

AGRICULTURE, RURAL DEVELOPMENT, FOOD  
AND DRUG ADMINISTRATION, AND RELATED  
AGENCIES APPROPRIATIONS FOR 2013

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HEARINGS  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED TWELFTH CONGRESS  
SECOND SESSION

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

**JACK KINGSTON, Georgia, Chairman**

TOM LATHAM, Iowa

JO ANN EMERSON, Missouri

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ALAN NUNNELEE, Mississippi

TOM GRAVES, Georgia

SAM FARR, California

ROSA L. DELAURO, Connecticut

SANFORD D. BISHOP, JR., Georgia

MARCY KAPTUR, Ohio

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

MARTIN DELGADO, TOM O'BRIEN, BETSY BINA, and ANDREW COOPER,  
*Staff Assistants*

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**PART 2**  
**TESTIMONY OF INTERESTED INDIVIDUALS AND  
ORGANIZATIONS**



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Printed for the use of the Committee on Appropriations

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## PART 2

### TESTIMONY OF INTERESTED INDIVIDUALS AND ORGANIZATIONS



Printed for the use of the Committee on Appropriations

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WASHINGTON: 2012



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*American Commodity Distribution Association*

★AGRICULTURE ★INDUSTRY ★GOVERNMENT  
WORKING TOGETHER

Michael Birkmeyer, President

American Commodity Distribution Association

Before the

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

House Committee on Appropriations

March 20, 2012

On behalf of the American Commodity Distribution Association (ACDA), I respectfully submit this statement regarding the budget request of the Food and Nutrition Service for inclusion in the Subcommittee's official record. ACDA members appreciate the Subcommittee's support for these vital programs.

We urge the subcommittee to fully fund administrative expense funding for the Emergency Food Assistance Program (TEFAP) at \$100 million; to make TEFAP food purchase dollars available for two fiscal years; to approve the Administration's budget request of \$186,935,000 for the Commodity Supplemental Food Program (CSFP) and provide an increase of \$5 million to begin operations in six additional states approved by USDA, and to evaluate alternative approaches for the Department of Defense Fresh Program.

*"Agriculture, Industry and Government Working Together"*

ACDA is a non-profit professional trade association, dedicated to the growth and improvement of USDA's Commodity Food Distribution Program. ACDA members include: state agencies that distribute USDA-purchased commodity foods; agricultural organizations; industry; associate members; recipient agencies, such as schools and soup kitchens; and allied organizations, such as anti-hunger groups. ACDA members are responsible for distributing over 1.5 billion pounds of USDA-purchased commodity foods annually through programs such as National School Lunch Program, the Emergency Food Assistance Program (TEFAP), Summer Food Service Program (SFSP), Commodity Supplemental Food Program (CSFP), Charitable Institution Program, and Food Distribution Program on Indian Reservations (FDPIR).

#### **Fully Fund TEFAP Administrative Funds at \$100 million**

We urge the subcommittee to fully fund TEFAP Administrative Funds at \$100 million.

Food banks around the nation are in great need. The number of Americans who are turning to food banks for assistance continues to increase. The Congress appropriated \$74.5 million for TEFAP Administrative Funds in FY 2010 including ARRA funds, \$49.401 million in FY 2011, and \$48 million in FY 2012. While these resources have been used responsibly, and are sincerely appreciated, food banks around the country are finding that operating expenses are increasing while private sector donations are decreasing. They have had to increasingly depend upon converting food dollars to administrative expense funds in order to maintain their operations.

Donations to food banks are declining as many individuals and businesses no longer have the ability to be as supportive as they had been in the past. ACDA members tell us that unless TEFAP expense funds are restored to at least the FY 2010 level, they will have to accept less

food to reduce shipping/warehousing expenses, and will likely have to cut reimbursement to local distributors. These reimbursements are essential to maintaining distribution sites, especially in rural distribution sites. In fact, this past year Minnesota was not able to reimburse food bank warehouses for the storage and distribution costs. New Mexico had to restrict food deliveries to remote locations, and had to reduce paid staff by not hiring replacement employees.

### **Make TEFAP Food Dollars Available for Two Fiscal Years**

We urge the subcommittee to make TEFAP food dollars available for two fiscal years, as was done under ARRA.

ACDA officials have met with FNS and AMS personnel to explore ways to improve the ordering of TEFAP foods. While the agencies of the Department of Agriculture work closely with food banks to provide as much food for distribution as possible, there are occasions when food dollars are at jeopardy through no fault of recipient agencies. If food orders are cancelled by either USDA or vendors for any reason near the end of the federal fiscal year, state agencies must either purchase whatever items might be available through USDA, or lose these end-of-year balances. We are pleased that Under Secretary for Food, Nutrition and Consumer Services Kevin Concannon told the Subcommittee on February 28<sup>th</sup> that USDA would support making TEFAP food dollars available for a two year period.

At the end of FY 2011, Minnesota was at risk of losing \$70,000. Connecticut had nearly \$69,000 at risk. Other states had similar experiences at a time when private donations are fewer, and when available food dollars result in lower food volumes due to higher prices.

As we did last year, we respectfully point out to the subcommittee that when ARRA was passed, TEFAP food dollars were allowed to be carried over from FY 2009 to FY 2010. This

procedure helped food bank operators to make responsible decisions and to take maximum advantage of available resources.

We urge the committee to make TEFAP food dollars available for two years, and urge the Secretary of Agriculture to allow those states who made responsible efforts to use their TEFAP Food dollars to roll over to the next fiscal year balances unexpended through no fault of the TEFAP operator.

### **Funding for the Commodity Supplemental Food Program**

ACDA supports the FY 2013 budget request of \$186,935,000 for the Commodity Supplemental Food Program (CSFP), and urges the Committee provide an additional \$5 million to begin CSFP operations in six states that now have USDA-approved state plans - Connecticut, Hawaii, Idaho, Maryland, Massachusetts and Rhode Island. This additional funding would make CSFP available in 45 states. CSFP overwhelmingly serves elderly individuals, many of whom are homebound. States currently operating CSFP requested 116,350 additional caseload slots for the current program year, clearly showing the need for this program.

### **ACDA Requests the Evaluation of Alternative Approaches for DoD Fresh**

There is broad consensus that improving the nutritional well-being of Americans, particularly children, includes increasing fruit and vegetable consumption, including fresh items. USDA's commodity program is constrained in its ability to distribute fresh foods.

However, in the 1990s the Department developed a partner relationship with the Department of Defense to utilize some of the federal commodity entitlement for school meal

programs to allow school districts to purchase through the DoD distribution system. This program, DoD Fresh, was very successful.

Changes in the DoD procurement and distribution program which have outsourced these procurement activities have had a deleterious effect on the school program. This change has also created a situation where each school that participates must pay a fee to access the DoD secure ordering system.

We once again ask the Committee to direct the Secretary to evaluate alternative approaches for replacing DoD Fresh including, but not limited to, developing an analog program through the Agricultural Marketing Service, and report back to the Committee on these options.

We look forward to continuing to partner with you and USDA in the delivery of these needed services.

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

**March 20, 2012**

**Presented by: Bob Stallman, President**

The American Farm Bureau Federation has identified the following nine areas for funding in the Fiscal Year 2013 agriculture spending bill:

- Programs that promote animal health;
- Programs that promote conservation;
- Programs that expand export markets for agriculture;
- Programs that enhance and improve food safety and protection;
- Programs that ensure crop protection tools;
- Programs that further develop renewable energy;
- Programs that strengthen rural communities;
- Programs that support wildlife services; and
- Research priorities.

Farm Bureau strongly opposes any cuts to funding of the farm safety net. The farm bill discussion has begun, and the House and Senate Agriculture Committees should continue to have the primary responsibility to ensure farmers and ranchers have a viable farm safety net.

**Programs that Promote Animal Health**

Farm Bureau supports a \$5.3 million increase for the Animal and Plant Health Inspection Service (APHIS) to a total of \$14 million for voluntary Animal Disease Traceability (ADT). The ADT program requires strong government oversight on the expenditure of funds and is essential for animal health.

Farm Bureau supports \$4.79 million for the Veterinary Medicine Loan Repayment Program (VMLRP) administered by the Department of Agriculture (USDA) National Institute for Food and Agriculture (NIFA). VMLRP veterinarians ensure animal health and welfare, while protecting the nation's food supply.

Farm Bureau opposes 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.

#### Programs that Ensure Crop Protection Tools

Farm Bureau supports maintaining \$12 million for Minor Crop Pest Management (IR-4) within NIFA Research and Education Activities. Developing pest control tools has high regulatory costs, and public support has been needed to ensure that safe and effective agrichemicals and biopesticides are available for small, orphan markets. The IR-4 Project facilitates Environmental Protection Agency registration of safe and effective pest management technologies where the private sector is unable to cover regulatory cost.

Farm Bureau supports maintaining funding to the National Agricultural Statistical Service (NASS), specifically for the continuation of agricultural chemical-use surveys for fruits, vegetables, floriculture and nursery crops. NASS surveys provide data about the use of agricultural chemicals involved in the production of food, fiber and horticultural products.

#### Programs that Support the Development of Renewable Energy

Farm Bureau supports funding for the Renewable Energy for America Program (REAP). REAP offers grants, guaranteed loans and combination grant/guaranteed loans for agricultural producers to purchase renewable energy systems and energy efficiency improvements, as well as offers funding for energy audits and feasibility studies.

Farm Bureau supports funding for the Biomass Crop Assistance Program (BCAP). BCAP provides vital financial assistance to farmers who produce and transport eligible biomass feedstocks and helps growers meet the capital-intensive costs of establishing new crops and delivering them to market.

#### Programs that Strengthen Rural Communities

Farm Bureau supports USDA implementing a regional approach to give its Rural Development (RD) programs greater flexibility and promote innovation in rural regions.

- APHIS Biotechnology Regulatory Services (BRS), which oversees the permit, notification and deregulation process for plant biotechnology products. BRS personnel and activities facilitate agriculture innovation, and ensure public confidence and international acceptance of biotechnology.

Farm Bureau supports continued funding for the U.S. Codex Office. Active U.S participation in the Codex Alimentarius Commission is essential to improving the harmonization of international, science-based standards for the safety of food and agriculture products.

Programs that Enhance and Improve Food Safety and Protection

Farm Bureau recommends that adequate funding for food protection at the FDA and Food Safety Inspection Service (FSIS) be directed to the following priorities:

- Increased education and training of inspectors;
- Additional science-based inspection, targeted according to risk;
- Effective inspection of imported food and feed products;
- Research and development of scientifically based rapid testing procedures and tools;
- Accurate and timely responses to outbreaks that identify contaminated products, remove them from the market and minimize disruption to producers; and
- Indemnification for producers who suffer marketing losses due to inaccurate government-advised recalls or warnings.

Farm Bureau supports funding for a National Antimicrobial Residue Monitoring System (NARMS) to detect trends in antibiotic resistance. NARMS protects human and animal health through integrated monitoring of antimicrobial resistance among foodborne bacteria. Farm Bureau requests that Congress direct that stakeholder involvement and industry input be a priority in the ongoing federal review.

Farm Bureau supports funding for the Food Animal Residue Avoidance Databank (FARAD) at the authorized level of \$2.5 million. FARAD aids veterinarians in establishing science-based recommendations for drug withdrawal intervals. No other government program provides or duplicates the food safety information FARAD provides to the public.

Farm Bureau opposes 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.

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#### Programs that Strengthen Rural Communities

Farm Bureau supports USDA implementing a regional approach to give its Rural Development (RD) programs greater flexibility and promote innovation in rural regions.

Farm Bureau supports maintaining the funding at authorized levels for:

- The Value-Added Agricultural Producer Grants, Rural Innovation Initiative, Rural Microentrepreneur Assistance Program, and Business and Industry Direct and Guaranteed Loans, which all foster business development in rural communities.
- Rural Utilities Service for rural broadband and telecommunications services, and the Distance Learning and Telemedicine Program.
- The Revolving Fund Grant Program for acquiring safe drinking water and sanitary waste disposal facilities.
- The Resource Conservation and Development Program, which helps local volunteers create new businesses, form cooperatives and develop agri-tourism activities.
- The Beginning Farmer and Rancher Development Program, which provides participants with the information and skills needed to make informed decisions for their operations.
- Agriculture in the Classroom, a national grassroots program coordinated by USDA, which helps students gain greater awareness of the role of agriculture in the economy and society.

#### Programs that Support Wildlife Service

Farm Bureau supports maintaining the funding level for Wildlife Service programs. Wildlife Service works to prevent and minimize an estimated \$1 billion worth of wildlife damage, while protecting human health and safety from conflicts with wildlife.

#### Research Priorities

Agricultural research is vital, particularly research focused on meeting the growing challenges of production agriculture. The United Nations' Food and Agriculture Organization predicts that farmers will have to produce 70 percent more food by 2050 to feed an additional 2.3 billion people around the globe. America's farmers are the most efficient in the world, but without a commitment to further agricultural research and technological advancement, even America's farmers could be hard-pressed to meet these challenges.

American Forest and Paper Association, American Forest Foundation  
American Nursery and Landscape Association, American Public Garden Association  
Arbor Day Foundation, City of Chicago Bureau of Forestry, Davey Institute  
GreenSpace – the Cambria Land Trust, International Maple Syrup Institute  
Mulch and Soil Council, National Association of State Foresters  
National Plant Board, The Nature Conservancy, New England Forestry Foundation  
North American Maple Syrup Council, Pennsylvania Bureau of Forestry  
Phyllom LLC, Society of American Florists, Society of American Foresters  
Society of Municipal Arborists, Virginia Native Plant Society

2 April, 2012

Jack Kingston  
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 Sam Farr  
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 2013 Appropriation for the USDA Animal and Plant Health Inspection Service

Dear Chairperson Kingston and Ranking Member Farr:

We urge the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies to maintain current funding levels for the lines “Tree and Wood Pests” and “Specialty Crops” under the USDA Animal and Plant Health Inspection Service (APHIS) Plant Health. Maintaining current funding is necessary in order to ensure adequate funding for eradication and control efforts targeting the Asian longhorned beetle and sudden oak death pathogen; to allow APHIS to maintain its efforts to curtail spread of the emerald ash borer and other damaging pests; and to enable APHIS to address new threats, most prominently the goldspotted oak borer.

We recognize the importance of reducing government spending. However, forests and urban trees are a treasured and integral part of American life and the current threats we face are an emergency situation that affects the environment and human safety. Forested landscapes cover 751 million acres, approximately one-third of the total land area of the United States. Every American derives some type of value from forested land, whether in the form of wood products for construction or paper, neighborhood amenities, wildlife habitat, carbon sequestration, clean water and air, or spiritual inspiration -- and the jobs associated with these values. The U.S. forest products industry provides nearly 900,000 jobs and are among the top 10 manufacturing sector employers in 47 states. Jobs associated with production of nonwood forest products are harder to quantify but are estimated to be in the tens of thousands. In 2009, the value of sales in maple products in the US was over \$90 million. In Vermont alone, the maple sugar industry provides thousands

of seasonal jobs. Tourism based on fall foliage displays attracts one million tourists who annually generate \$1 billion in revenue in New England.

American forest ecosystems are under siege by a growing number of exotic forest pests. Close to 500 species of invertebrates and pathogens from other countries have become established in the country, and a new damaging pest is introduced, on average, every 2 to 3 years. While adoption of the international standard for wood packaging has probably helped curtail introductions of the highly damaging wood-boring insects that are introduced via this pathway, pests already introduced in wood packaging already threaten to eliminate several entire tree genera, including maples and ash. It is APHIS' responsibility to prevent – to the extent possible – such introductions and to respond effectively when pests are introduced.

The “Tree and Wood Pest” category was cut by nearly 27% in FY12 compared to FY11. The Administration now proposes another cut of 21% - thus reducing program funds by 42% over two years. Leading the list of pest response efforts funded under the “Tree and Wood Pest” account is the imperative to eradicate the Asian longhorned beetle at outbreak sites, and to continue expanded detection programs to ensure that this highly destructive beetle is not established at additional sites. The Asian longhorned beetle has been introduced at 6 sites in the United States – as of present knowledge. The Worcester, MA and southern Ohio outbreaks demonstrate that this beetle is often present for up to a decade before authorities learn of its presence. The Asian longhorned beetle kills trees in 15 botanical families--especially maples and birches which constitute much of the forest reaching from Maine to Minnesota and urban trees worth an estimated \$600 billion. We cannot afford to let this beetle become established in North America because it may cause the ecological extinction of myriad species. APHIS must continue improving its detection and eradication tools.

Many of us are concerned that the proposed Tree and Wood Pest funding reduction will result in severe cutbacks in the program aimed at preventing further spread of the emerald ash borer, an insect from Asia which kills the trees in all 16 species of ash. As the map attached to this letter demonstrates, while the emerald ash borer has spread to infest a large area, the insect still infests only about 10% of the full range of vulnerable ash trees. Significant numbers of ash trees are found in cities and towns of the Great Plains, West, and South. Reducing APHIS' ‘slow the spread’ effort will expose municipal governments and property owners in these areas to millions of dollars in costs for tree removal. Municipal governments and property owners cannot escape the financial burden because they will be liable if trees fall and injure people or damage property. APHIS must have sufficient funds to manage this species and continue efforts to develop biological controls aimed at reducing the damage it causes.

Also curtailed by the proposed FY13 cuts are the APHIS programs targeting firewood as a major pest pathway and programs providing important flexibility needed to address additional threats as they appear. For example, the agency should be acting to prevent spread of the goldspotted oak borer, now known to be present in only San Diego County, California and southern Arizona. This insect has already killed 80,000 California live oak and black oak trees in less than 15 years. The insect threatens oaks throughout California, including 55,000 coast live oak trees in greater Los Angeles and in Yosemite Valley. APHIS should establish a quarantine and evaluate whether oak trees in the Southeast are at risk.

We also support continuation of APHIS' support of efforts to detect and contain outbreaks of thousand cankers disease, which threatens the very valuable walnut resource.

Retaining funding for the “Specialty Crops” program is essential to ensure improved efficacy of APHIS' program to curtail spread of the sudden oak death (SOD) pathogen through interstate movement of infected plants. Last year, 23 nurseries were found to have SOD-infected plants. APHIS must adopt more effective measures to ensure that plants shipped to vulnerable areas, such as the Southeast, are not carrying this pathogen.

These vitally important programs are leveraged by collaborations with other federal agencies, states, and numerous academic, non-governmental, and commercial entities. If reduced funding hampers these efforts, forests across the Nation will be at increased risk from Asian longhorned beetle, emerald ash borer, sudden oak death, thousand cankers disease of walnut, laurel wilt, and a host of other wood-inhabiting pests.

Thank you for considering our views. For further information, please contact any of the signatories below.

Yours,

American Forest and Paper Association, Jeff Bradley, Manager, Forest & Wood Product Policy;  
Jeffrey\_Bradley@afandpa.org

American Forest Foundation, Tom Martin, President and CEO; contact ccadigan@forestfoundation.org  
American Nursery and Landscape Association, Craig Regelbrugge, Vice President for Government Relations;  
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National Plant Board, Michael Cooper, President; Mike.Cooper@agri.idaho.gov  
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North American Maple Syrup Council, Inc., Cécile Brassard Pichette, President; contact  
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Society of American Foresters, Michael T. Goergen; goergenm@safnet.org

Society of Municipal Arborists, Jerri J. LaHaie, Executive Director; UrbanForestry@prodigy.net  
Virginia Native Plant Society, Mary Ann Lawler, Conservation Chair; malawler0@gmail.com

And the following individuals:

G. Keith Douce, Co-Director, Center for Invasive Species & Ecosystem Health, University of Georgia  
Jennifer Parke, Associate Professor, Oregon State University  
Judith Pasek, USDA APHIS retired  
Susan Schechter, Purdue University  
Clifford F. Sadoff, Department of Entomology, Purdue University

**Testimony of Elizabeth VanDersarl, Vice President, Government Affairs  
American Forest & Paper Association  
Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related  
Agencies  
House Committee on Appropriations  
March 20, 2012**

**Introduction**

*AF&PA supports \$5.5 million to provide for implementation of the declaration requirement of the Lacey Act, as amended by the 2008 Farm Bill; recommends maintaining at least FY 2012 funding of \$56 million for the "Tree and Wood Pests" category to aid in combating these, and other pests and diseases; requests \$33 million for the McIntire-Stennis Cooperative Forestry Research Program; and we would like your support and assistance in ensuring that robust funding is included for the Center for Food Safety and Applied Nutrition and that Congress expresses its intention to continue the operation of the Food Contact Notification (FCN) program .*

The American Forest & Paper Association (AF&PA) is the national trade association of the forest products industry, representing pulp, paper, packaging and wood products manufacturers, and forest landowners. Our companies make products essential for everyday life from renewable and recyclable resources that sustain the environment.

The forest products industry accounts for approximately 5 percent of the total U.S. manufacturing GDP. Industry companies produce about \$190 billion in products annually and employ nearly 900,000 men and women, exceeding employment levels in the automotive, chemicals and plastics industries. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 states. Within the jurisdiction of this subcommittee, continued resources for protecting forest health and providing adequate resources to enforce existing trade laws are essential. Specific recommendations follow.

**Food and Drug Administration – Food Contact Notification Program**

*AF&PA supports continued funding of the Food Contact Notification Program.* The Food Contact Notification (FCN) program protects consumer health, food safety and quality while providing packaging manufacturers with an efficient process that is less burdensome than the food additive approval process. It has allowed packaging manufacturers to bring new, more environmentally-friendly products to market that have extended product shelf life, thereby increasing consumer value. As Congress begins work on appropriations legislation for FDA in the coming weeks, we would like your support and assistance in ensuring that robust funding is included in the Appropriations bills for the Center for Food Safety and Applied Nutrition, and that Congress expresses its intention to continue the operation of the FCN program. AF&PA appreciates that the subcommittee has previously rejected proposals to eliminate the FCN program.

**Animal and Plant Health Inspection Service (APHIS) – Lacey Act Enforcement**

*AF&PA supports \$5.5 million to provide for implementation of the declaration requirement of the Lacey Act, as amended by the 2008 Farm Bill.* The 2008 Farm Bill amended the Lacey Act (16 USC 3371 et seq.) to make it unlawful to trade wood products or other plants taken in violation of the laws of either a U.S. state or foreign country. This ground-breaking legislation already is beginning to influence the way companies make sourcing decisions and monitor their supply chains. Full and effective implementation and enforcement of the Lacey Act will enable American forest product companies to compete fairly in the global marketplace, help keep jobs in the United States, deter the destructive impacts of illegal logging on forests and forest-dependent communities in developing countries, and reinforce initiatives to mitigate climate change.

When fully implemented, the law requires U.S. importers of wood and wood products to file a declaration identifying the genus/species name and country of harvest — a critical measure intended by the law’s sponsors to increase supply chain transparency and assist federal agencies in fair and strong enforcement. The prohibition and the declaration requirement affect a wide array of American industries, so it is critical that the declaration process generates data in a streamlined, cost-effective manner without unduly burdening legitimate trade. To that end, APHIS — which is responsible for implementing the declaration provision — needs \$5.5 million in funding to fully implement congressional mandates, including to establish an electronic declarations database and to add internal capacity to perform data analysis needed for monitoring and enforcement purposes.

#### **APHIS –Plant Pests**

*AF&PA recommends maintaining at least FY 2012 funding of \$56 million for the “Tree and Wood Pests” category to aid in combating these, and other pests and diseases.* As world trade continues to expand, global weather patterns shift, and an increasingly affluent world population has the ability to travel to — and demand products from — the far corners of the globe, the inadvertent, yet inevitable introduction of nonnative pests and diseases into the United States continues. Additional funding is vitally needed to aid in combating pests such as the Asian longhorn beetle, the Emerald Ash borer, and the Sirex woodwasp, as well as diseases such as Phytophthora ramorum. These are but a sampling of the diseases that harm commercial timber stands, community parks, and private forest landowners. American citizens most certainly will bear the cost of combating these and other emergent threats. We believe a comprehensive, coordinated response to each is more effective and more economical.

**National Institute of Food and Agriculture – McIntire-Stennis Cooperative Forestry****Research*****AF&PA requests \$33 million for the McIntire-Stennis Cooperative Forestry Research Program.***

Approximately one-third of the United States is forested and these forests enhance our quality of life and economic vitality and are an invaluable source of renewable bioproducts, outdoor recreation, clean water, fish and wildlife habitat, and carbon sequestration. Sustaining these forests in a healthy and productive condition requires a strong, continuing commitment to scientific research and graduate education. Foundational financial support for university-based forestry research and graduate education comes from the McIntire-Stennis Cooperative Forestry program, funded through the USDA's National Institute of Food and Agriculture. Funds are 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.

Additional funding is needed to:

- Provide the additional scientific research needed to address critical forest issues such as fires, storms, insects, diseases, urbanization, fragmentation, and lost economic opportunities.
- Develop new knowledge and innovations to sustain healthy, productive forests and address the challenges facing forest owners, forest products manufacturers and all Americans who benefit from our forest resources.
- Support research capacity within each state to address issues that are essential to private forest owners, and develop new opportunities for economic benefit from their forests.

**FY 2013 Testimony of Mr. Mark Jensen**  
**President, American Honey Producers Association, Inc.**  
**Subcommittee on Agriculture, Rural Development, FDA and Related Agencies**  
**Appropriations Committee**  
**United States House of Representatives**

Chairman Kingston and Members of the Subcommittee, my name is Mark Jensen, 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 to bring to your attention the continued threats faced by American beekeepers and the billions of dollars in U.S. agriculture that rely upon honeybee pollination services. With those threats in mind, we respectfully request an appropriation that meets the needs anticipated by the 2008 Farm Bill for research funds to combat CCD and to conduct other essential honeybee research through the Agricultural Research Service (ARS) and other agencies at the Department of Agriculture, including at least \$11.7 million for bee research at the ARS Honeybee Research Laboratories. And we specifically request that funds and personnel not be diverted from the essential ARS Honeybee Research Laboratory in Weslaco, Texas, which for reasons given below would jeopardize highly valuable research at a critical time for America's beekeepers.

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. One key example is the almond crop. California grows 100 percent of the nation's almonds and supplies 80 percent of the world's almonds, all of which are 100% pollinated by managed bees. Nearly half of the managed colonies in the U.S. are transported each year from other parts of the country to pollinate those almonds. In addition to this clear commercial benefit, honeybees are also vital to the health of all Americans given the dietary importance of such diverse pollinated 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.

With this in mind, a threat to the existence of managed American honeybees is a threat to all Americans. And unfortunately, the American honeybee continues to face a number of significant threats. While not specifically a topic of relevance for congressional appropriators, complex circumvention and customs fraud schemes continue to disadvantage the American honey producer, stress pollinated crops and even threaten the health and safety of consumers. Producers struggle under the impact of increasingly divergent market prices -- one price for legitimate honey and another rock bottom price for illegally transshipped honey. The direct result of these divergent prices is a rapidly shrinking domestic market share for American producers. The shrinking domestic share has, in turn, diminished the available supply of managed bee colonies necessary to pollinate U.S. agriculture, and it has placed American consumers at risk due to increasing volumes of low-cost, often adulterated, food products entering uninspected into the nation's food supply.

This substantial trade threat is layered on top of the industry's ongoing battle against Colony Collapse Disorder ("CCD"), a phenomenon that since 2006 has ravaged bee colonies across the United States, moving from one hive to another in unpredictable patterns and causing the death of up to 90% of the bee colonies in affected apiaries. The National Research Council at the National Academy of Sciences has, as a result of CCD, characterized the beekeeping industry as being in "crisis mode" -- a point echoed and re-emphasized in a USDA action plan regarding honeybee threats. And hundreds of

news articles and many in-depth media reports have continued to chronicle the looming disaster facing American beekeepers and the producers of over 90 fruit, vegetable and fiber crops that rely on honeybee pollination. Unfortunately, despite extensive and coordinated work by experts from government, academia and the private sector, the definitive causes of and solutions for CCD have yet to be identified.

For decades, 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. CCD, while the most severe, is only the most recent threat to the bee population. Unfortunately, the research is complex, as there are a wide range of factors that -- either alone or in combination -- may be causes of this serious condition, including stress from the cross-country movement of bees for commercial pollination, stress of pollinating crops, and the impact of certain crop pesticides and genetic plants with altered pollination characteristics. 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.

AHPA, other industry officials, 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, resulting in an inadequate capacity to respond to new research challenges and to take long-term steps to assure honeybee health. In recent years, honeybee research has become overly confined to four ARS laboratories that, while providing the first line of defense against exotic parasitic mites, Africanized bees, viruses, brood diseases, pests, pathogens and other conditions, simply cannot be expected to handle the full range of honeybee research challenges at current funding levels. At the same time, universities and the private sector, despite their ability to provide significant and innovative new research on emerging bee threats, have scaled back their efforts due to a lack of available funds.

In recent years, the Federal Government has spent very modest amounts at each ARS Honeybee Research Laboratory — for a sector that contributes \$15 billion per year to the U.S. farm economy and exponentially more to ensuring ecological balance and a healthy human diet. Worse still, with the emergence of CCD, funding amounts have not been increased commensurate with growing bee health concerns, resulting in 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. To give a sense of this cost, it is estimated that each new scientist, technician and the support materials that they need will cost an additional \$500,000 per year. Many new scientists are needed.

To address these challenges, the AHPA respectfully requests funding consistent with authorizations provided in the 2008 Farm Bill. Specifically, the funds should be divided among the following Department of Agriculture agencies and programs: (1) the four ARS Bee Research Laboratories for new personnel, facility improvement, and additional research; (2) the Animal and Plant Health Inspection Service to conduct a nation-wide honeybee pest and pathogen surveillance program; (3) the ARS Area Wide CCD Research Program divided between the Beltsville, MD and the Tucson, Arizona research laboratories to identify causes and solutions for CCD in affected states; (4) the NIFA to fund extension and research grants to investigate the following: honey bee biology, immunology, and ecology; honey bee genomics; native bee crop pollination and habitat conservation; native bee taxonomy and ecology; pollination biology; sub-lethal effects of insecticides, herbicides, and fungicides on honey bees, native pollinators, and other beneficial insects; the effects of

genetically-modified crops, including the interaction of genetically-modified crops with honey bees and other native pollinators; honeybees, bumblebees, and other native bee parasites and pathogens' effects on other native pollinators; and (5) the additional ARS research facilities in New York, Florida, California, Utah, and Texas for research on honeybee and native bee physiology, insect pathology, insect chemical ecology, and honeybee and native bee toxicology.

In past fiscal years, this Subcommittee has supported the beekeeping industry through funding for agricultural research activities. As you know, in the FY 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. Again, in the FY 2009 omnibus appropriations bill, Congress preserved funding for the Weslaco, Texas ARS research facility despite a recommendation in the President's FY 2009 budget proposal to close that facility. In FY 2010, Congress increased funding for the ARS labs and the National Institute of Food and Agriculture (NIFA). Those were wise decisions. Without these labs, and without the work of other researchers supported by federal funds, the American honeybee may not have survived the various above-mentioned threats, and the infrastructure would not exist today upon which an aggressive research campaign may continue to be built.

For FY 2013, unfortunately, it is our understanding that ARS, in a misguided effort to cut costs that will result in false savings, plans to close the Weslaco, Texas ARS research facility, home to one of the four honeybee research laboratories. The four 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. And each of the four ARS Honeybee Research Laboratories has unique strengths and is situated and equipped to support independent research programs which would be difficult, and in many cases impossible, to conduct elsewhere. This is particularly true of the Weslaco laboratory.

Although the AHPA appreciates that ARS plans to preserve funding for the Weslaco research function and re-direct that research to other ARS laboratories, given the multi-factor research capacity needed to address the scourge of CCD and the unique contributions made by each of the four laboratories, the AHPA firmly opposes closure of the Weslaco Honeybee Research Laboratory. The AHPA instead urges Congress to permit Weslaco and each of the other ARS Honeybee Research Laboratories to continue and expand upon their unique strengths in their respective geographic locations. More specifically, the AHPA believes that maintaining the laboratory in Weslaco is in the best overall interest of our nation's honeybee research agenda for the following reasons:

- Personnel: ARS, in its plan to re-direct funds from the Weslaco Honeybee Research Laboratory, does not account for the loss of highly skilled personnel. While ARS appears to believe that the scientific staff in Weslaco are replaceable, we believe this ignores that honeybee research is a unique study with a limited number of scientists worldwide. Further, even assuming ARS could replace some or all of the scientists, valuable time and years of practical and scientific knowledge and experience will be lost. In fact, some of the key personnel at Weslaco have already resigned or opted for retirement out of concern that the ARS plan for re-direction of funds will come to fruition. And finally, since the ARS plan would re-direct funding to other laboratories with existing research leaders, the result will likely be the loss of a research leader position -- a position

typically reserved for distinguished scientists. Each research leader position lost represents a diminished capacity to attract world class scientific talent to honeybee research.

- Mission: The Weslaco Honeybee Research Laboratory's mission is to research ways to implement integrated pest management principles. As discussed above, each of the four ARS laboratories has a unique focus. Weslaco is the only honeybee laboratory dedicating a significant amount of time, money and expertise to honeybee pest, parasite and disease management -- an absolutely necessary endeavor if we intend to preserve colony strength while awaiting the results of research initiatives at other laboratories aimed at longer-term solutions for the same problems. The Weslaco laboratory is the front-line defense. The others represent longer-term hope. For example, in cooperation with pharmaceutical and chemical manufacturing companies, Weslaco scientists have played a key role in bringing to market all of the major chemical controls that have successfully mitigated damage that would otherwise be caused by Varroa destructor mites. If the honeybee research laboratory at Weslaco is re-located as proposed, its research focus will necessarily be altered, and possibly even lost since the other laboratories do not have expertise in the same area of research. We cannot afford to take that risk at this particularly challenging time for the survival of honeybees.
- Cost: The ARS plan will represent an overall cost increase for the agency's honeybee research program. The Weslaco Honeybee Research Laboratory will realize increased costs associated with travel and other administrative inefficiencies that will be necessary if ARS wishes to continue the current Weslaco research agenda -- an agenda that relies on particular geographic and climate qualities not found in Beltsville, Maryland or Tucson, Arizona. Additionally, the receiving facilities will be burdened with new administrative responsibilities and demands for space. Restructuring any research facility requires time and funding commitments. The ARS facilities are no exception. Unfortunately, the ARS plan to re-direct funding does not appear to account for these added costs.
- Climate: The research currently conducted at the Weslaco laboratory relies on more than 450 research-quality bee colonies located near the facility. The scientists at Weslaco have access to such a large bee supply due in substantial part to the unique climate and habitat afforded by the laboratory's Weslaco, Texas location. Taken together, the warm climate and ample scrub brush ranch land combine for an optimal breeding ground and year-round research -- a combination that neither the Beltsville, Maryland or Tucson, Arizona can offer.
- Quality and Divisibility of Facility: As a practical matter, closing the Weslaco Honeybee Research Laboratory is unnecessary. As discussed above, the laboratory at Weslaco is among the best in the country, and it remains an ideal geographic location for honeybee research. While we acknowledge that ARS maintains other agricultural research laboratories on the same campus, and that those other laboratories are also targeted for closure, we note that the property is easily divisible and that closure of one lab does not necessitate closure of another. Each laboratory on the Weslaco campus operates in a separate building with considerable distance between buildings. Further, each laboratory has its own independent scientific and administrative staff. Thus, ARS can easily close and lease or sell other agricultural research laboratories located on the Weslaco campus without disturbing the important work conducted by the honeybee laboratory. Indeed, this makes good sense given that the ARS plan is to both close and eliminate funding for those other laboratories whereas, in the case of the honeybee laboratory, it is only to close and re-direct funding, a move that the AHPA continues to assert will result in greater costs than it will benefits.

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, 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 the 2008 Farm Bill. In addition to increased resources for ARS research, these experts pressed for new funding, through NIFA, 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. Fully funding the 2008 Farm Bill authorization for the Department of Agriculture's NIFA would go a long way toward achieving this worthy goal.

NIFA 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 NIFA 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 continued funding 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.

In conclusion, we wish to thank you again for your past support of honeybee research and for your understanding of the critical importance that federal funding plays in ensuring a healthy honeybee supply. By way of summary, in FY 2013, the American Honey Producers Association strongly encourages at least \$11.7 million in funding for CCD and other honeybee research spread among the four ARS Honeybee Research Laboratories. The AHPA firmly opposes closure of the ARS Honeybee Research Laboratory in Weslaco, Texas. And, the AHPA supports continued funding for the NIFA at the Department of Agriculture, and the Animal and Plant Health Inspection Service. 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.

**STATEMENT OF THE AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM**  
**SUBMITTED BY MARY E. GOETZ, VICE PRESIDENT FOR ADVOCACY**  
**TO THE U.S. HOUSE OF REPRESENTATIVES - COMMITTEE ON APPROPRIATIONS**  
**SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG**  
**ADMINISTRATION, AND RELATED AGENCIES**  
March 20, 2012

On behalf of the American Indian Higher Education Consortium (AIHEC) and the 32 Tribal Colleges and Universities (TCUs) that currently compose the list of 1994 Institutions, thank you for this opportunity to outline our needs and concerns for Fiscal Year (FY) 2013.

This statement is presented in three parts: a) summary of our FY 2013 funding recommendations, b) brief background on Tribal Colleges and Universities, and c) an outline of the 1994 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 potential of their resources.

### **I. Summary of Requests**

We respectfully request the following for FY 2013 for our land grant programs established within the USDA National Institute of Food and Agriculture (NIFA) and the Rural Development mission area. In NIFA, we request: \$4,312,000 for the 1994 Institutions' competitive Extension grants program; \$2,000,000 for the 1994 Institutions' competitive Research Grants program; \$3,335,000 for the Higher Education Equity Grants; a doubling of the corpus in the Native American Endowment fund; and in the Rural Development - Rural Community Advancement Program (RCAP), that \$4,000,000 be appropriated for the TCU Essential Community Facilities Grants program (the same level included in the President's FY 2013 Budget Request) to help the 1994 Institutions address the critical facilities and infrastructure needs that advance their capacity to participate as full land grant partners.

### **II. Background on Tribal Land Grant Institutions**

The first Morrill Act was enacted in 1862 specifically to bring education to the people and to serve their fundamental needs. Today, 150 years after enactment of the first land grant legislation, the 1994 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 32 Tribal Colleges and Universities that compose the list of 1994 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. The vast majority of the 1994 Institutions is 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 their 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 TCUs, 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 Economic Potential**

In the past, due to lack of expertise and training, millions of acres on Indian reservations lay fallow, under-used, or had been developed using methods that caused irreparable damage. The Equity in Educational Land Grant Status Act of 1994 is addressing this situation and is our hope for the continued improvement of our reservation lands. Our current land grant programs remain small, yet critically 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 fundamental 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; and agriculture; as well as health and nutrition education and awareness. Without adequate funding the 1994 Institutions' ability to maintain existing programs and to respond to the many 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. Funding for the 1994 Land Grant Extension programs is extremely modest. The 1994 Institutions have applied their resourcefulness for making the most of every dollar they have at their disposal by leveraging funds to maximize their programs whenever possible. Two examples of effective 1994 Extension programs include: Extension activities at the College of Menominee Nation (Wisconsin) strengthen the sustainable economic development potential of the Menominee, Stockbridge-Munsee, Oneida, and Potawatomi Reservations and surrounding communities by increasing distance education capacity, conducting needs assessment studies, providing workshops and training sessions, and offering strategic planning assistance. The Agriculture & Natural Resources Outreach Education Extension program at Oglala Lakota College (South Dakota), which is located in one of the poorest counties in the nation, utilizes education to promote the environmentally sound use of agriculture and natural resources by Lakota people. The program coordinates activities between the college's Agriculture and Natural Resources department, reservation schools, other tribal departments, South Dakota State University, and county extension programs. Specific issues addressed by this program include poverty, isolation, health, cultural dissonance, and land use practices by Lakota landowners. *To continue such highly successful programs conducted at 1994 Institutions, we request that the*

*Subcommittee appropriate a minimum of \$4,312,000 for this competitive grants program to support the growth and further success of these essential community-based extension programs.*

**1994 Competitive Research Program:** As the 1994 Institutions enter into partnerships with 1862/1890 land grant institutions through collaborative research projects, impressive efforts to address economic development through natural resource management have emerged. The 1994 Research Grants program illustrates an ideal combination of federal resources and TCU-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. The \$1,801,000 appropriated last year is, by any measure, inadequate to develop capacity and conduct necessary research at our institutions. The 1994 Research Grants program is vital to ensuring that TCUs may finally be recognized as full partners in the nation's land grant system. Currently, many of our institutions are conducting applied research, yet finding the resources to continue this research to meet their communities' needs is a constant challenge. This research authority opens the door to funding opportunities to maintain and expand the vital research projects begun at the 1994 Institutions, but only if adequate funds are secured and sustained. A total research program funded at less than \$2 million, for which all 32 of the 1994 Institutions compete for awards, is incredibly insufficient. Priority issue areas currently being studied at the 1994 Institutions include: sustainable agriculture and forestry; biotechnology and bioprocessing; agribusiness management and marketing; plant propagation, including native plant preservation for medicinal and economic purposes; animal breeding; aquaculture; ramifications of human nutrition (including health, obesity, and diabetes); and family, community, and rural development. For example, the Standing Rock Sioux Reservation, home to Sitting Bull College and located in North and South Dakota, is often characterized by high unemployment and considerable health concerns. The college is conducting a research project to develop a natural beef enterprise on the reservation that will maximize use of existing natural resources, allow American Indian students to be actively involved in research and to produce a healthier agricultural product for the community. This project combines expertise from Sitting Bull College, North Dakota State University, and the USDA-ARS Northern Great Plains Research Laboratory. *We request that the Subcommittee afford the 1994 Research competitive program a very modest increase, and appropriate \$2,000,000 for these critical grants.*

**1994 Institutions' Educational Equity Grant Program:** This program is designed to assist 1994 Institutions with academic programs. Through the modest appropriations first made available in FY 2001, 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. *We request that the Subcommittee appropriate at a minimum, \$3,335,000 to allow the 1994 Institutions to continue their current course offerings and the successful activities that have been established.*

**Native American Endowment Fund:** Endowment installments that are paid into the 1994 Institutions' account remain with the U.S. Treasury. Only the annual interest yield, less the USDA's administrative fee, is distributed to the 1994 Institutions. The latest annual interest yield for the 1994 Institutions' treasury endowment was \$4,306,999 and after the USDA NIFA claimed its standard four-percent administrative fee, \$4,134,719 was distributed among the

eligible 32 TCU Land Grant Institutions by statutory formula. Once again, the administrative fee paid to USDA-NIFA to simply make the funds available for draw down by the eligible 1994 Institutions was higher than the amount paid to all but six of the 32 tribal college (1994) land grant institutions. In other words, **about 80 percent of the 1994 institutions receive less of the annual interest yield for program use than the administrative fee paid to the USDA-NIFA.**

Endowment payments appropriated increase the size of the corpus held by the U.S. Treasury and thereby increase the base on which the annual interest yield is determined. 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. For the latest endowment interest distribution, the median interest payment to 1994 Institutions was \$97,494, which is clearly not sufficient to address curriculum development AND instruction delivery, not to mention the need to address the ongoing facilities and infrastructure projects at these institutions. In order for the 1994 Institutions to become full partners in the nation's land-grant system, we need 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. Identifying creative solutions is essential to address so many public funding needs in a time of extreme fiscal austerity. The TCUs propose a one-time doubling of the 1994 Native American endowment, which would result in an increase in the annual interest yield by approximately \$4,000,000 – the same amount as proposed for the TCU Rural Development Essential Community Facilities Grant program. Payments into the endowment remain with the U.S. Treasury, therefore only the interest yield is scored as outlay. Should the endowment corpus be doubled and the agency's administrative fee scaled back, the TCUs could then consider forgoing the Rural Development program. *We respectfully request that the Subcommittee consider doubling the current endowment corpus by FY 2015. Additionally, we strongly urge the Subcommittee to review the USDA-NIFA administrative fee charged and consider directing the department to reduce said fee for the Tribal College Endowment program so that more of these already limited interest funds can be utilized by the 1994 Institutions to conduct essential community-based programs and address critical infrastructure needs.*

**Tribal Colleges and Universities Essential Community Facilities Program (Rural Development):** The Absent the doubling of the 1994 endowment corpus resulting in an additional interest yield equal to the TCU Essential Community Facilities Program, *we strongly urge the Subcommittee to appropriate a minimum of \$4,000,000, the level included in the President's FY 2013 Budget Request, each year for the next three fiscal years to afford the 1994 Institutions the means to actively address critical facilities and infrastructure needs, thereby allowing them to better serve their students and their respective communities.*

#### **IV. Conclusion**

The 1994 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 underserved regions. The modest federal investment in the 1994 Institutions has already paid great dividends in terms of increased employment, access to higher 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

*AIHEC/Tribal College and Universities FY 2013 Agriculture Appropriations Statement*

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 Institutions.

