

**Statement by
Thomas J. Vilsack
Secretary of Agriculture
Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
Committee on Appropriations, U.S. House of Representatives
February 11, 2016**

Mr. Chairman and distinguished members of this Subcommittee, I appreciate the opportunity to appear before you to discuss the Administration's priorities for the Department of Agriculture (USDA) and provide you an overview of the President's 2017 budget proposals for the Department. Joining me today are Robert Johansson, USDA's Chief Economist, and Michael Young, USDA's Budget Officer.

For more than seven years, I have had the honor and privilege of serving as Secretary of Agriculture. I've traveled to all 50 states and heard from farmers, ranchers and Americans far and wide, from all walks of life about the impact that USDA's staff, programs and services have on their lives. I could not be more proud of the work the men and women of USDA do each and every day.

Seven years ago I first appeared before this Subcommittee to present this Administration's first budget request for USDA. I made a commitment to make sure that USDA's programs provide a high level of service to advance rural economic opportunity, improve family farm profitability, ensure the safety of our food, expand export opportunities, strengthen local food systems, protect our natural resources, address civil rights and combat hunger and malnutrition.

Seven years later, I can say that the men and women of USDA have made significant advancement in achieving our goals and they have done it with essentially the same discretionary funding level in FY 2015 as in FY 2009, and with 9,444 fewer total staff years in 2015 than in 2009. Critical to our success was the Blueprint for Stronger Service that allowed us to reduce spending, streamline operations and cut costs. Through the Blueprint for Stronger Services we completed a thorough review of the Department's administrative functions so that we could build a more efficient and effective workplace. Our savings and cost avoidance results for the American taxpayer have totaled over \$1.4 billion since 2010. Through these results and the institutional changes resulting from the Department's focus on process improvement, shared

services, and strategic sourcing, the impacts of the Blueprint will continue to grow into the future.

Before getting to our FY 2017 budget request, I want to highlight some of the great work that we have done to expand opportunities in rural America since FY 2009. In FY 2015, American agricultural producers achieved \$139.7 billion in exports, the third highest year on record. Agricultural exports climbed more than 45 percent in value, totaling \$1 trillion, between 2009 and 2016, the best seven year stretch in history. In addition, agricultural exports have increased in volume, demonstrating an increasing global appetite for American-grown products. Between 2009 and 2015, U.S. companies participating in USDA-endorsed trade shows reported total on-site sales of more than \$1.7 billion and more than \$8.7 billion in 12-month projected sales. An independent study found that U.S. agricultural exports increase \$35 for every market development dollar expended by government and industry.

USDA has worked to open new markets worldwide for farm and ranch products. Trade agreements, like those with Panama, Colombia and South Korea, create opportunities for trade growth. U.S. agricultural exports to these three countries grew by nearly 28 percent, from \$7.6 billion in FY 2012, when the trade agreements were first going into effect, to \$9.7 billion in FY 2015, supporting approximately 73,000 American jobs in 2015. USDA assisted with the recently concluded negotiations on the Trans-Pacific Partnership (TPP). When implemented, the TPP agreement, with 11 Pacific Rim countries representing nearly 40 percent of global GDP, will provide new market access for America's farmers and ranchers by lowering tariffs and eliminating other barriers. Rural America needs the good deal laid out in the TPP agreement. We are committed to working closely with Congress to obtain support for this historic deal so that our businesses can sell more rural-grown and rural-made goods around the world, and we can help more American workers compete and win. Rural exports support farm income, which translates into more economic activity in rural areas. It is estimated that for each dollar of agricultural exports another \$1.27 in business activity is stimulated.

Access to credit is critical to the sustainability of small and beginning farmers. To make agriculture a reality for new and beginning farmers and ranchers, we have provided about 237,000 direct and guaranteed farm ownership and operating loans totaling \$33.3 billion, 85 percent of which have been made to beginning farmers and ranchers and socially disadvantaged producers.

New and beginning farmers and ranchers are a fundamental part of the agricultural marketplace and are needed to carry-on America's strong legacy of agriculture productivity. However, according to the 2012 Census of Agriculture, their numbers are continuing a 30 year downward trend. To reverse this trend, we need to equip the next generation of farmers and ranchers with the tools they need to succeed. Under the leadership of Deputy Secretary Krysta Harden, USDA has increased access to our programs by collaborating with partners and improving customer service to increase opportunities for all sizes, segments, and types of farmers and ranchers to break down the barriers they face during the first ten years of business. For example, USDA initiated a microloan program that has provided more than 16,800 low-interest operating loans, totaling over \$373 million to producers across the country, and has recently expanded this to include farm ownership loans. We have also developed an innovative web tool and conducted other outreach activities, to help support key groups, like veterans, women, the socially disadvantaged, as well as facilitate intergenerational transfer of farms and ranches. To ensure the success and sustainability of beginning farmers and ranchers, USDA has created an agency priority goal that will publically share USDA performance goals and progress in support of new and beginning farmers.

