable fuel source that may help mitigate global climate change. The USDA funds research projects that produce science-based knowledge and technologies supporting the efficient, economical, and environmentally friendly conversion of biomass, specifically agricultural residuals, into value-added industrial products and biofuels. Furthermore, USDA-funded research is responding to the issue of climate change by contributing to our understanding of the causes and effects of this phenomenon and how to best protect our natural resources. Agricultural and forestry resources are vitally important to

both our development of biobased resources and our ability to address the threat of climate change. As such, agricultural research is essential to addressing these national priorities.

- ***From switchgrass to biofuels:*** Switchgrass has great potential to be a major biofuel source for the U.S. – it grows quickly, is readily adaptable to diverse conditions, and it efficiently captures the energy of the sun, converting it to cellulose which can be used as a clean alternative fuel source. Unlike other crops, we know very little about the genetics of switchgrass, information that is critical for enhancing breeding and maximizing the potential of this important bioenergy crop. University of Georgia scientists, funded by the NRI, are creating a genetic resource library and mapping out genetic traits that will allow producers to select lines with higher biofuel potential.
- ***Cost effective biodiesel:*** Biodiesel is a clean burning and renewable fuel produced from plant oils and animal fats. Unfortunately, biodiesel is currently expensive to produce because of high feedstock costs, high manufacturing costs, and the requirement to dispose of a low-purity glycerol byproduct. NRI-funded researchers are seeking ways to improve the biodiesel production process and develop alternative approaches for the byproduct glycerol. Through use of sophisticated distillation technologies and catalysts, they are developing manufacturing process that will lower the costs of producing biodiesel, lead to a better-quality biodiesel product that exceeds current standards, reduce waste formation, and eliminate the troublesome by-product.
- ***Predicting the effects of climate change:*** Global climate change is likely to affect the croplands on which we are dependent for food. At the USDA's Rainfall Manipulation Plots facility, researchers are able to alter temperature and precipitation over grasslands to simulate estimated climate change outcomes. These long-term studies are providing invaluable information on how crops will react to complex ecosystem changes associated with climate change. Understanding the impact of this phenomenon can greatly enhance the ability of producers and policymakers to prepare for or mitigate negative effects.

A VISION FOR THE FUTURE

The focus on agricultural research resulting from reauthorization of the Farm Bill presents a unique opportunity to strengthen and enhance our national system of agricultural research.

- ***National Institute of Food and Agriculture:*** FASEB fully endorses the establishment of a National Institute for Food and Agriculture (NIFA), within the USDA, dedicated to funding competitive, peer-reviewed basic research in agriculture. This is an unparalleled opportunity to enhance our system of supporting high quality, fundamental research, allowing advancement of current knowledge and bolstering the superiority of American agriculture. However, in order to ensure success of such an endeavor, NIFA must be fully funded, in contrast to the current trend of underfunding that has plagued current agricultural research programs.

THE UNITED STATES IS BEST SERVED THROUGH INVESTMENT IN AGRICULTURAL RESEARCH

From the critical basic research supported at universities throughout the nation to the important work carried out by the Human Nutrition Research Centers, USDA research programs deserve to be supported at the highest level possible. We must maintain and magnify the breadth and competitive nature of the agricultural research portfolio, to ensure the United States' economic vitality and the well-being of all Americans.

FASEB FEDERAL FUNDING RECOMMENDATION

FASEB supports funding the USDA's National Research Initiative Competitive Grants Program in FY 2009 at the $257 million level recommended in the President's 2008 budget and the Agricultural Research Service at $1.377 billion, which restores the FY 2005 level, adjusted for inflation.

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Robert E. Palazzo, Ph.D.
FASEB President

Testimony Submitted

by

Dr. Raymond Bye, Jr.

Director of Federal Relations

The Florida State University

Before the Subcommittee on Agriculture, Rural Development,

Food and Drug Administration, and Related Agencies

Committee on Appropriations

US House of Representatives

March 18, 2008

Florida State University is requesting **$5,000,000** in FY 2009 for the **Risk Reduction for Agricultural Crops Program** and **$2,000,000** for the **Apalachicola River Coastal Watershed/Marine Environment Initiative** from the from the U.S. Department of Agriculture, Cooperative State Research, Education and Extension Service (CSREES)/Federal Administration Account.

Mr. Chairman, I would like to thank you and the Members of the Subcommittee for this opportunity to present testimony before this Committee. I would like to take a moment to briefly acquaint you with Florida State University.

Located in Tallahassee, Florida's capitol, FSU is a comprehensive Research I university with a rapidly growing research base. The University serves as a center for advanced graduate and professional studies, exemplary research, and top-quality undergraduate programs. Faculty members at FSU maintain a strong commitment to quality in teaching, to performance of research and creative activities, and have a strong commitment to public service. Among the current or former faculty are numerous recipients of national and international honors including Nobel laureates, Pulitzer Prize winners, and several members of the National Academy of Sciences. Our scientists and engineers do excellent research, have strong interdisciplinary interests, and often work closely with industrial partners in the commercialization of the results of their research. Florida State University had over $190 million this past year in research awards.

Florida State University attracts students from every state in the nation and more than 100 foreign countries. The University is committed to high admission standards that ensure quality in its student body, which currently includes National Merit and National Achievement Scholars, as well as students with superior creative talent. Since 2005, FSU students have won more than 30 nationally competitive scholarships and fellowships including 2 Rhodes Scholarships, 2 Truman Scholarships, Goldwater, Jack Kent Cooke and 18 Fulbright Fellowships.

At Florida State University, we are proud of our successes as well as our emerging reputation as one of the nation's top public research universities.

Mr. Chairman, let me summarize two important projects we are pursuing this year. The first involves mitigating climate impact for agriculture.

The current drought, which is one of the worst in recent history, has had a significant impact on the water resources in Georgia, Alabama and Florida. It has reemphasized the vulnerability of the citizens to climate variability and climate extremes. The Federal Government can reduce these risks by using modern technologies such as climate models, which can predict future climate, and decision support tools to help mitigate some of these uncertainties and provide adaptation strategies for the agricultural and environmental sectors. The Southeast Climate Consortium (SECC), which encompasses Florida State University, University of Florida, University of Miami, University of Georgia, Auburn University, and University of Alabama at Huntsville, has been at the forefront of research and extension for the application of climate predictions to risk reduction for agriculture and natural resources. With support from USDA and NOAA, the SECC has developed new methods to predict the consequences of climate variability for agricultural crops, forests, and water resources in the southeastern US. In recent real-life tests, these methods have been applied to the problems that farmers raising specialty crops face arising from variable rainfall, temperature, and wild fires.

In the SECC, FSU will provide the climate forecasts and risk reduction methodology. UF and UG will translate this climate information into risks and environmental impacts on agriculture and, with Auburn, will work with Extension to provide info to the ag community. UM will provide economic modeling. Together we are developing new tools to help minimize climate risks to water quality and quantity. FSU, on behalf of the SECC, seeks $5.0 M in FY09 for this activity. These tools and application of agriculture and natural resources has strong support of extension programs.

New tasks this year include developing improved methods to forecast droughts for agriculture and forest producers to manage resources to reduce risks of losses and environmental damage; developing partnerships and methods for incorporating climate forecasts into agricultural and water policy decisions; and initiating the development of a decision support system for climate forecasts to water resources management, especially for agricultural water use. We are requesting $5,000,000 in FY09 for this important project.

Our second project involves the health of our Gulf ecosystem.

FSU is proposing an interdisciplinary research project to investigate the linkages between Apalachicola river flow, fishery production, and ecosystem health in the northeastern Gulf. By establishing ecological linkages between river flow, coastal food webs and fisheries, research proposed by the Florida State University will inform policies on the conflicting demands on water use that span ecological, social, and jurisdictional boundaries. In effect, this research will focus on revealing the linkages between the Apalachicola River and the immense productivity of the region from inshore to nearshore and even offshore regions.

The proposed research will increase our understanding of linkages between coastal watersheds and the marine environment, which will lead to an increased capacity to forecast the ecosystem responses to anthropogenic stressors and the consequences of those responses. FSU proposes to:

(1) Characterize Apalachicola river flow and its interactions with nearshore and offshore shelf waters in the northeast Gulf of Mexico on seasonal, annual, and decadal time scales;
(2) Establish ecological linkages between river flow, nutrients, and phytoplankton production that support coastal food webs and fisheries (e.g., oysters, groupers) in the northeastern Gulf.
(3) Develop models that can be used by decision makers to evaluate the consequences of altered river flow for fishery production and ecosystem health.
(4) Systematically inform coastal managers and others charged with protecting and regulating water use, water quality, and habitat protection of our research findings and their relevance for decision making.

Recent national attention has focused on the management of the Apalachicola drainage system because of the current drought conditions over the southeastern United States and conflicts over water use in the watershed. This debate has highlighted the need for effective science than can be used to inform policy decisions. This project will directly address these key issues. We are requesting $2,000,000 for this project.

Mr. Chairman, these are both projects that will have a great impact on our country and I appreciate your consideration.

FRIENDS OF AGRICULTURAL RESEARCH—BELTSVILLE (FAR—B)
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BELTSVILLE, MARYLAND 20705-1061

Dedicated to Promoting the Research and Education Mission of the Henry A. Wallace Beltsville Agricultural Research Center, Beltsville, Maryland

Testimony for the
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
of the Committee on Appropriations
U. S. House of Representatives

March 10, 2008

Madam Chair, and Members of the Subcommittee, thank you for this opportunity to present our statement regarding funding for the Department of Agriculture's Agricultural Research Service (ARS), and especially for the Agency's flagship research facility, the Henry A. Wallace **Beltsville Agricultural Research Center (BARC), in Maryland.** Our organization—**Friends of Agricultural Research--Beltsville**—promotes the Center's current and long-term agricultural research, outreach, and educational missions.

Our testimony will emphasize these **main themes**:

First, we strongly recommend continued funding for certain **high-value, on-going research** that the Congress has previously approved for BARC. Yet, this crucially needed on-going research is **marked for termination** in the President's FY08 budget. We discuss the basis and rationale for our recommendation in Part I, below.

Second, we recommend and endorse continued full support for **redirected research** in the President's budget. We briefly expand the basis of our support in Part II.

Third, we will offer a brief comment on the proposed relocation staff and program from the Grand Forks Human Nutrition Research Center to Beltsville in Part III.

Part I. High-Value Research Marked For Termination

Animals Biosciences & Biotechnology Laboratory (ABBL) - $8,401,123: ABBL's research mission is to improve the genetic, reproductive, and feed efficiency of livestock and poultry. A dedicated staff of 32 employees, of which 13 are research scientists, are addressing a number of cutting-edge research issues: using pig embryonic stem cells to enhance disease resistance in pigs and for clinical use in human liver rescue devices; designing novel antimicrobial proteins for treatment of human (methicillin-resistant staph aureus) and animal (bovine mastitis) diseases; identifying genetic markers to reduce fetal pig mortality. This cutting-edge work is well regarded in the greater scientific community. Loss of this funding will essentially close out the only research of this type

in ARS. It has been suggested that a reason for the proposed closure is inadequacy of facilities. But in the judgment of highly qualified scientists, inadequacy of facilities is simply not an issue.

The research in this laboratory is both basic and applied and is valuable to all of the animal industries. The research addresses the very issue of genetic improvement of animals for those traits that are most desirable to consumers and profitable for producers. In addition, this research has proven to be very valuable to the biomedical community because the information obtained is useful to promote human health. **Restoration of funding for this invaluable research is critically needed.**

Biomedical Materials in Plants - $1,808,253: Plants can be used as factories to manufacture vaccines and other pharmaceuticals for animals and humans. This research focuses on development of tobacco as a crop with this beneficial use. **We recommend restoring full funding.**

Bioremediation Research - $118,167: Munitions storage sites and bombing ranges in parts of the U.S. have left huge tracts of soils and lands contaminated by highly toxic residues from such explosives as TNT. Those soils and lands now are limited environmentally for commercial or agricultural purposes. These funds support ongoing research to determine if forage plants can remove TNT and its metabolites from contaminated sites. Beltsville is a world recognized leader in the field of bioremediation. This work is not done anywhere else in ARS. **We recommend funding for this research.**

Foundry Sand By-Products Utilization - $680,205: Waste sands from the metal casting industry currently are dumped in landfills. This project is working with industry on guidelines for beneficial uses of these sands. **We recommend that this research continue.**

Poultry Diseases - $434,934: Coccidiosis, a parasitic poultry disease, costs the industry almost $3 billion per year. This research focuses on understanding the genetics of both the parasite and the host chicken to identify targets that will allow better disease prevention and control. **We recommend that this research continue.**

Potato Diseases - $64,545: These funds are used for research activities on genetic improvement of potato and for diseases of potato. While a small amount of money, these funds are used to supplement ongoing efforts in this important area. **We recommend that this research continue.**

Part II. Redirected Research

The budgetary items listed here have not appeared in our testimony of previous years. In terms of overall BARC funding, they are revenue neutral. Essentially, these are "new" programs replacing similar but lower-priority, on-going programs that would be closed out. Ideally, all the research programs, new and old, would continue. All are important

lines of research, and we would prefer to see new funding rather than redirection. Nevertheless, BARC can manage within these redirections if there is no option. **We strongly support funding for this research.**

Crop Health - $947,322
Obesity Prevention Initiative - $1,937,649
Food Safety - $1,045,629
Crop Genetic Improvement - $ 938,385

Part III. Relocation staff and program from the Grand Forks Human Nutrition Research Center to Beltsville.

The FY09 budget also proposes to relocate a significant number of staff and program from the Grand Forks Human Nutrition Research Center to Beltsville. **We are neutral about this redirection**.

Madam Chair, that concludes our statement. We again thank you for the opportunity to present our testimony and for your generous support.

Sincerely,

K. Darwin Murrell, Ph.D.
President

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Testimony of Wenonah Hauter, Executive Director, Food & Water Watch
Before
The House Committee on Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

March 26, 2008

Chairwoman DeLauro, Ranking Member Kingston, and members of the Subcommittee. My name is Wenonah Hauter and I am the executive director of the nonprofit consumer organization Food & Water Watch. I welcome this opportunity to comment on the President's proposed FY 2009 budget as it applies to the agencies under your jurisdiction.

United States Department of Agriculture

Food Safety and Inspection Service

We commend the Subcommittee for its work to require the Food Safety and Inspection Service (FSIS) to submit its proposals on risk-based inspection (RBI) for processing facilities to the USDA's Office of Inspector General (OIG) for review before the agency proceeded with implementation of this new inspection scheme. As most consumer groups suspected, the agency was racing toward implementing RBI without having the necessary data upon which to make its policy assessments. The OIG released a 142-page audit report in December 2007 that outlined the problems with the agency's current information technology infrastructure and made 35 recommendations for the agency to implement before it could proceed with RBI.[1] While the agency and the OIG reached management decision on all of these recommendations, FSIS is notorious for not implementing OIG recommendations in a timely fashion. It will require intense oversight by the Subcommittee to ensure that FSIS implements OIG's recommendations. Since the implementation of RBI is dependent upon the development of the Public Health Information Structure (PHIS), we urge the Subcommittee to request a detailed accounting of this new IT system because the agency has not been forthcoming about the final cost for creating PHIS.

With regard to the agency's Public Health Based Inspection System in Poultry Slaughter (PHBISPS), we view this as an expansion of the pilot project that the agency has conducted since 1999 called the HACCP-based Inspection Models Project (HIMP). We urge the Subcommittee to proceed cautiously with funding PHBISPS for several reasons: 1) the agency still has not conducted a full evaluation of HIMP which was promised to stakeholders before any expansion; 2) the agency has been slow to respond to a 2006 Freedom of Information Act Request by FWW for the non-compliance records from the plants enrolled in HIMP; 3) as was the case with the agency's RBI in processing proposal, there seems to be a data quality issue with PHBISPS which was raised at the February 5-6, 2008 meetings of the National Advisory Committee on Meat and Poultry Inspection[2]; 4) recently there was a major Class I recall involving one of the plants enrolled in HIMP that calls into question whether

[1] http://www.usda.gov/oig/webdocs/24601-07-HY.pdf
[2] http://www.fsis.usda.gov/About_FSIS/NACMPI_Transcripts/index.asp

the privatization of poultry slaughter inspection is protective of public health.[3] Associated with PHBISPS is the Salmonella Initiative that was announced in February 2006.[4] The Subcommittee should scrutinize this proposal from a number of standpoints. First, the Salmonella Initiative is designed to reward poultry slaughter facilities that exceed the FSIS salmonella performance standard, a standard that has not been updated in nearly a decade, by reducing the level of pathogen testing. Second, the agency will permit at least five facilities to request waivers of certain regulations, such as line speeds, if they exceed the salmonella performance standard. The agency has not taken into account the impact on inspector plant worker safety with these proposals. In 2005, the Government Accountability Office issued a report that recommended that line speeds be studied from an occupational safety perspective.[5] To our knowledge, the Occupational Safety and Health Administration has failed to do that. In February 2008, the *Charlotte Observer* ran a six part series on the plight of employees who work in poultry processing.[6] Yet, FSIS seems to be oblivious that what it is proposing with its Salmonella Initiative could lead to increased occupational hazards to workers in the poultry industry and to their own inspection workforce. We strongly urge the Subcommittee not to fund this proposal until all of these issues are fully evaluated.

We would also like to call to the Subcommittee's attention the response to a FOIA request we filed last year that details on a monthly basis for FY 2007 the level of in-plant inspection vacancies broken down by FSIS district.[7] We commend the Subcommittee for addressing this issue during the FY 2007 appropriations process, yet some FSIS districts still are experiencing double-digit vacancy rates – with the Albany district experiencing a 20.25% vacancy rate at the end of FY 2007. While the agency has worked very hard to fill those vacancies, it is also facing an exodus of inspection personnel who are either retiring or leaving the agency voluntarily.

We would also like to call to the Subcommittee's attention the results of a 2007 survey of FSIS inspectors conducted by Food & Water Watch and the National Joint Council of Food Inspection Local Unions. A survey was mailed to nearly 5700 FSIS inspectors in February 2007 and we received 1320 responses. Among the more disturbing results were:

-- Over 70% said staffing shortages impacted their physical and mental health;
-- Nearly 80% of slaughter and combination plant inspectors believed that current line speeds were so fast that it made it difficult for them to catch adulteration on carcasses;
-- More than half of slaughter and combination plant inspectors responded that less than half of the regulatory violations they observed were actually recorded on non-compliance reports;
-- Nearly 90% of slaughter and combination plant inspectors reported that off-line inspectors (those inspectors responsible for writing non-compliance reports) have been pulled to cover vacancies on the slaughter line (where they cannot write the reports);
-- Nearly 40% of inspectors who were on patrol assignments stated that not all processing plants in their circuit were visited at least once per shift and over three-quarters of those inspectors stated that those plants were not visited at least once daily;
-- Nearly 70% said that plants were not always clean at the start of operations.

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[3] March 14, 2008 recall of 943,000 pounds of poultry products from Cagle's. Inc., http://www.fsis.usda.gov/News_&_Events/Recall_010_2008_Release/index.asp
[4] http://www.fsis.usda.gov/News_&_Events/NR_022306_01/index.asp
[5] http://www.gao.gov/new.items/d0596.pdf
[6] http://www.charlotte.com/poultry/
[7] http://www.foodandwaterwatch.org/food/foodsafety/meat-inspection-1/FOIA.pdf/view

The agency had a very trying year. We are currently in the midst of the largest meat recall in the nation's history involving 143 million pounds of beef and beef products that were processed at the Hallmark/Westland Meat Company in California. In 2007, there were sixty-one recalls or public health alerts issued by the agency. So far in 2008, there have been another 10 recalls. It is very troubling to us that in spite of this less than stellar track record, top agency personnel received over $311,000 in performance bonuses in FY 2007. We strongly urge the Subcommittee to evaluate how the bonus program is administered at FSIS because we believe that the money would be better served in addressing staffing shortages in the field.

We also urge the Subcommittee to investigate why a proposed rule to list retail consignees on FSIS recall press releases – a regulation proposed on March 7, 2006 and whose comment period closed in June 2006 – still has not received final clearance. We strongly believe implementation of such a rule would assist the agency in recovering recalled meat and poultry products.

The Subcommittee should also be made aware that our organization filed a petition with FSIS on January 29, 2008 to revoke Canada's equivalency status to export meat and poultry products.[8] We cited repeated food safety violations found by FSIS auditors in their annual visits to Canadian meat and poultry plants and an increase in recalls of meat and poultry products that originated in Canada and made their way into U.S. commerce.

We also request that the Subcommittee investigate the status of an application made by an Australian beef company to export its products to the United States using a controversial privatized inspection system. We understand that FSIS approval of that application is imminent.

Our organization today released a report that lists 27 broiler chicken plants that failed at least one Salmonella testing period in 2006 or 2007.[9] We published this report because, to date, the agency has failed to release these names to the public. We also identified examples of when a new testing policy could have delayed testing at plants later shown to have poor performance on Salmonella tests. We urge the subcommittee to require the agency to publish the names of companies that do not meet performance standards as well as to stop the new policy of delaying testing at some plants based on previous performance.

Lastly, we oppose the imposition of $96 million in licensing and performance fees proposed by the Administration. The functions performed by this agency are of a public health nature and its functions should be financed through general Treasury funds.

Agricultural Marketing Service

While the focus of any investigation on the lapses at the Hallmark/Westland Meat Company needs to be on the FSIS inspection procedures, the audit procedures employed by the Agricultural Marketing Service (AMS) also deserve scrutiny. AMS approves vendors who can sell their commodities to the various nutrition programs it operates, including the National School Lunch Program. For ground beef products, contract specifications clearly state that humane handling practices need to be adhered to and that no meat from non-ambulatory animals can be harvested for USDA nutrition programs.[10]

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[8] http://www.foodandwaterwatch.org/world/global-trade/foodandglobaltrade/usda-petition-against-risky-canadian-meat-and-poultry

[9] http://www.foodandwaterwatch.org/food/pubs/reports/more-foul-fowl

[10] http://www.ams.usda.gov/lscp/beef/LSP-SB-TRS-GB-O7%20APPROVED_08-13-07.pdf

It is clear that Hallmark/Westland failed to meet both of those requirements. We urge the Subcommittee to secure the AMS audit reports from Hallmark/Westland. We have attempted to secure AMS audit reports in the past and have been denied access on the grounds that they are considered to be proprietary information. We also believe the Subcommittee should evaluate how AMS makes its "Supplier of the Year" awards, since Hallmark/Westland received that award for the 2003-2004 school year.

In addition, we urge the Subcommittee to use its oversight to ensure that the long-delayed country of origin labeling program is finally implemented. We believe that labeling provides consumers with vital information they need to make informed choices about their food, in addition to giving producers an opportunity to distinguish their products in an increasingly international marketplace. Consumer support for COOL has been strong for years, with demand for information about where food is from increasing in the wake of scandals about imported food. The House version of the 2007 Farm Bill included language that clarifies the intent of the 2002 Farm Bill and addresses many of the concerns expressed by industry. No matter the outcome of the current Farm Bill process, we urge the Subcommittee to instruct the agency to implement mandatory COOL for meat and produce on schedule by September 30 and to closely follow the COOL provisions and report language from H.R. 2419. Any further delays in providing country of origin labeling are unacceptable.

Food and Drug Administration

We were disappointed by the paltry increase proposed by the Administration for the food safety functions of the Food and Drug Administration (FDA). The increase barely covers annual inflationary costs – in spite of assurances by Health and Human Services Secretary Michael Leavitt in December 2007 that FDA would receive a substantial increase in the 2008 budget. While we recognize that FDA's food safety programs are under-funded, we also believe that there needs to be scrutiny of its management structure. FDA is extremely top-heavy and seems to be missing the urgent need for more resources in the field. Agency officials have repeatedly stated that putting more inspectors in the field will not solve the current food safety crisis.[11] We do not subscribe to their assessment. The agency currently has a staff of over 10,000 employees but we do not know what these people do. FWW has attempted to find out exactly how many FDA inspectors there are by filing a FOIA request for the work plans of the FDA's Office of Regulatory Affairs, but our request has been rejected. We are currently exploring legal action to obtain those documents.

While the agency has put forth its "Food Protection Plan," we believe that it is riddled with problems and it suffers from a lack of detail and transparency. The agency claims that it will use a risk-based inspection model to conduct food inspections. When pressed about the data sources for evaluating risk and constructing their inspection system, agency officials admit that FDA has very few from which to draw. Second, the agency wants to use "third party certification" as a way to avoid increasing its own inspection workforce. We are adamantly opposed to the privatization of food inspection. This is a public health function that should be the government's responsibility – not the responsibility of a multi-national corporation that has profit as its driving motivation.

Third, we are especially troubled by the January 29, 2008 testimony given by Lisa Shames, Director of GAO's Natural Resources and Resources Division, before the House Subcommittee on Oversight and Investigations in which she said:

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[11] http://www.pbs.org/newshour/bb/health/jan-june07/foodacheson_06-08.html

> "FDA officials have declined to provide specific information on how much additional funding it believes will be necessary to implement the Food Protection Plan, saying that finalizing the amounts will take place during the budget process. Similarly, the Food Protection Plan does not discuss the strategies it needs in the upcoming years to implement this plan. FDA officials told us that they have internal plans for implementing the Food Protection Plan that detail timelines, staff actions, and specific deliverables. While FDA officials told us they do not intend to make these plans public, they do plan to keep the public informed of their progress. Without a clear description of resources and strategies, it will be difficult for Congress to assess the likelihood of the plan's success in achieving its intended results."[12]

This is truly appalling. How can we trust the same people who brought us to the current crisis to develop and execute plans in secret without the benefit of public and congressional scrutiny? These are some of the same individuals who were advocating the closure of FDA laboratories and who received exorbitant bonuses for their outlandish proposals. We strongly urge the Subcommittee to compel FDA officials to make the details of their Food Protection Plan public so that there is the benefit of congressional and public scrutiny of their proposals.

Lastly, as we detailed in our 2007 report, *Import Alert*,[13] FDA's program to oversee the safety of seafood imports to the U.S. does not live up to the standard that Americans expect from their government. Inadequate funding and a poorly designed inspection program contributed to FDA physically inspecting less than two percent of the nearly 860,000 imported seafood shipments in 2006. Only 0.59 percent of shipments were tested for contaminants in a laboratory.

Physical inspection gives the greatest assurance of detecting safety issues in seafood products, so the low rate of inspection raises concerns about the safety of imported seafood sold in U.S. restaurants and grocery stores. At the same time, in foreign aquaculture facilities the use of numerous antibiotics, fungicides, and pesticides, many of which are not approved for use in the United States, is on the rise. In June 2007 the FDA issued an import alert for five seafood products from China due to chemical contamination. However, it is not just China; veterinary drug residues are being detected on imports from more countries and more types of seafood.

Seafood products are responsible for 18 to 20 percent of the outbreaks of foodborne illness that affect one in four Americans, or 76 million people every year. Trends in the global production of seafood - aquaculture now produces half of the world's seafood - make now the critical time for FDA to increase physical inspection of imported seafood. There is currently a new bill in the Senate Commerce Committee, the Commercial Seafood Consumer Protection Act, which would allow the National Oceanic and Atmospheric Administration to ramp up efforts on seafood inspections. However, we believe that this is not the appropriate focus for an agency that is already over-extended and under-funded on its core programs. Rather, FDA, the agency traditionally responsible for seafood inspections, needs a better inspection regime and adequate resources to implement it. We urge the Subcommittee to work with the agency to develop an effective seafood safety program.

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[12] http://energycommerce.house.gov/cmte_mtgs/110-oi-hrg.012908.Shames-Testimony.PDF
[13] http://www.foodandwaterwatch.org/fish/copy_of_pubs/reports/import-alert

House Committee on Appropriations
Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies
Testimony by The Humane Society of the United States on the FY 2008 Budget

March 21, 2008

As the largest animal protection organization in the country, we appreciate the opportunity to provide testimony to the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee on FY 2009 items of great importance to The Humane Society of the United States (HSUS) and its 10.5 million supporters nationwide.

Enforcement of Animal Welfare Laws

We thank you for your outstanding support during recent years for improved enforcement by the U.S. Department of Agriculture of key animal welfare laws and we urge you to sustain this effort in Fiscal Year 2009. Your leadership is making a great difference in helping to protect the welfare of millions of animals across the country. As you know, better enforcement will also benefit people by helping to prevent: 1) food safety risks to consumers from sick animals who can transmit illness, and injuries to slaughterhouse workers from suffering animals; 2) orchestrated dogfights and cockfights that often involve illegal gambling, drug trafficking, and human violence, and can contribute to the spread of costly illnesses such as bird flu; 3) the sale of unhealthy pets by commercial breeders, commonly referred to as "puppy mills"; 4) laboratory conditions that may impair the scientific integrity of animal based research; 5) risks of disease transmission from, and dangerous encounters with, wild animals in or during public exhibition; and 6) injuries and deaths of pets on commercial airline flights due to mishandling and exposure to adverse environmental conditions. In order to continue the important work made possible by the Committee's prior support, we request the following for FY 2009:

Food Safety and Inspection Service / Humane Methods of Slaughter Act (HMSA) Enforcement

We request funding and language to ensure strengthened HMSA enforcement. The nation was shocked by the findings of our recent undercover investigation that revealed egregious abuse of "downer" cows too sick and injured to stand and walk on their own – by a company that was the #2 beef supplier to the National School Lunch Program and had been honored by USDA as "Supplier of the Year" for the 2004-2005 academic year. Unfortunately, the blatant and recurrent violations of food safety and humane rules documented in our 6-week hidden camera investigation were not reported by 5 USDA inspection personnel at the plant. This situation has focused national attention on the urgent need for more effective USDA oversight of humane handling and food safety rules. We urge the Committee to make this a high priority in order to better protect consumers and animals. In particular, we urge your consideration of the needed reforms outlined later in this testimony.

APHIS / Animal Welfare Act (AWA) Enforcement

We request that you support the President's request of $21,522,000 for AWA enforcement under the Animal and Plant Health Inspection Service (APHIS). We commend the Committee for responding in recent years to the urgent need for increased funding for the Animal Care division to improve its inspections of more than 14,000 sites, including commercial breeding facilities, laboratories, zoos, circuses, and airlines, to ensure compliance with AWA standards. Animal Care now has 105 inspectors (with 6 positions in the process of being filled), compared to 64 inspectors at the end of the 1990s. We are pleased that the President's FY 2009 budget recommends an increase of $1,024,000 (counting allowance for pay costs) to cover hiring new inspectors to handle additional responsibilities as the number of licensed/registered facilities continues to grow.

APHIS / Investigative and Enforcement Services

We request that you support the President's request of $13,694,000 for APHIS Investigative and Enforcement Services (IES). We appreciate the Committee's consistent support for this division, which handles many important responsibilities, including the investigation of alleged violations of the AWA and the initiation of appropriate enforcement actions. The President's budget recommends an increase of $1,343,066 (counting allowance for pay costs) for IES in FY 2009, of which $725,000 will be used to improve enforcement of federal animal welfare laws. The volume of animal welfare cases is rising significantly as new facilities become licensed and registered.

Office of Inspector General / Animal Fighting Enforcement

We request that you support the President's requested increase of $6,274,852 for the Office of Inspector General (OIG) to maintain staff, improve effectiveness, and allow investigations in various areas, including enforcement of animal fighting laws. We appreciate the Committee's inclusion of funding and language in recent years for USDA's OIG to focus on animal fighting cases. Congress first prohibited most interstate and foreign commerce of animals for fighting in 1976, tightened loopholes in the law in 2002, and established felony penalties in 2007. We are pleased that USDA is taking seriously its responsibility to enforce this law, working with state and local agencies to complement their efforts. The Michael Vick case is the highest profile example of new federal efforts that have helped shine a spotlight on the barbaric practices of dogfighting and cockfighting. Dogs bred and trained to fight endanger public safety, and some dogfighters steal pets to use as bait for training their dogs. Cockfighting was linked to an outbreak of Exotic Newcastle Disease in 2002-2003 that cost taxpayers more than $200 million to contain. It's also been linked to the death of at least 9 people in Asia reportedly exposed through cockfighting activity to bird flu. Given the potential for further costly disease transmission, as well as the animal cruelty involved, we believe it is a sound investment for the federal government to increase its efforts to combat illegal animal fighting activity. We also support the OIG's auditing and investigative work to improve compliance with the humane slaughter law and downed animal rules.

Cooperative State Research, Education, and Extension Service / Veterinary Student Loan Forgiveness

We request $1,000,000 to begin to fully implement the National Veterinary Medical Service Act (P.L. 108-161), specifically authorized in 2003, that received initial funding of $500,000 in each of FY 2006 and FY 2007, and $869,000 in FY 2008. We appreciate that Congress has begun to address the critical shortage of veterinarians practicing in rural and inner-city areas, as well as in government positions at FSIS (Food Safety and Inspection Service) and APHIS. Having adequate veterinary care is a core animal welfare concern. A study released in June 2006 demonstrated the acute and worsening shortage of veterinarians working in rural farm animal practice, while domestic pets in both rural and urban areas are often left without necessary medical care. Veterinarians support our nation's defense against bioterrorism (the Centers for Disease Control estimate that 80% of potential bioterrorism agents are zoonotic - transmitted from animals to human). They are also on the front lines addressing public health problems associated with pet overpopulation, parasites, rabies, chronic wasting disease, bovine spongiform encephalopathy ("mad cow" disease), and a host of other concerns. To ensure adequate oversight of humane handling and food safety rules, FSIS must be able to fill vacancies in inspector positions. Veterinary school graduates face a crushing debt burden of over $100,000 on average, and the lowest pay of any of the medical professions, with an average starting salary of $46,000. For those who choose employment in underserved rural or inner-city areas or public health practice, the National Veterinary Medical Service Act authorizes the Secretary of Agriculture to forgive student debt. It also authorizes financial assistance for those who provide services during federal emergency situations such as disease outbreaks. We hope you will build on the initial funding provided in order to expand this needed program under CSREES or such other account as the Committee deems appropriate.

APHIS / Emergency Management Systems / Disaster Planning for Animals

We request that you support the President's request of $996,000 for Animal Care under APHIS' Emergency Management Systems line item. Hurricanes Katrina and Rita demonstrated that many people refuse to evacuate if they are forced to leave their pets behind. The Animal Care division has been asked to develop infrastructure to help prepare for and respond to animal issues in a disaster and incorporate lessons learned from previous disasters. These funds will be used for staff time and resources to support state and local governments' and humane organizations' efforts to plan for protection of people with animals. The additional resources will enable the agency to participate, in partnership with FEMA, in the newly revised National Response Plan without jeopardizing other Animal Care programs.

APHIS / Horse Protection Act Enforcement

We hope you will provide $750,000 (an add-on of $251,000 above the amount requested by the President for FY 2009) plus a one-time appropriation of $1 million for specialized equipment, and we urge the Committee to oppose any effort to restrict USDA from enforcing this law to the maximum extent possible. Congress enacted the Horse Protection Act in 1970 to end the obvious cruelty of physically soring the feet and legs of show horses. In an effort to exaggerate the high stepping gait of Tennessee Walking Horses and gain an unfair competitive advantage at industry horse shows, unscrupulous trainers use a variety of methods to inflict pain on sensitive areas of horses' feet and legs. This cruel practice continues unabated by the well-intentioned but seriously understaffed APHIS inspection program. The most effective way to meet the goal of the Horse Protection Act – to reduce the showing of sored horses – is to have Animal Care inspectors present at the shows. Owners who sore their horses go to great lengths to avoid detection, including leaving a show when USDA inspectors arrive. The greater the likelihood of a USDA inspection, the greater the deterrent effect on those who routinely sore their horses. Unfortunately, Animal Care is able to attend fewer than 10% of the 500-plus shows held annually. Funding of $750,000 is needed to maintain a modest level of compliance with the Horse Protection Act by trained Animal Care professionals. Moreover, a one-time infusion of $1 million is needed to enable Animal Care to buy specialized equipment, such as thermography machines, that would enhance the ability of USDA inspectors to detect evidence of soring.

Downed Animals and BSE
Needed Reforms to Address Problems Revealed by HSUS Undercover Investigation

1) Close Loophole: An unequivocal, truly comprehensive ban on the slaughter of downed animals for human consumption is needed to protect food safety and animal welfare. The current protocol that allows inspection personnel to "determine on a case-by-case basis the disposition of cattle that become nonambulatory after they have passed antemortem inspection" is unrealistic, unworkable, and reckless. It places an impossible expectation on inspectors, who can't accurately determine the reason(s) an animal became non-ambulatory. Injury and illness are often interrelated – an animal may stumble and break a leg because of a disease that causes weakness and disorientation. **Of the BSE cases identified in Canada and the U.S. to date, 13 out of 16 have involved downers, and at least 3 of these were identified as downed due to injuries, including the 2003 U.S. case ("calving injuries") and a 2005 case in Canada ("slipped on ice/broken leg").** Major consumer groups including Consumers Union and Consumer Federation of America, support groups for victims of food-borne illness such as Safe Tables Our Priority (S.T.O.P.), Creutzfeldt-Jakob Disease Foundation, and CJD Voice, food safety organizations, companies such as McDonald's and Wendy's, and many others have all pointed out how reckless it is to rely on inspectors trying to sort out which downers are "safe." Besides the heightened incidence of BSE, downers may also be at higher risk for other foodborne transmissible pathogens, including *E. coli* and *Salmonella,* which kill hundreds of Americans every year, as these animals often lie in bacteria-laden waste and may have higher levels of intestinal pathogens due to stress.

From an animal welfare perspective, a comprehensive ban is needed because a downed animal with a broken leg suffers just as much as a sick one if he or she is dragged through a slaughterplant – maybe even more, when one considers how painful fractures are. A ban on use of all downers for human food would also provide an incentive for producers to treat animals humanely and prevent farm animals from going down. Even before the 2004 administrative ban, USDA estimated that only 0.4% to 0.8% of all cows processed annually were non-ambulatory. A clear downer ban would encourage producers and transporters to engage in responsible husbandry and handling practices, so that this percentage could be reduced to levels approaching zero. Temple Grandin – advisor to the American Meat Institute and others in the meat industry – has noted that as many as 90% of all downers are preventable. Cases that involve broken bones and other injuries are perhaps the most preventable with improved husbandry.

Most Americans had no idea that animals too sick or injured to walk were being dragged with chains or pushed by forklifts en route to the food supply. When that fact came to light in December 2003, USDA's prompt announcement to ban all downer cattle from human food calmed consumers. More than 99% of the more than 22,000 public comments USDA received on its downer ban called on the agency to maintain and strengthen its downer ban, with most asking that other species be included. For a report on the comments received by the agency, please go to:
http://files.hsus.org/web-files/PDF/2004_06_16_rept_USDA_comments.pdf.

USDA testimony before various congressional committees has made clear that the agency need not rely on slaughterplant testing of downers for BSE surveillance purposes. Surveillance of downers can and should be conducted at rendering plants and on farms.

Unfortunately, as we have learned from a January 2006 audit by the USDA Office of Inspector General and further from our late 2007 investigation, the loophole in administrative policy has substantially undercut the agency's so-called "ban." It has created financial incentives for precisely the abuses that were documented in our undercover footage. A highly visible and vigorously enforced total no-downer rule is the right policy. For the animals, removing current incentives that encourage workers to try every cruel tactic imaginable to move downers to the kill box will alleviate suffering. If crippled animals cannot be sold for food, slaughterplants have no reason to prolong their misery to try to get them through the slaughter process. Closing the loophole will also establish incentives for all involved in the production chain to minimize hazards that can cause animals to become downed in the first place, and make clear that there is no value to sending an already downed animal to a slaughterplant.

USDA can revise its rule immediately, restoring the language it promulgated in January 2004. And the Congress can pass legislation to codify a clear no-downer policy.

2) Strengthen Enforcement: The USDA must rework its inspection program to ensure meaningful compliance. We recommend a combination of measures. More inspectors observing live animals are needed, and all inspectors should be trained and directed to monitor the treatment of live animals to ensure that they are handled humanely. Inspectors must understand that their oversight responsibilities begin at the moment animals arrive at slaughter premises, including when the animals are on trucks at slaughter facilities. An inspector should meet each truck when it arrives on the premises and should order the immediate humane euthanasia and condemnation of any cattle who are non-ambulatory. Egregious conduct such as forcefully striking an animal with an object, dragging an animal, ramming or otherwise attempting to move an animal with heavy machinery, or using electric shock, water pressure, or other extreme methods should be explicitly prohibited and those policies established in a formal rule to take effect immediately. Inspections should be unannounced and not on a predictable schedule. They should include undetectable inspections through video surveillance accessible for viewing by independent third parties. Slaughterplants should be required to install video cameras that would allow for viewing of all of the animal handling prior to slaughter. Finally, it would be helpful to rotate inspectors to ensure that they do not become too close with plant personnel.

3) Establish Criminal Penalties: Current federal law does not provide for criminal penalties, even in cases of repeat or egregious offenses, for violations of humane handling standards.

4) Ensure Humane Federal Procurement: H.R. 1726, the Farm Animal Stewardship Purchasing Act, would set basic animal welfare standards for producers who sell food to the National School Lunch Program and other federal programs, including requiring veterinary treatment or humane euthanasia for downed animals.

In addition to the downer and humane slaughter issues, we hope the Committee will provide **adequate funding to ensure meaningful enforcement by the Food and Drug Administration of its "feed ban,"** designed to prevent BSE-contaminated animal products from being fed to other animals. We are concerned that inspectors visit facilities infrequently and rely on self-reporting by those facilities and paperwork checking rather than first-hand evaluation of feed content and dedicated production lines. We are also concerned that FDA relies a great deal on state agencies to conduct this oversight, when most states face severe budget constraints that may compromise their ability to handle this job. Preventing the spread of BSE is vital to the nation as a whole, for public health, the agricultural industry, and animal welfare. Vigorous enforcement of the feed ban is an essential component of this effort. We hope adequate federal funds will be provided in FY 2009 to meet this challenge.

Animal Welfare Information Center (AWIC)

AWIC was established by the 1985 amendment to the Animal Welfare Act (the Improved Standards for Laboratory Animals Act) to serve as a clearinghouse, training center, and educational resource for institutions using animals in research, testing and teaching. This Center is the single most important resource for helping personnel at more than 1,200 U.S. research facilities meet their responsibilities under the AWA. Supported by a modest funding level, its services are available to all individuals at these institutions, from cage washers to Institutional Animal Care and Use Committee (IACUC) representatives and the Institutional Official. Given its indispensability not only in assisting with compliance with the AWA but also in providing up-to-date information on issues ranging from BSE to primate enrichment that are critical to the scientific and agricultural communities, we recommend that AWIC be listed as a separate line item. **We respectfully urge Congress to reject the ARS plan to eliminate AWIC; rather, it is essential to provide an appropriation of $1.8 million in FY 2009 to support ongoing services as well as critically needed expansion and other improvements to meet the growing demand for AWIC's expertise.**

Again, we appreciate the opportunity to share our views and priorities for the Agriculture, Rural Development, FDA, and Related Agencies Appropriation Act of Fiscal Year 2009. We appreciate the Committee's past support, and hope you will be able to accommodate these modest requests to address some very pressing problems affecting millions of animals in the United States. Thank you for your consideration.

Testimony of the Izaak Walton League of America
Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies

Submitted by Scott Kovarovics, Conservation Director

March 26, 2008

The Izaak Walton League of America appreciates the opportunity to submit testimony concerning appropriations for fiscal year 2009 for various agencies and programs under the jurisdiction of the Subcommittee. The League is a national, nonprofit organization founded in 1922. We have more than 36,000 members and nearly 300 chapters nationwide. Our members are committed to advancing common sense policies that safeguard wildlife and habitat, support community-based conservation, and address pressing environmental issues. The League has been a partner with farmers and a participant in forming agriculture policy since the 1930s. The following pertains to conservation programs administered by the U.S. Department of Agriculture.

The League believes Congress should prioritize investment in conservation programs in order to protect natural resources and to meet the demonstrated demand for conservation services. Two of every three eligible applicants for federal conservation programs are being turned away due to lack of funding. Over the five-year term of the 2002 Farm Bill, $13.5 billion in requests from more than 487,000 farmers and ranchers went unfunded. During the same period, Congress cut funding for conservation by more than $5 billion below levels authorized by the 2002 Farm Bill.

Prioritizing funding for conservation is even more important in light of recent developments in the agricultural economy. Land values have skyrocketed more than 50 percent in the past three years and continue to climb. As land prices rise, the purchasing power of each conservation dollar decreases. Record prices for crops are also driving a land rush. The push for increased production is threatening the conservation gains that have been achieved through the Conservation Reserve Program and Wetlands Reserve Program. Additionally, expanding production highlights the necessity of boosting the Conservation Security Program, which promotes farming practices that protect wildlife and natural resources.