We appreciate your support of the 1994 Institutions and recognition of their role in the nation's land grant system. We ask you to renew your commitment to help move our students and communities toward self-sufficiency and respectfully request your continued support and full consideration of our Fiscal Year 2013 appropriations requests.



*Individuals enhancing the health and quality of life  
through the suppression of mosquitoes, other vectors  
and pests of public health importance.*



A Partner in the EPA's Pesticide Environmental Stewardship Program

To the House Appropriations Committee

Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies

Thomas R. Wilmot, PhD, President

AMCA – American Mosquito Control Association

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E-mail: [amca@mosquito.org](mailto:amca@mosquito.org)

March 16, 2012

As Congress works on the Fiscal Year 2013 Agriculture Appropriations bill, we strongly urge you to support at least \$12,000,000 for Minor Crop Pest Management (IR-4) within the budget of the United States Department of Agriculture-National Institute of Food and Agriculture (USDA-NIFA) Research and Education Activity program. USDA-NIFA has proposed to eliminate funding for IR-4 and consolidate IR-4's dedicated funding with other programs, creating a new program called Crop Protection. Many public health pesticide stakeholders believe this consolidation will result in significantly increased costs to the government, while limiting new registrations of safe and effective pest protection products for public health mosquito control operations.

Developing pest control tools entails significant regulatory costs that may, in some minor markets such as public health, exceed expected return on investment. For this reason, public financial support has always been needed to ensure that safe and effective agrichemicals and biopesticides are available for the small minor use markets. For almost 50 years, the IR-4 Project has served the agriculture community and all Americans by facilitating EPA registration of safe and effective pest management technologies where the private sector is unable to cover regulatory cost. IR-4 brings together and effectively coordinates the financial resources and scientific expertise of the federal government, state land grant universities, growers, and chemical/biopesticide companies to accomplish its mission of registering products to manage destructive pests that threaten food security, consumer prices, and public health.

Recently IR-4 has facilitated the registration of public health pesticides, and is well positioned to coordinate the expertise needed from registrants, scientists and public health end users to ensure the public health toolbox retains the capability of serving this critical function. IR-4 is the only national, public sector research program that currently facilitates the registrations of effective pest management tools for public health. Merging this program will have direct effects on the ability to protect our citizens both here and abroad from public health pests. It is critical for public health that IR-4's dedicated funding be maintained to ensure the investigation and registration of public health pesticides.

Thank you for your consideration of this request.



Testimony of the American Phytopathological Society  
 Regarding the FY 2013 funding levels for  
 USDA Research, Extension, and Education Appropriations

Submitted to the Subcommittee on  
 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies  
 Committee on Appropriations  
 United States House of Representatives  
 Washington, D.C.

March 20, 2012

Contacts: Jan Leach, Chair of the Public Policy Board, [jan.leach@colostate.edu](mailto:jan.leach@colostate.edu)  
 Kellye Eversole, Washington Representative, [eversole@eversoleassociates.com](mailto:eversole@eversoleassociates.com)

The American Phytopathological Society (APS), the premier educational, professional, and scientific society dedicated to the promotion of plant health and plant disease management for the global good, appreciates the opportunity to provide our views on research, extension, and education provisions of the FY 2013 agricultural appropriations bill. The APS believes that now is the time to make strategic, additional investments in agricultural science to help jumpstart the US economy. Thus, we request the Subcommittee to include in the FY 2013 agricultural appropriations bill, funding for agricultural science and technology **at no less** than the FY 2012 level for the USDA Agricultural Research Service (ARS) and the National Institute of Food and Agriculture (NIFA). We further request the Subcommittee to support strategic investments, above the FY 2012 funding levels, of \$72.9 million for the ARS and NIFA as described below:

- A net increase of \$7.9 million for salaries and expenses for the USDA Agricultural Research Service, (i.e., funding at not less than the President's Budget request of \$1,102,565,000);

- A net increase of \$4 million for the Food and Agriculture Defense Initiative (homeland security) under the Integrated Activities account of the National Institute for Food and Agriculture, returning the funding to the FY 2010 level of \$9.83 million with the increase divided equally between the National Plant Diagnostic Network and the National Animal Health Laboratory Network; and
- A net increase of \$61 million (total budget of \$325 million) for the Agriculture and Food Research Initiative (AFRI) competitive grants program of the National Institute for Food and Agriculture.

Agriculture in the United States is highly productive. This productivity was achieved because past investments in agricultural science led to advances that placed our producers, processors, and manufacturers at the cutting edge of agricultural technology. To ensure continued safety and security of our food, feed, fiber, and natural resources, we believe that science based solutions to the new challenges faced in today's agriculture must be explored and developed. Further, our agricultural economy must be protected from devastating invasive plant diseases and pests by a robust diagnostic network and the development of science based tools and resources. The only way we can achieve these solutions is by providing strategic investments in agricultural science, extension, and education and to make these investments with additional funds and not by reducing funding for other essential programs at ARS and NIFA.

The jobs of 21 million Americans depend on the vitality of the U.S. agriculture and food sector. In Ohio, for example, 1 in 7 jobs is directly tied to agriculture. For every \$1 invested in publicly funded agricultural research, a minimum of \$20 in economic activity is generated.

Unfortunately, U.S. government investments in **agricultural innovation** have been flat in recent years. As a consequence, the competitive edge that made the U.S. agricultural research sector the envy of the world has declined, and industry is turning to other parts of the world for innovation. The decisions made by the Subcommittee this year will have far-reaching impacts, the downstream implications of decisions made now have far reaching impacts, as the scientific research funded today will be responsible for enhancing the Nation's agricultural productivity and overall economic prosperity in the future.

While an increase of \$100 million would have little impact on the NIH or NSF research budgets, a \$73 million increase in funding for the USDA's ARS and NIFA would be significant in the impact on the nation's economy, generating almost \$1.5 billion in economic activity.

The added funds we are requesting for the Food and Agricultural Defense Initiative (Homeland Security) would ensure that we have a coordinated network of diagnostic laboratories and experts at land grant universities, state departments of agriculture to protect our crops from diseases such soybean rust, citrus greening, plum pox virus, sudden oak death, Ug99. The slight increase in funding for the ARS would support funding for food safety, crop health, and strengthen long-term agro-ecosystem research that will be essential for ensuring an abundant supply of safe, high quality, food, feed, and fiber during periods of changing weather patterns.

The 23 percent increase in the AFRI competitive grants program would provide a much needed boost of funding for fundamental, applied, and integrated research and education that will be used to address critical gaps in food safety science, particularly those related to human pathogens on/in plants and plant associated microbial communities. The AFRI funding increase could also

expand opportunities for scientists broadly trained to meet the needs of the various agricultural industries.

We recognize the difficult challenge facing the Subcommittee. However, we believe that investment in science for food and agriculture is essential for maintaining the nation's food, economic, and national security. Thank you for this opportunity to present our views.

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**Statement  
Of the  
AMERICAN PUBLIC POWER ASSOCIATION  
Submitted to the  
HOUSE APPROPRIATIONS COMMITTEE'S  
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND  
DRUG ADMINISTRATION, AND RELATED AGENCIES  
March 15, 2012**

The American Public Power Association (APPA) appreciates the opportunity to submit this statement outlining our FY 2013 funding priorities within the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Subcommittee. We support increased funding for Farm Bill Title IX programs, and \$308 million for the Commodity Futures Trading Commission.

APPA is the national service organization representing the interests of over 2,000 municipal and other state and locally owned utilities in 49 states (all but Hawaii). Public power utilities deliver electricity to one of every seven electricity consumers (approximately 46 million people), serving some of the nation's largest cities. However, the vast majority of APPA's members serve communities with populations of 10,000 people or less.

**Department of Agriculture: Title IX Programs**

APPA supports full funding for programs authorized in Title IX of the 2008 Farm Bill for energy efficiency, renewable energy and biofuels. APPA is extremely pleased that the President's budget provides \$56 million for the Rural Energy for America Program (REAP). In addition, we request the full authorized level of \$5 million for the Rural Energy Self-Sufficiency program, and \$5 million for the Community Wood Energy Program for FY 2012.

**Commodity Futures Trading Commission**

APPA supports the President's budget request of \$308 million for the Commodity Futures Trading Commission (CFTC), a \$102 million increase over Fiscal Year 2012. As the CFTC continues to implement the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, they will struggle to do so in a timely manner without the proper staffing levels and technology necessary to complete rule-makings and implementation. Given the direct effect the rule-makings will have on public power utilities and consumers, APPA is supportive of giving the CFTC the resources it needs to complete the rule-makings quickly and thoroughly.



American Society for Nutrition  
*Excellence in Nutrition Research and Practice*

March 14, 2012

The Honorable Jack Kingston

Chairman

Appropriations Subcommittee on

Agriculture, Rural Development,

Food and Drug Administration,

and Related Agencies

U.S. House of Representatives

Washington, DC 20515

The Honorable Sam Farr

Ranking Member

Appropriations Subcommittee on

Agriculture, Rural Development,

Food and Drug Administration,

and Related Agencies

U.S. House of Representatives

Washington, DC 20515

Re: Dr. Sharon M. Donovan, President of the American Society for Nutrition - Testimony to Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies Regarding FY 2013 Funding for the U.S. Department of Agriculture

Dear Chairman Kingston and Ranking Member Farr,

The American Society for Nutrition (ASN) appreciates the opportunity to submit testimony regarding fiscal year (FY) 2013 appropriations for the U.S. Department of Agriculture (USDA) National Institute of Food and Agriculture's Agriculture and Food Research Initiative (AFRI)

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and the USDA Agricultural Research Service (ARS). Founded in 1928, ASN is a nonprofit scientific society with more than 4,500 members in academia, clinical practice, government and industry. **ASN respectfully requests \$1.2 billion for USDA's Agricultural Research Service, and we urge you to adopt the President's request of \$325 million for the Agriculture and Food Research Initiative competitive grants program in FY 2013.**

### **Agriculture and Food Research Initiative**

The USDA has been the lead nutrition agency and the most important federal agency influencing U.S. dietary intake and food patterns for years. Agricultural research is essential to address the ever-increasing demand for a healthy, affordable, nutritious and sustainable food supply. The AFRI competitive grants program is charged with funding research, education, and extension grants and integrated research, extension, and education grants that address key problems of national, regional, and multi-state importance in sustaining all components of agriculture. These components include human nutrition, farm efficiency and profitability, ranching, renewable energy, forestry (both urban and agro forestry), aquaculture, food safety, biotechnology, and conventional breeding. AFRI has funded cutting-edge, agricultural research on key issues of timely importance on a competitive, peer-reviewed basis since its establishment in the 2008 Farm Bill. Adequate funding for agricultural research is critical to provide a safe and nutritious food supply for the world population, to preserve the competitive position of U.S. agriculture in the global marketplace, and to provide jobs and revenue crucial to support the U.S. economy.

In order to achieve those benefits, AFRI must be able to advance fundamental sciences in

support of agriculture and coordinate opportunities to build off of these discoveries.

**Therefore, ASN strongly urges you to adopt the President's request of \$325 million for the Agriculture and Food Research Initiative competitive grants program in FY 2013.**

ASN also strongly supports funding AFRI at the fully authorized level of \$700 million as soon as practical. Current flat and decreased funding for AFRI hinders scientific advances that support agricultural funding and research.

### **Agricultural Research Service**

The ARS is the Department of Agriculture's lead scientific research agency. The ARS conducts research to develop and transfer solutions to agricultural problems of high national priority. It is also the job of ARS 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.

Nutrition monitoring conducted in partnership by the USDA ARS with the Department of Health and Human Services (HHS) is a unique and critically important surveillance function in which dietary intake, nutritional status, and health status are evaluated in a rigorous and standardized manner. (ARS is responsible for food and nutrient databases and the "What We Eat in America" dietary survey, while HHS is responsible for tracking nutritional status and health parameters.) Nutrition monitoring is an inherently governmental function and findings are essential for multiple government agencies, as well as the public and private sector. Nutrition monitoring is essential to track what Americans are eating, inform nutrition and

dietary guidance policy, evaluate the effectiveness and efficiency of nutrition assistance programs, and study nutrition-related disease outcomes. Because of past funding deficiencies, some food composition database entries don't reflect the current food supply, which may negatively impact programs and policies based on this information. It is imperative that needed funds to update USDA's food and nutrient databases and the "What We Eat in America" dietary survey, both maintained by the USDA ARS, are appropriated to ensure the continuation of this critical surveillance of the nation's nutritional status and the many benefits it provides.

With the growing need for agricultural research to ensure that the country is healthy, ARS requires access to sufficient funding. **Therefore, ASN requests that ARS receive \$1.2 billion in FY 2013.** At least ten million dollars above current funding levels is necessary to ensure that the critical surveillance of the nation's nutritional status and the many other benefits ARS provides continue. With such funding, the ARS will be able to continue its vision of leading America towards a better future through agricultural research and information.

USDA AFRI and ARS programs are both equally important to the nutrition field because together they provide the infrastructure and the investigator-initiated, peer-reviewed research that generates new knowledge and allows for rapid progress towards meeting national dietary needs. These programs allow USDA to make the connection between what we grow and what we eat. Through strategic nutrition monitoring, we can also learn how dietary intake affects our health.

Thank you for your support of the USDA ARS and AFRI competitive grants program, and thank you for the opportunity to submit testimony regarding FY 2013 appropriations. Please contact John E. Courtney, Ph.D., Executive Officer, at [jcourtney@nutrition.org](mailto:jcourtney@nutrition.org) if ASN may provide further assistance.

Sincerely,

Sharon M. Donovan, Ph.D., R.D.

President, American Society for Nutrition



## TESTIMONY

### **House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies FY2013 Appropriations**

**Submitted by: Nancy Perry, Senior Vice President, Government Relations  
March 20, 2012**

On behalf of the American Society for the Prevention of Cruelty to Animals (ASPCA) and our 2.5 million supporters nationwide, thank you for the opportunity to submit this written testimony. Founded in 1866, the ASPCA was the first humane organization in North America. Our mission, as stated by founder Henry Bergh, is “to provide effective means for the prevention of cruelty to animals throughout the United States.” The ASPCA works to rescue animals from abuse, pass humane laws, and share resources with other animal protection groups nationwide.

The Fiscal Year 2013 (FY2013) Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill presents opportunities to not only cut unnecessary and wasteful federal spending, but also to ensure that programs to protect animals are being effectively implemented. As you craft the FY2013 appropriations bill, the ASPCA asks that you please consider the following provisions to ensure that federal funds are being effectively and responsibly spent to protect animals.

#### **Reinstatement of the Ban on Federal Funding for Horse Slaughterhouse Inspections**

The FY2012 Agriculture Appropriations bill failed to include a provision that barred federal funding of USDA inspectors at horse slaughter plants in the United States. Added as an amendment to the Agricultural Appropriations bill in 2005, the original measure was supported by huge, bipartisan votes (269-158 in the House and 69-28 in the Senate). Each successive appropriations bill included the provision until last year. This provision effectively prevented horse slaughter in the United States for human consumption and saved taxpayers up to \$5 million a year. Now that the ban on inspections has been removed, horse slaughterhouses could resume operations on American soil, even though horsemeat is not sold for human consumption in the United States.

This is distressing on two counts. First, at a time when Congress is cutting funds for many vital programs across the entire federal budget, it is disturbing that taxpayers would be asked to spend \$5 million for something as unpopular and senseless as horse slaughter. Second, since Americans do not eat horsemeat, this new government expense is for the benefit of foreign consumers in Asia and Europe, where horsemeat is considered a delicacy.

Contrary to what some may claim, horse slaughter does not create jobs. The last three remaining slaughter plants in the U.S. only created a handful of dangerous and low paying jobs. Nor is horse slaughter ever a humane act. Horses are ill-suited for commercial slaughterhouses due to their biology. They often endure repeated blows to the head and remain conscious and kicking during slaughter and dismemberment. The USDA has documented the cruel treatment of horses at domestic slaughterhouses.

Banning horse slaughter enjoys strong mainstream, bipartisan support in Congress. The American Horse Slaughter Prevention Act, which would permanently ban horse slaughter in this country and the export of horses for slaughter abroad, has overwhelmingly bipartisan support in Congress with over 160 cosponsors in the House and 26 in the Senate. Beyond Congress, efforts to end horse slaughter enjoy strong mainstream support with the American public. A 2012 national poll conducted by Lake Research Partners found that 80% of American voters are opposed to the slaughter of horses for human consumption and 72% of Americans in rural communities oppose it.

***The ASPCA requests that the Committee make the fiscally responsible and humane decision to reinstate the ban on federal funding for horse slaughterhouse inspections by the USDA by inserting the following language:***

*None of the funds made available in this Act may be used to pay the salaries or expenses of personnel to--*

- (1) inspect horses under section 3 of the Federal Meat Inspection Act (21 U.S.C. 603);*
- (2) inspect horses under section 903 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 1901 note; Public Law 104-127); or*
- (3) implement or enforce section 352.19 of title 9, Code of Federal Regulations.*

**Maintain or Increase Animal Welfare Act Enforcement Funding for the Inspection of Puppy Mills**

One of the functions of the USDA's Animal and Plant Health Inspection Service (APHIS) is to ensure the humane care and treatment of animals by enforcing the requirements of the Animal Welfare Act of 1966 (AWA). Included in this mandate is the inspection of large-scale commercial dog breeding operations, which prioritize profit over welfare. Dogs raised in these facilities, commonly known as puppy mills, spend their entire lives in small, crowded cages without adequate veterinary care, food, water, and socialization. These dogs receive no exercise or basic grooming. To minimize waste cleanup, dogs are often kept in cages with wire flooring that injures their paws and legs. Because these cages are often stacked, waste falls through wire floors onto the animals housed below. Female dogs usually have little to no recovery time between bearing litters. When, after a few years, they can no longer reproduce, the dogs are often abandoned or killed. Although the AWA provides very minimal standards that should be improved for the treatment of these dogs, those operations not in compliance need to be properly held accountable.

In 2010, the USDA's Office of the Inspector General (OIG) released a report detailing the lax and ineffective enforcement of the AWA for puppy mills. In response, this Committee late last year, recognizing the importance of inspecting "problematic dog dealers," repurposed \$4 million for puppy mill inspection enforcement. The same OIG report recommended closing a loophole in the AWA that exempts from regulation breeders selling directly to customers over the Internet. In compliance with that request, the USDA is currently drafting regulations that would close that loophole, thereby increasing the number of entities regulated and inspected under the AWA. These rules will likely be final by 2013 and will require funding for pre-licensing inspections of these new entities and for continued inspections of these breeding facilities once licensed.

The ASPCA is disappointed that the President's FY2013 budget request includes a reduction in funding for APHIS's AWA enforcement from \$28 million in the previous year to \$25 million. For FY2012, Congress approved a 20% increase in the USDA's annual budget to strengthen inspections and enforcement of the AWA. This is on top of \$4 million in reprogrammed FY2011 funds approved in October by Agriculture Appropriations leaders to address problematic dog dealers. We encourage the Committee to continue this trend of prioritizing AWA enforcement.

*The ASPCA requests that the Committee maintain or increase the previous year's funding for APHIS's Animal Welfare Act enforcement, build upon the advancements of last year's repurposing of funds, and encourage the USDA to improve its inspections of puppy mills.*

### **Exceed the Statutory Funding Cap for Horse Soring Enforcement**

In addition to enforcing the Animal Welfare Act, APHIS is charged with protecting horses through its enforcement of the Horse Protection Act (HPA) of 1970. USDA inspectors enforce the HPA by conducting surprise inspections at walking horse shows by examining horses for soring and the presence of harmful and illegal chemicals. Horse soring is a cruel practice in which trainers use painful chemicals and other devices to cause such agony to a horse's front limbs that any contact with the ground makes the horse quickly jerk up her leg, producing the pronounced gait prized by the walking horse industry. Recently, the USDA's Office of Inspector General and the U.S. Attorney's Office for the Eastern District of Tennessee successfully obtained guilty pleas from four individuals arrested for horse soring in Tennessee.

While the ASPCA applauds these successful prosecutions, in most cases the cruelty of horse soring goes unnoticed because USDA officials do not have the resources to oversee most shows. In 2011, USDA inspectors had the resources to attend just 62 of approximately 700 walking horse shows nationwide. Other shows were overseen solely by inspectors trained and hired by the horse industry itself. Although present at only 8-10% of shows, USDA inspectors found over 50% of reported violations last year. One of the defendants in the recent case in the Eastern District of Tennessee testified that "every Walking Horse that enters into a show ring is sored... They've got to be sored to walk." Clearly the problem is endemic and industry self-regulation is not effectively exposing violators. A greater USDA presence is necessary to root out the bad actors and hold them accountable.

Since passage of the HPA in 1970, effective USDA enforcement of horse soring has been frustrated by a \$500,000 statutory funding cap on activities under the authority of HPA. Congress can choose to ignore the cap and fund the program at higher levels, something the Committee chose to do for FY2012. If APHIS is to eradicate soring, the program must be adequately funded so that it can assert a strong and frequent presence at horse shows. It must also have proper funding to sample horses for the presence of foreign substances, such as those documented in the most recent criminal soring prosecutions. Finally, HPA enforcement should not have to rely on lax and inadequate industry self-regulation. The agency must be able to certify independent veterinarians who are not biased by their involvement in the walking horse industry. APHIS has now begun this process and needs greater resources for the program to be effective.

The President's FY2013 budget request includes only \$493,000 for HPA enforcement, which is below the statutory cap and below the \$696,000 that this Committee provided last year. *The*

*ASPCA requests that the Committee continue to furnish the USDA with the proper resources and continue to exceed the statutory funding cap to allow the USDA to properly enforce the Horse Protection Act and prevent the cruel practice of horse soring.*

### **Ensure Proper Enforcement of the USDA Ban on Double-Deck Transport of Horses Bound for Slaughter**

Double-deck trailers are dangerous and inhumane when used to transport horses. The USDA bans the use of these trailers for horses bound for slaughter, stating: “We do not believe that equines can be safely and humanely transported on a conveyance that has an animal cargo space divided into two or more stacked levels.” The USDA’s Veterinary Services (VS) program is charged with enforcing this regulation.

Double-deck trailers are designed for cattle and other short-necked livestock—not horses. Because horses are significantly taller and require more head room, these trailers cannot physically provide enough space to stand upright, leading to unstable footing, falls, injuries, trampling, and death. As long as Congress allows horses to be transported and exported for slaughter, VS should take proper steps to ensure that horses are not transported in cramped and inhumane double-deck trailers during their final journeys. Currently, VS does not employ sufficient inspectors in the field or at the border to ensure that horses are not being transported to slaughter in double-deck trailers. *The ASPCA requests that the Committee direct Veterinary Services to properly and effectively enforce the ban on the use of double-deck trailers to transport horses bound for slaughter.*

### **Defund Licensing and Relicensing of Class B Dealers**

Currently, two types of animal dealers are licensed by the USDA to sell animals for research: Class A “purpose-bred” dealers and Class B “random source” dealers. Class A dealers are highly regulated businesses that raise their own animals. Class B dealers, however, routinely obtain animals from suppliers with unknown or suspicious backgrounds. Many of these suppliers obtain the dogs and cats through theft, or by posing as adopters and responding to “free to good home” advertisements. Class B dealers pay suppliers for each animal, creating a financial incentive for individuals to steal pet dogs and cats from owners’ properties. Class B dealers then sell the pets to researchers. As a result, many lost or stolen family pets could end up as part of an experiment.

The USDA spends hundreds of thousands of taxpayer dollars each year unsuccessfully trying to regulate Class B dealers. The process is both lengthy and time consuming; the USDA must do lengthy “tracebacks” to try to determine the source of the animals. At one point, the USDA estimated that it spent as much as \$300,000 to regulate approximately 10 Class B dealers, or about \$30,000 per license. Even so, the department acknowledges that it is unable to guarantee that dogs and cats are not being illegally acquired for use in experiments. Five of the only eight dealers currently in operation are under investigation by the USDA, and one was recently indicted on a number of federal charges, including identity theft. Additionally, the inability to effectively regulate Class B dealers leads to animals often being kept in deplorable and inhumane conditions.

Removing animals sourced from Class B dealers would have little impact on our nation’s research capabilities. In May 2009, a National Academies report released on the Class B dealer

system concluded that “Class B dealers are not necessary for supplying dogs and cats for NIH-funded [National Institutes of Health] research.” The NIH began implementing a pilot program in March 2011 to eliminate the use of Class B sourced dogs in favor of other more reputable sources for NIH-supported research. Since the NIH is already taking steps to phase out the use of random sourced animals in research, there is no need or justification for the USDA to continue to spend federal funds to support the inhumane and corrupt system of Class B dealers. The Committee has an opportunity to not only save tax dollars but to also put an end to its tacit endorsement of inhumane and possibly illegal businesses.

***The ASPCA requests that the Committee insert the following language to prohibit the USDA from spending funds on new licensing or relicensing of Class B Dealers:***

*Provided, that appropriations herein made shall not be available for any activities or expense related to the licensing of new Class B dealers who sell live, random source dogs and cats for use in research, teaching, or testing, or to the renewal of licenses of existing Class B dealers who sell live, random source dogs and cats for use in research, teaching, or testing.*

### **Defund Wildlife Services’ Lethal Predator Control**

The USDA’s Wildlife Services (WS) division is a little-known federal agency that uses tax dollars to kill wildlife species considered by private landowners and ranchers to be problematic or nuisances. Unattended traps and poisons—and even helicopter shooting—are all routine features of WS’s campaign to kill wildlife. Their work is carried out without oversight, fiscal accountability, or public notification. The methods they employ are often indiscriminate and ineffective. In some cases, WS traps and poisons have killed beloved family pets.

The WS lethal predator control program is a waste of taxpayer dollars. Not only does WS provide a subsidized service for private landowners, but also its indiscriminate and random targeting of predators is not based on sound science. The USDA estimates that it spends \$10 million on its lethal predator control program. By cutting this wasteful and unnecessary program, Congress can ensure that U.S. taxpayers will stop subsidizing risky wildlife control methods for the benefit of private property owners. ***The ASPCA requests that the Committee act in a fiscally sound and humane manner and reduce funding for Wildlife Services Damage Management by \$10 million.***

### **Direct APHIS Veterinary Services to Prioritize Twenty-Eight Hour Law Enforcement**

Passed in 1873, the Twenty-Eight Hour Law states that animals cannot be transported interstate via “rail carrier, express carrier, or common carrier” for more than 28 hours consecutively without being unloaded for rest, food, and water. It was not until 2005 that the USDA agreed to extend the statute to interstate truck transport, which comprises the overwhelming majority of modern farm animal transport. The Twenty-Eight Hour Law is an important protection for livestock, as many travel great distances en route to livestock auctions and slaughter facilities. However, enforcement of this act is still lacking. APHIS Veterinary Services (VS) program is charged with enforcing the federal Twenty-Eight Hour Law. Like its lax enforcement of the ban on double-decked trailers for horses bound for slaughter, VS has not made enforcement of the Twenty-Eight Hour Law an enforcement priority. ***The ASPCA requests that the Committee direct APHIS Veterinary Services to prioritize Twenty-Eight Hour Law enforcement.***



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**Written Public Witness Testimony**  
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**Submitted to the**  
**House Subcommittee on**  
**Agriculture, Rural Development, Food and Drug Administration and Related Agencies**  
**Committee on Appropriations**  
**March 20, 2012**

**RE: FY13 Appropriations—Support for the Agricultural Research Service; National Institute of Food and Agriculture and Natural Resources Conservation Service.**

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

The **American Society of Agronomy (ASA)**, **Crop Science Society of America (CSSA)**, and **Soil Science Society of America (SSSA)** represent over 18,000 members in academia, industry, and government, and 13,000 Certified Crop Advisers. The largest coalition of professionals dedicated to the agronomic, crop, and soil science disciplines in the United States, ASA, CSSA, and SSSA are dedicated to utilizing science in order to meet our growing food, feed, fiber, and fuel needs. We are pleased to submit the following funding recommendations for fiscal year 2013 (FY13): **ASA, CSSA, and SSSA urge the Subcommittee to support a \$60 million increase from Fiscal Year 2012 (FY12) for the Agriculture Food Research Initiative (AFRI), bringing total funding to \$325 million, as requested in the President’s FY13 budget**

**proposal.** This strong level of funding will enable AFRI to continue to target areas that are key to American scientific leadership including: plant health and production, food safety, sustainable bioenergy and global food security. **ASA, CSSA, and SSSA further recommend funding the Agricultural Research Service (ARS) at \$1.13 billion in FY13 to recognize the essential role of the intramural programs in ensuring the safety of our nation's food system. In addition, ASA, CSSA, and SSSA recommend funding the United States Department of Agriculture's (USDA) National Institute of Food and Agriculture (NIFA) at \$1.244 billion (an increase of \$37 million over FY12) in order to maintain continued support for research, education, and extension programs. Finally, we support a strong commitment to Farm Bill conservation programs and request that they be funded at levels agreed to in the 2008 Farm Bill to ensure preservation of our nation's essential resources – soil and water.**

### **Background**

The success of the agriculture and food industry plays a significant role in the overall health and security of the U.S. economy. In 2010, U.S. farms and ranches spent \$288 billion to produce goods valued at \$369 billion. The value of U.S. food and agriculture exports is expected to be more than \$140 billion in 2011, creating a record trade surplus of \$42.5 billion. Furthermore, the jobs of 21 million Americans depend on the vitality of the U.S. agriculture and food sector.

Investments in publicly funded research are critical for maintaining a successful agriculture and food sector. For every \$1 invested in publicly funded agricultural and food research, \$20 in economic activity is generated. Budgetary decisions made today have far-reaching impacts, as the scientific research funded today will be responsible for enhancing the Nation's agricultural

productivity and economic prosperity in the future. A strengthened commitment to investments in science for food and agriculture is essential for maintaining the nation's food, economic, and national security.

### **Agricultural Research Service (ARS)**

ASA, CSSA, and SSSA applaud the Agricultural Research Services' (ARS) ability to respond to and address agricultural problems of high national priority. ARS's 2,200 scientists are located at 90+ research locations, managing 800 research projects that help solve current and future crop and livestock production and protection, human nutrition and environmental quality challenges. ARS programs and technologies ensure high-quality, safe food and other agricultural products; assess the nutritional needs of Americans; help to sustain a competitive agricultural economy; enhance the natural resource base and the environment; and, provide economic opportunities for rural citizens and communities. ARS also forms key partnerships that move new technologies to the marketplace.

These partnerships are especially important to leverage during a time when our nation's economy remains vulnerable and federal funding is constrained. Such cooperative research and development helps foster American businesses and enhances the position of the U.S. as a global leader in food, feed, fiber and fuel production.

### **Highlighting National Institute of Food and Agriculture Programs (NIFA):**

- **Agriculture and Food Research Initiative (AFRI):** ASA, CSSA, and SSSA strongly endorse funding AFRI at \$325 million, which is less than half of what is authorized in the

Food, Conservation, and Energy Act of 2008. AFRI is the premier competitive grants program for fundamental and applied research, extension and education in support of our nation's food and agricultural systems. Investments in AFRI bolster work performed by ARS, America's land grant colleges and universities, the private sector and the American farmer.

- **Hatch Act Formula Funding:** ASA, CSSA, and SSSA support \$236 for Hatch Act formula funds. These funds provide research grants to our nation's great land-grant colleges and universities. Any additional cuts to academic funding will reduce the ability of our scientists and students to conduct imperative research such as developing drought resistant wheat varieties.
  
- **Sustainable Agriculture Research and Education Programs (SARE):** ASA, CSSA, and SSSA support the President's budget request for SARE at \$22.7 million. This includes \$4.7 million for the Professional Development Program and \$3.5 million for the creation of a new Federal-State Matching Grant SARE Program. SARE directly supports farmer-led research and development in practices that, in turn, increase food, fuel and fiber sustainability. In 2007, 64% of farmer and rancher grantees noted that because of an SARE project, they had achieved higher sales, and another 79% had experienced improved soil quality.
  
- **Cooperative Extension System:** Extension forms a critical part of research, education and extension program integration, a feature unique to NIFA. ASA, CSSA, and SSSA

support \$294 million for Smith-Lever 3(b) and 3(c) to support continuing education and research activities.

### **Natural Resources Conservation Service**

ASA, CSSA, and SSSA also support Farm Bill conservation programs that help farmers and ranchers adopt critical conservation practices to reduce soil erosion, conserve water, address nutrient management concerns and contribute to carbon sequestration. NRCS conservation programs are an essential tool to help mitigate and address the challenge of producing the food, feed, fuel and fiber needed for a growing global population. We urge the Subcommittee to fund these programs at levels agreed to in the 2008 Farm Bill. .

### **Summary**

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, to improve crop and livestock quality, and to deliver safe and nutritious food products while protecting and enhancing the nation's environment and natural resource base.

Thank you for your consideration. For additional information or to learn more about the ASA, CSSA, and SSSA, please visit [www.agronomy.org](http://www.agronomy.org), [www.crops.org](http://www.crops.org), or [www.soils.org](http://www.soils.org).



# American Society of Plant Biologists

*Cultivating a better future through plant biology research*

## **Official Written Testimony in support of the U.S. Department of Agriculture's**

### **Fiscal Year 2013 Budget**

Submitted to the Subcommittee on Agriculture, Rural Development,

Food and Drug Administration, and Related Agencies

Committee on Appropriations

U.S. House of Representatives

Washington, D.C.

Submitted by

Dr. Crispin Taylor, Executive Director, American Society of Plant Biologists

March 20, 2012

On behalf of the American Society of Plant Biologists (ASPB) we submit this statement for the official record in support of funding for agricultural research by the U.S. Department of Agriculture (USDA). ASPB supports the requested level for USDA's Agriculture and Food Research Initiative (AFRI) of \$325 million as well as the requested level of the Agricultural Research Service (ARS) at \$1.13 billion.

This testimony highlights the importance of biology, particularly plant biology, as the nation seeks to address vital issues including a sustainable food supply, energy security, and protecting our environment. We would like to thank the Subcommittee for its consideration of

this testimony and for recognizing that its support of agricultural research is an important investment in America's future in this difficult fiscal environment.

### **Food, Fuel, Environment, and Health: Plant Biology Research and America's Future**

Plants are vital to our very existence. They harvest sunlight, converting it to chemical energy for food and feed; they take up carbon dioxide and produce oxygen; and they are the primary producers on which all life depends. Indeed, plant biology research is making many fundamental contributions in the areas of fuel security and environmental stewardship; the sustainable development of better foods, fabrics, and building materials; and in the understanding of basic biological principles that underpin improvements in the health and nutrition of all Americans.

Despite the fact that foundational plant biology research—the kind of research funded by agencies such as USDA—underpins vital advances in practical applications in agriculture, health, energy, and the environment, the amount of money invested in understanding the basic function and mechanisms of plants is relatively small. In his 2012 annual letter Bill Gates wrote, “Given the central role that food plays in human welfare and national stability, it is shocking—not to mention short-sighted and potentially dangerous—how little money is spent on agricultural research.”<sup>1</sup> This is especially true considering the significant positive impact crop plants have on the nation's economy and in addressing some of our most urgent challenges like food and energy security.

Understanding the importance of these areas and in order to address future challenges, ASPB organized the Plant Science Research Summit held in September 2011. With funding from the National Science Foundation, USDA, Department of Energy, and the Howard Hughes Medical

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<sup>1</sup> <http://www.gatesfoundation.org/annual-letter/2012/Pages/home-en.aspx>

Institute, the Summit brought together representatives from across the full spectrum of plant science research to identify critical gaps in our understanding of plant biology that must be filled over the next ten years or more in order to address the grand challenges facing our nation and our planet. The grand challenges identified at the Summit include:

1. In order to feed everyone well, now and in the future, advances in plant science research will be needed for higher yielding, more nutritious varieties able to withstand a variable climate.
2. Innovations leading to improvements in water use, nutrient use, and disease and pest resistance that reduce the burden on the environment are needed and will allow for improved ecosystem services, such as clean air, clean water, fertile soil, and biodiversity benefits, such as pest suppression and pollination.
3. In order to fuel the future with clean energy – and to ensure that our nation meets its fuel requirements – improvements are needed in current biofuels technologies, including breeding, crop production methods, and processing.
4. For all the benefits that advances in plant science bestow, to have lasting, permanent benefit they must be economically, socially, and environmentally sustainable.

In spring 2012, a report from the Plant Science Research Summit will be published. This report will further detail priorities and needs to address the grand challenges.

### **Recommendations**

Because of our membership's extensive expertise and participation in the academic, industry and government sectors, ASPB is in an excellent position to articulate the nation's plant science priorities as they relate to agriculture. Our recommendations are as follows:

- Since the establishment of NIFA and AFRI, interest in USDA research has increased dramatically, a trend ASPB hopes to see grow in the future. However, much higher investment in competitive funding is needed if the nation is to continue to make ground-breaking discoveries and accelerate progress toward addressing urgent national priorities. ***ASPB encourages the appropriation of the requested \$325 million in FY 2013 for AFRI, which, although far short of the authorized level of \$700 million, provides an investment that is consistent with today's fiscal environment.***
- The Agricultural Research Service (ARS) provides vital research to serve USDA's mission and the nation's agricultural sector. The need to bolster ARS efforts to leverage and complement AFRI is great given the challenges in food and energy security. ***ASPB is supportive of a strong ARS and supports the \$1.13 billion request for ARS in FY 2013.***
- USDA has focused attention in several key priority areas, including childhood obesity, climate change, global food security, food safety, and sustainable bioenergy. Although ASPB appreciates the value of such strategic focus, ***ASPB also emphasizes the importance of robust support for AFRI's Foundational Program because scientific research supported by this program provides a basis for outcomes across a wide spectrum, often leading to groundbreaking developments that cannot be anticipated in advance.***
- Current estimates predict a significant shortfall in the needed scientific and engineering workforce as the demographics of the U.S. workforce change. For example, there is a clear need for additional scientists in the areas of interdisciplinary energy research and plant breeding. ***ASPB applauds the creation of the NIFA Fellows program and calls for additional funding of specific programs (e.g., training grants and fellowships) to provide***

*this needed workforce over the next 10 years and to adequately prepare these individuals for careers in the agricultural research of the future.*

- Considerable research interest is now focused on the use of plant biomass for energy production. However, if crops are to be used to their full potential, extensive effort must be expended to improve the understanding of their basic biology and development, as well as their agronomic performance. Therefore, *ASPB calls for additional funding that would be targeted to efforts to increase the utility and agronomic performance of bioenergy crops.*
- With NIFA now in place, USDA is in a strong position to cultivate and expand interagency relationships (as well as relationships with private philanthropies) to take on bolder new initiatives to address grand challenges related to food, energy, the environment, and health. However, *ASPB emphasizes continued focus on individual grantees, in addition to group awards and larger multi-institution partnerships. Truly paradigm shifting discoveries cannot be predicted through collaborative efforts alone and, thus, there is a need to maintain a broad, diverse, and robust research agenda.*

Thank you for your consideration of our testimony on behalf of the American Society of Plant Biologists. Please do not hesitate to contact ASPB if we can be of any assistance in the future. For more information about the American Society of Plant Biologists, please see [www.aspb.org](http://www.aspb.org).

Dr. Crispin Taylor

Executive Director

American Society of Plant Biologists

Point of contact: Kathy Munkvold ([kmunkvold@aspb.org](mailto:kmunkvold@aspb.org))



# Animal Welfare Institute

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TESTIMONY TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON  
 AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND  
 RELATED AGENCIES, FISCAL YEAR 2013

Submitted by Nancy Blaney, Senior Policy Advisor  
 March 20, 2012

Thank you for the opportunity to submit testimony as you consider Fiscal Year 2013 funding priorities. Our testimony addresses the U.S. Department of Agriculture's Animal Care Program of the Animal and Plant Health Inspection Service, and the Food Safety and Inspection Service.

**Animal Care/Animal Welfare Act Enforcement/Class B Random Source Dealers**

In 1966, Congress passed the Animal Welfare Act (AWA) to prevent the mistreatment of animals *and* to assure families that their pets would not be sold for laboratory experiments after an exposé revealed the widespread theft of pets for that purpose.

Unfortunately, 46 years later, this is still a problem. Despite the well-meaning intent of the AWA and the enforcement efforts of the U.S. Department of Agriculture (USDA), the Act routinely fails both to reliably protect pet owners against the actions of Class B dealers who sell random source dogs and cats for use in research (also known as "random source" dealers), and to ensure that these dealers provide humane care for the dogs and cats kept on their premises.

In response to repeated requests from Congress, the National Institutes of Health (NIH) funded a study by the National Academy of Sciences (NAS) of the use of Class B dogs and cats in NIH-funded research. The NAS's 2009 report, "Scientific and Humane Issues in the Use of Random Source Dogs and Cats in Research," describes a "complicated tangle of trade" in animals sold for use in experiments, and notes that "loopholes in the AWR [Animal Welfare Regulations] permit pets to enter the research pipeline via Class B dealers." Furthermore, "...USDA could not offer assurances that pet theft does not occur, and agreed that such a crime

is exceedingly difficult to prove...” That difficulty notwithstanding, the report stated that there are “descriptions of thefts provided by informants in prison...and documented accounts of lost pets that have ended up in research institutions through Class B dealers.” (p.84)

[As part of its mandate, the NAS report assessed whether there is a scientific rationale for recipients of research grants from NIH to purchase dogs and cats from random source Class B dealers. The report concluded that there is not.]

Across the nation, these random source Class B dealers—and the middlemen who work for them, known as “bunchers”—use deceit and fraud to acquire dogs and cats. Their tactics include tricking animals’ owners into giving away their dogs and cats by posing as someone interested in pet adoption, and the outright theft of family pets left unattended. The treatment of the animals sold by these random source Class B dealers is shocking and cruel. Hundreds of animals are kept in squalid conditions and are denied much needed veterinary care. Again, the NAS report cited a variety of problems with regard to animal welfare and enforcement.

USDA has had to implement a lengthy and time-consuming enforcement protocol for these random source dealers, involving quarterly inspections (more than any other licensees) and “tracebacks,” in order to attempt to verify the source of their animals. While it is exceedingly difficult to put a price tag on this exaggerated level of oversight, USDA did estimate for the NAS report, at a time when 11 random source Class B dealers were still in business (now there are seven, with four under investigation), that it was spending as much as \$300,000 per year to regulate that small number of dealers.

Congress, too, has spent an inordinate amount of time reviewing the actions of Class B dealers and prodding USDA and NIH to address their respective Class B dealer problems. NIH

long ago banned its intramural researchers from using Class B dealers but had until recently ignored Congress's repeated calls for it to do likewise with respect to outside researchers.

As a result of the NAS report, ongoing Congressional interest, enhanced (but disproportionate to their numbers) oversight by USDA, and evaporating demand for their dogs and cats, very few of these dealers remain, and with NIH's phased-in ban on the use of Class B dealers by its extramural researchers, the Class B dealer system has become a cruel and expensive anachronism. Those who continue to operate are an unjustifiable drain on USDA's resources. However, as long as it is possible to issue and renew licenses for such dealers, there is the risk that this anachronism will continue to limp along, wasting taxpayer money and perpetuating the inhumane treatment of animals and the trade in illegally acquired dogs and cats.

For this reason, we respectfully request that Congress prohibit any further spending by USDA both to grant new licenses and to renew existing licenses for Class B dealers selling dogs and cats for research purposes by including the following language in the report accompanying the FY2013 agriculture appropriations:

*Provided, that appropriations herein made shall not be available for any activities or expense related to the licensing of new Class B dealers who sell dogs and cats for use in research, teaching, or testing, or to the renewal of licenses of existing Class B dealers who sell dogs and cats for use in research, teaching, or testing.*

While this step in and of itself will not immediately save much money, it will lead to more significant savings as USDA's enforcement load with respect to these entities is eliminated.