We recognized that a spark was needed to transform rural America from a primarily agri-based economy to one that makes, creates and innovates. That is why we focused our efforts on taking advantage of the emerging bioeconomy, including biomanufacturing and advanced biofuels, local and regional food systems, broadband, and telemedicine. Our efforts not only supported the most productive agricultural sector in the world, but also assisted rural communities to be places where all businesses, farm and non-farm alike, have prospered and created jobs. We also saw the need to provide increased opportunities to allow everyone to share in the prosperity of the growing economy. So we targeted our efforts to the poorest communities, invested in new and beginning farmers, and supported our veterans, which have increased opportunities for hard working Americans. Our efforts are bearing fruit. Over the last 5 years unemployment rates in rural areas have fallen considerably and fairly consistently in rural areas, with unemployment rates falling by a full percentage point or more in each of the last 2 calendar years. These efforts have contributed to the employment gains in rural America that have happened since 2009 and have led to increased economic activities in high poverty communities.

We have also recognized rural opportunities beyond agriculture by making historic

investments in rural communities, making them more attractive to non-farm businesses and talented hard-working individuals looking to get ahead. USDA has sought to revitalize rural areas and diversify our nation's agriculture by making significant investments in rural infrastructure. Since 2009, we invested a total of \$13.3 billion in new or improved infrastructure in rural areas through 10,623 water projects. These improvements helped nearly 18 million rural residents gain access to clean drinking water and better waste water disposal. Modernized electric service was delivered to more than 5.5 million subscribers and over 180,000 miles of electric lines were funded. We helped nearly 103,000 rural small businesses grow, creating or saving nearly 450,000 jobs between FY's 2009 and 2015. Since 2009, USDA assisted more than 1.1 million rural families to buy or refinance a home, helping 141,000 rural Americans become homeowners in fiscal year (FY) 2015 alone.

USDA continues to lead the way for renewable energy by supporting the infrastructure needed to grow the new energy economy. Since 2009, RD has supported over 15,000 renewable energy projects to help producers and rural businesses save energy and increase their profitability and increase the production of renewable fuels. The Department has helped thousands of rural small businesses, farmers and ranchers improve their bottom lines by installing renewable energy systems and energy efficiency solutions, which will generate and save more than 9.4 billion kWh- enough energy to power 820,000 American homes annually. Under expanded authority provided by the 2014 Farm Bill, we are working to expand the number of commercial biorefineries in operation that produce advanced biofuels from non-food sources through the Biorefinery Assistance Program. This focus on renewable energy has resulted in support for the construction of 6 advanced biofuels production facilities, over 2,200 wind and solar renewable electricity generation facilities, and 93 anaerobic digesters to help farm operations capture methane to produce electricity.

In addition, we made available \$100 million in grants under Biofuel Infrastructure Partnership (BIP) to nearly double the number of fueling pumps nationwide that supply renewable fuels to American motorists, such as E15 and E85. Twenty one states are participating in the BIP, with matching funds from state and private partners, providing \$210 million to strengthen the rural economy. We also took new steps to support biobased product manufacturing that promises to create new jobs across rural America—including adding new categories of qualified biobased products for Federal procurement and establishing reporting by

Federal contractors of biobased product purchases. We released a study of the bioeconomy last year and found the biobased products industry generates \$369 billion and 4 million jobs each year for our economy. The expanding bioeconomy means more choices for customers and new jobs for rural America. Shifting just 20 percent of the current plastics produced into bioplastics could create an increase of 104,000 jobs.

USDA's place-based efforts are making sure that the programs that help alleviate the impact of poverty are available and accessible even in the poorest and persistently poor areas. In 2016, we expanded the StrikeForce Initiative to four additional states to include a total of 970 counties, parishes, boroughs, and census areas in 25 states and Puerto Rico. We know that place-based efforts work and we have seen StrikeForce bring economic opportunity directly to rural Americans where they live and help rural communities leverage their assets. In 2015, in StrikeForce target areas, USDA partnered with more than 1,000 organizations to support 56,600 investments that directed more than \$7.5 billion to create jobs, build homes, feed kids, assist farmers and conserve natural resources in some of the nation's most economically challenged areas. Since the initiative was launched in 2010, USDA has invested more than \$23 billion in high-poverty areas, providing a pathway to success and expanding the middle class.