Finally, in the broader scope, USDA researchers have identified additional positive opportunities for prioritizing conservation. Specifically, natural amenities such as pleasant landscapes and opportunities for outdoor recreation generate economic growth in rural areas. According to USDA's Economic Research Service: "Natural amenities are highly correlated with population and employment growth—they even shape agriculture. . . [The] number of farms has increased in counties with high levels of natural amenities." The conservation programs that protect and enhance natural resources also protect and enhance rural economies.

The League is concerned that the Administration has proposed to significantly cut funding for critical conservation programs. We recognize the challenges and uncertainty the Subcommittee faces as negotiations over a new Farm Bill drag on. We profoundly hope that a new Farm Bill will be enacted before the Subcommittee marks up its bill. As the Subcommittee develops the FY 2009 Agriculture bill, the League appreciates the opportunity to address funding for specific conservation programs.

USDA Farm Service Agency, Conservation Reserve Program (CRP)

The Administration requests $1.95 billion for FY 2009 down from approximately $2 billion in FY 2008. Grain prices have reached record levels and land values are experiencing correspondingly dramatic increases. Reducing CRP funding would exacerbate current conditions while even level funding will not allow USDA to enroll as many acres due to rapidly escalating land prices. In order to maintain core acreage, the League encourages the Subcommittee to appropriate at least $2 billion for CRP in FY 2009.

USDA Natural Resources Conservation Service, Wetlands Reserve Program (WRP)

The Administration requests $181 million down from $455 million appropriated for this fiscal year. Furthermore, the budget indicates that funds will not be requested for FY 2010 and beyond because authority for the program would expire unless a new Farm Bill is enacted. This is a particularly damaging blow because the Administration provided full funding in the past two years to achieve the WRP's goal of 250,000 restored wetland and upland acres per year. The League urges the Subcommittee to provide $455 million in FY 2009.

USDA Natural Resources Conservation Service, Conservation Security Program (CSP)

The President's budget proposes to cut the program below baseline funding. If approved, this would effectively prevent new enrollments. CSP applies to the full spectrum of working agricultural lands from cropland to pasture to rangeland. In the program's first three years, contracts were signed with more than 19,000 producers nationwide who agreed to implement conservation practices on over 15.6 million acres. Moreover, as detailed in League-supported research, CSP pays for practices that provide substantial wildlife benefits. In case studies from Missouri and Minnesota, for instance, 88 and 85 percent of CSP payments, respectively, supported practices that provide wildlife habitat benefits. The importance of CSP is growing in direct proportion to the current market-driven expansion of agricultural production. The League encourages the Subcommittee to appropriate $444 million for CSP in FY 2009, which is equal to the baseline established by the Congressional Budget Office. This level of support would enable the program to serve eligible farmers and ranchers nationwide who want to participate.

USDA Natural Resources Conservation Service, Wildlife Habitat Incentives Program (WHIP)

Although Congress appropriated $85 million for WHIP in FY 2008, the Administration is proposing to terminate it. WHIP provides technical and financial assistance to landowners and others to develop upland, wetland, riparian and aquatic habitat areas on their property. According to USDA, between 2002 and 2006, the program established 1.8 million acres of habitat. However, during that same period, eligible applications totaling $136 million dollars were turned away due to lack of funds. We urge the Subcommittee to reject the Administration's proposal and to appropriate at least $85 million for WHIP in FY 2009.

USDA Natural Resources Conservation Service, Grassland Reserve Program (GRP)

The Administration proposes to terminate this program as well. Unfortunately, GRP was not funded under the FY 2008 omnibus appropriations bill. Like WHIP, demand for GRP is overwhelming. In the space of two years, USDA had to turn away approximately 16,500 eligible participants seeking to protect 11 million acres of crucial grasslands. Without a pledge of support from the White House, providing protection for grasslands—one of the most threatened ecosystems globally—will be entirely up to Congress during the appropriations process. Although IWLA supports GRP funding in the Farm Bill at $240 million annually, we urge the Subcommittee to provide at least $50 million in its bill to maintain the vital service performed by this program.

Message sent by email to AG.Approp@mail.house.gov

WRITTEN PUBLIC TESTIMONY FOR FISCAL YEAR 2009

Date: March 25 2008

FROM: Marcia M. Miller, PhD, Altadena CA 91001-2710

TO: Subcommittee on Agriculture, Rural Development, Food, Drug Administration and Related Agencies

RE: **USDA/ARS ADOL and ABBL Research Facilities**

Dear Honorable Subcommittee Members:

In the FY09 federal budget proposed by President George W. Bush there is a $146 million cut to the USDA budget. Within these cuts two active USDA/ARS laboratories – ADOL and ABBL—are slated for closure. The cost of these running these labs is modest. The budget for the USDA/ARS ADOL (Avian Disease and Oncology Laboratory) in East Lansing Michigan is $3.7 million. The budget for the USDA/ARS ABBL (Animal Biosciences and Biotechnology Laboratory) is $8.4 million. If the budget is approve without modification these two programs will cease to exist. There are no plans for relocation. **I respectfully request that $12.1 million be returned to the budget to cover the operating costs for these laboratories in the 2009 federal budget.** Below I list reasons for this request.

USDA/ARS ADOL Laboratory

- **Loss of Tumor Virus Expertise**

Expertise in tumor viruses will eliminate any capacity for the Agricultural Research Service to assist the American farmers and poultry breeders with outbreaks of tumor viruses in poultry populations. There are current viral outbreaks and there will surely be more in the future. The identities of tumor viruses change over time as does their there virulence. The viruses of concern are Marek's disease virus (MDV), avian leukosis virus (ALV) and reticuloendotheliosis virus (REV). Members of the ADOL are experts on all three of these viruses. They have been instrumental in the development of the vaccines currently used to protect commercially grown chickens from MDV. They are currently developing a new vaccine for MDV since this virus, in particular, poses an increasing threat to the poultry industry. They have been primary in identifying the most recent outbreak a new strain of ALV, the causative agent of lymphoid leukosis. They developed diagnostic kits key in eradicating this current strain of ALV. Without the work of the ADOL scientists in helping to diagnose the new strain and the most recent outbreak might have wiped out the entire poultry breeding industry.

- **Loss of the Genomics/Immunogenetics Program**

ADOL developed and maintains unique genetic lines of chickens. The lines have been approved by the National Animal Germplasm Program (NAGP) for inclusion in the National Registry of Genetically Unique Animal Populations. This is recognition of the importance of these genetic lines to the agricultural and biomedical research community. These lines are useful in mapping the genes in chickens that provide immunity to viral pathogens. If these lines are eliminated it would take at least two decades to re-derive similar genetic lines.

- **Loss of Service to Industry and Biomedical Science**

The loss of ADOL will end the ability of ARS to meet the needs of the poultry industry and the research community. Losses will include important, characterized viral strains, monoclonal antibodies, DNA probes, PCR primer sets, genetic and mapping capabilities, in addition to the very important genetically unique chicken lines. There is no plan in place to move these valuable resources to other ARS facilities. There is no laboratory and farm space for the ADOL scientists and the unique ADOL genetic stock at other ARS facilities.

Based on research conducted primarily at ADOL, USDA-APHIS-CVB Supplemental Assay Methods (SAM-405) have been revised to recommend tests developed at ADOL for screening vaccines for contamination with ALV.

If ADOL closes at the end of September 2008 all this will be lost.

USDA/ARS ABBL Laboratory

The Animal Biosciences and Biotechnology Laboratory (ABBL) is focused on developing new technologies to improve methods for storing germplasm for poultry, swine and fish species. This is an extremely important effort that will provide a way in which to store sperm, eggs and/or embryos from genetically diverse stock. Much like the seed banks for agriculturally important plants, there is a need for having genetic diversity on hand should there be epidemic disease outbreaks in the commercially maintained genetic strains used to raise food. Adequate technology is lacking for poultry species. The mandate of the ABBL laboratory is find solutions. They are making headway in developing critical procedures to improve fertility of frozen-thawed poultry sperm.

Among the facilities that will be lost if ABBL is closed is a $6,000,000 environmentally-controlled, bio-secure poultry housing facility constructed in 2006.

I respectfully urge you to reinstate in the 2009 budget the ($12,100,000) funds needed to maintain the USDA/ARS ADOL and ABBL laboratories.

**TESTIMONY OF WILLIAM E. TAYLOR, DIRECTOR,
TEXAS STATE ENERGY CONSERVATION OFFICE AND CHAIR, THE NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS
BEFORE THE
HOUSE AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES APPROPRIATIONS SUBCOMMITTEE**

March 26, 2008

Chairperson DeLauro and members of the Subcommittee, I am Dub Taylor, Chairman of the National Association of State Energy Officials (NASEO). NASEO is submitting this testimony in support of funding of the Energy Title (Title IX) of the 2002 Farm Bill, especially Section 9006. Section 9006 provides funding for energy efficiency and renewable energy efforts for farmers, ranchers and rural small businesses. **We strongly recommend funding of no less than $60 million for Section 9006, and we would certainly urge consideration for $5 million of funding for the Section 9005 energy audit/assessment program within this funding level.** NASEO has worked with farmers, our state agricultural agencies and rural interests to promote this successful program. As we face dramatically increasing energy bills for all sectors of the economy, it is critical that we do more to address the energy problems of rural America.

Chairperson DeLauro, we know that you recognize the importance of the agricultural energy programs, as well as the state energy activities. You led the successful floor amendment to restore funds for the State Energy Program during the debate on the FY'06 Energy and Water Development Appropriations Bill, and all the state energy offices are indebted to you for your contribution to a broad-based national energy policy. Recognizing your outstanding efforts, NASEO was pleased to present you with the National Energy Efficiency Advocate Award.

As the debate continues over the new Farm Bill, we strongly urge you to fund the critical energy programs within the 2002 Farm, and we hope a robust energy title will be passed as part of the new Farm Bill. We hope that in calendar year 2009 (and hopefully FY'09), Congress and the Administration will jointly push forward with a comprehensive energy funding program, including robust appropriations for the agriculture sector. Greater energy efficiency and renewable energy use in the farm sector will help create jobs, reduce climate change, increase agricultural productivity and improve the environment. If significantly increased energy funding can be provided for the energy title of a new Farm Bill, then we would hope that rural schools and other public institutions could be covered by Section 9006. This could effectively combine with efforts through the Energy and Water Development Appropriations Bill, such as the State Energy Program, biorefineries, expanded alternative fuels programs, alternative fuels infrastructure, etc. On the tax side, a long-term extension of the production tax credit and investment tax credit for renewable energy, energy efficiency tax credits and deductions and other related programs, could combine with these appropriations and energy policy changes to bring about significant improvements in our Nation's approach to energy.

In FY'07, $73 million was requested from applicants for Section 9006 loans and grants. In FY'08 Congress provided $36 million for the Section 9006 program. A minimum of $60 million for this effort in FY'09 is necessary to maintain the momentum and expand participation. We hope for even more funding in the future.

NASULGC National Association of State Universities and Land-Grant Colleges

FY 2009 Testimony of the
NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES (NASULGC)
BOARD ON NATURAL RESOURCES (BNR)

To the
House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Submitted by Dr. Mary Poulton, Chair of the NASULGC Board of Natural Resources; and Professor and Head, Department of Mining/Geological Engineering University of Arizona

We thank you for the opportunity to submit testimony. We request the following funds within the Cooperative State Research, Education and Extension Service: $30.008 million for McIntire-Stennis Cooperative Forestry (McIntire-Stennis); $8 million for the Renewable Resources Extension Act (RREA); and $256.5 million for the National Research Initiative (NRI). In FY08, McIntire-Stennis received $24.8 million, while the administration's FY09 request is $19.5 million. In FY08, RREA received $ 4.008 million, while the administration's FY09 request is $ 4.052million. In FY08, NRI received $190.9 million, while the administration's FY09 request is $256.5 million.

NASULGC BNR requests funding support for the McIntire-Stennis program at $30.008 million, the same level of support provided in FY07.

America is blessed with tremendous forest resources – approximately one-third of our landmass is forested. In the coming years as we develop cellulosic ethanol, the nation will likely rely more and more on our forests for fuel stocks. Sustaining these forests in a healthy and productive condition is a national priority demanding a strong, continuing commitment to scientific research and graduate education.

Principal financial support for university-based forestry research and graduate education comes from the McIntire-Stennis program. McIntire-Stennis funds are currently distributed according to a statutory formula to each of the 50 states, Puerto Rico, Guam, and the Virgin Islands, with a dollar-for-dollar match required from the states.

Congress has recently recognized the need to expand the McIntire-Stennis program and provided funding of $30 million in FY07 and $25 million in FY08. The schools and

colleges of forestry and natural resources responded in 2007 by producing a McIntire-Stennis strategic plant. Unfortunately, the President's FY09 budget would cut McIntire-Stennis funding by $5 million (compared to FY08) and make $12 million of the remainder subject to new competitive multistate procedures.

If enacted, these changes could result in as much as a 74% reduction to some universities. We deplore these cuts and ask that you reject the administration's proposal.

As outlined in the 2007 strategic plan, McIntire-Stennis funding is critical to:

- Deliver scientific results and management technologies to forest land owners, managers, and policy makers;
- Prepare the future workforce in forestry and related natural resource science for the 21st Century.

NASULGC BNR requests funding support for the Renewable Resources Extension Act (RREA) program at $8 million.

In the U.S., 58 percent of the forest is held in private ownerships – mostly individual and family forests. These ownerships total nearly 291,000,000 acres. Given the geographic breadth of private ownerships and the astounding 10,000,000+ owners, informed stewardship of these forests promotes a secure future for the environmental and economic well-being of all our nation's forests.

In 1978 Congress recognized that private forest and rangeland owners contribute significantly to the nation's vitality and enacted RREA. This decree called for "expanded extension programs for forest and rangeland resources:" to enhance the sustainability of these renewable natural resources.

Today with the support of RREA, 69 land-grant universities provide educational programs to empower private forestland and rangeland owners in the many counties and parishes across our nation. Landowners' ability to efficiently manage their properties is strengthened through educational workshops and seminars related to the eight RREA strategic issues: 1) Forest stewardship and health; 2) Wildlife and fisheries resources; 3) Rangeland stewardship and health; 4) Invasive species; 5) Economic opportunities; 6) Forestland conversion and fragmentation; 7) Diverse audiences; 8) Public policy and participation.

Many landowners are interested and adopt new practices once they know and understand them. Education can lead to properly applied and sustainable practices.

Recent reported outcomes from the program include:

- 937 income-generating businesses created or expanded;
- 2,390 new jobs created;
- 27,300 landowners increased their awareness of forest or rangeland resources;

- 21,100 landowners implemented at least one new renewable resource practice;
- $17,810,000 estimate dollars earned or saved by landowners;
- $198,571,756 earned or saved by loggers adopting new harvesting technologies.

Every federal dollar spent in RREA leverages from $5-15 from state, county, and other sources.

Continued and increased funding will allow for:

- Equitable funding to the 1890 land-grant institutions and an increase in competitive funding;
- Create virtual centers of excellence with teams of USDA Forest Service scientists and Extension educators to develop extension programs and applied research for complex forest and rangeland ecosystems issues, such as climate change and bioenergy;
- Implement landscape-scale projects to compliment county- and state-based programs;
- Use of new techniques to segment the audience and use stewardship messages that have meaning for them;
- Continued use of proven educational settings for selected audiences: workshops, field days, schools, printed publications;
- Expanded use of new technologies: web-based learning centers, webinars, podcasts, eXtension, mobile networking, Web 2.0 tools, print-on-demand.

NASULGC BNR requests funding support for the National Research Initiative (NRI) program at $256.5 million.

The United States has a university-based system that integrates agriculture, health, and environmental research with higher education and public outreach activities. This unique system is a partnership between America's land-grant and related universities and the USDA's Cooperative State Research, Education, and Extension Service (CSREES).

Some CSREES programs are administered under formulae that provide each state and territory with sufficient funds to underwrite vital agriculture and natural resources research stations and extension offices. However, many other programs – most notably the National Research Initiative – require scientists and professionals from universities across the nation to compete directly against each other in peer-reviewed competitions.

Both Congress and the administration have recognized the enormous value of CSREES competitive programs in recent years by providing modest increase to the NRI. However, much more must be done:

- American's farmers and foresters need additional genomic data and biotechnology tools to expand food and fiber production, process, and international trade;
- U.S. healthcare professionals need greater insight into the relationships between diet and health;

- Extension specialist and their clients need expanded knowledge about water quality to help protect the environment and safeguard our food system;
- University educators need additional funding to train new generations of food, agriculture, and natural resources scientists (many of whom are turning to better-funded disciplines).

We urge you to support these important forest and natural resources programs.

About NASULGC

NASULGC is the nation's oldest higher education association. Currently the association has over 200 member institutions – including the historically black land-grant institutions – located in all fifty states. The Association's overriding mission is to support high quality public education through efforts that enhance the capacity of member institutions to perform their traditional teaching, research, and public service roles.

About the Board on Natural Resources

The Board's mission is to promote university-based programs dealing with natural resources, fish and wildlife, ecology, minerals and energy, and the environment. Most NASULGC institutions are represented on the Board. Present membership exceeds 500 scientists and educators, who are some of the nation's leading research and educational expertise in environmental and natural-resource disciplines.

This testimony was developed for the BNR by the Chair of the BNR's Forestry Section, Dr. George Hopper, Dean, College of Forest Resources, Director, Forest and Wildlife Center, Mississippi State University.

Thank you for the opportunity to share our views with the Committee.

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NCAI TESTIMONY TO HOUSE APPROPRIATIONS COMMITTEE AGRICULTURE AND RELATED AGENCIES SUBCOMMITTEE ON FY 2009 APPROPRIATIONS

On behalf of the tribal nations of the National Congress of American Indians (NCAI), we are pleased to present our recommendations on the Administration's Fiscal Year 2009 budget for Indian programs.

Agriculture is the second leading employer in Indian Country, and is the backbone of the economy for approximately 130 Native American Tribes. During the last agriculture census in 2002, American Indians operated 56.8 million acres of land and sold $1.64 billion of agricultural products, including $781 million of crops and $857 million of livestock.[1] Agriculture will continue to be an economic driver on Indian Reservations, and USDA programs and services will continue to play a crucial role in the progression of economic development, and agriculture and natural resource programs throughout Indian Country.

NUTRITION ASSISTANCE

The Food Distribution Program on Indian Reservations (FDPIR) provides food assistance to nearly 250 tribes across the country in lieu of participation in the Food Stamp Program. FDPIR is more than simply a supplemental program, in many cases it is the sole source of food for low income tribal members living on or near geographically isolated reservations.

Historically, food packages have included what remains of federal commodity programs, such as bleached flour, sugar, potatoes, corn, and butter. The immediate and drastic shift from healthy subsistence and traditional foods to foods high in sugar, starch and fat created a quiet epidemic across Indian reservations: diabetes and obesity. It is imperative that food assistance to Indian tribes be improved to deliver better foods to improve human health for tribal members receiving foods from FDPIR.

For decades the USDA's answer to Tribal requests for the inclusion of healthier and more traditional Native foods in the FDPIR food packages has been that the program has insufficient funds. The FDPIR is a crucial program for Indian Tribes, and increased funding is needed to improve the nutrition content of food packages and offset rising transportation and maintenance costs.

The FDPIR budget includes the costs of program administration by the Indian Tribal Organization (ITO) or state agency, food storage, food delivery, vehicle maintenance, employee salaries, nutrition education as well as the purchase of foods for distribution.

- ***NCAI urges Congress to increase funding to FDPIR above $90 million to support this essential program for Indian tribes.***

[1] 2002 National Agricultural Statistics Service (NASS).

EXTENSION INDIAN RESERVATION PROGRAM (EIRP)

Congress mandates and funds research and extension services in every county in the nation except on Indian reservations. The Extension Indian Reservation Program (EIRP) provides the only federal source for funding to cover the cost of placing extension agents on Indian reservations. Indian reservations have only had access to USDA Offices since 1990, when EIRP was established to provide Indian farmers and ranchers direct access to USDA programs and information. EIRP was authorized to deliver USDA offices on 85 large reservations. Funding, however, has remained low, at only $3 million for FY 2007-2008, and only provides the federal match for 31 USDA offices, well short of the 85 that were intended.

- ***NCAI asks that the EIRP program be funded at $8 million a year to improve USDA services to Indian tribes by placing more extension agents on reservations.***

INDIAN LAND ACQUISITION PROGRAM

Tribes have been subjected to a myriad of federal policies that have distributed and redistributed our homelands into an often confusing array of checkerboard land ownership, which significantly stunts efficient agricultural and economic development in Indian Country. USDA provides loans to tribal governments to purchase "highly fractionated" lands under a process delineated in the Indian Land Consolidation Act Amendments of 2004. These loans allow tribes to purchase parcels of land that are considered "highly fractionated," defined as lands that have over 100 individual owners or where no one owner owns more than 10% of the parcel). Fractionated land hampers agriculture by taking land out of production while simultaneously becoming grounds for invasive species. Moreover, tracking fractionated land costs the federal government significant amounts of money annually, taking away from providing beneficial services to Indian communities. It was estimated in 2002 that it would cost just over $2 billion to consolidate all fractionated interests.

- ***The Indian Land Acquisition Program was authorized at $12 million a year, but has never been funded over $2 million. NCAI requests that this program be funded at $12 million in order to tackle one of the most pressing and longstanding problems in Indian Country.***

OUTREACH TO SOCIALLY DISADVANTAGED FARMERS AND RANCHERS (2501 PROGRAM)

The 2501 Program provides outreach and technical assistance to Socially Disadvantaged Farmers and Ranchers, including Indian tribes. This has been the primary source of outreach from the USDA to many minority farmers, and helps to promote agriculture to rural communities. Most tribal communities do not have access to USDA offices, and the 2501 Program provides an opportunity for small communities to participate in agriculture.

- ***The 2501 Program, Outreach to Socially Disadvantaged Farmers and Ranchers, should be funded at $15 million to improve USDA delivery to tribal communities.***

1994 (TRIBAL COLLEGES & UNIVERSITIES) LAND GRANT INSTITUTIONS

Tribal Colleges are the heart and soul of higher education in Indian Country. They are considered one of the most important steps in revitalizing education, culture and language, and the economy in Indian Country. Nonetheless, despite their many obligations and roles, TCUs remain the most poorly funded institutions of higher education in this country.

Over a dozen years since securing land grant status TCUs have yet to be recognized and funded as full partners in the nation's land grant system. Funding at the requested levels is a small but critical first step in addressing disparities that currently exist in the land grant system, and with supporting higher education for Native Americans. *(Chart adjusted from March 12, 2008 NCAI Budget Recommendations)*

PROGRAM NAME: (IN MILLIONS)	FY08 ENACTED	FY 2009 NCAI REQUEST
1994 Institutions' Extension Program	$3.221	$5
1994 Institutions' Equity Grant Program	$3.342	$3.3
1994 Institutions' Endowment Fund	$11.880	$12
1994 Institutions' Research Program	$1.544	$3
1994 Institutions' Community Facilities	$4	$5
Tribal College Essential Community Facilities Program – (Rural Development)	$4	$5

Testimony of Paul Hazen
President and CEO
National Cooperative Business Association

Committee on Appropriations
Subcommittee on Agriculture, Rural Development,
and Related Agencies
United States House of Representative

USDA Appropriations FY2009, Rural Business -- Cooperative Service
Rural Cooperative Development Grant Program

The National Cooperative Business Association, which represents all types of cooperatives, appreciates the opportunity to submit testimony on the request for a funding level of $7.5 million for the Rural Cooperative Development Grant program.

The Rural Cooperative Development Grant (RCDG) program, which NCBA helped to establish, is the *only* dedicated source of federal funding supporting the network of more than 20 cooperative development centers serving more than 40 states. This funding leverages much more from state, local, and private sources. The program also includes money for economic research on the impact of cooperatives, research needed to inform policymakers and cooperatives about how best co-ops can address issues such as senior services and rural housing.

Congress recognized the importance of the work of cooperative development centers when it enacted the program in 1996 and authorized $50 million annually to help create businesses and jobs in rural America. In 2002, Congress reauthorized the program at the same level. Unfortunately, chronic underfunding has limited the ability of centers to capitalize on opportunities to revitalize rural areas. A first step to address this problem is for this Subcommittee to appropriate $7.5 million in this year's appropriations bill.

The Request: The request for $7.5 million includes $6 million to help fund the work of rural cooperative development centers and other nonprofits or academic institutions eligible to apply for grants. The request also includes $500,000 for a cooperative research agreement between USDA and a qualified academic institution to continue research on the national economic impact of cooperatives. The research money is needed to continue tracking information on the number, type and economic impact of cooperatives across America and to assess the effectiveness of the RCDG program.

The request also includes $1 million that would be available for additional grants to address a specific need in rural areas – succession business planning. Rural areas have lost jobs for many reasons, including globalization and out-migration. However, there are a number of profitable

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companies that are at risk of loss due to a failure of succession planning, where aging or retiring owners do not have heirs that are interested or capable of taking over the business. Transfer to employee ownership is a good option in these cases. But there must be business assistance infrastructure before the owner is ready to retire or the business closes. Cooperative development centers have the capacity to provide this assistance in an effective and efficient manner.

The President's budget includes only $4.5 million for RCDG, more than a 20 percent cut from the previous year. Several centers will go unfunded or face cuts to funding, resulting in fewer jobs and businesses created or retained in rural America and fewer dollars leveraged from non-federal sources.

Creating Jobs and Businesses in Rural America: Cooperative development centers address a growing need. Rural areas in this country have suffered from an outmigration problem that has ravaged the center of our country over the last few years. The RCDG program funds the establishment and operation of centers for rural cooperative development to improve economic conditions in rural areas. Grants are competitive, require a 25 percent non-federal match in most cases, and can be provided to nonprofits or institutions of higher education. For the past few years, USDA has funded only *half* of all applications received due to budget constraints.

Cooperatives are businesses owned and controlled by the people who buy their products or use their services. Tens of thousands of cooperatives in this country range in size from small storefronts to Fortune 500 companies. Credit unions, electric cooperatives, telephone co-ops, agricultural cooperatives, purchasing cooperatives, and worker cooperatives all serve the needs of millions of members.

Cooperative development centers are on the front lines of efforts to revitalize struggling rural economies. They use RCDGs to conduct feasibility studies, develop business plans, launch new businesses, and provide education and training to help ensure the success of these businesses. Through CooperationWorks!, a national organization of more than 20 centers, centers share their knowledge and experience. This network allows centers to maximize resources, avoid duplication and bring the greatest economic benefit to their communities.

With the help of RCD grants, the centers work with communities to create economic sustainability. For example, the Ohio Cooperative Development Center recently helped form the South-Central Manufacturing Network, a cooperative of independently owned businesses that pool resources in hiring, training and purchasing activities. This helps those businesses cut costs and remain viable.

In South Dakota, the Value Added Agriculture Development Center helped establish a high-efficiency plant to crush soybeans to be used as fuel, helping the local economy by utilizing soybeans and ethanol from South Dakota producers and processors. And the Rocky Mountain Farmers Union Cooperative and Economic Development Center announced the formation of a co-op to recycle wood waste at the center of Colorado's forests.

The work of the centers translates into jobs and money in these rural communities. Since the 1990s, the centers have helped start or expand almost 400 cooperative businesses with more than 47,000 members, creating more than 5,800 new rural jobs in virtually every sector of the economy, including energy, housing, agriculture, forestry, food, senior and childcare services, and health care (as of 2006). Investment in these cooperatives exceeds $900 million.

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Cooperative Research – Shedding Light on Cooperatives: The number of jobs and other data collected by the cooperative development centers and the success stories indicate that cooperatives have great potential to address many of the problems facing rural America. There is a serious gap, however, in the information about cooperatives.

The limited studies available indicate the potential is significant for cooperatives to address economic needs. In Wisconsin, a study funded by USDA found cooperatives supported close to 30,000 full time jobs. The South Dakota Rural Electric Association found that the electric co-ops there generated 800 new jobs and $11 million in economic development over a five year period. The Alabama Credit Union League found that their state's credit unions generated 8,777 jobs, $288 million in household income and $24.1 million in tax receipts.

Congress appropriated funds for USDA-directed research on cooperatives in previous years and the research on the national economic impact of cooperatives is under way. The initial stages of the research are focused on identifying and collecting data from all cooperatives in the country. A daunting but long-overdue task, the data collected will then be run through economic models to assess the impact and contribution of co-ops to various sectors in the economy.

Research funded for FY2009 will build on this research. In addition, this research is essential to assess the impact and cost effectiveness of the federal program on efforts to revitalize rural economies.

Succession Business Planning -- Addressing a Need: Of the $7.5 million, $1 million would be available only for grants that address a pressing need in rural areas – succession business planning. As historically farming-dependent counties have now become reliant on off-farm jobs to provide employment and benefits, these firms are critical to maintenance of income, but are at risk to closure due to off-shoring of jobs. Similarly, population out-migration in many rural areas is causing the closure of "anchor" mainstreet businesses. Once key businesses are lost, not only is quality of life impacted, but the community is not able to provide a full-range of shopping experiences essential to supporting and retaining other businesses in that community, threatening the viability of the entire business community.

While gobalization and out-migration may cause some businesses to close due to non-profitability, there are a number of profitable companies that are at risk of loss due to a failure of succession planning, where retiring, aging or transitioning owners do not have heirs or interested others to take over the business. It is critical to anchor capital, jobs and talent in communities, and cooperative ownership can be an effective strategy for retaining these companies. For transitioning companies to be successful, however, the business assistance infrastructure must be in place *before* the owner is ready to retire or the business closes.

A 2004 study issued by the Small Business Administration reported that 50 percent of family business owners expect to pass the business on to the second generation, but only 15 percent actually made it to the second generation, and only 5 percent made it to the third generation. A Mass Mutual study found that while nearly 40 percent of all family-owned businesses will change leadership in the next five years, 55 percent of those with CEOs older than 61 had not picked a successor. Failure to plan for business succession is a leading preventable cause of job loss in America.

Sales of businesses to employees maintain the business in communities and provide a stable economic base. Incentives for such activity through IRS Section 1042 "rollover exchanges"

already exist in federal law. There are several forms of employee ownership options including Employee Stock Ownership Plans (ESOPs) and worker-owned cooperatives.

Regardless of form, employee ownership can provide substantial benefits. A national study by the University of Washington shows that ESOP-owned companies economically out-performed non-ESOP companies in areas of average and median wages, and average retirement assets. Work in Ohio shows that employee participation in ownership and management combined result in ESOP firms that are more profitable than industry peers, and that ESOPs create wealth in communities.

Cooperative development centers are uniquely situated to assist businesses with transitioning to employee ownership. Funding directed at this endeavor will ensure centers have the resources to provide the assistance.

Chronic Underfunding Limits Opportunities: The need for rural economic development and cooperative development is clear. Most years USDA receives grant applications for double the funding available. Though the program serves more than 40 states, the program was intended to cover the entire country. More funding is needed to ensure that all states are served by a center that can address the economic and entrepreneurial needs of the area.

Congress recognized the need when it developed the program and stated that "the Committee hopes *to link cooperatives from different communities and different sectors of the economy to strengthen the cooperative movement as a whole*." (emphasis added) Federal Agriculture Improvement and Reform Act of 1996, Conf.Rep., p. 432

One of the ways Congress tried "to strengthen the cooperative movement as a whole" with the program was to "emphasiz[e] job creation in rural areas through the development of rural cooperatives, value added processing, and rural businesses." (Conf.Rep., p. 431)

The centers provide a cost effective and efficient way to deliver technical assistance that creates and retains businesses, jobs and opportunities. But the program's funding has not kept up with the demand, which limits both the ability of current centers to provide assistance to create jobs and the development of new centers to ensure national coverage.

The program's recent funding history shows little to no increase in the program over the past several years despite the continued growing demand.

- FY 2008 $6.423 million
- FY2007 $6.4 million
- FY2006 $6.4 million
- FY2005 $6 million
- FY2004 $6.5 million
- FY2003 $6.5 million

Though a 25 percent match is required, the overall match levels have been as high as 45 percent. The federal dollars, therefore, leverage millions in non-federal matching funds. This program is cost effective – many jobs and businesses are created for a relatively small amount, which leverages more in non-federal funds.

Conclusion: We appreciate this opportunity to provide information about the request for $7.5 million for the Rural Cooperative Development Grant Program. We urge the Subcommittee to support the request.

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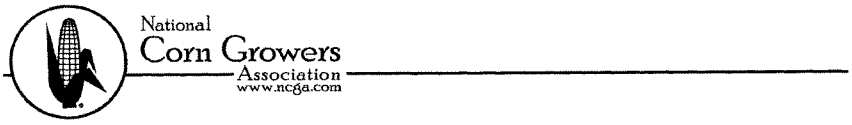

Official Written Testimony of
Ron Litterer, President
National Corn Growers Association
122 C Street, NW Suite 510
Washington, DC 20001
202-628-7001

To the House Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Regarding
Fiscal Year 2009 Agriculture Appropriations

SENT VIA EMAIL:
AG.Approp@mail.house.gov

March 20, 2008

The National Corn Growers Association (NCGA) appreciates the opportunity to share with the subcommittee our energy and water development appropriations priorities for Fiscal Year 2009, and we respectfully requests this statement be made part of the official hearing record. In general, our agriculture appropriations priorities include support for Plant Genomic Research, APHIS Biotechnology Regulatory Service, FAS SPS Issues Resolution, FAS Market Access Program, the National Corn to Ethanol Research Center, Ethanol Co-product Utilization, and the Value- Added Product Market Development Grant program.

NCGA's mission is to create and increase opportunities for corn growers. NCGA represents more than 33,000 members and 48 affiliated state organizations and hundreds of thousands of growers who contribute to state checkoff programs.

Genomic Research

The entire corn industry, including the academic research community, grain handlers, growers, industry and seed companies strongly believe that research on plant and plant genomes has substantial long-term benefits. NCGA supports the plant genome research conducted by ARS through its genetic resources, genome sequencing and genome bioinformatics programs. Specifically, this research includes plant and fungal genomics exploration to determine what drives aflatoxin production, what causes susceptibility, and helps us understand plant and fungal nutrient and environmental needs.

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NCGA also supports the Cooperative State Research, Education and Extension Service's National Research Initiative. Our research policy supports competitive grants where appropriate

APHIS Biotechnology Regulatory Service

NCGA supports the President's budget request of **$16.306 million** for the Animal and Plant Health Inspection Service's Biotechnology Regulatory Service program as well as the separate funding stream requested in the budget from the Office of the Secretary that allows for additional potential funds towards the same. This funding request is $4.578 million more than the FY2008 enacted BRS budget of $11.728 million. These resources are necessary to ensure the agency properly manages its functions associated with this expanding technology to maintain consumer and customer confidence in our strong science-based regulatory structure.

FAS SPS Issues Resolution

NCGA supports the President's budget request of **$27 million** specifically for the Foreign Agricultural Service (FAS) Sanitary and Phytosanitary (SPS) program. Unnecessarily restrictive regulations to address plant health risks are major impediments to U.S. market expansion. As trade barriers have been reduced, there has been a dramatic increase in non-tariff trade barriers to trade.

FAS Market Access

NCGA supports the President's budget request of **$200 million** for the Market Access Program (MAP) within the Foreign Agricultural Service. This program has been successful in maintaining and expanding U.S. agricultural exports and strengthening farm income.

National Corn to Ethanol Research Center

In 2007, fuel ethanol production from corn generated 6.5 billion gallons of ethanol, displacing 5% of petroleum imports. Economic forecasting estimates that the United States is capable of producing in excess of 15 billion gallons of ethanol by 2015. Such production is critical to our national economy, energy security and the environment. The National Corn-to-Ethanol Research Center (NCERC) at Southern Illinois University – Edwardsville is in a perfect position to: continue generation of baseline data, serve as training center for Workforce Development and expand as a Lignocellulosic Center of Excellence. To fulfill these objectives, NCGA is seeking additional funding on behalf of NCERC.

The (NCERC) houses a state-of-the-art pilot plant which mimics the commercial production of fuel ethanol. Updated baseline data is continuously required to be reflective of industry changes and their impact on ethanol yields and efficiencies. The goal of this objective is to continue generating baseline data under typical industry operating conditions reflective of changing industry practices and changes in inputs (e.g. fractionization, corn hybrids, enzymes, yeast practices). The baseline data generated by the NCERC is of significant interest to academic, government, industry and trade association researchers as well as ethanol plant operators. The baseline data generated by NCERC provides a critical benchmark for industry and institutional

comparison testing. We encourage the committee to provide **$400,000** to NCERC for this purpose.

A key component to the success of the ethanol industry over the next decade is to ensure the industry has a ready and available workforce. The rapid growth and expansion of the ethanol industry has created a need for thousands of qualified plant process operations personnel. The NCERC has created a unique Education and Workforce Training Program to address this need. The initial launch of this program, in January 2007, saw 24 displaced auto workers and skilled trades-people successfully complete a comprehensive 5-day ethanol process operator training program. In the past calendar year, the NCERC conducted six installments of Workforce Training with 150 persons successfully completing 50 hours of training in the "Fundamentals of Applied Ethanol Process Operations".

More so, NCERC is well-positioned to train an immediately productive workforce as it plays a unique role in serving the educational mission of the university NCERC provides a year-long, hands-on workforce training program to student interns while conducting commercial testing trials. Since opening in late 2003, nearly 45 interns have helped with the successful operation of the plant and labs.

NCGA requests an additional **$1,000,000** to expand the current internship program to meet the growing needs of the industry. Through this endeavor, NCERC will develop and implement a National Biofuels Workforce Training Center.

For cellulose to be a viable feedstock, the process of converting cellulose to ethanol must be optimized. The three "process points" of optimization in the cellulose to ethanol process are: pre-treatment method, enzyme functionality and fermentation organisms (yeast). The NCERC is a research leader in the conversion of corn to ethanol and its co-product. Therefore, the NCERC is able to more cost-effectively stay on the cutting edge of technology as we enter a new era of converting cellulose to ethanol.

The NCERC is well-positioned to work directly with USDA/ARS, the Department of Energy, and Academic and Industry researchers who are conducting scientific discovery research on the conversion of cellulose to ethanol. This work will spur unlimited investment by private industry as they will make that crucially important decision to enter the cellulose to ethanol market. We encourage the committee to consider NCERC as Lignocellulosic Center of Excellence.

Ethanol Coproduct Utilization

One of the major benefits of using corn as a feedstock for ethanol production is the ability to retain the protein, fat, fiber, vitamins and minerals for use as an animal feed. The co-product of ethanol production, distillers dried grain with solubles (DDGS), results from the concentration and drying of the components remaining after the starch portion of corn is converted to ethanol. Strong global demand for DDGS will be critical in maximizing the potential and profitability of fuel ethanol production from corn while ensuring livestock feed needs are met.

While nearly 16 million tons of DDGS was fed domestically or exported in 2007, use of this alternative feed ingredient may be limited in the future because of real and perceived issues relating to DDGS consistency, quality, flowability and feed efficiency. NCGA encourages the committee to dedicate the resources necessary to greatly expand ARS's efforts in this area, particularly as they relate to DDGS flowability, contaminant mitigation, nutritional value, and nutrient and mineral management issues.

Value-Added Grants

Since its establishment, the Value-Added Producer Grants Program has been a tremendous success. This matching fund program has provided grants to over 900 individual producers, producer-controlled organizations and farmer cooperatives across the nation since its inception.

With those funds, recipients are empowered to capitalize on new value-added business opportunities that would have otherwise gone unexplored. Their successes have translated into greater and more stable income for producers from the marketplace. It has also served to promote economic development and create needed jobs, especially in rural areas where employment opportunities are often limited. Potential technologies include processing identity-preserved corn varieties and adding value to the non-fermentable components of the corn feedstock.

The benefits of this program far exceed the cost. Given its track record of success, we believe that strong justification exists to provide full funding for USDA's Value-Added Producer Grants Program.

Thank you for the support and assistance you have provided to corn growers over the years. Please feel free to contact Jon Doggett at 202-628-7001 if you need any additional information.

NATIONAL COUNCIL OF FARMER COOPERATIVES
STATEMENT SUBMITTED TO THE
HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC
March 26, 2008

Chairwoman DeLauro, members of the Subcommittee, we would like to thank you for your continued leadership and support for U.S. agriculture. The National Council of Farmer Cooperatives (NCFC) appreciates this opportunity to submit its views regarding the FY 2009 agriculture appropriations bill, and respectfully requests this statement be made part of the official hearing record.

NCFC represents the interests of America's farmer cooperatives. There are nearly 3,000 farmer cooperatives across the U.S. whose members include a majority of our nation's more than 2 million farmers.

We believe that our farmer cooperative members offer the best opportunity for America to realize the farmer-focused ideal of American agricultural policy. These farmer cooperatives allow individual farmers the ability to own and lead organizations that are essential for continued competitiveness in both the domestic and international markets.

America's farmer-owned cooperatives provide a comprehensive array of services for their members. These diverse organizations handle, process and market virtually every type of agricultural commodity produced. They also provide farmers with access to infrastructure necessary to manufacture, distribute and sell a variety of farm inputs. Additionally, they provide credit and related financial services, including export financing.

In all cases farmers are empowered, as elected board members, to make decisions affecting the current and future activities of their cooperative. Earnings derived from these activities are returned by cooperatives to their farmer-members on a patronage basis thereby enhancing their overall farm income.

America's farmer cooperatives also generate benefits that strengthen our national economy. They provide jobs for nearly 250,000 Americans with a combined payroll over $8 billion. Many of these jobs are in rural areas where employment opportunities are often limited.

Congress faces many challenges in the current budget environment and we appreciate the difficulty of your task. However, we want to emphasize the continued importance of policies under the current Farm Bill that promote an economically healthy and competitive U.S. agricultural sector.

These programs serve a variety of purposes including: meeting the food, fuel and fiber needs of consumers worldwide, strengthening farm income, improving our balance of trade, promoting rural development, and creating needed jobs.

There is a long history of congressional support for farmer cooperatives, recognizing that they serve a variety of essential functions for American agriculture. Some of these functions include: enhancing producers' overall income, managing their risk, capitalizing on new market opportunities, and helping individual farmers work together to compete more effectively in a global economy.

Given these vital tasks that farmer cooperatives perform on behalf of their members, it is extremely important that they retain the flexibility to modernize and adapt to the current and future marketplace confronting U.S. agriculture. Accordingly, in addition to supporting basic farm and commodity programs under the current Farm Bill, we recommend the following:

USDA's Rural Business-Cooperative Service (RB-CS)

Several years ago, the Cooperative Service was eliminated as a separate agency within USDA. Since that time, the focus of research, education and technical assistance for farmer cooperatives has eroded. Funding for such purposes has generally been provided through the salary and expense budget relating to rural development.

For FY 2009, the administration's budget proposal provides $700 million in both budget authority and program level for salaries and expenses for the rural development mission area, compared to $685 million for FY 2008.

Since there is no separate line item relating to programs in support of farmer cooperatives, we recommend that specific language be included, as Congress has approved in the past, relating to farmer cooperatives. Those directives should ensure that programs to encourage the development and continued competitiveness of farmer cooperatives be given a high priority.

Value-Added Agricultural Product Market Development Grants

USDA's Value-Added Agricultural Product Market Development Grants Program encourages and enhances farmer (and farmer cooperative) participation in value-added businesses. These new ventures are intended to help producers capture a larger share of the value of their production and improve their overall income from the marketplace. These activities also promote economic development and create needed jobs in rural areas.

The program is administered on a matching-fund basis, thereby doubling the impact of such grants and helping encourage investment in rural America. As a cost-share program, it has served as an excellent example of an effective public-private partnership. Despite abbreviated funding levels, successful applicants have brought a number of self-sustaining products to market with the initial help of this program.

Since the program's inception, NCFC has been a leader of a coalition of farmers, cooperatives and related rural interests that utilize and strongly support the Value-Added Agricultural Product Market Development Grants Program. Given the importance and success of the program in promoting efforts by

farmers to develop new, higher-value products and sustainable increases in farm sector income, the coalition is recommending an increase to $60 million annually in mandatory spending under the upcoming Farm Bill. We are hopeful that the Subcommittee will look favorably upon the full level of mandatory funds authorized under that upcoming legislation.

Commodity Purchase Programs

USDA annually purchases a variety of commodities for use in domestic and international feeding programs, including the school lunch program. NCFC strongly supports such programs to: (1) meet the food and nutrition needs of eligible consumers and (2) help strengthen farm income by encouraging orderly marketing and providing farmers with an important market outlet, especially during periods of surplus production.

In addition to providing needed funding for such programs, it is important to ensure that farmers who choose to cooperatively market their products should remain fully eligible for them. Similarly, farmer cooperatives should not be limited or excluded from utilizing these programs, and must remain fully eligible.

