Testimony of Under Secretary Robert Bonnie
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Before the U.S. House of Representatives
Committee on Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration

Chairman Harris, Ranking Member Bishop, and distinguished members of the Subcommittee, thank you for the opportunity to speak with you today. American agriculture is the backbone of our nation's economy, generating over $1 trillion annually. Yet, our producers face a relentless storm of challenges – from unpredictable weather patterns and volatile markets to supply chain bottlenecks and rising input costs. The Farm Production and Conservation (FPAC) Mission Area plays a critical role in equipping producers with the tools and resources they need to weather these storms, ensuring the continued success of American agriculture.

My name is Robert Bonnie, and as the Under Secretary for FPAC, I have the honor to work with USDA's producer-facing agencies as we partner with farmers, ranchers, and private forestland owners to strengthen American agriculture together. I am very pleased with what we have accomplished in partnership with Congress and am pleased to report that we continue to meet the evolving challenges faced by our producers through the efforts of the Farm Service Agency (FSA), the Risk Management Agency (RMA), the Natural Resources Conservation Service (NRCS), and the FPAC Business Center.

FPAC has recently rolled out new programs and greatly expanded others due in part to legislation such as the 2018 Farm Bill, American Rescue Plan, Bipartisan Infrastructure Law and the Inflation Reduction Act. This has enabled our programs to reach more producers and provide more needed assistance to meet the evolving challenges they face. Providing additional support to producers has been possible due to the hard work and commitment of our employees as well as through the economies of scale achieved through the enterprise delivery of support functions by the FPAC Business Center. The agency has reduced the time and cost it takes to deliver FPAC programs through the streamlined delivery of Human Resources, IT development and many other support functions. However, to continue to expand the farm safety net and to deliver disaster and resource conservation programs, it is imperative that administrative costs for these programs are considered in the FPAC Business Center's budget, ensuring the continued success of all four FPAC agencies.

In addition to the programs and priorities, I would like to take a moment to recognize the FPAC employees in county, state and national offices that are the backbone of the work we are doing to provide the various support needed in our agriculture communities and our rural communities. The budget has some clear requests to support the salaries and expenses for the team.

Expanding the Farm Safety Net

Investments from FPAC programs have assisted more agricultural producers than before due to expanded program options and new approaches to engaging producers and delivery.

In calendar year 2023, the Risk Management Agency administered a record $207 billion in protection for American agriculture through the Federal Crop Insurance Program. Crop insurance coverage has increased 83 percent over the past 10 years and currently covers 540 million acres.

Last year, RMA introduced five new crop insurance programs and improved eight others. These efforts included expanding the hurricane crop insurance policy to also cover the impacts of tropical storms and increasing lower cost insurance options for more than a dozen crops through greater use of Enterprise Units. The Margin Protection insurance plan was expanded to more than 1,000 counties and Whole-Farm Revenue Protection was improved to allow producers to qualify for 80 and 85 percent coverage levels while also purchasing catastrophic coverage level policies for individual crops. Flexibilities were added to the Micro Farm policy to allow policyholders to purchase other crop policies, and for vertically integrated producers to purchase coverage. The Shellfish Crop Insurance Program for oyster producers and the Grapevine Insurance Program for grapes (wine, juice, etc.) were recently offered after working with industry partners, as was a new crop insurance program designed for agricultural producers who use controlled environments in their operations.

Additionally, RMA is committed to increasing the availability and effectiveness of Federal crop insurance as a risk management tool for livestock producers. To support this commitment, RMA hosted Livestock Roadshows throughout the early months of 2024 for producers to learn about new and expanded livestock risk management products. In two years, Livestock Risk Protection has grown over 250 percent to about 27 million head of cattle insured in 2023. Additionally, the Livestock Gross Margin insurance program has experienced a 600 percent increase in participation with about 14.5 million head of cattle insured in 2023.