**Food Safety and Inspection Service/Humane Methods of Slaughter Act Enforcement**

We appreciate the generous support provided by Congress during the past decade for enforcing

the Humane Methods of Slaughter Act (HMSA). While enforcement of the law by the USDA has increased recently, attention to the issue remains uneven among federal regional districts.

An analysis of Humane Activities Tracking System (HATS) data reveals that in calendar year 2010, some USDA districts spent 10-20 times the number of hours on humane enforcement, per animal slaughtered, as other districts. Overall, USDA continues to allot an extremely small percentage of its resources to humane slaughter. For example, in calendar year 2010, only 0.5 percent of all noncompliance records written by FSIS were for humane violations.

Repeat violators present a major enforcement problem for FSIS. Of the 205 federally inspected plants that have been suspended for humane slaughter violations since January 1, 2008, 32 percent have been suspended more than once within a one-year period. Moreover, 32 plants have been suspended on three or more occasions during the past four years.

Federal inspection personnel have inadequate training in humane enforcement and inadequate access to humane slaughter expertise. Enforcement documents reveal that inspectors often react differently when faced with similar violations. District Veterinary Medical Specialists (DVMS) are stationed in each district to assist plant inspectors with humane enforcement and to serve as a liaison between the district office and headquarters on humane matters. However, the work load of each of the 15 DVMSs, which includes visiting each meat and poultry plant within the district to perform humane audits and conducting verification visits following suspensions, severely limits the effectiveness of the role.

The problems of inadequate and inconsistent enforcement can be resolved by increasing the number and qualifications of the personnel assigned to humane handling and slaughter duties. No fewer than 140 full-time equivalent positions should be employed for purposes dedicated solely to inspections and enforcement related to the HMSA. In addition, the number of DVMS

positions should be increased to a minimum of two per district. It is essential that the DVMS role, and humane slaughter enforcement overall, not be weakened as a consequence of the planned consolidation of FSIS districts. Enforcement records suggest that violations are reported with greater frequency in the presence of outside inspection personnel, such as DVMSs. Hiring additional DVMSs will provide for increased auditing and training to help uncover problems *before* they result in egregious humane handling incidents.

### **Horse Slaughter**

In 2006, the U.S. House of Representatives and U.S. Senate overwhelmingly approved language that prevented tax dollars from being used to inspect horse slaughter facilities. This language remained in effect until it was removed in conference last year, despite having been approved by the full House Appropriations Committee. Allowing horse slaughter to resume will only bring the well documented abuse to U.S. soil at great expense to the horses and the American public.

Given the financial troubles facing the nation, we encourage the Committee to accept this bipartisan language while the full Congress moves to pass a ban on horse slaughter:

*“None of the funds made available in this Act may be used to pay the salaries or expenses of personnel to—*

- (1) inspect horses under section 3 of the Federal Meat Inspection Act (21 U.S.C. 603);*
- (2) inspect horses under section 903 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 1901 note; Public Law 104–127);*
- (3) implement or enforce section 352.19 of title 9, Code of Federal Regulations;*
- (4) promulgate or implement a fee-for-service-based federal horsemeat inspection scheme.”*

Ken Melban

Director, Issues Management

California Avocado Commission

Re: Agriculture Appropriations bill

[kmelban@avocado.org](mailto:kmelban@avocado.org)

As Congress works on the Fiscal Year 2013 Agriculture Appropriations bill, I would ask you to support at least \$12,000,000 for Minor Crop Pest Management (IR-4) within the budget of the United States Department of Agriculture-National Institute of Food and Agriculture (USDA-NIFA) Research and Education Activity program. USDA-NIFA has proposed to eliminate funding for IR-4 and consolidate IR-4's dedicated funding with other programs creating a new program called Crop Protection. We are requesting that you commit to dedicating funding for IR-4 as one of the highest priorities. Many, including a significant number of specialty crop growers, representatives from the crop protection industry, scientists at the land grant universities and other minor use stakeholders believe this consolidation will end up costing the government significantly more and would result in limited new registrations of safe and effective pest protection products for specialty crop growers and minor use stakeholders.

Currently the California Avocado Commission has a project with IR-4 for a plant growth regulator 6-BA, and we are pursuing a registration for Uniconazole and again plan to utilize IR-4. Developing pest control tools has high regulatory costs and public financial support has always been needed to ensure that safe and effective agrichemicals and biopesticides are available for the small minor use markets. For almost 50 years, the IR-4 Project has served the agriculture community and all Americans by facilitating EPA registration of safe and effective pest management technologies where the private sector is unable to cover regulatory cost. IR-4

brings together and effectively coordinates the financial resources and scientific expertise of the federal government, state land grant universities, growers, and chemical/biopesticide companies to accomplish its mission of registering products to manage destructive pests that threaten food security, consumer prices, and public health. Since its inception, IR-4 has facilitated the registration of over 25,000 crop uses. Investment in IR-4 has yielded a huge return on investment. The Michigan State University Center for Economic Analysis (Dec. 2011) determined that for a total budget of \$18 million (USDA-NIFA and other public/private sources); IR-4 Project efforts contribute over **\$7.2 BILLION** to annual US Gross Domestic Product and its efforts support **104,650 JOBS** throughout the United States.

The proposed consolidated Crop Protection Program does not specifically support IR-4's primary mission – registration of pest management materials for small markets. Furthermore, IR-4 work extends beyond facilitating the registration of pest control tools. For example: IR-4 data and research expertise helps remove trade barriers to US exports of specialty crops, IR-4 collaborates with USDA-APHIS for research to combat invasive pests and diseases and IR-4 helps protect deployed US military forces from insect pests which transmit diseases to humans.

Consolidating IR-4 with the proposed Crop Protection program will substantially increase costs. To account for the loss of the indirect cost waiver to host land grant universities, Congress would need to provide \$3.6 million additional dollars just to maintain IR-4 research activities at current levels. Additionally, it would be extremely expensive and a waste of already appropriated taxpayer money to restructure IR-4 and interrupt the numerous ongoing studies which can take 3 to 5 years to complete.

Below is relevant information for this request.

**Bill:** *Agriculture*

**Agency:** *USDA-NIFA*

**Account:** *Research and education Activities*

**Amount Requested:** *\$12 million*

**President's FY13 Budget:** *\$0*

**Increase/Decrease from President's FY13 Budget:** *\$12 million*

**FY12 Appropriated:** *\$11.913 million*

**Increase/Decrease from FY12 Appropriated:** *\$87,000*

**Program description/justification:** *IR-4 is the only national, public sector, research program that facilitates the registrations of effective pest management tools that help specialty crop (fruits/vegetables/ornamentals/etc.) growers and minor use stakeholders with their pest management needs. IR-4 research data is also used to facilitate registrations to protect US deployed military forces from arthropods pests that transmit disease. IR-4 is a proven, cost effective, research program that supports 104,550 US jobs and adds \$7.2 billion to annual GDP (Center for Economic Analysis, Michigan State University, 2011).*

Thank you for considering our request and we are hopeful you will display strong leadership in support of US specialty crops.



# CALIFORNIA FARM BUREAU FEDERATION

EXECUTIVE OFFICES

2300 RIVER PLAZA DRIVE, SACRAMENTO, CA 95833-3293 · PHONE (916) 561-5520 · FAX (916) 561-5690

March 19, 2012

The Honorable Jack Kingston  
Chairman  
House Committee on Appropriations  
Subcommittee on Agriculture, Rural  
Development, FDA & Related Agencies  
Washington, DC 20515

The Honorable Sam Farr  
Ranking Member  
House Committee on Appropriations  
Subcommittee on Agriculture, Rural  
Development, FDA & Related Agencies  
Washington, DC 20515

Re: Written Testimony by Paul Wenger, President  
California Farm Bureau Federation

Contact person: Rayne Pegg – [rpegg@cfbf.com](mailto:rpegg@cfbf.com)

USDA Funding – APHIS, FAS, NIFA

Dear Chairman Kingston and Ranking Member Farr:

California Farm Bureau Federation (CFBF) is writing to request federal funding for fiscal year 2013 (FY 2013) to support USDA activities that are critical to the viability of our nation's farmers and ranchers to combat plant pests and diseases, animal diseases, and improve foreign market development. We urge the committee to continue to recognize the critical importance of these programs to our nation's farmers and ranchers.

## **FUNDING REQUESTS TO SUPPORT USDA**

## **ANIMAL PLANT HEALTH INSPECTION SERVICES**

***Plant Pest and Disease Management and Disaster Prevention (Sec. 10201): Requesting \$75***

***million*** – The 2008 Farm Bill introduced the Section 10201 program which is a partnership between state and federal governments to prevent pests and infestations from becoming established. This highly successful program is authorized at \$50 million for FY 2013 and beyond. Though the Farm Bill is still being debated funding for the program should be increased to \$75 million. Pests entering California can severely affect production and negatively impact the nation's economy.

***Specialty Crop Pests Line Item***

***Light Brown Apple Moth: \$7 million*** - We greatly appreciate the Committee's support for funding the Light Brown Apple Moth (LBAM) program in FY 2012. Any immediate defunding of the program to combat LBAM without implementing a new program will result in the disruption of trade with both international and other state partners. We have been working with California Department of Food and Agriculture (CDFA) and USDA to define a new program for LBAM that will phase down the overall costs of the program, while still combating the pest and keeping channels of trade open. We expect that we will need continued funding in 2013 to implement a new program and get trading partners to agree to the plan. Therefore, CFBF requests \$7 million in FY 2013, which is less than the FY 2012 appropriation.

***European Grapevine Moth: Requesting \$14 million*** – We wish to thank the committee for its FY 2012 appropriation to this program. In FY 2012 there was an additional \$8 million of CCC funding that was provided above the appropriated amount. Due to the pest's continued presence, we request \$14 million in FY 2013.

***Glassy-winged Sharpshooter: Requesting \$25 million*** – As you are aware, the glassy-winged sharpshooter caused severe damage to grapevines in California by spreading the fatal Pierce’s disease (PD) through vineyards at a rapid pace. With the partnership of federal, state and industry funding we have been able to successfully limit the spread of Pierce’s disease and fund research seeking long-term solutions to combating pierce’s disease. For these reasons we request \$25 million for FY 2013.

***Citrus Health Response Program: Requesting \$44.6 million total*** – California accounts for 32 percent of the U.S. citrus production and 45 percent of the national value. California citrus will be devastated by the introduction of Huanglongbing (HLB) or citrus greening. This national program is critical to the exclusion and eradication activities associated with the Asian Citrus Psyllid (ACP) which is vector for the lethal citrus disease HLB. We support a total funding request of \$44.6 million to assist those states impacted by this devastating pest and disease. Of those dollars, California will need \$14.5 million to maintain its efforts in this arena.

***Fruit Fly Eradication and Detection: Requesting funding of \$60 million*** - The Fruit Fly Eradication and Detection program is a vital part of the national pest infrastructure which maintains export markets and limits areas of infestation within the Western United States. This program provides for sterile release activities and detection efforts associated with various fruit flies.

### **Ensuring Animal Health**

***Animal Health Technical Services - Animal Disease Traceability: Requesting \$14 million –***

CFBF supports the president's budget to fund the animal disease traceability program at roughly \$14 million. California has a number of cattle producers in the state who will be adhering to the new animal disease traceability program. The USDA and its state partners will need the resources necessary to implement an effective program that will allow for quick identification and containment in the event of an animal disease outbreak.

***Avian Health: Requesting \$49.741 million –*** This national program provides California with resources vital to implementing inspections, testing, and training for live bird market operations in rural and urban communities. Funding is critical for surveillance activities that protect human populations from the threat of avian influenza.

***Cattle Health: Requesting \$90.303 million –*** This national program provides California needed assistance in the detection and eradication efforts associated with Bovine tuberculosis (TB) and other foreign and emerging diseases.

**NATIONAL INSTITUTE OF FOOD AND AGRICULTURE**

***Food and Agriculture Defense Initiative: Requesting \$10 million –*** We support increasing the National Plant Diagnostic Network (NPDN) budget for 2013 to \$10 million. It is an essential multistate coordination effort that responds to large outbreaks without delay. This network provides training, outreach and education for first detectors and best management practices for expeditious sample submission, processing, and communications of results. It contains a national

repository of 600,000+ diagnostic results to document trends in outbreaks. The network has a strong track record of success and should continue at its already modest funding levels.

## **FOREIGN AGRICULTURAL SERVICE**

***Market Access Program: Requesting \$200 million; Foreign Market Development Program: \$34.5 million*** – The President has proposed full funding of \$200 million for the Market Access Program (MAP) and \$34.5 million for the Foreign Market Development (FMD) Program. Since its creation in 1985, MAP has proven to be highly successful in helping to boost U.S. agricultural exports, protecting and creating American jobs, and increasing farm income. Similarly, FMD has been found to increase U.S. market share abroad. Together, for every \$1 expended by government and industry on market development during this period, U.S. food and agricultural exports increased by \$35, a 35 to 1 return on investment. We strongly support FY 2013 funding for MAP and FMD at 2008 farm bill levels.

***Technical Assistance for Specialty Crops: Requesting \$9 million*** – This important program offers specialty crop growers the ability to respond to technical trade barriers that limit their ability to export. Funding for this program should continue at \$9 million.

We thank you for the opportunity to comment on programs that are of great importance to California farmers and ranchers. Without these programs, rural communities and the agricultural industries that support them would be severely impacted if product was lost as a result of a

devastating pest or disease. If you have any questions please contact Rayne Pegg, manager, National Affairs and Research Division, at [rpegg@cfbf.com](mailto:rpegg@cfbf.com) or 916-561-5617.

Sincerely,



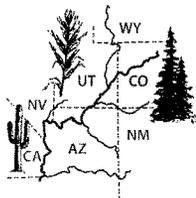
PAUL WENGER

President

cc: Senator Feinstein

Senator Boxer

Secretary Karen Ross, CDFA



## *Colorado River Basin* **SALINITY CONTROL FORUM**

### GOVERNORS

Janice K. Brewer, AZ  
 Jerry Brown, CA  
 John Hickenlooper, CO  
 Brian Sandoval, NV  
 Susana Martinez, NM  
 Gary R. Herbert, UT  
 Matthew H. Mead, WY

### FORUM MEMBERS

#### Arizona

Perri Benemelis  
 Larry R. Dozier  
 Linda Taunt

#### California

Pete Silva  
 Gerald R. Zimmerman

#### Colorado

Jennifer L. Gimbel  
 Steven H. Gunderson  
 David W. Robbins

#### Nevada

Leo M. Drozdoff  
 John J. Entsminger  
 McClain Peterson

#### New Mexico

John R. D'Antonio

#### Utah

Randy Crozier  
 Dennis J. Strong  
 John Whitehead

#### Wyoming

Dan S. Budd  
 Patrick T. Tyrrell  
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### EXECUTIVE DIRECTOR

Don A. Barnett

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### OUTSIDE WITNESS TESTIMONY FY 2013 APPROPRIATION

**TO:** House Committee on Appropriations – Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

**SUBJECT:** Continued Funding for the Colorado River Basin Salinity Control Program under USDA's Environmental Quality Incentives Program (EQIP)

**FROM:** Don A. Barnett, Executive Director  
 Colorado River Basin Salinity Control Forum

**DATE:** March 9, 2012

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Waters from the Colorado River are used by approximately 35 million people for municipal and industrial purposes and used to irrigate approximately 4 million acres in the United States. Natural and man-induced salt loading to the Colorado River creates environmental and economic damages. The U.S. Bureau of Reclamation (BOR) has estimated the current quantifiable damages at about \$300 million per year. Congress authorized the Colorado River Basin Salinity Control Program (Program) in 1974 to offset increased damages caused by continued development and use of the waters of the Colorado River. Modeling by BOR indicates that the quantifiable damages would rise to more than \$500 million by the year 2030 without continuation of the Program. The USDA portion of the Program, as authorized by Congress and funded and administered under the Environmental Quality Incentives

Program (EQIP), is an essential part of the overall effort. A funding level at approximately \$18 million annually is required to prevent further degradation of the quality of the Colorado River and increased downstream economic damages.

Congress concluded that the Colorado River Basin Salinity Control Program should be implemented in the most cost-effective way. The Program is funded under EQIP, the U.S. Bureau of Reclamation's Basinwide Program, and a cost share for both of these programs provided by the Basin States. Realizing that agricultural on-farm strategies were some of the most cost-effective strategies, Congress authorized a program for the United States Department of Agriculture (USDA) through amendment of the Colorado River Basin Salinity Control Act (Act) in 1984. With the enactment of the Federal Agriculture Improvement and Reform Act of 1996 (FAIRA), Congress directed that the Program should continue to be implemented as part of the newly created Environmental Quality Incentives Program. 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 EQIP. In 2008, Congress passed the Food, Conservation and Energy Act (FCEA). The FCEA addressed the cost sharing required from the Basin Funds. In so doing, the FCEA named the cost sharing requirement as the Basin States Program (BSP). The BSP will provide 30 percent of the total amount that will be spent each year by the combined EQIP and BSP effort.

The Program, as set forth in the 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 downstream by high salt levels in the water source. There are also local benefits from the Program in the form of soil and environmental benefits, improved water efficiencies and lower fertilizer and labor costs. Local producers 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. It is the Act that provides that the seven Colorado River Basin States will also cost share with the appropriated funds for this effort. This has brought together a remarkable partnership.

After longstanding urgings from the states and directives from Congress, USDA has concluded that this Program is different than small watershed enhancement efforts common to EQIP. In the case of the Colorado River salinity control effort, the watershed to be considered stretches more than 1,400 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 specific 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 about \$18 million of EQIP funds be used for the Program. The Colorado River Basin Salinity Control Forum (Forum) appreciates the efforts of NRCS leadership and the support of this Subcommittee. Colorado River water quality standards have been prepared by the Forum, adopted by the states, and approved by the United States Environmental Protection Agency (EPA). The Forum has taken the position that funding for the EQIP portion of the Program should be consistent with the three-year funding plan submitted by the three NRCS State Conservationists for Colorado, Utah and Wyoming. This amount for 2013 is \$18 million and includes both farm and technical assistance. Over the last few fiscal years, funding has reached the needed level. State and local cost-sharing is triggered by the federal appropriation. In FY 13, it is anticipated that the states will cost share with about \$7.7 million and local agriculture producers will add about \$5.5 million. Hence, it is anticipated that in FY 13 the state and local contributions will be about 42 percent of the total cost. 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, and specifically for the USDA portion of the effort which was added by amendments to the Act in 1984. It has been determined that the agricultural efforts are some of the most cost-effective opportunities.

Since Congressional mandates of more than three decades ago, much has been learned about the impact of salts in the Colorado River system. BOR has conducted studies on the economic impact of these salts. BOR 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 is charged with reviewing the Colorado River's water quality standards every three years. In so doing, it adopts a Plan of Implementation consistent with these standards. The level of appropriation requested in this testimony is in keeping with the adopted Plan of Implementation. 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 salt in the River cause approximately \$300 million in quantified damages and significantly more in unquantified damages in the United States and result in poor water quality for United States users. 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.

Over the years, NRCS personnel have developed a great working relationship with farmers within the Basin. Maintaining salinity control achieved by implementation of past practices requires continuing education and technical assistance from NRCS personnel. Additionally, technical assistance is required for planning and design of future projects. Lastly, the continued funding for the monitoring and evaluation of existing projects is essential to maintaining the salinity reduction already achieved.

In summary, implementation of salinity control practices through EQIP has proven to be a very cost effective method of controlling the salinity of the Colorado River and is an essential component to the overall Colorado River Basin Salinity Control Program. Continuation of EQIP with adequate funding levels will prevent the water quality of the River from further degradation and significantly increased economic damages to municipal, industrial and irrigation users.

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March 19, 2012

**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  
Christopher S. Harris, Acting Executive Director  
March 19, 2012**

**Support for Fiscal Year 2013 Federal Funding of at least \$18 million annually of the  
U.S. Department of Agriculture's Environmental Quality Incentives Program for the  
Colorado River Basin Salinity Control Program**

This testimony is in support of funding for the U.S. Department of Agriculture (USDA) and its on-farm Colorado River Basin Salinity Control Program (Program) for Fiscal Year (FY) 2013. This program has been carried out through the Colorado River Basin Salinity Control Act (P.L. 93-320) (Act), since it was enacted by Congress in 1974. Further, with the enactment of the Federal Agricultural Improvement and Reform Act (FAIRA) in 1996 (P.L. 104-127), Congress directed that the Program should continue to be implemented as one of the components of the Environmental Quality Incentives Program (EQIP). Finally, Congress passed the Food, Conservation, and Energy Act (FCEA) in 2008, that addressed the cost-sharing required from the Basin Funds, and redesignated the cost-sharing requirement as the Basin States Program (BSP). Currently, the BSP provides approximately thirty percent of the total amount that will be spent each year by the combined EQIP and BSP efforts.

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The Salinity Control Program benefits both the Upper Basin water users through more efficient water management and the Lower Basin water users, through reduced salinity concentration of Colorado River water. For example, California's Colorado River water users continue to suffer economic damages in the hundreds of million of dollars per year due to the current salinity of the Colorado River.

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 participates 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. In close cooperation with the U. S. Environmental Protection Agency (EPA) and pursuant to requirements of the Clean Water Act (P.L. 92-500), the Forum is charged with reviewing the Colorado River's water quality standards every three years. The Forum adopts a Plan of Implementation consistent with these water quality standards. The level of appropriation being supported in this testimony is consistent with the Forum's 2011 Plan of Implementation. If adequate funds are not appropriated, significant damages associated with increasing salinity concentrations of Colorado River water will become more widespread in the United States and Mexico.

Currently, the salinity concentration of Colorado River water causes about \$300 million in quantifiable damages in the United States annually. Economic and hydrologic modeling by U.S. Bureau of Reclamation (Reclamation) indicates that the quantifiable damages could rise to more than \$500 million by the year 2030 without the continuation of the Salinity Control Program as

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identified in the 2011 Plan of Implementation. For example, salinity 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.

In recent fiscal years, the Natural Resources Conservation Service (NRCS) has directed that about \$18 million of EQIP funds be used for the Salinity Control Program. The Colorado River Board respectfully urges the Subcommittee to support funding for the Colorado River Basin Salinity Control Program for FY-2013 at least at this level.

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The Forum has taken the position that funding for the Program should be consistent with the three-year funding plan submitted by the three NRCS State Conservationists for Colorado, Utah and Wyoming. The NRCS funding plan for 2013 is \$18 million and includes both farm and technical assistance program elements. It should also be pointed out that state and local cost-sharing is triggered by federal appropriations. In FY-2013, it is anticipated that the states will cost-share with about \$7.7 million and that local agriculture producers will add another \$5.5 million. Consequently, it is anticipated that the FY-2013 state and local contributions are expected to be approximately forty-two percent of the total Program costs.

In conclusion, the Colorado River Board of California recognizes that the federal government has made significant commitments to the seven Colorado River Basin States with regard to the delivery of Colorado River water. In order for those commitments to continue to be honored, it is essential that Congress continue to provide funds to the USDA to allow it to provide needed technical support to agricultural producers for addressing salinity control activities in the Colorado River Basin. Over the past twenty-eight years, the Colorado River Basin Salinity Control program has proven to be a very cost-effective and collaborative approach to help mitigate the impacts of the salinity of Colorado River water. Continued federal funding of the USDA elements of this important Basin-wide program is essential to maintaining this effort.



Name and Organization: Robert J. Beall, PhD, President and Chief Executive Officer  
Cystic Fibrosis Foundation

Subject of Testimony: Food and Drug Administration Funding for Fiscal Year 2013

Point of Contact: Mary Dwight, Vice President of Government Affairs  
[mdwight@cff.org](mailto:mdwight@cff.org)

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On behalf of the Cystic Fibrosis Foundation and the approximately 30,000 people with cystic fibrosis (CF) in the United States, we are pleased to submit the following testimony to the House of Representatives' Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies requesting sufficient funding for the Food and Drug Administration in Fiscal Year 2013. This testimony urges the Committee to provide the Food and Drug Administration the funding it needs to quickly and efficiently review treatments for CF and other rare diseases and encourages the FDA to reach out on a more systematic basis to outside experts early in the drug development process. Additionally, the CF Foundation urges the Committee to support collaborative efforts by the FDA and the National Institutes of Health, such as the Regulatory Science Initiative and the FDA-NIH Joint Leadership Council. Collaboration between the NIH and FDA has the potential to help move innovative new drugs more quickly through the development process and into the hands of patients.

In particular, the Foundation wishes to commend the speed with which the FDA approved Kalydeco™, a breakthrough treatment for cystic fibrosis that is the first to address the underlying genetic cause of the disease for 1,200 people with CF who carry a specific genetic mutation. The agency reviewed and approved Kalydeco's New Drug Application in only three

months - one of the fastest approvals of any drug in the history of the agency. The speed with which this review was conducted is a testament to the FDA's commitment to collaboration with Vertex Pharmaceuticals, Kalydeco's developer, and the Cystic Fibrosis Foundation, as well as its commitment to the patients who already are benefiting from the drug. The science behind Kalydeco has opened exciting new doors to research and development that may eventually lead to a cure for all people living with CF.

### **ABOUT CYSTIC FIBROSIS**

Cystic fibrosis is a life-threatening genetic disease for which there is no cure. People with CF have two copies of a defective CFTR gene, which causes the body to produce abnormally thick, sticky mucus that clogs the lungs and results in life-threatening lung infections. This mucus also obstructs the pancreas, preventing pancreatic enzymes from assisting in the breakdown of food and the absorption of nutrients.

The mission of the Cystic Fibrosis Foundation is to find a cure for cystic fibrosis and improve the quality of life for people living with the disease. This is accomplished by funding life-saving research and working to provide access to quality care and effective therapies for people with CF. Through the Foundation's efforts, the life expectancy of a child with CF has doubled in the last 30 years. Although real progress toward a cure has been made, the lives of young people with CF are still cut far too short.

The promise for people with CF lies in research. The CF Foundation has raised and invested hundreds of millions of dollars in private money to help develop CF drugs and therapies and nearly every CF drug available today was made possible because of the Foundation's

support. The Foundation accredits a nationwide network of over 110 CF care centers that has been widely recognized as a national model for specialized treatment of a disease.

## **SUSTAINING FUNDING FOR RARE DISEASE DRUG REVIEW AT THE FDA**

### **Funding for Rare and Orphan Disease Drug Review**

In order to encourage swift review of drugs for CF and other rare diseases, we urge the Committee to recommend sufficient funding for the Food and Drug Administration, particularly the Center for Drug Evaluation and Research (CDER)'s Office of New Drugs, in Fiscal Year 2013.

To be effective, the FDA needs an adequate number of reviewers with the appropriate skills and expertise to evaluate therapies for rare diseases like cystic fibrosis. Additional support for the FDA through increased funding not only ensures that the nation has a safe and effective supply of drugs and devices, but also that the agency can give the necessary attention to reviewing therapies that treat small populations and serve specific unmet medical needs.

It is more critical than ever that Congress significantly increase funding for the Center for Drug Evaluation and Research (CDER) at the FDA and for the agency as a whole in FY2013 so that it can meet its statutory obligations in a timely manner.

### **Accelerating the Rare Disease Drug Review Process at the FDA**

The Cystic Fibrosis Foundation applauds the FDA and Associate Director for Rare Diseases Dr. Anne Pariser in particular for their attention to rare disease drugs and sensitivity to the unique challenges posed by the evaluation of these treatments.

As we reap the benefits of the mapping of the human genome, treatments like Kalydeco are being developed that target smaller and smaller populations. This aspect of personalized

medicine holds the promise to treat or cure rare diseases and subsets of more common diseases that plague millions of Americans.

However, as the scientific landscape changes, it is important that the FDA has access to the expertise it needs to swiftly review innovative new treatments. FDA review officials have taken steps to improve access to scientific expertise during the review of therapies that treat rare diseases, and FDA leaders and review staff have been willing to engage in constructive dialogue to address the challenges of rare disease review. The agency has taken part in productive conversations with researchers and patients at the CF Foundation, including with many of the world's foremost experts on cystic fibrosis, on the development and review of potential therapies to treat cystic fibrosis and on topics separate from specific drug review, such as improving tools for Patient Reported Outcomes (PROs). In particular, the collaboration showcased during the review of Kalydeco is an excellent example of how the FDA, a drug sponsor, patients and external experts can work to effectively evaluate new drugs and accelerate the approval process.

However, in some cases the opportunity for public comment is not available if the product in question is not the subject of an advisory committee. In all cases, this public comment period occurs very late in the review process. While FDA review divisions do conduct some consultations with external experts separate from the advisory committee process, the complexity and diversity of applications for rare disease therapies suggest that the agency would benefit from more regular consultation with extramural experts early in the review process. The Cystic Fibrosis Foundation asks that the Committee encourage the FDA to reach out on a more systematic basis to outside experts early in the drug development process.

One such strategy Congress is considering is the proposed Expanding and Promoting Expertise in Review of Rare Treatments (EXPERTT) Act, H.R. 4156. CFF strongly supports the

EXPERRT Act, which establishes a program to facilitate FDA outreach to external experts earlier and throughout the drug review process on issues such as unmet medical need, genetically targeted treatments, disease severity, clinical trial design and patient demographics.

Additionally, the CF Foundation urges the Committee to support collaborative efforts by the Food and Drug Administration and the National Institutes of Health, such as the Regulatory Science Initiative and the FDA-NIH Joint Leadership Council. Collaboration between the NIH and FDA has the potential to help move innovative new drugs more quickly through the development process and into the hands of patients by ensuring that the FDA has the resources, strategies, and tools it needs to efficiently review and regulate drugs in this ever changing scientific landscape. As treatments like Kalydeco are being developed to target specific genetic mutations and smaller and smaller populations, it is important that the FDA has the expertise it needs to quickly move these drugs through the review process.

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The Cystic Fibrosis Foundation's unique and successful drug development model for creating treatments for a rare disease has helped create a robust pipeline of potential therapies to fight cystic fibrosis. The Food and Drug Administration has played a critical role in this process, working with the Foundation as they review treatments and move them into the hands of patients. Encouraged by our successes, we believe the experience of the CF Foundation in clinical research can serve as a model of drug discovery and development for research on other orphan diseases and we stand ready to work with the FDA and congressional leaders. On behalf of the Cystic Fibrosis Foundation, we thank the Committee for its consideration.



March 19, 2012

**From:** Farmers Market Coalition  
 Attn: Stacy Miller, Executive Director  
 P.O. Box 504  
 Charlottesville, VA 22902

**To:** Rep. Jack Kingston, Chair  
 Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies  
 U.S. House of Representatives  
 2362-A Rayburn House Office Building

**RE:** Restore Funding for Farmers Markets in the FY 2013 Budget

The Farmers Market Coalition (FMC) represents more than 2,700 farmers markets across the U.S., as well as the more than 30,000 farmers that depend upon them. We seek to build viable agricultural economies by expanding farmers' marketing choices while expanding consumers' opportunities to purchase fresh, locally grown foods. Herein, we urge you to fully fund both the Farmers Market Promotion Program and the WIC Farmers Market Nutrition Program.

Farmers markets have grown in response to consumer demand in recent years, emerging as cornerstones in more than 7,100 communities across the United States. Markets are extending their seasons into winter months, too, offering farmers income throughout the year. Uniquely, they have the potential to bridge urban and rural divides, strengthening the fabric of our country while addressing the nutritional needs of Americans at every income level. The percentage of SNAP dollars redeemed at farmers markets, for example, is increasing as more markets become EBT-equipped and program participants choose to use their benefits there. For this reason, FNS and AMS programs that facilitate the sector's growth are of critical importance not just to farmers, but to families, and community economies. FMC urges the following:

**1) Reauthorize and increase funding for the Farmers Market Promotion Program**

The ripple effects of the FMPP program are impressive, providing small infusions of funding

*Farmers markets are good for everyone. Join us to make them even better.*

farmers • growers • communities  
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to communities and groups of farmers in all 50 states since 2006. These awardees grow capacity, increase farmer income, help new entrepreneurs get started in feeding their local communities, and build local partnerships for long-term viability. However, the program is highly competitive, funding only 444 of the nation's 7,100 farmers markets since 2006. With rural jobs on the line, and the nascent local food sector in need of training, capacity building, and technical assistance, now is not the time to turn our backs on a program with such far-reaching positive impacts, as illustrated in recent Senate Agriculture Committee briefings and testimonies.

We urge you to reauthorize funding for the Farmers Market Promotion Program, and increase funding to \$20 million annually so that it can fully serve farmers markets and the many farmers choosing to begin marketing to consumers in their local communities.

2) **Restore full funding to the WIC Farmers Market Nutrition Program (WIC FMNP):**

In 2010, WIC FMNP served more than 2.1 million WIC families, bringing more than \$22 million in income directly to more than 18,000 small and mid-scale produce farmers. Proposed cuts of \$3.5 million to this important program threaten access to fresh local produce for WIC eligible clients in 45 State agencies, Territories and Indian Tribal Organizations. For example, in Georgia alone, WIC FMNP provided fresh fruits and vegetables to 32,880 women and their children in 2010, simultaneously providing valuable income to 130 Georgia produce farmers. In Iowa, the program helps support 850 farmers. Proposed cuts to this effective win-win program would mean several hundred thousand fewer families in need having access to nutritious, locally grown produce, and potentially thousands of farmers unable to serve them.

*Farmers markets are good for everyone. Join us to make them even better.*

Farmers • consumers • communities

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New York state, in calculating the devastating impact of these proposed WIC FMNP cuts on their agricultural sector, estimate that small family farmers in the state **would lose approximately \$1.1 million in revenues.**

We urge you to restore WIC FMNP funding to \$20 million for FY 2013.

Thank you for your consideration of this testimony, and for all you do on a daily basis to support America's family farmers.

*Farmers markets are good for everyone. Join us to make them even better.*

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**March 20, 2012**

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**Federation of American Societies for Experimental Biology**  
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Testimony of

**Joseph C. LaManna, PhD, President**

**Federation of American Societies for Experimental Biology**

On

**FY 2013 Appropriations for the Agriculture and Food Research Initiative**

Submitted to the

**House Committee on Appropriations**

**Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and**

**Related Agencies**

**Congressman Jack Kingston, Chair**

**Congressman Sam Farr, Ranking Member**

**The Federation of American Societies for Experimental Biology (FASEB) respectfully requests a fiscal year (FY) 2013 appropriation of \$325 million for the Agriculture and Food Research Initiative (AFRI) within the National Institute of Food and Agriculture. This funding level matches the recommendation made in the President's FY 2013 budget request. FASEB's broader goal is to support sustainable growth so that AFRI funding reaches its authorized level of \$700 million as soon as feasible.**

As a federation of 26 scientific societies, FASEB represents more than 100,000 life scientists and engineers, making it the largest coalition of biomedical research associations in the United States. FASEB's mission is to advance health and welfare by promoting progress and education in biological and biomedical sciences through service to its member societies and collaborative advocacy. FASEB enhances the ability of scientists and engineers to improve—through their research—the health, well-being, and productivity of all people.

As the Department of Agriculture's premier competitive grants program, AFRI supports agricultural research, education, and extension projects at public land grant universities and other institutions nationwide. In order to optimize the effectiveness of its resources, AFRI facilitates collaborative, interdisciplinary research to address key societal problems and build foundational knowledge in high-priority areas of the food and agricultural sciences. AFRI also encourages young scientists to pursue careers in agricultural research by providing research funding for over 1,700 of the nation's most promising pre- and postdoctoral scholars.

According to the results of a recent study published in the *Proceedings of the National Academy of Sciences*, global food demand is expected to double by the year 2050. The world must meet the increasing need for food while simultaneously providing better nutrition, new biofuel materials, sustainable farming practices, and greater food safety. The effective coordination of research, education, and extension activities like those supported by AFRI enables efficient translation of scientific discoveries into a broad range of applications to overcome some of our most daunting food and agriculture challenges. For example, a team of scientists supported by AFRI are discovering the biological processes that determine how warm temperatures affect corn

seed development and crop production. With this knowledge, researchers can develop hardier genetic variants of corn that are able to overcome the negative effects of heat stress and produce higher yields – advances which will be important for maintaining an adequate food supply. Other AFRI-funded scientists are studying the genomes of soilborne microorganisms responsible for damaging soybeans and other crops. By understanding the pathogen’s ability to harm plants, research and extension specialists can develop methods to manage the disease, increase crop production, and assist farmers, who lose an estimated \$300 million to soybean root and stem rot diseases each year. AFRI also makes critical contributions to improving human health; scientists are using multidisciplinary approaches to examine the process by which disease-causing *E. coli* are released from the digestive tracts of cattle into the food supply. Research on the genetic, microbial, and environmental factors that cause the bacteria to spread throughout livestock populations enables scientists to devise new strategies for reducing cattle infections and preventing food contamination.

Robust AFRI funding will also help attract talented young scientists to careers in agricultural research. A new AFRI-sponsored fellowship program has been established to help train and develop the next generation of agricultural, forestry, and food scientists and educators. In its first year of funding, the program awarded a total of \$6 million to 54 students from 32 universities across the country. Fellows are already advancing important research projects, including a study to identify sources of microbial contamination in imported foods.

Agricultural research directly benefits all sectors of society and every geographic region of the country. Furthermore, the private sector relies on public investments in USDA research to

increase productivity, improve crops, and train future cohorts of agricultural scientists. The estimated value of U.S. agricultural exports increased 32.2 percent between FY 2007 and FY 2010, illustrating the growing demand for agricultural products worldwide, and yet the AFRI budget has stagnated since the program was established with an authorized funding level of \$700 million in the 2008 Farm Bill. In FY 2010, AFRI's limited resources could only support 40 percent of project proposals recommended for funding by review panels, and the program remains significantly underfunded relative to its current capacity. The FY 2012 AFRI budget of \$264 million is woefully inadequate to ensure viability of a research enterprise at the core of human prosperity.

Thank you for the opportunity to offer FASEB's support for AFRI.

*FASEB is composed of 26 societies with more than 100,000 members, making it the largest coalition of biomedical research associations in the United States. Celebrating 100 Years of Advancing the Life Sciences in 2012, FASEB is rededicating its efforts to advance health and well-being by promoting progress and education in biological and biomedical sciences through service to our member societies and collaborative advocacy.*



**Earl Allen Pfeiffer  
Executive Director  
Florida Home Partnership, Inc.**

Testimony before the Appropriations Subcommittee on Agriculture, Rural Development  
U.S. House of Representatives  
March 21, 2012

On behalf of Florida Home Partnership, I wish to thank you for accepting this testimony on Rural Housing Funding for Fiscal Year 2013. Florida Home Partnership, Inc. (FHP) is a non-profit Community Housing Development Organization (CHDO). Our mission is to provide low and moderate income families affordable, quality-built, energy efficient homes in communities that offer long-term value and comfort. I am urging the Appropriations Subcommittee to fund the following USDA Rural Housing Programs at the higher of FY12 levels or the President's FY13 Budget Request: (1) \$900 million for Section 502 Family Direct Homeownership Loans, (2) \$30 million for Section 523 Self-Help Housing Program, and (3) \$13 million for the Rural Community Development Initiative. The section 502 Loans provide affordable mortgage opportunities for low income rural Americans, while the Section 523 funds allow self help housing grantees across Rural America to provide technical assistance to Rural Americans engaged in building their own homes through USDA's Mutual Self Help Housing Program.

FHP administers the USDA Mutual Self-help Program in the rural areas of Hillsborough and Pasco Counties in Florida. The impact of this service asserts a positive result in four areas:

1. Affordable quality housing for low to moderate income families
2. Green Built and Energy Star certified homes conserve precious resources
3. Safe and affordable housing instills higher goals for the future of youth and teens
4. The Mutual Self-help Program sustains and stimulates the local economic environment

With the support of the USDA Mutual Self-help Program, Florida Home Partnership guides groups of six to ten, low to moderate income families to work together to help build



each other's homes. In the past 15 years, over 500 homes and 5 communities have been built. Leveraging dollars from the USDA Mutual Self-help Program, the State of Florida's Home Ownership Pool and down payment assistance through Hillsborough and Pasco Counties, federal funds enable FHP to efficiently operate a very complex yet effective program. FHP has successfully administered over \$65,000,000 dollars to implement this USDA affordable housing program.

Family members of the groups share the common goal of homeownership and commit themselves to share in the work that will make that goal a reality. When all homes in the construction "Group" are completed, all homeowners are authorized to move into their new homes on the same day, creating an instant community.

Families and individuals contribute a minimum of 600 hours of "sweat equity" in the construction of their new homes in exchange for their down payment. Hard work is the key, along with a willingness to work cooperatively with other participants. No construction experience is necessary! Participants perform a variety of unskilled and semi-skilled tasks from digging the foundation, to carpentry, painting, electrical and plumbing activities through construction clean-up and landscaping—along with everything in between! Our knowledgeable family construction coordinators (who themselves have gone through the program) guide participants through the construction process all the while teaching the participants many new skill sets. Friends, family, church members, and others help these families accomplish the labor requirements. Therefore, it becomes a community endeavor to complete all the homes in a group.

Each Self Help home is currently being built as a GREEN Certified home, and is constructed to Exceed Energy Star Standards. To date FHP has constructed over 150 GREEN



and Energy Star Certified homes. These homes conserve energy resources for our country, and just as importantly conserve the precious financial resources of the low income rural clients we serve. Many of the self help groups across America build their homes to these same Green and Energy Conserving Standards.

FHP provides services before, during and after to assure the success of the families. Services provided “during” the application process include homeownership education, improving credit, and understanding the responsibilities of homeownership. Once the home is built, homeowners are also educated and encouraged to become active with their homeowners association to assure their community remains a quality and safe neighborhood. FHP recently hosted a Parliamentary Procedure Training class for interested homeowners and to train new and seasoned HOA board members.

While FHP provides safe housing and encourages community involvement, the groundwork is being laid to support a positive outlook for youth and teens in the community. The youth of our communities have witnessed the hard work of their parents leading to the accomplishment of the American Dream, homeownership. We have had multiple experiences where children growing up in our decent affordable self help housing communities, have gone on to build self help homes of their own. These children have learned that hard work and perseverance do pay off.

The USDA Mutual Self-help Program has also had a positive impact on the local economy. In addition to a staff of seventeen employees, in which 58% are Self Help Homeowners, FHP has been able to regularly subcontract with small family-owned, mid-size and chain store businesses. A great portion of the \$65,000,000 has been circulated to these various businesses since our inception in 1993. Consequently, as a primary client for many businesses, including





**Testimony of Wenonah Hauter  
Executive Director of Food & Water Watch**

**Presented before the House Subcommittee on Agriculture, Rural Development, and  
Related Agencies Appropriations**

**March 20, 2012**

Chairman Kingston, Ranking Member Farr and Members of the Subcommittee. My name is Wenonah Hauter and I am the Executive Director of Food & Water Watch, a non-profit consumer organization. I welcome this opportunity to offer our views on a critical food safety program that is slated to be cut at the United States Department Agriculture (USDA). Specifically, I am expressing our opposition to the implementation of the new poultry inspection program that is being proposed at the Food Safety and Inspection Service (FSIS).

As you know, the agency has published a proposed rule to implement a new poultry inspection model that is based on the HACCP-based Inspection Models Project (HIMP) that has been piloted in some 20 young chicken and 4 young turkey plants. The number of FSIS inspectors in HIMP plants has been reduced to one on-line inspector per slaughter line and one verification inspector. Some inspection responsibilities that have been traditionally handled by government inspectors have been turned over to company employees in these HIMP plants. It has been argued that some food safety checks (e.g., the presence of infectious diseases such as septicemia and toxemia and fecal contamination) and inspection of quality defects (e.g., failure to remove feathers and viscera from carcasses or failure to remove carcasses from the slaughter line that exhibit the presence of animal diseases or illnesses) should be handled by company employees rather than by FSIS inspectors who should concentrate most of their activities on ensuring that poultry products be free of microbiological contamination, such as Salmonella. Certain regulatory waivers have been granted to plants operating under HIMP. For example, line speeds have been permitted to run as high as 200 birds per minute in some HIMP plants. In a plant receiving conventional inspection, each FSIS on-line inspector is responsible for evaluating a maximum of 35 birds per minute.