As you are well aware, decades of public policy has reinforced the fact that the cooperative stands in the shoes of its farmer-owners, as they act for their mutual benefit. This is consistent with USDA's historical mission in support of such cooperative efforts and essential to ensure the continued availability of high quality products on a competitive basis.

We urge the committee to again include provisions to ensure continued eligibility by farmer cooperatives to the benefit of their farmer members.

B&I Loan Guarantee Program and Farmer Cooperatives

Access to equity capital is one of the major challenges facing farmer cooperatives. A successful resolution of this challenge is essential in helping farmers capture more of the value of what they produce beyond the farm gate.

In approving the current Farm Bill, Congress made a number of changes to USDA's Business and Industry (B&I) guaranteed loan program to better meet the needs of farmer cooperatives and their farmer members. These included changes to allow farmers to qualify for guaranteed loans for the purchase of stock in both new and existing cooperatives to provide the equity capital needed to encourage more involvement and participation in value-added activities.

For FY 2009, the administration's budget proposal provides an overall program level of $700 million, which represents a decrease from the $993 million in loans estimated to be guaranteed in FY 2008. Accordingly, we recommend that resources be increased to at least the FY2008 estimated level.

Rural Business Investment Program

The Rural Business Investment Program was authorized under the current Farm Bill to help foster rural economic development by encouraging and facilitating equity investments in rural business enterprises, including farmer cooperatives. Again, providing improved access to equity capital is essential if farmers

are going to be able to capitalize on value-added business opportunities through farmer cooperatives. For these reasons, we urge that the program be fully funded as authorized and implemented as Congress intended.

USDA Export Programs

We would also like to take this opportunity to express our strong support for USDA's export programs. These programs are vital to maintaining and expanding U.S. agricultural exports, counter subsidized foreign competition, meet humanitarian needs, protect American jobs, and strengthen farm income.

NCFC is a longstanding member of the Coalition to Promote U.S. Agricultural Exports. That coalition is urging that mandatory funding for the Market Access Program be provided at $325 million, together with $50 million for the Foreign Market Development program, under the upcoming Farm Bill. We urge that the Subcommittee support the full authorized funding levels for these essential programs.

In addition, we urge full funding for the Export Credit Guarantee Programs, the Export Enhancement Program, Dairy Export Incentive Program, Technical Assistance for Specialty Crops, Food for Progress, as well as P.L. 480 and other food assistance programs, including McGovern-Dole.

Food Aid

NCFC is a member of the Food Aid coalition and strongly supports their testimony. P.L. 480's long history of success has created significant congressional and private sector confidence in the program. Farmer cooperatives have seen these benefits first-hand through our involvement in agricultural development programs with international NGO ACDI/VOCA.

With that background, we urge the Subcommittee to reject any proposals to divert funds from Title 1 and Title II of the P.L. 480 program. Though we recognize that the Europeans maintain a different policy in regard to their food aid programs, it is unwise to undermine our strong position in the World Trade Organization negotiations by unilaterally amending P.L. 480.

Foreign Agricultural Service

Additionally, we also want to take this opportunity to urge support for needed funding and resources for USDA's Foreign Agricultural Service. This funding is crucial if we are to continue to effectively carry out such programs and to provide the technical assistance and support needed to help maintain and expand U.S. agricultural exports.

Research

Another important area of emphasis when it comes to enhancing the global competitiveness of farmer cooperatives and American agriculture is research. NCFC supports the National Coalition for Food and Agriculture Research's goal of doubling federal funding over the next 5 years.

Energy

Cooperatives play a significant role in the development and marketing of renewable fuels, both ethanol

and biodiesel. Many cooperatives are also investigating opportunities for renewable energy from biomass such as dairy manure. We strongly support funding for important grant, loan and related programs which research and promote the development and advancement of biofuels and opportunities for biomass.

Conservation

We also want to express our strong support for important conservation and related programs administered by USDA's Natural Resources Conservation Service (NRCS). Many of these programs were significantly expanded under the 2002 Farm Bill. Programs like the Environmental Quality Incentives Program (EQIP) provide needed financial and technical assistance to help farmers and others who are eligible to develop and carry out conservation and related activities to achieve important environmental goals. We support continued funding for these important working lands conservation programs.

NRCS is also the lead technical agency within USDA offering "on-farm" technical and financial assistance. We strongly support such programs, involving technical assistance activities that may be carried out in partnership with the private sector including farmer cooperatives.

Farmer cooperatives have invested heavily in developing the technical skills of their employees to help their farmer members address environmental concerns. It is estimated that 90 percent of all members of the Certified Crop Advisor (CCA) program, for example, are employed by the private sector and majority of those are employed by farmer cooperatives.

It is important that USDA have the resources to provide these important funds and that the Department continues to refine the technical service program (TSP).

Conclusion

Thank you again, Chairwoman DeLauro and members of the Subcommittee, for the opportunity to share our views. We look forward to working with the committee to ensure continued benefits for rural communities, consumers, American agriculture and our nation as a whole.

NATIONAL DRINKING WATER CLEANINGHOUSE PROGRAMS FOR SMALL AND RURAL COMMUNITIES

Testimony submitted by Richard Bajura on behalf of the National Drinking Water Clearinghouse, West Virginia University

To the Committee on Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
U. S. House of Representatives
March 26, 2008

Summary

The National Drinking Water Clearinghouse (NDWC) asks for your continued support for our work to assist small and rural communities in the U.S. in maintaining safe, affordable drinking water. We request a total of $2 million in FY 2009 to support our regular outreach programs under the NDWC ($1.6 million) and for a focused activity called Special Services to Small Communities ($0.4 million). Our nation-wide services provide information, technical assistance, training, education, and outreach to citizens, government officials, service providers, and regulators for communities with populations of 10,000 or less. The NDWC is supported through the Technical Assistance and Training grants administered under the USDA account for the Rural Community Assistance Program (RCAP). The first two pages of our testimony outline the need and justification for our services. The remainder of the testimony provides descriptive information about the NDWC and Special Services programs.

Program Need and Justification

Need for Federal Programs

The recent media attention given to reports of large amounts of pharmaceuticals found in our drinking water has lead to a public outcry for more stringent treatment of drinking water and wastewater and the implementation of higher standards for water quality. The Environmental Protection Agency (EPA) drinking water survey conducted in 1999 indicated the need for drinking water systems and/or system upgrades to be $48.1 billion for communities of 10,000 or less, and $31.2 billion for communities of 3,300 or less. Regardless of community size or cost of the infrastructure, water systems must

comply with regulations mandated by the Safe Drinking Water Act to ensure safe drinking water to the populace.

The expense of upgrading or installing new water systems is a progressively heavy financial burden on smaller communities. With their limited resources, these communities often lack a solid financial base, adequate equipment, and trained water system operators. Faced with regular turn-over in personnel due to constraints on salaries and their lower budgets for installing infrastructure, small and rural communities require federal services such as training for technical personnel and community officials and information on low-cost options for system designs and maintenance if these communities are to keep expenses within their budget. Without adequate water resources, these communities are not able to grow and prosper. Safe, affordable water infrastructure is an investment in the economic viability and public health of rural America.

Program Justification

To assist small and rural communities in addressing their drinking water challenges, the USDA started the Technical Assistance and Training [TAT] grants program under their Rural Community Advancement Program. The TAT program makes it possible for small and rural communities to maximize their investments in water infrastructure through assistance provided to them for technology selection, operation and maintenance, capacity development, and asset management.

Funding for drinking water and waste water assistance is mandated through the Farm Bill (e.g. the Consolidated Farm and Rural Development Act). The Administration requests funding for these assistance programs through the TAT account. However, the amount of funding that the Administration requests for the TAT program has been decreasing each year while inflation pressures require the need for more funding just to maintain the same level of effort. The programs of the NDWC provide cost-effective solutions to help small community water systems meet the challenges they face, improve their abilities to comply with the Safe Drinking Water Act (SDWA), and protect public health.

Given the integral role that the NDWC plays in implementing the USDA mandate in providing drinking water assistance services, we seek continued congressional support to maintain our level of activity and are requesting a congressionally directed appropriation through the RCAP TAT program for $2 million. By providing federal funds to support the NDWC programs, the U.S. Government benefits through the economy-of-scale of supporting one organization (the NDWC) to develop a suite of assistance packages that are offered free of charge by the NDWC to small communities. These communities do not have the extensive resources needed to develop such programs and services from their own budgets.

NDWC and Special Services Program Descriptions

National Drinking Water Clearinghouse Program

For 17 years, the National Drinking Water Clearinghouse at West Virginia University has helped small and rural communities with their water infrastructure management. We have provided assistance in utility security issues since 2001. The NDWC is currently funded at approximately $1 million from FY 2007 funds. FY 2008 funding is currently pending the outcome of the TAT annual program review and would be allocated in September, 2008.

The NDWC provides a range of assistance for small and rural communities. Telephone callers can obtain toll-free technical assistance from our staff of engineers and scientists. Our quarterly publication "On Tap," a magazine about drinking water treatment, financing, and management options, helps communities and small water systems operate, manage and maintain their facilities, while keeping them financially viable. Our comprehensive web site and databases with thousands of entries provide round the clock access to contemporary information on small water systems. Training sessions customized for small and rural areas, teleconferences, web casts and more than 400 free and low-cost educational products give people the instruction and tools they need to address their most pressing water issues. Our services are structured to be of assistance to callers from any community across the nation and are well received by small community officials and service providers.

Special Services to Small Communities Program

In addition to the National Drinking Water Clearinghouse's knowledge base and technical support, the NDWC is expanding its assistance to underserved communities through technical field support. Underserved communities populate rural Appalachia, the Mississippi Delta, and the U.S. – Mexico Border communities, or "Colonias," and Native American Tribes. The NDWC's funding currently does not provide for direct services to underserved communities. To initiate this program, West Virginia University has provided internal funding to pilot an effort to honor requests for site specific technical support. This support has given small and very small communities assistance through site assessments and feasibility studies that they might not otherwise be able to access for planning needed infrastructure improvements, their financing, and management. We are requesting congressional support for this program which could then be offered free of charge on a wider scale to selected communities across the nation.

We would appreciate your continued support for the valuable services provided by the National Drinking Water Clearinghouse. Thank you for the opportunity to offer testimony on the USDA programs.

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* The National Drinking Water Clearinghouse is one of the programs of the National Environmental Services Center, an organization dedicated to serving the needs of small and rural communities in the areas of wastewater, drinking water, and municipal solid waste.

TESTIMONY OF JEFF TRANDAHL, EXECUTIVE DIRECTOR
NATIONAL FISH AND WILDLIFE FOUNDATION
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES REGARDING FY 2009 BUDGET FOR THE NATURAL RESOURCES CONSERVATION SERVICE

Madam Chairman and Members of the Subcommittee:

Thank you for the opportunity to submit testimony regarding FY 2009 funding for the National Fish and Wildlife Foundation (Foundation). We appreciate the Subcommittee's past support and respectfully request your approval of **$4 million through the Natural Resources Conservation Service (NRCS) FY 2009 appropriation.**

This funding request is well within the authorized levels and would allow the Foundation to uphold our mission and expand our successful partnership with NRCS. Mr. Chairman, I want to make one very important point: we are asking for your support of a well-established conservation program with national significance. The Foundation is an honest broker for the federal agencies and we have a remarkable track record of bringing private partners together to leverage federal funds and maximize conservation impacts.

During FY 2000-2006, the Foundation received an average appropriation of $3 million annually to further the mission of NRCS through a matching grant program focused on private lands conservation. We respectfully request that the Subcommittee restore the NRCS appropriation for the Foundation in FY 2009 to expand our partnership with NRCS. Together, NRCS and the Foundation have supported nearly 500 grants to conservation districts, universities, Resource Conservation and Development Councils, and non-profit organizations who partner with farmers, ranchers, and foresters to support conservation efforts on private land. Through these efforts, the Foundation leveraged $21 million in NRCS funds into more than $85 million to conserve fish and wildlife habitat, reduce agricultural runoff, and remove invasive species in 49 states, the Caribbean, and the Pacific Islands.

Since the Foundation's establishment by Congress in 1984, the Foundation has built strong partnerships with federal agencies by convening cooperative efforts to further the conservation of fish, wildlife and plants. In addition to NRCS, the Foundation works closely with the U.S. Fish and Wildlife Service and other Department of Interior agencies, U.S. Forest Service, National Oceanic and Atmospheric Administration, and the Environmental Protection Agency, among others. While the Foundation's Congressional charter requires a minimum of a 1:1 match for federally appropriated dollars, three or more matching dollars are typically leveraged from the non-federal sector for conservation projects. Therefore, a NRCS appropriation of $4 million in FY 2009 has the potential to turn into $16 million or more for on-the-ground conservation. Funds appropriated by this Subcommittee are fully dedicated to project grants and do not cover any overhead expenses of the Foundation.

The Foundation continues to excel in grant-making while providing thought leadership, accountability and sustainable conservation outcomes. Our unique ability to organize federal agencies and private partners to work together to achieve mutual conservation goals through on-

the-ground and in-the-water grant programs is notable and there is significant potential to advance these efforts in FY 2009 and beyond.

Renewal of NRCS funding for the Foundation will attract private sector interest in conservation through corporate sponsorship and direct gifts. With past support from NRCS, the Foundation was successful in attracting $750,000 of matching funds through the Kellogg Foundation to support innovative and sustainable conservation activities on agricultural lands. The Foundation also has strong partnerships with Anheuser-Busch, Southern Company, and the McKnight Foundation, all of whom have a special interest in conserving habitat on private agricultural lands.

Reinstatement of NRCS appropriations will encourage new corporate partnerships to further leverage federal funds for fish and wildlife conservation on private lands. Through our targeted grants, the Foundation strategically invests federal funds entrusted to us to achieve measurable success in "moving the needle" on collaborative conservation objectives over the next five to ten-year period.

Conserving Fish, Wildlife, Plants and Habitats

FY 2009 appropriations through NRCS will be focused on mutually agreed upon projects across the country according to our Keystone Initiatives and the objectives of the Foundation's Special Grant Programs, which are specific to a geographic area, group of species, or conservation concern. The Keystone Initiatives represent the new core portfolio of the Foundation's grant making with clearly defined long-term goals, well-articulated strategies, and defined budgets to reach desired outcomes. The Foundation continued implementing a new strategic plan and developing targeted Keystone Initiatives, with the goal of achieving sustainable and measurable conservation impacts.

Four Keystone Initiatives were launched by the Foundation in 2007: (1) Birds (2) Wildlife and Habitats (3) Fish and (4) Marine and Coastal Conservation. Each grant approved under a Keystone Initiative will be designed to provide a measurable outcome that brings us one step closer to the final long-term conservation goal of the Initiative. Achieving success through our Keystone Initiatives will also help to fulfill the objectives of the National Fish Habitat Action Plan, North American Waterfowl Management Plan, and Partners in Flight, among others.

With NRCS appropriations, the Foundation can accelerate our collaborative efforts to achieve long-term conservation impacts for fish and wildlife through our Keystone Initiatives. Increased funding in FY 2009 will also help to strengthen the Foundation's Special Grant Programs, a few of which are highlighted below:

- **The Great Lakes Watershed Restoration Fund** is a partnership between NRCS, U.S. Fish and Wildlife Service, U.S. Forest Service, Environmental Protection Agency, and NOAA to promote ecosystem restoration in the Great Lakes watershed. Since 2005, the Foundation has leveraged $1.9 million in federal funds with $3.8 million in partner contributions and matching funds to support 36 projects throughout the watershed. In 2008, the program is anticipated to award an additional $1.5 million to restore and enhance fish and wildlife habitat in the Great Lakes Basin. In January, the Foundation announced a new corporate partnership with ArcelorMittal, an international steel company, which will provide an

additional $2.1 million over three years for our grant-making in the watershed and help to implement the habitat objectives of the Great Lakes Regional Collaboration.

- **The Upper Mississippi River Watershed Fund** was established in partnership with the U.S. Forest Service and NRCS to restore and protect the forest ecosystems and watersheds of the Upper Mississippi River drainage area. Intensive land use and expanding navigation of the river have transformed the river and its watershed. Forest restoration and sustainable stewardship is critical to the area's fish and wildlife populations and the ability to address water quality issues. Projects emphasize restoration of bottomland hardwoods, wetlands, and riparian areas to benefit migratory birds, amphibians, fish and other aquatic species. Since 2006, $600,000 in federal funds was leveraged with $1.4 million in non-federal funds to support eight projects in five states of the Upper Mississippi River Watershed.

- **The Chesapeake Bay Stewardship Fund** is a partnership among NRCS, Environmental Protection Agency (EPA), U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration, and the U.S. Forest Service to restore and protect water quality and vital habitats within the Chesapeake Bay watershed. As part of the Fund, the Foundation administers EPA's Chesapeake Bay Target Watershed Grants and Small Watershed Grants. In 2008, the Foundation will also partner with NRCS to manage $5 million through their Chesapeake Bay Conservation Innovation Grants program. By convening federal partners through the Fund, the Foundation serves as a "one-stop-shop" for grantees and plays an important role in maximizing conservation outcomes.

Other Special Grant Programs, including the Pulling Together Initiative, Bring Back the Natives, Coral Reef Conservation Fund, and the Delaware Estuary Watershed Grant Program, continued positive results in 2007 with grantee requests far exceeding available funds. As mentioned, the Foundation is successfully building bridges between the government and private sector to benefit NRCS's mission. With support from this Subcommittee, we can accelerate our investment in common-sense, innovative, cooperative approaches that directly benefit diverse habitats, water quality and quantity, and a wide range fish and wildlife species.

A Tradition of Successful and Accountable Performance

Since 1984, the Foundation has awarded nearly 9,500 grants to over 3,000 organizations in the United States and abroad and leveraged – with its partners – more than $400 million in federal funds into over $1.3 billion for conservation. NFWF is recognized by Charity Navigator with a 4-star rating for efficiency and effectiveness.

The Foundation has taken important strides to improve our grant review and contracting process to ensure we maximize efficiency while maintaining strict financial and evaluation-based requirements. Interactive tools through our website have improved communication with our stakeholders and helped to streamline our grant making process. We expect that as of spring 2008, the Foundation will be operating under a paperless application system.

Grant-making through our Keystone Initiatives and Special Grant Programs involves a thorough internal and external review process. Peer reviews involve federal and state agencies, affected industry, non-profit organizations, and academics. Grants are also reviewed by the Foundation's Keystone Initiative staff, as well as evaluation staff, before being recommended to the Board of

Directors for approval. In addition, according to our Congressional Charter, the Foundation provides a 30-day notification to the Members of Congress for the congressional district and state in which a grant will be funded, prior to making a funding decision.

Once again, Mr. Chairman, we greatly appreciate your continued support and hope the Subcommittee will approve funding for the Foundation in FY 2009.

National Organic Coalition

March 12, 2008

Testimony of

Steven Etka
Legislative Coordinator, National Organic Coalition

submitted to the

House Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies

regarding

Fiscal Year 2009 Appropriations Requests

Chairwoman DeLauro, Ranking Member Kingston, and Members of the Subcommittee:

My name is Steven Etka. I am submitting this testimony on behalf of the National Organic Coalition (NOC) to detail our requests for fiscal year 2009 funding for several USDA marketing, research, and conservation programs of importance to organic agriculture.

The National Organic Coalition (NOC) is a national alliance of organizations working to provide a voice for farmers, ranchers, environmentalists, consumers, cooperative retailers and others involved in organic agriculture. The current members of NOC are the Beyond Pesticides, Center for Food Safety, Equal Exchange, Food and Water Watch, Maine Organic Farmers and Gardeners Association, Midwest Organic and Sustainable Education Service, National Cooperative Grocers Association, Northeast Organic Dairy Producers Alliance, Northeast Organic Farming Association- Interstate Policy Council, Rural Advancement Foundation International -USA, and the Union of Concerned Scientists.

We urge the Subcommittee's strong consideration of the following funding requests for various USDA programs of importance to organic farmers, marketers and consumers:

USDA/ Agricultural Marketing Service (AMS)

Organic Standards- Request: $6 million

In Fiscal Years 2006 and 2007, funding of $2.026 was appropriated for the National Organic Program within the AMS budget. For Fiscal Year 2008, in keeping with the President's budget request for the program, $3.18 million was appropriated for the National Organic Program. The President's Fiscal Year 2009 budget proposes that the National Organic Program be funded at $3.98 million.

With the rapid expansion of the organic market in the United States and abroad, the tasks facing the National Organic Program are numerous, yet the resources of the agency are few. The responsibilities of the NOP staff are exploding, as they attempt to enforce the standards governing the growing organic sector. If the funding for this program does not expand significantly to meet the growing needs, we fear that the important work of the NOP will suffer, the integrity of the organic standards will be jeopardized, and public confidence in the USDA organic label will be eroded.

Without a doubt, Congress has been very responsive to the funding needs of the NOP in recent years, in most cases fully funding the increases proposed by the President's budget each year. However, we believe that funding increase requested in the President's budget this year may not be adequate to address the exploding growth of the organic sector.

Some of the difficulties that the NOP has faced in implementing and overseeing the organic standards can be attributed to budget problems. Rulemaking efforts important to organic farmers, consumers, processors and retailers are languishing. For example, USDA has been promising for nearly two years to move forward on the proposal of a new, updated pasture standard to govern organic livestock, yet no formal action has taken place. Also, a regulation to clarify the standards for origin of livestock in organic dairy operations is also greatly needed.

In addition, some unfulfilled statutory requirements are still unanswered, despite Congressional prodding. Specifically, the Senate report language in Fiscal Years 2004, 2005, 2006, 2007, and 2008 called on the NOP to establish an on-going Peer Review Panel, as called for in Section 2117 of the Organic Foods Production Act of 1990 and Section 205.509 of the Organic rule, to provide oversight and advice to the NOP regarding the accreditation process for organic certifiers.

In recognition of the growing pains that the NOP was experiencing in implementing the new organic standards, the agency wisely sought outside advice for recommendations for program improvements. The NOP contracted with the American National Standards Institute (ANSI) to perform an outside audit of the agency, the results of which were presented in late 2004. The ANSI audit noted numerous technical and procedural deficiencies in the NOP's operations and suggested corrective actions in several areas. In addition, USDA's own Inspector General's office released an audit report regarding the National Organic Program in July of 2005, which was very critical of the National Organic Program's operations, and also suggested several corrective actions that could be taken by the Agency to resolve the problems. The Members of the National Organic Coalition concur with the recommendations of the ANSI and Office of Inspector General (OIG) audits, and believe that if the NOP were to implement these recommendations, it would be a significant step to resolving many of the concerns that have been raised by the organic community regarding the NOP's operations. However, it is unclear whether these recommendations are being implemented. We believe that the House and Senate Agriculture Appropriations Subcommittees should be kept informed by NOP with regular reports on their progress in complying with these recommendations.

In order to provide the National Organic Program with greater resources to fulfill these required tasks, and for certifier training, National Organic Standards Board support, enforcement, and rulemaking processes, we are requesting $6 million for AMS/National Organic Program, and we are also requesting that the following report language be included:

The Committee is aware that an audit performed by the American National Standards Institute (ANSI) in 2004 and by the USDA Office of Inspector General (OIG) in 2005 made strong recommendations about changes needed in the administration of the National Organic Program. The Committee expects the Agency to take the necessary actions to comply with these recommendations, and to provide a detailed written report to the Committee by December of 2008 regarding progress in implementing these recommendations. The Committee also notes that the agency is long-overdue in publishing regulations for new, updated pasture standards for organic ruminants, and that conflicting standards governing the origin of livestock used in organic dairy operations may require rulemaking on that topic as well. The Committee hopes to see action taken by NOP on these matters during fiscal year 2009. Finally, the Committee expects the NOP to work closely with the National Organic Standards Board to implement the accreditation Peer Review Panel requirements of OFPA and USDA's organic regulations.

USDA
ORGANIC DATA INITIATIVES

Authorized by Section 7407 of the 2002 Farm Bill, the Organic Production and Marketing Data Initiative states that the "Secretary shall ensure that segregated data on the production and marketing of organic agricultural products is included in the ongoing baseline of data collection regarding agricultural production and marketing." The pending 2008 Farm Bill includes draft language continues and enhance this data collection effort as well. As the organic industry matures and grows at a rapid rate, the lack of national data

for the production, pricing, and marketing of organic products has been an impediment to further development of the industry and to the effective functioning of many organic programs within USDA. Because of the multi-agency nature of data collection within USDA, the effort to improve organic data collection and analysis must also be undertaken by several different agencies within the Department:

Economic Research Service (ERS) **Request: $750,000**
Collection and Analysis of Organic Economic Data

Since fiscal year 2006, Congress has appropriated $500,000 to USDA's Economic Research Service to continue the collection of valuable acreage and production data, as required by Section 7407 of the 2002 farm bill.

Because increased ability to conduct economic analysis for the organic farming sector is greatly needed, we request $750,000 to be appropriated to the USDA ERS to implement the "Organic Production and Market Data Initiative" included in Section 7407 of the 2002 Farm Bill.

Agricultural Marketing Service (AMS)
Organic Price Collection **Request: support continued RMA funding for AMS efforts**

Accurate, public reporting of agricultural price ranges and trends helps to level the playing field for producers. Wholesale and retail price information on a regional basis is critical to farmers and ranchers, but organic producers have fewer sources of price information available to them than conventional producers. Additionally, the lack of appropriate actuarial data has made it difficult for organic farmers to apply for and receive equitable federal crop insurance. AMS Market News is involved in tracking product prices for conventional agricultural products. During the last couple of years, the Risk Management Agency (RMA) has provided some funding to the AMS, through a Memorandum of Understanding, to begin the collection of organic price data for a few selected commodities. We request that the Committee express its support for the continuation and expansion of this MOU between RMA and AMS.

USDA/ CSREES
Organic Transitions Program **Request: $5 million**

The Organic Transition Program is a research grant program that helps farmers surmount some of the challenges of organic production and marketing. As the organic industry grows, the demand for research on topics related to organic agriculture is experiencing significant growth as well. The benefits of this research are far-reaching, with broad applications to all sectors of U.S. agriculture, Yet funding for organic research is minuscule in relation to the relative economic importance of organic agriculture and marketing in this nation.

The CSREES Organic Transition Program was funded at $2.1 million in Fiscal Year 2003, $1.9 million in Fiscal Year 2004, and is currently funded at $1.855 million (FY 2008 bill). Given the rapid increase in demand for organic foods and other products, and the growing importance of organic agriculture, the research needs of the organic community are expanding commensurately. Therefore, we are requesting that the program be funded at $5 million in Fiscal Year 2009, consistent with the funding providing in the House's initial Fiscal Year 2007 Agriculture Appropriations bill. In addition, we request that the Organic Transition Program remain separate, and not be subsumed within the NRI as the Administration's budget proposes.

USDA/CSREES
National Research Initiative (NRI)
Request: Language directing CSREES to add a new NRI program area to foster classical plant and animal breeding

In recent decades, public resources for classical plant and animal breeding have dwindled, while resources have shifted toward genomics and biotechnology, with a focus on a limited set of major crops and breeds. This problem has been particularly acute for organic and sustainable farmers, who seek access to germplasm well suited to their unique cropping systems and their local environment.

In fiscal years 2005, 2006, and 2007, the Senate Agriculture Appropriations Subcommittee included report language raising concerns about this problem, and urging CSREES to give greater consideration to research needs related to classical plant and animal breeding, when setting priorities within the National Research Initiative. Despite this report language, research proposals for classical plant and animal breeding that have sought NRI funding in the recent years have been consistently declined.

Both the House and Senate versions of the Farm Bill include language to make classical plant and animal breeding a priority within the CSREES competitive grant process, though the two bills take slightly different approaches. Whichever version of the language is enacted in final Farm Bill, it will be very helpful to have the point reiterated by the Appropriations Committee.

Therefore, we are encouraging the inclusion of strong report language in the CSREES section of the Fiscal Year 2009 Agriculture Appropriations bill, to reiterate that CSREES should be making classical plant and animal breeding a priority. The following report language is offered as a suggestion, though it will need to be modified based on the outcome of the final Farm Bill language:

Section X of the X Act of 2008 (H.R. 2419) specifies that CSREES make classical plant and animal breeding activities a priority within the (NRI or IFAFS) program. The Committee strongly concurs with the intent of this section, and requests a report from the agency as to its plans for implementing the intent of this important requirement

USDA/CSREES
Sustainable Agriculture Research and Education (SARE) **Request: $15 million (Chapter 1) and $5 million (Chapter 3)**

The SARE program has been very successful in funding on-farm research on environmentally sound and profitable practices and systems, including organic production. The reliable information developed and distributed through SARE grants have been invaluable to organic farmers. We are requesting $15 million for Chapter 1 and $5 million for Chapter 3 for Fiscal Year 2009.

USDA/Rural Business Cooperative Service
Appropriate Technology Transfer for Rural Areas (ATTRA) **Request: $3 million**

ATTRA is a national sustainable agriculture information service, which provides practical information and technical assistance to farmers, ranchers, Extension agents, educators and others interested in sustainable agriculture. ATTRA interacts with the public, not only through its call-in service and website, but also provides numerous publications written to help address some of the most frequently asked questions of

farmers and educators. Much of the real-world assistance provided by ATTRA is extremely helpful to the organic community. As a result, the growth in demand for ATTRA services has increased significantly, both through the website-based information services and through the growing requests for workshops. We are requesting $3 million for ATTRA for Fiscal Year 2009.

USDA/ARS

Organic Agricultural Systems Research
Request: Devote ARS research dollars commensurate with organic's retail market share

USDA research programs have not kept pace with the growth of organic agriculture in the marketplace. Although organic currently represents roughly 3.5 percent of total U.S. food retail market, the share of USDA research targeted to organic agriculture and marketing is significantly less. With regard to ARS specifically, efforts have been made to devote greater resources to organic research. In fiscal year 2007, ARS expended approximately $15 million on organic research. While this figure is an increase from previous years, a "fair share" of expenditures would be closer to $40 million annually using organic's retail market share as a basis of comparison. In fact, both the House and Senate versions of the Farm Bill include Sense of Congress language that ARS funding should be dedicated to organic research at a rate commensurate with organic's retail market share.

Not only is organic research not receiving an appropriate share of research dollars, but the ARS research location cuts proposed in the President's FY 09 budget would result in a disproportionate cut in ARS research. Specifically, much of the flagship organic research being conducted by ARS originates from the Orono, Maine, University Park, Pennsylvania, Urbana, Illinois and Morris, Minnesota research locations. All of these locations are slated for closure under the President's budget request.

Therefore, we are requesting that language be added to the FY 2009 Agriculture Appropriations bill to require ARS to devote dollars toward organic research at a rate commensurate with organic's retail market share, and to reject the President's proposal to close the Orono, Maine, University Park, Pennsylvania, Urbana, Illinois and Morris, Minnesota research locations.

USDA/ NRCS
Conservation Security Program **Request: No Funding Limitation**
USDA/ Rural Business Cooperative Service
Value-Added Producer Grants **Request: $40 million**

The Conservation Security Program (authorized by Section 2001 of the 2002 farm bill) and the Value-Added Producer Grant (authorized by Section 6401 of the 2002 farm bill) have great potential to benefit organic and conventional producers in their efforts to conserve natural resources and to explore new, value-added enterprises as part of their operations. Unfortunately, while these programs were authorized to operate with mandatory funding, their usefulness has been limited by funding restrictions imposed through the annual appropriations process. We are urging that the Conservation Security Program be permitted to operate with unrestricted mandatory funding, and that the Value-Added Producer Grant Program receive an appropriation of $40 million for FY 2009.

Thank you for this opportunity to testify and for your consideration on these critical funding requests.

BEFORE THE SUBCOMMITTEE ON
AGRICULTURE, RURAL DEVELOPMENT, FDA AND RELATED AGENCIES
OF THE HOUSE COMMITTEE ON APPROPRIATIONS

STATEMENT OF THE NATIONAL POTATO COUNCIL

My name is Ed Schneider. I am a potato farmer from Pasco, Washington and current Vice President, Legislative/Government Affairs for the National Potato Council (NPC). On behalf of the NPC, we thank you for your attention to the needs of our potato growers.

The NPC is the only trade association representing commercial growers in 50 states. Our growers produce both seed potatoes and potatoes for consumption in a variety of forms. Annual production is estimated at 437,888,000 cwt. with a farm value of $3.2 billion. Total value is substantially increased through processing. The potato crop clearly has a positive impact on the U.S. economy.

The potato is the most popular of all vegetables grown and consumed in the United States and one of the most popular in the world. Annual per capita consumption was 136.5 pounds in 2003, up from 104 pounds in 1962 and is increasing due to the advent of new products and heightened public awareness of the potato's excellent nutritional value. Potatoes are considered a nutritious consumer commodity and an integral, delicious component of the American diet.

The NPC's fiscal year 2009 appropriations priorities are as follows:

POTATO RESEARCH:

COOPERATIVE STATE RESEARCH EDUCATION AND EXTENSION SERVICE (CSREES)

The NPC urges that Congress not support the President's FY 2009 budget request to eliminate the CSREES Special Grant Programs. The Potato Special Grant Program supports and fine tunes important university research work that helps our growers remain competitive in today's domestic and world marketplace.

The NPC supports an appropriation of $1,800,000 for the Special Potato Grant program for FY 2009. The Congress appropriated $1,482,000 in FY 2006 and recommended the same amount in FY 2007. However, the program only received $1,112,000 in FY 2008 which was further reduced by the across-the-board cut. The House Subcommittee recommended $1.4 million while the Senate Subcommittee recommended only $750,000. This has been a highly successful program and the number of funding requests from various potato-producing regions is increasing.

The NPC also urges that the Congress include Committee report language as follows:

> *"Potato research.—The Committee expects the Department to ensure that funds provided to CSREES for potato research are utilized for varietal development testing. Further, these funds are to be awarded after review by the Potato Industry Working Group."*

AGRICULTURAL RESEARCH SERVICE (ARS):

The Congress provided funds for a number of important ARS potato research projects and, due to previous direction by the Congress, the ARS continues to work with the NPC on how overall research funds can best be utilized for grower priorities.

In addition, the Potato Cyst Nematode Laboratory at Cornell University is structurally deficient and may lose its Federal license to operate as a quarantine facility. Its demise would not only jeopardize New York agriculture but also put the U.S. potato industry at risk. Equally important is the risk to the Western United States from the Idaho and Alberta outbreaks. There is also a need for a similar facility in Idaho. A coordinated National Program is critical if export markets are to be maintained and this quarantined pest is to be contained.

The NPC urges that $2.5 million per site be provided for the construction and/or the expansion of such a facility at each location. As an expansion of the Insect Containment Facility at Cornell University (CU), the eastern facility could be operated similarly to the current facility. A potential scenario might envisage a new facility built on CU-donated land with the state of New York providing continued maintenance and utility support and ARS providing research program support. The Western facility could be constructed on University of Idaho land where an existing nematologist is present and a core ARS presence already exists.

Both species of Potato Cyst Nematode (PCN), Golden and Pale, are quarantine pests of potatoes. The Golden nematode was discovered in New York in 1941. The Pale Cyst Nematode was discovered in Idaho in 2006. The Pale Cyst Nematode has also been detected in potato production areas in Alberta, Canada that supply seed potatoes primarily to the Northwestern U.S., but also to states such as Florida and North Carolina. Eradication of PCN is difficult because PCN cysts remain viable in the soil for 20 plus years and can be found at soil depths up to 40 inches.

The Quarantine and Management program in New York has confined the nematode to limited acreage for 60 plus years due to yearly surveys by APHIS and New York State Ag and Markets, and the implementation of effective management plans developed by ARS and Cornell University scientists. The continued success of the program has been challenged by a recent discovery of a new race of PCN in New York and first-time discoveries of PCN in Idaho, Quebec and Alberta. If PCN expands into other states, the entire U.S. potato industry will be affected, not only from direct damage by the pest (up to 80% yield loss), but more importantly, by embargoes disrupting interstate and international trade.

Breeding nematode resistant potato varieties is the cornerstone of the New York PCN research team. Access to resistant varieties allows continued production and international marketing of New York potatoes. The New York PCN research team, currently the only one in the U.S., is uniquely positioned to develop potato germplasm with viable broad spectrum and durable resistance to PCN and to provide material to other breeding programs in the U.S. and Canada. Already the New York PCN team has been a major resource for establishing PCN detection programs in Idaho and Quebec, and is providing leadership, resources and expertise to a newly established U.S. PCN working group and to Canadian provincial agencies. Almost 60% of the U.S. potato production is in the Pacific Northwest. Without a program to test for resistance as

part of the Northwest Potato Breeding program, to support the current containment and eradication program in Idaho and to aggressively survey for possible infections from Alberta, the entire U.S. industry is at risk.

The PCN Laboratory at Cornell is the only U.S. facility that conducts laboratory and greenhouse research on PCN. It is structurally deficient and in danger of being denied its Federal license to operate as a quarantine facility. Constructed as a temporary building prior to 1960, Cornell University engineers have determined that major renovations are not economically feasible. Its demise would put New York agriculture and the U.S. potato industry at risk. Similarly, without a Western facility to conduct this research under Western growing conditions, over 60% of the U.S. production is in jeopardy.

FOREIGN MARKET DEVELOPMENT:

MARKET ACCESS PROGRAM (MAP)

The NPC also urges that the Congress maintain the spending level for the Market Access Program (MAP) at the authorized level determined by the final version of the new Farm Bill.

FOREIGN AGRICULTURE SERVICE (FAS)

The NPC supports the President's FY 2009 budget request of $279 million for salaries and expenses of the USDA Foreign Agriculture Service. This level is the minimum necessary for the Agency given the multitude of trade negotiations and discussions currently underway. The Agency has had to absorb pay cost increases, as well as higher operating costs for its overseas offices, such as increased payments to the Department of State for services provided at overseas posts. Recent declines in the value of the dollar, coupled with overseas inflation and rising wage rates, have led to sharply higher operating costs that must be accommodated if FAS is to maintain its overseas presence. However, this minimal budget request does not allow for expanded enforcement activities to assure that various trade agreements are being properly implemented. The Congress should consider increasing the budget request to allow for more FAS trade enforcement activities.

FOOD AID PROGRAMS:

McGOVERN-DOLE

The NPC supports the Administration's FY 2009 budget request of $108 million for the McGovern-Dole International Food Aid Program. PVO's have been including potato products in their applications for this program.

PEST AND DISEASE MANAGEMENT:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE (APHIS)

Golden Nematode Quarantine - The NPC supports an appropriation of $1,266,000 for this quarantine which is what is believed to be necessary for USDA and the State of New York to assure official control of this pest. Failure to do so could adversely impact potato exports. The Administration's request is only $800,000.

Given the transfer of Agriculture Quarantine Inspection (AQI) personnel at U.S. ports to the Department of Homeland Security, it is important that certain USDA-APHIS programs be adequately funded to ensure progress on export petitions and protection of the U.S. potato growers from invasive and harmful pests and diseases. Even though DHS staffing has increased, agriculture priorities have not yet been adequately addressed.

Pest Detection - The NPC supports $45 million for FY 2009 which was the Administration's budget request for FY 2008. This increase is essential for the Plant Protection and Quarantine Service's (PPQ) efforts against potato pests and diseases, such as Ralstonia and the Potato Cyst Nematode, and funds many cooperative pest and disease programs. The Administration's FY 2009 request is reduced to $31 million.

Emerging Plant Pests - The President requests $145 million in FY 2009 which the NPC supports. However, this budget request includes only $7.7 million for potato cyst nematode regulatory, control and survey activity. The NPC urges that this program be increased to at least the FY 2008 level of $9.5 million.

The NPC supports having the Congress, once again, include language to prohibit the issuance of a final rule that shifts the costs of pest and disease eradication and control to the states and cooperators.

Trade issues resolution management - $12,457,000 appropriated in FY 2008 and the President requests $19 million in FY 2009. The NPC supports this increase ONLY if it is specifically earmarked for plant protection and quarantine activities. These activities are of increased importance, yet none of these funds are used directly for plant protection activities. As new trade agreements are negotiated, the Agency must have the necessary staff and technology to work on plant-related import/export issues. The NPC also relies heavily on APHIS-PPQ resources to resolve phytosanitary trade barriers in a timely manner.

AGRICULTURAL STATISTICS:

NATIONAL AGRICULTURAL STATISTICS SERVICE (NASS)

The NPC supports sufficient funds and guiding language to assure that the potato objective yield and grade and size surveys are continued. The NPC also urges that additional funds be appropriated so that the Agency can continue its vegetable pesticide use surveys, which provide valuable data to the EPA for use in registration and reregistration decisions for key chemical tools. NASS has discontinued these chemical use surveys for fruits and vegetables.

WDC99 1539327-1.027357.0010

March 21, 2008

Mr. Joseph Eaves
Government Affairs Representative
National Telecommunications Cooperative Association (NTCA)

Written Public Testimony for House Committee on Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for Fiscal Year 2009

Rural Utilities Service (RUS) Telecommunication Loan Program accounts -- $690 million loan levels.

Rural Utilities Service (RUS) Distance Learning, Telemedicine, and Broadband Program accounts – approximately $328 million in loan levels and $35 million in grant levels.

Rural Utilities Service (RUS) Administration and Staff accounts -- $39 million.

Rural Business – Cooperative Service Rural Economic Development Grants Program accounts – to maintain the $39 million available balance associated with this account.

Rural Business – Cooperative Service Rural Economic Development Loans Program accounts – to maintain the $34 million available balance associated with this account.

FY 2009 U.S. DEPARMENT OF AGRICULTURE APPROPRIATIONS
Rural Utilities Service/Rural Business Cooperative Service

The ubiquitous deployment of state of the art communications infrastructure that is capable of ensuring all Americans have access to the array of communications services that are so essential to our national, economic, and personal security remains a critical national priority.

With this in mind, obviously the communications infrastructure and community development financing programs that are operated under the U.S. Department of Agriculture's Rural Utilities Service (RUS) and Rural Business Cooperative Service (RBCS) are without question more important today than ever before.

Congress and the President alike continue to uniformly advocate the necessity of making advanced broadband services available to every American – including those in the most remote far reaches of our vast nation. Accomplishing this objective will require the ongoing dedication and commitment of the industry as well as the continuing availability of the strong financing programs that exist within the RUS and RBCS today.

Consequently, NTCA strongly urges policymakers to adopt the following specific Fiscal Year (FY) 2009 funding recommendations for these critical programs.

Rural Utilities Service:

1. Support the provisions of the President's budget proposal calling for the required subsidy to fully fund the RUS Telecommunications Loan Program's Hardship Account at a $145 million level, Cost of Money Account at a $250 million level, and the Guaranteed Account at a $295 million level.

2. Support the provisions of the President's budget proposal calling for the required subsidy to fund the RUS Distance Learning, Telemedicine, and Broadband Program's Broadband Telecommunications Loan Account at $297,923,000 and opposing the President's proposed rescission of the Account's unexpended subsidy amounts from prior fiscal years.

3. Request an additional $15 million over the President's budget proposal to maintain funding for the RUS Distance Learning, Telemedicine, and Broadband Program's Telemedicine and Distance Learning Grants Account at the FY 2008 appropriated level of $35 million.

4. Reject the President's budget proposal to zero out the Distance Learning and Telemedicine Loan Account under the Distance Learning, Telemedicine, and Broadband Program, and instead provide a level of subsidy to sustain this loan account at a $30 million level.

5. Oppose the President's proposed cut of $804,000, from $38,623,000 to $37,819,000, for administration and staffing at the agency. Considering all the new responsibilities the agency has taken on and that policymakers want the loanmaking process to move faster, the agency needs more, not fewer, resources.

Rural Business—Cooperative Service:

1. The Rural Economic Development Grants Program and the Rural Economic Development Loans Program that are both authorized under Section 313 of the Rural Electrification Act are programs that should be under the purview of the RUS rather than the RBCS as they are authorized by the Act established to provide financing options for rural telecommunications and electric utilities. In addition, these Section 313 programs have traditionally been funded in part via interest earnings that are associated with loan prepayments by rural telecommunications and electric borrowers of the various RUS financing programs. The Section 313 loan and grant programs now under RBCS were moved there during the mid-1990s reorganization of the USDA purely as a means of providing the newly formed RBCS with enough programs to administer to legitimize its creation. Sadly the impact of this move has been for the program to move out of the view of the very borrowers it was intended to be available to and who largely fund it via their cushion of credit prepayment interest earnings.

2. Preserve the Rural Economic Development Loan Program at an appropriate level corresponding to the need and interest that exists in RUS borrower communities for such assistance.

3. Oppose the provisions of the President's budget which seek to permanently cancel and sweep the funds derived for the Rural Economic Development Grant Program Account from the Section 313 cushion of credit payments.

4. Encourage the Committee to include the following suggested language to prohibit the sweeping of interest earned on cushion of credit payments to the Treasury or other USDA programs: Notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer or sweep to the Treasury or other USDA programs any funds derived from interest on the cushion of credit payments, as authorized by Section 313 of the Rural Electrification Act of 1936.