Since 2009, USDA has directly supported nearly 10,000 farms and ranches, food entrepreneurs and communities through local food-related projects. In addition, between 2009 and 2014, USDA invested more than \$800 million in more than 29,100 local and regional food infrastructure projects. As a result, the market for local food has grown to at least \$12 billion in 2014 from \$5 billion in 2008. Given the current growth of local foods, some industry sources estimate that the market's value could hit \$20 billion by 2019. In addition, USDA has made expanding SNAP recipients' access to fresh fruits and vegetables through farmers markets a priority in recent years. In 2008, about 750 farmers markets and direct marketing farmers accepted SNAP. In 2015, almost 6,500 participated in markets accepting SNAP.

Research provides the foundation for developing innovative practices needed to feed the growing global population, while protecting and conserving our natural resources. USDA's in-house research and our work with land-grant universities have delivered science-based knowledge and practical information to farmers, ranchers and forest landowners to support decision-making, innovation and economic opportunity. Between FY 2009 through FY 2015, USDA filed 883 patent applications with the U.S. Patent and Trademark Office and was issued

429 patents. In FY 2015, USDA held 421 income-bearing licenses. It also had 301 cooperative research and development agreements, of which 106 involved small businesses.

USDA has facilitated the adoption of new technologies by streamlining the process for making determinations on petitions involving biotechnology. These improvements provided more rapid and predictable availability of biotechnology products to farmers, ultimately providing technologies to growers sooner and more choices to consumers. In FY 2015 alone, USDA reviews found safe genetically enhanced varieties of potato, corn, soybean, cotton, and alfalfa. USDA estimates that the cumulative number of actions taken to deregulate biotechnology products based on a scientific determination that they do not pose a plant pest risk will increase from a cumulative total of 82 actions in FY 2009 to an estimated cumulative total of 126 actions in 2017.

Since 2009, USDA has worked to safeguard America's food supply, prevent foodborne illnesses and improve consumers' knowledge about the food they eat. For example, USDA adopted a zero tolerance policy for raw beef products containing six strains of shiga-toxin producing *E. coli*, giving products that test positive for any of these strains the same illegal and unsafe status USDA has long given products testing positive for *E. coli* O157:H7. Additionally, USDA set tougher standards for *Salmonella* and new standards for *Campylobacter* on poultry carcasses, and developed the first ever *Salmonella* and *Campylobacter* standards for chicken parts, which are more commonly purchased than whole carcasses. Together, USDA estimates these new standards will reduce illnesses by about 75,000 annually, and help the agency meet Healthy People 2020 goals. The total number of illnesses attributed to USDA-regulated products fell nearly 11 percent from 2009 to 2015, which equates to more than 46,000 avoided illnesses on an annual basis.

The Administration continues its strong support for the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and other critical programs that reduce hunger and help families meet their nutritional needs. SNAP kept at least 4.7 million people, including nearly 2.1 million children, out of poverty in 2014. Hunger does not take a vacation so we expanded the Summer EBT for Children demonstration pilots, in tandem with the Summer Food Service Program. Summer meal participation has increased by almost 16 percent since 2009. In total, summer meals sites have served over 1.2 billion meals to low-income children since 2009. During the school year, over

97 percent of schools are successfully meeting nutrition standards by serving meals with more whole grains, fruits, vegetables, lean protein and low-fat dairy, and less sodium and fat. I am pleased the Senate Agriculture Committee passed a bill that ensures progress will continue improving our children's diets and urge Congress to reauthorize these programs for our young people without delay.