Even though HIMP has been in operation since 1998, we have found that there are still critical deficiencies in the work being performed by the company employees who have been assigned traditional FSIS inspection tasks. In August 2011, Food & Water Watch filed a Freedom of Information Act request for the inspection documents for 11 young chicken and 3 young turkey plants participating in HIMP. We receive a response to our FOIA request in the middle of January 2012. The nearly 5000 pages of documents we received covered the period of January 2011 through August 2011 – so this was recent data. The records we received were primarily inspection records filed by the FSIS verification inspectors assigned to those plants who were checking on the work of the company employees. In evaluating those documents, we found that there were error rates

that reached over 99 percent for one inspection category in one of the plants. Furthermore, we found that of the 229 non-compliance reports filed by FSIS inspectors, 90 percent were for fecal contamination found on carcasses. Salmonella is often if not always found in poultry feces. The fact that the company employee were not catching those adulterated carcasses could have led to major food borne illness outbreaks. We have provided a link below for the complete analysis we conducted of the documents including all of the non-compliance reports filed by FSIS inspectors for your information.<sup>1</sup>

We would like to point out several other problems with the agency's proposal to expand the HIMP model to most poultry slaughter facilities:

- Unlike what FSIS has required of other countries that have chosen to adopt inspection models similar to HIMP for meat products exported to the U.S., the proposed poultry slaughter rule does not require company employees to be trained or to demonstrate a proficiency in assuming inspection tasks normally performed by government inspectors;
- While the agency has agreed to engage the National Institute for Occupational Safety and Health to conduct a study on the impact of increased line speeds on worker safety, the results of the study will not be known until after the proposed rule is finalized. Since line speeds will be permitted to be increased to up to 175 birds per minute in all poultry plants, we strongly believe that this is a very significant issue that needs study PRIOR to the implementation of the new inspection program;
- The agency concedes that it does not know whether the prevalence of a major food borne pathogen found in poultry – campylobacter – will be reduced or increased as a result of this new inspection regime;
- We are not confident that Salmonella will be reduced with the implementation of the new inspection program since the agency has already conceded that companies manipulate their production practices during the periods that FSIS conducts its regulatory testing for that pathogen.<sup>2</sup>

For all of the reasons cited above, we strongly urge that the Subcommittee reject the agency's proposal on the expansion of the HIMP inspection model and restore funding to FY 2012 levels so that conventional inspection continues to be conducted in most poultry slaughter facilities. We do not believe that the agency has fully demonstrated that it can safely expand the pilot at this time.

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<sup>1</sup> <http://www.foodandwaterwatch.org/pressreleases/privatized-meat-inspection-experiment-jeopardizes-food-safety/>

<sup>2</sup> See FSIS Notice 42-11, issued August 10, 2011.

**James D. Anderson, Ph.D., President, Friends of Agricultural Research – Beltsville, Inc.  
Fiscal Year 2013 testimony prepared for U. S. House of Representatives Appropriations  
Committee, Subcommittee on Agriculture, Rural Development, Food and Drug  
Administration, and Related Agencies.**

**March 13, 2012**

Mister Chairman and Members of the Subcommittee, thank you for this opportunity to present our statement supporting funding for the USDA's Agricultural Research Service (ARS), and especially for its flagship research facility, the **Henry A. Wallace Beltsville Agricultural Research Center (BARC), in Beltsville Maryland**. We strongly recommend full fiscal-year 2013 funding support for research programs at Beltsville.

We begin our recommendations, Mr. Chairman, by drawing attention to Agriculture Secretary's Tom Vilsack's February 13, 2013, remarks on the proposed FY 2013 budget: **"USDA has supported farmers, ranchers and growers so that last year they enjoyed record farm income. ...To help sustain record farm income, we will invest in research and development to improve agricultural productivity. [And continue] support for in-house research and the land grant universities. We'll continue our efforts to combat destructive pests and disease that threaten crops and livestock.**

**Following a Department-wide review of operations, we created a Blueprint for Stronger Service to make USDA work better and more efficiently for the American people. We found savings in areas like technology, travel, supplies and facilities. We've been able to avoid the interruptions in service that come with furloughs and employee layoffs. "**

The **Blue Print for a Stronger Service** holds out substantive agency-wide impacts for the Agricultural Research Service as a whole as well as for Beltsville in particular. The agency is streamlining its business operations, consolidating activities such as human resources and procurement into three "business service centers." In FY11, ARS cut its travel costs by approximately 28 percent from the past year, and the ARS printing fund has been cut by more than half. While continuing to serve the research needs of American agriculture and the nation, ARS is committed to "doing more with less."

We strongly endorse the **remarks of Secretary Vilsack** and the purposes and goals of **the Blue Print for a Stronger Service**. Overall, ARS will close 12 of its research programs at 10 locations in 2012, none of them at Beltsville--a recognition of the outstanding research conducted at Beltsville.

Beltsville -- the nation's premier agricultural research center -- has spearheaded technical advances in American agriculture for over 100 years. Beltsville celebrated 100 years of research leadership and technical advances in 2010. The long list of landmark research achievements over that time is truly remarkable. Still at the threshold of its second century, Beltsville stands unequalled in scientific capability, breadth of agricultural research portfolio, and concentration of scientific expertise. Under the leadership of Director Dr. Joseph Spence and with its powerful scientific capability, the Beltsville Agricultural Research Center is distinctively, indispensably prepared for the challenges that lie ahead.

Toward that end, the scientists of Beltsville have **developed a new, bold vision for the future**. Titled **Innovation and Integration: Agricultural Research for a Growing World**, this visionary document stems from the realization that broader, multidisciplinary approaches will be needed to address new, perhaps unforeseeable agricultural challenges of the future. New approaches will be needed to reach beyond the confines of traditional research approaches tied to narrow issues or specific commodities. Traditionally, for instance, plant scientists may have worked in some combination with animal scientists or with human nutritionists. Only rarely, however, have scientists combined efforts across many disciplines to solve problems. Given its broad research portfolio and its many disciplines, Beltsville is perfectly situated for broad, multidisciplinary approaches to flourish. **Thus, in every way, Beltsville remains and will continue to be a national Center of Excellence for the highest agricultural research priorities.**

We are aware of the financial constraints facing our country. We are aware, too, of urgent demands for funding among compelling national priorities. Securing ample, safe, and nutritious food -- food security -- has always been the most compelling of human priorities. That is true

today, and it will be no less so in the years ahead. Commentators such as Robert Samuelson speculate that as much as oil, scarce food could shape global politics for decades to come. In summation, Mr. Chairman, we strongly support adequate funding for Beltsville. We would respectively suggest that adequate funding for the Agriculture Department's flagship research center is central to maintaining national and world food security.

**Priorities in the President's FY-2013 Budget Request—**

Now, Mr. Chairman, we turn to key research areas highlighted in the President's proposed budget. We strongly recommend this proposed funding. Our recommendation is consistent with the remarks of Secretary Vilsack.

**We were pleased to see that the FY2013 budget includes increases for environmental stewardship; crop breeding and protection; animal breeding and protection; food safety; and human nutrition. Obviously, these are areas of great concern to all Americans, and they are certainly among the highest priorities for agricultural research today. All of these research areas are strengths of the Beltsville Agricultural Research Center and they will benefit well from the unique facilities and scientific expertise at the Center. We encourage you to seriously consider funding the proposed budget and to ensure that Beltsville receives the funding that it needs to address these critical research needs.**

**Although funds are not requested for major facilities projects in the FY2013 budget, we would like to bring to your attention the urgent need for renovation of Building 307 on the Beltsville campus. The Center has aggressively moved to consolidate space and reduce costs and has been very successful at doing so. However, these plans require the renovation of a building -- Building 307 -- that was vacated some years ago in anticipation of a complete renovation. In the past, Congress approved partial funding for this renovation, and those monies were retained pending appropriation of the full amount required for the renovation. Unfortunately, those funds now have been lost to ARS. Consequently, renovation of this vacant, highly useful building is on indefinite hold. While we realize that funding is extremely tight, we confirm that Beltsville urgently needs a renovated Building**

**307 for adequate, high quality lab space. Moreover, a renovated Building 307 would not only yield substantial energy savings, but also would allow Beltsville to move forward with other long-delayed relocation and consolidation plans.**

**In summation, we would highlight these spheres of excellence:**

**Animal Breeding and Protection:** Beltsville conducts extensive research on animal production and animal health. The research center is the foundation of genetic improvement in dairy cow production. Beltsville is examining ways to prevent resistance to drugs for animal parasite prevention and control.

**Crop Breeding and Protection:** Beltsville scientists have an extensive record of ongoing research relating to protecting crops from pests and emerging pathogens. Beltsville has distinctive expertise for identifying pathogens, nematodes, and insects that destroy crops or make crops ineligible for export. Beltsville houses the *Germplasm Resource Information Network*, the U.S. coordinating body to identify and catalog plant germplasm.

**Child and Human Nutrition:** The *Beltsville Human Nutrition Research Center (BHNRC)* is the nation's largest, most comprehensive federal human nutrition research center; unique activities include the *What We Eat in America* survey, which is the government's nutrition monitoring program, and the *National Nutrient Databank*, which is the gold standard reference of food nutrient content that is used throughout the world. These two activities are the basis for food labels, nutrition education programs, food assistance programs including *SNAP, the Supplemental Nutrition Assistance Program*, school feeding programs, and government nutrition education programs.

**Global Climate Change:** Beltsville became actively engaged in climate change research long before climate change became a topic of intense media interest. Beltsville scientists are at the forefront of climate change research -- understanding how climate change affects crop production and the effects of climate change on growth and spread of invasive and detrimental plants (such as weeds.) A central aim is finding ways to mitigate negative effects of climate

change on crops. Beltsville houses unequalled facilities for replicating past climates or climates that may exist in the future.

**Plant, Animal, and Microbial Collections:** Beltsville houses matchless national biological collections that are indispensable to the well-being of American agriculture. In addition to the actual collections, Beltsville scientists are internationally recognized for their expertise and ability to quickly and properly identify insect pests, fungal pathogens, bacterial threats, and nematodes. This expertise is crucial to preventing loss of crops and animals, ensuring that invasive threats to American agriculture are identified before they can enter the country, thus helping to protect homeland security, and ensuring that American exports are free of pests and pathogens that could prohibit exports. Also, Beltsville houses the *National Animal Parasite* collection and has the expertise to identify parasites that are of importance to agricultural animals.

Mr. Chairman, this concludes our statement. Thank you for consideration and support for the educational, research, and outreach missions of the Beltsville Agricultural Research Center.  
Sincerely,

James D. Anderson,

President, Friends of Agricultural Research-Beltsville

A. Richard Bonanno, Ph.D.,  
Massachusetts Vegetable & Flower Grower on behalf of Friends of IR-4<sup>1</sup>

Dear Subcommittee Members,

**Subject: Written Testimony to the House Subcommittee on Agricultural Appropriations regarding the President's FY 2013 Budget Request against the elimination of Dedicated Funding for Minor Crop Pest Management (IR-4 Project) within USDA-NIFA Research and Education Activities**

US agriculture is made up of hundreds of crops of which only a dozen or so are considered major crops. The rest are referred to as minor or specialty crops and form the backbone and bloodline of our country's food supply. The commodity groups supporting this letter represent those who grow all the high quality vegetables and fruits we eat, the herbs and spices that add flavor to our lives, and the flowers and landscape plants that make America a beautiful place to live. All crops require pest control whether grown organically or conventionally. Due to cost of meeting EPA standards, which ensure all pest control compounds are safe to both human health and the environment, it is often economically unfeasible to commercialize pest control products for minor markets without public support. The limited acres on which these crops are grown do not provide the economic incentive for the private sector to register these products on our crops. Recognizing the need for the government to assist with pest management in specialty crops, the IR-4 Project was created nearly 50 years ago to help America's specialty crop growers. The IR-4 Project is widely considered to be a model program with a history of successfully providing specialty crop growers with needed production tools and has deep support throughout the agricultural community.

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<sup>1</sup> The Friends of IR-4 is a large diversified assemblage of commodity/agricultural organizations that rely upon and support the IR-4 Project as it currently exists. For more information, go to [www.saveir-4.org](http://www.saveir-4.org)

We believe the IR-4 Project has become one of the most efficient, indispensable and reliable government programs ever developed. Simply put, specialty crops cannot economically survive without the IR-4 Project. Since the IR-4 Project is so crucial to our existence, we felt great alarm and deep concern when the FY 2013 President's Budget Proposal for the USDA National Institute Food and Agriculture (NIFA) was proposing to transfer the IR-4 budget line item (Minor Crop Pest Management in Research and Education Activities) into a proposed new Crop Protection Program which includes five integrated pest management (IPM) programs. This proposed elimination of dedicated funding for the IR-4 Project will have profound negative impacts on production costs for all specialty crops and will result in unsustainable economic losses to growers, food processors and, ultimately, the consumers.

We support the logic and financial considerations behind the proposal to consolidate five similar Integrated Pest Management Programs into the proposed Crop Protection Program. However, we believe that the Crop Protection Program is not the appropriate place to merge IR-4 due to its distinct objectives, which do not dovetail into the other IPM programs.

We offer the following reasons why we are adamantly opposed to this move:

- 1) The five Focus Areas for the proposed Crop Protection program, as documented in the Explanatory Notes, which was submitted to Congress in the President's Budget, do not include the primary IR-4 mission of "supporting the development of appropriate data to facilitate registration of sustainable pest management technologies for specialty crops and minor uses". Thus, it appears that USDA does not intend to continue to support the regulatory approvals of new crop protection chemicals and biopesticides for food and non-food specialty crops in the proposed Crop Protection Program. We consider this change to be a serious threat to specialty crop agriculture in the United States.

- 2) IR-4 is exempt from indirect cost recovery by the host land-grant universities under 7 USC 450i(e), the NIFA grant currently provided to fund IR-4. The proposed Crop Protection Program transfers funds to Integrated Activities which would allow up to 30% indirect cost recovery. If IR-4 is included as part of the Crop Protection program, it means a 30% decrease in funds available for IR-4 project. This funding decrease is a very threatening proposition for specialty agriculture and is something that we cannot accept.
- 3) IR-4 does much more than crop protection chemical testing. IR-4 collaborates with:
- **USDA-Foreign Agricultural Service:** To reduce the impact of pesticide residues in/on specialty crops from being a barrier of trade for US grown exports.
  - **Department of Defense:** To prevent sickness/death within deployed U.S. military forces who are exposed to insect pests which transmits diseases to humans by facilitating the availability of public health pesticides.
  - **USDA-APHIS:** To perform collaborative research to combat invasive pests.
  - **USEPA:** To review IR-4 submitted data to help with their priorities to provide new technology to reduce the risk from pesticides.
  - **Department of Commerce/OMB:** IR-4 is involved in a critical project supporting the US-Canada agreement to accomplish key objectives of the Regulatory Cooperation Council.
- 4) IR-4 food residue research often takes 3 to 5 years to complete, involves highly trained staff that are proficient with USEPA's Good Laboratory Practices regulations, and requires expensive analytical instruments. This is vastly different from NIFA's typical research grants. Restructuring or eliminating IR-4 and abandoning numerous ongoing studies would be extremely expensive and a waste of already appropriated taxpayer money.

5) Investment in IR-4 has yielded a huge return on investment. Since its inception, IR-4 has facilitated the registration of over 25,000 crop uses. The Michigan State University Center for Economic Analysis (Dec. 2011) determined that for a total budget of \$18 million (USDA-NIFA and other public/private sources), IR-4 efforts contribute over **\$7.2 BILLION** to annual US Gross Domestic Product and supports **104,650 US JOBS**.

These comments are on behalf of the 82 undersigned commodity associations/grower groups and individuals who represent American specialty agriculture. Collectively, we represent growers with operations in almost every Congressional district of every state. Our operations are a huge driver in American agriculture; the farm gate value of specialty crops is over \$67 billion annually. For more information on this topic and on us, please see [www.saveir-4.org](http://www.saveir-4.org).

In summary, the proposed consolidation of the IR-4 Project into the Crop Protection Program significantly hurts growers of food and non-food specialty crops and our food systems. It will lead to higher prices for the food that enhances health, and plants that enhance the environment. Consolidating IR-4 with the proposed Crop Protection Program will substantially increase costs to the taxpayer or result in a much smaller program providing significantly less service to American growers and ultimately the American public. We urge the House Appropriations Committee - Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies to continue to dedicate at least \$12 million net dollars for Minor Crop Pest Management (IR-4) in FY 2013 USDA-NIFA Research and Education Activities. Simply put, the U.S. specialty crop growers ask Congress to let the IR-4 Project continue to do the excellent job it has done for the past 49 years.

Sincerely yours and on behalf of the Friends of IR-4

A. Richard Bonanno, Ph.D.

The following commodity associations/grower groups support the above written testimony:

*(While looking at this list, consider the breadth of crops, regions and states represented.)*

Ag Matters, LLC	Nat'l Greenhouse Manufacturers Associa.
American Mushroom Institute	National Onion Association
American Nursery & Landscape Association	National Watermelon Association
Ball Horticultural Company	NC Com. Blackberry & Raspberry Assoc.
California Apple Commission	New England Veg. & Berry Growers Assoc.
California Asparagus Commission	NH Veg & Small Fruit Growers Association
California Blueberry Commission	North American Blueberry Council
California Garlic and Onion Res Adv. Board	North American Greenhouse/Hothouse
Cherry Marketing Institute, Inc.	Vegetable Growers Association
Cranberry Institute	North Amer. Strawberry Growers Association
Crop Life America	North Carolina Blueberry Council
Dill Growers of Oregon and Washington	North Carolina Nursery & Landscape Assoc.
Engage Agro USA	North Carolina Strawberry Association
Essex County Fruit Growers	Oregon Blueberry Commission
Florida Fruit and Vegetable Association	Oregon Essential Oil Growers League
Florida Strawberry Growers Association	Oregon Fine Fescue Commission
Ginseng Board of Wisconsin	Oregon Mint Commission
Great Lakes IPM, Inc.	Oregon Ryegrass Commission
Hawley's Florist	Oregon Seed Council
Hoogasian Flowers, Inc	Oregon Tall Fescue Commission
Hop Growers of Washington, Inc.	Pacific Northwest Christmas Tree Assoc.
Hop Growers of America, Inc.	Pacific Northwest Vegetable Association
Idaho Grain Producers Association	Rudd Farm
Idaho Hop Commission	Society of American Florists
Idaho Hop Growers Association	Texas Citrus Mutual
Idaho Sugar Beet Growers Association, Inc.	Texas Vegetable Association
Iwasaki Bros, Inc.	Tulelake Growers Association Mint
Kona Perfect Estate Grown Coffee	Research Advisory Committee
Lavender Growers of Oregon	U.S. Apple Association
Massachusetts Fruit Growers Association	U.S. Dry Pea & Lentil Council
Montana Mint Committee	U.S. Hop Industry Plant Prot. Comm.
Meister Media Worldwide	Washington Asparagus Commission
MGB Marketing	Washington Blueberry Commission
Michigan Asparagus Advisory Board	Washington Hop Commission
Michigan Cherry Committee	Washington Mint Growers Association
Michigan Mint Growers Association	Washington Red Raspberry Commission
Minor Crop Farmer Alliance	Washington State Comm. on Pest. Regist.
Mint Industry Research Council	Western Alfalfa Seed Growers Association
National Asparagus Council	Wisconsin Mint Growers Association
National Barley Growers Association	Wisconsin Muck Growers Association

For more information, go to [www.saveir-4.org](http://www.saveir-4.org)

Re: Restoration of funding for WIC Farmers Market Nutrition Program

Our Business Improvement District has run a farmers market for more than 15 years to provide good healthy food options to our underserved, economically challenged community in Brooklyn.

The market also provides an outlet for small farmers to sell their products and continue working in New York state. Families that have farmed for generations and contributed to the growth of this great nation.

Our market also participates in the WIC Farmers Market Nutrition Program (WIC FMNP), and in the EBT program, and we depend on this funding to keep our market programs, jobs and healthy food outreach working.

The WIC FMNP has long served a critical function by helping family farmers provide fresh, locally grown produce to underserved families through farmers markets. In 2010, the program benefited more than 2.1 million families, provided income of about \$22 million to the participating family farmers.

Each day we hold our seasonal market, people use their FMNP coupons and learn about eating right through our food demos. We hire teens to work at the market and instruct them on healthy options.

We are deeply alarmed that the WIC FMNP was cut by an estimated 30 percent in FY 2012. This we know will threaten access to fresh local produce during the upcoming growing season for WIC eligible clients in 45 States, Territories and Indian Tribal Organizations. By one estimate, 300,000 families will see a loss of benefits.

The cuts also pose serious and even destructive impacts on the survival of some small and mid-scale farms as well as the farmers markets operating in low-income and “fresh food desert” communities such as ours, where WIC FMNP represents a major source of income for farmers.

We ask that the FY 2013 appropriation for WIC FMNP be reviewed and restored to FY 2011 funding level of \$20 million.

Please don't jeopardize this wonderful and crucial program...it is a mainstay for our community residents and the farmers who struggle to survive.

Betty M. Cooney  
Executive Director  
Graham Ave. BID  
Woodhull Community Dist. Mgmt. Assoc.  
80 Graham Ave., suite 2a  
Brooklyn, NY 11206  
718-387-6643 [www.grahamavebid.net](http://www.grahamavebid.net)

Agriculture and Rural Development Testimony  
Gurisky Garza; Self Help & Counseling Director  
Housing America Corporation

Housing America Corporation ("HAC") has served families in the low and very low income levels in Yuma, Mohave and La Paz Counties through the Mutual Self-Help Program since 1979. Housing America Corporation's mission is to help families accomplish the American dream of homeownership as we strive together with families by not only building structures, but by building communities.

The impact that the Mutual Self-Help program has in our communities has aid in stabilizing the housing market by providing home ownership, stabilizing property values, community development and finally by creating and maintaining jobs. Housing America Corporation has been and continues to be the largest Mutual Self-Help provider in the State of Arizona and one of the largest in the United States. As of March 20, 2012, Housing America Corporation has been fortunate to assist 1,114 families through the Mutual Self-Help program since its initiation. Currently there are 46 houses under construction and 28 families will be submitted to Rural Development for review and approval to begin construction as early as of May 2012.

Housing America's corporate office is located in Somerton, Arizona in the southwest corner of the state which is approximately 10 miles north of the Mexican border. Yuma County is a designated Colonia, which includes the cities of Yuma, San Luis, Somerton, and the town of Wellton. La Paz County is also a designated Colonia, which includes the towns of Parker and Quartzsite. HAC's Kingman office is located approximately 260 miles north of the Somerton office. Yuma County stretches over 5,519 square miles of desert land located in the southwest corner of the state of Arizona, just below the Colorado and Gila Rivers. Yuma County has a population of 203,779 according to the 2008 Arizona Department of Commerce statistics. Mohave County is geographically the second largest in the state with approximately 205,862

Agriculture and Rural Development Testimony  
Gurisky Garza; Self Help & Counseling Director  
Housing America Corporation

persons. Although classified as desert, the county stretches 13,479 square miles 186 square miles of water. HAC's recently added service area includes La Paz County which encompasses 4,518 square miles and has 30 square miles of water. According to the Arizona Department of Commerce, La Paz County has 21, 544 persons; it is the third smallest county of Arizona's counties and has the lowest population density, with slightly more than four persons per square mile. In 2011, our clients purchasing median home value vary from \$120,000 (Yuma County) to \$115,000 (Mohave County).

Housing America Corporation selected these areas to build individual and group capacity for economic, physical, and social development of homes, neighborhoods and communities. Housing America Corporation implements intense marketing techniques in order to target as many applicants as possible from within these areas. Recently, HAC has added media marketing and outreach sources to reach the broader range of population from within these areas.

Historically, HAC has served mostly families in the income range from **\$18,500** (below the "very low" income level for a family of 3 persons) to **\$23,000** (below the "low" income level for a family of 5 persons). The majority of families contain four to six members.

Income levels tend to be low in the market area we serve and credit issues continue to be an issue. Currently, due to the recent economic issues approximately five percent of applicants meet the necessary qualifications to become eligible for the program.

In just 2011, Housing America Corporation stimulated the economy in Somerton, Arizona by \$327,719 in solely infrastructure costs. In order to assist the families build their homes, 25 local vendors were hired for construction materials, generating over \$574,238.40 in business. Twenty-

Agriculture and Rural Development Testimony  
Gurisky Garza; Self Help & Counseling Director  
Housing America Corporation

six local contractors were hired to furnish material and perform licensed work, generating over \$1,090,730.70 in economic growth and job stability.

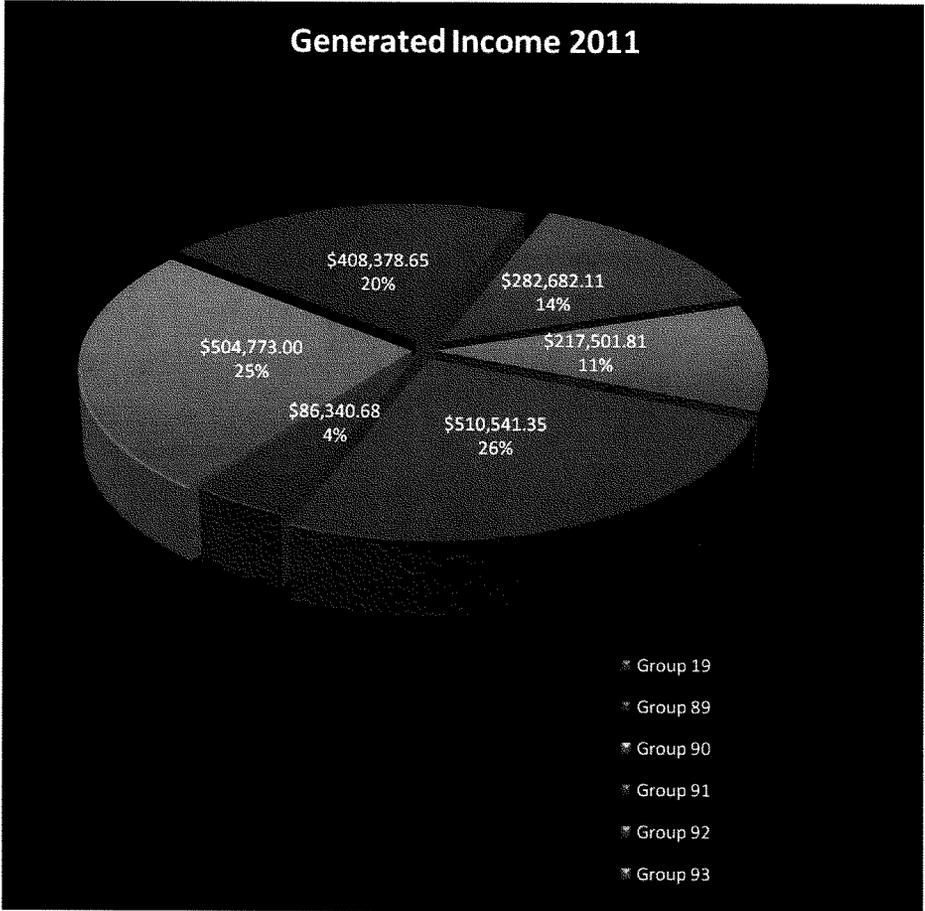
In the upcoming work plan for Grant 15, HAC is proposing to sponsor 149 new self-help homes for low-income families. By the end of the project, an estimated \$3,264,921 will account for development costs, job creation and sustainability for our community and overall economic growth.

Housing America Corporation and its' participants have shown to the communities and USDA Rural Development ("RD") that the Mutual Self-Help concept is effective. It provides a substantially greater dollar savings to the families, plus a distinctly greater sense of pride in home ownership. Self-Help not only provides affordable homes, but also creates neighborhoods and a sense of security to these families.

It has been determined that there is a definite need in Yuma and Mohave Counties of Arizona to continue this program as an alternative to the contractor's method of building a home. Housing has been beyond the financial reach of most low and very low income families.

Families that have participated in the program have an affordable home, which meets all RD standards of "modest but adequate", and also have a home that is attractive to the community.

Housing America Corporation strongly believes that the Self-Help Program will continue to be an asset to Yuma and Mohave Counties plus the interested families which otherwise could not hope to own a home. Housing America Corporation will continue to evaluate building in Gadsden, Wellton or other areas of Yuma County, in addition to outer lying areas in Kingman, Mohave County, Arizona.



Agriculture and Rural Development Testimony  
Gurisky Garza; Self Help & Counseling Director  
Housing America Corporation

### Comparative Generated Income

#### Mutual Self-Help Program Y2011

City Fees	Group 19	Group 89	Group 90	Group 91	Group 92	Group 93
Permit Fee				\$5,576.50	\$6,571.00	\$7,549.50
Water Impact Fee				\$26,378.00	\$31,174.00	\$35,978.00
Water Waste Impact Fee				\$41,426.00	\$48,958.00	\$56,490.00
Public Safety Impact Fee				\$6,490.00	\$7,678.00	\$8,850.00
Administration Impact Fee				\$462.00	\$546.00	\$630.00
Transportation Impact Fee				\$3,322.00	\$3,926.00	\$4,530.00
Sanitation				\$825.00	\$975.00	\$1,125.00
Special Inspection				\$550.00	\$650.00	\$750.00
Storm Water				\$2,200.00	\$2,600.00	\$3,000.00
Water Meters				\$5,225.00	\$6,175.00	\$7,125.00
<b>Total City Fees</b>				<b>\$92,484.50</b>	<b>\$109,745.00</b>	<b>\$126,019.50</b>
<b>Contracted</b>						
All-Weather Driveway				\$639.21	\$994.27	\$19,476.00
P.U. Spalte				\$571.92	\$239.99	
Yema Post Opstal			\$2,350.00	\$2,610.00	\$2,732.00	\$1,771.00
Big Bob's Flooring		\$1,155.12	\$17,794.84	\$3,826.24		
Kraft Weight	\$7,560.00					
Yakky Genesis, LLC	\$83,046.38					
Highest Plumbing Corporation	\$46,000.00					
Kingman Tenchu Co.	\$2,600.00					
Croughall & Becker Heating	\$36,378.88					
Adoral Construction		\$19,100.00	\$134,165.54	\$90,810.00		
Fanco Refrigeration		\$3,180.50			\$6,958.00	\$1,176.00
Signature Plumbing			\$40,052.92	\$21,062.50		
Boiler Cabinet	\$27,202.63					
Danish Electric	\$33,399.91					
Lovell's Bath & Mirror	\$63,600.00					
Howe's Drywall	\$25,608.00					
Top-Goo Cabinets			\$38,475.00	\$14,962.50		
Electromer Plumbing	\$8,650.00				\$16,442.50	\$8,206.75
D & B Drywall	\$4,810.00				\$4,500.00	
Kingdom Construction					\$45,112.00	\$33,960.00
Unique Woodworks, LLC	\$9,708.00				\$4,700.00	
AVA Valley Refrigeration			\$36,910.00	\$14,900.00		
J. J. R. Orchard Doors			\$7,143.00	\$2,148.50		
Stream Flooring	\$7,600.00		\$39,360.00	\$18,000.00	\$1,470.00	
Rud Electric, LLC			\$30,000.00	\$21,300.00	\$23,800.00	\$8,320.00
5th Avenue Carpets	\$12,667.70					
<b>Total Contracted</b>	<b>\$326,195.80</b>	<b>\$66,943.32</b>	<b>\$346,271.30</b>	<b>\$190,911.27</b>	<b>\$105,028.76</b>	<b>\$72,909.75</b>
<b>Supplier/Vendors</b>						
At Lumber			\$11,095.54	\$6,092.78	\$54,207.89	\$17,190.34
Pennock Off-road Lumber	\$3,168.10	\$126,168.33	\$113,672.02	\$10,735.00		
Southwest Lumber			\$8,318.53	\$4,017.05	\$905.72	
Links & Lardigan			\$6,637.80		\$1,276.25	
5th Avenue Appliances						
Thunderbolt Awnings	\$3,952.24					
A&T Doors and Lights	\$12,270.50					
Media Meter Restoration		\$205.00	\$515.00	\$145.00		
Finest Paint	\$4,927.23					
Highland Electrical Windows	\$9,525.39					
Kingman Home Value Tour Center	\$54,943.34					
A A M Garage Doors	\$6,186.52					
Cynel's Floor and More	\$26,858.84					
Atlas Specialty Reading	\$22,750.00					
Direct Bug Parasites	\$2,746.08					
Raw Dinwiddie, Inc	\$723.76					
Attwoods Appliances	\$10,536.72					
Yuma Nursery Supply		\$2,352.00	\$5,779.20			
Lo's Measurements	\$150.00					
D&K Construction	\$10,947.50					
Zhaa Paint Store	\$2,704.76					
George Young Systems			\$987.30	\$1,086.03	\$1,283.49	\$1,382.22
Kingman Portable Toilets	\$860.65					
Mobara Texas Inc	\$19,200.00					
ABC Supply Co.	\$8,716.28					
<b>Total Supplier</b>	<b>\$184,345.55</b>	<b>\$19,397.36</b>	<b>\$158,501.70</b>	<b>\$125,012.88</b>	<b>\$68,408.35</b>	<b>\$16,572.56</b>
<b>Total Contracted</b>	<b>\$326,195.80</b>	<b>\$66,943.32</b>	<b>\$346,271.30</b>	<b>\$190,911.27</b>	<b>\$105,028.76</b>	<b>\$72,909.75</b>
<b>Total Material &amp; Labor</b>	<b>\$510,541.35</b>	<b>\$86,340.68</b>	<b>\$504,773.00</b>	<b>\$315,924.15</b>	<b>\$173,437.11</b>	<b>\$91,482.31</b>
<b>City Fees</b>				<b>\$92,454.50</b>	<b>\$109,245.00</b>	<b>\$126,019.50</b>
<b>Total</b>	<b>\$510,541.35</b>	<b>\$86,340.68</b>	<b>\$594,773.00</b>	<b>\$408,378.65</b>	<b>\$282,682.11</b>	<b>\$217,501.81</b>

R. Scott McReynolds  
Executive Director  
Housing Development Alliance, Inc.  
Point of Contact: [scott@housingdevelopmentalliance.org](mailto:scott@housingdevelopmentalliance.org)

On behalf of Housing Development Alliance, Inc. and the communities we serve, I wish to thank the Subcommittee for the opportunity to submit testimony on Fiscal Year 2013 Appropriations for the Department of Agriculture (USDA) Rural Housing Programs. I urge this subcommittee to fund USDA Rural Housing's Section 502 Single Family Direct Loan Program at \$900 million (the FY2012 level); Section 504 Very-Low Income Rural Housing Repair Loans at \$28 million; and Section 504 Very-Low Income Rural Housing Repair Grants at \$29.5 million.

Housing Development Alliance, Inc. (HDA) serves Perry, Knott, Leslie and Breathitt Counties in Kentucky. These are among four of the poorest counties in the nation with poverty rates ranging from 24% to over 33%. In these 4 counties over 12,650 households have annual incomes of less than \$25,000 including over 5,100 households with incomes less than \$10,000. Furthermore, these counties suffer from persistent poverty (having more than 20% of population in poverty for more than 5 decades) which has resulted in a poor housing stock and a broken housing market. In short, our community has a critical need for safe, decent and affordable housing.

Since 1996, the Housing Development Alliance has constructed 90 new homes which were sold to qualified low and very-low income homebuyers who received financing through the Section 502 Single Family Direct Loan Program. In this same period, the Housing Development Alliance has repaired nearly 180 homes using Section 504 Loan and Grants. These programs often serve the poorest of the poor. In fact, the average annual income of our Section 502 Direct

Loan homebuyers was \$14,252 and the average annual income of our Section 504 Loan and Grant repair client was \$10,660 per year.

In many cases the living conditions of the households prior to receiving assistance are deplorable. These homes often lack an adequate heat source; have little or no insulation; often have major structural defects including collapsing foundations, rotting floors and walls and leaking roofs; have unsafe electrical wiring; and lack complete plumbing. For example recently the Housing Development Alliance encountered an elderly woman whose gas water heater was spewing potentially deadly levels of carbon monoxide into her home and another elderly woman whose tub/shower was not hooked to the sewer and was draining directly under her home.

However, the benefits of these programs are not limited to just to the households purchasing the new home or receiving the affordable home repair. The programs provide jobs and other needed economic activity to our community. For example, in 2011 the constructed 7 homes financed in part by the Section 502 Single Family Direct Loan Program. Using the National Association of Home Builders' estimate that each home constructed creates/preserve 3 construction job per year, in 2011 the Housing Development Alliance's use of Section 502 Direct Loans created/preserved 21 construction jobs. Even more jobs were created/preserved through our use of the Section 504 Repair Loans and Grants which funded 14 home repairs. While these numbers may seem modest, as they are repeated in rural communities throughout America these programs have a huge impact on jobs in rural America.

Furthermore the Section 502 Single Family Direct Loan Program is the most cost effective federal housing program. Despite serving low and very-low income households, the average **lifetime cost** of a Section 502 Single Family Direct Loan is just \$7,200 while the average cost of Section 8 Housing Assistance is nearly \$7,000 **per year**. This low cost is due in part to the fact

that Section 502 Direct portfolio maintains an excellent repayment history with a foreclosure rate of just over 4%.

The administration and others have suggested that the Section 502 Guarantee Program is a suitable alternative to the Section 502 Direct Loan Program; this is simply not true in our community. We completed a study of our 502 Direct Loan Program recipients and found that only 1 out of 10 would have been able to afford the higher interest cost associated with a Section 502 Guarantee Loan.

Thank you again for the opportunity to provide testimony on the critically important programs. Without adequate funding for these programs low income households will remain trapped in substandard, if not outright deplorable, housing and construction and other related jobs will be lost across rural America.

House Committee on Appropriations  
 Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies  
 Testimony on the FY 2013 Budget submitted by  
 Mimi Brody, Director of Federal Affairs, The Humane Society of the United States  
 March 20, 2012

As the largest animal protection organization in the country, we appreciate the opportunity to provide testimony to your Subcommittee on FY 2013 items of great importance to The Humane Society of the United States (HSUS) and its 11 million supporters nationwide. In this testimony, we request the following assistance for the following USDA accounts:

- APHIS/Animal Welfare Act Enforcement – \$27,087,000
- APHIS/Horse Protection Act Enforcement – \$891,000
- APHIS/Investigative and Enforcement Services – \$16,275,000
- FSIS/Horse Slaughter – language mirroring FY 2012 House bill provision
- FSIS/Humane Methods of Slaughter Act Enforcement – language directing FSIS to ensure that inspectors hired with funding previously specified for Humane Methods of Slaughter Act enforcement focus their attention on overseeing compliance with humane handling rules for live animals as they arrive and are offloaded and handled in pens, chutes, and stunning areas
- OIG/including Animal Fighting Enforcement – \$85,621,000
- NIFA/Veterinary Medical Services Act – \$4,790,000
- APHIS/Emergency Management Systems/Disaster Planning for Animals – \$1,017,000
- APHIS/Wildlife Services Damage Management – reduce by \$10 million
- APHIS/Class B Dealers – language barring expenditures of funds for licensing or renewal of licenses of any Class B Dealers who sell dogs or cats for use in research, teaching, or testing

At this time of intense budget pressure, we thank you for your outstanding past support for enforcement of key animal welfare laws by the U.S. Department of Agriculture and we urge you to sustain this effort in Fiscal Year 2013. While we understand the focus on reducing federal spending, we believe there should be room for careful decision making within the budget to achieve macro-level cuts and at the same time ensure adequate funding for specific accounts that are vital and have previously been underfunded.

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 also benefits people by decreasing: 1) sale of unhealthy pets by commercial breeders, commonly referred to as "puppy mills;" 2) laboratory conditions that may impair the scientific integrity of animal based research; 3) risks of disease transmission from, and dangerous encounters with, wild animals in public exhibition; 4) injuries and deaths of pets on commercial airline flights due to mishandling and exposure to adverse environmental conditions; 5) food safety risks to consumers from sick animals who can transmit illness; 6) injuries to slaughterhouse workers from suffering animals; and 7) 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. In order to

continue the important work made possible by the Committee's prior support, we request the following for FY 2013:

#### **APHIS / Animal Welfare Act (AWA) Enforcement**

**We request that you support level funding of \$27,087,000 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 to properly fund the Animal Care division to improve its inspections of approximately 12,870 sites, including commercial breeding facilities, laboratories, zoos, circuses, and airlines, to ensure compliance with AWA standards. In May 2010, USDA's Office of Inspector General released a report criticizing the agency's history of lax oversight of dog breeders – finding that inhumane treatment and horrible conditions often failed to be properly documented and yielded little to no enforcement actions. While Agriculture Secretary Vilsack called for more inspections and a tougher stance on repeat offenders, the agency must have the resources to follow through on that commitment. USDA is also implementing a new responsibility created by Congress in the Food, Conservation, and Energy Act of 2008 – enforcing a ban on imports from foreign puppy mills where puppies are mass produced under inhumane conditions and forced to endure harsh long-distance transport. Animal Care currently has 122 inspectors (with 14 vacancies that are in the process of being filled), compared to 64 inspectors at the end of the 1990s. An appropriation at the requested level would allow the agency to continue to address the concerns identified by the OIG, enforce the new puppy import ban, and provide adequate oversight of the many licensed/registered facilities.

#### **APHIS / Horse Protection Act (HPA) Enforcement**

**We request that you support \$891,000 for strengthened enforcement of the Horse Protection Act (HPA).** Congress enacted the HPA in 1970 to make illegal the abusive practice of “soring,” in which unscrupulous trainers deliberately inflict pain on Tennessee Walking Horses' hooves and legs to exaggerate their high-stepping gait and gain unfair competitive advantage at horse shows (e.g., applying caustic chemicals, using plastic wrap and tight bandages to “cook” those chemicals deep into the horse's flesh for days, attaching heavy chains to slide up and down the horse's sore legs, inserting metal screws or other foreign objects into the sensitive areas of the hooves, cutting the hooves down to expose the live tissue, and using salicylic acid or other painful substances to slough off scarred tissue, in an attempt to disguise the sore areas). A report released in October 2010 by USDA's Office of Inspector General documents significant problems with the industry self-monitoring system on which the seriously understaffed APHIS inspection program relies, and calls for funding to enable the agency to more adequately oversee the law. Several horse show industry groups, animal protection groups, and the key organization of equine veterinarians have also called for funding to enable USDA to do a better job enforcing this law. With current funding, Animal Care is able to attend only about 10% of the more than 500 Tennessee Walking Horse shows held annually. We greatly appreciated the enactment last year of \$696,000 for Horse Protection Act enforcement. Sustained support will help ensure that this program doesn't lose ground now that it is finally beginning to address the need for additional inspectors, training, security (for threats of violence against inspectors), and advanced detection equipment (thermography and gas chromatography/mass spectrometry machines).

**APHIS / Investigative and Enforcement Services**

**We request that you support level funding of \$16,275,000 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 federal animal welfare laws and the initiation of appropriate enforcement actions. The volume of animal welfare cases is rising significantly, and an appropriation at the requested level would enable the agency to keep pace with the additional enforcement workload.

**Horse Slaughter**

**We request inclusion of the same language barring USDA from the expenditure of funds for horse slaughter inspection as was included in the Committee's FY 2012 Agriculture Appropriations bill.** This provision is vital to prevent renewed horse slaughter activity in this country.

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

**We request language to ensure strengthened HMSA enforcement.** We appreciate the committee's inclusion of language in the FY 2012 committee report regarding humane slaughter. USDA oversight of humane handling rules for animals at slaughter facilities is vitally important not only for animal welfare but also for food safety. Effective day-to-day enforcement can prevent abuses like those previously documented in undercover investigations, and reduce the chance of associated food safety risks and costly recalls of meat and egg products. We therefore urge inclusion of language directing FSIS to ensure that inspectors hired with funding previously specified for Humane Methods of Slaughter Act enforcement focus their attention on overseeing compliance with humane handling rules for live animals as they arrive and are offloaded and handled in pens, chutes, and stunning areas.

**Office of Inspector General / Animal Fighting Enforcement**

**We request that you support level funding of \$85,621,000 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, established felony penalties in 2007, and further strengthened the law as part of the Food, Conservation, and Energy Act of 2008. We are pleased that USDA is taking seriously its responsibility to enforce this law, working with state and local agencies to complement their efforts and address these barbaric practices, in which animals are drugged to heighten their aggression and forced to keep fighting even after they've suffered grievous injuries. 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 a number of 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 Animal Welfare Act, the Horse Protection Act, and the Humane Methods of Slaughter Act and downed animal rules.