Testimony of
Don Underwood
Chairman, National Watershed Coalition

Presented to the
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD & DRUG ADMINISTRATION, AND RELATED AGENCIES

of the
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

March 24, 2008

MADAM CHAIR AND MEMBERS OF THE SUBCOMMITTEE: The National Watershed Coalition is privileged to present this testimony in support of the most beneficial water resource conservation programs ever developed in the United States. The Coalition recognizes full well that we need to use our tax dollars wisely. That fact makes the work of this Subcommittee very important. It also makes it imperative that the federal programs we continue are those that provide very real and measurable benefits to society. We believe the Watershed Program authorized by Public Laws 83-566 and 78-534 is an excellent example. $300 Million distributed across 3 program accounts within the Watershed Program and the Flood Prevention Operations Program administered by USDA's Natural Resources Conservation Service (NRCS) represents the documented need for program funding for FY 2009.

As this testimony is prepared the media is filled with stories of devastating flooding in both rural and urban areas extending from south of Dallas, Texas north across the Midwest through the Ohio River valley and on to areas of New England. The flooding associated with storm events the weeks of March 10 through 22, 2008 ravaged both the natural resources and residents of these watersheds. Lives were needlessly cut short, property was destroyed and soil and water resources vital to our economy were damaged and destroyed. The disruption of lives, services and the local economies in these areas is devastating. Many of these areas faced the same conditions in 2007.

While many call for the reinvention or redirection of the USDA Watershed Program, we believe with adequate funding, proper administration and an appropriate level of oversight by Congress it holds important opportunities to address the protection of lives, natural resources and property from the predictable ongoing devastation created by flooding. When coupled with the principles and practices of both floodplain management and dam safety, the USDA Small Watershed Program has a proven track record of success and efficiency. As watershed science has evolved the program has embraced environmental concerns and in doing so it provides a variety of documented environmental and recreational benefits in addition to the resource protection it

provides. The Watershed Program represents a federal, state and local partnership that when appropriately funded and administered represents a model for success and an appropriate role for government in our society.

Local project sponsors find themselves in an increasingly frustrating and potentially dangerous dilemma. The support system at the federal partnership level appears broken. USDA and the Natural Resources Conservation Service express significant displeasure concerning Watershed Program earmarks and the impact they have on their ability to administer the program. Resource concerns and the value of the program as a natural resource conservation and flood protection strategy appear lost in policy decisions. These decisions are born apparently from philosophical positions that fail to consider history, the collective investment and the reality of meteorological patterns across the nation. This perspective leads them to overlook or discount the proven and practical methodology laid out for the agency in Public laws 78-534 and 83-566.

The apparent reluctance of the administration to fully embrace the program only exacerbates the need for earmarking if local projects, which in fact have met and passed a rigorous planning process, are to be implemented. Recent history shows us the resulting Congressional appropriations become earmarked beyond actual appropriation levels. This problem comes about as constituents attempt to work the broken system to secure the much needed federal financial and technical assistance to implement needed projects and rehabilitate aging infrastructure that was previously created by the program. In addition, important federal technical assistance necessary to assist local sponsors to maintain these dams in sound and safe condition continues to diminish as programs within the agency compete for technical assistance dollars. Inadequate funding and an over-subscription of well intended earmarks adversely impact the availability of federal technical assistance to local watershed sponsors.

At the top or bottom, depending on one's place and perspective in the dilemma, are a host of real people - both taxpayers and constituents who as local sponsors feel somewhat abandoned in their effort to take a proactive role in their state and local community to secure and maintain the protection of lives, property, resources and enterprise through this proven program. These are the citizens that are represented by this testimony. If they are to be successful in their work to protect lives and resources at the state and local level they need the support of Congress and the Administration.

Administered appropriately, the program provides benefits well in excess of costs. It is a program that serves as a model for the way all federal programs should work.

While citizens in the areas devastated by recent massive flooding struggle to recover, we fear that the Watershed Program cannot recover from the devastating effects of Administration's proposed FY 2009 budget. It is unacceptable to watershed project sponsors throughout the U.S and it is our fervent hope that Congress finds it unacceptable as well.

National Watershed Coalition USDA Water Resources Program Budget recommendations for FY 2009:

Watershed and Flood Prevention Operations

In order to continue this high priority work in partnership with states and local government, the National Watershed Coalition recommends a FY 2009 funding level of **$190 million** for Watersheds and Flood Prevention Operations, PL 83-566 and PL 78-534. We recommend that up to $30 million of this $190 million be directed to PL 78-534 projects. The administration proposes no funding for PL-534 or PL 83-566 projects. The $190 million request represents the actual amount needed to implement the projects that local communities are ready to move forward. These local sponsors have done their part to obtain land rights and secure local cost share where needed. These sponsors have acquired the necessary permits to proceed. It is a real, community based, documented need.

Watershed Surveys and Planning

The National Watershed Coalition recommends that watershed surveys and planning be funded at **$35 million**. Funds in this account enable surveys to evaluate project feasibility as well as fund planning and design of projects. In addition to planning for federally funded projects this account also provides studies for projects that are locally funded.

In light of the 2007 and 2008 flooding across much of the Nation the National Watershed Coalition believes the $35 million figure is a very reasonable and responsible request national water resource priorities are considered. The Administration has proposed no funding for this effort.

Watershed Rehabilitation

The National Watershed Coalition recommends **$75 million** be provided for structural rehabilitation and replacement in FY 2009. Improving the condition of our nation's dams and protecting local communities must be a national priority.

The issue of the current condition of the dams constructed over the last fifty years under the watershed program is a matter of great concern. Many of the 11,000 plus dams that NRCS assisted in building throughout the United States, no longer meet current dam safety standards. This situation exists largely as a result of development and land use changes both up and downstream from the dams. Dams originally built to protect farmland now receive increasing run off from upstream development while protecting homes and lives downstream rather than simply cropland. There is a serious need to upgrade these dams to current mandated standards immediately. Failure to rehabilitate dams puts lives at risk.

Watershed project sponsors throughout the US appreciate your past leadership on this vital issue. These projects are now in critical need of adequate federal appropriations. This $75 million will provide funds to match a 35% local cost share to implement these critical projects. The Administration proposes only $6 million for this effort.

Summary:

All people should understand as you do that these federal funds are only a part of the total that is committed to this vital national conservation purpose. The local project sponsors in these "federally assisted" endeavors also have a tremendous investment in cash as well as in-kind services related to these programs.

We acknowledge that earmarks are distasteful to some and subsequently may be damaging to the program long term. However, one only has to look at the proliferation of earmarks for legitimately planned and approved projects within the Programs to see that a strong need still exists for this work. Flood damage to life, property and natural resources shouts the message that this vital work is needed. If the planning and selection process is broken and adds to the difficulty in funding and administering the programs effectively, we implore Congress to engage the appropriate USDA officials and jointly remedy the problem. We urge the Administration to listen to the voices of watershed sponsors and communities across the country. We urge Congress to boldly lead the effort to fully fund the program at levels which meet the honest demands for this vital work in every watershed district across the Nation. In addition the Administration must recognize and acknowledge as you do that watershed natural resources conservation is a high national priority for both national prosperity and national security.

The National Watershed Coalition is concerned with the Administration's minimal support for these watershed programs, and trusts your deliberations will cause the outcome of the FY 2009 appropriations process to enable this vital work to continue and expand as we seek to preserve, protect, and better manage our nation's water and land resources.

The National Watershed Coalition appreciates the opportunity to offer these comments regarding the FY 2009 funding for the water resource programs administered by USDA's Natural Resources Conservation Service. The Coalition pledges its full support to you as you continue your most important work.

Respectfully submitted by:

Don Underwood
987 South Church Street
Brook Haven, MS 39601

Statement of

JOHN R. D'ANTONIO, JR., P.E., NEW MEXICO STATE ENGINEER, AND SECRETARY, NEW MEXICO INTERSTATE STREAM COMMISSION

to the

HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

in support of

FY 2009 APPROPRIATIONS FOR ENVIRONMENTAL QUALITY INCENTIVES PROGRAM AND SALINITY CONTROL PROGRAM, DEPARTMENT OF AGRICULTURE

March 26, 2008

SUMMARY

This Statement is submitted in support of appropriations for the U.S. Department of Agriculture's Environmental Quality Incentives Program (EQIP) and the Colorado River Basin Salinity Control Program. Prior to the enactment of the Farm Security and Rural Investment Act (FSRIA) in 2002, the salinity control program had not been funded at the level necessary to control salinity with respect to water quality standards since the enactment of the Federal Agriculture Improvement and Reform Act (FAIRA) of 1996. Inadequate funding of the salinity control program also negatively impacts the quality of water delivered to Mexico pursuant to Minute 242 of the International Boundary and Water Commission. Adequate funding for EQIP, from which the U.S. Department of Agriculture (USDA) funds the salinity program, is needed to implement salinity control measures. The President's budget for FY2009 requests an appropriation of $1.05 billion for EQIP, with the actual amount to be set by the new Farm Bill. I urge the Subcommittee to support an appropriation of at least $1.05 billion to be appropriated for EQIP. I request that the Subcommittee designate 2.5%, but no less than $20 million, of the EQIP appropriation for the Colorado River Basin salinity control program. I request that adequate funds be appropriated for technical assistance and education activities directed to salinity control program participants.

STATEMENT

The seven Colorado River Basin states, in response to the salinity issues addressed by Clean Water Act of 1972, formed the Colorado River Basin Salinity Control Forum (Forum). Comprised of gubernatorial appointees from the seven Basin states, the Forum was created to provide for interstate cooperation in response to the Clean Water Act, and to provide the states with information to comply with Sections 303 (a) and (b) of

the Act. The Forum has become the primary means for the seven Basin states to coordinate with federal agencies and Congress to support the implementation of the Salinity control program.

Congress authorized the Colorado River Basin salinity control program in the Colorado River Basin Salinity Control Act of 1974. Congress amended the Act in 1984 to give new responsibilities to the USDA. While retaining the Department of the Interior as the lead coordinator for the salinity control program, the amended Act recognized the importance of the USDA operating under its authorities to meet the objectives of the salinity control program. Many of the most cost-effective projects undertaken by the salinity control program to date have occurred since implementation of the USDA's authorization for the program. Now, Congress is considering enactment of a new Farm Bill to further define how the Colorado River Basin states can cost-share in a newly designated salinity control program known as the "Basin States Program."

Bureau of Reclamation studies show that quantified damages from the Colorado River to United States water users are about $376,000,000 per year. Unquantified damages are significantly greater. Damages are estimated at $75,000,000 per year for every additional increase of 30 milligrams per liter in salinity of the Colorado River. It is essential to the cost-effectiveness of the salinity control program that USDA salinity control projects be funded for timely implementation to protect the quality of Colorado River Basin water delivered to the Lower Basin States and Mexico.

Congress concluded, with the enactment FAIRA in 1996, that the salinity control program could be most effectively implemented as a component of EQIP. However, until 2004, the salinity control program since the enactment of FAIRA was not funded at an adequate level to protect the Basin State-adopted and Environmental Protection Agency approved water quality standards for salinity in the Colorado River. Appropriations for EQIP prior to 2004 were insufficient to adequately control salinity impacts from water delivered to the downstream states, and hampered the required quality of water delivered to Mexico pursuant to Minute No. 242 of the International Boundary and Water Commission, United States and Mexico.

EQIP subsumed the salinity control program without giving adequate recognition to the responsibilities of the USDA to implement salinity control measures per Section 202 (c) of the Colorado River Basin Salinity Control Act. The EQIP evaluation and project ranking criteria target small watershed improvements which do not recognize that water users hundreds of miles downstream are significant beneficiaries of the salinity control program. Proposals for EQIP funding are ranked in the states of Utah, Wyoming and Colorado under the direction of the respective State Conservationists without consideration of those downstream, particularly out-of-state, benefits.

Following recommendations of the Basin States to address the funding problem, the USDA's Natural Resources Conservation Service (NRCS) designated the Colorado River Basin an "area of special interest" including earmarked funds for the salinity control program. The NRCS concluded that the salinity control program is different from

the small watershed approach of EQIP. The watershed for the salinity control program stretches almost 1200 miles from the headwaters of the river through the salt-laden soils of the Upper Basin to the river's termination at the Gulf of California in Mexico. NRCS is to be commended for its efforts to comply with the USDA's responsibilities under the Colorado River Basin Salinity Control Act, as amended. Irrigated agriculture in the Upper Basin realizes significant local benefits of improved irrigation practices, and agricultural producers have succeeded in submitting cost-effective proposals to NRCS.

Years of inadequate federal funding for EQIP since the 1996 enactment of FAIRA and prior to 2004 resulted in the Forum finding that the salinity control program needs acceleration to maintain the water quality criteria of the Colorado River Water Quality Standards for Salinity. Since the enactment of FSRIA in 2002, an opportunity to adequately fund the salinity control program now exists. The President's budget request of $1.05 billion accomplishes the needs of the NRCS salinity control program if the USDA continues its practice of designating 2.5% of the EQIP funds appropriated. The requested funding of 2.5%, but no less than $20 million, of the EQIP funding will continue to be needed each year for at least the next few fiscal years.

State and local cost-sharing is triggered by and indexed to the federal appropriation. Federal funding for the NRCS salinity control program of about $19.5 million for FY 2008 has generated about $15.8 million in cost-sharing from the Colorado River Basin States and agricultural producers, or about an 80% match of the federal funds appropriated for the fiscal year.

USDA salinity control projects have proven to be a most cost-effective component of the salinity control program. USDA has indicated that a more adequately funded EQIP program would result in more funds being allocated to the salinity program. The Basin states have cost-sharing dollars available to participate in on-farm salinity control efforts. The agricultural producers in the Upper Basin are willing to cost-share their portion and are awaiting funding for their applications to be considered.

The Basin states expend 40% of the state funds allocated for the program for essential NRCS technical assistance and education activities. Previously, the federal part of the salinity control program funded through EQIP failed to adequately fund NRCS for these activities, which has been shown to be a severe impediment to accomplishing successful implementation of the salinity control program. Recent acknowledgement by the Administration that technical assistance and education activities must be better funded has encouraged the Basin states and local producers that cost-share with the EQIP funding for implementation of the essential salinity control work. I request that adequate funds be appropriated to NRCS technical assistance and education activities directed to the salinity control program participants (producers).

I urge the Congress to appropriate at least $1.05 billion in FY 2009 for EQIP. Also, I request that Congress designate 2.5%, but no less than $20 million, of the EQIP appropriation for the Colorado River Basin salinity control program.

colorado3/usda-stmnt-SEN.f08

Testimony of
Dan Lowrance
Chairman, Oklahoma Conservation Commission

Presented to the
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD & DRUG ADMINISTRATION, AND RELATED AGENCIES

of the
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

March 26, 2008

MADAM CHAIR AND MEMBERS OF THE SUBCOMMITTEE: I am privileged to present this testimony in support of the most beneficial water resource conservation program that has been implemented in our state. Of all of the valuable partnerships between federal, state, and local governments, this program provides very real and measurable benefits to our society. We believe the Watershed Program authorized by Public Laws 83-566 and 78-534 is essential to the well being of the citizens of Oklahoma. We believe that $300 Million represents the FY09 documented need of the Watershed Program and the Flood Prevention Operations Program administered by USDA's Natural Resources Conservation Service (NRCS).

Natural resources conservation in our state over the past two years reminds us that the value in a great program lies in its ability to provide benefits over a wide range of conditions presented by our ever-changing weather patterns. From one of the most severe droughts in the history of the state in 2006 to the highest annual rainfall on record in 2007, the 2,000+ structures implemented by the USDA/NRCS, State of Oklahoma, and local watershed sponsors in our state provided enormous benefits to our citizens in both extremes. During drought, the storage of water in these structures helped to provide for drinking water for rural communities, valuable water for livestock and irrigation, and an emergency source of water to assist in fighting the devastation of wildfires that burned across Oklahoma. The damage from the flooding of 2007 would have been increased by an additional $340 million in Oklahoma if it had not been for the valuable infrastructure put in place over the years by the USDA/NRCS Watershed Program.

We are concerned that the current administration, not only has not set this successful watershed program as a priority, but has suggested to terminate the program and use the funds for "higher priority programs"? We ask what are those "higher priority programs"? What other USDA programs are authorized to assist with flood control, water supply, and protection of human health and safety. Should these not be some of our highest priorities, especially after the devastation of natural disasters and the

collapse of vital infrastructure has been so vividly demonstrated this past year and the severe impacts of drought are so evident?

We are concerned about the future of the Watershed Program, a very successful program that has demonstrated its benefits many times over during the past 60 years. We constantly hear of projects in every state in the nation that have saved communities from floods that previously devastated people's lives and property. The water quality improvement, water supply, recreation, and wildlife habitat provided by these projects have not only made a difference in today's environment, but also will improve the quality of life for future generations. It is highly unfortunate that if left to the Administration, the full benefit of the many quality projects that have been authorized but not funded will not be realized. With recent flood related disasters of regional and national proportions, who among us can explain the timing for the illogical abandonment of one of the premier flood prevention and control programs ever conceived?

The Oklahoma Conservation Commission supports the recommendations of the National Watershed Coalition for funding the USDA Water Resources Program Budget for FY 2009. We believe these to be the documented needs of the Program:

Watershed and Flood Prevention Operations

$190 million for Watersheds and Flood Prevention Operations, PL 83-566 and PL 78-534

Watershed Surveys and Planning

$35 million for Watershed Surveys and Planning

Watershed Rehabilitation

$75 million for Watershed Rehabilitation - These projects are now in critical need of adequate federal appropriations. This $75 million will provide funds to match a 35% local cost share to implement these critical projects. The Oklahoma Legislature is currently considering appropriating the funds needed for this 35% match. The Administration proposes only $6 million for this national effort.

Summary:

In an address by Hugh Hammond Bennett, the first Chief, of the USDA Soil Conservation Service, before the Connecticut Engineering Congress, Bridgeport, Conn., on **July 25, 1936** the message presented then is true to this day:

"This Congress has had the foresight to undertake preparation for the future by remembering the past. I refer to the disastrous floods which like other national tragedies, are all too quickly forgotten. Public attention is duly focused upon these disasters while they are taking place, and everyone agrees at the time that something

should be done to prevent their recurrence; but with the passing of time, only a few months as a rule, our remembrance usually fades.

This Congress should be proud of the fact that it has not forgotten. In July it has not forgotten the tragic floods of March and April. It has set science and intelligent thought to prepare for the future—the Marches and Aprils of 1937, 1938, 1940 and 1950—when in all probability we shall again meet the flood problem. Your Congress has recognized that an ounce of prevention is worth a pound of cure; that a permanent, constructive and complete program of flood control, functioning the year 'round, is eminently preferable to emergency programs for aid to flood victims."

Now have come "the Marches and Aprils" of 2008. Has our "remembrance" again faded?

Mr. Bennett ended his address with the following appeal:

"We must start our attack at the point of cause and carry it through, step by step, to the point of effect. Flood control must begin at the crests of the ridges and extend down across the slopes to the stream, and then to the great trunk rivers that empty into the sea. All of the time, of course, our downstream operations must be vigorously prosecuted.

We must ally our forces to defend ourselves against erosion and floods, for they are also allies—allies in destruction."

The Oklahoma Conservation Commission appreciates the opportunity to offer these comments regarding the FY 2009 funding for the water resource programs administered by USDA's Natural Resources Conservation Service.

We offer our support to your committee in seeing that these valued programs receive their due consideration.

Respectfully submitted by:

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Oregon Water Resources Congress

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ANITA WINKLER, EXECUTIVE DIRECTOR

OREGON WATER RESOURCES CONGRESS

MARCH 26, 2008

This testimony is submitted to the United States House of Representatives Subcommittee on Agriculture regarding the proposed FY 2009 budget for the US Department of Agriculture (USDA) on behalf of the Oregon Water Resources Congress by Anita Winkler, Executive Director.

The Oregon Water Resources Congress (OWRC) was established in 1912 as a trade association to support district member needs to protect water rights and encourage conservation and water management statewide. OWRC represents non-potable agriculture water suppliers in Oregon, primarily irrigation districts, as well as member ports, other special districts and local governments. The association represents the entities that operate water management systems, including water supply reservoirs, canals, pipelines, and hydropower production.

As noted in the proposed USDA FY 2009 budget, large parts of the Department's budget are expected to be determined by the "new Farm Bill." With that in mind, OWRC's comments address the overall need for funding for water conservation programs, both existing ones and those under consideration in the legislation currently in the House and Senate (generally referred to as the "new Farm Bill").

OWRC and its members believe water conservation is key to the future of irrigation districts and similar organizations that deliver irrigation water for the nation's agriculture. Whether water conservation activities are funded through current programs like the Conservation Security Program (CSP), Conservation Reserve Program (CPR), Environmental Quality Incentives Program (E QIP) or PL 83-566 or through new programs like the Regional Watershed Enhancement Program (RWEP or RGSWEP) or the Cooperative Conservation Partnership Initiative (CCPI), federal support is essential to the conservation of our natural resources and essential to protecting our food, energy and water supply.

The RWEP is critical to solving regional watershed problems like those in the Klamath Basin. This program will allow Irrigation Districts to partner with farmers to address regional water quantity and quality issues in local watersheds.

The CCPI will allow partnerships to be formed with Federal, State and Local interests to address sub basin and basin affected by Endangered Species Act (ESA) and Clean Water Act (CWA) issues.

The mission of the Oregon Water Resources Congress is to promote the protection and use of water rights and the wise stewardship of water resources.

WATER CONSERVATION FUNDING

Whatever programs are included in the new Farm Bill to support water conservation efforts, OWRC strongly supports the provisions currently contained in the Regional Watershed Enhancement Program (RWEP) in Title II Conservation of HR 2419, which includes local governments such as irrigation districts, soil and water conservation districts and similar entities serving agricultural needs, as eligible participants in the program. This recognizes the importance of these entities as part of the partnerships necessary to focus on cooperative approaches on a basin-wide scale. We believe that water supply issues in Oregon and elsewhere in the nation can best be resolved locally in cooperative partnership efforts that promote conservation with a more aggressive federal funding partnership as defined in the RWEP.

Even though Oregon has a reputation as a state with plentiful water, many areas of the state have experienced and continue to experience water shortages and drought conditions. This is not likely to change as the state faces loss of snow pack and glacier storage coupled with expanding population and urbanization.

Examples of projects in Oregon

1. Oregon districts have been working on cooperative conservation partnerships in river basins and watersheds, but work has been limited by partnership funding. Currently in the Deschutes Basin, for example, there is a project that has been cooperatively designed by the Bureau of Reclamation (Dept. of Interior) under a **"Bridging the Headgates"** agreement with the Natural Resources Conservation Service (Dept. of Agriculture). The completed pipeline project will return 6 cfs (cubic feet per second) to a stream that will support reintroduction of listed summer steelhead and Chinook salmon. The project will also deliver more water on farm as well as conserve 3 million kilowatt hours of electricity. Each farmer who receives water from this project has committed to do on-farm conservation improvements through the EQIP program. This project is an example of what a cooperative conservation project could look like in partnership between an irrigation district and its farmer members with the funding support the RWEP program could provide. Other projects in the Deschutes Basin have the potential to firm up water supply while providing an additional 70 cfs instream for water quality and fishery benefit, if funding becomes available. Similar examples exist in all of the 20 water basins statewide.

2. 7 Irrigation Districts in the **Deschutes Basin** (near Bend, Oregon) have plans to develop pipelines and related hydropower projects at a cost of approximately $160 million.

3. 3 Irrigation Districts in the **Rogue Basin** (near Medford, Oregon) are working on piping 300 miles of open canals at a cost of over $150 million.

4. 1 district in the **Umatilla Basin** (near Pendleton, Oregon) has a water conservation project pending for $13.6 million.

HYDROPOWER AS RENEWABLE ENERGY

The 2007 Farm Bill proposes over $1.6 billion in new renewable energy funding for projects. OWRC supports the inclusion of small-scale hydropower in this funding package. Irrigation districts (and individual farmers) have the potential to build such projects as part of existing piped systems or as districts convert from open ditches to piped systems in the water conservation efforts at existing diversions. These small hydropower projects can provide renewable energy at a low cost in addition to being more environmentally friendly as the existing diversions are screened for fishery protection. It is also important that small hydropower projects be included as part of any "ecosystem" credit or carbon trading plan. Adding fish-friendly hydropower at existing diversions should be a strong part of the renewable energy program anticipated in Farm Bill proposals.

Thank you for the opportunity to provide testimony on the proposed FY 09 budget for the US Department of Agriculture. Our member districts and the irrigators they serve would be well served by the programs described above. Oregon's agriculture will benefit from water conservation programs, but those programs require Federal participation if the agricultural community is to be able to continue its efforts to address Oregon's water supply needs through water conservation. Achieving water and energy conservation, in addition to providing water quality benefits, is one more tool to meet water demands and combat our long-term problem of climate change resulting from global warming impacts.

Contact for further information:

Anita Winkler, Executive Director, OWRC, 503-363-0121

ORGANIC FARMING RESEARCH FOUNDATION

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Written Statement of the
Organic Farming Research Foundation
By Mark Lipson, Senior Policy Analyst

Submitted to the
House Committee on Appropriations Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies
March 25, 2008

RE: FY 2009 Appropriations Requests

The Organic Farming Research Foundation (OFRF) appreciates the opportunity to present our funding requests for the Fiscal Year 2009 Agriculture, Rural Development, FDA and Related Agencies Appropriations Bill. OFRF is a grower-directed, non-profit foundation working to foster the improvement and widespread adoption of organic farming systems. Organic agriculture plays an important and growing role in U.S. agriculture. Relatively modest investments in organic research and education can significantly increase the economic benefits and environmental services provided by organic systems. As a result, we urge the Subcommittee to provide additional resources for organic agriculture in FY 09.

As the Subcommittee begins to fashion an FY 09 Appropriations Bill, we ask that the Subcommittee take note of a new report and recommendations by the USDA National Agricultural Research, Extension, Education and Economics (NAREEE) Advisory Board. The Advisory Board has noted and endorsed the initial efforts of the REE agencies to address organic research and education needs, and "encourages further development of [these] programs."[1] A number of specific recommendations are made, including the creation of a National Program Leader for Organic Agriculture within USDA-CSREES. The recommendations have been transmitted to Secretary Schafer and the Agriculture and Appropriations Committees of both the Senate and House for further consideration and action.

Unfortunately, the President's FY 09 budget submission for emerging organic REE programs is completely at odds with the NAREEE Advisory Board's recommendations for greater investigation and development of organic agriculture. Not only does the Administration's budget not include an increase in resources for organic research, but it actually proposes severe cuts to current funding levels for

[1] "Report and Recommendations from a Focus Session on Organic Agriculture Conducted at the Advisory Board Meeting held in Washington, D.C. on October 29-31, 2007". Page 3. National Agricultural Research, Extension, Education and Economics Advisory Board. Transmitted to the Agriculture Secretary and Senate and House Committees on Agriculture, and Appropriations, March 5, 2008.

organic research, including zero funding for the two main organic research grant programs. As the current funding levels for organic research are already severely inadequate to begin with, we urge the Subcommittee to reject the Administration's proposed cuts and allocate modest increases for organic research in FY 09.

Organic product sales are rapidly approaching 4% of the domestic food retail market, yet USDA-REE expenditures directed explicitly to research and information programs for organic agriculture in FY 07 reached only slightly above 1% of total REE spending. This discrepancy in the share of research funding spent on organics is detrimental to an industry that relies intensively on management and information for its success. By rejecting the Administration's proposed cuts to organic research and providing modest increases as outlined below, the Subcommittee can help address this discrepancy and promote progress towards the "fair share" benchmark for organic research.

USDA-Cooperative State Research, Extension and Education Service

Organic Agriculture Research and Extension Initiative (OREI)[2]
Request: Protect mandatory funding.

OREI is USDA's premier competitive research and education grant program specifically dedicated to investigation of organic agriculture. Due to its success, the program is slated to receive an increase in mandatory funding in the 2008 Farm Bill and we ask that the subcommittee protect the funding level prescribed in the final bill. Even if OREI were to receive the highest number proposed in the Senate Bill ($16 million) the program would still be less than 0.7% of total USDA-REE expenditures in FY07, but would mark an important step towards reaching the fair share benchmark.. If the program receives a mix of mandatory funding and an authorization for appropriations, or receives only an authorization for appropriations we ask that the Subcommittee provide discretionary funds to the program.

Organic Transitions Research Program (ORG[3])
Request: $5 million

The Organic Transitions Research Program is one of only two USDA competitive grant programs dedicated to organic research and education. This competitive grants program funds integrated (research, extension, and higher education) projects that specifically focus on helping farmers overcome the production and marketing challenges of transitioning to organic production. ORG-funded projects are currently underway in fifteen states. The program is working to deliver the knowledge farmers need to

[2] The Organic Agriculture Research and Extension Initiative (OREI) is authorized by Section 7218 of the Farm Security and Rural Investment Act of 2002 which amended Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b).
[3] The Organic Transitions Program (ORG) is authorized by Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA) (7 U.S.C. 7626)

successfully transition to organic production, but the number of funded projects still falls far short of meeting the needs of producers across the country.

After reaching its highest level of funding of $2.1 million in FY 03, the Organic Transitions Research Program has suffered a sustained cut over the last five years. The House of Representatives recognized this imprudent treatment of the Organic Transitions Program by approving $5 million for the program during FY07 appropriations deliberations. The Subcommittee should begin with this figure in formulating its FY 09 legislation.

USDA – Agricultural Research Service

Organic Agricultural Systems Research
Request:

- **Restore funding to specific organic research projects proposed for elimination.**
- **Direct ARS to continue increasing the size and breadth of its organic systems research portfolio.**
- **Provide $100,000 to disseminate research results through the National Agriculture Library's Alternative Farming Systems Information Center.**

Although Agricultural Research Service spending on direct organic research reached 1.5% in FY 07, it is still far short of achieving the fair share goal of matching the organic share of the domestic food retail market, which is now approaching 4%. In FY 09, instead of closing this gap, the President's budget would actually widen it by cutting funding to some of the most important ARS research being conducted on organic systems, as part of an overall 7.5% cut in the ARS budget. Specific organic research projects marked for elimination in the President's proposal include: the Pasture Systems and Watershed Management Research at University Park, PA; Invasive Weed Management Research at Urbana, IL, and the New England Plant Soil and Water Research at Orono, ME. We request that the Subcommittee include continued funding for the organic research projects/units that are slated for cuts; and include strong report language directing the agency to continue the growth of its research activity directly focused on organic agriculture.

Subcommittee efforts to direct increased ARS spending on organic research will likely be supported by a Sense of Congress provision set to be included in the 2008 Farm Bill, encouraging ARS to spend a fair share of its research dollars on organic research. Intent to increase funding for the National Agriculture Library's Alternative Farming Systems Information Center will also likely be part of the provision. As a result, we urge the Subcommittee to act upon the intent of Congress and include strong report language directing ARS to increase its expenditures towards a fair share for organic research, with a portion of the increase for usage by National Agriculture Library's Alternative Farming Systems Information Center to disseminate research results. This recommendation is also included in the NAREEEAB report in recommendation #4.

USDA – Economic Research Service/National Agricultural Statistics Service/Agricultural Marketing Service

Organic Data Initiative[4]
Request: $1 Million

Data on prices, yields and markets are vital to farmers who are planning what to plant, accessing markets, and applying for crop insurance. Unfortunately, the organic sector is still without vital comprehensive data on par with what is provided by USDA for conventional agriculture, putting organic farmers at a great disadvantage. Despite the growing demand and need, funding for organic data collection has remained stagnant. Although the final 2008 Farm Bill may include some mandatory funding for organic data collection, we urge the Subcommittee to provide additional discretionary funding to help address the large backlog of work that is needed to provide a fair playing field for organic producers.

The data collection and analysis is a cooperative effort among various agencies. For purposes of the Organic Data Initiative, allocation of funds among agencies should be at the discretion of the Secretary.

Organic agriculture is one of the fastest growing segments of American agriculture, but it has not received the level of support that it deserves. The 2008 Farm Bill will likely provide important increases to organic programs, but it will still fall far short of providing a fair share for organic agriculture. It is our hope that the Subcommittee will work to close the fair share gap by protecting any gains made in the 2008 Farm Bill, rejecting the President's FY 09 proposed budgetary cuts to organic programs, and providing long overdue increases in the organic programs under the Subcommittee's purview for Fiscal Year 2009.

Disclosure: Organic Farming Research Foundation was a subcontractor for a grant awarded by the USDA-CSREES Integrated Organic Program. Grant # 2207-01384. "Midwest Organic Research Symposium."

[4] The Organic Data Initiative is authorized by Section 7407 of the Farm Security and Rural Investment Act of 2002.

Written Statement of
THE ORGANIZATION FOR THE PROMOTION AND ADVANCEMENT OF SMALL TELECOMMUNICATIONS COMPANIES

Before the
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
Committee on Appropriations
United States House of Representatives

Addressing
Telecommunications Programs
Administered by the Rural Utilities Service
U.S. Department of Agriculture

March 17, 2008

SUMMARY OF REQUEST

The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) seeks the Subcommittee's support for FY 2009 loan levels for the telecommunications loans program administered by the Rural Utilities Service (RUS) in the following amounts:

Telecommunication hardship loans:	$145 million
Treasury telecommunications (cost of money) loans:	$250 million
FFB telecommunications (guaranteed) loans:	$300 million

In addition, OPASTCO requests that the distance learning, telemedicine, and broadband program be funded at sufficient levels.

OPASTCO is a national trade association of more than 600 small telecommunications carriers serving rural areas of the United States. Its members, which include both commercial companies and cooperatives, together serve over 5.5 million customers in 47 states.

Perhaps at no time since the inception of the RUS (formerly the REA) has the telecommunications loans program been so vital to the future of rural America. The telecommunications industry is at a crossroads, both in terms of technology and public policy. Rapid advances in telecommunications technology in recent years are delivering on the promise of a new "information age." Both federal and state policymakers have made ubiquitous availability of advanced communications services a top priority. However, without continued support of RUS's telecommunications loans program, rural telecommunications carriers will be hard pressed to continue deploying the infrastructure necessary to achieve policymakers' goals.

Contrary to the belief of some critics, RUS's job is not finished. Actually, in a sense, it has just begun. We have entered a time when advanced services and technology -- such as fiber optics, packet switching and transmission, and digital subscriber line (DSL) technology -- are expected by customers in all areas of the country, both urban and rural. Moreover, the ability of consumers to use increasingly popular voice over Internet protocol (VoIP) services requires that they first have a broadband connection from a facilities-based carrier. Unfortunately, the inherently higher costs of upgrading the rural wireline network, both for voice and data communications, has not abated.

Rural telecommunications continues to be more capital intensive and involves fewer paying customers per square mile than its urban counterpart. In the Federal Communications Commission's (FCC) September 2004 report on the deployment of advanced telecommunications capability, the Commission noted that "[r]ural areas are typically characterized by sparse and disperse populations, great distances between the customer and the service provider, and difficult terrain. These factors present a unique set of difficulties for providers attempting to deploy broadband services." More recently, the FCC's October 2007 release of statistics on high-speed connections to the Internet in the United States illustrated that low population density has an inverse association with reports that high-speed subscribers are present in an area. Thus, in order for rural telecommunications carriers to continue modernizing their networks and providing consumers with advanced services at reasonable rates, they must have access to reliable low-cost financing.

The relative isolation of rural areas increases the value of telecommunications for these citizens. For example, the availability of broadband connections can make it possible for rural residents to telecommute to otherwise far-away jobs. A modern telecommunications infrastructure can also enable existing businesses in rural areas to grow and expand as well as attract new businesses to the area. Certainly, telecommunications plays a major role in any rural community's economic development strategy.

It is important to note that even after a broadband-capable network has initially been deployed in a rural area, the modernization effort is not over. Continual investment is crucial, because the broadband networks that are deployed today are not the networks that will enable rural areas and the rest of the country to compete globally five years from now. Broadband is an evolving concept, subject to constant changes in technology and consumer expectations. As the services and applications that ride over the broadband infrastructure become more bandwidth intensive, carriers will need to expand their broadband network capabilities in order to make these new tools available to the businesses and residences in their areas. The evolving nature of broadband requires continual investment, and the telecommunications loans program will enable rural telecommunications carriers to do so.

While it has been said many times before, it bears repeating that RUS's telecommunications loans program is not a grant program. The funds loaned by RUS are used to leverage substantial private capital, creating public/private partnerships. For a very small cost, the government is encouraging tremendous amounts of private investment in rural telecommunications infrastructure. Most importantly, the program is tremendously successful. Borrowers actually build the infrastructure and the government is reimbursed with interest.

In addition to RUS's telecommunications loans program, OPASTCO supports sufficient funding of the distance learning, telemedicine, and broadband program. Through distance learning, rural students gain access to advanced classes which will help them prepare for college and jobs of the future. Telemedicine provides rural residents with access to specialized health care services without traveling great distances to urban hospitals. Furthermore, funding that is targeted to finance the installation of broadband transmission capacity will allow more rural communities to gain high-speed access to the Internet and receive other advanced services. In light of the Telecommunications Act's purpose of encouraging deployment of advanced technologies and services to all Americans -- including schools and health care providers -- sufficient targeted funding for these purposes is essential in FY 2009.

CONCLUSION

The transformation of the nationwide telecommunications network into an information superhighway, as envisioned by policymakers, will help rural America survive and prosper in any market -- whether local, regional, national, or global. However, without the availability of low-cost RUS funds, building and upgrading the information superhighway in communities that are isolated and thinly populated will be untenable. By supporting the RUS telecommunications programs at the requested levels, the Subcommittee will be making a significant contribution to the future of rural America.

For additional information, please contact Randy Tyree or Stuart Polikoff at (202) 659-5990.

PENOBSCOT RIVER RESTORATION TRUST

Written testimony
from Laura Rose Day, Executive Director of
the Penobscot River Restoration Trust, Maine
to the House Committee on Appropriations Subcommittee on Agriculture and Related Agencies
April 22, 2008

The Penobscot River Restoration Trust, a not-for-profit organization whose members include the Penobscot Indian Nation and six conservation organizations, respectfully seeks your support for the request from Congressmen Michaud (ME-02) and Allen (ME-01) for $1,000,000 from the, Department of Agriculture, Conservation Operations Account, Wildlife Habitat Incentive Program (WHIP). In addition, we recommend this accompanying report language:

"The Committee supports the goals of the Penobscot River Restoration Project in the State of Maine. This project will restore nearly 1,000 miles of habitat in the Penobscot watershed for endangered Atlantic salmon and 10 other species of sea-run fish as well as providing benefits to people and wildlife along the river corridor in Maine's largest river system. The Committee encourages Natural Resource Conservation Service through its WHIP program to partner with other federal agencies in the removal of impediments to fish passage identified within a collaborative agreement to restore the Penobscot River signed by the federal government, State of Maine, Penobscot Indian Nation, PPL Maine and the Penobscot River Restoration Trust."

The Penobscot River Restoration Project is a nationally significant, large-scale, private-public collaboration to vastly improve migratory access to nearly 1,000 miles of historic habitat for sea-run fish. Working together, industry, the Penobscot Indian Nation, state and federal government, conservation groups and a diversity of public and private interests seek to restore the nation's last, struggling runs of Atlantic salmon and 10 other species of sea-run fish to the Penobscot River. The project is designed to both maintain hydropower generation and restore native sea run fisheries, with benefits to fish, people and wildlife throughout the river ecosystem to the sea.

To date, more than $10 million in private funds and $15 million in public funds (NOAA, USFWS) have been raised for dam purchase. The Penobscot Trust aims to exercise its option to purchase the dams as soon as possible, then implement the project by removing two dams and installing a fish bypass around a third as key steps to open up access to key fisheries habitat.

Fully implemented, the Penobscot project will provide broad benefits for fish, wildlife and people. A 2004 National Academy of Sciences report specifically mentioned the Penobscot Project as a key step towards restoring endangered Atlantic salmon. The project also promises to diversify and improve river-based recreation and related economic opportunities, and has received strong support from the public, communities and businesses within the Penobscot watershed. This project provides NOAA Fisheries, as well as other federal partners, with an effective plan to restore endangered shortnose sturgeon and Atlantic salmon by opening up vast amounts of their blocked spawning habitat in the Penobscot.

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www.penobscotriver.org

PENOBSCOT RIVER RESTORATION TRUST

The project will also provide unique benefits to the Penobscot Indian Nation; a federally recognized sovereign tribe whose Reservation literally consists of islands and surrounding waters in the river. The project will render meaningful the Tribe's federally recognized sustenance fishery rights and reinvigorate river-dependent cultural and spiritual practices. This project also allows Natural Resource Conservation Service to achieve tangible, cost effective results including the restoration of endangered species by opening up vast amounts of their blocked spawning habitat in the Penobscot.

The Penobscot River Restoration Project was recently awarded the Department of Interior's 2008 Cooperative Conservation Award and has been hailed as a landmark project of national significance. Given its potential use as a national model and its far reaching benefits, we urge the committee to continue its strong support for the project by funding it in FY09.

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Pickle Packers International, Inc.
1620 I Street, N.W., Suite 925
Washington, D.C. 20006

Statement of Concern for Sustained and Increased Research Funding USDA/Agricultural Research Service

Summary

Sustained and increased funding is desperately needed to maintain the research momentum built over recent years and to defray rising fixed costs at laboratory facilities. Companies in the pickled vegetable industry generously participate in short-term research, but the expense for long-term research needed to insure future competitiveness is too great for individual companies to shoulder on their own.

Budget Requests for FY 2009

Funding needs for four USDA/ARS laboratories are as follows:

I. Requests for Restoration of Funds not in the Presidential Budget

$7,794,000	U.S. Vegetable Laboratory, Charleston, South Carolina
$ 91,243	Vegetable Crops Research Laboratory Unit, Madison, Wisconsin
$7,885,243	**Total Restoration Requests**

II. Requests for New Funds

$500,000	U.S. Vegetable Laboratory, Charleston, South Carolina - **Emerging Disease of Crops (HS)**
$200,000	Food Fermentation Laboratory, Raleigh, North Carolina - **Food Safety (HS)**
$200,000	Vegetable Crops Research Laboratory Unit, Madison, Wisconsin - **Applied Crop Genomics**
$150,000	Sugar Beet and Bean Research Unit, East Lansing, Michigan - **Specialty Crops**
$1,050,000	**Total New Funds Requested**

USDA/ARS Research Provides:

- Consumers with over 150 safe and healthful vegetable varieties providing vitamins A, C, folate, magnesium, potassium, calcium, and phytonutrients such as antioxidant carotenoids and anthocyanins.
- Genetic resistance for many major vegetable diseases, assuring sustainable crop production with reduced pesticide residues – valued at nearly $1 billion per year in increased crop production.
- Classical plant breeding methods combined with bio-technological tools, such as DNA marker-assisted selection and genome maps.
- New vegetable products with economic opportunities amidst increasing foreign competition.
- Improved varieties suitable for machine harvesting, assuring post harvest quality and marketability.
- Fermentation and acidification processing techniques to preserve beneficial healthy phyotochemicals.
- Methods for delivering living pro-biotic microorganisms in fermented or acidified vegetables.
- New technology and systems for rapid inspection, sorting and grading of pickling vegetable products.

Health and Economical Benefits

- Health agencies continue to encourage increased consumption of fruits and vegetables, useful in preventing heart disease, cancer, stroke and diabetes.
- Vegetable crops, including cucumbers, peppers, carrots, onions, garlic and cabbage (sauerkraut), are considered "specialty" crops and not part of commodity programs supported by taxpayer subsidies.
- Current farm value for just cucumbers, onions and garlic is estimated at $2.3 billion with a processed value of $5.8 billion. These vegetables are grown and/or manufactured in all 50 states.

Thank you for your consideration and expression of support for the USDA/ARS.

Pickle Packers International, Inc.

"Serving the pickled vegetable industry for over 100 years"

A Statement of Concern for Sustained and Increased Research Funding USDA/Agricultural Research Service

Food Fermentation Laboratory, USDA/ARS
Department of Food Science
North Carolina State University
Raleigh, North Carolina
Research Leader, Dr. Roger McFeeters

Vegetable Crops Research Lab, USDA/ARS
Department of Horticulture
University of Wisconsin
Madison, Wisconsin
Research Leader, Dr. Philipp Simon

US Vegetable Laboratory, USDA/ARS
Charleston, South Carolina
Research Leader, Dr. Richard Fery

Sugar Beet and Bean Research Unit, USDA/ARS
East Lansing, Michigan
Research Leader, Dr. Renfu Lu

The pickled vegetable industry strongly supports and encourages your committee in its work of maintaining and guiding the Agricultural Research Service. To accomplish the goal of improved health and quality of life for the American people, the health action agencies of this country continue to encourage increased consumption of fruits and vegetables in our diets. Accumulating evidence from the epidemiology and biochemistry of heart disease, cancer and diabetes supports this policy. Vitamins (particularly A, C, and folic acid), minerals, and a variety of antioxidant phytochemicals in plant foods are thought to be the basis for correlation's between high fruit and vegetable consumption and reduced incidence of these debilitating and deadly diseases. The problem is that many Americans choose not to consume the variety and quantities of fruits and vegetables that are needed for better health.