For its part, FSA delivered more than $16.9 billion in farm programs and farm loans throughout 2023, including $5.3 billion through its suite of standing disaster assistance programs, $1.2 billion to dairy producers through the Dairy Margin Coverage (DMC) and Supplemental DMC Programs, and $2.4 billion through the Emergency Relief Program and Emergency Livestock Relief program to assist producers who suffered losses in 2020, 2021, and 2022. FSA also established the Milk Loss Program in 2023 to help offset economic loss by producers left with no other choice but dumping their milk due to disasters during those years.

FSA Farm Loan Programs continue to provide an important safety net for producers by providing a source of credit to producers who commercial lenders may be unwilling to serve. The agency expects to be able to fund up to 32,000 loans in Fiscal Year 2025 with the President's Budget request to ensure farmers and ranchers can finance operating expenses and to acquire or keep a farm. As of April 15th, 2024, using resources provided through Section 22006 of the Inflation Reduction Act, we have distributed approximately $2.3 billion to more than 42,000 financially distressed farmers and ranchers that has helped them stay on their family operations and remain in agriculture.

Building on recent improvements to the farm loan programs, FSA has identified actions that would ensure more producers can continue to access financing and keep their farms running for generations. Through proposed legislative changes in Fiscal Year 2025 budget proposal, the agency would like to expand access to farm loans to strengthen the agricultural sector while remaining budget neutral. Specifically, the proposed legislative changes would: open loan access by eliminating limits on applying for Direct Operating or Ownership loans; allow Ownership loans to be used for refinancing other debt; require preferred lenders to obtain FSA approval prior to taking a foreclosure action; double debt forgiveness by expanding the lifetime limitation from $300,000 to $600,000; authorize future loans to those with previous debt forgiveness; streamline processes by making technical corrections and granting the Secretary more flexibility for emergency loan eligibility; boost microloans, increase the limit from $50,000 to $100,000; empower new and beginning farmers by revising the definition to include individuals in entities regardless of relationship, and reduce experience requirements; reduce barriers, cutting the required farming experience for Direct Farm Ownership Loans from 3 years to 1 year, with waivers for mentorships; correct the historical linkage for Farm Ownership down payment direct loan limit to match the direct Farm Ownership loan limit; revise beginning farmer lending targets required “to the extent practicable”; and clarify interest rates for limited resource loans, microloans to beginning and veteran farmers, and Indian Tribal Land Acquisition Loans.

Serving All of Agriculture

Over the past year FPAC has worked to increase awareness of the various safety net, conservation, risk management and loan programs. We have also worked to build capacity, while taking actions to improve our engagement with current customers and how we work to engage and bring in new customers. This past year, FPAC rolled out a first-of-its-kind nationwide customer survey targeted at farmers, ranchers, and forest managers who are not yet USDA customers, with the goal of making FPAC programs more accessible and equitable.

The FPAC Business Center introduced a free on-demand interpretation service for FSA and NRCS customers. Over the past year, the agency developed and disseminated resources to address barriers to Tribal participation in FSA, NRCS, and RMA programs.

Through the Increasing Land, Capital, and Market Access Program, thanks to the Inflation Reduction Act funding, FSA selected 50 projects worth approximately $300 million that will help improve access to land, capital, and markets for underserved farmers, ranchers, and forest landowners.

To improve tribal access to our programs, FSA reviewed program handbooks for potential Tribal barriers and facilitated the signing of three new Conservation Reserve Enhancement Program (CREP) agreements, creating new opportunities for conservation program participation on tribal lands. At the 2023 Intertribal Agriculture Council Conference, FPAC representatives met with members of the tribal community to identify concerns with program accessibility. FPAC representatives also participated in the development of the USDA and Department of the Interior Interagency Working Group for Tribal Agricultural Lands. This is in support of the broader work of the Department to expand Tribal co-stewardship and co-management in nutrition, conservation, and food safety inspection programs.