#### **National Institute of Food and Agriculture / Veterinary Medical Services Act**

**We request that you support level funding of \$4,790,000 to continue the implementation of the National Veterinary Medical Service Act (P.L. 108-161).** We appreciate that Congress is working to address the critical maldistribution of veterinarians practicing in rural and inner-city areas, as well as in government positions at FSIS and APHIS. A 2009 Government Accountability Office report identified that an inadequate number of veterinarians to meet national needs is among the foremost challenges facing veterinary medicine today. Having adequate veterinary care is a core animal welfare concern. To ensure adequate oversight of humane handling and food safety rules, as well as our nation's defense against bioterrorism (the Centers for Disease Control estimates that 75% of potential bioterrorism agents are zoonotic – transmitted from animals to humans) and public health problems such as those associated with pet overpopulation, parasites, rabies, chronic wasting disease, and bovine spongiform encephalopathy ("mad cow" disease), USDA must be able to fill vacancies in its veterinary positions. Veterinary school graduates face a crushing debt burden of \$142,613 on average, with an average starting salary of \$66,469. We request level funding for the Act.

#### **APHIS / Emergency Management Systems / Disaster Planning for Animals**

**We request that you support level funding of \$1,017,000 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 develops infrastructure to help prepare for and respond to animal issues in a disaster and incorporate lessons learned from previous disasters. These funds are used to support state and local governments' efforts to plan for protection of people with animals, and to enable the agency to participate, in partnership with FEMA, in the National Response Plan without jeopardizing other Animal Care programs.

#### **APHIS / Wildlife Services Damage Management**

**We request that funding be reduced for Wildlife Services Damage Management by \$10 million.** This is the amount that the USDA estimates it spends annually on lethal predator control to protect livestock. In light of record deficits, this is a wasteful subsidy that needs to be terminated. Under its "livestock protection" program, Wildlife Services provides taxpayer-subsidized wildlife extermination services to private agribusiness. USDA data show that less than one percent of livestock are killed by predators. Livestock producers and property owners – not U.S. taxpayers – should be financially responsible for protecting their property from damage attributed to wildlife. Expensive lethal control methods used by Wildlife Services such as aerial gunning, poisoning, and trapping are indiscriminate and ineffective, often killing non-target

species including endangered species protected by federal law and companion animals. Common sense non-lethal methods like the use of guard animals (e.g., llamas, dogs), lighting, penning, and good animal husbandry practices like shepherding are cheaper and proven more effective in reducing predation to livestock. Ranchers have no incentive to use these methods if the federal government continues to pay for unlimited lethal control. By cutting this wasteful and unnecessary program, we will ensure that U.S. taxpayers stop subsidizing lethal wildlife control for the benefit of private livestock producers and property owners.

### **APHIS / Class B Dealers**

**We also ask that you include a funding limitation as suggested below regarding Class B Dealers.** A September 2010 Government Accountability Office report to Congress found that numerous Animal Welfare Act violations have been documented during inspections of Class B dealer facilities, seven of the nine licensed Class B dealers of live, random-source dogs and cats at that time had one or more violations, and several Class B dealers were under further investigation by the USDA because of repeated violations. The USDA is spending an inordinate amount of its limited resources in an attempt to regulate these Class B dealers, especially considering that a 2009 study by the National Academies – “Scientific and Humane Issues in the Use of Random Source Dogs and Cats in Research” – found that Class B dealers are not necessary to supply random-source dogs and cats for NIH-funded research.

*Requested bill language: Provided, that appropriations herein made shall not be available for any activities or expense related to the licensing of new Class B dealers who sell dogs or cats for use in research, teaching, or testing, or to the renewal of licenses of existing Class B dealers who sell dogs or cats for use in research, teaching, or testing.*

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 2013. We are so grateful for 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.

House Committee on Appropriations  
Subcommittee on Agriculture, Rural Development, FDA and Related Agencies

Testimony submitted by Keith Dane, Director of Equine Protection, The Humane Society of the United States, on behalf of the undersigned horse industry and animal welfare organizations and former Senator Joseph Tydings, regarding FY 2013 funding for enforcement of the Horse Protection Act

March 23, 2012

On behalf of the undersigned animal welfare and horse industry organizations, with combined supporters exceeding 12 million, and former Senator Joseph Tydings, we submit the following testimony seeking funding for the USDA/APHIS Horse Protection Program of \$891,000 for FY 2013. We recognize that Congress is focused on the imperative of cutting federal spending. But we believe that it should be possible to achieve meaningful reductions in the overall budget while still addressing shortfalls in very specific accounts that are vital and have been seriously underfunded. This \$891,000 is urgently needed to begin to fulfill the intent of the Horse Protection Act – to eliminate the cruel practice of soring – by allowing the USDA to strengthen its enforcement capabilities for this law.

In 1970, Congress passed the Horse Protection Act to end soring, the intentional infliction of pain to the hooves and legs of a horse to produce an exaggerated gait, practiced primarily in the Tennessee Walking Horse show industry.

For example, caustic chemicals – such as mustard oil, diesel fuel, and kerosene – are painted on the lower front legs of a horse, then the legs are wrapped for days in plastic wrap and bandages to “cook” the chemicals deep into the horse’s flesh. This makes the horse’s legs extremely painful and sensitive, and when ridden, the horse is fitted with chains that slide up and down the horse’s sore legs, forcing him to produce an exaggerated, high-stepping gait in the show ring. Additional tactics include inserting foreign objects such as metal screws or hard acrylic between a heavy stacked shoe and the horse’s hoof; pressure shoeing – cutting a horse’s hoof down to the sensitive live tissue to cause extreme pain every time the horse bears weight on the hoof; and applying painful chemicals such as salicylic acid to slough off scarred tissue, in an attempt to remove evidence of soring.

The Horse Protection Act authorizes the USDA to inspect Tennessee Walking Horses and Racking Horses – in transport to and at shows, exhibits, auctions and sales – for signs of soring, and to pursue penalties against violators. Unfortunately, since its inception, enforcement of the Act has been plagued by underfunding. As a result, the USDA has never been able to adequately enforce the Act, allowing this extreme and deliberate cruelty to persist on a widespread basis.

The most effective way to eliminate soring and meet the goals of the Act is for USDA officials to be present at more shows. However, limited funds allow USDA attendance at only about 10% of Tennessee Walking Horse shows. So the agency set up an industry-run system of certified Horse Industry Organization (HIO) inspection programs, which are charged with

inspecting horses for signs of soring at the majority of shows. These groups license examiners known as Designated Qualified Persons (DQPs) to conduct inspections. To perform this function, some of these organizations hire industry insiders who have an obvious stake in preserving the status quo. Statistics clearly show that when USDA inspectors are in attendance to oversee shows affiliated with these organizations, the numbers of noted violations are many times higher than at shows where industry inspectors alone are conducting the inspections. By all measures, the overall DQP program as a whole has been a failure – the only remedy is to abolish the conflicted industry-run inspection programs charged with self-regulation and give USDA the resources it needs to adequately enforce the Act.

USDA appears to have attempted to step up its enforcement efforts in recent years, and has begun to work with the Department of Justice in prosecuting criminal cases as provided for under the Act. In 2011, a federal prosecutor sought the first-ever criminal indictments under the Act and as a result, a well-known, winning trainer in the Spotted Saddle Horse industry is serving a prison sentence of over one year. A former Walking Horse Trainers' Association Trainer of the Year and winner of the Tennessee Walking Horse World Grand Championship was recently indicted on 52 counts (18 of them felony) of violating the Act and is awaiting trial.

While these are significant actions which should have a deterrent effect, there are many other violators who go undetected, and many cases which go unprosecuted – all due to a lack of resources. USDA needs enhanced resources to carry out its responsibilities under this Act, as Congress, and the public, expects.

In years past, inspections were limited to physical observation and palpation by the inspector. Protocols for the use of new technologies, such as thermography and “sniffer” devices (gas chromatography/mass spectrometry – or GC/MS - machines), have been implemented, which can help inspectors identify soring more effectively and objectively. The results of USDA's recent GC/MS testing for prohibited foreign substances used by violators on the legs of horses (either to sore them, or to mask underlying soring and evade detection by inspectors) are staggering: 97.6 percent of the samples taken at various Tennessee Walking Horse competitions in 2011 tested positive for illegal foreign substances, and 86 percent tested positive in 2010.

Effective though this inspection protocol may be, due to budget constraints, USDA has been unable to purchase and put enough of this testing into use in the field, allowing for industry players to continually evade detection. In 2011, USDA was able to afford to collect and test samples at only three of the industry's largest shows; in 2010, only five. With increased funding, the USDA could purchase more equipment and hire and train more inspectors to use it properly, greatly increasing its ability to enforce the HPA.

Currently, when USDA inspectors arrive at shows affiliated with some industry organizations, many of the exhibitors load up and leave to avoid being caught with sored horses. While USDA could stop these trailers on the way out, agency officials have stated that inspectors are wary of going outside of their designated inspection area, for fear of harassment and physical violence from exhibitors. Armed security is frequently utilized to allow such inspections, at

additional expense to this program. The fact that exhibitors feel they can intimidate government officials without penalty is a testament to the inherent shortcomings of the current system.

Lack of a consistent presence by USDA officials at events featuring Tennessee Walking Horses, Racking Horses, Spotted Saddle Horses and other related breeds has fostered a cavalier attitude among industry insiders, who have not stopped their abuse, but have only become more clandestine in their soring methods. The continued use of soring to gain an advantage in the show ring has tainted the gaited horse industry as a whole, and creates an unfair advantage for those who are willing to break the law in pursuit of victory. Besides the indefensible suffering of the animals themselves, the continued acceptance of sored horses in the show ring prevents those with sound horses from competing fairly for prizes, breeding fees and other financial incentives, while those horse owners whose horses are sored may unwittingly suffer property damage and be duped into believing that their now abused, damaged horses are naturally superior.

The egregious cruelty of soring is not only a concern for animal protection and horse industry organizations, but also for veterinarians. In 2008, the American Association of Equine Practitioners (AAEP) issued a white paper condemning soring, calling it “one of the most significant welfare issues faced by the equine industry.” It called for the abolition of the DQP Program, saying “the acknowledged conflicts of interest which involve many of them cannot be reasonably resolved, and these individuals should be excluded from the regulatory process.” The AAEP further stated, “The failure of the HPA to eliminate the practice of soring can be traced to the woefully inadequate annual budget... allocated to the USDA to enforce these rules and regulations.”

The USDA Office of Inspector General conducted an audit of the Horse Protection Program, and issued its final report in September of 2010. The report recommends the abolition of the DQP program, and an increase in funding for APHIS enforcement of the Horse Protection Act. The agency concurred with the findings and recommendations in the report, specifically Recommendation 2: “Seeking the necessary funding from Congress to adequately oversee the Horse Protection Program,” indicating that it would develop a budgeting and staffing plan to phase in the resources needed to adequately oversee the Horse Protection Program.

It is unacceptable that nearly 40 years after passage of the Horse Protection Act, the USDA still lacks the resources needed to end this extreme form of abuse. It is time for Congress to give our public servants charged with enforcing this Act the support and resources they want and need to fulfill their duty to protect these horses as effectively and safely as possible.

We appreciate the opportunity to share our views about this serious problem, and thank you for your consideration of our request.

Sincerely,

Keith Dane, Director of Equine Protection  
The Humane Society of the United States

Former U.S. Senator Joseph Tydings  
Original sponsor of the Horse Protection Act

Lori Northrup, President  
Friends of Sound Horses, Inc.

Chris Heyde, Deputy Director, Government and Legal Affairs  
Animal Welfare Institute

Nancy Perry, Senior Vice President, Government Relations  
American Society for the Prevention of Cruelty to Animals (ASPCA)

Robin Lohnes, Executive Director  
American Horse Protection Association

Shelley Sawhook, President  
American Horse Defense Fund

Gayle Miller, President  
Plantation Walking Horses of Maryland

Karen Brown, Director of Programs  
Red Rover

Karen Ayres, President  
National Plantation Walking Horse Association

Susan Crotty, President  
Plantation Walking Horse Association of California

Ian Walker, President  
United Pleasure Walking Horse Association

Gina Vehige  
Gaitway Walking Horse Association

Bonnie Yeager, President  
International Pleasure Walking Horse Registry

Sharon Halpin  
SHO – Sound Horse Outreach

Penny Austin, President  
One Horse At a Time, Inc. Horse Rescue

Kristin Herman, M.D., President  
Northern California Walking Horse Association

Bob Kuykendall  
Tennessee Walking Horse Association of Oklahoma

Cris Van Horn, President  
Pure Pleasure Gaited Horse Association

Rick Brighton, President  
Northwest Gaited Horse Club

Walter Farnholtz, President  
New York State Plantation Walking Horse Club

Michele McGuire  
Northwest Pleasure Tennessee Walking Horse Association

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

**Submitted by Brad Redlin, Director, Agricultural Program**

March 20, 2012

The Izaak Walton League of America appreciates the opportunity to submit testimony concerning appropriations for fiscal year 2013 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 39,000 members and 250 community-based 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 Food, Conservation, and Energy Act of 2008 (“Farm Bill”) was enacted with a prominent commitment to increased mandatory conservation spending. It was bi-partisan and supported by more than a thousand diverse organizations engaged in Farm Bill policy. We urge the Subcommittee to maintain the mandatory spending levels for conservation programs as provided in the Farm Bill. The League strongly opposes the administration’s proposal to cut essential conservation programs, unilaterally reducing the Farm Bill baseline for fiscal year (FY) 2013 and beyond.

The League is concerned that the administration’s budget would deprive farmers and ranchers of conservation and environmental stewardship assistance in FY 2013 and reduce the Farm Bill conservation baseline. These programs benefit producers through improved soil quality and productivity of their land, and the American people through cleaner air and water and healthy habitat. Reducing the Farm Bill baseline in the face of increasing future demands for resource protection and productivity is counterproductive.

The League and its members across the country are especially focused on the following core conservation programs:

**Conservation Reserve Program (CRP)** – The Conservation Reserve Program (CRP) reduces soil erosion, protects water quality, and enhances habitat through long-term contracts with landowners that convert highly-erodible cropland to more sustainable vegetative cover. The administration’s FY 2013 budget for CRP proposes a reduction in the Farm Bill authorized acreage limit from 32 million to 30 million. It is encouraging to see the announcement of a general sign-up in FY 2012, and the special provision for 1 million acres of wetland and grassland restoration, but that does not alter the proposed cut to CRP’s mandatory authorization for FY 2013.

**Wetlands Reserve Program (WRP)** – The Wetlands Reserve Program (WRP) provides technical and financial assistance to landowners to restore and protect wetlands on their

properties. Wetlands are generally conserved through permanent or 30-year easements purchased by the U.S. Department of Agriculture. Unfortunately, the administration takes no action to request new Farm Bill funding for WRP, which expires with the current Farm Bill authorization in FY 2012. The League urges Congress to continue the decades-long commitment made to the goals of the program.

**Grassland Reserve Program (GRP)** – The Grassland Reserve Program (GRP) focuses on limiting conversion of pasture and other grasslands to cropland or development while allowing landowners to continue grazing and other operations that align with this goal. Again, the League is disappointed that the administration has not proposed continuing GRP or any form of the program beyond FY 2012. The League opposes this reduction because it will undermine efforts to protect one of the country’s most threatened natural resources.

**Conservation Stewardship Program (CSP)** – The Conservation Stewardship Program (CSP) is a comprehensive approach to conserving soil, water, and other natural resources across a range of lands, including cropland, prairie, and forests. CSP makes conservation the basis for a producer to receive federal financial support rather than limitless subsidies for intensive production of a few crops. It is troubling that the administration’s FY 2013 budget is proposing to cut the mandatory spending for CSP by \$68 million. The League opposes this cut because CSP is a comprehensive, whole-farm approach to conservation that can maximize benefits to natural resources, fish and wildlife, and producers alike.

**Wildlife Habitat Incentives Program (WHIP)** – The Wildlife Habitat Incentives Program helps agricultural landowners develop habitat for upland wildlife, wetland wildlife, threatened and endangered species, fish, and other wildlife. The president’s FY 2013 proposal also seeks to permanently reduce the mandatory commitment established for WHIP in the Farm Bill. The budget would cut FY 2013 funding for WHIP by \$12 million. The League opposes this damaging cut to a program with the central goal of supporting wildlife resources in rural America.

Finally, effective implementation of Farm Bill conservation programs depends upon adequate technical resources to work with landowners in addressing their unique environmental concerns. Although conservation programs are available, under-investment in technical assistance limits agency support to assist farmers and ranchers in selecting and optimizing appropriate programs for their operations. The technical expertise of the Natural Resource Conservation Service and partners that assist in the delivery of programs and technical assistance directly to landowners is necessary for the adoption and maintenance of conservation practices. We request that the Subcommittee support the mandatory levels of conservation program funding as provided in the Farm Bill to enable robust technical resources to implement those programs successfully.

We appreciate the opportunity to testify in strong support of fully-funding agricultural conservation programs.

Date: March 19, 2012

From: Lisa Killen  
[REDACTED]  
[REDACTED]

To: Rep. Jack Kingston, Chair  
Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies  
U.S. House of Representatives  
2362-A Rayburn House Office Building

RE: Restore Funding for Farmers Markets in the FY 2013 Budget

I run a small farmers market in Southern Utah. I also work with several other farmers market managers in Southern Utah. We exist to give consumers opportunities to purchase fresh, locally grown foods. Herein, we urge you to fully fund both the Farmers Market Promotion Program and the WIC Farmers Market Nutrition Program.

Farmers markets have grown in response to consumer demand in recent years, emerging as cornerstones in more than 7,100 communities across the United States. Markets are extending their seasons into winter months, too, offering farmers income throughout the year. Uniquely, they have the potential to bridge urban and rural divides, strengthening the fabric of our country while addressing the nutritional needs of Americans at every income level. The percentage of SNAP dollars redeemed at farmers markets, for example, is increasing as more markets become EBT-equipped and program participants choose to use their benefits there. For this reason, FNS and AMS programs that facilitate the sector's growth are of critical importance not just to farmers, but to families, and community economies.

I urge the following:

**1) Reauthorize and increase funding for the Farmers Market Promotion Program**

The ripple effects of the FMPP program are impressive, providing small infusions of funding to communities and groups of farmers in all 50 states since 2006. These awardees grow capacity, increase farmer income, help new entrepreneurs get started in feeding their local communities, and build local

partnerships for long-term viability. However, the program is highly competitive, funding only 444 of the nation's 7,100 farmers markets since 2006. With rural jobs on the line, and the nascent local food sector in need of training, capacity building, and technical assistance, now is not the time to turn our backs on a program with such far-reaching positive impacts, as illustrated in recent Senate Agriculture Committee briefings and testimonies.

We urge you to reauthorize funding for the Farmers Market Promotion Program, and increase funding to \$20 million annually so that it can fully serve farmers markets and the many farmers choosing to begin marketing to consumers in their local communities.

## **2) Restore full funding to the WIC Farmers Market Nutrition Program (WIC FMNP):**

In 2010, WIC FMNP served more than 2.1 million WIC families, bringing more than \$22 million in income directly to more than 18,000 small and mid-scale produce farmers. Proposed cuts of \$3.5 million to this important program threaten access to fresh local produce for WIC eligible clients in 45 State agencies, Territories and Indian Tribal Organizations. For example, in Georgia alone, WIC FMNP provided fresh fruits and vegetables to 32,880 women and their children in 2010, simultaneously providing valuable income to 130 Georgia produce farmers. In Iowa, the program helps support 850 farmers. Proposed cuts to this effective win-win program would mean several hundred thousand fewer families in need having access to nutritious, locally grown produce, and potentially thousands of farmers unable to serve them.

New York State, in calculating the devastating impact of these proposed WIC FMNP cuts on their agricultural sector, estimate that small family farmers in the state would lose approximately \$1.1 million in revenues.

I urge you to restore WIC FMNP funding to \$20 million for FY 2013.

Thank you for your consideration of this testimony, and for all you do on a daily basis to support America's family farmers.

Testimonial by:

Joan Edge

Program Director, T&MA Contractor Department

Little Dixie Community Action Agency, Inc. (LDCAA)

[joanedge@ldcaa.org](mailto:joanedge@ldcaa.org)

**Subject: USDA Rural Development-Section 502 Single Family Direct Loan Program**

Point of Contact:

Joan Edge, [joanedge@ldcaa.org](mailto:joanedge@ldcaa.org)

**USDA Rural Development-Section 502 Single Family Direct Loan Program**

LDCAA is requesting adequate funding provided to support \$900 million in lending authority for the Section 502 Single Family Direct Loan Program. It is disappointing to see the USDA relinquish the section 502 direct loan program. The section 502 direct loan program has far exceeded in successful outcomes any other federal homeownership program. No other federal program can equal the profile of families served: approximately 60% of the families receiving section 502 loans have incomes of less than 60% of the median income, and 40% of families participating in the program have incomes that do not exceed 50% of the median income.

Despite serving families with limited economic means, the section 502 direct loan program is the most cost effective affordable housing program in the federal government. In FY 10, the total per unit cost for a homeownership loan to a low income family was less than \$5,000. This stands in significant contrast to the Section 8 Rental Assistance program with the annual per unit costs exceeding the total federal expense of a section 502 direct loan.

**Section 523 Mutual Self-Help Housing Program**

LDCAA is requesting national funding of \$30 million for the Section 523 Mutual Self-Help Housing Program. Currently, more than 100 organizations across America participate in the self-help housing program. These organizations unite groups of 8 to 10 self-help families who work collectively in the construction of each family's home. They perform approximately 65% of the overall construction labor. This "Sweat Equity" results in each homeowner earning and gaining instant equity in their homes. It also makes a significant investment in their community often resulting in the building of homes and neighborhoods together. And despite the fact that self-help families constitute the lowest incomes of participants in the section 502 portfolio, data demonstrates that these families prove to have the lowest rates of default and delinquency.

For the past three years, self-help housing organizations have constructed almost 3,500 homes. This construction has in turn led to more than 11,000 jobs, more than \$738 million in local income and \$77 million in taxes and revenue in rural communities across the nation as evidenced from economic impact numbers from the National Association of Homebuilders.



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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 cost of cooling operations, and the cost of water softening, and a decrease in equipment service life in the commercial sector;
- 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.

Concern over salinity levels in the Colorado River has existed for many years. To deal with the concern, the International Boundary and Water Commission approved Minute No. 242,

Permanent and Definitive Solution to the International Problem of the Salinity of the

House Committee on Appropriations – Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies  
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March 20, 2012

Colorado River in 1973, and the President signed into law the Colorado River Basin Salinity Control Act in 1974. High TDS in the Colorado River as it enters Mexico and the concerns of the seven Colorado River Basin states regarding the quality of Colorado River water in the United States drove these initial actions. To foster interstate cooperation and coordinate the Colorado River Basin states' efforts on salinity control, the seven Basin states formed the Colorado River Basin Salinity Control Forum (Forum).

The salts in the Colorado River system are indigenous and pervasive, mostly resulting from saline sediments in the Basin that were deposited in prehistoric marine environments. They are easily eroded, dissolved, and transported into the river system, and enter the River through both natural and anthropogenic sources.

The Colorado River Basin Salinity Control Program reduces salinity by preventing salts from dissolving and mixing with the River's flow. Irrigation improvements (sprinklers, gated pipe, lined ditches) and vegetation management reduce the amount of salt transported to the Colorado River. Point sources such as saline springs are also controlled. The federal government, Basin states, and contract participants spend over \$40 million annually on salinity control programs. The Program, as set forth in the Act, benefits both the Upper Colorado River 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

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Colorado River water. California's Colorado River water users are presently suffering economic damages in the hundreds of millions of dollars per year due to the River's salinity.

By some estimates, concentrations of salts in the Colorado River cause approximately \$300 million in quantified damages in the lower Colorado River Basin states each year and significantly more in unquantified damages. Salinity concentrations of Colorado River water are lower than at the beginning of Program activities by over 100 mg/L. Modeling by USBR indicates that the quantifiable damages would rise to more than \$500 million by the year 2030 without continuation of the Program.

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.

Metropolitan urges this Subcommittee to support funding for the Colorado River Basin Salinity Control Program for fiscal year 2013 of about \$18 million for the U.S. Department of

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Agriculture's Environmental Quality Incentives Program for the Colorado River Basin Salinity

Control Program.

William Hasencamp



March 20, 2012

**From:** Michigan Farmers Markets Food Assistance Partnership  
 Attn: Amanda Segar, Coordinator  
 480 Wilson Road, Room 172  
 East Lansing, Michigan 48824

**To:** Rep. Jack Kingston, Chair  
 Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies  
 U.S. House of Representatives  
 2362-A Rayburn House Office Building

**RE:** Restore Funding for the WIC Farmers Market Nutrition Program in the FY 2013 Budget

The Michigan Farmers Markets Food Assistance Partnership represents a group of more than 50 partners including state agencies, farmers markets and other local food system stakeholders that believe everyone should have access to the fresh, healthy, local food available at farmers markets. The Food Assistance Partnership works with over 82 farmers markets in Michigan that accept Supplemental Nutrition Assistance Program (SNAP) benefits and numerous more markets and farmers that accept both Senior and WIC Farmers Market Nutrition Programs. The Food Assistance Partnership operates under the umbrella of the Michigan Farmers Market Association, a state-wide association that represents more than 300 farmers market and farmer-vendor members.

The Food Assistance Partnership urges you to **restore full funding to the WIC Farmers Market Nutrition Program (WIC FMNP)**. Proposed cuts of \$3.5 million to this important program threaten access to fresh local produce for WIC eligible clients in 45 State agencies, Territories and Indian Tribal Organizations. For example, in Michigan alone, WIC FMNP provided \$511,860 in benefits to purchase fresh fruits and vegetables to 25,593 women and their children in 2011, simultaneously providing valuable income to hundreds of Michigan produce farmers. Proposed cuts to this effective win-win program would mean several hundred thousand fewer families in need having access to nutritious, locally grown produce, and potentially thousands of farmers unable to serve them.



We urge you to restore WIC FMNP funding to \$20 million for FY 2013.

Thank you for your consideration of this testimony and for all you do on a daily basis to support America's family farmers.

**TESTIMONY OF DAVID TERRY, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS, BEFORE THE HOUSE APPROPRIATIONS COMMITTEE, SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES**

March 20, 2012

Chairman Kingston and Ranking Member Farr, I am David Terry, Executive Director of the National Association of State Energy Officials (NASEO) ([dterry@naseo.org](mailto:dterry@naseo.org)), and I am testifying in support of funding for the energy title of the Farm Bill. Specifically, we support funding of at least \$39 million in discretionary funds for the Rural Energy for America (REAP) program (Section 9007 of the Farm Bill), in addition to any mandatory funding. The REAP program was created in the 2002 Farm Bill and it has been a huge success. Over 9,600 energy efficiency and renewable energy projects have been implemented in every state since 2003. With a required \$3 match of non-federal funds for every federal dollar invested in REAP, over \$1.6 billion in matching funds have been provided. This program has specifically benefitted farmers, ranchers and rural small businesses. NASEO members work directly with eligible entities, as well as state agricultural agencies and rural interests to promote this successful program. Rising oil and distillate prices have made this program even more important.

NASEO represents the energy offices in the states, territories and the District of Columbia. The REAP program, and the other critical programs in the energy title of the Farm Bill, helps create jobs, increases agricultural productivity, saves energy for farmers, ranchers and rural small businesses, generates energy, promotes use of alternative fuels, reduces our dependence on imported petroleum and saves money in rural America. The cost is very low and the payback is very high. REAP is about rural economic development.

We urge your support for the REAP program.

**National Coalition for Food and Agricultural Research**

R. Thomas Van Arsdall, Executive Director

Written Testimony Submitted to the Subcommittee on

Agriculture, Rural Development

Food and Drug Administration, and Related Agencies

Committee on Appropriations, United States House of Representatives

March 20, 2012

The National Coalition for Food and Agricultural Research (National C-FAR) is pleased to submit the following testimony on the Fiscal Year 2013 (FY13) appropriation for the Department of Agriculture's (USDA) Research, Education, and Economics (REE) mission. National C-FAR strongly supports funding for the entire REE mission at levels requested by the Administration, including funding for the Agriculture and Food Research Initiative (AFRI) at \$325 million in FY 2013. Maintaining a balanced research portfolio is critical. National C-FAR urges that increases in the AFRI budget not come at the expense of other REE programs.

The Administration has recognized the importance of REE funding, while recognizing current budgetary constraints. National C-FAR's support includes both USDA's suite of extramural programs in the National Institute of Food and Agriculture (NIFA), such as AFRI and formula funds, and USDA's intramural programs including the Agricultural Research Service (ARS), the Economic Research Service (ERS), and the National Agricultural Statistics Service (NASS). National C-FAR wishes to go on record in support of funding for Forest Service research programs, recognizing that this falls under the jurisdiction of another Appropriations Subcommittee.

National C-FAR strongly supports funding AFRI at the fully authorized level of \$700 million as soon as practicable and endorses the Administration's FY13 request for \$325 million as a step in the right direction. The demand for REE competitive grants is far greater than the available funding. In addition, it is important to grow funding because many AFRI grants awarded involve multiple year commitments. Unless AFRI funding increases, the necessary flexibility to fund new projects and address emerging issues would be greatly diminished.

National C-FAR believes **the nation has a serious food and agricultural research, extension and education deficit**, just as the nation has a budget deficit. This food and agricultural science funding deficit is serious, long running and unsustainable. Failure to address this research deficit will have real negative consequences, not just to the agriculture and food system but to the entire nation and U.S. economy.

**The Research Title of the Farm Bill represents the nation's signature federal investment in the future of the food and agricultural sector.** *Other Farm Bill titles depend heavily upon the Research Title* for tools to help achieve their stated objectives. Public investment in food and agricultural research, extension and education today and in the future must simultaneously satisfy multiple needs, including food quality and quantity, nutrition, food safety, resource preservation and producer profitability.

**Publicly financed REE is a *necessary complement to private sector research***, focusing in areas where the private sector does not have an incentive to invest, when 1) the pay-off is over a long term; 2) the potential market is more speculative; 3) the effort is during the pre-technology stage; and 4) where the benefits are widely diffused. Public research, extension and education help provide oversight and measure long-term progress. Public research, education and economics also act as a means to detect and resolve problems in an early stage, thus saving American taxpayer dollars in remedial and corrective actions.

By any measure, federal funding for food and agricultural REE has failed to keep pace with identified priority needs. Federal investment in REE at the USDA reportedly has declined by about one-fourth since FY 2003. A continuing deficit in terms of a commitment to federal funding for agricultural research will have detrimental effects on human and animal health and the nation's economy and national security.

Public investments in food and agricultural REE provide demonstrable economic and social value. For every federal dollar spent on publicly funded agricultural research, \$20 *or more* is generated in the U.S. economy.<sup>1</sup> Unless sufficient funding is achieved, the best concepts about how to organize and conduct research won't be able to deliver the results needed. With the nation and world seeking solutions for climate change, sustainable fuel production, ecosystem health, food security and nutrition challenges, now is the time to grow investment in our nation's agricultural research enterprise.

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<sup>1</sup> The Economic Returns to U.S. Public Agricultural Research, Alston, Julian M.; Andersen, Matthew A.; James, Jennifer S.; Pardey, Philip G., University of Minnesota, Department of Applied Economics, July 2011, <http://purl.umn.edu/95522>.

Scientific outcomes and tools realized through USDA's REE mission are needed to help achieve safer, more nutritious, convenient and affordable foods delivered to sustain a well nourished, healthy population; more efficient and environmentally friendly food, fiber and forest production; improved water quality, land conservation, wildlife and other environmental conditions; less dependence on non-renewable sources of energy; expanded global markets and improved balance of trade ; and more jobs and sustainable rural economic development. Societal demands and expectations placed upon the food and agricultural system are ever-changing and growing.

Examples of current and future needs include—strengthened bio-security; food-linked health costs; environment and conservation; farm income and rural revitalization; biofuels and climate change; the world demand for food and natural fiber and improved diets; and biotechnology and genetic resources research and public oversight.

National C-FAR believes it is imperative to lay the groundwork now to respond to the many challenges and promising opportunities ahead through federal policies and programs needed to promote the long-term health and vitality of food and agriculture for the benefit of both consumers and producers. Stronger public investment in food and agricultural REE is essential in producing research outcomes needed to help deliver beneficial and timely solutions on a sustainable basis.

This Subcommittee can lead the way—building on the successes of the past and laying the necessary groundwork for future success—by increasing the federal investment in food and agricultural REE. The potential payoff is enormous for both Americans’ health and the nation’s economy.

National C-FAR ([www.ncfar.org](http://www.ncfar.org)) serves as a forum and a unified voice in support of sustaining and increasing public investment at the national level in food and agricultural research, extension and education. National C-FAR is a nonprofit, nonpartisan, consensus-based and *customer-led* coalition established in 2001 that brings food, agriculture, nutrition, conservation and natural resource organizations together with the food and agriculture research and extension community.

National C-FAR appreciates the opportunity to share its views.

Respectfully Submitted,

R. Thomas (Tom) Van Arsdall

National C-FAR Executive Director

[tom@vanarsdall.com](mailto:tom@vanarsdall.com)



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### TESTIMONY

Presented to the

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

By

Mr. Chuck Coley  
 Chairman, National Cotton Council  
 March 20, 2012

My name is Chuck Coley, and I am currently serving as Chairman of the National Cotton Council. I would like to thank the Subcommittee Chairman Kingston, Ranking Member Farr, and Members of the Subcommittee for the opportunity to offer the views of the NCC regarding funding priorities for FY 2013. I also take this opportunity to express our strong support for the 2008 farm law and our opposition to efforts to re-open it outside the formal committee process.

In brief, our funding requests are as follows. Further explanation is provided below:

- **APHIS Cotton Pests Account: \$15.97 million (10% less than FY12)**
  - **Boll Weevil Eradication: \$9.29 million; Pink Bollworm Programs: \$6.68 million**
- **FSA Boll Weevil Eradication:** Sufficient funding to allow \$100 million in loans to eligible organizations carrying out eradication programs.
- **Market Access Program (MAP) and Foreign Market Development (FMD):** Funding levels as authorized in the 2008 farm law.
- **Foreign Agricultural Service (FAS):** Sufficient funding to ensure adequate staffing to carry out market development and trade enhancing functions in headquarters and abroad.

- **Farm Service Agency (FSA):** Adequate funding so the agency can continue to deliver essential farm and conservation programs and services.
- **Agricultural Research Service (ARS):** Instruct USDA not to close any additional facilities or discontinue any projects without first consulting industry stakeholders, and continue to provide sufficient funding for research conducted at the gin labs in Stoneville, MS; Las Cruces, NM; and, Lubbock, TX.

The NCC is the central organization of the United States cotton industry. Its members include producers, ginners, cottonseed processors and merchandisers, merchants, cooperatives, warehousemen and textile manufacturers. Cotton is a cornerstone of the rural economy in the 17 cotton-producing states stretching from the Carolinas to California. The scope and economic impact extends well beyond the approximately 19,000 farmers that plant between 9 and 12 million acres of cotton each year. Nationally, farms and businesses directly involved in the production, distribution and processing of cotton employ almost 200,000 workers and produce direct business revenue of more than \$27 billion. Accounting for the ripple effect of cotton through the broader economy, direct and indirect employment surpasses 420,000 workers with economic activity well in excess of \$100 billion.

## **FUNDING PRIORITIES**

**Cotton Pests (APHIS):** The NCC requests **\$15.97 million** for the APHIS Cotton Pests Account, allowing APHIS to continue to provide coordination, technical assistance and cost-share funds for Boll Weevil Eradication and Pink Bollworm Eradication programs. Grower assessments provide the balance of program funds. As these programs near completion, the cost share

funding becomes even more critical to ensure the complete eradication of these cotton pests for the benefit of those in post eradication maintenance.

**Boll Weevil Eradication (APHIS Cotton Pests):** The NCC requests **\$9.29 million** for APHIS to provide a Federal cost share of approximately 30% to active boll weevil eradication programs in Texas, the last “frontier” for Boll Weevil Eradication efforts. APHIS cost share funds are only provided to active eradication zones in keeping with a commitment that producer assessments provide 100% of the cost of maintenance programs once an area or region is declared “weevil free.” The program continues to produce documented economic and environmental benefits. Adequate Federal cost-share funds are critical to timely completion by the targeted date of 2013. We respectfully request that APHIS be directed to make every effort to minimize overhead and administrative expenses for boll weevil eradication to ensure maximum funding reaches field operations.

**Boll Weevil Eradication (FSA):** The NCC requests sufficient funding to allow FSA to make up to **\$100 million** in loans to eligible producer-controlled organizations carrying out Boll Weevil and Pink Bollworm eradication programs. This authority has existed since FY05 and has been critically important to the success of the programs. There has not been forfeiture on any loan made by FSA for the purpose of carrying out Boll Weevil and Pink Bollworm eradication efforts.

**Pink Bollworm Programs (APHIS Cotton Pests):** The NCC requests **\$6.68 million** be provided to APHIS to continue support for the pink bollworm program. The Pink Bollworm Eradication Program is based predominately on the release of up to 10 million sterile insects

generated by the Pink Bollworm Rearing Facility in Phoenix, AZ (PBRF). The PBRF is a partnership between the California growers and APHIS. Some contingency funds are requested to provide for response to possible infestation sites if necessary. Growers contribute funds through assessments and incur significant expense associated with purchasing biotech seeds during the active eradication period.

**Market Access Program (MAP) and Foreign Market Development Fund (FMD):** The NCC strongly supports funding levels authorized in the 2008 farm law. Cotton Council International (CCI), the market development arm of the NCC, actively promotes exports of US cotton and cotton products in Asia, Europe, Africa, and Central and South America. Activities carried out using MAP and FMD funds have been documented as contributing to increased export sales of cotton fiber and value-added manufactured cotton products. The value of US cotton fiber exports exceeds \$5 billion, and exports of value-added cotton products contribute an additional \$3 billion to the overall value of cotton exports. For every \$1.00 in MAP and FMD funds, CCI has generated matching contributions of over \$3.00 and the ratio of net economic benefit to each U.S. public-sector dollar spent was 6.7 to 1, according to a recent independent study.

**Foreign Agricultural Service (FAS):** The industry supports sufficient funding to ensure FAS is adequately staffed to carry out important market development and trade enhancing functions in headquarters and abroad. The industry supports the Presidential initiative to streamline and make US export programs more effective. We believe FAS's market research and market development assistance combined with the MAP and FMD programs serve as a model for successful public-private partnerships. It is important that US agriculture continue to have an agency like FAS with

close links to domestic USDA programs to promote US exports, collect market data, assist exporters, remedy trade disputes and assist in the development of trade policy.

**Farm Service Agency (FSA):** The NCC supports adequate funding so the agency can continue to deliver essential farm and conservation programs and services.

**Agricultural Research Service (ARS):** The industry is concerned with reductions in financial support for this important research agency. The agency has coped with declining operation budgets since 2001. The agency's budget for FY12 resulted in the closure of ARS programs and facilities at Clemson, SC, Weslaco, TX and Shafter, CA, which conducted important fiber quality, production agronomic systems and textile research that ultimately supported US cotton production and post-harvest processing as well as the US textile industry's efforts to remain competitive in global markets. We urge the Committee to instruct USDA not to close any additional facilities or discontinue any projects without first consulting with industry stakeholders. We also strongly encourage the Committee to urge ARS to continue to provide sufficient funding for research conducted at the gin labs in Stoneville, MS; Las Cruces, NM; and, Lubbock, TX.

Thank you for your consideration of our recommendations and of our funding requests for FY 2013.

**Contact:**  
John Maguire  
National Cotton Council  
1521 New Hampshire Ave, NW  
Washington DC 20036  
(202)745-7805  
jmaguire@cotton.org

**Testimony Submitted by Steven Etko  
Legislative Director, National Organic Coalition  
to the House Agriculture Appropriations Subcommittee  
March 20, 2012**

**Contact Name and Email: Steven Etko, [steveetka@gmail.com](mailto:steveetka@gmail.com)**

Chairman Kingston, Ranking Member Farr, and Members of the Subcommittee:

I am submitting this testimony on behalf of the National Organic Coalition (NOC) to detail our fiscal year 2013 funding requests for USDA programs of importance to the organic sector.

**USDA/ Agricultural Marketing Service (AMS)**

**National Organic Program**

***Request: \$9.896 million***

Sales of organic food and beverages have experienced a rapid growth over the last decade. Even despite the recession, organic sales grew at a rate of 5 percent in 2009 and 8 percent in 2010. In 2011, the organic sector experienced a 9.5 percent growth rate.

The National Organic Program (NOP) is the agency charged with regulating and enforcing the USDA organic label. For years, the rapid growth of the organic industry has far outpaced the resources provided to the NOP, which has greatly limited the ability of NOP to fulfill its regulatory and enforcement role credibly. Fortunately, both Congress and the Administration responded with an increase in funding in fiscal years 2009 and 2010 to meet these needs. Unfortunately, NOP funding was cut slightly in FY 2011 to \$6.919 million, and received level funding in FY 2012. For FY 2013, we are requesting 9.896 million for NOP, consistent with the Administration's FY 2012 request. The Administration's FY 2013 level funding request for NOP does not adequately address the needs of this rapidly growing sector. The increased funding is needed to accelerate the review and amendment of program standards and regulations

to reflect industry and consumer expectations through a transparent and participatory process; improve the consistency in certifier application of the standards; and improve timeliness and effectiveness of enforcement actions to protect organic integrity.

**USDA (AMS, NASS, ERS)**

**Organic Data Initiative**

***Request: \$300,000 for AMS, and report language for NASS and ERS***

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.” Section 10302 of the Farm, Conservation, and Energy Act of 2008 amends the provision to provide mandatory funding, and to authorize \$5 million annually in discretionary funding.

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. The organic data collection and analysis effort at USDA has made significant strides in recent years, but remains in its infancy. Because of the multi-agency nature of data collection within USDA, organic data collection and analysis must also be undertaken by several different agencies within the Department:

The Administration’s FY 2013 budget proposes to address organic data collection needs within the overall budget request for the data collection agencies. However, we are requesting that report language be included in the FY 2013 report to clearly specify the organic data collection efforts within AMS, ERS and NASS. **Specifically, we are requesting report language identifying \$300,000 for AMS organic**

price reporting, level with FY 2012 funding. In addition, we are requesting report language urging NASS to undertake the necessary planning to conduct an Organic Production Survey on an on-going 5-year cycle, as a follow-on survey to the Census of Agriculture, starting in 2013; and for ERS to continue its organic data analysis efforts.

### **USDA/ National Institute of Food and Agriculture (NIFA)**

#### **Organic Transitions Program**

***Request: \$5 million***

The Organic Transition Program, authorized by Section 406 of the Agricultural Research, Education and Extension Reform Act (AREERA) for Integrated Research Programs, 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 organic agriculture is experiencing significant growth as well. The benefits of this research are far-reaching, with broad applications to all sectors of agriculture, even beyond the organic sector. Yet funding for organic research is minuscule in relation to the relative economic importance of organic agriculture and marketing in this nation.

The Organic Transition Program was funded at levels ranging between \$2.1 and \$1.8 million during the period of FY 2003 through FY 2009, received an increase to \$5 million in fiscal years 2010, and \$4 million in FY 2011 and 2012. The Administration's FY 2013 budget requested level funding. We are \$5 million to restore the program to its FY 2010 level.

**Agriculture and Food Research Initiative (AFRI)**

***Request: Report language on Conventional/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.

Since Fiscal Year 2005, the Senate Agriculture Appropriations Subcommittee has included report language raising concerns about this problem, and urging CSREES (now NIFA) to give greater consideration to research needs related to classical plant and animal breeding when setting priorities within the National Research Initiative (now AFRI). Despite this report language, research proposals for classical breeding that have sought AFRI funding in recent years have been consistently denied.

In Section 7406 of the Food, Conservation, and Energy Act of 2008, the National Research Initiative was merged with the Initiative for Future Agriculture and Food Systems to become the Agriculture and Food Research Initiative (AFRI). Congress included language within AFRI to make “conventional” plant and animal breeding a priority for AFRI research grants, consistent with the concerns expressed by the Appropriations Committee in preceding appropriations cycles.