America's farmers, ranchers and landowners have led the way in recent years to conserve and protect our soil, water and wildlife habitat. With the help of Farm Bill programs, USDA partnered with a record number of producers since 2009 to create not only a cleaner, safer environment, but to create new economic opportunities. We have enrolled a record number of private working lands in conservation programs and implemented new strategies - such as landscape-scale efforts - to restore our forests and clean our water supply. In fiscal year 2015, one such landscape-scale effort provided a noteworthy achievement in that 90 percent of the greater sage-grouse's breeding habitat in the western United States is protected as a result of our Working Land for Wildlife efforts and the work of our many partners. Due to this achievement, the U.S. Fish and Wildlife Service has determined this species does not warrant protection under the Endangered Species Act (ESA). In addition to wildlife benefits, conservation practices have reduced the amount of nitrogen leaving fields by about 26 percent, phosphorus by 46 percent, and the estimated amount of eroded soil by 60 percent over the past seven years. Through Regional Conservation Partnership Program (RCPP), we leveraged \$800 million to support 115 high-impact conservation projects across the nation that will improve the nation's water quality, support wildlife habitat and enhance the environment. We have also offered producers multiple new opportunities to utilize the Conservation Reserve Program to retire marginal agricultural lands, restore grasslands and forests, and protect valuable wildlife habitat. But just as important as protecting our natural resources, we have increased economic opportunities for rural America by boosting outdoor recreation, which adds more than \$640 billion in consumer spending each year.

To build on these accomplishments, we need to do more to transform rural America and increase opportunities for families. To do this, the 2017 budget will continue to expand opportunity for America's agricultural producers, rural communities, and the most vulnerable populations. Critical investments are made to strengthen rural communities, expand agricultural trade, provide more opportunities for hard working American families, modernize key

infrastructure, and build resilience in the face of a changing climate.

USDA's total budget for 2017 we are proposing before this Subcommittee is \$146.7 billion, of which approximately \$127 billion is mandatory funding. The majority of these funds support crop insurance, nutrition assistance programs, farm commodity and trade programs and a number of conservation programs. The budget includes mandatory funds to fully support estimated participation levels for the Supplemental Nutrition Assistance Program (SNAP) and Child Nutrition programs. For discretionary programs of interest to this Subcommittee, our budget proposes \$19.7 billion, approximately \$309 million below the 2016 enacted level. That level fully funds expected participation in the WIC. It includes the funding needed to meet our responsibility for providing inspection services to the Nation's meat and poultry establishments.

The budget also includes \$1.4 billion to renew approximately 271,000 rental assistance agreements. This funding is critical to ensure housing stability for elderly and disabled tenants without the means to otherwise obtain safe, affordable housing. I appreciate the Subcommittee's assistance in ensuring we have the resources and flexibility in FY 2016 needed to address challenges facing the Rental Assistance Program. It also funds single family housing at the 2016 enacted level, providing over 166,000 homeownership opportunities.

The 2017 budget provides a strong farm safety net and makes investments to meet challenges of a competitive global market, changing climate, and making agriculture a reality for new and beginning farmers. The budget proposes a loan level of about \$6.1 billion for direct and guaranteed farm ownership and operating loans, 85 percent of which will be made to beginning farmers and ranchers and socially disadvantaged producers. The budget also includes about \$X million to help new and beginning farmers and ranchers overcome the barriers they face when entering agriculture. The Farm Service Agency will offer mentorship opportunities, support landowners who wish to sell or rent their land to beginning farmers and ranchers, increase local outreach and educational efforts, support agricultural youth organizations, provide loan fee waivers for veterans, and target additional farm loan funding to veteran farmers and ranchers. The budget doubles the funding for the Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Grant Program for a total of \$20 million. Funding will be used to assist these groups in owning and operating farms and ranches, while increasing their participation in agricultural programs and services provided by USDA. The 2017 budget also includes a \$5 million increase for the Sustainable Agriculture Research and Education Program

to help beginning farmers and ranchers adopt sustainable agricultural practices.

The rural economy will be even stronger because of the investments in rural infrastructure made by USDA. We will make over \$1 billion in investments in rural businesses estimated to provide over 55,000 jobs in rural areas. We will facilitate the growth of the bioeconomy with a \$25 million increase in competitive research funding to support development of biobased energy sources. In addition, the budget includes \$91 million in discretionary funding and \$359 million in mandatory funding for a total of \$450 million for REAP to assist agricultural producers and rural small businesses to take advantage of renewable energy. We also propose \$6.5 billion in loans to rural electric cooperatives and utilities that will support the transition to clean-energy generation and increased energy efficiency. Funding for broadband grants is more than tripled to assist in bringing critically needed broadband service to more rural communities. In addition, the Budget includes a total of \$35 million for Distance Learning and Telemedicine grants to support improved medical services in rural areas which may help to partially address the particular challenges tied to rural America's opioid abuse epidemic. Over \$2.2 billion is targeted to community facilities, which will expand educational opportunities for students, facilitate delivery of affordable health care, and ensure the availability of reliable emergency services. Through a pilot called Rural Corps, USDA will work in partnership with local organizations to deploy highly trained staff and increase the likelihood that investments in infrastructure and economic development are strategic, creating jobs and long-term economic benefits.