Since 2021, RMA has invested more than $13 million in education and training programs for farmers and ranchers, including historically underserved, and small-scale farmers, and those involved or interested in organic and climate-smart farm practices. In 2023 alone, RMA offered 600 events reaching more than 200,000 stakeholders through Risk Management Education efforts. RMA has invested in the Building Resiliency program goal to increase representation of underserved crop insurance agents and loss adjusters to better meet producers' needs in Tribal communities. This two-year pilot has 85 participants in training as of April 2024.

In FY2023, NRCS engaged with 139 partners through Equity in Conservation Outreach Cooperative Agreements to develop community-led conservation projects that help overcome barriers and offer opportunities for underserved producers and communities to access USDA conservation programs and services. Based on the demonstrated efficacy in 2022 and 2023, the President's Budget for FY2025 proposes to continue investments in these cooperative agreements to support historically underserved farmers and ranchers with assistance in soil and water conservation and employing climate smart agriculture and forestry practices.

NRCS is designated by the Department as lead of the Office of Urban Agriculture and Innovative Production (OUAIP). UAIP is a highly popular program; total applications in FY 2023 were nearly double those received in recent years, yet the office only had funds for approximately 10 percent of eligible applications, providing $7.4 million in grants and $9.4 million in cooperative agreements. The President's FY 2025 Budget proposes $15 million for the OUAIP. This funding will provide additional grant opportunities to complement the outreach progress achieved over the past few years.

In addition to the UAIP grant program, this budget includes funds for the Farm Bill directed pilot Composting and Food Waste Reduction Cooperative Agreement Program (CFWR) which for the previous three fiscal years was funded entirely with American Rescue Plan Act funds. In the 2025 President's Budget, OUAIP will again be responsible for funding CFWR with annual appropriations. The CFWR program is aligned with the new National Strategy for Reducing Food Loss and Waste and remains a widely popular program with county and municipal governments across the country.

To better serve urban farmers, USDA established 17 new Urban Service Centers in 15 states. These service centers are staffed by FSA and NRCS employees offering farm loan, conservation, disaster assistance, and risk management programs. Additionally, 10 new urban county committees were established to help with local administration of FSA programs in urban areas. To strengthen the Urban Service Centers and urban county committees, USDA is investing $40 million into partnerships with community-based organizations to provide outreach, training, and assistance to producers. Additionally, NRCS has been reviewing the suite of conservation practices to ensure they are suitable for urban and smaller scale producers thus creating more avenues for program participation.

In the 2025 President's Budget request we include $6 million for FSA Program Technician Recruitment and Retention. FSA Program Technician work has increased in complexity over the years, due to broader program responsibilities, intricacies of program policies and procedures and a significant expansion of ad hoc program workload. FSA has a national and majority rural presence and is experiencing significant challenges recruiting and retaining its critical county program technicians. The Agency plans to use available recruitment and retention authorities to improve both retention and recruitment outcomes, and to reduce the resignation rate for program technicians which was over 20 percent in 2023.

Only 33 percent of FSA employees expressed satisfaction with their pay in the most recent Federal Employee Viewpoint Survey. With functionally decreased funding levels, these concerns and high resignation rates in FSA will continue to be prevalent. Despite these issues FSA has taken a number of steps to address these concerns and high resignation rates of entry-level employees, implementing a one-year 6 percent group retention incentive and approving approximately $8.8M in student loan repayments for employees signing 3-year service agreements in FY 2023. With approximately 25% of our field Farm Loan supervisors eligible to retire and an upcoming Farm Bill, it is important that FSA continue to be able to fund these retention efforts and address employee salary concerns.

Conservation and Climate Smart Agriculture and Forestry

In 2023, we enrolled more farmers and more acres in voluntary conservation programs than at any point in history. This is due in large part to the Inflation Reduction Act, part of the Biden Administration's Investing in America initiative, which provided a historic $19.5 billion for NRCS over ten years to help implement climate-smart conservation practices; and to measure, monitor, report and verify greenhouse gas emissions. Of course, many of these climate smart practices have benefits far beyond climate mitigation. Indeed, conservation tillage, cover crops, prescribed grazing, nutrient management, timber stand improvement, and many other practices benefit the climate while also improving agricultural productivity.