As an association representing processors that produce over 85 percent of the tonnage of pickled vegetables in North America, it is our goal to produce new products that increase the competitiveness of U.S. agriculture as well as meet the demands of an increasingly diverse U.S. population that is encouraged to eat more vegetables. The profit margins of growers continue to be narrowed by foreign competition. Likewise, the people of this country represent an ever-broadening array of expectations, tastes and preferences derived from many cultural backgrounds. Everyone, however, faces the common dilemma that food costs should remain stable and preparation time continues to be squeezed by the other demands of life. This industry can grow by meeting these expectations and demands with reasonably priced products of good texture and flavor that are high in nutritional value, low in negative environmental impacts, and produced with assured safety from pathogenic microorganisms and from those who would use food as a vehicle for terror. With strong research to back us up, we believe our industry can make a greater contribution toward reducing product costs and improving human diets and health for all economic strata of U.S. society.

Many small to medium sized growers and processing operations are involved in the pickled vegetable industry. We grow and process a group of vegetable crops, including cucumbers, peppers, carrots, onions, garlic, cauliflower, cabbage (Sauerkraut) and Brussels sprouts, which are referred to as 'minor' crops. None of these crops is in any "commodity program" and as such, do not rely upon taxpayer subsidies. However, **current farm value for just cucumbers, onions and garlic is $2.3 billion with an estimated processed value of $5.8 billion.** These crops represent important sources of income to farmers, and the processing operations are important employers in rural communities around the United States. Growers, processing plant employees and employees of suppliers to this industry reside in all 50 states. To realize its potential in the rapidly changing American economy, this industry will rely upon a growing stream of appropriately directed basic and applied research from four important research programs within the Agricultural Research Service.

Vegetable Crops Research Laboratory, Madison, Wisconsin

The USDA/ARS Vegetable Crops Research Lab at the University of Wisconsin is the only USDA research unit dedicated to the genetic improvement of cucumbers, carrots, onions and garlic. Three scientists in this unit account for approximately half of the total U.S. public breeding and genetics research on these crops. Their past efforts have yielded cucumber, carrot and onion cultivars and breeding stocks that are widely used by the U.S. vegetable industry (i.e., growers, processors, and seed companies). These varieties account for over half of the farm yield produced by these crops today. All U.S. seed companies rely upon this program for developing new varieties, because ARS programs seek to introduce economically important traits (e.g., virus and nematode resistance) not available in commercial varieties using long-term high risk research efforts. The U.S. vegetable seed industry develops new varieties of cucumbers, carrots, onions, and garlic and over twenty other vegetables used by thousands of vegetable growers. The **U.S. vegetable seed, grower, and processing industry, relies upon**

the USDA/ARS Vegetable Crops Research Lab for unique genetic stocks to improve varieties in the same way the U.S. health care and pharmaceutical industries depend on fundamental research from the National Institutes of Health. Their innovations meet long-term needs and bring innovations in these crops for the U.S. and export markets, for which the U.S. has successfully competed. Past accomplishments by this USDA group have been cornerstones for the U. S. vegetable industry that have resulted in increased profitability, and improved product nutrition and quality.

Both consumers and the vegetable production and processing industry would like to see fewer pesticides applied to food and into the environment in a cost-effective manner. **Scientists in this unit have developed genetic resistance for many major vegetable diseases that are perhaps the most important threat to sustained production of a marketable crop for all vegetables.** Genetic resistance assures sustainable crop production for growers and reduces pesticide residues in our food and environment. Value of this genetic resistance developed by the vegetable crops unit is estimated at $670 million per year in increased crop production, not to mention environmental benefits due to reduction in pesticide use. New research in Madison has resulted in cucumbers with improved disease resistance, pickling quality and suitability for machine harvesting. New sources of genetic resistance to viral and fungal diseases, environmental stress resistance like heat and cold, and higher yield have recently been mapped on cucumber chromosomes to provide a ready tool for our seed industry to significantly accelerate the development of resistant cultivars for U.S. growers. Nematodes in the soil deform carrot roots to reduce yield from 10% to over 70% in major production areas. A new genetic resistance to nematode attack was found to almost completely protect the carrot crop from one major nematode. This group improved both consumer quality and processing quality of vegetables with a resulting increase in production efficiency and consumer appeal. "Baby carrots were founded on germplasm developed in Madison, Wisconsin. Carrots provide approximately 30% of the U.S. dietary vitamin A. **New carrots have been developed with tripled nutritional value, and nutrient-rich cucumbers have been developed with increased levels of provitamin A.** Using new biotechnological methods, a system for rapidly and simply identifying seed production ability in onions has been developed that reduces the breeding process up to 6 years! A genetic map of onion flavor and nutrition will be used to develop onions that are more appealing and healthy for consumers.

There are still serious vegetable production problems which need attention. For example, losses of cucumbers, onions, and carrots in the field due to **attack by pathogens and pests remains high, nutritional quality needs to be significantly improved and U.S. production value and export markets could certainly be enhanced.** Genetic improvement of all the attributes of these valuable crops are at hand through the unique USDA lines and populations (i.e., germplasm) that are available and the new biotechnological methodologies that are being developed by the group. The achievement of these goals will involve the utilization of a wide range of biological diversity available in the germplasm collections for these crops. **Classical plant breeding methods combined with bio-technological tools such as DNA marker-assisted selection and genome maps of cucumber, carrot and onion** will be the methods to implement these genetic improvements. With this, new high-value vegetable products based upon genetic improvements developed by our USDA laboratories can offer vegetable processors and growers expanded economic opportunities for U.S. and export markets.

U.S. Food Fermentation Laboratory, Raleigh, North Carolina

The USDA/ARS Food Fermentation Laboratory in Raleigh, NC is the major public laboratory that this industry looks to as a source for new scientific information on the safety of our products and development of new processing technologies related to fermented and acidified vegetables. Over the years this laboratory has been a source for innovations, which have helped this industry remain competitive in the current global trade environment. We expect the research done in this laboratory to lead to new processing and product ideas that will increase the economic value of this industry and provide consumers with safe, high quality, healthful vegetable products.

We seek additional funding to support two new research initiatives for this laboratory that have substantial economic potential for our industry and health benefits for the American public. **These are: (1) Preservation of a variety of high nutrient/high antioxidant vegetables using fermentation or acidification techniques so as to maintain the natural levels of beneficial phyotochemicals in convenient to use value-added products; (2) development of techniques to deliver living pro-biotic microorganisms to consumers in fermented or acidified vegetable products.**

Certain vitamins (Vitamin C, folic acid) and beneficial phytochemicals in vegetables are stabilized by the low pH in acidified and fermented foods. In addition, low pH makes it possible to preserve vegetables with low heat or, ideally, no heat, which typically minimizes nutrient loss. While many high nutrient/high antioxidant vegetables are pickled to a very limited extent, traditional processes include steps, such as preserving in very high salt or acid followed by washing out the excess salt or acid, that result in loss many of the health-promoting components that diet authorities emphasize when they urge people to increase their consumption of fruits and vegetables. **The objective will be develop new low acid/low salt preservation techniques for broccoli, Brussel sprouts, sweet potato, cauliflower, and peppers that will provide high levels of vitamin C, folic acid, carotenoids, glucosinolates, and phenolic compounds to maximize the health benefits of these vegetables in products that are convenient and attractive to consumers.**

Most of what we hear about bacteria in foods concerns the pathogens that cause disease. However, lactic acid bacteria are intentionally grown in fermented foods because they are needed to give foods like sauerkraut, yoghurt, cheeses, and fermented salami the characteristic flavors and textures that we desire. There is a growing body of research to indicate that certain living lactic acid bacteria are 'pro-biotic' and can improve human health by remaining in the intestinal tract after they are consumed. Fermented or acidified vegetables may be a good way to deliver such pro-biotic bacteria to consumers. **The objective will be to identify pro-biotic lactic acid bacteria that can survive in high numbers in selected vegetable products and investigate the potential for using vegetables as healthful delivery vehicles for pro-biotic organisms.**

Sugar Beet and Bean Research Unit, East Lansing, Michigan

The USDA/ARS East Lansing, Michigan location has the only federally funded research program that is devoted to developing new and/or improved engineering technologies and systems for assessing, retaining, and assuring postharvest quality and marketability of pickling cucumbers and other vegetable products. The postharvest engineering research program currently has a full-time research agricultural engineer whose research is primarily focused on tree fruits. Over the past few years, the Sugar Beet and Bean Research Unit has developed a number of innovative engineering technologies for rapid, nondestructive measurement and inspection of postharvest quality of tree fruits and vegetables, including a novel laser-based multi-spectral scattering technology for assessing the texture and flavor of fruits. The technology may be used for inspecting a variety of vegetable crops. **Recently, an advanced hyperspectral imaging system was developed for automated detection of quality/defect of pickling cucumbers.**

Currently the location's cucumber postharvest engineering research is grossly under funded. It is crucial that additional funds be provided so that the location can hire a research engineer to carry out research on postharvest sorting, grading and handling of pickling vegetable products at full scale. With the increasing demands from consumers and the government's regulatory agencies for high quality and safe food products, it is crucial that an effective quality inspection and assurance system be implemented throughout the handling steps between harvest and retail. While new sensors and automated inspection systems are being used in many pickle processing facilities, there still exists considerable room for improving existing technologies and developing new and more efficient sensors and automated methods for postharvest handling and processing of pickling vegetables. Methods currently available for measuring and grading quality of cucumbers and other vegetables are still ineffective or time consuming. Labor required for postharvest handling and processing operations represents a significant portion of the total production cost. New and/or improved technologies are needed to assess, inspect and grade fresh cucumbers rapidly and accurately for various internal and external quality characteristics so that raw products can be directed to, or removed from, appropriate processing or marketing avenues. This will minimize postharvest losses of food that has already been produced and ensure high quality, consistent final product and end-user satisfaction. Research at East Lansing will lead to new inspection and grading technology that will help the pickling industry in delivering high-quality safe products to the marketplace and achieving labor cost savings.

U.S. Vegetable Laboratory, Charleston, South Carolina

The research program at the USDA/ARS Vegetable Laboratory in Charleston, South Carolina, addresses national problems in vegetable crop production and protection with emphasis on the southeastern United States. **This research program is internationally recognized for its accomplishments, which have resulted in development of over 150 new vegetable varieties and lines along with the development of many new and improved disease and pest management practices.** This laboratory's program currently addresses 14 vegetable crops including those in the cabbage, cucumber, and pepper families, which are of major importance to the pickling industry. The mission of the laboratory is to a) develop disease and pest resistant vegetable crops and b) develop new, reliable, environmentally sound disease and pest management programs that do not rely on conventional pesticides.

Continued expansion of the Charleston program is crucial. Vegetable growers depend heavily on synthetic pesticides to control diseases and pests. Cancellation and/or restrictions on the use of many effective pesticide compounds are having a considerable influence on the future of vegetable crop production. Without the use of certain pesticides, growers will experience crop failures unless other effective, non-pesticide control methods are found quickly. The research on improved, more efficient and environmentally compatible vegetable production practices and genetically resistant varieties at the U.S. Vegetable Laboratory continues to be absolutely essential. This gives U.S. growers the competitive edge they must have to sustain and keep this important industry and allow it to expand in the face of increasing foreign competition. Current cucumber varieties are highly susceptible to a new strain of the downy mildew pathogen; this new strain has caused considerable damage to commercial cucumber production in some South Atlantic and Midwestern states during the past three years, and a new plant pathologist position needs to be established to address this critical situation.

FUNDING NEEDS FOR THE FUTURE

It remains critical that funding continues the forward momentum in pickled vegetable research that the U.S. now enjoys and to increase funding levels as warranted by planned expansion of research projects to maintain U.S. competitiveness. We also understand that discretionary funds are now used to meet the rising fixed costs associated with each location. Additional funding is needed at the Wisconsin and South Carolina programs for genetic improvement of crops essential to the pickled vegetable industry, and at North Carolina and Michigan for development of environmentally-sensitive technologies for improved safety and value to the consumer of our products. The fermented and acidified vegetable industry is receptive to capital investment in order to remain competitive, but only if that investment is economically justified. The research needed to justify such capital investment involves both short term (6-24 months) and long term (2-10 years or longer) commitments. **The diverse array of companies making up our industry assumes responsibility for short-term research, but the expense and risk are too great for individual companies to commit to the long-term research needed to insure future competitiveness.** The pickled vegetable industry currently supports research efforts at Wisconsin and North Carolina and anticipates funding work at South Carolina and Michigan as scientists are put in place. Donations of supplies and processing equipment from processors and affiliated industries have continued for many years.

U.S. Vegetable Laboratory, Charleston, South Carolina

The newly constructed laboratory-office building at the U.S. Vegetable Laboratory was occupied in April 2003. Design of the accompanying greenhouse and head house was completed in July 2004. Construction of the head house was completed in 2006. The initial phase of the greenhouse complex is now under construction with an expected completion date in late spring 2008. In FY 2005, $2.976 million was appropriated for construction of greenhouses. In FY 2006, an additional $1.980 million was appropriated for construction of greenhouses, but $7.794 million is still needed for the planned $12.750 million greenhouse complex. This new facility replaces and consolidates outmoded laboratory areas that were housed in 1930s-era buildings and trailers. Completion of the total research complex will provide for the effective continuation and expansion of the excellent vegetable crops research program that has been conducted by the Agricultural Research Service at Charleston for over 70 years.

New funds are needed to establish a plant pathology position to address cucumber diseases, especially the disease caused by a new strain of the downy mildew pathogen that has caused extensive damage to cucumber production in some South Atlantic and Midwestern states during the past two years. The plant pathologist is needed to characterize pathogen strains using molecular methodologies and to develop new management approaches and resistant cucumber lines. This new plant pathologist position will greatly contribute to the accomplishment of research that will provide for the effective protection of cucumbers from disease without the use of conventional pesticides. This position will require a funding level of $500,000 for its establishment.

Construction	Current Status	Funds Needed
Greenhouse	Needed	$7,794,000
APPROPRIATIONS TO RESTORE		**$7,794,000**

New Scientific Staff Needed	Current Status	Funds Needed
Plant Pathologist (cucumber disease)	Needed	500,000
NEW FUNDS NEEDED		**$500,000**

Food Fermentation Laboratory, Raleigh, North Carolina

The current funding for the laboratory is $1,274,000. To carry out the new research initiatives to maximize retention of beneficial components in high nutrient/high antioxidant vegetables and to develop systems to deliver pro-biotic lactic acid bacteria in acidified and fermented vegetable products, **we request additional support for the Food Fermentation Laboratory of $200,000 in FY 2009.** This will provide support for Post-Doctoral or Pre-Doctoral research associates along with necessary equipment and supplies to develop these new areas of research.

Scientific Staff	Current Status	Funds Needed
Microbiologist	Active	$318,500
Chemist	Active	318,500
Food Technologist/Biochemist	Active	318,500
Microbial Physiologist	Active	318,500
FY 2009 Post-doctoral or Predoctoral Research Associates	Needed	200,000
TOTAL FUNDING REQUIRED		**$1,474,000**
Presidential Budget (FY 2009)		$1,274,000
NEW FUNDS NEEDED		**$200,000**

Vegetable Crops Research Laboratory Unit, Madison, Wisconsin

Current base funding for three scientists is $868,757, of which $200,000 was added in FY 2002. Emerging diseases, such as downy mildew of cucumber, threaten production of the crop in all production areas. Therefore, we request an additional $200,000 to fully fund the scientists and support staff, including graduate students and post-doctorates for new research searching for genetic resistance to emerging diseases.

Scientific Staff in Place	Current Status	Funds Needed
Geneticist	Active	$320,000
Horticulturist	Active	320,000
Geneticist	Active	320,000
TOTAL FUNDING REQUIRED		**$960,000**
Presidential Budget (FY 2009)		$868,757
APPROPRIATIONS TO RESTORE		**$ 91,243**
NEW FUNDS NEEDED		**$200,000**

A temporary addition of $200,000 was provided to enhance the research effort of this program in FY 2002, and we greatly appreciate that additional support, but that addition is being proposed for reduction in FY 2009. Thus, the restoration of the funds proposed for reduction, is urgently requested. We request a $291,243 permanent addition this year to sustain the long-term research of this group.

Sugar Beet and Bean Research Unit, East Lansing, Michigan

The location urgently needs to hire a full-time research engineer to develop a comprehensive research program on nondestructive inspection, sorting and grading of pickling cucumbers and other vegetable crops to assure the processing and keeping quality of pickled products. The current base funding for the cucumber engineering research is $200,000. An increase of $150,000 in the current base funding level would be needed to fund the research engineer position.

Scientific Staff in Place	Current Status	Funds Needed
Postdoctoral Research Associate	Active	$200,000
Research Engineer	Needed	150,000
TOTAL FUNDING REQUIRED		**$350,000**
Current Funding		200,000
NEW FUNDS NEEDED		**$150,000**

Thank you for your consideration and expression of support for the USDA/ARS.

TESTIMONY OF THE
RED RIVER VALLEY ASSOCIATION

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT,
FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS, FY 2009
MARCH 2008

U.S. HOUSE OF REPRESENTATIVES

Mr. Chairman and members of the Committee, I am Wayne Dowd, and I am pleased to represent the Red River Valley Association as its President. Our organization was founded in 1925 with the express purpose of uniting the citizens of Arkansas, Louisiana, Oklahoma and Texas to develop the land and water resources of the Red River Basin. (Enclosure 1)

The Resolutions contained herein were adopted by the Association during its 83rd Annual Meeting in Shreveport, Louisiana on February 21, 2008, and represent the combined concerns of the citizens of the Red River Basin Area as they pertain to the goals of the Association. (Enclosure 2)

As an organization that knows the value of our precious water resources we support the most beneficial water and land conservation programs administered through the Natural Resources Conservation Service (NRCS). We understand that attention and resources must be given to our national security and the war in Iraq; however, we cannot sacrifice what has been accomplished on our nation's lands. NRCS programs are a model of how conservation programs should be administered and our testimony will address the needs of the nation as well as our region.

The President's FY 2009 budget for NRCS indicates a decrease of $142,641,000 (15% decrease) from what Congress appropriated in FY 2008, $943,414,000. In addition, the Administration eliminated three crucial programs: Watershed & Flood Prevention Operations, Watershed Survey & Planning and RC&D. Along with drastic reductions in the other programs, NRCS manpower for FY 2009 would have to decrease by over 1,500 staff years, if the President's budget is implemented. This is unacceptable.

This means that NRCS conservation assistance to landowners will not be adequately funded, to the detriment of the nation and our natural resources. We would like to address several of the programs administered by NRCS. Failure to adequately fund these initiatives would reduce assistance to those who want it and the resources that need protection.

1. **Conservation Operations:** This account has been in steady decline, in real dollars, over the past several years. The President's budget included $794,773,000, which is a decrease of $45,553,000 million from what Congress appropriated in FY 2008. Mandated increases in pay and benefits, continuing increases in the 'cost of doing business' and budget reductions greatly reduces the effective work that can be accomplished in this account. Allocations should be increased not decreased.
We request a total of $930 million be appropriated for Conservation Operations for NRCS to meet the demands it faces today.

Conservation Technical Assistance is the foundation of technical support and a sound, scientific delivery system for voluntary conservation to the private users and owners of lands in the United States. It is imperative that we provide assistance to all 'working lands' not just those fortunate few who are able to enroll in a Federal program. Working lands are not just crops and pasture (commodity staples) but includes forests, wildlife habitat and coastal marshes. The problem is that NRCS personnel funded from 'mandatory programs' can only provide technical assistance to those enrolled in these programs, leaving the majority of the agricultural community without technical assistance. We recommend that adequate funding be placed in 'Conservation Technical Assistance', and allow NRCS to provide assistance to all who are in need of assistance.

It is our understanding that the Technical Service Providers (TSP) program has not lived up to its expectations. Experience indicates landowners are hesitant to use the program. This program funds projects at a level estimated if NRCS conducted the work. Usually the TSP cost exceeds this estimate and the landowner is responsible for the difference, effectively making the landowner cost share. We believe that TSPs should be used only after NRCS staffing is brought up to levels commensurate with the increase in workload caused by the Farm Bill, not to replace NRCS staffing.

2. **Watershed and Flood Prevention Operations (PL566 & 534):** We are greatly disappointed that the President's Budget provided **no funding** for watershed operations in the last three fiscal years. There is no doubt that this is a Federal responsibility, in conjunction with a local sponsor. This program addresses all watershed needs to include: flood protection, water quality, water supply and the ecosystem. There is no Corps of Engineer, Bureau of Reclamation or FEMA program to address small watershed needs, before disaster strikes. We recommend that Congress continue to hold oversight hearings to understand the importance and hear how popular this program is to our communities.

Over the past 50 years these projects have developed a $15 billion infrastructure that is providing $1.5 billion in annual benefits to over 47 million people. It is not a Federal program, but a federally assisted program. This partnership between local communities, state agencies and NRCS has been successful for over 50 years. It would take $1.6 billion to fund the existing federal commitment to local project sponsors. This cost only increases every year if adequate funding is not provided.

All ongoing contracts will be terminated, if you allow this program to end. This will ultimately lead to lawsuits and tort claims filed by both sponsors and contractors, due to the federal government not fulfilling its contractual obligation.

We are very appreciative for the funding level of $30 million enacted in FY 2008, but we remind you that no funding was provided in FY 2007, the year Congress turned over the budget to the Administration – we can not allow that to happen again. For every $1 spent, the nation realizes $2 in benefits. Congress must take back responsibility for this program.

There are many new projects, which are awaiting funds for construction under this program. We strongly recommend that a funding level of $190 million be appropriated for Watershed Operations Programs, PL534 ($20 million) and PL566 ($170 million).

The Red River has proven, through studies and existing irrigation, to be a great water source for 'supplemental' irrigation. The two projects mentioned below, will use existing, natural bayous to deliver water for landowners to draw from. The majority of expense will be for the pump system to take water from the Red River to the bayous. These projects will provide the ability to move from ground water dependency to surface water, an effort encouraged throughout the nation. Both will enhance the environmental quality and economic vitality of the small communities adjacent to the projects.

a. **Walnut Bayou Irrigation Project, AR**: Plans and specifications have been completed and it is ready to proceed into the construction phase. An irrigation district has been formed and they are prepared to take on the responsibility to generate the income for the O&M required to support this project. We request that $4,000,000 be appropriated for these projects in FY 2009.

b. **Red Bayou Irrigation Project, LA**: The plans and specifications have been completed, making this project ready for construction in FY 2007. An irrigation district has been formed and is prepared to collect funds to support the O&M for this proposed system.
We request that $2,500,000 be specifically appropriated to begin construction in FY 2009.

3. **Watershed Rehabilitation**: More than 10,400 individual watershed structures have been installed nationally, with approximately one-third in the Red River Valley. They have contributed greatly to conservation, environmental protection and enhancement, economic development and the social well being of our communities. More than half of these structures are over 30 years old and several hundred are approaching their 50-year life expectancy. Today you hear a lot about the watershed approach to resource management. They protect more people and communities from flooding now than when they were first constructed. The benefit to cost ratio for this program has been evaluated to be 2.2:1. What other federal program can claim such success?

In the next five years over 900 watershed structures will require over $570 million for rehabilitation. Each year this number increases as more dams reach their 50-year life. There is no questioning the value of this program. The cost of losing this infrastructure exceeds the cost to reinvest in our existing watersheds. Without repairing and upgrading the safety of existing structures, we miss the opportunity to keep our communities alive and prosperous. It would be irresponsible to dismantle a program that has demonstrated such great return and is supported by our citizens. We cannot wait for a catastrophe to occur, where life is lost, to decide to take on this important work.

The President's budget neglects the safety and well being of our community needs and only recommends $6 million for this program. This is drastically lower than the levels authorized in the 2002 Farm Bill, which authorized $600 million for rehabilitation for 2003-2007.

We request that $65 million be appropriated to provide financial and technical assistance to those watershed projects where sponsors are prepared (35% cost share) to commence rehabilitation.

4. **Watershed Survey and Planning:** In FY 2006, $6.1 million was appropriated to support this extremely important community program. Again, no funding was provided in FY 2007 and Congress did not provide funding for FY 2008. NRCS has become a facilitator for the different community interest groups, state and federal agencies. In our states such studies are helping identify resource needs and solutions where populations are encroaching into rural areas. The Administration and Congress has decided not to fund this program. We disagree with this and ask Congress to fund this program at the appropriate level.

Proper planning and cooperative efforts can prevent problems and insure that water resource issues are addressed. Zeroing out the planning process assumes the economy will not grow and there is no need for future projects. We do not believe anyone supports or believes this. Another serious outcome is that NRCS will lose its planning expertise, which is invaluable.

We request this program be funded at a level of $35 million.

We request that the following two studies be specifically identified and funded in the FY 2009 appropriation bill.

a. **Maniece Bayou Irrigation Project, AR**: This is a project in its initial stage of planning. An irrigation district is being formed to be the local sponsor. This project transfers water from the Red River into Maniece Bayou where landowners would draw water for supplemental irrigation. We request that $200,000 be appropriated to initiate the plans and specifications.

b. **Lower Cane River Irrigation Project, LA**: The transfer of water from the Red River to the Lower Cane River will provide opportunities for irrigation and economic development. Funds are needed to initiate a Cooperative River Basin Study. We request that $250,000 be appropriated for this study.

5. **Resource Conservation and Development (RC&D)**: This has traditionally been a well-received program by the Administration, but not this year. Their budget proposal zeroes out this important program. This program leverages its resources at 4 to 1, with communities, local sponsors and non-government organizations. The benefits are realized at over 14 to 1, average per project. We are truly surprised the Administration would do this.

We request that $51 million be appropriated for this program, at the same level as in FY 2008.

6. **Mandatory Accounts (CCC) Technical Assistance (TA)**: Request for assistance through the CCC programs has been overwhelming. Requests far exceed the available funds and place an additional workload on NRCS's delivery system. Adequate funding for TA must be provided at the full cost for program delivery. This includes program administration, conservation planning and contracting with each applicant. Congress, in the 2002 Farm Bill, wisely increased conservation programs each year. This increased investment, will increase the NRCS workload. It is imperative that NRCS receive the TA funding levels required to administer these programs. If they do not receive full funding these programs will not realize their full capability.

It has been mandated that a set percent of TA, from the CCC Program, must be used for TSPs, approximately $40 million. This is equivalent to losing 600 staff years from NRCS manpower. This is another unacceptable policy, which will reduce the effectiveness of NRCS. This mandate must be eliminated.

Over 70% of our land is privately owned. This is important in order to understand the need for NRCS programs and technical assistance. Their presence is vital to ensuring sound technical standards are met in conservation. These programs not only address agricultural production, but sound natural resource management. Without these programs and NRCS properly staffed to implement them, many private landowners will not be served adequately to apply conservation measures needed to sustain our natural resources for future generations. Technical Assistance cannot be contracted out to private companies.

We are all aware of the issue with TMDL levels in our waterways. If our nation is to seriously address this we must look at the impacts from our farmlands. Assistance for land treatment plans and plan implementation is exactly what the NRCS Watershed programs are intended to address. Watershed programs should be receiving an increase in funds, not zeroed out!

With these new clean water initiatives why do we ignore the agency that has a proven record for implementing watershed conservation programs? Congress must decide; will NRCS continue to provide the leadership within our communities to build upon the partnerships already established? It is up to Congress to insure NRCS is properly funded and staffed to provide the needed assistance to our taxpayers for conservation programs.

These NRCS studies and watershed projects are an example of true 'cooperative conservation' initiatives. There is an interface with communities and local sponsors at each step of the process and local sponsors do cost share at the levels expected of them.

All these programs apply to the citizens in the Red River Valley and their future is our concern. The RRVA is dedicated to work toward the programs that will benefit our citizens and provide for high quality of life standards. We therefore request that you appropriate the requested funding within these individual programs, to insure our nation's conservation needs are met.

I thank you for the opportunity to present this testimony on behalf of the members of the Red River Valley Association and we pledge our support to assist you in the appropriation process. Please direct your comments and questions to our Executive Director, Richard Brontoli, P.O. Box 709, Shreveport, LA 71162, (318) 221-5233, E-mail: redriverva@hotmail.com.

Grant Disclosure: The Red River Valley Association has not received any federal grant, sub-grant or contract during the current fiscal year or either of the two previous fiscal years.

Enclosure 1

RED RIVER VALLEY ASSOCIATION

The Red River Valley Association is a voluntary group of citizens bonded together to advance the economic development and future well being of the citizens of the four state Red River Basin area in Arkansas, Louisiana, Oklahoma and Texas.

For the past 80 years, the Association has done notable work in the support and advancement of programs to develop the land and water resources of the Valley to the beneficial use of all the people. To this end, the Red River Valley Association offers its full support and assistance to the various Port Authorities, Chambers of Commerce, Economic Development Districts, Municipalities and other local governmental entities in developing the area along the Red River.

The Resolutions contained herein were adopted by the Association during its 83rd Annual Meeting in Shreveport, Louisiana on February 21, 2008, and represent the combined concerns of the citizens of the Red River Basin area as they pertain to the goals of the Association, specifically:

- - - Economic and Community Development
- - - Environmental Restoration
- - - Flood Control
- - - Irrigation
- - - Bank Stabilization
- - - A Clean Water Supply for Municipal, Industrial and Agricultural Uses
- - - Hydroelectric Power Generation
- - - Recreation
- - - Navigation

The Red River Valley Association is aware of the constraints on the federal budget, and has kept those constraints in mind as these Resolutions were adopted. Therefore, and because of the far-reaching regional and national benefits addressed by the various projects covered in the Resolutions, we urge the members of Congress to review the materials contained herein and give serious consideration to funding the projects at the levels requested. We can be contacted at (318) 221-5233 or redriverva@hotmail.com.

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Vice-President, Arkansas

Jerry Boughton
Vice-President, Louisiana

William C. Chapman
Vice-President, Oklahoma

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Richard Brontoli
Executive Director

Charles Coleman
Secretary-Treasurer

Enclosure 2

Red River Valley Association
FY09 Appropriations ($000)
Natural Resources Conservation Service (NRCS)

Discretionary Accounts	FY08 Approp.	RRVA '09 Request	Pres. '09 Budget
1. Conservation Operations	840,326	930,000	794,773
2. Watershed & Flood Prevention Operations	30,000	190,000	-0-
a. Walnut Bayou Irrigation Project, AR	-0-	4,000	-0-
b. Red Bayou Irrigation Project, LA	-0-	1,600	-0-
3. Watershed Rehabilitation	20,000	65,000	6,000
4, Watershed Survey & Planning	-0-	35,000	-0-
a. Maniece Bayou Irrigation Project, AR	-0-	200	-0-
b. North Wallace Lake Watershed, LA	-0-	250	-0-
5. Resource Conservation & Development	51,088	51,000	-0-
6. Healthy Forest Reserve Program	2,000	5,000	-0-

NOTE: The President's FY 2009 budget is 15% less than Congress appropriated in FY 2008!

RRVA PCC: Richard Brontoli
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LIST OF WRITTEN TESTIMONIES FROM
REGIONAL AQUACULTURE CENTERS
for submission to
U.S. HOUSE SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES
March, 2008

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Testimony Submitted to

U.S. HOUSE SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION,
AND RELATED AGENCIES

February 2008

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Prepared Statement By
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Mr. Chairman and Members of the Subcommittee: My name is Peter Struffenegger, I am the general manager of Sterling Caviar LLC, one of the largest producers of farm raised white sturgeon caviar in the US. We raise white sturgeon for meat sales to distributors where the fish is either smoked for the specialty markets or sold generally speaking as fresh product to the white table cloth restaurant market. We also raise females until they are at least eight years old, when some of them begin to mature and we then process the eggs from these fish into premium caviar as well as sell the meat from these females. I am in charge of the production, processing and sales of both meat and caviar. I have been involved in sturgeon culture since 1986, prior to that I have raised catfish and salmon under commercial production for the US market. I have been the President and Chairman of the Board of the California Aquaculture Association, also Chairman of the California Farm Bureau Federation Aquaculture Commodity Advisory Committee as well as the Chair of the American Farm Bureau Federation Aquaculture Commodity Advisory Committee. I have also been vice president of the Sacramento County Farm Bureau Board of Directors as well as other industry committees.

The national trend towards a healthier diet is increasing the per consumption of fish, recognized for its health benefits derived from eating high quality fish. At the same time that this is occurring, this need is leading to what many recognize worldwide as over fishing of the various fish resources of the world. Aquaculture, the practice of raising fish, shellfish and plants in fresh, brackish or salt water offers one of the few remaining alternatives to this increasing demand. The key to ensuring that aquaculture remains a viable industry is to ensure that aquaculture is done in an environmentally friendly way in a manner that is sustainable now and well into the future.

Additionally, the recent spate of headlines dealing with food safety issues related to a variety of imported products has raised the concerns of the consuming public as to the safety of their food supply. With the US being a huge importer of seafood products, the need for increased production of domestic farm raised seafood, produced under the strict

regulatory environment provided by the US Food and Drug Administration is needed, to meet this increasing demand.

Thus the need for research to investigate new species, new methods, and new diets is never more critically needed than today. This type of research, while being able to be supported by individual farms or companies, is usually beyond the capabilities of individual companies to achieve by themselves. The need for quality research, the equipment, knowledge and resources available to university researchers is critical to help ensure that this industry continues to provide quality aquaculture raised products for the consumer.

We have been involved in many different research projects, most of which have been directly applied for by various university researchers, obtained from such funding sources as Sea Grant, the National Coastal Resource Institute, SBIR, USDA, California Competitive Technology Grants and many more. These have served both our industry as well as the progress sturgeon culture has made well over the years. One granting mechanism that has served us particularly well, and which puts together a broad coalition of researchers and industries are the Regional Aquaculture Centers (RAC). This type of research tends to be driven by industry, addressing very practical needs of industry to overcome problems, usually beyond their ability to resolve on their own. The methods used by the Regional Aquaculture Centers for obtaining potential research needs by the industry, the prioritization of those needs, the scientific and industry review these proposals go through prior to funding is superb in developing research that will benefit the industry. It is my belief that this mechanism provides the most practical and beneficial research for the dollar spent. This leads directly to the raising of more fish, more diverse types of fish and lowers the cost of production to help our domestic industry stay competitive with cheaper imports, imports that are usually not raised in as sustainable, environmentally friendly and with food safety considerations in mind as product raised in the US is.

I would like to urge you to provide full funding of the Regional Aquaculture Centers. This will ensure a method of providing research that is very necessary for the industry in order to help this industry grow, remain environmentally friendly and help provide the necessary products that the growing demand for fish products by the general public requires.

Thank you for the opportunity to provide testimony in support for the Regional Aquaculture Centers.

Sincerely,

Peter Struffenegger
Manager
Sterling Caviar LLC

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of House of Representatives, I hereby state that no Federal Grant monies have been received by myself or any business entity represented by myself at this time or at any time in the past.

Peter Struffenegger

12331 Blake Rd.
Wilton CA 95693
916/687-4684 home
916/548-4350 cell
PStruff@frontiernet.net

Experience:

Took a company from inception with three employees with $60k per year in sales in 1986 to the largest US farm raised caviar business with 22 employees and sales of about $8m in 2006 through growth, merger and contract growers. Developed procedures and systems to accomplish both meat and caviar production, Sit on the Board of Managers of the LLC and prepare presentations for the board meetings. The company is now a division of a public company, helped devise systems and controls for accounting procedures such as inventory investment, cost of goods for meat and caviar and other accounting procedures. Responsible for A/P, A/R; HR; development and implementation of a worker safety program (IPP); development of a company policy book with implementation and compliance; production of product; processing of product and HACCP plan development and compliance; sales and marketing, annual budgeting; new construction and repair and maintenance; contract negotiation and R&D. Work on all aspects of regulatory compliance and development of relationships with various environmental groups supportive of sustainable aquaculture. Involvement in numerous University research projects on various aspects of sturgeon culture and caviar production, and helped researchers obtain grants and provided support for some 20+ PhD students and some 8 MS projects. Also involved in the politics of the industry through representation on various statewide and national policy development and implementation organizations.

Speaker:

Aquaculture Summit, Las Vegas, Nevada, 1990. One of four industry representatives at the first ever meeting sponsored by the USFWS relating to regulation of the aquaculture industry.

World Aquaculture Society Meeting, San Diego, California, 1995. Presenter and round table discussion leader at a whole day session on sturgeon.

National Association of State Aquaculture Coordinators, Palm Springs, California, 1998. Speaker on intensive aquaculture considerations and regulation.

Fourth International Sturgeon Symposium, Oshkosh, Wisconsin, 2001. Co-moderator with USFWS on a full day session on international trade issues relating to sturgeon.

Speaker, Epcot Food & Wine Festival, 2005 Gave three day sessions on caviar production and consumption to the first ever Epcot Food & Wine Festival Speaker Series.

Peter Struffenegger

Education:	**Humboldt State University** BS Fisheries Biology, March 1979 **University of California, Santa Barbara** BA Aquatic Biology March 1978
Research:	**Principle Investigator,** Small Business Innovative Research Grant (SBIR) from USDA 1989-1990. **California Sea Grant,** Participant in numerous research projects revolving around white sturgeon maturation and biology 1989-1992. **National Coastal Resources Research and Development Institute (NCRI)** 1994-1996, transfer of technology from UCD to private companies. **Adviser, USDA Western Regional Aquaculture Center,** Technical advisor for a 4 year food science study of caviar.
Key Skills:	**Managerial:** ♦ Supervision and team building ♦ Evaluation of cost cutting measures ♦ Budgeting ♦ Capitalization projects ♦ Project management ♦ Inter-departmental coordination ♦ Governmental relations /Regulatory compliance **Technical:** ♦ Proficient at Excel, Word, Access and other computer applications ♦ Experience in hands on construction and maintenance and repair

February 15, 2008

Testimony to the United States House Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Concerning
Support for the Regional Aquaculture Center Program

To the Chair and Members of the Subcommittee:

Thank you for the opportunity to offer my written testimony in support of the Center for Tropical and Subtropical Aquaculture (CTSA) and the Regional Aquaculture Center program of the U.S. Department of Agriculture's Cooperative State Education, Research, and Extension Service. As an accomplished researcher and professor who has spent more than three decades finding solutions for agriculture and aquaculture industries in Hawaii, I have seen the tremendous impact that CTSA has had over the last 21 years on the development of aquaculture in Hawaii and throughout the U.S.-affiliated Pacific islands.

For as far back as I can remember, CTSA has had strong support from aquaculture businesses in the Pacific region. Currently professor and chair of the Department of Molecular Biosciences and Biotechnology at the University of Hawaii at Manoa, I have worked with many aquaculture operations in the various roles I've held over my career at UH Manoa.

CTSA has been instrumental in the successful development of new industries in its region, developing and transferring to stakeholders new and adapted technology and protocols for the husbandry of marine and freshwater food and ornamental species. Consider how the center's support of research and extension activities provided the cornerstone for Hawaii's growing offshore aquaculture industry. CTSA in 1993 began to fund research, for example, on the Pacific threadfin (*Polydactylus sexfilis*), a fish known locally by its Hawaiian name *moi* and the first species cultured at the nation's first open-ocean fish farm.

Project outcomes related to moi in the past included the determination and refinement of hatchery and growout protocols and technology, economic analysis, a year-round supply of eggs, and generation of data supporting the wholesomeness of these farmed fish—developments that, together with ample technical and marketing support for producers, essentially established Hawaii's moi culture industry. More recent work has improved growth performance and refined transport protocols, and a current project promises to deliver useful laboratory protocols for detecting DNA markers, which can aid in the genetic selection of broodstock and the scrutiny of the ecology of wild stocks.

Of particular note among CTSA-supported work in the U.S.-affiliated Pacific islands (USAPI) is a black-lip pearl oyster project in Pohnpei that is transferring technology to

local Micronesian technicians and investigating ways to improve pearl quality. Other projects funded by CTSA in the USAPI have examined black pearl, sponge, coral and giant clam culture and resulted in viable businesses that show great potential.

Through CTSA-supported projects in Hawaii and the USAPI, the potential of new aquaculture species has been explored by closing their life cycles, establishing optimal feeds for growth, solving disease problems, determining their market potential and sharing such information gained with local businesses and the other Regional Aquaculture Centers via the Internet, printed publications, workshops and other technology transfer efforts, as well as through extension programs.

Furthermore, as an educator, I must point out another important benefit of CTSA funding: student training. Projects supported by CTSA have given hands-on experience to hundreds of students, both graduate and undergraduate. Here's a recent example: In conjuction with a Chinsese catfish feeds project led by fellow UH researcher Clyde Tamaru, Ph.D., I supervised a team of undergraduate students that conducted a lab-scale feeding trial that determined the most cost-effective commercially available diet for the *Clarius fuscus* by examining not just price but also growth parameters, such as feed conversion ratio, daily rate of growth, and reduction of growout period.

Thus, I strongly urge you to recommend approval by the U.S. House of Representatives of full or increased funding for the CTSA and the Regional Aquaculture Center program. Thank you for your time and for considering my testimony.

Sincerely,

Harry Ako, Ph.D.
Professor and Chair
Department of Molecular Biosciences and Bioengineering
College of Tropical Agriculture and Human Resources
University of Hawaii at Manoa

Grant Disclosure Statement

As the principal investigator on a project conducted by colleagues at the University of Hawaii at Manoa, I have received the following federal grant in the period covering this current and the two previous fiscal years:

$230, 751 USDA CSREES Grant No.: 2006-34135-17267
Project Title: Identifications of Shrimp Muscle Regulatory Genes, Tropical and Subtropical Agriculture Research (Pacific)
Term: 9/1/06–8/30/09
Institution: Department of Molecular Biosciences and Bioengineering, University of Hawaii at Manoa

Harry Ako, (808) 956-2012, Fax: (808) 956-3542, hako@hawaii.edu
1955 East-West Road, AgSci 218, Honolulu, HI 96822

Training:
- Post-doctoral, 1973–1975, biochemistry, University of Washington
- Ph.D., 1973, biochemistry, Washington State University
- A.B., 1967, biochemistry, University of California at Berkeley.

Experience:
- Chair, Department of Molecular Biosciences and Bioengineering, 2003–present
- Chair, Technical Committee, Center for Tropical and Subtropical Aquaculture, 1994–1999; 2000–present (annual election)
- Acting Chair, Department of Molecular Biosciences and Bioengineering, 2001–2002; 2003–present
- Coordinator, Plant and Environmental Biotechnology interdisciplinary undergraduate major program, 2001–present
- Chair, Department Personnel Committee, 2000–2003; (member since founding of the department)
- Co-chair, emerging Department of Molecular Biosciences and Biosystems Engineering (1998–present); Professor, 2000
- Chair, Department of Environmental Biochemistry, 1997–1998; Chair of chairs founding the Department of Molecular Biosciences and Biosystems Engineering.

Honors:
- Teaching award, 1988, National Association of Colleges and Teachers of Agriculture

Teaching:
- Biochemistry lecture and laboratory courses at least once a year.
- An active directed research program primarily for undergraduate students. Since last promotion approximately 30 students (mentorees) have gone on to the doctorate.

Papers and Publications (recent): interests in aquaculture and fatty acid biotechnology

Grey, M., Forster, I., Giesen, A., Ako, H. and Dominy, W. 2008. Validation of a Feeding Stimulant Bioassay Using Fish Hydrolysates for the Pacific White Shrimp. J. World Aquaculture Society, in press

de Olivera Cesar, J.R., Zhao, B., Malecha, S., Ako, H., and Yang, Jinseng, 2006. Morphological and biochemical changes in the muscle of the marine shrimp *Litopenaeus vannamei* during the molt cycle. Aquaculture 261:688-694.

Tamaru, C.S., Ako, H. and Tamaru, C.-T. C., 2006. Control of the Apple Snail, *Pomacea canaliculata* in Hawai'i: Challenge or Opportunity. Pages 459-473 in Global advances in ecology and management of golden apple snails. Ravindra C. Joshi and Leocadio S. Sebastian, editors. Neuva Ecija:Philippine Rice Research Institute, 2006.

Ako, H. and Nip, W.-K., 2006. Enzyme classification and nomenclature. Pages 135-154 in Y.H. Hui, W.-K. Nip, L.M.L. Nollet, G. Prliyath, and B.K. Simpson, editors, Food Biochemistry and Food Processing. Blackwell Publishing, Ames, Iowa.