Additional resources are proposed to address the acute and long-term needs of socially disadvantaged populations, including \$20 million for a new competitive grant Home Visits for Remote Areas Program (HVRAP) that will provide support for high-need maternal, child, and family health in remote rural areas and Indian country. It should be noted that such populations are more likely to experience poverty in rural areas where over 18 percent of the total population and over 25 percent of children live in poverty. We are also proposing \$25 million to support a Rural Child Poverty demonstration project to implement multi-generational strategies to address the issue that 85 percent of persistent poverty counties in the country are found in rural areas. We also recognize the unique ability of minority-serving institutions to address needs faced by socially disadvantaged populations. The budget also includes funding to support three 1890 centers that will: (1) benefit small farms, ranches and forest landowners in high poverty areas;

(2) support the science, technology, engineering, agriculture, and mathematics pipeline of students and address the growing need for talented career candidates to meet future workforce needs; and, (3) address the Nation's need in the areas of international engagement and global food security and increase international cooperation, trade and development. Further, we propose an increase of about \$7 million to enhance research, education, and extension efforts in tribal areas through long-term capacity building at 1994 Institutions and expansion of the Federally Recognized Tribes Extension Program (FRTEP). This will lead to increased professional training opportunities, a 25 percent increase in the number of Indian students working on summer internships, and a doubling of the number of FRTEP staff engaged in 4-H activities to 72.

Access to nutritious food is essential to the well-being and productivity of all Americans. Of note, the budget provides an increase of \$3 million in discretionary funding to continue the successful Summer Electronic Benefit Transfer for Children (SEBTC) demonstration pilots. Beyond the expansion of the pilots, the 2017 Budget proposes to make the program permanent and begin phased-in nationwide expansion. Evaluations of SEBTC show impressive results—providing \$30 to \$60 of benefits per child per month eliminated very low food security in children for about one-third of the children who would have otherwise experienced it. Under our proposal, we would invest \$12.2 billion in mandatory funding over 10 years to expand SEBTC and improve food security and nutrition for low-income children. The proposal would reach almost one million low-income children beginning in the summer of 2017, increasing to nearly 20 million children after 10 years.

The budget includes an increase of \$30 million to strengthen animal disease preparedness and response capabilities funding needed to stem the impacts of significant pests and diseases. Minimizing such impacts allows for an abundant food supply as well as provides trade opportunities for our producers. Over the last few years, USDA has addressed some of the worst animal disease outbreaks in recent history with the emergence of novel swine enteric coronavirus disease in the swine industry and the highly pathogenic avian influenza outbreak last year that infected 232 flocks and resulted in the depopulation of approximately 50 million birds.

Food for Progress and the McGovern-Dole International Food for Education and Child Nutrition Program will continue to provide benefits to millions of people overseas. These programs have helped to engage recipient countries not only by delivering food assistance, but also by fostering stronger internal production capacity and infrastructure, generating

employment, boosting revenue, and developing new markets and productive economic partnerships. The budget provides \$20 million, \$5 million through the McGovern-Dole program, to support the local and regional procurement of food aid commodities for distribution overseas to complement existing food aid programs and to fill in nutritional gaps for targeted populations or food availability gaps caused by unexpected emergencies.

The budget recognizes that there is a direct correlation between the capacity of this country to continue to sustainably meet a growing demand for food, feed and fiber and the amount of resources that we put into agricultural research. Long-term agricultural productivity growth relies on innovation through research funded by both public and private sectors. Analysis by the Economic Research Service shows that long-term agricultural productivity is fueled by innovations in animal/crop genetics, chemicals, equipment, and farm organization that result from public and private research and development. . The 2017 budget includes \$700 million for competitive grants through the Agriculture and Food Research Initiative (AFRI), including \$325 million in mandatory funding that would bring the program up to its authorized level. This significant investment is needed to ensure tools are in place to adapt to challenges faced by agricultural producers, while still feeding a growing population. A portion of this funding will support the President's clean energy efforts through the development of commercial-scale advanced biofuels and biobased products that are compatible with existing infrastructure. Also, the budget more than doubles the funding available to address antimicrobial resistance in pathogens of humans and livestock, and to seek answers to key questions about the relationships among microbes and livestock, the environment, and human health. Further, the budget includes \$36 million for research to address the decline of pollinator health by understanding, preventing, and recovering from pollinator losses.