When NIFA released its AFRI Program Announcement for FY 2009, it invited research proposals on conventional/classical plant and animal breeding. However, when researchers submitted their initial letters of intent detailing research topics in that arena, nearly all were rejected in the pre-proposal stage.

Subsequent AFRI RFAs in FY 2010 and 2011 have resulted in only one grant (\$210,000) for classical plant breeding, and none for classical animal breeding, in contradiction of the 2008 Farm Bill directives and strong recommendations made by Congress through the appropriations process. After numerous meetings and communications with NIFA leadership urging the full inclusion of classical breeding, there appears to be no progress in meeting these goals. We are requesting report language to reiterate that the funding for classical plant and animal breeding should be a priority area within the AFRI process.

**Sustainable Agriculture Research and Education (SARE)**

***Request: \$30 million (\$18 million for research and education grants, \$7 million for the Federal-State Matching Grant program, and \$5 million for extension and outreach grants)***

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. The President's budget requests \$22.7 million for SARE program for Fiscal Year 2013, including \$3.5 million to start the Federal-State Matching Grant program. We are requesting \$18 million for research and education grants, \$7 million for Federal-State Matching Grant program, and \$5 million for extension and outreach.

**USDA/Rural Business Cooperative Service**

**Appropriate Technology Transfer for Rural Areas (ATTRA)**

***Request: \$3 million***

ATTRA, authorized by Section 6016 on the Food, Conservation, and Energy Act of 2008, is a national sustainable agriculture information service, which provides practical information and technical assistance to farmers, ranchers, Extension agents, educators and others interested and active in sustainable

agriculture. ATTRA interacts with the public, not only through its call-in service and website, but also provides numerous excellent publications written to help address some of the most frequently asked questions of farmers and educators. Much of the real-world information provided by ATTRA is extremely helpful to both the conventional and organic communities, and is available nowhere else. As a result, demand for ATTRA services has increased significantly, both through the website-based information services and through the growing requests for workshops.

Funding for ATTRA was completely eliminated in the FY 2011 Continuing Resolution, greatly jeopardizing information transfer to farmers seeking the most up-to-date scientific and practical information about sustainable farmers systems, but was funded at \$2.25 million in FY 2012. The President's FY 2013 budget requests level funding (\$2.25 million) for ATTRA. We are requesting \$3 million for FY 2013, to help meet the growing demand from farmers for up-to-date, science-based information.

### **USDA/ Agriculture Research Service (ARS)**

#### **Classical Plant and Animal Breeding Activities**

##### ***Request: \$9 million***

As noted above in the AFRI section, public resources for classical plant and animal breeding have dwindled in recent decades, and as a result, our capacity for public breeding is at a critical point. While USDA's statutory obligation to address this problem through the AFRI competitive grant program remains strong, ARS also has an obligation in this regard. Although ARS has the resources and expertise to help reverse this dangerous trend, the agency has not made a concerted effort in this regard.

We are requesting \$9 million for ARS classical plant and animal breeding efforts, to be utilized in a manner similar to that described in the Administration's FY 2011 budget request (*pages 16-19 and 16-29 of USDA's FY 2011 Budget Justification document*), which called for an increase of \$4.289 million for "crop breeding to enhance food and production security" and other \$4.75 million for "crop protection to enhance food and production security," with a clear focus on classical plant and animal breeding activities. With the change in leadership at USDA, the Administration's FY 2012 and 2013 requests for ARS have failed to reiterate this request. However, we believe the FY 2011 ARS request for this research was well stated, and urge the Subcommittee to provide funding for this critical ARS activity.

Thank you for your consideration of this testimony.

## **NATIONAL RURAL HOUSING COALITION**

**Robert A. Rapoza**  
**Executive Secretary**

**National Rural Housing Coalition**

Testimony before the Appropriations Subcommittee on Agriculture, Rural Development, Food  
and Drug Administration, and Related Agencies  
U.S. House of Representatives  
March 20, 2012

On behalf of the National Rural Housing Coalition (NRHC), I would like to thank the Subcommittee for the opportunity to submit testimony on Fiscal Year 2013 Appropriations for Department of Agriculture (USDA) Rural Housing Programs. I strongly urge this Subcommittee to fund USDA Rural Housing programs at the higher of FY12 levels or the President's FY13 Budget Request: (1) \$900 million for Section 502 Family Direct Homeownership Loans; (2) \$28 million for Section 504 Very-Low Income Rural Housing Repair Loans; (3) \$29.5 million for Section 504 Very-Low Income Rural Housing Repair Grants; (4) \$26 million for Section 514 Farm Labor Housing Program Loans; (5) \$9 million for Section 516 Farm Labor Housing Program Grants; (6) \$64.5 million for Section 515 Rural Rental Housing Program; (7) \$907 million for Section 521 Multi-Family Rental Housing Rental Assistance Program; (8) \$30 million for Section 523 Self-Help Housing Program; (9) \$3.6 million for Section 533 Housing Preservation Grants Program; (10) \$150 million for Section 538 Guaranteed Multi-Family Housing Loans; (11) \$46.9 million for the Multi-Family Housing Preservation and Revitalization Program; and (12) \$13 million for the Rural Community Development Initiative.

NRHC is a national membership organization consisting of housing developers, non-profit housing organizations, state and local officials, and housing advocates. Since 1969, NRHC has promoted and defended the principle that rural people have the right, regardless of income, to a decent, affordable place to live, clean water, and basic community services.

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## **NATIONAL RURAL HOUSING COALITION**

### **Housing Needs in Rural America**

Even in strong economic times, the needs of rural America are too often overlooked. And, although our most recent economic crisis pushed these many of these communities to the brink, their needs continue to be neglected by the mainstream media, traditional sources of capital, and federal policymakers. For example, although nearly 20 percent of the population lives in rural communities, other federal agencies consistently overlook their unique housing needs; less than 7 percent of the Federal Housing Administration assistance, 10 percent of Veterans Affairs programs, and 12 percent of Section 8 Rental Assistance serves rural areas.

Rural communities have severe housing and development needs. With some of the nation's lowest incomes, rural communities are 4 times more likely to have at least 20 percent of their population living in poverty. About 98 percent of "consistently poor counties" are rural, as are nearly all communities with inadequate drinking water. As a result, rural families are far more likely to live in substandard housing or be overburden by rent. Housing in rural America is simply too expensive relative to household income, overcrowded, or lacks certain basic facilities.

Despite the overwhelming need for safe, clean, and affordable housing in rural America, Congress has consistently cut funding for the very programs specifically tailored to meet this need. And now, President Obama has proposed significant cuts to the Section 502 Direct Loan and Self-Help Housing programs, and the elimination of the Section 515 Rural Rental Housing program. Because these programs overwhelmingly serve our most vulnerable residents—lower-income families, the elderly, and persons with disabilities, these cuts will only make it harder for low-income, rural Americans to access safe, decent, affordable housing. As such, I would like to focus my testimony on how these programs are critical to meeting the needs of rural families.

## **NATIONAL RURAL HOUSING COALITION**

### Section 502 Single-Family Direct Homeownership Loans.

Over 60 years, the Section 502 Direct Loan Program has helped more than 2.1 million families realize the American Dream and build their wealth by more than \$40 billion. Despite the program's success, demand for Section 502 loans continues to outpace supply. Over 25,000 loan applications—amounting to more than \$2 billion— are currently on Section 502 waiting lists.

No other federal home ownership program can match the profile of the families served under Section 502. It is the *only* federal homeownership program that is *exclusively targeted* to very low- and low-income rural families. By law, at least 40 percent of Section 502 funds must be used to assist families earning less than 50 percent of the area median income. Two-thirds borrowers have incomes less than 60 percent of AMI, with an average income less than \$27,000.

Despite serving families with limited economic means, Section 502 is the *single, most cost-effective federal housing program*, period. On average, each Section 502 loan costs less than \$7,200 *over its entire lifetime*. Compare that to the average Section 8 Housing Assistance payment, which costs taxpayers nearly \$7,000 *each year*.

Although some have suggested that the Section 502 Guarantee Program can serve as an adequate alternative, this is simply untrue. Unlike the Direct Loan program, the Guarantee program overwhelmingly serves higher-income individuals—with an average income of nearly twice that of Direct Loan families—leaving rural communities with the greatest credit needs without any alternative. Even the USDA has held that the guarantee program is the worst-targeted of all its rural development guarantees, with loans going to larger, wealthier communities. Likewise, the guarantee program does not provide interest rate subsidies. This defect will become even more harmful when interest rates return to normal levels.

## **NATIONAL RURAL HOUSING COALITION**

### Section 523 Mutual Self-Help Housing

The Self-Help Housing program adapts the rural tradition of barn-raising to provide housing opportunities for families with limited economic means. Through this program, more than 3,500 families have been able to realize the American Dream in the past three years. This construction has led to over 11,000 jobs, more than \$738 million in local income and \$77 million in taxes and revenue in rural communities across the country. If the President's budget is approved by Congress, Self-Help Housing will be cut to its lowest funding in more than 30 years, decimating the network of over 100 Self-Help organizations over 37 states and deserting 50,000 families currently on their waiting lists.

Self-Help Housing is the *only* federal program that combines "sweat equity" homeownership opportunities with technical assistance and affordable loans for America's rural families. Self-Help Housing families work nights and weekends to provide 65 percent of the construction labor on their own and each other's homes. In doing so, families earn equity, decrease construction costs, and make lasting investments in their community. The hallmark of the Self-Help Housing program is its emphasis on hard work, self-reliance, and community.

This program is *exclusively targeted* to very low- and low-income families who are otherwise unable to access decent housing. Over half of the participants are minorities. Although these families have lower incomes, default rates are significantly lower than other borrowers.

### Section 515 Rural Rental Housing

Section 515 is the *principal source* of financing for rental housing in rural communities. Today, more than 500,000 families live in housing financed by Section 515. If approved by

## **NATIONAL RURAL HOUSING COALITION**

Congress, the President's budget will end a 40-year effort to improve the quality of rural housing, leaving seniors, low-income families, and those with disabilities even more vulnerable.

Rental units developed with Section 515 loans are *exclusively targeted* to very low-, low-, and moderate-income families, the elderly, and persons with disabilities. A vast majority—94 percent—of Section 515 tenants have very-low incomes. The average yearly income is only \$11,000. Some 57 percent these households are elderly or disabled, 26 percent are headed by persons of color, and 73 percent are headed by women.

Demand for affordable, rural rental housing continues to outpace supply. More than 7.8 million rural residents—including 19 percent of all rural children—live in poverty. Almost 1 million rural renters live in substandard housing. Yet, despite its success and increased demand, Section 515 funding has been cut drastically, stalling the production of new units and the preservation of existing ones.

### **Conclusion**

Providing adequate funding for USDA Rural Housing programs is essential to efforts to improve the quality of life and economic opportunity in rural America. These programs are all part of the toolbox that USDA employs address the shortfall in decent, clean, and affordable housing in these communities. For a very small fraction of the USDA's budget, Congress can provide affordable rental and homeownership opportunities to thousands of rural families with limited means and boost flagging economies in small communities.

Thank you for this opportunity to submit this statement.



**Written Statement on FY 2013 Requests  
Submitted to Subcommittee on Agriculture, Rural Development, FDA, & Related Agencies  
U.S. House of Representatives – March 20, 2012**

**Contact: Greg Fogel (gfogel@sustainableagriculture.net), Policy Associate**

Thank you for the opportunity to present our FY 2013 funding requests. NSAC is a national alliance of over ninety organizations that advocates for policies that support the economic, social, and environmental sustainability of agriculture, natural resources, and rural communities. Our USDA requests are as follows, in the order they appear in the appropriations bill: Departmental Administration, Office of Advocacy and Outreach, \$1.4 M; NIFA, Sustainable Agriculture Research and Education, \$30 M; NIFA, Organic Transitions Program, \$5 M; NIFA, National Food Safety Training, Education, Extension, Outreach, and Technical Assistance, \$10 M; AMS, Federal-State Market Improvement Program, \$1.3 M; AMS, Organic Market Reporting, \$0.3 M; FSA, Direct Farm Ownership and Operating Loans, \$600 M + \$1050 M; FSA, Beginning Farmer Individual Development Accounts, \$5 M; NRCS, Conservation Technical Assistance, \$740 M; RBCS, Value-Added Producer Grants, \$30 M; RBCS, Rural Microentrepreneur Assistance Program, \$5.7 M; RBCS, Appropriate Technology Transfer for Rural Areas, \$3 M; General Provisions, Mandatory Conservation Programs, Conservation Stewardship Program, no limitation on direct spending. We also oppose changes in mandatory spending to other farm bill conservation programs and to any existing, renewed or extended direct farm bill spending for the Organic Agriculture Research and Extension Initiative, Beginning Farmer and Rancher Development Program, Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers, Farmers' Market Promotion Program, National Organic Certification Cost-Share Program, Community Food Grants, and Rural Energy for America Program. Finally, we oppose any limitation to full

implementation of the **Packers & Stockyards rule on fair competition** that Congress directed USDA to promulgate in the 2008 Farm Bill.

(\$ million)

**DEPARTMENTAL ADMINISTRATION**

**Office of Advocacy and Outreach.** The Office of Advocacy and Outreach coordinates policy and outreach in two vital areas – small and beginning farmers, and socially disadvantaged or minority farmers. It administers the Outreach and Technical Assistance for Socially Disadvantaged Farmers and Ranchers program and the Farm Labor Grants program. We support USDA’s request for **\$1.4 million** for the OA&O.

**NATIONAL INSTITUTE OF FOOD AND AGRICULTURE**

**Sustainable Agriculture Research and Education Program (SARE).** We urge you to fund this innovative competitive grants program at **\$30 million**, divided among research and education grants (**\$18 M**), extension and professional development grants (**\$5 M**), and federal-state matching grants (**\$7 M**). SARE has helped turn farmer-driven research, education, and extension initiatives into profitable and environmentally sound practices for over twenty years.

**Organic Transitions Integrated Research Program.** We request **\$5 million** to maintain the funding level established in FY 10 and in USDA’s FY 12 request. Maintaining the FY 10 funding level will allow cooperation with natural resource programs to provide environmental solutions with strong farmer delivery mechanisms built in. Without full funding, organic research will fall further behind in its fair share of the research budget, a share that continues to lag behind trends in agriculture.

**National Food Safety Training, Education, Extension, Outreach, and Technical Assistance.** We request **\$10 million** to help small and mid size farms and small processing facilities comply with new food safety regulations. This food safety training for farmers and small

processors, authorized in the Food Safety Modernization Act of 2010, is one of the best, quickest, and least costly ways to improve food safety outcomes without resorting to excessive regulation.

#### AGRICULTURAL MARKETING SERVICE

**Federal-State Market Improvement Program (FSMIP).** The FSMIP provides matching funds to state departments of agriculture to help grantees increase marketing efficiency and innovation, reduce costs, stabilize food prices, and support local and regional food marketing opportunities. NSAC supports the USDA request of **\$1.3 million**.

**Organic Market Reporting.** NSAC requests level funding at **\$0.3 million** for AMS for this price data collection and reporting initiative. As the organic industry surpasses \$30 billion a year in sales, this multi-agency initiative is vital to maintaining markets, creating risk management tools, and negotiating equivalency agreements with foreign governments. We also support baseline funding for NASS and ERS to continue coordinated data collection and reporting on organic production, marketing, and pricing, including NASS funding for the Organic Production Survey.

#### FARM SERVICE AGENCY

**Direct Farm Ownership and Operating Loans – (*Program Levels*).** Direct loans provide a crucial source of capital for beginning farmers and others not well served by commercial credit. The final FY 11 continuing resolution cut direct farm ownership loan funding by \$175 million and the FY 12 bill retained this lower level. Nearly \$130 million worth of qualified applications were turned away in FY 11. In light of the increasing age of farmers and the challenges faced by beginning farmers, it is critical that we fund these direct loan programs in the most effective way possible. We ask that Congress appropriate sufficient funds to provide for program levels of **\$600 million for Direct Farm Ownership loans** and **\$1,050 million for Direct Operating Loans**.

**Beginning Farmer and Rancher Individual Development Account (IDA) Program.** We urge you to provide **\$5 million** for this program, as authorized in the 2008 Farm Bill. This

competitive grants program enables low-income, limited resource beginning farmers and ranchers to open an IDA (matched savings account) to save for asset-building purchases, including farmland, equipment, breeding stock, or similar expenditures. A 50% local match is required.

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

**Conservation Technical Assistance (CTA).** CTA, a subset of Conservation Operations, supports farmers enrolling in financial assistance programs and helps farmers with conservation planning and implementation. CTA also funds assessment of conservation practices and systems that underpin the conservation programs, as well as NRCS collection, analysis, and dissemination of information on the condition of the nation's natural resources. NSAC urges you to provide **\$740 million** for CTA in order to adequately support and maximize the effectiveness of conservation financial assistance. We also support the addition of report language encouraging a modest net increase in the percentage of farm bill mandatory funding that may be used for technical assistance.

#### **RURAL BUSINESS AND COOPERATIVE SERVICE**

**Value-Added Producer Grants (VAPG).** VAPG offers grants to farmers and ranchers developing new farm and food-related businesses that boost farm income, create jobs, and increase rural economic opportunity. VAPG grants encourage the kind of entrepreneurship in agriculture that enables farms and communities to survive economically. Moreover, growing interest in local and regional foods is generating greater demand for mid-tier value chains and enterprises that aggregate local production, exactly the kind of rural development strategy VAPG is designed to support. We request VAPG funding of **\$30 million**.

**Rural Microentrepreneur Assistance Program (RMAP).** RMAP provides business training, technical assistance, and loans to owner-operated businesses with up to ten employees. Small businesses make up 90 percent of all rural businesses, and micro-businesses are the fastest growing segment in many areas. RMAP creates jobs and local markets and alleviates poverty. This

program was stripped of its mandatory Farm Bill funding (only \$3 million) in FY 2012. NSAC requests **\$5.7 million in discretionary funding in FY 2013** and **opposes any limitation to renewed or extended direct Farm Bill spending for RMAP.**

**Appropriate Technology Transfer for Rural Areas (ATTRA).** The ATTRA program, also known as the National Sustainable Agriculture Information Service, provides critical support to farmers and Extension agents throughout the country. The national program was reauthorized by the 2008 Farm Bill. We urge **\$3.0 million** for FY 2013.

#### GENERAL PROVISIONS

Repeated annual cuts the Conservation Stewardship Program, Environmental Quality Incentives Program, and other mandatory conservation programs have created enormous backlogs among highly qualified producers and made it more difficult for farmers to maintain healthy, productive soil and to protect water and other natural resources. These programs provide critical public benefits such as clean water, erosion reduction, and carbon sequestration and act as a key piece of the farmer safety net. **We strongly oppose the proposed cuts to these critical conservation programs. We also oppose changes in mandatory program spending to any existing, renewed, or extended farm bill direct spending for the Organic Agriculture Research and Extension Initiative, Beginning Farmer and Rancher Development Program, Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers, Farmers' Market Promotion Program, National Organic Certification Cost-Share Program, Community Food Grants, and Rural Energy for America Program.**

Finally, we oppose any limitation to full implementation of the **Packers & Stockyards rule on fair competition** that Congress directed USDA to promulgate in the 2008 Farm Bill.



## National Sustainable Agriculture Coalition

### Summary of NSAC's FY 2013 Requests

(\$ million)

#### DEPARTMENTAL ADMINISTRATION

##### Office of Advocacy and Outreach

FY 2012	\$1.2
USDA 2013 Request	\$1.4
NSAC 2013 Request	\$1.4

#### NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

##### Sustainable Agriculture Research and Education Program

FY 2012	\$14.5 M (research & education) + \$4.7 M (extension) = \$19.2 M
USDA 2013 Request	\$14.5 M + \$4.7 M + \$3.5 M (federal-state matching grants) = \$22.7 M
NSAC 2013 Request	\$18.0 M + \$5.0 M + \$7.0 M = \$30 M total

##### Organic Transitions Program

FY 2012	\$4.0
USDA 2013 Request	\$4.0
NSAC 2013 Request	\$5.0

##### National Food Safety Training, Education, Extension, Outreach and Technical Assistance

*(Authorized by Congress in the Food Safety Modernization Act of 2010)*

FY 2012	\$0.0
USDA 2013 Request	\$0.0
NSAC 2013 Request	\$10.0

#### AGRICULTURAL MARKETING SERVICE

##### Federal-State Market Improvement Program

FY 2012	\$1.2
USDA 2013 Request	\$1.3
NSAC 2013 Request	\$1.3

##### Organic Market Reporting

FY 2012	\$0.3 M
USDA 2013 Request	funding for this activity included in top line request
NSAC 2013 Request	\$0.3 M

We also support continued baseline funding for NASS and ERS to continue coordinated data collection and reporting on organic production, marketing, and pricing, including NASS funding for the Organic Production Survey.

#### FARM SERVICE AGENCY

##### Direct Farm Ownership and Operating Loans – (Program Levels)

FY 2012	\$475.0 + \$1050.0
USDA 2013 Request	\$475.0 + \$1050.0
NSAC 2013 Request	\$600.0 + \$1050.0

**Beginning Farmer Individual Development Account (IDA) Pilot Program**

FY 2012	\$0.0
USDA 2013 Request	\$2.5
<b>NSAC 2013 Request</b>	<b>\$5.0</b>

**NATURAL RESOURCES CONSERVATION SERVICE****Conservation Technical Assistance**

FY 2012	\$729.5
USDA 2013 Request	\$728.8
<b>NSAC 2013 Request</b>	<b>\$740.0</b>

**RURAL BUSINESS AND COOPERATIVE SERVICE****Value-Added Producer Grants**

FY 2012	\$14.0
USDA 2013 Request	\$15.0
<b>NSAC 2013 Request</b>	<b>\$30.0</b>

**Rural Microentrepreneur Assistance Program**

FY 2012	\$0.0 ( <i>\$3.0 CHIMP + \$0 discretionary</i> )
USDA 2013 Request	\$3.7 ( <i>discretionary</i> )
<b>NSAC 2013 Request</b>	<b>\$5.7 (<i>\$5.7 discretionary + no CHIMP/limitation on 2012 Farm Bill direct funding</i>)</b>

**National Sustainable Agriculture Information Service (ATTRA)**

FY 2012	\$2.25
USDA 2013 Request	\$2.25
<b>NSAC 2013 Request</b>	<b>\$3.0</b>

**GENERAL PROVISIONS****Conservation Stewardship Program**

FY 2012	\$768.5 ( <i>\$75.5 CHIMP</i> )
USDA 2013 Request	\$972.0 ( <i>\$68.0 approx. CHIMP; permanent cut of 759,632 acres</i> )
<b>NSAC 2013 Request</b>	<b>no CHIMP/limitation on farm bill direct spending</b>

□ We also oppose changes in mandatory program spending (CHIMPS) for –

□ other directly-funded **farm bill conservation programs**, and

□ any existing, renewed or extended mandatory farm bill spending for the **Organic Agriculture Research and Extension Initiative, Beginning Farmer and Rancher Development Program, Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers, Farmers' Market Promotion Program, National Organic Certification Cost-Share Program, Community Food Grants, and Rural Energy for America Program.**

□ We oppose any limitation to full implementation of the **Packers & Stockyards rule on fair competition** that Congress directed USDA to promulgate in the 2008 Farm Bill.

**For More Information** – please contact Greg Fogel, NSAC Policy Associate and Appropriations Coordinator at 202-547-5754 or [gfogel@sustainableagriculture.net](mailto:gfogel@sustainableagriculture.net).

**Statement by:**

**Neal Gibson**

**Assistant Executive Director**

**Northwest Regional Housing Authority**

**[nealgibson@windstream.net](mailto:nealgibson@windstream.net)**

**Point of Contact:**

**Neal Gibson, [nealgibson@windstream.net](mailto:nealgibson@windstream.net)**

**Subject:**

**USDA Rural Development – Section 502 Single Family Direct Loan Program**

**USDA Rural Development – Section 523 Mutual Self-Help Housing Program**

USDA Rural Development funding for these programs needs to be funded to at least the level of 2012. Section 502 Direct Program should be at \$900 million or more and the Section 523 funding needs to be maintained at \$30 million.

The 5023 Direct program is the only federal homeownership program that is exclusively targeted to very low- and low-income rural families. In the past 60 years this program has helped more than 2.1 million families build wealth and achieve the American dream of homeownership. By law 40 percent of 502 Direct loan funds must be used to assist families earning less than 50 percent of area median income. 25,000 loan applications are currently on a waiting list for Section 502 loan funding.

The Section 523 program helps organizations to provide training, supervision and technical assistance to families. Families work nights and weekends providing construction labor on their own and each others homes to decrease construction costs increase equity and build wealth. Every 100 homes built on this program results in 324 jobs, \$21.1 million in local income and \$2.2 million in tax revenue. Even though Self-Help families have lower income, default rates are significantly lower than other borrowers. More than 50,000 families are currently on Self-Help Housing waiting lists. Each family that builds a Self-Help home makes many sacrifices Throughout the process and after all the hard work they will say, yes, it was worth it.

It does not make sense to let these programs deteriorate to the point of extinction.

Thank you for the opportunity to address these issues today.

To: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies; Committee on Appropriations; U.S. House of Representatives  
From: Andrew Novakovic, PhD, The E.V. Baker Professor of Agricultural Economics, Cornell University, Warren Hall, Ithaca, NY 14853-7801 [a.novakovic@cornell.edu](mailto:a.novakovic@cornell.edu)  
Re: U.S. Department of Agriculture and Related Agencies  
Date: 20 March 2012

## **I. General operations of the USDA**

Our system of politically appointed leaders at the top layers of federal agencies is well-conceived at its uppermost levels but fails in the third and fourth organizational tiers where leadership is far less important than management. A revolving door of managers whose primary concern is developing their personal resume and who routinely lack the knowledge to manage the agencies put in their care is hardly a recipe for organizational success. A new management system would go a long way towards improving productivity and raising satisfaction.

Annual appropriations have the unintended effect of discouraging financial stewardship. Use it or lose it funding encourages spending to the limit because failing to fully use a discretionary appropriation is seen as a clear sign that the funding wasn't needed. It prohibits managers from longer term planning and investment that could be incredibly valuable in reducing future program delivery costs.

This system also ensures and perpetuates the "stove-piping" problem that is intrinsic to systems that lack incentives to cooperate across boxes in an organization chart, leadership that doesn't have time for revolutionary change, and budgets that are based on the stove pipes. This is a further impediment to efficiency and the maximum use of capacity and resources.

## **II. Federal Funding for Land-Grant Universities and Research**

The government supports agricultural research and extension in three ways: 1) block grants to Land-Grant universities (LGUs) in each state to support research and extension, 2) ap-

propriations to federal research agencies, 3) competitive grants administered by USDA and received by Land-grant and other qualified research universities and organizations. This system, designed in the late 1800s and early 1900s, is badly in need of redesign and is the cause of a great deal of inefficiency that diminishes the productivity of scarce research dollars.

With 108 LGUs under 1862, 1890 and 1994 statutes, we are simply exorbitantly over-invested in agricultural research and education capacity. Inasmuch as the block granting system, and to no small extent special grants and even competitive grants to some degree, operates in a reward system that is based on political spoils and patronage, it is clear that scarce research and educational dollars are not being allocated for the sole or even primary purpose of maximizing their research productivity. The challenge is how to change this entrenched system.

Whether or not a State wants to have and maintain a university for teaching and other purposes it deems worthy for its residents is and should be entirely up to them. However, it does not follow that the U.S. Congress is obliged to divvy up agricultural research dollars in some proportionate way to each state or the twice as many institutions now deemed as LGUs. Outstanding programs of basic and applied research could be achieved in a far more cost effective manner at something like one-tenth the institutions.

I would encourage Congress to create serious financial incentives for LGUs to design and develop the necessary changes through consortia and other mechanisms they can discover amongst themselves. This could occur in several ways. Congress could bundle all of the block grant funding into, say, 10 units and invite Universities to submit proposals to USDA for their use over, say, a 10-year planning period. Proposals would be judged not by specific projects or activities but rather on the basis of organizational design and commitment by the LGUs and States to provide matching funds to leverage the productivity of federal money. Points could be

given for plans that demonstrated genuine cooperation among and between 1862, 1890, and 1994 institutions, if that were deemed desirable. By this design it would be incumbent upon recipient institutions to design research and deliver extension that reached beyond current state boundaries, either by regional programs or commodity or other subject-matter defined programs that are national in scope and execution.

Reductions in overhead, synergies from bringing together the best researchers and educators, and reductions in research and extension activity overlap would increase the productivity of existing dollars and probably be more valuable than increasing the allocation of funding in the existing model.

Part of this effort should involve ARS and other federal research agencies to ensure their coordination with the rest of the system and reduce unnecessary overlap and duplication of resources and activities.

### **III. SNAP and other Nutrition Assistance Programs**

I believe that the design and funding of food assistance programs is appropriately placed at the federal level. Delivery is appropriately placed at the State and local level. I would encourage more of the enforcement responsibility and authority to be placed at the State level. Currently, States have too much responsibility and not enough authority. States should be able to establish their own enforcement standards and systems and be rewarded for effectively achieving good results.

Similarly, the federal government should be less involved in establishing national requirements for what is served in school lunches and other such feeding programs and allow more flexibility in States and School Districts that allow them to meet community standards and most effectively marshal their limited funds.

#### **IV. The Farm Safety Net**

The success of American agriculture has been in being so good that they make it look easy to be the breadbasket of the world. U.S. consumers have no idea how hard it is to deliver a safe, nutritious and affordable food supply. It is in the broad public interest to encourage farmers to take that risk by helping them reduce the cost of the risk. Current proposals to cover shallow losses, so named by the proponents and beneficiaries, cross a line towards too much public support. On the other hand, eliminating public support crosses the line in the other direction.

I encourage Congress to look at the long record of underwriting gains (or conversely the loss ratio) as a simple measure of the financial effectiveness and merits of the current system. Maintaining adequate reserves to cover future catastrophic indemnities is essential to any insurance. But, the levels of underwriting gains currently experienced provide evidence that some plans are over-priced and hence over-subsidized.

Private insurers have legitimate Administration & Operating costs, and the costs of servicing crop insurance are considerably greater than the property and auto coverages most of us are familiar with. Nevertheless, there is reason to question whether the current A&O costs borne by the USDA are entirely justified. I would encourage Congress to consider a system wherein farmers received payments that could be applied to crop insurances - vouchers; rather than directly paying insurers, either premium subsidies or A&O. The natural desire of farmers to obtain the best combination of service, product and price would inspire insurers to optimize their A&O cost relative to a level of service rather than incessantly try to persuade Congress to increase their subsidies and A&O remuneration.

I would encourage Congress to establish a guideline that requires farmers to pay premiums consistent with the history of indemnity payments. For example, one might argue that years of

widespread or abnormally large indemnities are precisely those years when the public investment is justified, but more normal years of smaller or more isolated events should be the times when the producer premium covers the full cost of indemnities. I suggest that research be done to estimate indemnity payments over the last 10 or 20 years to develop rules related to what might be considered “normal” or perhaps based on a concept like the standard 80:20 rule. The concept would be something like: premiums should be structured so that 80% of the time farmer premiums would approximately equal or slightly exceed indemnities. Providing logical guidance would create a framework for determining a reasonable magnitude of public subsidies.

#### **V. Incentives vs. Mandates**

One does not have to be a radical environmentalist to see the benefits that the several agricultural conservation programs have had over the years. As we move from Direct Payments to more Risk Management based safety nets, farm advocates are cautioning against linking crop insurance to conservation compliance. Environmental advocates are arguing the other direction. I believe a more productive approach would be to use financial incentives to reward voluntary compliance. Rather than simply requiring or exempting conservation compliance, why not let farmers decide for themselves but reward those who choose to file compliance certification with a greater degree of premium subsidization or a higher risk management voucher (cf. above) or enhanced access to EQIP or other programs that encourage the reduction of environmental risk.

As a general rule, we should do more to give incentives to desirable choices that have both public and private benefit. Mandates and regulations are appropriate to eliminate or discourage obvious damaging behavior, especially when it is damaging to others, but they become less appropriate when we move from issues of quality as opposed to issues of safety.

APRIL SNELL, INTERIM EXECUTIVE DIRECTOR,

OREGON WATER RESOURCES CONGRESS

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

March 20, 2012

**RE: US Department of Agriculture's FY 2013 Budget for the Natural Resources**

**Conservation Service**

The Oregon Water Resources Congress (OWRC) strongly supports the US Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) and is deeply concerned about reductions to programs important to our members for FY 2013. OWRC is requesting that funding for several key NRCS programs be increased for FY 2013 and that the "Bridging the Headgates" MOU between NRCS and the Bureau of Reclamation be reactivated and expanded to include other federal agencies.

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 agricultural water suppliers in Oregon, primarily irrigation districts, as well as other special districts and local governments that deliver irrigation water. The association represents the entities that operate water management systems, including water supply reservoirs, canals, pipelines, and hydropower production.

**Need**

OWRC and its members believe conservation of natural resources through collaborative partnerships is crucial to ensuring the viability of irrigation districts and similar organizations that deliver irrigation water for the nation's agriculture. Federal support of water conservation

activities funded through NRCS programs including the Agricultural Watershed Enhancement Program (AWEP) and the Cooperative Conservation Partnership Initiative (CCPI) are essential to the conservation of our natural resources and critical to protecting our food, energy and water supply. Irrigation districts and other agricultural water users in Oregon have used these programs to develop collaborative projects with Federal, State, and other local entities—proving that on-the-ground conservation can be best achieved by leveraging partnerships, pooling available resources, and focusing on each partner’s strengths.

We are deeply disappointed that the NRCS budget for FY 2013 is a 13% decrease from FY 2012 estimated budget levels. While we recognize that the Administration has increased funding for some of the NRCS programs, the need for additional financial assistance with conservation projects still far outweighs the budget. NRCS programs are essential to irrigation districts in developing and implementing conservation projects that benefit not only the individual farmers they serve but also the entire watershed and community as a whole. Furthermore, conservation projects also benefit the economy through job creation and ensuring the future viability of American agriculture. OWRC is requesting that funding for AWEP be increased to at least \$75 million, which is comparable to the enacted FY 2011 levels but is still far less than what could be used in Oregon and nationally.

#### **AWEP and CCPI Needs**

AWEP and CCPI help fill a funding void for multi-partner conservation projects. Often large conservation projects do not include individual on-farm projects which limits the effectiveness of the project. AWEP and CCPI allow farmers to pool together and leverage the dollars invested in the off-farm project with the addition of EQIP on-farm projects. Because of the large number of successful project applications for AWEP, USDA will have to obligate a large amount of the annual \$60 million appropriation to existing multiyear projects. It is

important that the funding for these projects not be interrupted so that they may be completed. However, it is equally important to have funding available for new eligible AWEP and CCPI projects that simultaneously benefit the environment and economy.

### **Bridging the Headgates MOU**

The need for continued coordination among federal agencies, including NRCS, the Bureau of Reclamation (BOR), Bureau of Land Management (BLM), Environmental Protection Agency (EPA), NOAA Fisheries, US Fish and Wildlife Service, and Army Corps of Engineers (ACOE), is a significant issue. With the loss of watershed planning funding, reactivating and expanding this program to other federal agencies would be a very cost-effective alternative.

### **Program Benefits**

OWRC strongly supports AWEP and CCPI, which are both critical tools for districts and other agricultural water suppliers in developing and implementing water and energy conservation projects in Oregon. AWEP has been highly successful in developing cooperative approaches on a basin-wide scale. This program allows districts and other agricultural water suppliers to partner with farmers to address regional water quantity and quality issues in local watersheds.

The CCPI allows partnerships to be formed with Federal, State and Local interests to address Endangered Species Act (ESA) and Clean Water Act (CWA) issues in watershed basins and sub basins. We believe that water supply issues in Oregon and elsewhere in the nation can be resolved best locally in cooperative partnership efforts that promote conservation with a more aggressive federal funding partnership as defined in AWEP and CCPI. OWRC strongly supports the continuation and increased funding of the AWEP and CCPI programs for FY 2013.

### **Examples of Successful AWEP Projects in Oregon**

Oregon has had several successful AWEP applicants over the past several years, three from our member districts (described below). The full list of Oregon projects can be found on the Oregon NRCS website at: <http://www.or.nrcs.usda.gov/programs/awep/index.html>.

- The **Whychus Creek/Three Sisters Irrigation District Collaborative Restoration Project** focuses on irrigation water efficiency with irrigation improvements in the Upper Division of the Three Sisters Irrigation District, which is the project partner. The effort will improve stream flows and water quality for native fish while providing farmers a reliable supply of water. **FY 2012 Funding: \$251,300 (AWEP)**
- The **Talent Irrigation District Project** works with agricultural producers to install conservation practices that will properly utilize limited surface water resources, improve water quality on flood irrigated land by converting to more efficient irrigation systems, and apply irrigation water management to eliminate irrigation runoff.  
**FY 2012 Funding: \$4,470 (AWEP)**
- The **Willow Creek Project** helps landowners in the Lower Willow Creek Watershed portion of Malheur County convert to water-saving irrigation systems, reduce irrigation runoff, and improve water quality in Willow Creek and Malheur River. The project partner is the Vale Oregon Irrigation District. **FY 2012 Funding: \$251,300 (AWEP)**

In 2012 Oregon requested approximately \$3.1 million for project funding but only received \$2.4 for existing AWEP approved projects. Oregon also requested approximately \$3.2 million of CCPI funds and received \$3.0 million. Each year local interest has increased to compete for AWEP and CCPI funding and additional innovative projects like the ones above could be developed and implemented in Oregon if more funding is made available.

The projects above are just a few examples of how NRCS programs have been successfully used in Oregon to develop and implement collaborative multi-benefit conservation projects.

In the future, OWRC would also like to see additional funding targeted for projects that conserve both water and energy—which are two key and complimentary resource areas for the agricultural community. In Oregon, NRCS is helping develop the Save Water, Save Energy Initiative, a multi-agency cooperative effort to develop a clearinghouse of information on financial incentives and technical expertise to assist districts and their water users in implementing conservation measures. Supporting projects like the pilot project being implemented in the Deschutes Basin will provide the groundwork for future Save Water, Save Energy projects and help maximize federal investment in conservation efforts.

### **Conclusion**

Our member districts, the farms and other water users they serve, and the communities in which they are located benefit greatly from the NRCS programs described in our testimony. Oregon's agricultural community is actively committed to 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. These valuable programs are essential tools in not only conserving natural resources but also in leveraging federal, state, local partnerships and resources to implement important projects that would otherwise be unrealized. Increasing the budget for NRCS programs is a strategic investment that will pay both environmental and economic dividends to Oregonians and America as a whole.

Thank you for the opportunity to provide testimony for the record on the proposed FY 2013 budget for the US Department of Agriculture.

Sincerely,

April Snell, Interim Executive Director

Submitted by Faith Grant, National Policy Advocate, Organic Farming Research Foundation

Point of contact name and email: Faith Grant, [faith@ofrf.org](mailto:faith@ofrf.org)

March 16, 2012

Re: Testimony for Fiscal Year 2013 to House Appropriations Committee Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

The Organic Farming Research Foundation (OFRF) is a national, farmer-led non-profit organization that fosters the improvement and widespread adoption of organic farming systems. Organic agriculture is one of the fastest growing sectors of American agriculture, creating jobs in rural areas and keeping farmers in business. In 2011, the organic sector grew by 9.5%; the sector experienced double-digit growth before the economic recession and has maintained positive growth since. Ensuring the continued growth and job creation ability of the organic sector requires upholding the integrity of the U.S. Department of Agriculture organic label and continuing the modest but important investment in organic agriculture. The following requests are for national programs authorized by Congress in past farm bills. The agencies included in the requests are all at the U.S. Department of Agriculture (USDA): National Institute of Food and Agriculture (NIFA), Agricultural Marketing Service (AMS), National Agricultural Statistics Service (NASS), Rural Business – Cooperative Service (RBCS). The programs are the Organic Transitions Integrated Research Program (ORG) at \$5 million, the Sustainable Agriculture Research and Education Program (SARE) at \$30 million, the National Organic Program (NOP) at \$10 million, the Organic Production and Market Data Initiatives (ODI) at \$0.3 million, and the Appropriate Technology Transfer for Rural Areas (ATTRA) at \$3 million. We present sensible, modest requests that support a basic investment in a fast-growing, job-creating sector of agriculture. Additionally, we urge no cuts to mandatory program funding. Please read below for further details.

**Organic Transitions Integrated Research Program (ORG) – USDA-NIFA**

2008 Farm Bill Authorized: Sums as appropriate; FY 2013 OFRF request: \$5 million

An investment in research underpins growth in any sector. One of the barriers to continued growth in organic is lack of research and information that growers need to improve and increase production. ORG is a national, competitive research, education, and extension program that provides research to the fast-growing organic sector. Funding ORG at \$5 million would help bridge the gap between sector growth and research investment.

**Sustainable Agriculture Research and Education Program (SARE) – USDA-NIFA**

2008 Farm Bill Authorized: \$60 million; FY 2013 OFRF request: \$30 million

SARE is a farmer-driven and regionally led competitive research and extension grants program that provides farmers with business, marketing, and production information to be successful. SARE complements the activities of dedicated organic research programs by funding on-farm research. Funding SARE at \$30 million would allow for the launch of a Federal-State Matching Grants program to build capacity at the state level for research and extension to address regional and local needs. We support splitting the funding between the Research and Education section of SARE (\$25 million) and the Extension (or Professional Development Program) section of SARE (\$5 million).

**National Organic Program (NOP) – USDA-AMS**

2008 Farm Bill Authorized: \$11 million; FY 2013 OFRF request: \$10 million

NOP enforces the national organic program standards, accredits certifiers, develops equivalency agreements, handles complaints – in essence, NOP ensures the integrity of the organic seal. NOP performs regulatory oversight of the organic label and ensures that consumers are getting what they pay for when they choose foods with the organic label. These are essential functions to the survival and growth of the organic sector.

**Organic Production and Market Data Initiatives (ODI) – USDA-AMS**

2008 Farm Bill Authorized: \$5 million; FY 2013 OFRF request: \$0.3 million

Every sector needs reliable, current data and statistics to function properly and grow. USDA has historically not collected basic data and statistics on the growing organic sector. In the 2008 Farm Bill, Congress directed USDA to collect data for organic through ODI. As the industry surpasses \$32 billion, the information collected through this multi-agency initiative is vital to maintaining stable markets, creating proper risk management tools, and negotiating equivalency agreements with foreign governments. The request of \$0.3 million for AMS is specifically to continue the collection of price data and its dissemination through Market News Reports. We also support **continued baseline funding for NASS and ERS** to continue coordinated data collection and reporting on organic production, marketing, and pricing, including NASS funding for the Organic Production Survey.

#### **Appropriate Technology Transfer for Rural Areas (ATTRA) – USDA-RBCS**

2008 Farm Bill Authorized: \$5 million; FY 2013 OFRF request: \$3 million.

ATTRA serves farmers and ranchers nationwide by providing cutting-edge production and marketing information through web publications and a toll-free phone line. Authorized originally in the 1985 Farm Bill, ATTRA has provided technical assistance and educational resources to a broad range of farmers and agricultural professionals for over two decades. Just last year, ATTRA received over 60,000 technical requests, had over 5.8 million publication downloads from its website, and conducted workshops in 45 states that over 177,000 individuals attended. The program was recently zeroed out because of the mistaken assumption that the program is an earmark. ATTRA is a national program that is run according to statute by a national, non-profit organization through a cooperative agreement with USDA. The classification of the program as an earmark is a mistake.

#### **No Cuts to Mandatory Program Spending**

OFRF urges the Subcommittee not cut mandatory program spending. Over half a billion dollars in cuts have already been made to mandatory Farm Bill programs (primarily

conservation and energy), and we urge the Subcommittee not to make anymore. These cuts have negative impacts on the baseline funding available for the next farm bill and should not unfairly be targeted to certain sectors of agriculture.

Thank you for the opportunity to submit testimony. Organic agriculture is a growth industry. Making the modest investments in the key programs described above will help to ensure that organic sector operations and businesses continue to grow, to hire new employees, and to meet the strong consumer demand for organic food.

**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 funding and performing 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.