Tamaru, C.S., Tamaru, C. C.-T., Fitzgerald Jr., W. J., Ako, H., and Sato, V.T., 2005. Advances in the culture of striped mullet. Pages 439-456 in Anita Kelly and Jeffrey Silverstein, editors, Aquaculture in the 21st Century. American Fisheries Society.

Ako, H., Shimizu, E., de Lemos, K., Asano, L., and Tamaru, C., 2005. Behavior limitations of high density fish growout. World Aquaculture 36:25-29, 67.

Ako, H., Kong, N., and Brown, A., 2005. Fatty acid profiles of kukui nut oils over time and from different sources. Industrial Crops and Products 22:169-174.

Tamaru, C.S., L. Pang., H. Ako. 2004. Ornamental fish feeds - Part 1. Effect of different maturation diets on the spawning of armored catfish, *Corydoras aeneus*. International Aquafeed. 7(4):33-35.

Aurea Inc.

February 15, 2008

Testimony to the United States House Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Concerning Support for the Regional Aquaculture Center Program

To the Chair and Members of the Subcommittee:

This letter is my written testimony in support of the USDA-funded Center for Tropical and Subtropical Aquaculture (CTSA) and the Regional Aquaculture Center program as a whole. Thank you for this opportunity.

As president of Aurea Inc., I run one of the largest tilapia farms in the state of Hawaii. This operation specializes in the culture of premium-quality, farm-raised Hawaiian Sunfish, edible seaweed, and culinary herbs. Aurea Inc. developed the Hawaiian Sunfish, a hybrid species of tilapia, through selective breeding over a 20-year period and currently cultures this fish at our farm in Paauilo on the Big Island of Hawaii.

We have short-term plans in the works to expand the hatchery at our Paauilo facility and, thus, increase overall production to help meet a growing demand for our high-quality, locally raised Hawaiian Sunfish. My operation produces tilapia for local consumption, competing well against other options that consumers have for fish at retail stores and on restaurant menus. The hatchery expansion will allow us to supply fingerlings to other fish farmers in the community, because one farm cannot make a thriving tilapia industry. Also, we are working on an integrated aquaponic system for growing fish and herbs together.

Reaching this point wasn't easy, and my business continues to have challenges. Hard work, long hours, determination and creative problem-solving have kept my farm alive. Also important is the help I provide in educating and training high school students on the island of Hawaii about aquaculture and aquaponics. The idea is to assist in developing a trained and talented workforce

Aurea Inc. • 366 Poipu Drive • Honolulu, HI 96825 • aureainc@aol.com

for the state's aquaculture industry, in addition to our role as a provider of high-quality food for Hawaiian islanders.

One contributing factor to our survival and success has been assistance from CTSA-supported projects. The library and publications projects have made CTSA a source of invaluable aquaculture information we could not have gotten elsewhere. Another project, meanwhile, has the potential to impact my business and those of other tilapia farmers in Hawaii—a tilapia project funded by CTSA and led by principal investigator James Szyper, Ph.D., an extension agent with the University of Hawaii Sea Grant College Program.

The aim of this two-year tilapia project is to improve the quality and availability of stocks for commercial tilapia culture in Hawaii. Better stocks mean increased and more stable production levels and improved farm profitability. DNA work conducted as part of this CTSA project applied two modern analytical techniques to some of the tilapia stocks used in this project, finding them to be sensitive and useful indicators of the genetic uniformity and diversity of a group of fish and appropriate for delineating relationships among stocks. These efforts may help future development of our own Hawaiian Sunfish stocks.

CTSA has been a committed partner of industry stakeholders and other regional organizations in helping to develop a thriving aquaculture industry in Hawaii and across the United States. I strongly encourage you to continue to support CTSA and the Regional Aquaculture Center program at the full or an increased level of funding.

Sincerely,

Terry Astro
President

Grant Disclosure Statement
This is to certify that neither I nor my company has received a U.S. federal grant in the last three fiscal years.

Aurea Inc. • 366 Poipu Drive • Honolulu, HI 96825 • aureainc@aol.com

Terry Astro
President, Aurea Inc.
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(808) 395-5733; aureainc@aol.com

As a child, I began to successfully raise fish, a passion that grew into a career as I refined methods of culturing tilapia, marine shrimp, and Limu ogo, a popular edible seaweed. I founded and am president of Aurea, Inc., a Hawaii-based company specializing in the culture of premium-quality, farm-raised Hawaiian Sunfish, edible seaweed, and culinary herbs. The Hawaiian Sunfish, a hybrid species of tilapia, was developed by Aurea, Inc. through selective breeding over a 20-year period. This fish is currently cultured at our fish farm in Paauilo on the Big Island of Hawaii.

My work with tilapia began decades before tilapia gained global popularity. This cultured fish was a first-class product, so I changed the color from black to red and came up with the Hawaiian Sunfish brand to help overcome the local prejudice against an "Ala Wai Canal" critter. I took over a failed oyster farm on Oahu and turned it into an intensive tilapia hatchery and growout operation, using large amounts of saltwater in concrete raceways. Eventually, this culture method was widely adopted on the Mainland and throughout the world. Even then, we diverted effluent into ponds where we grew limu.

Today, the farm benefits my development of a highly efficient, environmentally sustainable method of raising tilapia in large, circular tanks. This system eliminates the pressure on natural fish populations and helps to fulfill the growing demand for healthful, safe, and chemical-free food fish. Aurea Inc.'s method utilizes the natural development of phytoplankton in the water to provide oxygen and a biological filter substrate.

Community involvement, education and training are also very important to me. Aurea, Inc. has embraced them through cooperative efforts with the Honokaa High School and the University of Hawaii, with an eye toward helping to develop a trained and talented workforce and being a provider of quality food for Hawaiian Islanders.

Please Note: Mr. Terry Astro died on March 5, just weeks after submitting the above testimony.

Aquatic Resource Management
Manning, Iowa 51455
712-653-3403
blankman@iowatelecom.net

March 4, 2008

Testimony submitted to the
U.S House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related agencies
Concerning
Support for the Regional Aquaculture Centers

Seafood continues to rank high on our imports list, second to only oil. Numbers like this indicate the importance of seafood in the American diet. Becoming more self reliant on these products seems to be the most logical thing to do. Culturing seafood products in the United States through aquaculture has vast potential. Aquaculture continues to grow in the United States. This growth, I believe, comes from several different factors including traditional farmers diversifying their operations to improve farm incomes; rural communities trying to improve the rural economy by creating jobs utilizing labor, water and available land; and fish farmers trying to fill the void created by a declining wild harvest. This wild harvest received a damaging blow in 2007 with the discovery of a viral infection in the Great Lakes region called VHS. This viral infection has the potential to inflict tremendous monetary damage on the aquaculture industry, commercial fisheries on the Great Lakes, and the sport fishing industry. Fortunately the Regional Aquaculture Centers and the North Central Regional Aquaculture Center (NCRAC) in particular have spearheaded efforts to gather information on this virus and prevent the spread. This type of forward thinking is exactly what has provided the aquaculture industry with the ability to continue its growth over the last several decades. As traditional farming operations continue the trend from small family owned operations to large-scale corporate farms, many family farmers will continue to look at aquaculture as a way to stay on the farm or diversify their operation. Losing or reducing critical funding will have a devastating effect on the aquaculture industry, the baitfish industry, which will then trickle down to the sport fishing industry, and the agriculture industry in general, continuing the demand for products produced overseas.

Technology in aquaculture is improving at an amazing rate thanks to Regional Aquaculture Centers and the projects they fund. With the continued growth of newcomers and existing businesses the need for continued research is critical for the aquaculture industry to survive. Regional Aquaculture Centers provide information through multiple sources including research, workshops, educational programs, production manuals, technical bulletins, and extension staffing. The North Central Regional Aquaculture Center continues to improve this outreach by providing even more support to beginning as well as existing aquaculture operations through the use of the Internet. The Aquaculture Regional Extension Facilitator provides a valuable website and a live person to help producers with problems and answer questions they may have. The research provided through funding of these Regional Aquaculture Centers will continue to provide the industry with the resources and information needed to compete in the global market.

Regional Aquaculture Centers are the lifeline of the aquaculture industry. I feel it is imperative at this time to fully fund to the Regional Aquaculture Centers at $7.5 million for the sake of the aquaculture industry's continued growth. I ask that you show your support to the industry by providing the Regional Aquaculture Centers full funding so they may continue the work that is so vital to the future. This funding will lead to an industry capable of competing in the world market and limit our needs on foreign imports.

Thank You,

James Blankman
Aquatic Resource Management

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby state that no Federal Grant monies have been received by myself or any business entity represented by myself at this time or at any time in the past.

VITA

James Blankman
3035 400th Street
Manning, Iowa 51455

phone: 712-653-9403
e-mail: blankman@iowatelecom.net

Education

B.S. Iowa State University, 1990, Fisheries and Wildlife Biology

Positions

Aquatic Resource Management, Owner/Manager, 2000-present
AR-WE-VA Community Schools, Biology/Zoology Instructor 2006-present
Diversity Farms Inc., Wildlife Biologist/Consultant, 1998- 2005
Loess Hills Aquaculture L.L.C., Manager/Co-owner, 1998-2003
Archer Daniels Midland, Fish Production Facility Manager, 1992-1996
Iowa Department of Natural Resources, Fisheries Biologist, 1988-1991

Scientific and Professional Organizations

National Aquaculture Association
Iowa Aquaculture Association
Professional Lake Managers Association
Fish Iowa Educator
Iowater Stream Monitor
Pheasants Forever

Research Projects

Pond Renovations using Flathead Catfish, USDA SARE Program 2003-2004
Feasibility Study of Walleye and Yellow Perch, Iowa State University 1998-1999
Freshwater Shrimp production densities, ADM/Illinois State, 1993-1995
Production of Pellet-trained Bullfrogs, ADM/Illinois State, 1993-1994
Using HCG in African Clawed Frogs, ADM/Illinois State, 1994-1995

CALALA'S WATER HAVEN INC.
421 STATE RT 60
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(419) 929-8052

March 2007

To U.S. House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Dear Honored Members of Congress:

Once again, I have been asked to write to you concerning the funding of the Regional Aquaculture Center (RAC) program.

In the time that has lapsed sense my last letter to you on behalf of the RAC, our region has now had serious restrictions placed on us by APHIS. Because of the outbreak of VHS our industry will face new challenges. The research necessary to deal with these challenges will not come from APHIS. It will come through the efforts of a group that has demonstrated its ability to aid the aquaculture community in situations like this. The RAC program has earned the trust of the aquaculture community. And I believe that together they can come up with the solutions that are necessary to deal with these situations. But we must have the funding necessary to accomplish these goals.

Let me give you an example of a practical application that I have witnessed personally. This will give you an idea of how the funding you provide to the RAC impacts the farmers. There is successful shrimp farming in Ohio! That's right, I said SHRIMP FARMING. This is largely due to the start up of a local shrimp nursery in our state and the efforts of some 25 growers. A large part of the information to start and maintain the nursery as well as fertilization and maintenance of ponds along with feed recommendations and marketing techniques were available on the AquaNIC web site (aquanic.org). This site is partially funded by the RAC monies. Without that information I am confident that we would not have been as successful.

As in years past I had the opportunity to witness, first hand, the process by which the North Central Regional Aquaculture Center (NCRAC) funds are directed to different projects. I must tell you that I am thoroughly impressed with the way things are handled. I, along with 18 other producers, who volunteered their time (three days!) to go over prospective projects, met in Columbus, Ohio. But, the work to decide which project would be funded began a month earlier with an e-mail survey. In that way we could look over the different items and get input from our states' producers to determine the priority of each one. In this way I believe we were able to get the greatest input on the most important needs in our industry. Coupled with the technical committees of extension and research it made for a well-rounded group. I would also venture to say that one would be hard pressed to put a monetary value on the worth of having all these folks in one place to focus on aquaculture needs. And they are there as volunteers.

It was hard to choose between the different projects, they were all important, but we had to pick only a few because of the limited funding. I do not presume to know how difficult it is for you to decide who will receive funding and who will not, or how much they will receive, all I can tell you is in my experience I see the monies spent to fund the RACs as worthwhile. When you consider the way the funds are leveraged with existing funds and personnel and the incredible amount of volunteer hours, I believe we as taxpayers are getting a lot of bang for our bucks.

So with all due respect I urge you to fully fund the RAC program for $7.5 million. I thank you in advance for your careful consideration of this matter. I would also like to thank you all personally for the job that you are doing to manage the financial resources of this great country of ours.

Sincerely,
Robert Calala
Co-owner, Calala's Water Haven, Inc.

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby provide the following information regarding Federal Grant monies that I have received.

Fiscal Year	Agency	Program	Amount A	Project Number
FY 2007	USDA	Sustainable Agriculture Research and Education (SARE)	$6,000	FNC06-638

VITA

Robert Calala, Co-Owner/Operator
Calala's Water Haven, Inc.
421 State Route 60
New London, OH 44851

Phone: (419) 929-8052
calala@earthlink.net

PROFESSIONAL EXPERIENCE

Co-Owner/Operator, Calala's Water Haven, Inc. (1963-present); the largest producer of soft-shelled crayfish for bait in the U.S.

PROFESSIONAL AFFILIATIONS

President, Ohio Aquaculture Association (2002-2005) (2007-2009)
Member, Ohio Farm Bureau
Member, Ohio Agriculture Research and Development Centers Leadership Council
Member, Ohio Department of Agriculture, Aquaculture Health and Advisory Committee
Member, Ohio Department of Natural Resources, Division of Wildlife Aquatic Nuisance Species Committee
Member, Vice President's Advisory Council, College of Food, Agricultural, and Environmental Sciences, Ohio State University
Member, Lake Erie Charter Boat Association

Harrison Fish Farm, Inc
Channel Cat-Grass Carp-Bass-Walleye-Hybrid Bluegill-Fathead Minnows-Muskie-Crappie
Route 2 Box 61
Hurdland, MO 63547
Stocking Mangement and Inquires Are Always Welcomed
Robert, Sharon, & Curtis Harrison
Phone (660) 423 5482
Fax (660) 423 5337
Home (660) 423 5237

March 2008

Testimony Submitted to the

U.S. House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

I would like to open by thanking you for the opportunity to speak on behalf of the Regional Aquaculture Centers (RACs). I come from a family farm that has been in existence for over 135 years. The turn of the century found our farm vacant of all "traditional livestock." Up to this point, hogs and cattle had always played a vital role in our cash flow. Aquaculture has replaced all of our other commodities and is seen as a highly viable alternative to traditional row crops.

A love of the outdoors, a retiring hobby farmer, and perhaps fortunate timing is what launched me into the aquaculture industry. In 1990, I started my business with a three acre lake and twelve cages. Today, we have over 86 lakes and are well on our way to having over 260 acres of production water. We are still growing and are excited about the aquaculture industry outlook. We have assisted over a dozen new producers during the past four years and are expecting local expansion. Look around; it is quite easy to find success stories of fish farming and their related endeavors. However, our international imports of fish products far exceed our national production. It is a fact that this segment of agriculture will have a difficult time keeping up with the demand for farm-raised aquatic products. We need your continued support now more than ever.

The Internet and computer software have transformed the information highway into an effective marketing tool. We need your support to include more farmers and innovative leaders in aquaculture. We have an opportunity to help our American farmers by including them in an agricultural sector that shows great potential. Our RACs are playing an increasingly vital role in getting this information out to our state and county extension agencies. The transfer of technology is crucial for the expansion of the aquaculture industry at the grass roots level. We need to inform the farmer as well as the public on the benefits of producing American products for American people. We also must act upon that information and now is the time.

Ever since their inception, our RACs have not received full funding at their authorized level of $7.5 million. Please do not let pressure for spending cuts dictate against wise decision-making. We realize that the value of one dollar is not what it was when the RACs were created. They are getting the same funding now as they did at their inception. In essence, we are getting less due to inflation and rising costs; all these factors dictate that something must be done.

Please demonstrate your support of our aquaculture industry by supporting the RACs. Level funding is not in our best interests. We need your support by funding the Centers at the fully authorized level of $7.5 million. Please do not let history repeat itself again; give us, your American farmer, a true chance of making a significant transformation. It made a large impact here in Missouri. I know it can make a huge difference in the United States as well.

Thank you.

Curtis Harrison, CEO/Owner
HARRISON FISH FARM INC.

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby state that no Federal Grant monies have been received by myself or any business entity represented by myself at this time or at any time in the past.

VITA

Curtis Harrison, CEO/Owner
Harrision Fish Farm, Inc.
Route 2 - Box 61
Hurdland, MO 63547

Phone: (660) 423-5482
Fax: (660) 423-5337

EDUCATION

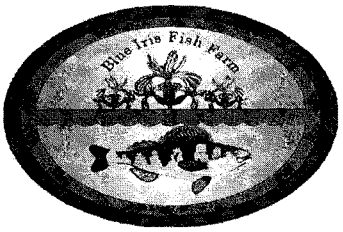
B.S. (Agricultural Engineering) University of Missouri-Columbia, 1987

PROFESSIONAL EXPERIENCE

Owner/Operator, Harrison Fish Farm, Hurdland, Missouri (1990-present)

PROFESSIONAL HONORS AND AFFILIATIONS

Executive Committee member, Industry Advisory Council, North Central Regional Aquaculture Center
Member, Board of Directors, Missouri Aquaculture Association



Blue Iris Fish Farm, LLC

Bill West, President
N5811 Twelve Corners Road
Black Creek, WI 54106
920-730-0684
blueiris@milwpc.com

February 2008

To: US House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

Dear Honored Members of Congress:

I would like to thank you for the opportunity to speak on behalf of the Regional Aquaculture Centers (RACs). Members of the aquaculture industry are very thankful for the support of Congress in the past and we thank you in advance for your continued support.

The North Central Regional Aquaculture Center just recently completed our annual meeting. During the annual meeting, we were thankful to be able to identify several projects which are in need of the dollars provided. However, it also became very clear that there is a significant need in our RAC to "get over the hump" with respect to moving major fish production forward.

When we talk about the trade imbalance, the importation of seafood products ranks right up there with oil. While we do not worry about the quality of oil in the same vein as the quality of seafood, the American consumer is more than a little nervous about imported products that are consumed. It is logical to assume that doubling the funding for the RACs is a small albeit correct step in the direction of correcting the trade imbalance while at the same time elevating the importance of locally grown products in the minds of consumers. Those two aspects can be accomplished.

I have to commend the Members of Congress for continuing to provide funding for the RAC program. You should be aware however, that the RAC program in recent years has only been funded at 50 percent. The aquaculture industry would appreciate your consideration for increasing funding for the RAC programs to the

N5811 Twelve Corners Road, Black Creek, Wisconsin 54106 : ph-920-730-5684 : fax-920-738-7774 :email-blueirisenv@gmail.com

fully authorized amount of $7.5 million and again, thank you in advance for your consideration.

Sincerely;

BLUE IRIS FISH FARM, LLC

William M. West, President

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby state that no Federal Grant monies have been received by myself or any business entity represented by myself at this time or at any time in the past.

N5811 Twelve Corners Road, Black Creek, Wisconsin 54106 : ph-920-730-5684 : fax-920-738-7774 :email-blueirisenv@gmail.com

VITA
February 2007

William M. West, President
Blue Iris Fish Farm, LLC
N5811 Twelve Corners Road
blueirisenv@gmail.com
Black Creek, WI 54106

Phone: 920-730-0684
Fax: 920-738-7774
email:

EDUCATION

BS Biology University of Wisconsin Stevens Point 1973
MS Limnology University of North Dakota, Grand Forks 1977

PROFESSIONAL EXPERIENCE

Owner Blue Iris Fish Farm, LLC Black Creek Wisconsin (1988-present)
Owner Blue Iris Environmental, Inc. Black Creek Wisconsin (2000 – present)
Board of Directors American Peat Technology, LLC, Aitkin, Minnesota (2004 – present)
President Northeast Wisconsin Fish Co-operative, Black Creek, Wisconsin (2006 – present)
Environmental Compliance Consultants, Inc. Green Bay, WI 1995 – 2000 Environmental Consultant
Foth and Van Dyke and Assoc.,. Green Bay, WI 1988 – 1995 Environmental Consultant
Institute of Paper Chemistry, Appleton, WI 1987 Toxicology Studies
Kenosha Water Utility, Kenosha, WI 1977 – 1987 Biologist and Chemist WWTP Process Control

PROFESSIONAL AND AFFILIATIONS

President Wisconsin Aquaculture Association
Past President Federation of Environmental Technologists, Northeast Wisconsin
Wisconsin Wastewater Operators Association – Life Member
Wisconsin Lakes Association
North Central Regional Aquaculture Center – Industry Advisory Committee (IAC)
Wisconsin Aquaculture Industry Advisory Council (WAIAC)
Wisconsin Industry Advisory Council for Northern Aquaculture Demonstration Facility

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Testimony Submitted to
U.S. House Subcommittee on
Agriculture, Rural Development,
Food and Drug Administration and Related Agencies

March 13, 2008
Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Submitted by:
Sebastian M. Belle, Executive Director
Maine Aquaculture Association
P.O. Box 148
103 Water Street, 4th Floor
Hallowell, ME 04347

On behalf of the Maine Aquaculture Association and its members, I would like to express our strong support for the Regional Aquaculture Centers. The Maine Aquaculture Association is the oldest aquaculture association in the country. We represent domestic producers that grow oysters, mussels, salmon, cod, halibut, trout, and baitfish. Our membership also consists of a significant number of companies that provide goods and services to our farmers.

The U.S. is the second largest market for seafood in the world. We currently import over 80% of the seafood consumed in this country, contributing over 9 billion dollars to our national trade deficit. The U.S. has some of the world's greatest fresh and salt water resources. Additionally, we have some of the world's best scientific expertise relevant to the field of aquaculture. The Regional Aquaculture Center system performs a vital role in assisting domestic aquaculturists. While traditional terrestrial agriculture has benefited from significant research and extension support over the years, aquaculture remains underserved. A case in point is the Regional Aquaculture Centers who have only been funded at half their authorized funding level since their inception. The Regional Aquaculture Centers have played a vital role in the development and maintenance of our domestic aquaculture industry. It is now time to significantly increase their funding so that they have the resources to help address our national needs.

With significant questions emerging regarding the safety of imported foods and large national trade deficits driven by domestic producers at competitive disadvantages, a significant investment in aquaculture research at extension is essential. The Regional Aquaculture Centers have the potential to address this national need and should be fully funded with a steady increase in funding over the next 10 years. This strategy would represent a prudent investment in our nation's future and will yield returns on investment far in excess of these funding levels. I urge you to support and fund the Regional Aquaculture Centers fully.

Thank you in advance for your consideration; if you need further information on this topic I am available at **(207) 622-0136** or at the address above.

Sebastian Belle
Executive Director
Maine Aquaculture Association

cc: Senator Susan M. Collins
Senator Olympia J. Snowe
Congressman Michael Michaud
Congressman Thomas Allen

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby provide the following information regarding Federal grants received by the Maine Aquaculture Association.

Agency: National Fish and Wildlife Foundation
Fiscal Years: July 1, 2001- December 31, 2006
Program: Aquaculture Containment Verification System
Amount: $446,358.00
Grant No.: 01-0009-004

Agency: Northeast Regional Aquaculture Center
Fiscal Year: 2007-2008
Program: Evaluating Restoration and Mitigation Aquatic Plant Species and Markets to Advance the Commercialization of the Industry
Amount: $10,688.80
Grant No.: 08-02

THE MAINE AQUACULTURE ASSOCIATION
Sebastian M. Belle, Executive Director
P.O. Box 148, 103 Water Street, 4th Floor
Hallowell, ME 04347
Telephone (207) 622-0136 • Fax (207) 622-0576 • www.MaineAquaculture.com

2001- PRESENT Executive Director – Maine Aquaculture Association, Hallowell, ME. USA. Representing the interests of the Maine commercial aquaculture industry in international, national, state and local levels.

1998 -2001 Policy Analyst - Maine Department of Marine Resources, Augusta, ME USA. Responsible for the analysis, development and coordination of all department aquaculture policies. Advise the Commissioner of Marine Resources and Governors office on state and federal interagency negotiations and coordination.

1996-1998 General Manager - Atunas de Mazzaron, Puerto de Mazzaron, Murcia, SPAIN. Responsible for the planning, development and start up of a commercial tuna farm with gross revenues of 9 million dollars.

1993-1996 Project Manager - Bluefin Tuna Project, New England Aquarium, Boston, MA. USA. Responsible for the design and implementation of an applied research and development program to demonstrate the feasibility of commercial culture of Bluefin Tuna, Thunnus thynnus.

1990-1993 Marine Operations Manager - Connors Aquaculture, Eastport Facilities, Eastport, ME. USA. Responsible for operational management of 3 saltwater cage farms and all their associated support and processing infrastructure.

1989-1990 Technical and Production Coordinator - Ocean Products, Eastport, ME. USA. Responsible for technical analysis, production coordination and trouble shooting of all production units.

1989-PRESENT Owner of ECONAQUA, South Bristol, ME USA
An international consulting and investment firm providing technical services including project design, construction oversight, staff training, code of practice development and verification, financial due diligence, investment analysis, and risk control.

1987-1989 Technical Consultant - InterAqua, Oslo, Norway. Responsible for technical design and start up components of commercial aquaculture projects in 10 countries. Conducted investment and risk analysis for private investor groups and insurance companies.

1986-1989 Production and Research Manager - Svanoy Foundation, Svanoybukt, Norway. Responsible for daily operation and fiscal management of an aquaculture division of research and development foundation.

1976-1986 First Mate/Alternate Captain F/V Billy Boy, Shinnecock, NY Responsible for all deck operations and alternate skippering on a 65' offshore lobster boat.

Testimony Submitted to
U.S. House Subcommittee on
Agriculture, Rural Development,
Food and Drug Administration and Related Agencies

March 9, 2008

Concerning: Support for the Regional Aquaculture Centers

Written Statement by the East Coast Shellfish Growers Association, 1623 Whitesville Road, Toms River, NJ 08755

The East Coast Shellfish Growers Association is writing in support of funding for USDA's Regional Aquaculture Centers, and especially for the Northeast Regional Aquaculture Center (NRAC).

The East Coast Shellfish Growers Association is a non-profit industry association formed in 2001 to represent shellfish growers from Maine to Florida. The mission of the ECSGA is to promote and develop responsible commercial shellfish aquaculture. The shellfish aquaculture industry on the East Coast is composed of more than 1300 farms of all sizes with annual harvests valued at nearly $80 million.

We believe that the East Coast shellfish industry has substantial potential for growth and that this growth can be accelerated with NRAC support. We have recently received NRAC support for the development of a Code of Conduct and Best Management Practices for our industry, but we still have need for funding in basic and applied research that can improve our hatchery and field operations, for example, disease control and the genetic improvement of stocks. Also, market research and development continue to be very important to this developing industry.

The Regional Aquaculture Center program has an authorized annual funding limit of $7.5 million, although the appropriated level of funding recently has been only at half that level. Divided among the five Centers, less than $750,000 is available per Center. Aquaculture funding is an investment in growing our domestic food supply with positive results for our seafood trade deficit and for national security. We strongly encourage funding for the Regional Aquaculture Center program at the authorized $7.5 million level or higher.

Sincerely yours,

Edwin W. Rhodes
Executive Director

Pursuant to Clause 2(g)(4) of Rule XI of the Rues of the House of Representatives, I hereby provide the following information regarding Federal grants received by the East Coast Shellfish Growers Association, Inc.

Fiscal Year	Agency	Program	Amount	Grant Number
2007	USDA	NRAC	$29,270.00	2003-38500-13505
2007	USDA	NRAC	$79,768.00	2004-38500-14589
2008	USDA	NRAC	$111,077.00	2004-38500-14589

Edwin W. Rhodes, Executive Director
East Coast Shellfish Growers Association
49 Reed Street, Milford, CT 06460
Telephone: 203 878 0510 * e-mail: ecsga@optonline.net

- - - - - - - - - - - - - - - -Education and Training - - - - - - - - - - - - - - - -

Rensselaer Polytechnic Institute, B.S. in Biology, Troy, N.Y. 1966.
Marine Biological Laboratory, Woods Hole, Massachusetts, Invertebrate Zoology, summer course and investigation, 1971.
Southern Connecticut State University graduate program in marine science, thirty-one credits, 1975 - 1980.
National Oceanic and Atmospheric Administration, SCUBA certification, 1979.
Artemia Institute, Ghent, Belgium, training in *Artemia* sp. culture and collection, 1980.
Office of Personnel Management, Boston, Massachusetts and Hartford, Connecticut, six courses in management and administration, 1984 - 1989.
Center for Bilingual Studies, Cuernavaca, Mexico, four week course in Spanish, 1990.
Gateway Community College New Haven, CT. Certification course for food handlers. 2003.

- - - - - - - - - - - - - - - - - Professional Positions- - - - - - - - - - - - - - - - -

Executive Director, East Coast Shellfish Growers Association, January 2004 - present. Administration and technical services to an industry group of shellfish producers, distributors and equipment suppliers representing all of the Atlantic coast states.
Director, Aquaculture and Sustainability Division, Phillips Foods, Baltimore, Maryland, April 2007 - present. Develops standards, assesses of sustainability of seafood sources and coordinates company aquaculture investments.
President, Aquatecnics LLC., Milford, Connecticut, October 2001 - present; February 1996 - September 1997. Consulting in aquaculture including assistance with development of shellfish and finfish aquaculture enterprises and guidance to companies on governmental aquaculture issues.
Aquaculture Coordinator, NOAA Fisheries, Silver Spring, Maryland, September 1997 - October 2001. Developed national plans, legislation and budgets for aquaculture. Coordinated aquaculture research in National Marine Fisheries Service. Played key role in developing NOAA annual $2 billion budget.
Vice-President, Aquaculture Technology Transfer, Charleston, South Carolina, 1988 - present. Consulting in aquaculture.
Technical Manager, Sea Perfect de Mexico S.A. de C.V., Ensenada, Mexico, August 1995 - February 1996. Pursued opportunities for fish and shellfish culture in Mexico.
Founder/Production Manager/Chief Biologist, Cultivos Marinos Internacionales, S.A., Caldera, Chile, January 1990 - July 1995. Largest scallop production company in the world.
Research Fisheries Biologist, National Marine Fisheries Service, Milford, Connecticut, 1971 - 1989. Research on bivalves and fish for aquaculture and for public sector management.
Chairman, Northeast Fisheries Center Research Council, Woods Hole, Massachusetts, 1988 - 1989. Identified research areas, developed research plans and new ideas for fisheries management.
Marine Biologist and Hatchery Manager, Long Island Oyster Farms, Inmont Corporation, Northport, New York, 1970 - 1971. Commercial production of oysters and clams.
Marine Biologist, Marathon Aquaculture Laboratory, Inmont Corporation, Marathon, Florida, 1970. Commercial production of pompano, shrimp and spiny lobsters.
Fisheries Biologist, Bureau of Commercial Fisheries, Milford, Connecticut, 1966 - 1970. Research on bivalves in support of commercial aquaculture industry.

Testimony Submitted to
U.S. House Subcommittee on
Agriculture, Rural Development,
Food and Drug Administration and Related Agencies

March 6, 2008
Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Submitted by:
George Mathis
143 Leektown Rd T-11
Egg Harbor NJ 08215

I am submitting this statement on behalf of our hard clam culture business here in New Jersey.

My family has been involved as wild harvest baymen, for three generations. In 1985 we began to undertake hard clam aquaculture, as opposed to wild fishing, due to the declining landings and unpredictable harvest. Thanks to much encouragement from the Milford Shellfish Laboratory, NJ Cooperative Extension, and to others working within the industry we have remained in the shellfish industry. Indeed, some of the research done by NRAC in the 90's was critical to being able to manage our farms from the disastrous consequences of the hard clam parasite QPX. We still incorporate bloodstocks in our hatchery spawnings derived from that earlier work.

I have an understanding that the Regional Aquaculture Centers have a mandate to furnish exactly the type of support that our industry needs to assure it's very survival. With domestic aquaculture not being able to begin to meet the US demand for, and the increasing importation of, seafood it is critical that RAC systems continue. Unfortunately the authorized funding for the RAC system is in excess of seven million dollars per year, but the actual funding has remained approximately half of the authorized amount since the initiation of the programs in 1985. Clearly to remain viable in the future, aquaculture needs much more research funding to be able to remain competitive in the global market.

Thank you in advance for your consideration of this issue. If you should need further information, I am available at 609-296-7026 or at the address above.

George Mathis
Mathis Clam Farm

cc: Hon. Frank R Lautenberg
Hon. Jim Saxton

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby provide the following information regarding Federal grants received by George Mathis.

Fiscal Year	Agency	Program	Amount	Grant Number
2004	USDA, CSREES	Regional Aquaculture Center	$3,389	2004-38500-14589
2005	USDA, CSREES	Regional Aquaculture Center	$1,200	2005-38500-16409

RESUME
George W Mathis Jr

ADDRESS:
143 Leektown Rd T-11
Egg Harbor NJ 08215
609-296-7026
mathisclamfarm@aol.com

PERSONAL:
Born: April 9, 1955
Height: 6' Weight 175lbs
Health: Excellent
Married with 1 child

EXPERIENCE

1998 - Present:

Working partner in Nautical Nuggets Hatchery. This facility located in Atlantic City, NJ; produces 10 million field plantable hard clams (Mercenaria) seed per annum. Am involved in all phases of culture operations, including: algal, spawning, larval, post set and nursery seed production. We utilize both closed, flow thru and semi recirculating systems. Duties also include: seed sales, routing and packaging, building and equipment maintenance and construction, design and administrate company advertising and website.

1985 - Present:

Owner/Operator of Mathis Clam Farm. Company currently produces and markets over 500,000 hard clams year round, utilizing over 10 acres of leased bottom. Operations include: all phase of field cultivation, water- based nursery, and year round harvesting and maintenance.

2004 - Present

Chairman: New Jersey Seafood Marketing Group. The group was recipient of an USDA VAP grant. Duties included: scheduling meetings, with various government, university and extension personnel. I personally oversaw all financial instruments, record keeping and bonds. Currently chair this group, which now markets under the trademark "Baymen's Pride". Also responsible for ordering packaging, website administration and all financial transactions and records.

Associations and Memberships:

2001 - Present: World Aquaculture Society - Member

2002 - 2006: President - New Jersey Shellfisheries Association

Founding Member: East Coast Shellfish Growing Association

2002 - 2006: Board of Directors ECSGA - NJ Representative

1994 - 2001: Founding member - Vice president of New Jersey Aquaculture Association

1998: NRAC TIAC Representative

2005 - Present: Co - chair Northeast Regional Aquacultural center, Technical Industry Advisory committee, *New Jersey State Aquaculture Advisory Council:* Leasing committee

Authored: "Best Management Practices for Hard Clam Leases."

2007 - Present: Candidate: (Awaiting state legislative approval) For Atlantic Coast Shellfish

Council.

Publications and Grant Collaborations:

NSF Grant: 1995 was PI for research project: Hard Clam Overwintering. Numerous other research projects from 1994 - present: for QPX ,overwintering, and field nurseries. Current QPX study collaborator- NRAC funded.

1999: Co author "Aquaculture Associated Factors in QPX Disease of Hard Clams"

Have been a speaker at numerous seminars and bivalve aquaculture courses.

Have consulted internationally on mollusk aquaculture.

Education:

1974 GED State of New Jersey

2004 Invitee.....Milford National Shellfish Laboratory (Algology Course)

References:

Available when requested. Also more publications available.

Testimony Submitted to
U.S. House Subcommittee on
Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
March 5, 2008

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Submitted by: Samuel C. Sherk
PennAg Industries Association
Northwood Office Center
2215 Forest Hills Drive, Suite 39
Harrisburg, Pennsylvania 17112-1099

I am submitting this statement on behalf of the Pennsylvania aquaculture industry, as well as other aquaculture producers throughout our great nation, in support of the Regional Aquaculture Centers (RAC). The goals of the RAC system are to respond to the needs and desires of aquaculture producers as they attempt to improve their businesses and their industry.

Our association represents Pennsylvania's aquaculture producers who are engaged in the production of numerous cold and warm water fish species. In addition, we have producers engaged in production of ornamental fish as well as aquatic plants and other aquatic species. Pennsylvania is a leading state in the production of trout raised for recreational fishing. The Pennsylvania aquaculture industry is challenged by market forces as well as aquatic diseases that impact not only the health of fish but also the free movement of fish throughout those states within the Great Lakes watersheds.

The Regional Aquaculture Centers have a mandate to furnish the support that our industry needs to survive. It is important that these centers continue to receive the authorized funding to assure the continued operation of the RAC system as its current high level of service. Unfortunately, the funding currently allocated for the RAC system is much less than the amount authorized since the initiation of the program in 1985. Most aquaculture operations are dependent on water quality and space which is usually found in our rural areas and this industry has the potential to provide millions of dollars of revenue in economically challenged rural areas. There is great potential to increase the size of existing aquaculture operations as well as welcome new producers to this industry but they sorely need the assistance of the RAC system as administered by the U.S. Department of Agriculture.

Hopefully a more progressive and productivity-oriented attitude will prevail in the current session of Congress to allocate a more realistic appropriation for this critical program. Assisting our aquaculture producers to achieve greater productivity and efficiency makes full funding of this program a good investment in America.

Thank you for your consideration of this complex issue. If you require further information on this topic I am available at 717.651.5920 or at the above address.

Samuel C. Sherk
Assistant Vice President
PennAg Industries Association

cc: Senator Arlen Specter
Senator Robert Casey
Congressman Tim Holden

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby state that no Federal Grant monies have been received by myself or any business entity represented by myself at this time or at any time in the past.

Resume
Samuel C. Sherk
September 12, 2007

I have followed a career in association management since 1966 currently serving as Assistant Vice President, PennAg Industries Association, Harrisburg, PA. In my current position I serve as the staff liaison to the Feed, Grain and Allied Industries Council and the Aquaculture Council, Operating Officer of PennAg Industries Insurance Trust, staff liaison to The PennAg Safety Incentive Workers' Compensation Insurance Program and staff liaison to the PennAg Membership Committee.

Employed by PennAg Industries Association 1966 – present.

Birthdate: January 10, 1942

Education:
Ephrata High School, 1959
Attended: Lebanon Valley College, University of Nebraska
Leadership Lancaster Program, 1985

Public Service and Volunteer Activities:
Past Chair, Lancaster County Business Group on Health
Ephrata Borough Councilman
Ephrata Joint Water Authority
Board of Directors, United Cerebral Palsy of Lancaster County
President, Northern Lancaster County Game & Fish Protective Association

Testimony Submitted to
U.S. House Subcommittee on
Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
March 1, 2008
Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Submitted by: Michael B. Timmons, PhD
Professor, Department of Biological & Environmental Engineering
Cornell University
Ithaca, NY

I am submitting this statement on behalf of the Cornell Aquaculture Program in general and enthusiastic support of the Northeast Regional Aquaculture Center.

I am part of an integrated team of research scientists that have focused on commercial aquaculture for the past 20 years. As a result of our efforts in part, upstate NY now is one of the largest producers of tilapia in the USA (approximately 500 ton per year). The success of this new industry is partly the result of the concerted research that has been sponsored by the Northeast Regional Aquaculture Center. If this industry is to prosper, we will need continued improvement in our production technology, our feeds and nutrition, and our genetic base of animals. Our industry must become more economically competitive if we are to capture more than the current 1.5% of the total tilapia market (20 million produced in the USA out of 600 million lbs per year of total tilapia consumption). There is absolutely no fundamental reason why US farmers (aquaculturalists) cannot compete with the imported product and in fact, we should be able to produce fish domestically more cheaply than the imported product due to our advantage in lower grain and associate feed costs. (Feed costs in efficient animal production systems are generally more than 50% of the total production costs).

If we (the Northeast and the US in general) are to produce more fish domestically, we will also have more environmental issues to address. With current technology, we can produce fish in an environmentally responsible manner, which is typically not the case for most imported product. However, we will need improved environmental remediation technologies to move forward in an environmentally sustainable fashion.

In all these needed areas of research to allow US/Northeast producers we will be very dependent upon the continued and hopefully expanded research assistance from our RAC centers.

I would be more than happy to discuss these issues with you at any time at your convenience. I am available at 607-227-5638 (cell) or by email at mbt3@cornell.edu.

Sincerely yours,

Michael B. Timmons
Professor
J. Thomas Clark Professor of Entrepreneurship and Personal Enterprise, 2000-2006

cc: Honorable Charles Schumer
Honorable Kristen Gillibrand

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby provide the following information regarding Federal grants received by Michael Timmons.

Fiscal Year	Agency	Program	Amount
2007	USDA	Regional Hatch	$11,000

VITAE
Michael Ben Timmons

PERSONAL
Address and Telephone:

Department of Biological and Environmental Engineering
302 Riley-Robb Hall, Cornell University, Ithaca, NY 14853
(607) 255-1630 (Voice) (607) 255-4080 (FAX) MBT3@cornell.edu (Email)

ACADEMIC:
Ph.D. 1979 Cornell University Agricultural Engineering & Thermal Processes

PROFESSIONAL STATUS:
Licensed Professional Engineer in New York State, License Number 053470

EMPLOYMENT:
November 1983 to date: Professor (Assistant Professor in 1983, promoted to Full Professor in 1992), Department of Biological and Environmental Engineering, Cornell University

PROFESSIONAL ACTIVITIES:

- Board of Directors, Aquacultural Engineering Society
  - (President 2003, 2nd Vice President 2001, 1st VP 2002, Sec/Treasurer 1993-95)
- Board of Directors, Northeastern Regional Aquaculture Center (USDA)
- Editorial Board, Aquacultural Engineering Journal

HONORS and AWARDS:

2003 Invited Speaker, "Application of Recirculating Aquaculture Systems", VII Ecuadorian Aquaculture Conference, October 15-17, Hilton Colon Hotel, Guayaquil, Ecuador. Proceedings available from CENAIM.ESPOL. EDU.EC.

2002 Keynote Speaker, "Competitive Potential for USA Urban Aquaculture", National Urban Aquaculture Symposium, sponsored by National Oceanic & Atmospheric Administration (NOAA) and National Sea Grant College Program, November 16, 2002, Crowne Plaza Hotel, Warwick, RI.

2000 Named a J. Thomas Clark Professor of Entrepreneurship and Personal Enterprise at Cornell University (3 year term followed by a 2 year term in 2003)

SELECTED PATENTS (6 awarded to date):

1996 Timmons, M.B. and R.S. Gates. Microprocessor controller based upon time integrated independent variables for environmental control. Patent Number 5,573,179.

2003 Timmons, M.B. Cellular microbead filter for use in water recirculating system. Filed through Cornell Research Foundation. US Patent Number 6,666,965 issued December 2003.

SELECTED BOOKS and PUBLICATIONS (over 200 publications):

Timmons, M.B., Ebeling, J.M., 2007 Recirculating Aquaculture Systems, 975 pp. Cayuga Aqua Ventures, Ithaca, NY. ISBN 978-0-9712646-2-8

Ebeling, J.M., Timmons, M.B., Joiner, J.A., Labatut, R.A., 2005. Mixed-Cell Raceway: Engineering Design Criteria, Construction, Hydraulic Characterization. Journal of North American Aquaculture, 67(3): 193-201.

2705 Michelle Drive - Mena, AR 71953
Office/Cell: (870) 672-1716
Fax/Home: (479) 437-3081

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John Farmer
Dumas, AR

Jerry Seamans
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Joey Pillow
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Dennington Moss
Lake Village, AR

Joey Lowery
Newport, AR

Bill Troutt
Dermott, AR

Joey Williamson
Lake Village, AR

Testimony Submitted To
U.S. HOUSE SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION
AND RELATED AGENCIES

March, 2008

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by

Charles M. Collins
Executive Director
Catfish Farmers of Arkansas
2705 Michelle Drive
Mena, Arkansas 71953

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to provide testimony in support of the USDA Regional Aquaculture Center program. My name is Charles M. Collins and I am Executive Director of Catfish Farmers of Arkansas. The association that I represent was established in 1975 and is made up of catfish producers, suppliers/industry-related businesses, researchers/education personnel, and others involved in promoting, producing, and marketing U.S. Farm Raised Catfish.

Aquaculture in the United States has grown to be a significant contributor to U.S. agriculture and regional economies in many areas. United States aquaculture industries and their product markets have matured to the point where the dynamics of national economy, federal and state policies, and international trade have significant and unanticipated effects on the financial health of United States aquaculture businesses. Two new projects

funded by the USDA-CSREES Southern Regional Aquaculture Center (SRAC) are of vital importance to our understanding of these interactions.