Over the last calendar year, NRCS enrolled nearly 5,300 additional producers in our conservation programs across all 50 states. Alongside our conservation partners, the agency successfully obligated 99.8 percent of all available FY 2023 Inflation Reduction Act funds, investing over $2.8 billion in financial assistance for conservation and supporting more than 45,000 contracts, more than in any year in the agency's 89-year history.

Under the Partnerships for Climate-Smart Commodities effort, USDA is investing $3.1 billion in 141 projects to expand markets for American producers who produce climate-smart commodities, reduce greenhouse gas emissions through climate-smart production, and provide meaningful economic benefits to producers, including small and underserved farmers and ranchers.

The President's Budget request for FY2025 supports the USDA Climate Hubs, a cross-departmental effort to provide technical assistance in tackling climate change, expanding USDA's ability to develop and deliver science-based, region-specific information and technologies. This includes an additional $8 million above the 2024 enacted level to support the adoption of climate-smart practices. Investments will assist farmers, ranchers, and forest landowners make region-specific climate-informed decisions and provide technical assistance to implement those decisions. The increase in funds will also enable the Climate Hubs to expand NRCS outreach to the public through effective and efficient delivery of research to end users. This includes the Climate Hub adaptation demonstration projects that serve as concrete responses to real-world agricultural climate management issues.

Last year, through both stakeholder input and a rigorous science-based process, NRCS expanded the Climate-Smart Agricultural and Forestry Mitigation Activities eligible for IRA funding for fiscal year 2024 through two of our key programs – the Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP). These activities help producers reduce greenhouse gas emissions and increase carbon storage. To better understand and measure the climate impacts of these practices and improve greenhouse gas estimates, the Inflation Reduction Act invests $300 million over eight years to support USDA's broader Measuring, Monitoring, Reporting and Verification (MMRV) efforts. These funds support a comprehensive strategy to improve data collection, modeling and other tools needed for quantifying the impact of greenhouse gas mitigation activities.

Through the Conservation Technical Assistance (CTA) program, NRCS provides landowners and managers with the knowledge and tools they need to develop conservation plans to implement specific conservation practices needed to improve farm operations and conserve, restore, and maintain the natural resources on their lands. Meaningful conservation on the ground requires the personnel and partners to work with farmers, ranchers and forest owners to design and implement conservation practices. The Budget requests $985 million for Private Lands Conservation Operation, of which almost $870 million is for the CTA program.

FSA currently has more than 24.73 million acres enrolled in the Conservation Reserve Program (CRP) which leaves little room for further acreage enrollment before reaching the statutory limitation of 27 million acres. In order to manage the number of acres in the program, FSA has instituted an application batching period for continuous CRP enrollment while continuing to run general CRP and grassland CRP signups as a singular national ranking period. This year FSA has completed its first continuous batching period and accepted approximately 300,000 acres. General CRP has completed its signup period with grassland CRP following closely behind.

RMA was also able to make significant advancements toward these goals by helping improve water conservation through the expansion of its Hybrid Seed Rice crop insurance program that provides coverage for rice grown in furrow irrigated or intermittent flooded fields. Further, RMA expanded the double cropping coverage availability in 1,500 counties. As a result of the expanded coverage availability and streamlining, RMA increased the insured acres of double crop soybean and grain sorghum by over 1 million acres when compared to prior averages, an increase of 49 percent. In 2021, RMA introduced the Pandemic Cover Crop Program (PCCP) that helps farmers maintain their cover crop systems and updated the policy to allow producers with crop insurance to hay, graze, or chop cover crops at any time and still receive 100 percent of the prevented planting payment. Through PCCP, RMA has provided more than $110 million total in premium support for producers who planted cover crops on over 12 million acres in 2021 and 10 million acres in 2022. The President's FY 2025 Budget proposes a legislative change that would make this program permanent.