**Additional Budget Requests for FY 2013**

Funding needs for four USDA/ARS laboratories are as follows:

**I. Requests for Program Enhancement – Pickled Vegetables**

\$500,000	<b>Emerging Disease of Crops</b>
\$500,000	<b>Quality and Utilization of Agricultural Products &amp; Food Safety</b>
\$500,000	<b>Applied Crop Genomics</b>
\$550,000	<b>Specialty Crops</b>

**\$2,050,000 Total Program Enhancements Requested – Pickled Vegetables**

**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 improve the efficiency of energy use, reduce environmental pollution, and reduce clean water intake while continuing to assure safety and quality of our products.
- Methods for delivering beneficial microorganisms in fermented or acidified vegetables, and produce reduced sodium, healthier products.
- 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, diabetes and obesity.
- 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 \$2.4 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 Science Research Unit, USDA/ARS**

Department of Food, Bioprocessing & Nutrition Sciences  
North Carolina State University  
Raleigh, North Carolina  
Research Leader, Dr. Van Den Truong

#### **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. Mark Famham

#### **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, diabetes and obesity 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 correlations between high fruit and vegetable consumption and reduced incidence of these debilitating and deadly diseases.

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. This industry can grow by meeting today's lifestyle changes 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 are in any "commodity program" and do not rely on taxpayer subsidies. However, current farm value for just cucumbers, onions and garlic is \$2.4 billion with an estimated processed value of \$5.8 billion. These crops represent important sources of income to farmers and rural America. 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. **These programs contribute directly to top research priorities that the Research, Education, and Economics Mission Area (REE) of the USDA has identified in that they develop vegetable crop germplasm and preservation technology that contributes to improved profitability with reduced pesticide inputs in a safer, higher quality product grown by rural farm communities across the U.S., consequently improving food security and food safety. Improved germplasm, crop management practices and processing technologies from these projects have measurably contributed to the profitability, improved nutritional value and increased consumption of affordable vegetable crops for children and adults in America and around the world.**

## 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., pest resistances and health-enhancing characteristics) 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. 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.

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, tolerance to environmental stresses, and higher yield have recently been identified along with molecular tools to expedite delivery of elite cucumber lines to U.S. growers. A new genetic resistance to nematode attack was found to almost completely protect the carrot crop from one major nematode. 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. The genetic bases of onion flavor, as well as compounds that enhance cardiovascular health and have anti-carcinogenic effects have been determined and are being used to develop onions that are more appealing and healthier 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 should 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 used 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.

## Food Science Research Unit, Raleigh, North Carolina

The USDA/ARS Food Science Research Unit (FSRU) in Raleigh, NC is the major public laboratory that this industry looks to for new scientific information on the safety of our products and development of new processing technologies related to fermented and acidified vegetables. The scientists in the FSRU have consistently provided innovative solutions to processing challenges which have helped this industry remain competitive in the current global trade environment. Major accomplishments of the FSRU include: pasteurization treatments currently used for most acidified vegetables; the preservation technology used for manufacturing shelf stable sweet pickles; fermentation technology (purging) used to prevent the formation of air pockets within fermented pickles. These innovations have improved processing and product quality and yielded significant savings industry-wide. Furthermore, the FSRU has determined the microbial safety parameters now used for acidified vegetable process

filings, as required by the Food and Drug Administration. The pickling industry in the US relies on the FSRU for the development of new and improved technologies that will increase the economic value of processed vegetable products, provide consumers with safe, high quality, healthful vegetable products, and reduce the environmental impact of industrial activities. Additional funding is needed to support important new research initiatives.

First, nearly all retail pickled vegetables are pasteurized for safety and shelf stability. Current steam and water bath pasteurizers rely on technology from the 1940s and 50s. Promising new technologies include continuous flow microwave technology and “hot-fill-and-hold” pasteurization. **The objective is to reduce water use and significantly improve energy efficiency with new, scientifically validated thermal processing technology.**

Second, additional research that offers significant economic and environmental advantages to the US industry includes the reduction or replacement of salt in commercial vegetable fermentations. Calcium substitution of salt in commercial vegetable fermentations has the potential to eliminate salt disposal problems and create opportunities to manufacture calcium enriched, reduced sodium, healthier vegetable products. **Reducing environmental impact and production costs for the manufacture of healthier products is essential to the sustainability of the US industry.**

Third, there is a growing body of research indicating that certain beneficial microorganisms (probiotics) improve human health by remaining in the intestinal tract after they are consumed. **New processing technology is needed to develop high value probiotic vegetable products, opening new markets in the US and improving the health benefits derived from consumption of fermented and acidified vegetables.**

### **Sugar Beet and Bean Research Unit, East Lansing, Michigan**

Quality inspection and assurance of pickling vegetables is critical to growers and processors and ultimately consumers of pickling vegetables. While automated systems are currently used in many pickle processing facilities, they are only for inspecting product surface quality characteristics. Opportunities exist for developing more efficient sensors and automated inspection technologies, especially for internal quality assessment and grading of pickling vegetables and pickled products. Moreover, labor required for postharvest handling and processing operations represents a significant portion of the total production cost. New and/or improved inspection technologies can help growers and processors assess, inspect and grade pickling vegetables and pickled products rapidly and accurately for internal and external quality characteristics so that they can be directed to, or removed from, appropriate processing or marketing avenues. This will minimize postharvest losses of food that has already been produced, ensure high quality, consistent final product and end-user satisfaction, and reduce production cost.

The USDA/ARS Sugarbeet and Bean Research Unit at East Lansing, Michigan, provides national leadership in research and development of innovative technologies and systems for assessing and assuring quality and marketability of tree fruits and pickling vegetables and enhancing production efficiency. Over the years, the 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 spectral scattering technology for assessing the texture and flavor of fruits, a portable fruit firmness tester, and a spectral property measuring instrument for quality evaluation of fruits and vegetables. Recently, it also developed an advanced hyperspectral imaging system for automated detection of internal and external quality of pickling cucumbers and pickles. Research at East Lansing will continue to provide the pickling vegetable industry a vital source of innovative inspection and grading technology to assure high-quality safe products to the marketplace and achieve labor cost savings. It is critical that additional resources be provided to support and expand the existing program to effectively address the technological needs for the pickling industry.

### **U.S. Vegetable Laboratory, Charleston, South Carolina**

Research at the USDA/ARS U.S. Vegetable Laboratory in Charleston, South Carolina, addresses national problems confronting the vegetable industry of the southeastern U.S. The mission of the laboratory is to develop disease and pest resistant vegetables, and also new, reliable, environmentally-sound disease and pest management

practices that do not rely on conventional pesticides. The laboratory's program currently addresses 14 crops, including those in the cabbage, cucumber, and pepper families, all of major importance to the pickling industry. Research at this ARS facility **is recognized world-wide, and its accomplishments include over 150 new vegetable varieties and many improved management practices.**

Expansion of the Charleston program would directly benefit the southeastern vegetable industry. Vegetable growers depend heavily on synthetic pesticides to control diseases and pests. Cancellations of many effective pesticides directly impacts future vegetable crop production. Without the use of certain pesticides, producers will experience crop failures unless other effective, non-pesticide control methods are readily identified. In this context, 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. Research like this can help provide U.S. growers with a competitive edge they must have to sustain and keep their industry vibrant, allowing 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 five years, and a new plant pathologist position at the U.S. Vegetable Laboratory could 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.

It is important to note that FY 2012 funding for four USDA ARS laboratories (Charleston, South Carolina; East Lansing, Michigan; Madison, Wisconsin; and Raleigh, North Carolina) totaled \$11,004,900. However, funding for all cucurbits equaled just \$3,939,000 with only \$1,718,000 directed toward pickled vegetable research. For FY 2013, PPI is requesting an additional \$2,050,000 in program enhancements that will provide needed research for pickled vegetables.

### **U.S. Vegetable Laboratory, Charleston, South Carolina**

There is a critical need to establish and fund a plant pathology position to address cucumber diseases, especially the disease caused by a new strain of the downy mildew pathogen responsible for recent extensive damage to cucumber production in South Atlantic and Midwestern states. The pathologist is needed to characterize pathogen strains and to develop new management approaches, as well as resistant cucumber varieties, to combat the disease. Ultimately, this proposed plant pathologist would accomplish research that results in effective protection of cucumbers from disease without the use of conventional pesticides.

FY 2012	\$456,100 (pickled vegetables)
FY 2013 (Proposed budget)	456,100
<b>FY 2013 Additional Request</b> (Plant Pathologist & support)	<b>500,000</b>

### **Food Science Research Unit, Raleigh, North Carolina**

The current funding includes research and development for a variety of vegetable products, including fermented and acidified vegetables. To carry out new research initiatives to reduce energy and water use, reduce environmental impact from commercial fermentations, and develop new health-promoting food (probiotic) technology, we request additional support for the Food Science Research Unit of \$500,000 in FY 2013. This will provide support for Post-Doctoral or Pre-Doctoral research associates in food engineering and food microbiology along with necessary equipment and supplies to develop these new areas of research.

FY 2012	\$647,800 (pickled vegetables)
FY 2013 (Proposed budget)	647,800
<b>FY 2013 Additional Request</b> (Post-doctoral and Pre-doctoral Research Associate & support)	<b>500,000</b>

### **Vegetable Crops Research Laboratory Unit, Madison, Wisconsin**

Emerging diseases, such as downy mildew of cucumber, threaten production of the crop in all production areas. Therefore, we request an additional \$500,000 to fully fund the scientists and support staff in FY 2013, including graduate students and post-doctorates for researching genetic resistance to emerging diseases.

FY 2012	\$456,600 (pickled vegetables)
FY 2013 (Proposed budget)	456,600
<b>FY 2013 Additional Request</b> (Post-doctoral and Pre-doctoral Research Associate & support)	<b>500,000</b>

### **Sugar Beet and Bean Research Unit, East Lansing, Michigan**

The current funding is far short of the level needed to carry out research on inspection, sorting and grading of pickling cucumbers and other vegetable crops to assure the processing and quality of pickled products. An increase of \$550,000 in the current base funding level would be needed to fund the research engineer position.

FY 2012	\$157,500 (pickled vegetables)
FY 2013 (Proposed budget)	157,500
<b>FY 2013 Additional Request</b> (Research Engineer & support)	<b>550,000</b>

**Thank you for your consideration and expression of support for the USDA/ARS.**

LIST OF WRITTEN TESTIMONIES FROM  
REGIONAL AQUACULTURE CENTERS  
for submission to  
U.S. HOUSE APPROPRIATIONS COMMITTEE  
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT,  
FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES  
March, 2012

FROM THE WESTERN REGIONAL AQUACULTURE CENTER:

Ken Beer  
The Fishery, Inc.  
Galt, California  
beerfishery@yahoo.com

Jeff Hetrick, Director  
Alaska shellfish Institute  
Seward, Alaska  
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FROM THE SOUTHERN REGIONAL AQUACULTURE CENTER:

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Robert L. (Shorty) Jones  
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FROM THE NORTHEASTERN REGIONAL AQUACULTURE CENTER:

George C. Nardi  
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Portsmouth, NH  
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Testimony Submitted to

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

Concerning

**Support for the Regional Aquaculture Centers – FY2013**

Prepared Statement by

Kenneth Beer President,  
The Fishery, Inc.  
11583 Valensin Road  
Galt, California 95632

February, 2012

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to provide testimony on behalf of the Regional Aquaculture Centers (RAC). I am president of *The Fishery, Inc.*, and for the last 35 years I have been a commercial producer of farmed fish. I am writing to urge full funding of the five Regional Aquaculture Centers administered by USDA's National Institute of Food and Agriculture (NIFA) to the authorized level of \$7.5 million dollars.

By standards for national programs, the RAC program is a tiny dent in federal expenditures. I'm sure that even within the parent agency, little is known about the significance of the RAC program. But for those of us involved in aquaculture, **RAC is a crown jewel**. For some 25 years it has allowed the best and brightest scientific minds in the aquaculture arena to interact with our most innovative producers to address the most significant issues in our industry. It has produced a huge body of work that, most significantly, has been adopted and put into practice.

Let me cite just one example. Western RAC funded research to develop techniques and protocols to allow maturation and artificial reproduction for white sturgeon, a species that has been compared to a dinosaur due to their historic lineage and huge size. This species had never previously been reared. Because of the WRAC-funded research, the United States is now the world leader in farmed sturgeon and its valuable meat and caviar products. In Sacramento County, California alone, where our farm and several others now farm sturgeon, at least 60 head-of-household full-time jobs are devoted to sturgeon farming, not to mention the economic impact from those providing goods and services to the sturgeon farms. Many of the people now working at these farms were trained at the universities conducting WRAC-funded research.

Recently, the seafood trade deficit data for 2011 was released, which showed an all-time record of over 10.8 billion dollars spent by the US to purchase imported seafood. This was also a record in terms of percentage (over 84%) of our seafood which is now imported. The implications of our dependence on foreign sources of this critical food item in terms of health, food safety, and economics, are obvious.

This trend can be reversed. The United States has tremendous resources and potential to produce additional seafood. As we've seen with sturgeon, the basis for change starts with research, and depends on education, training, and adoption by industry, the very definition of the RAC mission. The RACs are, indeed, the economic engine that supports this sturgeon farming industry.

In these difficult economic times, I am always reluctant to urge additional spending of precious funds that are needed by so many. In this case, however, I feel that our industry has

paid for this program many times over with our tax dollars and economic activity generated over the years that would have never occurred without the research and expertise developed by RAC.

RAC has never received the authorized level proposed many, many years ago. Perhaps, if it had, our seafood deficit might not be measured in the double digit billions of dollars. It is time to look to the future and invest in research. It is an investment in our nation's wealth, health, and food security.

Sincerely,

Ken Beer

President, The Fishery, Inc.

Testimony Submitted to

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

February 2012

*Concerning*

**Support for the Regional Aquaculture Centers FY2013**

*Prepared Statement By*

Jeff Hetrick, Director  
Alaska Shellfish Institute  
P.O. Box 369  
Seward, Alaska 99664

**Mr. Chairman and Members of the Subcommittee:**

My name is Jeff Hetrick. I am the Director of the Alaska Shellfish Institute and Alutiiq Pride Shellfish Hatchery located in Seward, Alaska. I am writing to urge full funding of the five Regional Aquaculture Centers administered by USDA's National Institute of Food and Agriculture (NIFA) to the authorized level of \$7.5 million dollars.

As the Director of the Alaska Shellfish Institute and Alutiiq Pride Shellfish Hatchery, we work closely with the Alaska Native Villages to raise shellfish such as oysters, cockles and geoduck clams for the private aquatic farm industry. We also raise razor clams and littleneck clams for personal use and subsistence fisheries. In addition, we have recently developed techniques for raising the purple-hinge rock scallop, sea cucumbers and, most excitingly, blue and red king crab.

I have been involved with the aquaculture industry in Alaska for 25 years starting with the hatchery development and enhancement projects with pacific salmon. I have owned and operated my own oyster farm and have been involved with all facets of developing the shellfish mariculture industry through drafting legislation as President of the Alaskan Shellfish Growers Association, representing Alaska on the Pacific Coast Shellfish Growers Association, and active participation with the Western Regional Aquaculture Center (WRAC) as an Industry Advisory Council Representative and as past Chairman and Executive Committee member.

I am writing in support of continued and increased support for the Regional Aquaculture Centers. I am most familiar with WRAC and the projects that have been funded over the past ten years of my involvement. WRAC is set up as an unusual case where the industry is the driver for the process. Priorities are determined by industry members from represented states, passed on to researchers and the results transmitted directly back to the industry for application. The process is highly responsive and efficient with a long list of success stories.

Unfortunately, the RACs have not been funded at their authorized level and have remained level-funded for many years. At a time when worldwide capture fisheries are failing to keep up with consumption, the worldwide aquaculture production is expanding logarithmically to meet the incredible demand. The U.S. contribution has actually become insignificant. It is important that the U.S. not continue to fall behind worldwide efforts. Funding the RACs to their authorized levels should assist the U.S. aquaculture industry in reducing the trade balance for imported seafood and expand domestic and international markets for the species native to North America.

Domestic aquaculture has a competitive advantage over imported seafood in that it adheres to our USDA food safety regulations and does not expose the public to seafood of questionable origin.

Aquaculture in rural Alaska is seen as one of the few opportunities to revitalize coastal communities suffering from the loss of timber harvesting and decline in many wild capture fisheries. The jobs produced by aquaculture in rural Alaska are expected to grow from the hundreds to thousands in the next five to ten years as more shellfish mariculture farms become fully developed. Specifically, the Western Regional Aquaculture Center has participated in the development and enhancement of the Molluscan Broodstock Program that has accelerated the growth of the Pacific oyster in Alaska thereby greatly advancing the industry.

Programs such as this demonstrate the importance of partnerships with industry, academia and the government to advance our field.

Again, I encourage you to fund the RACs to their full level.

Sincerely,

Jeff Hetrick

Director

Alaska Shellfish Institute



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Testimony Submitted to

U. S. HOUSE APPROPRIATIONS COMMITTEE  
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD  
AND DRUG ADMINISTRATION, AND RELATED AGENCIES

March 2012

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by

Dean S. (Butch) Wilson, Jr.  
Dean Wilson Farms  
Marion Junction, Alabama

Mr. Chairman and Members of the Subcommittee, I thank you for the opportunity to provide testimony supporting the important work conducted by the USDA-NIFA Regional Aquaculture Centers. I appreciate the support Congress has provided for the Regional Aquaculture Centers in the past and ask you to consider continuing that support by funding the program at the fully authorized level of \$7.5 million for fiscal year 2013.

My name is Butch Wilson and I have been a catfish producer for 25 years. I own 450 acres of catfish production and a tilapia raceway production system located in Dallas County, Alabama. I am also the President of The Catfish Farmers of America which is the trade organization that represents the interests of the U. S. farm-raised catfish industry.

The U.S. farm raised catfish industry is the largest aquaculture sector in the United States and produces safe, healthy food for American consumers. The Southern Regional Aquaculture Center has been in the business of helping the domestic catfish producer for more than 20 years. The SRAC project process responds directly and immediately to the needs of the farmer by involving the producer in the process and providing science-based solutions to critical needs within the industry.

The Regional Aquaculture Centers have been level funded at about half the authorized funding level amount for more than 20 years. Level funding coupled with inflation over that period has greatly diminished the capabilities of the Centers to address problems facing the industry, especially in these extremely critical times. 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.

The SRAC has continued to adapt to the needs of producers over the years from work in the area of catfish pond effluents and advancement of the channel catfish by blue catfish hybrid to ongoing projects today like intensive production systems and economic forecasting. I am particularly interested in the intensive production systems, pond inventories, and economic forecasting and policy analysis models that are being worked on. These types of projects will help producers make better business decisions and be more profitable on the farm while providing the raw materials that keep thousands employed in the catfish industry.

The USDA-NIFA Regional Aquaculture Center program is unique by allowing farmers to participate in identifying research priorities and then it efficiently addresses those problems by using regional, team approach. I respectfully request your sincere consideration to fully fund the Regional Aquaculture Centers, and SRAC in particular, in the FY 2013 budget in order for the industry to remain competitive and efficient.

Thank you for your time and support.



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Testimony Submitted to

U. S. HOUSE APPROPRIATIONS COMMITTEE  
 SUBCOMMITTEE ON AGRICULTURE, RURAL  
 DEVELOPMENT, FOOD  
 AND DRUG ADMINISTRATION, AND RELATED AGENCIES

March 2012

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by

Charles M. Collins, Director  
 Catfish Farmers of Arkansas  
 Mena, Arkansas

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to provide testimony in support of the USDA-NIFA 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. On behalf of the Catfish Farmers of Arkansas, I am requesting that the USDA-NIFA Regional Aquaculture Centers be funded at the fully authorized level of \$7.5 million for FY 2013. Full funding is essential for the Centers to retain the effectiveness they demonstrated over the last 24 years.

Aquaculture in the United States has grown to be of significant importance 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 can have significant and unanticipated effects on the financial health of United States aquaculture businesses. I would like to point out two examples of how the Southern Regional Aquaculture is meeting our needs by conducting research to help address these issues.

All forms of agriculture rely on economics research to provide scientifically sound models that can be used to forecast industry trends, effects of anticipated macroeconomics factors, and impacts of proposed policy initiatives. Until recently, this information was not available in the aquaculture industry. The Southern Regional Aquaculture Center developed a project at farmers' requests to develop economic forecasting models for catfish and trout. This project, "Economic Forecasting and Policy Analysis Models for Catfish and Trout," is the first of its kind and 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 Southern Regional Aquaculture Center project "Using 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 almost the past twenty-one years and this is especially a time when we need to increase our research efforts in aquaculture and not eliminate this important program. The U.S. Farm Raised Catfish Industry is presently faced with severe economic problems and needs assistance to help bring this industry back to profitability. The Regional Aquaculture Center Program can assist in helping solve some of these problems.

Catfish Farmers of Arkansas recommends that the Regional Aquaculture Center Program receive full funding for FY 2013 so that the Centers can continue their valuable work.

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Testimony Submitted to

U. S. HOUSE APPROPRIATIONS COMMITTEE  
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD  
AND DRUG ADMINISTRATION, AND RELATED AGENCIES

March 2012

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by

Mr. Robert L. (Shorty) Jones  
AquaCenter  
Glen Allen, Mississippi

Mr. Chairman and Members of the Subcommittee: I am pleased to support continued funding for the USDA-NIFA Regional Aquaculture Center program. My name is Robert (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 100 million high-quality fingerling catfish annually that are used by catfish farmers in five states. I presently serve as President of the Catfish Farmers of Mississippi and I am on the Board of Directors for the Catfish Farmers of America.

Based upon the high value of the Centers to the domestic aquaculture industry, I am requesting that the USDA-NIFA Regional Aquaculture Centers be funded at the fully authorized level of \$7.5 million for FY 2013.

Catfish farming is the largest aquaculture industry in the United States but the industry is experiencing severe economic hardship. Until very recently catfish farming was the most vigorous, rapid-growing, and vital sector of domestic agriculture, but farm profits have decreased or, in many cases, are absent. We have been 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 non-market economies. Relying on imports for food is an unacceptable position for consumers because of concerns with food quality and safety. This is especially true for imported seafoods, which are not inspected in a formal process like meats and poultry.

Our future therefore rests on the ability of American farmers to recapture produce food more efficiently by making use of technological advances.

The USDA Southern Regional Aquaculture Center (SRAC) has a 24-year history of supporting American fish farmers. The Center is the only science-funding program I am aware of that allows farmers to identify the major problems that need to be addressed by scientists. Because projects are identified and developed at the grass-roots level, the results have practical benefits that are quickly delivered to the farmer. This is an extremely unique and effective way to develop research programs.

One of the most successful projects recently has been the research into ways to make a hybrid catfish by crossing two native North American catfishes—the channel and blue catfish. The hybrid is much more resistant to diseases that commonly plague channel catfish and the fish grows faster, is easier to harvest, and has a higher meat yield than channel catfish. I believe that the greatest hope for a large leap forward in our industry is to fully develop the technology required to produce commercially significant numbers of the hybrid catfish. The Southern Regional Aquaculture 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 600% increase in hybrid catfish production over a 5-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 more than 20 years. Level funding has severely reduced 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 Fy 2013. 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.

**Apela Afoa - apelafoa@gmail.com**  
High Talking Chief and Tilapia Farmer  
Taputimu, American Samoa

February 20, 2012

Testimony to the United States House of Representatives Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Concerning  
**Support for the Regional Aquaculture Center Program**

To the Chairman and Members of the Subcommittee:

This is my testimony in support of the Center for Tropical and Subtropical Aquaculture (CTSA) and the Regional Aquaculture Center programs of the U.S. Department of Agriculture's National Institute of Food and Agriculture. I encourage you to support CTSA and the Regional Aquaculture Center program at the full appropriated funding level of \$7.5M.

I began my aquaponics farm on the American Samoan island of Tutuila with the help of the CTSA Aquaponics project. A member of the project workgroup, Kiara Sakamoto, recently traveled here to construct aquaponics systems in a technology transfer effort. The efficient systems she built were designed specifically for the Pacific Islands by project leader Dr. Harry Ako. During her time in American Samoa, Kiara conducted workshops to teach me and other interested community members how to run the systems. She provided valuable one-on-one instructions on how to feed the fish appropriately and how to test and interpret water chemistry, among other practices.

I am encouraged by the success we have experienced so far from the project, and I look forward to expanding the technology locally in the near future. The produce that is currently sold in our markets is imported from New Zealand, and it often has a very short shelf life. My goal is to expand my farm to about five raceways to provide fresh vegetables to the stores in place of the imported ones.

CTSA's continuing support of projects, such as the one described in this letter, can lead to a brighter future for Pacific Islands like American Samoa.

Sincerely,

Apela Afoa

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**February 23, 2012**

**Testimony to the United States House of Representatives Appropriations Subcommittee on  
Agriculture, Rural Development, Food and Drug Administration, and Related Agencies**

**Concerning: Support for the Regional Aquaculture Center Program**

**To the Chairman and Members of the Subcommittee:**

This letter is in support of the Center for Tropical and Subtropical Aquaculture (CTSA) and the Regional Aquaculture Center programs of the U.S. Department of Agriculture's National Institute of Food and Agriculture. I strongly encourage the members of the committee continue the support of the CTSA and the Regional Aquaculture Center program at the appropriated level of funding of \$7.5 million.

I am the general manager of Hawaiian Shellfish LLC. A project that started three years ago with the support of Dr. Maria Haws and resources provided by the CTSA. Their support was instrumental in the development of this new company and the creation of jobs in our city. I am a strong supporter of CTSA because it provides the scientific and technical resources that small start-up companies like ours need to their creation and development, which in turn help in the creation of more jobs and a diversified economy in our State

I sincerely hope and recommend that this committee continue funding the CTSA because CTSA-sponsored projects have the potential to significantly impact the local economy and food supply

Sincerely,

Roberto Quintana  
General Manager  
Hawaiian Shellfish LLC

**Keith Steele**  
Kahana Farms  
Honoka'a, Hawaii

February 14, 2012

Testimony to the United States House of Representatives Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies on the Regional Aquaculture Center Program.

To the Chairman and Members of the Subcommittee:

Please accept this letter as testimony supporting the Center for Tropical and Subtropical Aquaculture (CTSA) and the Regional Aquaculture Center program of the U.S. Department of Agriculture's National Institute of Food and Agriculture.

I am a tilapia farmer in Honoka'a on the Big Island of Hawaii. I am currently participating in the CTSA project to classify tilapia in Hawaii, led by Dr. Jinzeng Yang. Results of this research are valuable to aquaculture farmers such as myself so we can confirm the DNA of our stocks and identify additional stocks (including feral populations) that are already established here in Hawaii. This project has the potential to greatly benefit the future of tilapia breeding in the state.

Aside from Dr. Yang's project, CTSA has made it a point to reach out directly to local aquaculture farmers to assess both our immediate and long-term needs. I am appreciative of the Center's efforts to understand the challenges we face, and to help us find solutions to those challenges through local research and collaboration.

It is promising to see that the Regional Aquaculture Center is committed to the growth of our local industry, and I urge you to fund the program at the fully appropriated amount of \$7.5 million.

With Aloha,

Keith Steele

**HAWAII FISH COMPANY, Inc.**  
**Ronald P. Weidenbach**  
**Co-Owner/Manager**

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February 23, 2012

Testimony to the United States House of Representatives Appropriations 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 strong support of the U.S. Department of Agriculture's Regional Aquaculture Center program, with specific reference to the Center for Tropical and Subtropical Aquaculture (CTSA). I strongly encourage you to continue to support CTSA and the Regional Aquaculture Center program at the appropriated level of funding of \$7.5 million, or better yet, at a long-deserved increased level of funding of \$10 million.

At present, Hawaii Fish Company, Inc. is the largest tilapia producer in Hawaii, producing live and fresh tilapia for local consumption, competing well against frozen foreign imports. Reaching this point has been more than a thirty-year effort that has not been easy, and our family farm continues to face many financial and technical challenges. Hard work, long hours, determination, keeping up-to-date on relevant research worldwide, and continuous innovation have kept our farm alive, lessons that we try to share with the upcoming generation of new farmers.

Essential to our survival and success has also been the assistance and research results from CTSA-supported projects, such as the current project "Assessing Hawaii's Aquaculture Farm and Industry Performance" led by the world-renowned agricultural economist PingSun Leung, Ph.D. of the University of Hawaii at Manoa, Department of Natural Resources and Environmental Management. This investigation uses farm-level data from the US Census of Agriculture to evaluate the economic performance of various sectors of the Hawaii aquaculture industry, which in turn will help to help direct future production-related research efforts and improve farm performance and profitability.

CTSA is committed to partnering with other regional organizations to help develop a thriving aquaculture industry in Hawaii and the U.S.-affiliated Pacific Islands. Thank you for the opportunity to express my strong support for this valuable and essential program.

Very truly yours,

Ronald P. Weidenbach  
Co-Owner/Manager

Aquatic Resource Management  
Manning, Iowa 51455  
[blankman@iowatelecom.net](mailto:blankman@iowatelecom.net)

February 19, 2012

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**

You are in a position to put the United States at the forefront of the aquaculture industry by continued funding of the USDA Regional Aquaculture Center (RAC) program and I strongly urge you to fund the program at the fully authorized level of \$7.5 million for FY2013. Seafood continues to rank high on our imports list, with a trade deficit nearly 11 billion dollars in 2011, increasing 8.2% since 2009. Numbers like this indicate the importance of seafood in the American diet. With the economy and unemployment levels in some areas of the United States self reliance on aquaculture production seems to be logical. Culturing seafood products in the United States through aquaculture has unlimited potential. Aquaculture continues to grow in the United States, as well as in other parts of the world. This growth, I believe, comes from several different factors including traditional farmers diversifying operations to improve farm incomes; rural communities improving the rural economy by creating jobs utilizing labor, water, and available land; and fish farmers filling voids created by a declining wild harvest. The U.S. and Canadian wild harvest received a damaging blow in 2007 with the discovery of a viral infection in the Great Lakes region called VHS. In 2006, biologists warned that many marine species are overfished and are in danger of catastrophic population crashes. In 2006, an international team of researchers predicted that all the world's major seafood populations will collapse by 2048 if overfishing and habitat destruction continue. Three fourths of all major marine fisheries are reported to be fully exploited, overfished, or severely depleted. Aquaculture accounted for only 46% of the global seafood supply but continues to be the fastest-growing animal food-producing sector in agriculture. Aquaculture production is currently outpacing population growth, with per capita production from aquaculture increasing from .7 kilograms in 1970 to 7.8 kilograms in 2008, an average annual growth rate of 6.6 percent. Fish and seafood contributes more than 140 million metric tons of highly valued food every year and is the primary source of animal protein for ¼ of the world's population. With this type of information, it is clear that the aquaculture industry will need to continue its growth.

As traditional farming operations continue the trend from small family owned operations to large-scale corporate farms, many family farms continue to look at aquaculture as a way to stay viable or diversify their operation. Losing or reducing critical funding will have a devastating effect on the aquaculture and baitfish

## Aquatic Resource Management

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industry, which will then trickle down to the sport fishing and agriculture industry in general. Technology in aquaculture is improving at an amazing rate thanks to the RACs and the projects they fund. With unemployment rates and a federal deficit at an all time highs, it becomes imperative that Congress provide the tools necessary for the United States to become self-sufficient. Supporting RACs provides these tools through multiple sources including research, workshops, educational programs, production manuals, technical bulletins, and extension staffing. Disrupting the funding to these centers would be a major blow to an industry and a country that needs to begin producing on a global scale while reducing imports of products that can be produced within our own borders.

The RACs are the lifeline of the aquaculture industry. It is absolutely crucial to fully fund the RACs at \$7.5 million for aquaculture's continued growth. Show your support to the industry. Provide the RACs full funding so they may continue the work that is vital to the future. This funding is leading to an industry that will compete in the world market and limit our need for foreign imports.

Thank You,

James Blankman  
Aquatic Resource Management



**CALALA'S WATER HAVEN INC.**  
421 STATE RT 60  
NEW LONDON, OH 44851

March 2012

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 in support of funding the USDA Regional Aquaculture Center (RAC) program at the fully authorized level of \$7.5 million for FY2013.

In the time that has lapsed since 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.

Aquaculture is the fastest growing segment of agriculture in the country today. And yet we still have a \$9.5 billion sea food deficit in this country. It is widely reported that the quality of the seafood being imported into this country is far below the standards set for our US producers. It is reported that several state departments of agriculture have tested some of these imports and have found elevated levels of mercury, and PCBs, antibiotics, and carcinogens. It is therefore

necessary that we produce more of the seafood that we consume thus creating jobs and reducing our foreign dependency from these other countries.

To accomplish this we must make the production of aquaculture products more economically feasible. Currently one of the largest costs involved in aquaculture production are the feed costs. The cost of the raw components to make fish feed is continuing to increase. The largest increase is in the cost of fish meal which is primarily wild caught. We must pursue the research necessary to find replacement protein sources for this ever growing demand for fish food. Fish farmers and aquaculture producers do not have the facilities or laboratories necessary to do this kind of research. It is therefore necessary for the universities and land Grant colleges to pursue the studies necessary to implement these renewable protein sources for fish feed. This is where your full funding of the RAC at \$7.5 million is necessary.

I have 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. Eighteen producers volunteer their time (three days!) to go over prospective projects at an annual meeting. But, the work to decide which project would be funded begins a month earlier with an e-mail survey. In that way they can look over the different items and get input from our states' producers to determine the priority of each one. In this way I believe NCRAC is able to get the greatest input on the most important needs in our industry. Coupled with the technical committees of extension and research it makes 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's hard to choose between the different projects; they are all important, but only a few can be picked 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.  
calala@earthlink.net



*Harrison Fisheries, Inc.  
RR2 Box 61  
Hurdland, MO 63547*

*www.harrisonfisheries.com*

March 2012

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 United States aquaculture community. We urge you to please support the fully authorized funding level of \$7.5 million for the USDA Regional Aquaculture Center (RAC) program for FY2013.

Harrison Fisheries Inc. came from a family farm that has been in existence for over 140 years. At the turn of this century, our family farm was vacant of all “traditional livestock.” Up until then, hogs and cattle had always played a vital role in our cash flow. Aquaculture has now replaced all of our other commodities and is seen as a highly viable alternative to our traditional crops. What once were hog confinement buildings, are now aquaculture production units. With this success, we feel growth potential in this segment of agriculture is at an all time record high.

A love of the outdoors, a retiring hobby fish farmer, and perhaps fortunate timing is what launched me into the aquaculture business. In 1990, I started Harrison Fish Farm with a three acre lake and twelve cages. However, in 2011, major transformation took place when a new partnership was formed and we greatly expanded our operation, renaming it Harrison Fishery Inc. We are excited about the future outlook of the aquaculture industry. We have assisted dozens of producers during the past ten years and are expecting additional local expansion.

During 2009 a dream I had became a reality when our indoor recirculating aquaculture system became operational, the first such system in Missouri. With this facility, we are now capable of feed training species of fish that normally do not take pellets. Walleye, smallmouth bass, and largemouth bass are just a few of the gamefish we are planning to produce and market on a national level. We provide numerous species of live fish to ethnic markets in Chicago, St. Louis, and Kansas City as well as providing fish for pond and lake stocking. We feel our marketing opportunities are essentially unlimited and we are unable to keep up with the current demand.

Look around; it is quite easy to find success stories of fish farmers and their related endeavors. We need your continued support now more than ever. With the state of our economy, our farmers desperately need that technical edge required to compete with cheap imports that are subsidized by the parent country. Please demonstrate your support of the aquaculture industry by supporting the RACs at the fully authorized level of \$7.5 million.

Our oceans are being depleted of sustainable levels of aquatic species at an alarming rate. It is our concern that the U.S. Farmer will be unable to be competitive in aquaculture production when fish are being shipped in overseas at or below our production costs. In order to remain competitive, we must be able to utilize technology and information available to lower our input costs. The Internet and computer software have transformed the information highway into an effective marketing and production tool. We need your support to include more farmers and innovative leaders in aquaculture.

We have an opportunity to help our America Farmers by including them in an agricultural sector that shows great potential. Our RAC 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 our aquaculture industry at the grass roots level. We need to inform the farmer as well as the public of the benefits of producing American products for the American public. 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 investments for our American Farmers. We all 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 receiving less due to inflation and rising costs: all these factors dictate that something must be done soon.

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 \$7.5 million. Please be a leader and supporter for our industry. Give us, your American Farmer, a true chance at making a significant transformation. It has made a large impact here in Missouri. I know it can make a huge difference in the entire United States as well.

Thank you,

Curtis Harrison

Harrison Fisheries Inc.

curtis@harrisonfishery.com

Testimony Submitted to  
U.S. House Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration and Related Agencies

March 13, 2012

Concerning

**SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS**

Mr. Chairman and Members of the Subcommittee:

It is an honor to offer testimony in support of funding for the USDA Regional Aquaculture Center (RAC) program. My name is George Nardi and I am the CEO of GreatBay Aquaculture of NH, LLC (GBA) and Director of Hatcheries for Local Ocean, LLC. GBA is a 17 year old commercial marine fish hatchery that supplies multiple species of marine fish to growers across the country and across the world. I am requesting, on behalf of our company, that the USDA Regional Aquaculture Centers be funded at the fully authorized level of \$7.5 million for FY 2012. The RAC program is an effective Federal program, and the administrative talent and resources of the Center would be more efficiently deployed if the RACs were deploying and administering larger grants.

The US currently imports over 85% of the seafood consumed in this country, which adds more than \$10 billion to our national trade deficit. Aquaculture can play a role in replacing some of these imports and the RACs play an important role in fostering the development of this emerging industry. For example, support from NRAC has recently funded a nationwide extension program to learn what fish and shellfish health issues farmers are dealing with so our industry can better understand how to prevent problems, keep stock healthy and improve the bottom line.

While traditional terrestrial agriculture has benefited from significant research and extension support over the years, aquaculture remains underserved. Shellfish farmers are challenged by disease and weather in addition to water quality and user conflict issues. Finfish farmers need to develop breeding programs to stay competitive with global

competition. Current levels of RAC funding do not do the job. Since our industry is dominated by small producers, we are challenged to mount significant marketing campaigns or sustain significant selective breeding programs. We are also ineligible for Federal marketing and research dollars that have been allocated for the larger commodity crops such as chicken, beef or grains. With the eradication of earmarks there are now very few funding opportunities that we can turn to.

The Regional Aquaculture Center program has an authorized annual funding limit of \$7.5 million, however the appropriated level of funding has never exceeded half that level. Once this sum is divided among the five regional Centers, there is dismayingly little to invest in our many research and development priorities. Aquaculture research funding is an investment in growing our domestic food supply with positive results for our seafood trade deficit and our national security. We strongly encourage funding for the Regional Aquaculture Center program at the \$7.5 million appropriated level or higher.

Thank you in advance for your consideration. If you need further information please don't hesitate to contact me.

Sincerely,  
George Nardi  
CEO and Co-Founder  
GreatBay Aquaculture of NH, LLC

Stanley Keasling, CEO, Rural Community Assistance Corporation

Funding for Technitrain program in Rural Utility Service, funding for Community Facilities Technical Assistance

Contact: [skeasling@rcac.org](mailto:skeasling@rcac.org)

Provide funding for the Technitrain Program within RUS at \$7 million for next fiscal year.

Provide funding for a Community Facilities Technical Assistance program within RHS at \$2 million per year.

The Technitrain program plays a vital role in supporting the Rural Utility Service ensuring that small communities continue to provide safe drinking water and quality wastewater services to their residents. During the current fiscal year the National RCAP program will provide assistance to more than 750 communities across the country with slightly less than \$6 million. If the Administration budget request is approved the dramatic cut in funding will mean that 300 fewer needy communities will be assisted, while the backlog of communities needing assistance continues to grow.

The program assists existing borrowers to stay current in their financial obligations to the federal government, works with delinquent borrowers to adopt new rates, and assists communities to become current in their financial reporting—which usually involves a complete review and update of fiscal procedures. The program also works with existing borrowers whose systems are not meeting the needs of the community or are not meeting regulatory standards to finance improvements to their systems to bring them into compliance. The program also provides training to local boards and councils to ensure that they understand their roles and responsibilities in the provision of critical community services.

As a result of ARRA funding in FY 2009 and 2010, RUS has made loan commitments to many new borrowers. Many of these projects have not started construction because the communities cannot meet the requirements of the letters of conditions. Another group of new loan recipients has not closed out their construction projects, and a third group has not set up the proper reporting and financial management to stay in compliance with their new loan. ARRA funding also brought to the attention of RUS the unmet need in rural areas witnessed by the fact that the backlog of applications after all of the ARRA funding was committed was as large as it was before the funding (the RUS currently has a backlog of \$3.2 billion in funding requests).

Technitrain recipients can work with RUS staff to ensure that critically needed projects are able to compete for Rural Water/Sewer loans and grants. Technitrain provides critical support to these communities, but with decreasing funding the program is only meeting a fraction of the need.

The RHS has requested a significant increase in funding for the Community Facilities program. Unlike other Rural Development programs, CF does not have a provision for technical assistance. The organizations typically funded under CF usually do not have the development experience to complete the letter of conditions or to efficiently use the awarded funds if they can meet the conditions. As the regional RCAP staff works with RD to implement the water and waste program, they are routinely asked to assist with one or more CF loans, but the work is excluded from the Technitrain funding. Providing just \$2 million funding for CF technical assistance would go a long way towards making sure that projects which promote the economic vitality of rural communities are completed.

If a CF technical assistance program were funded the program would have the same functions as described above under the Technitrain program. One of the significant outcomes of the program

would be to provide critical review of the various contracts to develop new facilities. RD does not have the resources to ensure that contracts are negotiated to the best advantage of the loan recipient, and very often the recipient does not have that expertise either. Managerial and financial assistance to the loan recipients would also help to ensure the success of the local organizations and their new CF endeavors. Delinquencies and defaults would be averted. With \$2 million over 200 communities each year would receive needed support to move their projects forward.

Thank you for the opportunity to submit testimony.

Brad Bishop

Executive Director

Rural Housing Development Corporation

Testimony before the Appropriations Subcommittee on Agriculture, Rural Development, Food  
and Drug Administration, and Related Agencies

U.S. House of Representatives

March 20, 2012

On behalf of Rural Housing Development Corporation (RHDC), I would like to thank the Subcommittee for the opportunity to submit testimony on Fiscal Year 2013 Appropriations for two of Department of Agriculture (USDA) Rural Housing Programs. I strongly urge this Subcommittee to fund USDA Rural Housing programs at the higher of FY12 levels or the President's FY13 Budget Request: (1) \$900 million for Section 502 Family Direct Homeownership Loans; and (2) \$30 million for Section 523 Self-Help Housing Program.

RHDC is a non-profit affordable housing organization in Utah. Since 1998, RHDC has promoted affordable housing opportunities to low-income families living in Central Utah. Over 300 single family homes have been built through USDA's Mutual Self-Help Housing program using the 502 loan in Central Utah and over 1,000 homes have been built across the state of Utah.

**About the Mutual Self-Help Housing Program**

The Mutual and Self Help housing program takes the rural tradition of barn-raising and puts it to use for families who, after working all day and all week spend their nights and weekends building their own home. It is a model of how low-income families help themselves through sweat equity. Without the opportunity, many of these families would never own their own home. Consider the West family in Utah, a low-income family of 5 (3 children ages 5, 3 and 1), who have lived in 2 room log cabin built in the 1880's. The cabin measures 21' x 26 feet which is very similar to a modes two-car garage. In their own words:

“while we enjoy the “coziness” of our home, it does present some challenges. The cabin is not well insulated. We can feel the wind through the single paned windows and cracks throughout the house. Big rainstorms cause leaks. Other than weather problems, we are not sure which we have the most of living in the walls of our home: bees, spiders or mice. Our home is on a cinderblock basement built into a dike constructed to control the flooding of the river in the 1980's. Because of our close proximity to the river and lake we have had to face additional challenges. This year the ground water is so high it fills the septic tank causing the sewer to back up. The high water flow in the river also caused the water to seep through the cracks in our basement floor. At the highest point we had almost 2” of standing water. Even though the water level has recently dropped, we are left with the challenge of the profuse growth of mold. Every summer we have a mold problem in the basement. However, this year with the flooding, the mold is 100% worse. This makes us concerned for our family's health.