Economics research is essential to provide scientifically sound models that can be used to forecast industry trends, effects of anticipated macroeconomics factors, and impacts of proposed policy initiatives. The SRAC project AEconomic Forecasting and Policy Analysis Models for Catfish and Trout@ will identify, develop, and validate economic forecasting models for catfish and trout. No aquaculture businesses have the economics expertise with which to develop these models, but other segments of the agriculture and food sectors rely upon such models. To be competitive, United States aquaculture will need to have these same types of sophisticated models. Thus, the Southern Regional Aquaculture Center project will provide an important tool for the United States aquaculture industry.

United States aquaculture is facing increased competition from international imports of similar products. Understanding current trends in the markets for mature products (i.e., catfish fillets) and new products is fundamental to the design of effective business marketing strategies. There is a critical need for a comprehensive study to understand prices and pricing, sales volumes, and trends for fresh and frozen farm-raised fish, shellfish, and crustaceans with an emphasis on competition from imports. Marketing research and tools form the fundamental support from which individual companies can develop sales and advertising strategies and generic advertising programs.

The SRAC project AUsing National Retail Databases to Determine Market Trends for Southern Aquaculture Products@ will use national databases to analyze retail supermarket sales of fresh and frozen U.S. farm raised catfish, crawfish, clams, and prawn/shrimp products. This project will generate valuable market research information on competing seafood products in key cities and regions in the United States that is necessary for United States aquaculture businesses to remain competitive.

The above mentioned projects represent only a small part of the Regional Aquaculture Center programs. The program has been level-funded for most of the past twenty years and meanwhile, domestic aquaculture has grown at a remarkable rate and the cost of conducting research has increased. I respectfully request your sincere consideration of the Regional Aquaculture Centers in the FY 09 budget, and I urge you to provide funding at the full authorized level of $7.5 million for the five Regional Centers.

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby state that no Federal Grant monies have been received by myself, nor is the Association supported by Federal funds.

CURRICULUM VITAE

Charles M. ABo@ Collins
2705 Michelle Drive
Mena, Arkansas 71953
(870) 672-1716
(479) 437-3081
cfarkansas @sbcglobal.net

EDUCATION

BS, 1960, Fisheries Science
Oklahoma State University

PRESENT POSITION

Executive Director, Catfish Farmers of Arkansas

POSITIONS HELD

1985 B 2003 Fisheries Biologist at USDA Harry K. Dupree Stuttgart National Aquaculture Research Center, Stuttgart, AR

1980 B 1985 Project Leader, Tennessee Valley Authority Waste Heat Aquaculture Project, Gallatin, TN

1968 B 1980 Aquaculture Extension and Research Biologist, Kerr Agricultural Foundation, Inc., Poteau, OK

1961 B 1968 Fisheries Biologist, Oklahoma Department of Wildlife Conservation, Oklahoma City, OK

1960 B 1961 U.S. Army Reserve, Artillery Training, Fort Sill, OK

SCIENTIFIC CONTRIBUTIONS

Author or coauthor on 83 publications in various aquaculture journals and magazines

PROFESSIONAL ORGANIZATIONS

Catfish Farmers of Arkansas
Catfish Farmers of America
National Aquaculture Association

HONORS/AWARDS/PROFESSIONAL RECOGNITION

Certified Fisheries Scientist by the American Fisheries Society
Catfish Farmers of Arkansas Service Award in 1999

AQUACENTER
"Your Complete AquaCulture Services"
106 Seven Oaks Road • Leland, Mississippi 38756
Tel.: (662) 378-2861 • Toll Free: 1-800-748-8921 • FAX: (662) 378-2862

Testimony Submitted to
U.S. HOUSE SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION
AND RELATED AGENCIES

March, 2008

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by
Mr. Robert L. (Shorty) Jones
1017 Greenfield Road
Glen Allen, Mississippi 38744
662-839-5555

Mr. Chairman and Members of the Subcommittee: I am pleased to offer testimony in support of funding for the USDA-CSREES Regional Aquaculture Center program. My name is Shorty Jones and I own AquaCenter, one of the largest aquaculture supply businesses in the world. I have also been a catfish farmer since 1990 and produce approximately 85 million high-quality fingerling catfish annually that are used by catfish farmers in five states.

Catfish farming is the largest aquaculture industry in the United States but we are now in trouble. We were once the most vigorous, rapid-growing, and vital sector of domestic agriculture. Over the last few years, however, farm profits have decreased or, in many cases, are absent. We are increasingly forced to compete with imported seafoods (primarily from Asia) that are produced at an advantage because of low labor costs, the absence of regulatory oversight, and production in a non-market economy. As you are well aware, relying on imports for food is an uncomfortable position for consumers because of concerns with food quality and safety.

Our future therefore rests on the ability of American farmers to recapture production efficiencies by making use of technological advances.

The USDA Southern Regional Aquaculture Center has a 20-year history of supporting the American fish farmer. This is the only funding activity that I know of where farmers identify the projects that are to be solved by scientists. Because projects are identified and developed locally

at the grass-roots level, the results have practical benefits that are quickly delivered to the farmer.

One of the most successful projects recently has been the research into ways to make a hybrid catfish by crossing two native catfishes—the channel and blue catfish. This fish possesses superior qualities, but supplies of the fish have been severely hampered by our limited knowledge of reproductive biology. The Center project has addressed that problem in a 4-year project that involves nine top scientists from five institutions and agencies in the southeast. Their work has contributed to a 500% increase in hybrid catfish production over a 4-year period. The Center also is developing another project that continues to address reproductive inefficiencies in aquaculture. It is important to restate that both these projects were identified as priorities by farmers in the region and then developed to make use of unique expertise at various universities and agencies in the southeast.

The Regional Aquaculture Centers have been level-funded at about 50% of the authorized funding level amount for almost 20 years. Level funding has greatly diminished the capabilities of the Centers to address problems facing the industry, especially in these extremely critical times. I strongly urge Congress to fund the Regional Aquaculture Center program for the fully authorized $7.5 million for the next fiscal year. Full funding is an excellent investment in an economic sector that creates jobs and fosters economic growth in rural areas of the U.S. and is essential for the U.S. aquaculture industry to remain competitive and to improve productivity and efficiency.

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby state that I have not received Federal Grant monies.

AQUACENTER
"Your Complete AquaCulture Services"
166 Seven Oaks Road • Leland, Mississippi 38756
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Robert L. (Shorty) Jones
1017 Greenfield Road
Glen Allan, MS 38744
(662) 839-5555

Education

Glen Allan High School, graduated 1975

Work Experience

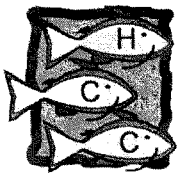
1975-1981 Noble Drilling Corporation
After graduating from high school I started working in the Gulf of Mexico drilling for oil and gas. In 1978 I became the youngest driller to ever work for the company.

1981-1986 Kajun Directional Drilling
I was the youngest directional driller to work in the Gulf of Mexico. I was instrumental in developing Mobil Oil's oil field in Mobile, Alabama by using new and different techniques.

1987-Present AquaCenter, Inc.
I started this company in Leland, Mississippi, supplying chemicals and equipment to the catfish industry. Later we started the catalog division and now supply multiple species customers. While being involved with AquaCenter I have traveled to many parts of the world and have been proud to support the U.S. farm-raised catfish industry.

1990-Present Needmore Fisheries
We hatch catfish fry and raise fingerlings which we sell over several states. We are currently involved in hybrid catfish production, where we are using blue males and channel females.

Professional Affiliations
Catfish Farmers of America Board Member
Catfish Farmers of Mississippi Board Member
SRAC Steering Committees Member
Mississippi State University Advisory Committee for Dept. of Wildlife & Fisheries
Delta Council Member
National Aquaculture Association Member
California Aquaculture Association Member
Catfish Farmers of Arkansas Member
Catfish Institute Working Advisory Committee Member



HYBRID CATFISH CO.
1233 Montgomery Dr.
Inverness, MS 38753
662-207-0461
yant@tecinfo.com

Testimony Submitted to

U. S. HOUSE SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION
AND RELATED AGENCIES

March, 2008

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by

Roger Yant
Hybrid Catfish Company
1233 Montgomery Drive
Inverness, Mississippi 38753

Mr. Chairman and Members of the Subcommittee: It is an honor to have the opportunity to offer testimony in support of funding for the Southern Regional Aquaculture Center (SRAC) program. My name is Roger Yant. I am a catfish farmer, and my wife and I are the owners of the Hybrid Catfish Company. Our company is two years old and we were able to start this business primarily because of research funded by a CSREES-SBIR project and a SRAC-funded research project on developing technologies to produce hybrid catfish.

I have been involved in the catfish industry since 1975. The industry has grown since then from producing less than 20 million pounds a year to over 700 million pounds in 2003. This last year we processed less than 500 million pounds. The primary reason for the down turn in production is imports. To compete with these imports we must be able to use our advantage in technology to produce our product more efficiently. This is why it is imperative that we properly fund our researchers and research centers. I don't mean level funding like we have had for the last 16 years. The cost of research has increased and we need increased funding to meet this challenge.

The current SRAC project on hybrid catfish has been a valuable tool to the industry in this fight for survival. Research has shown, and I can verify, that the hybrid catfish is from 20 to 100% more efficient to grow than the traditional channel catfish that is now used. The

problem has been producing enough embryos. This last year the industry produced over 30 million hybrid catfish fry. This increase was due primarily to the SRAC-funded research.

The SRAC project on "Innovative Technologies for Pond Aquaculture" also has the potential to have a major impact on the industry. An innovative system called the "partitioned aquaculture system" is one of the technologies being studied. One of these systems has already been built and I know several producers that are considering this technology. In my opinion, the impact would be similar to when the poultry industry brought the chickens into the poultry house from the barn yard. It is about better management of the production environment. It is unique in that it combines two of the current SRAC projects. The hybrid catfish is the superior fish for the partitioned aquaculture system. This system stocked with hybrid catfish has achieved production 3 to 4 times the current industry average.

In summary, the catfish industry is in a fight for survival. We have to continue being the most efficient producers of catfish in the world if this industry is going to survive. One of our most valuable assets is the Southern Regional Aquaculture Center. It is world class. They must be properly funded or the catfish industry will continue to shrink. The industry is the primary employer in many counties in Mississippi, Arkansas, Alabama, and Louisiana. As such, I respectfully request your sincere consideration of the Regional Aquaculture Centers in the FY 09 budget, and I urge you to provide funding at the full authorized level of $7.5 million for the five Regional Centers. Full funding is essential to the aquaculture industry to remain competitive and improve productivity.

Thank you for your support.

Pursuant to clause 2 (g) (4) of Rule XI of the Rules of the House of Representatives, I hereby provide the following information regarding the federal grant monies received.

FiscalYear	Agency	Program	Amount	Project No.
Co-PI 2002	CSREES	SBIR	$80,000	2002-00384
Co-PI 2003	CSREES	SBIR	$227,530	2003-04088
Co-PI 2004	APHIS	Berryman I	$15,000	3305420803000-02/14

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D. Roger Yant
Hybrid Catfish Company
1233 Montgomery Drive
Inverness, MS 38753
(662) 207-0461

Education

M. S. 1975 Auburn University, Auburn, AL (Fisheries and Allied Aquaculture)
B. S. 1970 Iowa State University, Ames, Iowa (Fisheries and Wildlife Biology)

Employment

2005-present Owner/Operator Hybrid Catfish Company, Inverness, MS. Produce hybrid catfish fmgerlings for sale to foodfish producers.

2001-2004 Vice President, Mississippi Division, Alabama Catfish, Inc., dba Harvest Select Farms, Inverness, MS. 640 acres of catfish fmgerlings and 1,200 acres of catfish foodfish production.

1990-2001 Director, Aquaculture Division, Gold Kist Inc., Inverness, MS. Catfish breeding farm that produced improved lines of broodstock for sale to catfish fingerling farms.

1980-1990 General Manager, SouthFresh Farms, Indianola, MS. 1,500 acre catfish farm and processing plant with initial capacity of 12.5 million pounds.

1975-1980 Plant Manager, Farm Fresh Catfish Co., Hollandale, MS.

1971-1974 U. S. Army, Veterinary Service

Professional Affiliations and Awards

The Catfish Institute - Board Member
Catfish Farmers of America - Board Member
Catfish Farmers of Mississippi - Past President
MS State University, Department of Wildlife and Fisheries - Faculty Advisor
Inverness Rotary Club - Past President, Presidents List - Auburn University
Farmer of the Year, 1985 - Catfish Farmers of America
Nominee for Mississippi Farmer of the year, 1986 - Mississippi Network

Testimony Submitted to

U.S. HOUSE OF REPRESENTATIVES SUBCOMMITTEE
ON AGRICULTURE, RURAL DEVELOPMENT,
FOOD AND DRUG ADMINISTRATION,
AND RELATED AGENCIES

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Prepared Statement By

JAMES M. CARLBERG, PRESIDENT
KENT SEATECH CORPORATION
11125 FLINTKOTE AVENUE
SAN DIEGO, CALIFORNIA 92121

February 28, 2008

Mr. Chairman and Members of the Subcommittee:

My name is James M. Carlberg. I am President of Kent SeaTech Corporation, the largest aquaculture company in California. I have been involved in aquaculture research and production for more than 40 years. I have served on the Board of Directors of the National Aquaculture Association, was a Founder and President of the U.S. Striped Bass Growers Association, serve as a member of the Industry Advisory Council for the Western Regional Aquaculture Center, and to the Agricultural Research Laboratory program.

Kent SeaTech Corporation has developed the first and largest commercial production facility for striped bass in the world. The project began in 1975 as a small Sea Grant research project we conducted as researchers at San Diego State University. The initial research was successful and we decided to attempt a commercial application of the concept. Over the years, our company has grown to become the largest aquaculture effort in California, with annual sales greater than $9 million. Striped bass are cultured in 97 concrete tanks using geothermal water at our facility near Palm Springs, CA.

Based partly upon our success, at least 60 striped bass farming have been developed in the U.S. Often, the annual production of striped bass from U.S. aquaculture facilities exceeds the entire wild fishery harvest. This important new source of supply relieves the fishing pressure on fragile ocean stocks and provides new employment at all levels of the seafood industry. This is truly a success story in which research supported by the federal government has grown into a multi-million dollar new industry that has provided significant benefits to the nation.

On behalf of my company, I would like to express our strong support for the Regional Aquaculture Centers. The valuable research supported by the Centers has been very supportive

of our industry and is addressing the most important problems encountered in aquaculture facilities throughout the nation.

Aquaculture is an extremely large industry worldwide, where more than 50 million metric tons of fish and shellfish are produced each year. The U.S. lags far behind many other countries such as China, India, and Russia in aquaculture, producing only a small fraction (about 2%) of the world's total supplies. The majority of U.S. production involves freshwater fish, primarily catfish, trout, tilapia, and striped bass. Aquaculture has become a one billion dollar industry in the U.S., providing nearly 15% of our seafood supplies. Aquaculture production in the U.S. is rapidly approaching 450 million kg annually. Annual production of catfish in the U.S. is estimated to be about 280 million kg, with trout at 23 million kg, salmon over 10 million kg, domestic tilapia production at 9 million kg, and hybrid striped bass at nearly 5 million kg.

Aquaculture is expanding at an annual rate of 15% and is the fastest growing sector of the agriculture industry. Predictions from independent surveys of the food industry indicate that aquaculture could become the most productive sector of food production in the U.S. within the next two decades. Furthermore, these studies suggest that most of the additional production will come from intensive culture, and that the culture will focus on luxury species using innovative technologies. However, these advances can only occur if a coordinated effort is made to provide the technical and engineering breakthroughs needed to allow this new industry to develop.

Unfortunately, foreign competition is having a major impact on some U.S. aquaculture operations. More than 80% of our seafood supplies are now imported, resulting in a large annual trade deficit of $9 billion. Many of the competing countries are located in tropical and sub-tropical climates, where large quantities of warm water are available for aquaculture. Also, land costs are low, there are few competing uses for water resources, semi-skilled labor is widely available for a fraction of U.S. costs, and often there are few controls on the quality of water discharges to the environment or the use of antibiotics and other disease treatments illegal in the U.S.

Foreign competition also is beginning to have an impact on our segment of the industry, the culture of striped bass. In the last three years, competition from Taiwan has increased significantly. Foreign farmers are now purchasing more than 200 million striped bass juveniles each year, which is about 20% of all of the fingerlings available from the U.S. hatcheries. The only means of protecting and fomenting the U.S. industry is to develop significant technological improvements in the culture process, so that U.S. producers will not be at a disadvantage.

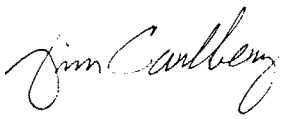
Although aquaculture offers extremely high potential, some observes liken the status of our technology to the status of land-based agriculture in the 1950's. There is a real need for the development of high-tech solutions for many problems we face, such as the development of methods to treat and reuse wastewater and the testing of new medications to maintain healthy fish populations in culture systems. Well-planned aquaculture research programs could have extremely important commercial applications in the U.S. Almost every major review of aquaculture has described the critical need for improved culture technologies if this new industry is to continue to expand in the U.S. The National Aquaculture Act and the revised National Aquaculture Plan highlight the importance of aquaculture research and development.

Similar emphasis is placed on this topic by the Cooperative States Research, Education, and Extension Service (CSREES) Program.

As former recipients of Sea Grant funding from the U.S. Department of Commerce (1970-80), and Small Business Innovation Research funds from several agencies (1982-present), we are fully aware of the difficulty the Congress faces each year in deciding which national research programs are of real merit to the country and should be funded. Now, as scientists who have become successful members of the seafood industry in California, please accept our sincere recommendation that this proposal would be of significant benefit to the growing aquaculture industry in the nation. We hope that the Committee will agree with us regarding the importance of the Regional Aquaculture Centers and continue to provide funding at the highest possible level.

We would be glad to provide more information if required.

Sincerely,



James M. Carlberg
President

Testimony Submitted to

U.S. HOUSE OF REPRESENTATIVES APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Prepared Statement by

KENNETH E. CLINE
CLINE TROUT FARMS, INC
5555 VALMONT ROAD
BOULDER, COLORADO 80301

MARCH 2008

Mr. Chairman and Members of the Subcommittee: My name is Kenneth Cline. I am president and owner of Cline Trout Farms, Inc. Cline Trout Farms, Inc. produces trout on small farms in Colorado and Nebraska and sells and distributes those trout to the recreation market in Colorado and neighboring states. I am a past-president of the National Aquaculture Association, the U.S. Trout Farmers Association, and the Colorado Aquaculture Association. I have served on the Industry Advisory Council for the Western Regional Aquaculture Center. I currently serve on the board of directors of the National Aquaculture Association.

Aquaculture is extremely important to the recreational fishing industry in the Western states. In Colorado alone, anglers spend over $1 billion on fishing and fishing related expenses such as equipment, transportation, food, lodging, licenses, guides, etc. Much

of that angling activity occurs on man-made impoundments or altered habitats that do not support adequate natural populations. Without fish there would be no fishing. Aquaculture provides the fish to support those recreational fisheries. The small, family fish farms that supply those fish have benefited from the research conducted through the Regional Aquaculture Centers.

Aquaculture is faced with the challenge of responding to environmental issues. The Western Regional Aquaculture Center has supported research on nutritional and feed requirements of native cutthroat trout to help enable the aquaculture industry utilize the native species in sensitive habitats. Other Western Regional Aquaculture Center research projects have helped develop feeds that reduce discharge of pollutants from aquaculture facilities. A current project is determining the constraints on the transport of live fish, hopefully resulting in greater efficiencies in transportation and resultant energy savings.

These examples demonstrate that the Regional Aquaculture Centers conduct research that industry can actually use. The Regional Aquaculture Centers develop research priorities through Industry Advisory Councils comprised of fish farmers and producers. Then the research objectives, suitability, and problem statements are developed with the assistance of researchers and other scientific technical experts. Research proposals are funded only if industry determines that the research products fulfill industry objectives. Research projects are monitored by industry throughout. This results in research that benefits and has application to the aquaculture industry.

Full funding of the Regional Aquaculture Centers at the $7.5 million level is needed. The small rural fish farms need the research funded through these Centers to help meet the challenges of the 21st century. The result will be more fish to support our recreational fishing economy.

Pursuant to Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, I hereby state that my business has received monies in the sum of $53,580 in each of the past two years pursuant to Contract No.FA7000-04-C-0023 to deliver live trout to stock lakes on the U.S. Air Force Academy. That contract continues for the current year. No other monies have been received.

Biographical Sketch
Kenneth E. Cline

TITLE: President

INSTITUTION: Cline Trout Farms, Inc.

ADDRESS: 5555 Valmont, Boulder, CO 80301

TELEPHONE/FAX/E-MAIL: phone: (303)442-2817, FAX: (303)443-2484, Email: clinetrout@aol.com

EDUCATION: M.S. Fisheries, Colorado State University, 1971
B.S. Fisheries, Colorado State University, 1968

EMPLOYMENT: 1971-1974, U.S. Air Force, C-130 pilot.

1974-1979, Cline Trout Farm, hatchery biologist.

1979-present, owner Cline Trout Farm, Inc.

PROFESSIONAL MEMBERSHIPS: American Fisheries Society (Fish Health Section, Fish Culture Section)

TRADE ASSOCIATIONS: National Aquaculture Association (Past President, Director 1992-present); U.S. Trout Farmers Association (Past President); Colorado Aquaculture Association (Past President).

OTHER: Member, Colorado Fish Health Board 1991-present; Member, Colorado Aquaculture Board 1991-present; Director, North Boulder Farmers Ditch Company 1985-present; Director, Longs Peak Water District 2004-present; Director, Flying X Ranch, Ltd 1985-2003.

Testimony Submitted to

U.S. HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Prepared Statement By

BILL DEWEY
TAYLOR SHELLFISH FARMS
SE 130 LYNCH ROAD
SHELTON, WASHINGTON 98584

March 2008

Mr. Chairman and Members of the Subcommittee: My name is Bill Dewey. I am the Public Affairs Manager for Taylor Shellfish Farms. This testimony is submitted to urge your support for funding the five Regional aquaculture Centers at the authorized level of $7.5 million.

Our company employs approximately 500 people farming and processing clams, oysters, and mussels. We culture shellfish on approximately 9,000 acres of tidelands across Washington State and have recently expanded into British Columbia. We also have a hatchery/nursery facility in Kona, Hawaii. I am on the Board of the Pacific Shellfish Institute (PSI) and past president of the Pacific Coast Oyster Growers Association. I serve on the Ecosystem Coordination Board of a new Washington State agency, the Puget Sound Partnership. In 2006 I was appointed by Commerce Secretary Gutierrez to serve on NOAA's Marine Fish Advisory Committee. I am also on the Industry Advisory Council for USDA's **Western Regional Aquaculture Center (WRAC)** which is housed at the University of Washington in Seattle.

I have been professionally involved in shellfish aquaculture for over 26 years and I am familiar with all aspects of growing, harvesting, processing, and marketing shellfish. From my involvement on the PSI Board and the WRAC Industry Advisory Council I am also knowledgeable of industry research needs and priorities.

The continued growth and success of the shellfish culture industry hinges on our ability to do crucial research in areas such as disease, genetics, integrated pest management, harmful algae blooms, human health issues, marketing and the ecological impacts associated with our culture systems. The USDA Regional Aquaculture Centers support this critical research as well as extension of the results to the industry. The process used by the Regional Aquaculture Centers to select priority projects and monitor research progress assures quality applied research of immediate benefit to the aquaculture industry.

Recommendation 22-3 from the report of the U.S. Commission on Ocean Policy calls for expanded marine aquaculture research, development, training, extension, and technology transfer, including a socioeconomic component. The National Offshore Aquaculture Act currently being debated by Congress calls for additional aquaculture research as does NOAA's Ten Year Plan for Marine Aquaculture. USDA's Regional Aquaculture Centers are an outstanding resource which can contribute significantly to these research needs and could do more yet if they were fully funded at their authorized level. Since their inception they've been essentially level funded at approximately half of their authorized level. With inflation this has resulted in a significant erosion of actual dollars available to do this critical research.

Aquaculture internationally is growing at an average rate of 10% per year. In the United States aquaculture's annual growth is only 1% yet still it is the fastest growing segment of US agriculture. Successful aquaculture directly offsets the seafood trade deficit. In rural coastal areas it provides critical employment to areas where there have been severe loses in timber and fishing jobs. In two rural Washington State counties the shellfish industry is the second largest private employer pumping millions of dollars into their economies. Clearly there is much to be gained by continued growth in the aquaculture industry. I urge your support for funding the five Regional aquaculture Centers at the authorized level of $7.5 million.

Thank you for the opportunity to provide testimony in support of this very important appropriation.

Pursuant to Clause 2(g)(4) of Rule Xi of the Rule of House of Representatives I hereby provide the following information regarding Federal grant monies I have received: FY2000-FY2002 Department of Commerce award # NA07RG0541 to the Pacific Coast Shellfish Growers Association for Developing Environmental Codes of Practice for the Pacific Coast Shellfish Industry.

Bill Dewey
Taylor Shellfish Company, Inc.
130 SE Lynch Road
Shelton, WA 98584
Direct line: (360) 432-3334
Cell: (360) 790-2330
Fax: (360) 432-3344
Email: billd@taylorshellfish.com

Occupational History

Public Affairs Manager, Taylor Shellfish Company, Inc. (July 1994 - present).
Owner/Manager, Chuckanut Shellfish, Inc. (February 1991 - present)
Manager, Taylor Resources, Inc. Samish Bay Shellfish Farm (July 1991 - July 1994)
General Manager, Rock Point Oyster Co., Inc. (November 1983 - July 1991)

Organization Participation

Puget Sound Partnership, Ecosystem Recovery Board (10/1/2007 – present)
Pacific Shellfish Institute, Board (1995 – present, President 1995-2007)
Pacific Coast Shellfish Growers Association, Government Relations Committee (1998 – present)
National Aquaculture Association, Board of Directors (2001 - present)
NOAA Marine Fisheries Advisory Committee (December 2005 - present)
Western Regional Aquaculture Center, Industry Advisory Council (2001 - present)
Mason County Planning Advisory Commission, Chairman (2002 – present)
Pacific Aquaculture Caucus, Board of Directors (2000 - present)
Skagit Conservation Education Alliance, Board (2002 – present)
Interstate Shellfish Sanitation Conference, Executive Board, (1998 - 2007)
Puget Sound Council (1996 - 2007)
U.S. Delegation Codex Committee on Food Additives and Contaminants – technical advisor (2003 – 2005)
National Academy of Sciences, Committee on Non-native Oysters in the Chesapeake Bay (2002-03)
National Marine Aquaculture Task Force – Woods Hole Oceanographic Institute/PEW (2005 – 2006)
Board of Directors, People for Puget Sound (1992 - 1998)
Pacific Coast Oyster Growers Association, President (1988 - 1989)

Education

Bachelor of Science, University of Washington, School of Fisheries (1981)
Undergraduate study, University of New Hampshire (1977- 1978)
Washington Ag Forestry Leadership Training Program – Class XIX (1997-1998)

During his twenty-five plus years as a shellfish farmer in Washington State, Bill has taken an active role shaping public policy as it affects the shellfish culture industry. Through his involvement with the Pacific Shellfish Institute for over thirteen years, Bill has worked with the west coast industry to establish goals, prioritize research needs to achieve them and secure funding to accomplish the prioritized research. On March 29, 2006 Bill was awarded the David H. Wallace award from the National Shellfisheries

Association. It recognizes Bill for his "long and dedicated service in promoting research, understanding and cooperation among shellfish scientists, culturists, managers, producers and regulators." In 2005 he was appointed to NOAA's Marine Fisheries Advisory Committee. Aside from his full time work as Manager of Public Affairs for Taylor Shellfish Company, Bill, and his wife Joyce have developed a number of innovative culture methods and a mechanical harvester for manila clams on their own shellfish farm in Samish Bay.

Written Testimony By:
Phyllis Greenberger, MSW: President and CEO, Society for Women's Health Research and
Jeanne Becker, Ph.D.: Chair, Women's Health Research Coalition

Before the House Appropriations Committee, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
March 18, 2008
Submitted for the Record

On the behalf of the Society for Women's Health Research and the Women's Health Research Coalition, we are pleased to submit testimony in support of increased funding for the Food and Drug Administration (FDA), and more specifically for the Office of Women's Health, a critical focal point within the Agency on women's health.

The Society is the only national non-profit women's health organization whose mission is to improve the health of women through research, education, and advocacy. Founded in 1990, the Society brought to national attention the need for the appropriate inclusion of women in major medical research studies and the need for more information about conditions affecting women disproportionately, predominately, or differently than men.

The Coalition was created by the Society in 1999 to give a voice to scientists and researchers from across the country that are concerned and committed to improving women's health research. The Coalition now has more than 650 members, including leaders within the scientific community and medical researchers from many of the country's leading universities and medical centers, as well as leading voluntary health associations, and pharmaceutical and biotechnology companies.

The Society and the Coalition are committed to advancing the health status of women through the discovery of new and useful scientific knowledge. We strongly believe that appropriate funding of the FDA by Congress is absolutely critical for the Agency to be able to maintain basic functions and to assure the American public of the safety of our food and drugs. Unfortunately, the present state of the FDA does not permit for scientific growth or adequate food and drug protection. In reality, the FDA infrastructure is failing and it cannot prepare for the future as it is still trying to catch up from the past. It has been chronically under funded and lacks strength in areas needed most, specifically information technology (IT). The Administration's current proposed budget of $1.72 billion, a $50 million increase for FY 2009 does not even begin to address the major short falls of the FDA. Therefore, the Society urges Congress to provide the FDA with an increase of $380 million, bringing the FDA's FY 2009 budget to $2.1 billion. This increase in funding would be a major stepping stone for the FDA to start rebuilding its infrastructure so it may provide citizens with the food and drug protection promised in its mission, and begin to address the shortage of resources and failing IT systems.

In addition, many Offices and Centers within the FDA have suffered under the chronic underfunding. The Office of Women's Health (OWH) is one such example. To address years of

flat funding, we recommend that Congress increase funding for OWH. OWH's women's health programs, often conducted with the Agency centers, are necessary if we are to maintain any focus on women's health within the FDA. They are critical to improved care and increased awareness of disease-specific impacts to women. OWH endeavors to ensure, for example, that sex and gender differences in the efficacy of drugs (such as metabolism rates), devices (sizes and functionality) and diagnostics are taken into consideration in reviews. Therefore, we strongly urge Congress to support a $6 million budget for OWH for FY 2009 within the budget for the FDA. In addition, we also recommend that the current budget is not only increased in the future, but should also never be less than the Administration's current proposed budget of $5 million for FY 2009.

FDA Information Technology Systems

Under recent evaluation by the Science Board to the FDA, the FDA's IT systems were found to be inefficient and incapable of handling the current demands placed on the Agency, thus preventing the FDA from fulfilling its mission to protect its citizens. Equipment is outdated, often unsupported by maintenance, and regularly breaks down. While 83% of the budget goes towards workforce support, IT is privately contracted out to keep costs lower. The IT system simply cannot keep up with current scientific data and market trends, and will only continue to worsen as server age beyond usefulness increases, and serviceability and email networks fail multiple times per day for a system that needs to function 24/7.

The antiquated nature of the IT systems makes the agency unable to conduct safety analyses for product marketing applications, track the natural history and disease models for rare disorders, and access huge amounts of clinical data. In addition, one central database does not exist, therefore the system cannot query a centralized repository for all relevant facts about a certain product including where, when and how the product was made. There is a desperate need to create one single database for all relevant information to be stored across agencies, so as to maximize functionality not only of FDA but of expected research and analysis needed by the American public.

Estimations have shown that it would take $200 million ($40 million/year) over the course of 5 years to begin the process of improving the IT system. However, with the Administration's proposed FY 2009 budget of only $50 million for the entire agency, this update will be close to impossible. It is up to Congress to address the shortfall to the FDA and provide it a $380 increase to begin IT transformation among many other improvements.

Office of Women's Health

The Office of Women's Health (OWH) at the FDA, established in 1994, plays a critical role in women's health, both within and outside the Agency, supporting sex- and gender-based research, areas in which the Society has long been a proponent. OWH provides scientific and policy expertise on sex and gender sensitive regulatory and oversight issues; endeavors to correct sex and gender disparities in the areas for which the FDA is responsible – drugs, devices, and biologics; and monitors women's health priorities, providing both leadership and an integrated

approach across the FDA. Despite inadequate funding, OWH provides all women with invaluable tools for their health.

With little difficulty, OWH exhausts its tiny budget each year. For the previous 5 years, OWH had been provided a flat budget of $4 million. That is, in essence, a decrease due to required federal cost of living adjustments, benefit cost increases and other related issues. Despite this squeeze, the office has managed to advance its mission both within the Agency and externally through it research grants, drug and disease pamphlets and outreach programs. OWH's pamphlets are the most requested of any documents at the government printing facility in New Mexico. (More than 3.5 million pieces are distributed to women across the Nation including target populations such as Hispanic communities, seniors and low income citizens.)

Despite the $1 million increase the OWH received for FY 2008, it has been flat lined for FY 2009. The OWH is in desperate need of increased funding so that it may not only continue work on current projects, but also expand for the future.

It is absolutely critical for Congress to take action now to help preserve the vital functions of OWH.

Since its beginning, OWH has funded high quality scientific research to serve as the foundation for Agency activities that improve women's health. To date, OWH has funded over 100 research projects with approximately $15.2 million intramural grants, supporting projects within the FDA that address knowledge gaps or set new directions for sex and gender research. Extramural contracts leverage a wealth of expertise and other resources outside the FDA to provide insight on regulatory questions pertinent to women's health. All contracts and grants are awarded through a competitive process. A large number of these studies are published and appear in peer reviewed journals.

OWH funds research to more fully understand heart disease in women. Despite being the number one cause of death, women with heart disease face misdiagnosis, delayed diagnosis, under-treatment, and mistreatment due to their under-representation in heart-related research studies. Extramural research funded by OWH is looking into the use of coronary stents in women and problems associated with breast interference in interpretation of heart catherization studies. Most recently, they participated in a Sister-2-Sister Women's Heart Day conference in Washington, DC.

As part of its educational outreach efforts to consumers, OWH continues to work closely with women's advocacy and health professional organizations to provide clarity on the results of the Women's Health Initiative. Due to OWH efforts, an informational fact sheet about menopause and hormones and a purse-sized questionnaire to review with the doctor were distributed to national and local print, radio, and Internet advertisements. OWH's website received over three million hits to download campaign materials. This website provides free, downloadable fact sheets on over 40 different illnesses, diseases, and health related issues.

In addition, OWH has completed medication charts on seven chronic diseases. These are unique within the Agency. These charts list, in one place, all the medications that are prescribed and

available for each disease. Again, the information is available on the website and is ideal for women to use in talking to their doctors, pharmacists or nurses about their treatment options.

OWH continues to improve the health of women through new research initiatives. Most recently, they have conducted projects addressing the participation of women and racial minorities in clinical trials for diabetes mellitus medications. They have collaborated with Pharmacy Choice, Inc. to create a web portal solely dedicated to FDA consumer health education materials, providing access to fact sheets and medication guides.

As a result of the FDA antiquated IT system, combined with the inability to keep pace with IT needs due to budget constraints, the OWH has been unable to conduct much needed data analysis on women's health and sex-related differences. This effort originally started in 2001, when the Society submitted testimony on behalf of the OWH in support of a centralized FDA database to coordinate clinical trial oversight, monitor the inclusion of women in clinical trials, oversee the parameters of informed consent, and identify health provider training needs. As a result of Society efforts and this Committee's commitment, in 2002 Congress provided the OWH with funds to develop an agency-wide database focused on women's health activities to include demographic data on clinical trials. OWH did begin developing this database, now known as the "Demographic Information and Data Repository," to review clinical studies, enhance product labeling, identify knowledge gaps, and coordinate data collection. While $500,000 was granted for this project, the OWH was unable to design a system to communicate with the current IT system and could not access data that remained in a paper/manual process. The reason for this and other projects failures is attributed to the severely inadequate IT system at the FDA.

Currently, the FDA receives large volumes of information in applications from drug manufacturers for review and evaluation. The FDA reviewers must manually comb through the submitted drug trial reports and digital data in as many as twelve formats to evaluate a new drug's safety and effectiveness. With no uniform system or database, reviewers must handpick sex, age, and ethnicity information manually from stacks of paper reports and craft their own data comparisons. This is time consuming, makes the review process less efficient, is error-prone and delays access to important information.

Scientific and medical advances are occurring rapidly and the public needs and deserves access to the most recent and accurate information regarding their health. Therefore, in order to fully capitalize on the potential of the data warehouse and the resulting wealth of information, we urge Congress to commit $1 million to OWH for the Demographic Information and Data Repository. It is time for us all to recognize that the Agency must utilize up-to-date information technology and that it sorely needs the resources to maintain them.

Scientists have long known of the anatomical differences between men and women, but only within the past decade have they begun to uncover significant biological and physiological differences. Sex differences have been found everywhere from the composition of bone matter and the experience of pain, to the metabolism of certain drugs and the rate of neurotransmitter synthesis in the brain. Sex-based biology, the study of biological and physiological differences between men and women, has revolutionized the way that the scientific community views the sexes, with even more information is forthcoming as a result of the sequencing of the X

chromosome. The evidence is overwhelming, and as researchers continue to find more and complex biological differences, they are gaining a greater understanding of the biological and physiological composition of both sexes.

Much of what is known about sex differences is the result of observational studies, or is descriptive evidence from studies that were not designed to obtain a careful comparison between females and males. The Society has long recognized that the inclusion of women in study populations by itself was insufficient to address the inequities in our knowledge of human biology and medicine, and that only by the careful study of sex differences at all levels, from genes to behavior, would science achieve the goal of optimal health care for both men and women. Many sex differences are already present at birth, whereas others develop later in life. These differences play an important role in disease susceptibility, prevalence, time of onset and severity and are evident in cancer, obesity, heart disease, immune dysfunction, mental health disorders, and other illnesses. Physiological and hormonal fluctuations may also play a role in the rate of drug metabolism and effectiveness of response in females and males. This research must be supported and encouraged.

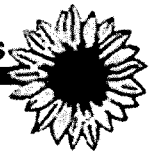
Building upon sex differences research, the Society encourages the establishment of drug-labeling requirements that ensure labels include language about differences experienced by women and men. Furthermore, we advocate for research on the comparative effectiveness of drugs with specific emphasis on data analysis by sex. When available, this information should be on labels.

Our country's drug development process has succeeded in delivering new and better medications to ensure the health of both women and men. However, there is no requirement that the data acquired during research of a new drug's safety and effectiveness be analyzed as a function of sex or that information about the ways drugs may differ in various populations (e.g., women requiring a lower dosage because of different rates of absorption or chemical breakdown) be included in prescription drug labels and other patient educational and instructional materials.

The Society believes the opportunity is now before us to communicate sex differences data discovered from clinical trials to the medical community and to consumers through drug labeling and packaging inserts and other forms of alerts. As part of advancing the need to analyze and report sex differences, the Society encourages the FDA to continue adequately addressing the need for accurate drug labeling in order to identify important sex and gender differences, as well as to ensure that appropriate data analysis of post-market surveillance reporting for these differences is placed in the hands of physicians and ultimately the patient.

In conclusion, Mr. Chairman, we thank you and this Committee for its strong record of support for the FDA and women's health and your commitment to OWH. We recommend that you increase the overall FY09 budget for the FDA by $380 million, so that it may dramatically improve upon current operations while also rebuilding its IT infrastructure. Secondly, we urge you to allocate $6 million for the Office of Women's Health for FY 2009, and to ensure that future budget appropriations for the OWH are never below current funding levels. We look forward to continuing to work with you to build a healthier future for all Americans.

STATE ASSOCIATION OF KANSAS WATERSHEDS



Testimony of
Herbert R. Graves Jr.
Executive Director, State Association of Kansas Watersheds

Presented to the
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD & DRUG ADMINISTRATION, AND RELATED AGENCIES

of the
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
MADAM CHAIR AND MEMBERS OF THE SUBCOMMITTEE:
March 26, 2008

MADAM CHAIR AND MEMBERS OF THE SUBCOMMITTEE: Another year rolls around and here we are back again asking for your support in restoring funds to the PL-566 watershed program.

USDA decides each year that the watershed programs they administer through NRCS do not warrant consideration for funds in the proposed budget. USDA/NRCS knows there are justifiable projects that need to be funded because each year NRCS at the state office level submits there needs for the coming fiscal year to the national headquarters. For FY 2008 the Kansas NRCS state office submitted a request for $3.9million for the watershed programs. Nationally $146 million was requested. Kansas received only $117,000 from their request.

Seems strange and somewhat perplexing that the above requests are asked for after the proposed budget is submitted to congress. Just so it is understood, the FY 2009 budget was sent to congress in early February. NRCS makes the FY2009 funding requests to their national office 4 months later. Please would someone ask USDA/NRCS why this happens. I have asked our local NRCS state office and I get blank stares from some very frustrated folks.

Representatives of USDA/NRCS will once again come before your committee and give their normal reasons for zero funds proposed in the watershed budget. Such things as earmarked funds and low priority programs will be the top reasons given. The committee members need to ask those before them why the states' requests are being ignored. It is my belief that earmarks for the watershed program would be a thing of the past if only

USDA would listen to their people and submit a budget that reflects what is being asked for.

The fact remains Congress will do what it can to restore funds to the watershed program for FY2009. The program remains beneficial, cost affective, and justifiable. We very much appreciate the effort that is made each year by this committee. Even though USDA/NRCS fails to recognize the fact, protection of our irreplaceable farmland is still a high priority in America's heartland.

SAKW requests support to fund the PL-566 program nationally at:

$35 million for Watershed Planning
$190 million for Watershed Operations
$75 million for Rehabilitation of Aging Watershed Dams

Respectfully submitted by:

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Written Statement of the
Sustainable Agriculture Coalition
Submitted to the
Subcommittee on Agriculture, Rural Development, FDA and Related Agencies
U.S. House of Representatives
March 2008

Thank you for the opportunity to present our funding requests for the fiscal year 2009 Agriculture, Rural Development, FDA and Related Agencies appropriations bill.

The Sustainable Agriculture Coalition is an alliance of national, regional, and local grassroots farm, rural, and conservation organizations that together advocate for public policies that support the long-term economic, social, and environmental sustainability of agriculture, natural resources, and rural communities.[1] Through our member organizations, we work with and represent thousands of farmers and other rural citizens who are engaged in creating a more sustainable farm and food system.

As you begin work on the fiscal year 2009 appropriations bill, we want to applaud the Subcommittee for reversing many of the damaging proposals made in the USDA budget request for FY 08 in conservation, research, marketing, and rural development. We also welcome the Subcommittee's decision in the current fiscal year bill to keep cuts to a minimum for mandatory farm bill conservation, research, and rural development programs. We remain tremendously disheartened by the nearly $6 billion that has been gutted from mandatory conservation spending since passage of the 2002 Farm Bill, with the majority of cuts coming through regular and emergency supplemental appropriations bills and some by way of budget reconciliation. While the absolute amount is greatest for conservation, the limitations on mandatory spending in research and rural development have been even greater on a percentage basis. Over a third of total mandatory spending in conservation, rural development, and research has been cut and reallocated to other uses, despite the underlying programs being meritorious and greatly oversubscribed. We, therefore,

[1] Our member organizations include: the Agriculture and Land Based Training Association, American Natural Heritage Foundation, California FarmLink, C.A.S.A. del Llano (Communities Assuring a Sustainable Agriculture), Center for Rural Affairs, Community Alliance with Family Farmers, Dakota Rural Action, Delta Land and Community, Inc., Ecological Farming Association, Future Harvest/CASA (Chesapeake Alliance for Sustainable Agriculture), Illinois Stewardship Alliance, Institute for Agriculture and Trade Policy, Iowa Environmental Council, Iowa Natural Heritage Foundation, Izaak Walton League, Kansas Rural Center, Kerr Center for Sustainable Agriculture, Land Stewardship Project, Michael Fields Agricultural Institute, Michigan Integrated Food and Farming Systems, Michigan Land Use Institute, Midwest Organic and Sustainable Education Service (MOSES), The Minnesota Project, National Catholic Rural Life Conference, National Center for Appropriate Technology, Northern Plains Sustainable Agriculture Society, Ohio Ecological Food and Farm Association, Organic Farming Research Foundation, Pennsylvania Association for Sustainable Agriculture, Practical Farmers of Iowa, Rural Advancement Foundation International-USA, Sierra Club Agriculture Committee, Washington Sustainable Food and Farming Network, and the Union of Concerned Scientists (Food and Environment Program).

encourage you to continue the practice started in the FY 08 bill of being modest and discriminating in limitations to mandatory spending.