We appreciate the Subcommittee's action to fund critical research infrastructure in 2016. To continue the process of laboratory improvement, the budget proposes additional investments in research infrastructure to further reduce the backlog of USDA's laboratory construction and renovation needs. These investments include \$30.2 million for the Agricultural Research Technology Center in Salinas, CA, where research is done on alternatives to methyl bromide and development of scientifically based organic crop production practices for weed, insect, and disease control, as well as \$64.3 million for the Foreign Disease-Weed Science Research Laboratory in Ft. Detrick, MD.

The 2017 budget funds the EQIP and CSP programs at authorized levels. The unprecedented level of funding provided for EQIP will support conservation practices on an additional 11.5 million acres, which will help farmers and ranchers make their operations more resilient to climate change, increase access to greenhouse gas markets, and protect wildlife habitat, among other benefits. The funding for CSP will allow 10 million more acres to be enrolled. The budget also provides an increase of \$11 million to support conservation planning, which will result in over 8,000 additional conservation plans being prepared or applied. This translates into 2.9 million additional acres of planned conservation. The strong support for conservation planning as well as robust funding for the mandatory conservation programs follows through with the principles laid out in USDA's Building Blocks for Climate Smart Agriculture and Forestry.

Science and data are the primary tools that the Food Safety and Inspection Service (FSIS) uses to prevent foodborne illness and protect public health. As part of this effort, the budget includes \$8.5 million to further modernize FSIS' science-based decision-making process by developing and deploying new tools to reduce the prevalence of foodborne illnesses.

To enhance nutrition education and the provision of healthy meals, the Budget includes a \$4 million increase promote healthful behaviors that can reduce incidence of chronic disease and obesity, and lower healthcare costs. Included in this is an initiative to research and implement cutting-edge initiatives to help Americans put healthy eating behaviors, based on the *Dietary Guidelines for Americans* and MyPlate, into practice. We will also develop the first-ever dietary guidelines for children from birth to two years and pregnant women. The Pew Charitable Trusts and the Robert Wood Johnson Foundation recently released a report that 88 percent of schools need at least one additional piece of kitchen equipment to serve healthier meals that meet science-based nutrition standards. The budget also requests an increase of \$5 million, for a total of \$35 million, for grants to help schools purchase needed equipment to prepare and serve healthier meals.

The budget requests funding to establish an in-country presence in Cuba to cultivate key relationships, gain firsthand knowledge of the country's agricultural challenges and opportunities, and develop programs for the mutual benefit of both countries. U.S. agricultural exports have grown significantly since trade with Cuba was authorized in 2000. In FY 2014, Cuba imported over \$2 billion in agricultural products including \$300 million from the U.S., and

an in-country presence will capitalize on opportunities this nearby market provides for U.S. agricultural exporters.

We have identified additional opportunities to modernize and strengthen the Department. The budget includes resources to pursue these efforts, including \$20 million to continue the modernization of the Headquarters complex that when finalized could yield annual savings of over \$45 million through a reduction in rent and security costs. The budget also provides an increase of \$18 million to fund a relocation or renovation of FNS headquarters in 2017. In addition, the Department is proactively addressing the cyber security threats posed against the network and systems of USDA. Through an investment of an additional \$10 million in 2017, the Department will enhance its ability to monitor and prevent breaches of the systems used to house data of importance to our employees and customers.

In addition to the critical priorities we are proposing in the FY 2017 Budget, we will continue to face challenges from drought, flooding and other climate variables, economic uncertainties and threats from pests and diseases. It is critical that we not be constrained in our ability to address these challenges quickly, so that we can limit disruptions that have the potential to threaten entire regions or sectors of the economy. In this regard, I want to express my concern over the restrictive limits that have been placed on our ability to make even very modest shifts of funds or organizational structures without prior formal notification. Further, there has been a significant increase in Committee reporting requirements during a period when our staff resources to complete those reports has declined. In 2015, the Committee directed the Department to complete nearly three times as many reports as in 2009. I understand and respect the Committee's oversight role, but would ask that the Committee be mindful of the tradeoffs involved as resources become more constrained.

We have accomplished much over the last seven years. The budget presented to you will continue our progress. I would be happy to answer any questions you may have about our budget proposals.