Unfortunately for us, moving is not an option at this time. For these reasons we are telling you our story –not to complain, but to ask you for the much needed financial assistance in purchasing a new healthy home for our family the Mutual Self-Help Program. We cannot better our situation without your help.”

Families like the West family have found refuge in building their own and for that reason take great care in the homes they have a major stake in. Of the 1,000+ homes built in Utah, there is a foreclosure rate of less than one percent. This means that the 502 loans borrowed are paid back with interest and perpetuated for future families.

### **Economic Impact**

The economic impact in Utah has been substantial; it is anticipated that during 2011 and 2012, the self help program would bring Utah’s economy approximately \$58,210,788. The program also creates employment opportunities in rural areas; each year in Utah over 500 jobs are created for subcontracts, suppliers, realtors, and land developers.

The section 502 program provides loans to low and very low income families at a low cost the government, and as mentioned has a very low foreclosure rate. Sixty percent of the families borrowing direct loans from USDA have incomes at or below 60% of the area median income. The proposed budget contends that the 502 guarantee loan program can assist families who are now receiving direct loans. There is ample evidence to the contrary; including an Economic Research Service report indicating that the guarantee loan program is not working well in smaller, more isolated communities. Nor does the guarantee loan product have a track record of serving households with incomes at 60% AMI or less, while the direct loan program does. The proposed change will not provide homeownership opportunities for many of the current work force in rural areas, who struggle to find affordable rental housing that is both safe

and adequate for their family size. The loss of this program will also destabilize rural workers, negatively impacting rural employers.

I would ask that the Subcommittee reconsider the proposed budget and look at ways to reallocate the reduced spending level in a manner that still supports the 502 and 523 programs as indicated above. I appreciate your consideration of this request.



*Making the right food choices, together*

Statement of Helen Phillips, President

School Nutrition Association

Before the

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

House Committee on Appropriations

Tuesday, March 20, 2012

The School Nutrition Association (SNA) strongly supports approval of the \$35 million requested by the Food and Nutrition Service for School Meal Equipment Grants. Many School Food Authorities (SFAs) throughout the nation have a significant need to replace and upgrade their equipment, particularly as we all work to implement the final rule revising school lunch and school breakfast meal standards. Most importantly, new equipment will directly benefit the millions of children that school food service professionals serve each and every school day by enabling SFAs to provide more fruits and vegetables, and enabling SFAs to maintain, expand, and establish school breakfast programs throughout the nation.

Mr. Chairman and Members of the Committee, SNA represents more than 55,000 members who provide high-quality, low-cost meals to students across the country. We appreciate your



continuing support for all school meal programs. These programs are needed more than ever before and we want to work with you to improve the efficiency and integrity of school meals.

Our members are charged with several simultaneous tasks. First, they must provide the best meal possible. Second, they must provide the safest meal possible. Third, they must do so within extremely tight budget limits that often do not leave any resources for replacing and upgrading equipment on a regular basis.

School meals must be nutritious and varied in order to qualify for federal reimbursement, and to maintain student interest. As a result of both the new meal pattern standards and requirements of the Healthy, Hunger-Free Kids Act of 2010, SFAs are required to serve both a greater volume and a wider array of fruits and vegetables. We are prepared to meet that challenge, but many SNA members will need additional refrigeration equipment, storage equipment, and food preparation equipment in order to meet these requirements. Equipment assistance is vitally needed to fully achieve the requirement for nutritious and varied meals.

Food safety is a tremendous responsibility. SNA members take great care to provide safe food for the benefit of each child, and for the integrity of school meal programs. Old equipment that is in need of constant repair or is scheduled to be replaced jeopardizes food safety. Equipment assistance is vitally needed to help ensure the continued provision of safe food.



And while we certainly recognize and respect the financial challenges facing the federal budget, one school food service professional after another is prepared to tell you about the difficult budget situations they face in their states, their school districts, and their individual schools. Many areas that have traditionally been well off financially are facing significant budget difficulties. We see this in our schools every day as more and more students move from paid meals to reduced price meals to free meals as families face economic difficulties. As a consequence, school food service professionals are managing tighter and tighter budgets, and are forced to put off replacing and upgrading equipment more than they should. Equipment assistance is vitally needed to help SFAs deal with little or no local resources for replacing and upgrading equipment.

It is well known that the \$100 million provided by the American Recovery and Reinvestment Act, and the \$25 million provided as part of the FY 2010 Agriculture Appropriations Act made a positive difference for the 6,500 successful applicants. Yet many more SFAs need to upgrade their equipment. There were 25,000 applications submitted for the prior program, with priority having been given to school districts where 50 percent or more students are eligible for free or reduced price meals.

As an example of what this prior funding accomplished, Burlington, Vermont, schools received several ARRA fund grants. Most went into walk-in coolers and one went into a Blodgett oven. The new walk-in coolers have given the Burlington schools the ability to provide more fresh



fruits and vegetables to their students daily. Between the use of salad bars, the Fresh Fruit and Vegetable Program, breakfast, and after-school suppers and snacks they are now providing at least 8+ fruit and vegetable choices daily, to all students K-12. In addition, the increased refrigeration space has improved their food safety and storage capacity as well as reducing energy costs, noise and heat in their kitchens. The addition of the oven, which replaced a 25+ year old electric model, was not only more cost effective, but also reduced cooking times and improved food quality.

The amount requested as part of the FY 2013 FNS budget is projected to assist up to 10,000 schools in 15 to 25 states make similar improvements.

We also would like to respectfully point out that many schools serving fewer than 50% free and reduced price meals need equipment assistance. While SNA understands the desire to prioritize who may be eligible for this assistance, schools serving fewer than 50% free and reduced price meals face the same budgetary problems and equipment needs. The prior program established an assistance scale for SFAs with less than 50% free and reduced price participation. If a school applying had less than 30 % F&R, they would only have been reimbursed for 25 % of the cost of the equipment. This discouraged SFAs from applying at all last time. The situation is further complicated by the Paid Equity requirement included in the Healthy, Hunger-Free Kids Act. This provision requires SFAs with meal prices below the Federal reimbursement rate to increase their prices, even if they are already covering all of their costs. SFAs are relying on paying



**SCHOOL  
NUTRITION  
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students for most of their income, and find that any price increase usually means a drop in participation. This drop in participation makes it even harder for SFAs to derive sufficient revenue to replace equipment absent a full grant. We hope that FNS will have the flexibility to consider additional methods for prioritization of grant applications in addition to just meal participation rates.

We thank you for this opportunity to share our support for the requested \$35 million for School Meal Equipment Grants, and look forward to continue to work with you in the future.

**Statement for House Subcommittee on Agriculture,  
Rural Development, and Related Agencies**

by: Peter Carey, CEO Self-Help Enterprises

Point of Contact: [peterc@selfhelpenterprises.org](mailto:peterc@selfhelpenterprises.org)



**Subject matter of testimony:** funding levels for USDA Rural Development, with emphasis on Section 502 Direct Loans and Section 523 Technical Assistance for Mutual Self-Help Housing

Self-Help Enterprises is a regional nonprofit housing and community development organization serving 8 expansive counties in California's agricultural San Joaquin Valley. Founded in 1965, Self-Help Enterprises has developed nearly 6,000 self-help homes and 1,200 units of multifamily rental housing for farmworkers and other low wage earners. In partnership with local governments, SHE has rehabilitated or replaced 6,000 homes, assisted 1,500 first-time homebuyers, and provided planning and technical assistance to dozens of small, unincorporated communities meeting needs for safe drinking water and wastewater treatment.

The Rural Housing Service's housing programs continue to be the most effective, and in many cases, the only, resources which address the critical housing needs of rural America. Self-Help Enterprises strongly supports an appropriation to maintain USDA's Rural Housing programs at the following levels.

- **Section 502 Family Direct Homeownership Loans: \$900M**
- Section 504 Very-Low Income Rural Housing Repair Loans: \$28M
- Section 504 Very-Low Income Rural Housing Repair Grants: \$29.5M
- Section 514 Farm Labor Housing Program Loans: \$26M
- Section 516 Farm Labor Housing Program Grants: \$9M

- Section 515 Rural Rental Housing Program: \$64.5M
- Section 521 Multi-Family Rental Housing Rental Assistance Program: \$907M
- **Section 523 Self-Help Housing Program: \$30M**
- Section 533 Housing Preservation Grants Program: \$3.6M
- Section 538 Guaranteed Multi-Family Housing Loans: \$150M
- Multi-Family Housing Preservation and Revitalization Program: \$46.9M
- Rural Community Development Initiative: \$13M

### **Section 523 Mutual Self-Help Housing Program**

*"No other program combines the unique features which make the Self-Help program a success. The Section 523 grants provide support to Self-Help sponsors who provide technical assistance, recruiting, training, and supervising to families to earn "sweat equity." This unique construction method also promotes strong communities by building close bonds among future neighbors. (PART review, [www.expectmore.gov](http://www.expectmore.gov))*

Created by the Housing and Community Development Act of 1968, the USDA Rural Development Section 523 Mutual Self-Help Housing Program is one of the best and most successful avenues to sustainable homeownership for low-income rural Americans.

With its roots in the tradition of barn raising, mutual self-help housing gives hardworking rural families the opportunity to work together to achieve the dream of homeownership which individually could not be attained. Mutual self-help housing programs, which still retain a style reminiscent of pioneer barn raisings, provide the organizational structure that allows low-income families to build the homes they so desperately want and need. This includes the capital, training and supervision, coordination, accounting, and myriad of other technical skills necessary to any successful housing development effort.

The concept is straightforward: groups of 6-12 low-income families join together to pool their labor to build each other's homes, in the process building a neighborhood for their community, for their children, and for themselves. The future homeowners commit to completing 65 percent of the work necessary to build the homes. At Self-Help Enterprises, these families pour the concrete, frame the walls, and install electrical wiring, heating ducts, roof framing, as well as all finish, tile, paint, and trim. Reducing the labor cost of the home reduces the total cost of the home, enabling lower-income households to become homeowners and earn equity at the same time.

The economic benefits extend far beyond the individual homeowners. As contractors are hired to turn raw land into subdivisions, local vendors provide building materials and subcontractors complete technical work such as plumbing. Local governments receive building permit fees, and in the long term, property taxes from proud homeowners. Rural communities, often plagued with an abundance of substandard housing, gain an expanding stock of good housing and the stability that comes to a community of homeowners.

In the San Joaquin Valley each year, as many as 120 hardworking families each commit 1,400 hours, 40 hours per week, week after week, through the heat of summer and the cold of winter, sharing the labor necessary to build homes for their neighbors, their children and themselves.

It is popular today to talk about the importance for homebuyers to have "skin in the game" as protection against failed mortgages. Mutual self-help families have more than skin in the game. They have skin, sweat, and occasionally a bit of blood as they invest themselves in the home of their dreams. And does it work? With 47 years of experience behind us, those of us at Self-Help Enterprises say "YES" unequivocally. Self-help homebuilders achieve remarkable

stability. Despite being the lowest income of the Section 502 borrowers, our self-help homebuilders have lower delinquency rates and very low foreclosure rates.

**No other path to homeownership for low-income families has proven to be as successful.**

### **Section 502 Direct Lending Program**

The Section 502 Direct Loan program is an equally important element of self-help housing, affording well-underwritten construction-to-permanent mortgages that finance the home from the start of construction to the final mortgage payment. But the reach of this model mortgage program goes far beyond self-help households.

Since the Housing Act of 1961, the USDA 502 Direct Loan Program has been a cornerstone of homeownership opportunity in rural America, with over 2 million homeowners seizing the opportunity for an affordable mortgage which would enable them to be homeowners in the town where they live and work. For a surprisingly low federal budget cost, the 502 Direct mortgage is a well underwritten, affordable, no gimmicks financing for rural families who want to invest in homes and in their communities.

No other federal home ownership program can match the profile of the families served by the section 502 direct loan program. The average income for families receiving direct loans is \$27,000. By law, 40% of families participating in the program have incomes that do not exceed 50% of the median income. For the past 2 years at Self-Help Enterprises, fully 60% of the borrowers have incomes below 50% of median.

Despite serving families with limited economic means, the section 502 direct loan program is the most cost effective affordable housing program in the federal government. In FY 11, the total per unit cost for a homeownership loan to a low income family was less than \$7,200. There are a number of reasons for this overall low cost to the government. First, a low interest

rate environment reduces the cost of borrowing. Less well known is a longstanding requirement to recapture subsidy when a house financed under section 502 is sold. Essentially a family and the government share in the appreciation on a home, taking into account how long a family has lived in the house. Recapture provides a substantial return to the government.

Although the Section 502 Direct Loan Program lends to families with limited incomes, the program has a record of success not only in creating affordable homeownership opportunity, but also protecting the federal investment. For example, in 2010, USDA Rural Development in California foreclosed on a mere 57 mortgages out of a loan portfolio of nearly 10,000 loans. This is a foreclosure rate of just over 0.5% and stands in stark contrast to what is happening in the conventional market in California.

It has been stated that the Section 502 guarantee program is an alternative for families eligible for direct loans. It is not. The average annual income for families receiving the guarantee is \$48,000. The majority of the loan guarantees go to households with incomes at or above 100% of the median, and only about 5% of families receiving guarantees make between 60-70% of the median. With the inevitable end of the current low interest rate environment, interest rates on 502 Guarantee loans will once again rise, and the number of qualifying low income borrowers will drop, if not disappear altogether.

## **SUMMARY**

USDA's Rural Housing Service and the resources it delivers represent vital resources to the people and the economies of rural American communities so desperate for jobs. As the recession seems finally to be fading in some areas of the country, its grip on rural America is still devastatingly strong. This is no time to reduce the investment so important to the recovery of Rural America.

Statement By:

Claudia Shay, Executive Director

Self-Help Housing Corporation of Hawaii

Point of Contact: selfhelphawaii@gmail.com

Subject Matter of Testimony: Funding for FY 2013 for U.S.D.A.-Rural Development 502 Direct Loans and RD 523 Technical Assistance Mutual Self-Help Housing Program at FY 2012 Levels

The Self-Help Housing Corporation of Hawaii is requesting the same allocations from FY 2012 for the U.S.D.A.-Rural Development 502 Direct Loan Program, and the RD 523 Technical Assistance Mutual Self-Help Housing Program. With the average sales price for a single family house in Hawaii at \$550,000, there would be no affordable housing for homeownership in Hawaii without the U.S.D.A.- Rural Housing Programs. Because of the extreme gap of income levels for low income families in Hawaii and the average housing prices, even the “workforce” of Hawaii cannot afford homeownership without the subsidies offered by these programs. Through the recent development of its 72 lot subdivision in a rural low income neighborhood, SHHCH is able to offer homeownership opportunities to 72 very low and low income families who will build their own houses through the mutual self-help housing program. SHHCH is providing more than 200 jobs with just this self-help housing project with the construction of the infrastructure, materials and equipment from building supply houses, and services from title companies, appraisers, insurance companies, lenders, etc. With the federal funding of these programs acting as a catalyst, SHHCH has been able to leverage another \$11 million in private financing to undertake this development. Additionally, very low and low income

families, who presently live in sub-standard, and severely crowded situations, not only improve their housing situations, but also gain equity; thereby, continuing to improve their lives.

The Self-Help Housing Corporation has built 591 self-help units throughout the State of Hawaii with firemen, policemen, teacher's aides, hospital workers, hotel workers, laborers, and those considered the "workforce" of Hawaii. Currently, in a remote rural area of Maui, SHHC is assisting native Hawaiian low income families to build three and four bedroom houses through the RD 523 and RD 502 Direct Loan Programs. This is the first affordable housing program in Hana in 35 years. Some of these self-help builders have no electricity, nor potable water in their existing houses. Without these Rural Housing Programs, these families, and thousands of rural low income families across the country would continue to live in severely sub-standard conditions, some without electricity and potable water; conditions I saw as a Peace Corps volunteer in third world countries!

In the past three years more than 3,500 low income families in more than 37 states have built their own houses through the RD 523 Technical Assistance Program in tandem with the RD 502 Direct Loan Program. With a cost of approximately \$5,000 to subsidize the program over the entire 33 year amortization period, these programs are less expensive than rental subsidy programs. Through these programs not only does the family improve their living situation, gain equity, and learn invaluable skills in leadership, team work, and building skills, but the community benefits with a broadening of the tax base, an enhancement of property values, and an establishment of stable neighborhoods with well maintained houses. Every 100 homes built in this program results in 324 jobs, \$21.1 million infused in the local economy, and \$2.2

million paid in for tax revenues. These significant housing programs are assisting to rebuild the economy in rural areas.

I urge you, as at the leaders of our country, to consider funding such valuable community development programs at the FY 2012 funding levels.



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Reece Langley, Vice President, Government Affairs, USA Rice Federation

March 19, 2012

Honorable Jack Kingston  
Chairman  
Subcommittee on Agriculture, Rural  
Development, Food and Drug Administration,  
and Related Agencies  
Committee on Appropriations  
United States House of Representatives  
Washington, DC 20515

**RE: USA Rice Federation's Fiscal Year 2013 Agriculture Appropriations Statement**

Dear Chairman Kingston:

This is to convey the rice industry's requests for Fiscal Year (FY) 2013 funding requests and related policy issues for selected programs under the jurisdiction of your subcommittee. 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, Illinois, Kentucky, Louisiana, Mississippi, Missouri, Tennessee, 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. The rice industry annually supports about 128,000 jobs and more than \$34 billion of economic output nationally.

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USA Rice understands the budget constraints the subcommittee faces when developing the FY 2013 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 farm-safety-net support levels provided by this vital legislation through more restrictive payment limitations or other means and encourage the subcommittee and committee to resist such efforts during the appropriations process, especially given that the 2008 Farm Bill will be debated and reauthorized this year, is paid for, and represents a five-year contract with America's producers. USA Rice also strongly opposes reducing the farm-safety net to appropriate funds for other federal programs. We urge that the President's FY 2013 legislative proposals be rejected that would eliminate farm-bill commodity programs, change crop-insurance provisions, and reduce conservation-program funding. We also urge that the Natural Resources Conservation Service technical-assistance user-fee proposal be rejected.

A list of the programs the USA Rice Federation supports for appropriations in FY 2013 are as follows:

**Market Access**

Exports are critical to the U.S. rice industry. About 50 percent of the U.S. crop is exported annually in a highly-competitive world-rice market. Those directly involved in



U.S. rice exports contributed \$6 billion in output and supported more than 14,000 jobs. The Market Access Program (MAP) and Foreign Market Development (FMD) Program play key roles in helping to promote U.S. rice sales overseas. USA Rice Federation industry members spend \$4 in matching funds for each \$1 of FAS funds received. The USA Rice Federation uses MAP and FMD funding in over 20 markets to conduct successful export-market-development initiatives.

The **Foreign Market Development Program** allows USA Rice to focus on importer, foodservice, and other non-retail promotion activities around the world. This program should be fully funded for FY 2013 at the authorized level of \$34.5 million.

The **Market Access Program** (MAP) allows USA Rice to concentrate on consumer promotion and other activities for market expansion around the world. This program should also be fully funded for FY 2013 at the authorized level of \$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 Aid**

Food-aid sales historically account for an important portion of U.S. rice exports. We urge the subcommittee to fund **P.L. 480 Title I**. No Title I funding has been provided since FY 2006. At a minimum, FY 2013 funding should be the same as 2006.



P.L. 480 Title I is our top food-aid priority and we support continued funding in order to meet international demand.

For **P.L. 480 Title II**, we strongly support funding Title II up front at the fully-authorized \$2.5 billion level, which would help to make possible satisfying the 2.5 million MT amount required by statute. We encourage the subcommittee to fund Title II at the higher level to ensure consistent tonnage amounts for the rice industry. We strongly oppose any shifting of Title II funds, which have traditionally been contained within USDA's budget.

We believe all U.S. food-aid funds should continue to be used for food-aid purchases of rice and other commodities from only U.S. origin.

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. For the program's Commodity Credit Corporation funding component, USDA's FY 2013 budget estimate of \$170 million is requested. 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.

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## Research

U.S. agricultural-research needs are great and the challenges are plentiful. USA Rice strongly supports funding for the core-capacity programs at land-grant institutions, USDA's intramural-research activities, and the National Institute of Food and Agriculture and its Agriculture and Food Research Initiative at levels that would continue the commitment to strong agricultural research by and through USDA.

## Farm Service Agency, Risk Management Agency, and Natural Resources Conservation Service

We encourage the subcommittee to provide adequate funding so the agencies can deliver essential programs and services, including for improved computer hardware and software. Our members fear a serious 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 subcommittee receives and have restricted our comments accordingly.

Thank you for your consideration of our recommendations.

Sincerely,

Reece Langley  
 Vice President, Government Affairs  
 USA Rice Federation  
[rlangley@usarice.com](mailto:rlangley@usarice.com)

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**TESTIMONY FOR THE RECORD  
HARLAN L. PALM  
PRESIDENT  
WALNUT COUNCIL  
HOUSE COMMITTEE ON APPROPRIATIONS  
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND  
DRUG ADMINISTRATION AND RELATED AGENCIES  
MARCH 20, 2012**

Mister Chairman, Ranking Member and Members of the subcommittee, thank you for the opportunity to submit testimony for the record. I am writing to share my concerns regarding a recently recognized Thousand Cankers Disease (TCD) that poses an enormous economic and ecological risk to our nation's black walnut resources. Over the past decade, TCD has caused the death of millions of black walnut trees in 9 western states (Arizona, California, Colorado, Idaho, Oregon, New Mexico, Nevada, Utah, and Washington) and recently has been discovered in the native walnut range (Tennessee, Virginia and Pennsylvania). While states are attempting to stop the spread of TCD through surveys and quarantines, greater federal assistance and funding are needed. I request dedicated funding be allocated to the USDA-ARS for leadership in the development of biological insect control techniques of the walnut twig beetle and to the USDA-FS for continued efforts in monitoring for TCD for Fiscal Year 2013.

**Economic Value of Walnut Resources**

The USDA-APHIS has estimated the standing value of walnut timber as being \$539 Billion. This does not include potential loss of:

1. Jobs related to logging, transportation, and domestic milling;
2. Derivatives of the domestic milling industry to make veneer and lumber for furniture, cabinetry, paneling, flooring, and gun stocks;
3. Export market accounts for about 60% of the harvested logs; and

4. Nuts are shelled into nutmeats and the shells are processed for many industrial uses.

### **Economic Impact and Control of TCD**

The negative economic impacts of TCD will be felt by private landowners with immature walnut timber and by home owners with millions of walnut trees in residential areas of the Midwest and Eastern States. It will be any ugly site and very expensive to safely remove all the walnut trees as they succumb to TCD over the next couple of decades if this disease is not contained, suppressed, and locally eradicated. Research efforts to date have been limited to monitoring, ecological studies of the walnut twig beetle, epidemiology of the fungal pathogen, and development of phyto-sanitation treatment of walnut logs harvested in quarantined areas. Insecticide and fungicide application is not feasible or practical as a means of controlling the spread of TCD. Development of biological insect control of the walnut twig beetle is expected to be the most effective and feasible technique in stopping the advancement of TCD through the native range of black walnut.

### **What is TCD?**

TCD is a recently recognized disease in which a tiny walnut twig beetle (*Pityophthorus juglandis*) spreads a fungal organism (*Geosmithia morbida*) that causes cankers under the bark which prevents nutrient flow to the foliage leading to dieback of branches and ultimately death to the tree. While the walnut twig beetle advances only a mile or two per year, humans are the vector that spread TCD great distances within days by hauling walnut slabs with fresh bark attached that harbor the tiny beetles and fungal spores. Such shipments are believed to be the reason TCD moved into the native walnut range from the western states. Movement of firewood, logs, stumps, and burls with fresh bark attached can spread the disease great distances.

**Need for Greater Federal Funding and Specific Directives**

The USDA-APHIS considers both the walnut twig beetle and the fungal pathogen to be indigenous to the USA (historical evidence shows them to reside on a different walnut species in Arizona and New Mexico). Since neither is considered exotic to the USA, APHIS is not productively serving any role in combating TCD.

Federal funding needs to be directed to the USDA-ARS to lead research and development of techniques that will contain, suppress, or potentially locally eradicate the walnut twig beetle. Additional funding needs to be directed to the USDA-FS for continued effort in monitoring and development of phyto-sanitization treatment of walnut logs harvested in quarantined areas.

I thank the committee for this opportunity to provide testimony on this important subject.

**Written Statement of Kelly Worthington,  
Executive Vice President of the Western Telecommunications Alliance**

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

March 20, 2012

**Summary**

The member companies of the Western Telecommunications Alliance (WTA) have a long-standing relationship with the Rural Utilities Service (RUS) and its predecessor the Rural Electrification Administration (REA). REA and RUS have played a vital role in bringing telecommunications services to rural America. WTA wants to make sure this partnership between its members and RUS continues. To this end, WTA supports the President's request of \$690 million for the Telecommunications Loan Program and \$9 million in loan authority for the Broadband Loan Program

**Testimony**

WTA is a trade association whose membership is comprised of approximately 200 rural telecommunications carriers providing high-quality voice, video and data services throughout rural areas in the 24 states west of the Mississippi River. On average, WTA member companies serve fewer than 3,000 access lines with fewer than 500 customers in each exchange. WTA's members serve some of the most rural and hard-to-serve communities in the country and are on the forefront of bringing 21st Century telecommunications services to rural America. WTA's members have had a long and

productive partnership with RUS and its predecessor, the REA. Many of WTA's members owe their existence to the ability to have obtained RUS and REA loans over the many decades of this relationship.

This partnership continues today and is even more important due to the increasing demand for constantly evolving telecommunications services across the country and the lack of other sources of financing. Because of the isolated nature of many rural communities served by WTA members, quality voice communication service and a high-speed broadband connection are a vital link to the rest of the country and the world. Rural areas must not be left behind, and RUS plays a key role in making sure this does not happen by providing low-interest loans to its borrowers who, because of their location and the costs of building rural networks, do not always have access to conventional loans.

For this reason, WTA supports the President's funding request for both the Telecommunications Programs and Broadband Loan Programs administered by RUS. For FY2013, the President has requested \$690 million for the Telecommunications Programs and \$9 million in loan authority for the Broadband Loan Program to support \$94 million in loans. RUS believes these levels will be sufficient to meet this coming fiscal year's demand for loans. WTA strongly supports these requests and urges the Subcommittee to fund the programs at these levels.

WTA understands the budgetary constraints under which the Subcommittee and Congress are operating. Although it is well known, we would like to remind the Subcommittee that

the telecommunications and broadband programs, unlike many other federal programs, are strictly loan programs. For a very small administrative cost, these loans encourage private sector investment many times over and are repaid with interest to the federal government. In addition, strong broadband networks provide much needed rural economic development and jobs. The broadband networks and economies of rural America would suffer long-term harm should either of these programs be cut or eliminated in the desire for short-term budgetary gains.

In conclusion, if policymakers want Americans living in remote, rural, tribal and other hard-to-serve communities to have access to communications services reasonably comparable to those in urban and suburban communities – as is required by the Communications Act of 1934, as amended – then continued Congressional support for these RUS loan programs is essential.

Thank you for allowing me to submit these remarks on behalf of the telecommunications providers of the Western Telecommunications Alliance and the customers they serve throughout rural America.

Hello:

As the Director of Whatcom Skagit Housing in Whatcom and Skagit counties in Washington State, I am writing to urge the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies to continue to support the USDA-RD Mutual Self Help building program.

Our program has been in existence since 1976 and we have assisted hundreds of people in realizing the dream of home ownership through hard work and personal sacrifice. Because they are below 80% of the counties' median incomes, they would not have been able to own a home through conventional means. These families and individuals are required to give 35 hours per week toward building not only their home but the other 7-9 homes in their building group. In most cases, this is in addition to working 40 hours a week at a job and also raising a family. The process takes anywhere from 10 months to 12 months to complete.

This program also has had a very positive economic impact on the communities we serve. In 2010, our office spent \$2,300,000 on such items as building supplies, subcontractors, office expenses, insurances, property taxes, impact fees, wages, and engineering just to mention a few. This does not take into consideration the money the families and individuals spent at local retail stores in preparation for moving into their homes and also to their county and city in tax revenue.

This program is unique among Federally funded housing programs because it balances personal initiative with governmental support. As the family income increases, the interest subsidy paid by USDA-RD is lowered. Also, when the home is sold the family must reimburse all subsidy paid by the government. The self-help process fosters initiative, personal involvement and accountability. Our experience has been that families often see themselves in more positive terms after they have been allowed to play a proactive role in the creation of their housing. They also learn the skills to maintain and improve their home in the future and for some have led to higher paying jobs.

Please continue to support this program. It emphasizes the fact that we acquire things like housing through hard work and not just receive it as a hand out.

Thank you for your consideration.

Sincerely  
Nancy Larsen  
Executive Director  
Whatcom Skagit Housing  
5373 Guide Meridian E105  
Bellingham, WA 98226  
[www.whatcomskagithousing.com](http://www.whatcomskagithousing.com)  
Phone 360-398-0223 / Fax 360-398-0854  
[nancy@whatcomskagithousing.com](mailto:nancy@whatcomskagithousing.com)

Hello,

I am writing to urge continuing support for the USDA-Rd Mutual Self Help building programs from the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

I have been involved with the Mutual Self Help Housing for almost 28 years now. First as a Construction Supervisor, now as a Construction Manager. This is such a unique and common sense Federally funded program. It gives the support when needed, while requiring the money loaned to be paid back with interest. But this can only happen, after many long hard hours of labor from participating families, in all kinds of weather.

During my time with Whatcom-Skagit Housing, I have seen so much growth from the hundreds of participating families, it is hard to describe. On the day of final inspections, (after the better part of a years work), that pride of accomplishment is unbelievable. Even years later the pride of ownership is very evident in the maintenance of the homes and properties. Not to mention the neighborhoods and friendships that have been created. This is a complete hand-up without being a hand-out. All of our participating families are hard working Rural American families that could never qualify for a home loan, without the sweat equity building concept.

The economic impact from the Mutual Self Help housing projects is a major boost for local building suppliers, subcontractors, cities, counties, and many other tax and local retail outlets. During these tough economic times this revenue has been critical. Our organization alone has put millions of dollars to these local businesses and municipalities. There is also a never ending tax base, and retail support from the completed neighborhoods.

I know a lot of tough decisions have to be made pertaining to the federal budgets today. I sincerely hope you will continue support for the "Mutual Self-Help" federal rural housing loan program. The need and the reward of this federal housing program could not be replaced.

Thank-You for your time and considerations.

Sincerely

Larry Soderberg  
Construction Manager  
Whatcom-Skagit Housing  
[larry@whatcomskagithousing.com](mailto:larry@whatcomskagithousing.com)  
[REDACTED]

To: Congressman Jack Kingston  
Chairman, House Appropriations Subcommittee on Agriculture

Dear Mr. Chairman,

I am writing to support the 2012 budget cuts to the WIC FMNP program, and to support further cuts for the 2013 budget.

As a small farmer, my business is directly impacted by the FMNP program. While I am thankful that this program exists for the truly needy, I am often discouraged by the abuses at the farmers' market. Here are just three examples among the many that I witnessed: one woman uses the FMNP checks to buy produce for her pet iguana; more than one couple uses the entire book of checks (\$24) to buy the largest pumpkins at the market for Halloween; a few people hurriedly spent them all, confessing that they didn't need them but were told, by the check issuers, that if they didn't get them the program would suffer cuts the next year.

I am appalled that certain groups are claiming that cutting this budget may cause "destructive impacts on the survival" of some farms. If any farmers are so dependent on taxpayer subsidies that they cannot compete without them, they should find another line of work. Even in our small markets, I see the negative effects of these subsidies when vendors become comfortable with the expected FMNP income, gear their stands toward this group, and put forth little effort to change, improve, and adapt to provide a better product that can compete without subsidies. In low income, low population areas, FMNP favors the vendor that buys in produce from other areas, not the farmer growing it locally.

What will help small farms the most are actions by Congress that will get government out of the way of our prosperity—actions that will reduce gas prices, cut taxes, eliminate stifling regulations, and stop favoring chosen sections of agriculture to the detriment of others. When these things are done, prices will stabilize and consumers at any level of income may be induced to buy local produce.

Respectfully,  
Christine L. Wheeler



From: Ned Porter, Director of National and Regional Policy, Wholesome Wave, on behalf of the undersigned, [ned@wholesomewave.org](mailto:ned@wholesomewave.org)

To: House Subcommittee on Agriculture, Rural Development, FDA and Related Agencies  
Committee on Appropriations, [Ag.approp@mail.house.gov](mailto:Ag.approp@mail.house.gov)

Re: Restoration of funding for WIC Farmers Market Nutrition Program

We, the undersigned, constitute some of the more than 3,600 farmers markets, 2,700 farm stands and 18,000 farmers that participate in the WIC Farmers Market Nutrition Program (WIC FMNP), as well as the numerous organizations that work with them.

The WIC FMNP has long served a critical function by helping family farmers provide fresh, locally grown produce to underserved families through farmers markets. In 2010, the program benefited more than 2.1 million families, provided income of about \$22 million to the participating family farmers.

We are deeply alarmed that the WIC FMNP was cut by an estimated 30 percent in FY 2012, which will threaten access to fresh local produce during the upcoming growing season for WIC eligible clients in 45 States, Territories and Indian Tribal Organizations. By one estimate, 300,000 families will see a loss of benefits. The cuts also pose serious and even destructive impacts on the survival of some small and mid-scale farms as well as the farmers markets operating in low-income and “fresh food desert” communities, where WIC FMNP represents a major source of income for farmers at these markets.

We ask that the FY 2013 appropriation for WIC FMNP be restored to FY 2011 funding level of \$20 million.

Thank you for your consideration,

Wholesome Wave	Bridgeport, CT
Just Food	New York, NY
61st Street Farmers Market	Chicago, IL
Athens Farmers Market, Wholesome Wave Georgia	Athens, GA
Beckett Farms	Glastonbury, CT
Bittersweet Farm/ Canton & Ogdensburg Farmers' Markets	Heuvelton, NY
Bon Secours NY Health System	Bronx, NY
Central Rivers Farmshed	Stevens Point, WI
Citizens' Committee for Children of New York, Inc.	New York, NY
Community Food Advocates	New York, NY
Cowlitz On The Move	Longview, WA
Crossroads Community Food Network	Takoma Park, MD
East New York Farms! and East New York Farmers Market	Brooklyn, NY
EcoPraxis	Seattle, WA
Experimental Station 61st Street Farmers Market	Chicago, IL
Farm Fresh Rhode Island	Pawtucket, RI
Farmers Market Coalition	Charlottesville, VA
Forest Grove Farmers Market & Adelante Mujeres	Forest Grove, OR
Georgia Organics	Atlanta, GA
Glens Falls Farmers Market Association	Glens Falls, NY

Graham Avenue Farmers Market	Brooklyn, NY
Growing Green Mobile Market, Massachusetts Avenue Project	Buffalo, NY
GrowNYC	New York, NY
Hearty Roots Community Farm	Clermont, NY
Jones Valley Urban Farm	Birmingham, AL
Libertyridge Farm, Lebanon Farmer's Market	Lebanon, CT
Long Island Growers Market	Long Island, NY
Mark Winne Associates	Santa Fe, NM
National Sustainable Agriculture Coalition (NSAC)	Washington, DC
National Young Farmers' Coalition	Tivoli, NY
New England Farmers Union	Shelburne Falls, MA
New Entry Sustainable Farming Project	Lowell and Boston, MA
New Jersey Anti-Hunger Coalition	Englewood, NJ
New York Sustainable Agriculture Working Group (NESAWG)	Westfield, NY
North End Farmers Market, A Project of the North End Action Team, Inc.	Middletown, CT
Northeast Organic Farming Association of New York, Inc. (NOFA-NY)	Rochester, NY
Northeast Organic Farming Association of Vermont (NOFA-VT)	Richmond, VT
NYC Farmers Markets	New York, NY
NYC Foodscape	New York, NY
Pacific Coast Farmers Market Association	San Jose, CA

Paying it Forward Project Youth Market Garden	Barron, WI
Pomonok Community Farmers Market, Queens Community House	Flushing, NY
Portland Community Reinvestment Initiatives, Inc.	Portland, OR
Public Health Law & Policy	Oakland, CA
Public Health Solutions	New York, NY
Red Twig Farm	Plymouth, WI
Sacred Heart Community Service	San Jose, CA
SNAP Gardens	New York, NY
Somers Grove	Somersville, CT
St. Edward Food Pantry	Staten Island, NY
Sustainable Food Center	Austin, TX
Suzie's Farm	San Diego, CA
The Farmers' Market at Billings Forge/Billings Forge Community Works	Hartford, CT
The University Hospital Auxiliary Farmers Market	Newark, NJ
Thompson Street Farm LLC	South Glastonbury, CT
Trinity Farm	Clintondale, New York
Urban Oasis	Brooklyn, NY
Urban Oasis Project, Upper Eastside Farmers Market, Brownsville Farmers Market	Miami, FL
Wellness in the Schools	New York, NY
West Side Campaign Against Hunger	New York, NY

Westhampton Beach Farmers Market	Southampton, NY
Whittle's Willow Spring Farm	Mystic, CT
WhyHunger	New York, NY
Young Bread Works	Keene, NH
Youth L.E.A.D.	Miami, FL



## THE WILDLIFE SOCIETY

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20 March 2012

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Submitted to: House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies  
 2362-A Rayburn House Office Building  
 Washington, DC 20515

**The Wildlife Society appreciates the opportunity to submit testimony concerning the FY 2013 budgets for the Animal and Plant Health Inspection Service, National Institute of Food and Agriculture, Natural Resources Conservation Service, and Farm Service Agency.** The Wildlife Society represents over 11,000 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**

**Wildlife Services**, a unit of APHIS, is responsible for controlling wildlife damage to agriculture, aquaculture, forest, range, and other natural resources, monitoring wildlife-borne diseases, and managing wildlife at airports. Its activities are based on the principles of wildlife management and integrated damage management, and are carried out cooperatively with state fish and wildlife agencies. The President's request is a \$7 million decrease from FY 2012 and a \$10 million decrease from FY 2011. In recognition of the important work that Wildlife Services performs regarding methods development and wildlife damage management, **we request that Congress appropriate \$94 million to Wildlife Services in FY 2013.**

A key budget line in Wildlife Service's operations is **Methods Development**, which funds the National Wildlife Research Center (NWRC). Much of the newest research critical to state wildlife agencies is being performed at NWRC. In order for state wildlife management programs

to be the most up-to-date, the work of the NWRC must continue. **We recommend funding Methods Development at \$18 million in FY 2013.**

### **National Institute of Food and Agriculture**

**The Renewable Resources Extension Act (RREA)** provides an expanded, comprehensive extension program for forest and rangeland renewable resources. 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 than ever because of continuing fragmentation of land ownership, urbanization, diversity of landowners needing assistance, and increasing societal concerns about land use and increasing human impacts on natural resources. **The Wildlife Society recommends that the Renewable Resources Extension Act be funded at \$10 million.**

**The McIntire-Stennis Cooperative Forestry Program** is essential to the future of resource management on non-industrial private forestlands while conserving natural resources, including fish and wildlife. As the demand for forest products grows, privately held forests will be increasingly needed to supplement supplies obtained from national forest lands. However, commercial trees take many decades to produce. In the absence of long-term research, such as that provided through McIntire-Stennis, the nation might not be able to meet future forest-product needs as resources are harvested. **We appreciate the \$33 million in funding allocated in the FY 2012 appropriations process and urge that amount to be continued in FY 2013.**

### **Natural Resources Conservation Service**

Farm Bill conservation programs are more important than ever, given the huge backlog of qualified applicants, increased pressure on farmland from biofuels development, urban sprawl, and the concurrent declines in wildlife habitat and water quality. The Natural Resources Conservation Service (NRCS), which administers many Farm Bill conservation programs, is one of the primary federal agencies ensuring our public and private lands are made resilient to climate change. NRCS does this through a variety of programs that are aimed at conserving land, protecting water resources, and mitigating effects of climate change.

One key program within the overall NRCS discretionary budget is Conservation Operations. The total FY 2013 request for Conservation Operations is \$828 million, level with FY 2012 but down from \$871 million in FY 2011. Conservation Operation's Technical Assistance (TA) sub-activity provides funding for NRCS to support implementation of the various Farm Bill programs. The FY 2013 budget recommends level funding for TA, which is a decrease of \$26 million from the FY 2011 level of \$755 million. **The Wildlife Society encourages you to return funding for TA to the FY 2011 level of \$755 million.**

Overall, The Wildlife Society believes more attention to TA delivery is needed. Changes in the 2008 Farm Bill greatly increased the number of conservation programs NRCS was required to support through delivery of TA. In addition, Congress expanded TA eligible activities in the 2008 Farm Bill to include conservation planning, education and outreach, assistance with design and implementation of conservation practices, and related TA services that accelerate

conservation program delivery. TA will require funding levels from OMB that are more than what was historically allocated if NRCS is to fulfill Congressional intent as expressed in the 2008 Farm Bill. Recently, Congress allowed the use of mandatory funds for TA and, under current economic conditions, The Wildlife Society believes that such funds must continue to be utilized for effective delivery to occur. **The Wildlife Society urges Congress to authorize up to 30% of each mandatory program's funding for Technical Service Provider provisions as mandated by the 2008 Farm Bill and additional technical assistance to provide resources necessary to help meet NRCS TA shortfalls.** Similarly, we strongly encourage Congress to explore new ways of funding technical assistance in FY 2013 and beyond.

**The Wildlife Society also supports the continuation of funding for the Conservation Effects Assessment Project.** Information gathered from this effort will greatly assist in monitoring accomplishments and identifying ways to further enhance effectiveness of NRCS programs.

**The Wildlife Society recommends Farm Bill conservation programs be funded at levels mandated in the 2008 Farm Bill.** Demand for these programs continues to grow during this difficult economic climate at a time when greater assistance is needed to address natural resource challenges and conservation goals, including climate change, soil quality deficiencies, declining pollinator health, disease and invasive species, water quality and quantity issues, and degraded, fragmented and lost habitat for fish and wildlife.

We would like to specifically highlight the **Wildlife Habitat Incentive Program (WHIP)**, a voluntary program for landowners who want to improve wildlife habitat on agricultural, non-industrial, and Indian land. WHIP plays an important role in protecting and restoring America's environment, and is doubly important because it actively engages public participation in conservation. **We appreciate the proposed increase in WHIP funding, to \$73 million in FY 2013 from \$50 million in FY 2012, but would urge Congress to fully fund WHIP at \$85 million.**

**The Voluntary Public Access and Habitat Incentives Program** was first authorized in the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) for \$50 million for FY 2008-2012, and was administered by the Farm Service Agency. This funding has expired, and the FY 2013 budget includes \$5 million for the program within the NRCS budget. **The Wildlife Society commends the Administration for continuing to fund this program in FY 2013.** These funds will assist State and Tribal governments with needed resources to provide the public with additional outdoor opportunities. In addition, increased public access opportunities will help create jobs and stimulate rural economies. Continuity of program funding is critical to these programs that rely on landowner interest across multiple years.

### **Farm Service Administration**

The Administration's request would increase funding for the **Conservation Reserve Program (CRP)** to \$2.2 billion in FY 2013, up from \$2.07 billion in FY 2012. This increase assumes a CRP enrollment of 6 million acres in 2012. The Wildlife Society applauds FSA efforts to have a 6 million acre general sign-up in 2012, and to more fully utilize CRP enrollment authority to address conservation needs. Lands enrolled in CRP are important for the conservation of soil on

some of the Nation's most erodible cropland. These lands also contribute to water quantity and quality, provide habitat for wildlife that reside on agricultural landscapes, sequester carbon, and provide a strategic forage reserve that can be tapped as a periodic compatible use in times when other livestock forage is limited due to drought or other natural disasters. We strongly encourage Congress to fund CRP at a level that fully utilizes program enrollment authority through CRP general sign-up. **We are pleased with and support the general sign-up and target enrollment of 6 million acres FSA included in the FY 2012 budget. However, we are concerned about the proposed reduction in the acreage cap from 32 million to 30 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. Please feel free to contact Laura Bies, Director of Government Affairs, at [laura@wildlife.org](mailto:laura@wildlife.org) or at (301) 897-9770 x 308 if you need further information or have any questions.

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