CSREES Programs

1. Sustainable Agriculture Research and Education (SARE) Program. We urge you to support an appropriation of **$20 million in FY 09** for the SARE competitive grants program, divided between **research and education grants ($15 million) and extension and professional development grants ($5 million)**. SARE is a regionally-delivered national competitive grants program that funds farmer-driven, outcome-oriented research, education, and outreach on agricultural production practices and market-based initiatives that are environmentally sound and profitable for farmers and ranchers and their communities. The program is responsible for many of the systems and practices being utilized by farmers today to farm in concert with the environment while increasing farm income and providing consumers with high quality nutritious foods. With continued and enhanced investment, the program will help create a more sustainable farm and food system for a new generation of farmers and consumers.

We applaud the Subcommittee for increasing the SARE budget in FY 08. After 4 years of repeated small cuts, the increase could not have come at a more important moment, as the program is now in its 20th year of operation and demand for the program continues to grow. While we truly hoped the program would reach $20 million for the 20th year, we also truly appreciate the increase to $19 million in FY 08.

We urge you to reject the President's FY 09 proposal to severely cut program funding to 20% below the lowest level of funding the SARE program has received in the last 5 years and urge the subcommittee to provide an increase from $19 million to $20 million in FY 09. Over the next few years, we strongly urge an increased commitment to SARE in the context of a more balanced approach to overall competitive grants funding and consistent with sustainable agriculture's expanding role within our food and farming system and with the program's award-winning and cost-effective delivery of services.

2. Organic Research. Although the organic share of the domestic food retail market is currently approaching 4%, USDA spent a little less than 1.5% of its total research budget on organic research in FY 07, representing just the first time USDA spending on organic research reached above 1%. Despite this discrepancy, the President's FY 09 budget proposes zero funding for the two main organic research programs -- the Organic Agriculture Research and Extension Initiative (OREI) and the Organic Transitions Program (ORG).

At this writing, it appears likely that OREI will continue to receive mandatory funding in the 2008 Farm Bill, in which case we ask that the Subcommittee protect that funding level and reject any limitation provisions. On the other hand, if the program does not continue to receive mandatory funding, we urge you to provide discretionary funding. The Organic Transitions Program is not dependent upon the outcome of the Farm Bill and relies on appropriations. We urge the committee to include **$5 million in FY 09** for Organic Transitions Research. The combined funding would still be far short of a fair share for organic research, but would constitute a strong movement in the right direction.

Furthermore, we oppose the President's request to transfer most **Section 406 integrated program activities**, including Organic Transitions, into the National Research Initiative (NRI). While we

support expanding resources for the NRI and increasing the NRI's attention to integrated programs, we do not believe ending important existing integrated programs in water quality, organic transition, pest management, and other topics and simply consolidating them at NRI without a clear plan for enhancing these program functions is good policy or good process.

3. National Research Initiative (NRI). We strongly support the President's request to increase from 22% to 30% the set-aside within the NRI competitive grants program for integrated and applied research supporting the goals and priorities of the Initiative for Future Agriculture and Food Systems (IFAFS). We support a funding increase in the NRI provided that the percentage for integrated projects consistent with IFAFS is raised to at least **30 percent**.

4. Beginning Farmer and Rancher Development Program (BFRDP). The BFRDP was authorized in the 2002 Farm Bill but unfortunately, to date, has not received any appropriations. The House version of the 2008 Farm Bill would provide the program with $15 million in annual mandatory funding. If the House prevails in conference, we urge you to protect this vital new program and keep it clear of limitation provisions. If, however, mandatory funding is not provided in the Farm Bill, we urge you to provide the program with significant discretionary funding.

New farm entry rates have decreased dramatically and there are twice as many farmers over the age of 65 than under the age of 35. The BFRDP, a competitive grants program supporting education, extension, and technical assistance initiatives directed at new farming opportunities, can help address these challenges. The BFRDP supports collaborative local, state, and regionally-based networks and partnerships to supply financial and entrepreneurial training, mentoring and apprenticeship programs, "land link" programs, and education and outreach activities to assist beginning farmers and ranchers, including targeted funds for socially disadvantaged producers. The program would be the very first program for beginning farmers at USDA other than debt financing credit programs.

5. Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers (Section 2501). For the past 16 years, the Section 2501 program has provided much-needed technical information and training to socially disadvantaged farmers and ranchers. Since its inception, the program has served more than 100,000 rural constituents in more than 400 counties and has effectively reduced the decline in the number of minority farmers. In spite of this success, and a 2002 Farm Bill authorization of $25 million per year, the program has never received more than $7 million in funding in any one year. As a result, many farmers who qualify for assistance under the program have been unable to receive it. For FY09, we recommend **$10 million** in funding for Section 2501. The House version of the 2008 Farm Bill would provide the program with $15 million in annual mandatory funding. If the House prevails in conference, we urge you to protect that funding level.

6. Rural Entrepreneurship Education and Enterprise Facilitation Program. The 2008 Farm Bill will likely include a new program subject to appropriations to provide educational resources and services to rural areas to foster entrepreneurial strategies to rural development, with the stated goal of creating jobs, spurring community innovation, and increasing the start-up rate and reducing the failure rate of small businesses. With a goal of creating entrepreneurial networks, providing technical training, and conducting applied research, the program will also provide a complement to the Rural Mircoenterprise Assistance Program, which seeks to target specific individuals who have already opened a small business, or are poised to do so. We urge the committee to fund this program at **$4 million for FY 09**.

AMS Programs

1. Farmers' Market Promotion Program (FMPP). The FMPP provides grants on a competitive basis to agricultural cooperatives, local governments, non-profits, economic development corporations and other entities to establish, expand, and promote local farmers markets and other forms of direct farmer-to-consumer markets. Prior to FY 06, AMS resources for direct marketing were limited to technical assistance, with no financial assistance available to expand direct farmer-to-consumer links that increase farm profitability, consumer health and well being, and community development. Bipartisan support for this program resulted in Congress providing $1 million in first-year funding for FY 06, and the same for both FY 07 and FY 08. In just its first year of funding, the program received 367 applications for grants totaling $19.9 million. An allocation of **$5 million in FY 09** will begin to fill a major gap in marketing assistance and help complete the AMS direct marketing toolbox. It is also quite possible that the 2008 Farm Bill will provide mandatory funding of an equivalent amount, in which case we urge you to protect that funding and to not limit it in any way.

Farm Service Agency

Direct Farm Ownership and Direct Operating Loans. Direct loans play a very significant role in helping beginning farmers and ranchers get established in agriculture and deserve continuing support. The pending 2008 Farm Bill will modernize and update the loan limitation level for both types of loans and also create a parallel increase in the authorization for appropriation in order to not have the per loan limit increase shrink the number of borrowers served. The new Farm Bill will also include expansion and improvement of the conservation loan program, a provision sponsored by the Chair of this Subcommittee. In light of those changes in the Farm Bill, we strongly urge you to adopt a program funding level of **at least $300 million for ownership loans and $650 million for operating loans for FY 09.**

Natural Resources Conservation Service Programs

1. Conservation Stewardship Program (CSP). In our view, the CSP is the most important and innovative of all agricultural conservation programs. The CSP is crucial to agriculture's world trade agreement objectives and to equalizing support across the whole range of US agriculture and orienting that support to the public good. The CSP correctly focuses attention on working farm and ranch land conservation, and emphasizes conservation systems that also maximize off-farm environmental benefits.

The CSP has unfortunately been made subject to limitation provisions in previous appropriations bills as well as in supplementals and in budget reconciliation. We thank you for allowing the program to move forward in FY 08 without a limitation. We urge you to continue in that new pattern and to reject the President's FY 09 request to return to a limitation on mandatory spending which in this case would cut the program by $141 million. We strongly recommend that the CSP not suffer any limitations in FY 09 and be allowed to fulfill its promise without any further appropriation restrictions throughout the term of the new farm bill cycle.

2. Wetlands Reserve Program (WRP). The 2008 Farm Bill will reauthorize the WRP and provide it with a new mandatory-funded acreage cap. We hope the Farm Bill will continue to provide sufficient resources to enroll 250,000 acres of restored wetlands each year. We also hope and urge the Subcommittee to allow the program to move forward without limitations on the

mandatory funding provided by the Farm Bill. The WRP is the frontline in the nation's efforts to achieve no-net-loss or hopefully positive wetland and associated habitat and water quality and conservation gains.

Rural Business Cooperative Service Programs

1. Appropriate Technology Transfer for Rural Areas (ATTRA) Program. We recommend **$3 million in FY 09**, a slight increase over the $2.6 million the program received in FY 08. Originally authorized as part of the research title of the 1985 Farm Bill and about to be newly authorized in the 2008 Farm Bill, ATTRA provides readily accessible sustainable and organic farming information to farmers and ranchers nationwide. ATTRA' professional staff answers a wide variety of agronomic, livestock, marketing, and entrepreneurial questions from farmers and ranchers. ATTRA launched a National Farm Energy Initiative in 2006 to help farmers better understand how they use energy, and how to best manage energy use to reduce operating costs. Modestly increasing ATTRA's funding will ensure the Energy Initiative continues to provide efficient, accurate, and timely information to farmers seeking to increase agriculture-based energy sources, and create sustainable economic growth in their communities.

2. Value-Added Producer Grants Program (VAPG). We urge you to support funding in FY 09 for the VAPG program at the **$40 million** level provided by the 2002 Farm Bill or whatever mandatory funding level is provided in the 2008 Farm Bill. If mandatory funding is not provided through the 2008 Farm Bill, we urge you to provide discretionary funding at no less than $30 million.

The VAPG is a competitive grants program administered by the Rural Business Cooperative Service. The program makes grants to producers and producer-owned entities to develop value-added businesses and thereby enhance farm income, rural self-employment opportunities, local economic development, better consumer food choices, and natural resource protection. Value-added products include those converted from raw products through processing to increase market value through higher prices, expanded markets, or both. Products are also considered value-added if they possess incremental value resulting from inherent attributes such as geographical location of production, environmental stewardship, food quality or safety, or seek to communicate these attributes through labeling or certification activities.

3. Rural Microenterprise Assistance Program. The Rural Microenterprise Program is very likely to be authorized in the 2008 Farm Bill, and may also receive mandatory funding. We urge the subcommittee to fund this program at **$10 million in FY 09** should the Farm Bill fail to provide mandatory funding. The program would provide technical and financial assistance to rural "micro-enterprises" -- especially economically disadvantaged entrepreneurs not otherwise able to access credit. The program would provide direct training and technical assistance as well as low interest loans and grants to individuals currently operating, or seeking to operate, small businesses. Commonly recognized as the single most effective method of promoting rural economic development, small business growth will be supported through targeting individuals who have already opened a small business or are poised to do so.

For further information or questions, please contact Ferd Hoefner or Zach Baker at the Sustainable Agriculture Coalition, 202-547-5754.

Statement of
Walter B. McCormick, Jr., President and CEO
UNITED STATES TELECOM ASSOCIATION
before the UNITED STATES HOUSE OF REPRESENTATIVES
Committee on Appropriations
Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies
March 18, 2008

SUMMARY OF REQUEST

PROJECT INVOLVED:

Telecommunications Loan and Grant Programs Administered by the Rural Utilities Service of the U.S. Department of Agriculture.

ACTIONS PROPOSED:

- Supporting RUS loan levels and the associated funding subsidy, as required, for the 5% direct loan program ($145 million) and cost of money program ($250 million) in FY 2009 in the amounts requested in the President's budget.
- Supporting Section 306 guaranteed loans in the amount ($295 million) requested in the President's budget.
- Supporting the President's budget request of $297,923,000 and the associated funding subsidy, as required, for broadband telecommunications loans.
- Continuation of the general provision contained in previous appropriations acts that would prohibit RUS from drafting or implementing any regulation or rule requiring recertification of rural status for telephone borrowers.
- Supporting the continued elimination of the 7% cap on cost of money loans.
- Supporting continued funding, as requested in the President's budget, in the amount of $20 million for telemedicine and distance learning grants in rural areas.
- Seeking language strengthening and improving the operation of the broadband loan program in the Committee Report accompanying the bill.
- Supporting provision of sufficient funds for staff, including legal staff, to properly administer the telecommunications and broadband programs.

I am Walter B. McCormick, Jr., President and CEO of the United States Telecom Association (USTelecom). I submit this testimony in the interests of the members of USTelecom and the customers they serve. USTelecom represents innovative companies ranging from the smallest rural telecoms in the nation to some of the largest corporations in the U.S. economy. Our member companies offer a wide range of services across the communications landscape, including voice, video and data over local exchange, long distance, Internet and cable networks.

USTelecom members firmly believe that the targeted assistance offered by a strong RUS telecommunications loan and grant program remains essential to a healthy and growing rural telecommunications industry that contributes to the provision of universal telecom service. We

appreciate the strong support this Committee has provided for the RUS telecom program since its inception in 1949 and look forward to a vigorous program for the future.

RURAL AREAS NEED ACCESS TO BROADBAND SERVICE

Access to a reliable source of capital such as the RUS loan programs is key to the system upgrades which will enable rural areas to experience the economic growth and job creation that a freely competitive market with ready access to fairly priced capital can provide.

It is critically important that rural areas be included in the nationwide drive for greater bandwidth capacity. In order to provide higher speed services, outside plant must be modernized to accommodate technologies such as Digital Subscriber Line (DSL) or even fiber optic connections to the Internet, and switching must be migrated to new platforms. These investments may not be justified by market conditions in low density high cost rural areas, so the RUS program provides important financial incentives for additional investment which encourages rural telecommunications companies to build facilities which allow advanced services, including distance learning and telemedicine, to be provided. The externalities measured in terms of economic development and human development more than justify this investment in the future by the federal government.

Greater bandwidth and packet switching capabilities are crucial infrastructure elements which will allow rural businesses, schools and health care facilities to take advantage of the other programs available to them as end users. The money spent on having the most modern and sophisticated equipment available at the premises of businesses, schools or clinics is wasted if the local telecommunications company cannot afford to build facilities that quickly transport and switch the large amounts of voice, video and data that these entities generate. RUS funding enhances the synergies among the FCC and RUS programs targeted at improving rural education and health care through telecommunications.

RUS endures because it is a brilliantly conceived public-private partnership in which the borrowers are the conduits for the federal government benefits that flow to rural telecom customers, the true beneficiaries of the RUS program. The government's contribution is leveraged by the equity, technical expertise and dedication of local telecom companies. The small amount of government capital involved is more than paid back through a historically perfect repayment record by telecom borrowers, as well as the additional tax revenues generated by the jobs and economic development resulting from the provision and upgrading of telecommunications infrastructure. RUS is the ideal government program -- it provides incentives where the market does not for private companies to invest in infrastructure promoting needed rural economic development, it allows citizens to have access to services which can mean the difference between life and death, and **it has never lost a nickel of taxpayer money because of a telecom carrier default.**

RECOMMENDATIONS

For fiscal year 2009, this Committee should set the loan levels and necessary associated subsidy

amounts for the 5% direct loan program and cost of money loan programs consistent with the levels recommended in the President's budget. The guaranteed telecommunications loan program should also be funded at the level requested in the budget.

Congress and the President have recognized the tremendous potential of broadband technology to enhance human and economic development in rural areas by establishing as a priority loans for the deployment of such technology in rural areas. USTelecom urges the provision of funding for these loans sufficient to support $297,923,000, the amount recommended in the President's budget. The capital intensive nature of the telecommunications industry, particularly with respect to implementation of broadband, requires a stable and predictable source of funds. Congress should be lauded for its recognition of the importance of broadband deployment to our nation's economy and particularly for the recognition, through support of the RUS program, of the tremendous impact broadband telecommunications can have on economic growth and development in rural America.

Congress Should Adopt the Farm Bill, H.R. 2419, to Improve the Efficiency and Effectiveness of the Broadband Program – Both the House and Senate versions of the Farm Bill better target the scarce resources dedicated to extending broadband deployment to high cost rural areas. They accomplish this by prioritizing lending to areas with no broadband service and by tightening up the definition of rural area for purposes of the lending program. Furthermore, both bills increase the availability and feasibility of RUS broadband loans, thereby better directing loan funds to areas that are more challenging to serve and are therefore most in need of government assistance. Both bills modify or eliminate the statutory exclusion of companies with more than 2% of that nation's access lines from the broadband program. The language in the current statute is an unfortunate policy decision that limits the effectiveness of RUS in targeting funds to unserved areas. The RUS telephone program contains no such exclusion. Rural customers, the true beneficiaries of the RUS program, should not be denied its benefits because of the identity of the carrier from which they receive service. Similarly, both bills modify the statutory requirement that the term of broadband loans cannot exceed the expected useful life of the facilities being financed – a policy change which will decrease the size of periodic loan repayments and enhance loan feasibility without harming the government's loan security. Since RUS has a lien on all the property of the borrower, not just the new facilities, in most instances there is more than sufficient security for the loan for the broadband equipment. As long as the security of the government's loan is sufficient, the term of the loan in relation to the life of the facilities financed is irrelevant.

Improving the Effectiveness of the RUS Broadband Program

Redirecting Broadband Program Funding to Unserved Areas – Absent adoption of a new Farm Bill this year with reforms to the RUS broadband program, RUS could still make substantial improvements to the operation of the broadband loan program through adoption of new rules. Since the inception of the broadband program, RUS has used a substantial portion of the available funds to make loans to areas that already have broadband service. RUS justifies these loans for duplicative facilities with the contention that service in these areas is inadequate and so the areas are

"underserved", thereby permitting such duplication. For purposes of making broadband loans, RUS defines broadband service as 200 kbps. Yet when determining whether an area is underserved, RUS will make a loan to any entity which promises a faster speed than is provided by the incumbent, even if the incumbent is providing service far in excess of the 200kbps standard RUS has set for new loans. RUS should be directed to use the same standard for new broadband loans as for the determination that an area is "underserved".

RUS also has determined that an area is underserved if the applicant seeking to provide duplicative service will offer a substantial price differential relative to the incumbent. RUS has no objective standard for determining what constitutes a "substantial price differential".

The RUS broadband program should exclusively focus on extending the reach of broadband in rural America with a goal of ubiquitous deployment. Making loans for duplicative facilities and service, when other citizens in rural America reside in areas with no service at all, is a waste of scarce government resources. To properly redirect government funds to areas unserved by broadband, Congress should clarify that loans funds not be used for duplicative facilities, and should reaffirm that the non-duplication requirements of Title II of the Rural Electrification Act are equally applicable to the Title VI broadband program. The Undersecretary for Rural Development should be required to make a legal finding that any loan for broadband will not result in a duplication of facilities. To assist the Undersecretary in making this finding, RUS broadband applications should include the identity, list of services and charges as well as the service areas of the incumbent provider. Also, to the extent that they do not conflict, Congress should reaffirm that all the provisions of Title II, such as those relating to area coverage and loan feasibility, are equally applicable to the Title VI broadband program.

Elimination of the seven percent cap on the interest rate for the "cost of money" program

For a number of years, through the appropriations process, Congress has eliminated the seven percent "cap" placed on the insured cost-of-money loan program. The elimination of the cap should continue. If long term Treasury interest rates exceeded the 7% ceiling contained in the authorizing act, the subsidy would not be adequate to support the program at the authorized level. This would be extremely disruptive and hinder the program from accomplishing its statutory goals. Accordingly, USTelecom supports continuation of the elimination of the seven percent cap on cost-of-money insured loans in FY 2009.

Recommended Loan Levels

USTelecom recommends that the telephone program loan levels for fiscal year 2009 be set as follows:

Insured 5% Direct Loans	$145,000,000
Insured Cost-of-Money Loans	$250,000,000
Loan Guarantees	$295,000,000
Broadband Telecommunications Loans	$297,293,000

Total	$987,293,000

Loans and Grants for Telemedicine and Distance Learning
USTelecom supports the inclusion of $20 million in grants for distance learning and telemedicine, as provided in the President's budget. As we move into the Information Age with the tremendous potential of the Internet to increase productivity, economic development, education and medicine, such funds can help continue the historic mission of RUS to support the extension of vital new services to rural America.

Recertification of Rural Status Would Be Disruptive and Chill Rural Telecom Investment
The Administration's budget notes that USDA will propose rule changes to require recertification of rural status for each electric and telecommunications borrower on the first loan request received in or after 2009 and on the first loan request received after each subsequent Census. Telecom construction and investment is a long term continuous process, not a project by project proposition. The uncertainty created by the possibility of decertifying a borrower as rural after it has established a relationship with RUS and begun borrowing funds for expansion and upgrading according to a long term plan would be disruptive and discourage borrowers from participating in the RUS program, thereby denying its benefits to subscribers. The "once rural always rural" practice of RUS has been extraordinarily successful at providing needed long term capital, at a careful and measured pace, to telecom carriers intent on expanding and upgrading service to promote rural economic development. Congress should deny funding in fiscal year 2009 for such a rule change.

CONCLUSION
Our members take pleasure and pride in reminding the Committee that the RUS telecommunications program continues its **perfect record of no defaults by telecommunications carriers in over a half century of existence**. RUS telecom borrowers take seriously their obligations to their government, their nation and their subscribers. They will continue to invest in our rural communities, use government loan funds carefully and judiciously, and do their best to assure the continued affordability of telecommunications services in rural America. Our members have confidence that the Committee will continue to recognize the importance of assuring a strong and effective RUS Telecommunications and Broadband Program through authorization of sufficient funding and loan levels.

TESTIMONY OF
DR. SHELBY F. THAMES
DISTINGUISHED UNIVERSITY RESEARCH PROFESSOR
PROFESSOR OF POLYMER SCIENCE
THE UNIVERSITY OF SOUTHERN MISSISSIPPI
MISSISSIPPI POLYMER INSTITUTE
HATTIESBURG, MISSISSIPPI

BEFORE THE

HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

UNITED STATES DEPARTMENT OF AGRICULTURE
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

Mr. Chairman, distinguished Members of the Subcommittee, thank you for this opportunity to provide testimony describing ongoing research and commercializing efforts of The University of Southern Mississippi (USM) and the Mississippi Polymer Institute. I am very grateful to the Subcommittee for its leadership and continued support of the Institute and its work. This testimony includes an update of the Institute's achievements since my testimony of approximately one year ago. Our efforts focused principally on two areas for commercialization. One involves our novel, agricultural-based inve ntions in emulsion polymerizations, and the second was to produce a commercial quality, formaldehyde-free, soybean based adhesive for composite board materials, specifically, particleboard. During the past year, we made significant advances in emulsion polymerization technology, and in the refinement of soy adhesive utility. Particleboards made in our laboratory with the soy adhesive (formaldehyde free) exceed all required specifications for particleboard manufacture. Both technologies described above are ready for commercialization and future efforts will focus on movement of each technology into the market place. We therefore respectfully request $2.0 million in federal funding to more fully exploit the potential of commercializing the technologies described herein. I will discuss the progress for each thrust to provide maximum clarity to our past efforts.

Three patent applications were generated in 2007. Additionally in 2007, four manuscripts were published, thirteen presentations were given, and one student won a research award. We remain energized, active, and successful at utilizing funding to increase the value of agricultural products and co-products, as they are valuable alternatives or supplements to petroleum-derived materials. Both technologies noted above depends on use of agricultural materials as primary building blocks, and clearly offers opportunities for ag-derived materials as a basic feedstock in the polymer industry. Both are groundbreaking technologies and one only has to consider the use of formaldehyde-free adhesives as the ultimate example. It is well known that formaldehyde is a carcinogen and we have developed an alternative to formaldehyde in the form of soybeans. The recent focus on FEMA trailer contamination simply amplifies what the scientific community has known for years; formaldehyde is a carcinogen and should not be used

in composite board manufacture. Our patented technology remains the only performance proven alternative 100% formaldehyde free based on an agricultural product, i.e. soybeans.

Our 2007-08 work also included several pilot plant trials and statistical validation for commercial scale production of vegetable oil-based monomers and polymers. Vegetable oil macromonomers (VOMMs) have proven value for the manufacture of zero volatile organic content (VOC) paints and coatings. *Navy Haze Gray paints, manufactured via our novel technology, free of VOC content, and matching and/or exceeding all performance requirements will be applied shipboard within weeks of this testimonies writing.*

This past year's work has resulted in the discovery of methods to tailor polymers with desired use properties, a key to widespread utilization in other areas of need.

Vegetable Oil Macromonomers (VOMM) Research and Development

In the past year, vegetable oil macromonomer synthesis was moved from the traditional laboratory research category to pilot plant trials. Specifically, VOMMs of soybean oil, high oleic safflower oil, safflower oil, sunflower oil, and coconut oil were scaled, synthesized, and evaluated for utility. This work validates the commercial viability and amplifies the value of this technology for many vegetable oil types. Specifically, our work has shown that it is possible to manufacture polymers that flow and level easily at room temperature, yet will harden upon ambient conditions and achieve high performance characteristics. This is clearly a step change in tailoring polymer performance. This technology is now mature enough to take its rightful place in commercial markets.

The example below was provided in past testimonies yet remains valid today. It summarizes opportunities and impact potential for biobased VOMM polymers. In 2004, sales of low gloss water thinned paints (including tinting bases) were 181 million gallons, with a value of $1,551 million (www.census.gov.mcd). Only a 1% share of this market would require manufacture of 1.81 million gallons of low gloss paint. A typical flat latex paint contains 1,200 g of latex per gallon. With latexes containing 20% soybean oil derivatives, this market share would **consume 950,000 lbs of soybean oil** or 89,540 bushels of soybeans. It would not be unrealistic to expect that in five years, a market share of 5% could be achieved and thus require consumption of 447,700 bushels of soybeans for high performance, value-added decorative and protective coatings. The environmental impact potential to reduce volatile organic emissions by 3.6 million lbs per year at only a 1% market share (data 250 g/L VOC 3.78L/gal, 1.81 million gallons and 1% market share) is magnanimous.

Formaldehyde-Free Soy Based Adhesives

During the last year, our efforts increased the amount of soy protein in the adhesive formulation from 28% to 55%. In 2006-2007, the main barrier to commercialization and processing was the soy protein adhesives solids content at less than 28%, making it difficult to transport, handle, and utilize efficiently, and that barrier to commercialization was overcome. As the utility of the experimental adhesive increases it is important to keep in mind that our platform is the only patented technology to our knowledge that is solely based upon soybean

protein and is 100% formaldehyde free. An estimated 150,000 FEMA trailers were distributed in Mississippi, Louisiana, Florida, Alabama, and Texas following hurricanes in 2005. In May 2006, the Sierra Club, a public interest group conducting indoor air testing in Federal Emergency Management Agency (FEMA)-issued trailers in Louisiana and Mississippi reported that in Mississippi, 29 of the 31 trailers (94%) tested had indoor levels of formaldehyde in excess of that identified by the Environmental Protection Agency (EPA) and Consumer Products Safety Commission (CPSC) as triggering adverse health effects in humans. In Alabama and Louisiana, 83% of the 52 trailers were above the OSHA specified limit of 0.10 parts per million, 4 were at the limit, while 13% were below the limit. Formaldehyde concentration as high as 0.34 parts per million was found in one trailer—a level nearly equal to what a professional embalmer using industry-proscribed safety equipment would be exposed to on the job.

Our efforts remain focused on creation of technology platforms facilitating commercialization of alternative agricultural crops for use in the polymer industry. The reasons for these efforts are made clear when it is realized that the polymer industry maintains its position as the single largest consumer of petroleum chemical intermediates in the world. The finite supply, and increasingly higher costs of petroleum resources, demands alternatives be developed. Thus, the theme of our work is to develop high performance and environmentally responsible technologies from agricultural intermediates. In this way, we as a Nation will improve our environment, reduce our dependence on imported petroleum, and keep America's farmlands in production. As farm products meet the industrial needs of the American society, rural America is the benefactor. Heretofore, these successful efforts to utilize alternative agricultural products as an industrial feedstock continue to receive more and more attention but drastically less than these high tech innovations and opportunities warrant. Your decisions are crucial to the accomplishment of these goals as funding from this Subcommittee has enabled us to implement and maintain an active group of university-based polymer scientists whose energies are devoted to commercializing alternative crops. We are most grateful to you for this support, and ask for your continued commitment.

Polymers, which include fibers, plastics, composites, coatings, adhesives, inks, and elastomers, play a key role in the materials industry. They are used in a wide range of industries including textiles, aerospace, automotive, packaging, construction, medical prosthesis, and health care. In the aerospace and automotive applications, reduced weight and high strength make them increasingly important as fuel savers. Their non-metallic character and almost unlimited design potential support their use for many national defense purposes. Moreover, select polymers are possible substitutes for so-called strategic materials, some of which come from potentially unreliable sources.

As a polymer scientist, I am intrigued by the vast opportunities offered by American agriculture. As a professor, however, I continue to be disappointed that few of our science and business students receive training in the polymer-agricultural discipline despite its enormous potential. At The University of Southern Mississippi, we are making a difference by showing others what can be accomplished if appropriate time, energy, and resources are devoted to understanding the immense value of ag-based products. For more than 40 years, I have watched the evolution of polymers where almost each new product introduced into the market place offered the opportunity for many more. Although polymer science as a discipline has

experienced expansion and a degree of public acceptance, alternative agricultural materials in the polymer industry continue to be an underutilized national treasure. Now is the time for agricultural materials to make significant inroads as environmentally-responsible, biodegradable, and renewable raw materials. Our national needs and economy cannot wait; we must act now.

U.S. agriculture has made the transition from the farm fields to the kitchen tables, but America's industrial community continues to be frightfully slow in adopting the use of ag-based industrial materials. The prior sentence was included in my last five testimonies but continues to ring true, even as I write this report. We are making progress and we must persist. We must aggressively pursue this opportunity and in doing so:

- Intensify U.S. efforts to commercialize alternative crops and dramatically reduce atmospheric VOC emissions and odor for a much cleaner and less noxious air for all Americans.
- Reduce U.S. reliance on imported petroleum.
- Maintain a healthy and prosperous farm economy.
- Foster new cooperative opportunities between American farmers and American industry.
- Create advanced polymer technology-based jobs that are not easily exported to foreign lands
- Maintain our innovative and developmental competitive edge over other less environmentally-responsible countries and less competitive economies.

Mr. Chairman, your leadership and support are deeply appreciated by The University of Southern Mississippi community. While I can greatly appreciate the financial restraints facing your Subcommittee, I feel confident that further support of the Mississippi Polymer Institute will continue to pay dividends by way of increasing commercialization opportunities for agricultural materials in the American industry. Advances in polymer research are crucial to food, transportation, housing, and defense industries. Our work has clearly established the value of ag products as industrial raw materials, and we must move it from the laboratories to the industrial manufacturing sector. Only then can the U.S. enjoy the cleaner and safer environment that these technologies offer, as well as new jobs, and expanded opportunities for the U.S. farmer. We are most grateful for the support provided by you in the past. The funding you provided has facilitated laboratory work to be conducted, manufacturing scale-up to be accomplished, and ensured sales (although limited) of products based on this technology. However, additional funds are needed to commercialize technologies. For instance, pilot scale processes are necessary to move this technology into the market place, and will be the principal focus of our upcoming work. Of course, while working to achieve commercialization, we are committed to continue technology advancement.

Since our testimony last year, our commercializing efforts have shown that sustained work will expand the viability of agricultural crops as industrial intermediates. Indeed, the technology is maturing, which must be followed by marketing and sales to realize full potential. Thus, we are asking for your support to advance these technologies to the market place, and to continue our development of other useful ag-derived technologies. We therefore respectfully request $2.0 million in federal funding to more fully exploit the potential of commercializing the technologies described herein. We have shown that we can be successful, yet we need additional resources to optimize the potential of the knowledge creation. Our efforts will be recognized as instrumental in developing a "process" for the commercialization of new ag-based products. We

have proven that we are successful in developing technologies from the "idea" stage to scale-up for commercialization in several market areas. Thank you, Mr. Chairman and Members of the Subcommittee, for your support and consideration.

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March 20, 2008

The Honorable Rosa DeLauro
Chairman
Subcommittee on Agriculture, Rural
Development, Food & Drug Administration
and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Herb Kohl
Chairman
Subcommittee on Agriculture, Rural
Development and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

RE: FY 2009 Agriculture Appropriations

Dear Chairman DeLauro and Chairman Kohl:

This is to convey the rice industry's request for FY 2009 funding for selected programs under the jurisdiction of your respective subcommittees. The USA Rice Federation appreciates your assistance in making this letter a part of the hearing record.

The USA Rice Federation is the global advocate for all segments of the U.S. rice industry with a mission to promote and protect the interests of producers, millers, merchants and allied businesses. USA Rice members are active in all major rice-producing states: Arkansas, California, Florida, Louisiana, Mississippi, Missouri, and Texas. The USA Rice Producers' Group, the USA Rice Council, the USA Rice Millers' Association, and the USA Rice Merchants' Association are members of the USA Rice Federation.

USA Rice understands the budget constraints the subcommittees face when developing the FY 2009 appropriations bill. We appreciate your past support for initiatives that are critical to the rice industry and look forward to working with you to meet the continued needs of research, food aid and market development in the future.

A healthy U.S. rice industry is also dependent on the program benefits offered by the Farm Bill. Therefore, we oppose any attempts to modify the support levels provided by this vital legislation through more restrictive payment limitations or other means and encourage the subcommittees and committees to resist such efforts during the appropriations process, in particular with the Farm Bill reauthorization currently underway.

A list of the programs the USA Rice Federation supports for appropriations in FY 2009 are as follows:

MEMBERS: USA Rice Producers' Group • USA Rice Millers' Association • USA Rice Council • USA Rice Merchants' Association
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FUNDING PRIORITIES

Research and APHIS

The **Dale Bumpers National Rice Research Center** should receive continued funding at the FY 2008 approved level, which was $7.775 million, and appropriate additional funding to reflect any increased administrative and operations costs. This center conducts research to help keep the U.S. rice industry competitive in the global marketplace by assuring high yields, superior grain quality, pest resistance, and stress tolerance. We urge you to provide full funding to the Dale Bumpers National Rice Research Center.

For the **Western Regional Research Center**, in Albany, California, we support the Administration's budget proposal for the Renewable Energy Resources project within the Agricultural Research Service (ARS) account. We understand a portion of the funding is to be directed to the Albany, CA facility for research on modification of plant cell walls in energy crops and crop residues for efficient conversion to biofuels.

This research will play a key role in the ability to utilize rice straw and other rice crop residues for the production of biofuels. Rice straw represents a current and ready-made feedstock that could meet a substantial portion of the demand for biofuels production in the regions of the country where rice is produced, including the Sacramento Valley of California. We urge you to fully fund this request as our researchers work to develop the technologies necessary to meet the ambitious goals for biofuels production set before us.

For **APHIS-Wildlife Services**, we encourage the subcommittees to fund the Louisiana blackbird control project at $150,000. This program annually saves rice farmers in Southwest Louisiana over $4,000 per farm, or $2.9 million total.

Market Access

Exports are critical to the U.S. rice industry. Historically, 40-50 percent of annual U.S. rice production has been shipped overseas. Thus, building healthy export demand for U.S. rice is a high priority.

The **Foreign Market Development Program** (FMD) allows USA Rice to focus on importer, foodservice, and other non-retail promotion activities around the world. We support increased funding for FMD as being considered in the pending farm bill, but for FY 2009, FMD should be fully funded at no less than $34.5 million.

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The **Market Access Program** (MAP) allows USA Rice to concentrate on consumer promotion and other activities for market expansion around the world. Again, we support increased funding for MAP as being considered in the pending farm bill, but for FY 2009, MAP should be funded at no less than $200 million.

In addition, the **Foreign Agricultural Service** should be funded to the fullest degree possible to ensure adequate support for trade policy initiatives and oversight of export programs. These programs are critical for the economic health of the U.S. rice industry.

Food Safety

Food safety, including the safety of imported food, is one of the national issues that deserves significantly more funding. The USA Rice Federation appreciates greatly the increased funding that Congress appropriated for **Food and Drug Administration** (FDA) Fiscal Year (FY) 2008 food safety purposes and accompanying report language directing the use of some of the funds to hire more domestic and imported food inspectors. We urge Congress to continue this funding direction by appropriating significant increases for the agency's FY 2009 food safety personnel, programs, and related technology, including continuing to ensure the safety of imported food.

Significant funding increases would allow the FDA to help reassure consumers and speed innovation in food safety and technology. A significant increase would permit FDA to administer its food safety inspections and other related activities more fully and effectively, speed approvals for safe, new food technologies and products, and provide leadership in protecting the food supply from intentional threats.

Food Aid

We urge the subcommittees to fund **P.L. 480 Title I.** No Title I funding was provided in FY 2008. At a minimum, FY 2009 funding should be the same as 2006, the last year in which the program was funded. P.L. 480 Title 1 is our top food-aid priority and we support continued funding in order to meet international demand. Food-aid sales historically account for an important portion of U.S. rice exports.

For **P.L. 480 Title II**, we support funding for FY 2009 at the increased level of $1.8 billion in order to satisfy the 2.5 million MT required by statute. We encourage the subcommittees to fund Title II at this level to ensure consistent tonnage amounts for the rice industry. We oppose any shifting of funds, as all Title II funds have traditionally been contained within USDA's budget. We believe all food-aid funds should continue to be used for food-aid purchases of rice and other commodities from only U.S. origin.

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USA Rice supports continued funding at FY 2006 levels, at a minimum, for the **Food for Progress Program's** P.L. 480 Title I-sourced funding and at FY 2008 levels, at a minimum, for the program's Commodity Credit Corporation funding component. Funding for this program is important to improve food security for food-deficit nations.

The **McGovern-Dole International Food for Education and Child Nutrition Program** is a proven success and it is important to provide steady, reliable funding for multi-year programming. USA Rice supports funding at the $300 million level for this education initiative because it efficiently delivers food to its targeted group, children, while also encouraging education, a primary stepping-stone for populations to improve economic conditions.

Other

Farm Service Agency - We encourage the subcommittees to provide adequate funding so the agency can deliver essential programs and services. The Agency has been hard hit by staff reductions and our members fear a reduction in service if sufficient funds are not allocated.

Please feel free to contact us if you would like further information about the programs we have listed. Additional background information is available for all of the programs we have referenced; however, we understand the volume of requests the subcommittees receive and have restricted our comments accordingly.

Thank you for your consideration of our recommendations.

Sincerely,

Reece Langley

Reece Langley
Vice President, Government Affairs

Cc: Honorable Jack Kingston, Ranking Member
Honorable Robert Bennett, Ranking Member

Rice. A World of Great Ideas

MEMBERS: USA Rice Producers' Group • USA Rice Millers' Association • USA Rice Council • USA Rice Merchants' Association
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THE WILDLIFE SOCIETY
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20 March 2008

House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
Attention: Public Witness Testimony for the Record
2362-A Rayburn House Office Building
Washington, DC 20515-6016

The Wildlife Society appreciates the opportunity to submit testimony concerning the FY 2009 budgets for the **Animal Plant Health Inspection Service (APHIS), Cooperative State Research, Education and Extension Services (CSREES), and Natural Resources Conservation Service (NRCS).** The Wildlife Society represents over 8,000 professional wildlife biologists and managers dedicated to sound wildlife stewardship through science and education. The Wildlife Society is committed to strengthening all federal programs that benefit wildlife and their habitats on agricultural and other private land.

Animal and Plant Health Inspection Service

The Wildlife Society is concerned that the FY 2009 budget request would decrease the **operations subactivity of Wildlife Services** by $1.66 million and redirect $5.34 million. This would effectively reduce by $7 million Wildlife Services' ability to control wildlife damage to agriculture, aquaculture, forest, range, and other natural resources; control wildlife-borne diseases; and control wildlife at airports. **The Wildlife Society strongly recommends that Congress increase the appropriation for this subactivity by $7.0 million to account for these reductions and redirections. We also recommend that Congress provide an additional $300,000 to fully fund uncontrollables.**

We appreciate the recognition of the need to safeguard our nation against highly pathogenic **avian influenza** and applaud the added fiscal resources to address this critical issue. The potential for this disease to spread to the North American continent and severely impact wildlife, domestic poultry, and humans highlights the importance of continued surveillance and monitoring during the coming years. The FY 2006 supplemental and subsequent appropriations have allowed state fish and wildlife agencies to provide much-needed resources to ensure a coordinated, continent-wide effort. This effort must continue to ensure that America's citizens and resources are protected. **The Wildlife Society strongly recommends an increase to $10 million for surveillance and monitoring of avian influenza.**

The Wildlife Society is concerned about the proposed reduction in the **Brucellosis Program** budget. Because of its presence in wild elk and bison, brucellosis in the Greater Yellowstone Area will be especially difficult to control or eliminate and will require more, not less, fiscal resources to accomplish. **We recommend Congress restore brucellosis funding to $11**

million in FY 2009 and that USDA-APHIS-Veterinary Services continue to utilize the authorities and expertise of the Greater Yellowstone Interagency Brucellosis Committee to address domestic livestock interactions with wild elk and bison in the region.

The Wildlife Society commends APHIS-Veterinary Services for providing funding to state wildlife management agencies for **Chronic Wasting Disease** (CWD) surveillance and management in free-ranging deer and elk. Additionally, The Wildlife Society strongly supports APHIS' efforts to eliminate CWD from captive cervids in order to eliminate the risk of spread of the disease from these animals to free-ranging deer and elk. The surveillance and monitoring efforts conducted by all 50 states between 2004 and 2006 would not have been possible without this cooperative funding. Additionally, knowledge of the presence and prevalence of CWD has been enhanced by this program. Without continued funding, states will be unable to maintain the level of CWD surveillance necessary to track incidence of the disease. The Wildlife Society is very concerned by the proposal to cut this budget by $7.3 million, and by the proposed state match requirement. Such a requirement could result in many states no longer being able to perform CWD surveillance of wild cervids, reducing our capacity to prevent the spread of the disease. **The Wildlife Society recommends increasing Chronic Wasting Disease funding to $20 million in FY 2009.**

Cooperative State Research, Education, and Extension Service

The Renewable Resources Extension Act (RREA) provides an expanded, comprehensive extension program for forest and rangeland renewable resources. The RREA funds, which are apportioned to State Extension Services, effectively leverage cooperative partnerships at an average of four to one, with a focus on private landowners. The need for RREA educational programs is greater today than ever because of continuing fragmentation of ownership, urbanization, the diversity of landowners needing assistance and increasing societal concerns about land use and the impact on natural resources including soil, water, air, wildlife and other environmental factors. **The Wildlife Society recommends that the Renewable Resources Extension Act be funded at $30 million,** as authorized in the 2002 Farm Bill.

The proposed budget for FY 2009 reflects a decrease for the **McIntire-Stennis Cooperative Forestry program**. The proposal would also direct 67% of program funding to a multi-state research program. These funds are essential to the future of resource management on non-industrial private forestlands, as forest products are produced while conserving natural resources, including fish and wildlife. As demand for forest products grow, private-land forests will increasingly be needed to supplement supplies, but trees suitable for harvest take decades to produce (versus the single year in which crops such as corn and soybeans can be harvested). In the absence of long-term and on-going research, such as provided through McIntire-Stennis, the nation could be unable to meet future forest-product needs. Replacement of McIntire-Stennis funding with competitive grants will leave long-term, stable forest research to chance. The Wildlife Society strongly believes that the reasons for continuing the McIntire-Stennis Cooperative Forestry program into the future are compelling and **urges Congress to increase the FY 2009 budget to $25 million,** an amount more consistent with historic levels.

The Wildlife Society supports the Administration's request of $257 million for National Research Initiative Competitive Grants. However, this includes an increase of $19 million for bioenergy and biofuels research and a redirection of $42 million for water quality, food safety, organic transitions, and pest management. While The Wildlife Society does not oppose this consolidation, Congress should ensure that sufficient funding is available to support all of these efforts at no less than their FY 2008 levels. The Society also notes, that if not done properly, biofuels production could have a negative effect on wildlife resources.

Natural Resources Conservation Service

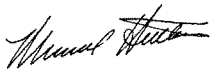
Reauthorization of the Farm Bill is expected to be completed in the first half of 2008. Until such a reauthorization is passed, we are operating under the program and funding levels created or reauthorized in the 2002 Farm Bill. The Farm Bill conservation programs are now more important than ever given huge backlogs of qualified applicants for these programs, increased pressure on farmland from the biofuels boom, sprawling development, and the ongoing declines in wildlife habitat and water quality. **The Wildlife Society recommends that the Farm Bill conservation programs be funded at the levels mandated in the 2002 Farm Bill until the current Farm Bill reauthorization is completed.**

The FY 09 budget should anticipate the authorization of new enrollments in the Grasslands Reserve Program, a strong Conservation Security Program, and should fully fund the remaining programs at their mandatory spending levels:

Conservation Reserve Program - 39.2 million acres
Grasslands Reserve Program - $50 million
Wetlands Reserve Program - 250,000 acres
Wildlife Habitat Incentive Program - $85 million

Thank you for considering the views of wildlife professionals. We look forward to working with you and your staff to ensure adequate funding for wildlife conservation.

Sincerely,



Michael Hutchins, Ph.D.
Executive Director/CEO, The Wildlife Society

Excellence in Wildlife Stewardship Through Science and Education

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