Streamlining Services for Agricultural Producers

In addition to expanding access to FPAC programs we have taken steps to make participating in our programs less burdensome for producers. In Fiscal Year 2023, FSA cut the loan application from 10 loan-related forms totaling 29 pages to a single form totaling 13 pages, dramatically reducing the time it takes to apply for a loan. FSA also rolled out an online, interactive, guided application that simplifies the direct loan process for the more than 26,000 customers who apply each year and launched the Application Fast Track Pilot Program that uses financial data to reduce loan application processing times for those who meet certain benchmarks.

To ensure more producers can take advantage of the important improvements to FSA's standing disaster programs, we waived the requirement to submit notices of loss within a pre-determined number of days for the Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish (ELAP) and Livestock Indemnity Program (LIP) and expanded eligible livestock under ELAP, LIP, and the Livestock Forage Disaster Assistance Program. We also simplified the application process for underserved producers to obtain Noninsured Crop Disaster Assistance Program coverage for eligible crops.

Over the past year, NRCS has been working hard to streamline and simplify the assistance application process for the Regional Conservation Partnership Program (RCPP), the Agricultural Conservation Easement Program (ACEP), and the Conservation Stewardship Program (CSP) to improve the experience for agricultural producers and conservation partners. The RCPP improvement effort sets priorities based on partner and staff feedback including improving the RCPP portal for partner use, simplifying agreements, and streamlining the reimbursement process. Efforts to streamline ACEP include appraisals and land surveys, as well as certifying eligible entities who help NRCS and producers enroll land into easements. CSP payment rates have also been updated for existing conservation activities and additional conservation activities completed. The updated rates mitigate the impact of inflation and better reflect the costs of maintaining a stewardship level on non-crop land uses.

NRCS also offered a new expedited application process called ACT NOW, used by the agency to immediately approve and obligate funds for qualifying conservation program applications. ACT NOW can be used for the Agricultural Management Assistance, CSP, EQIP and RCPP programs.

The FPAC Business Center continued to increase resources available on farmers.gov, improving the ability for all producers and agricultural organizations to be engaged as programs expand and new programs are added. More than 200 new webpages were built to highlight priority programs, topics, and blogs including adding Spanish translations of farm loan discovery and service center locator tools.

Moreover, the FPAC Business Center also expanded features for producers who log into their farmers.gov profiles. With the goal to increase ease of use, the process for producers and partners to access and conduct business with USDA in the internal portal side of farmers.gov has been streamlined. A new feature allows individuals or entities to act on behalf of other individuals or entities, and some features of the portal including maps, imagery, and data sets have been enhanced and expanded.

The FPAC Business Center implemented digital signing capabilities across multiple mediums as part of the digital transformation effort designed to reduce costs and provide more effective engagement with producers and internal audiences. The enterprise approach to mission area IT services through the agency has also resulted in cost avoidance of more than $2 million for unneeded software and licenses, and more than $10 million of hardware and related servicing costs from across the FPAC Mission Area.

Support for the Business Center

The FPAC Business Center provides mission support services to FSA, RMA, and NRCS enabling them to deliver their programs for producers more efficiently and with greater transparency. The agency's focus on continuous process improvement and enterprise service delivery provides the foundation for the producer-facing agencies of FPAC to effectively meet the evolving needs of agricultural producers. More than 1,600 employees across 15 divisions in the agency provide acquisitions, economic analysis, emergency management services, environmental compliance, external affairs, financial management, human resources, leasing and property management, and many other specialized support services. This approach reduces the burden on the agencies to staff and administer the functions so that they can focus their efforts directly on agricultural producers.

The 2025 President's Budget includes an increase of $4.5 million to help meet the increased demand on key areas such as information solutions, human resources, grants and agreements, budget, and financial management. The funding would be utilized to increase staffing levels in these key functional areas. To the extent other FPAC agencies are provided funding to onboard additional staff, the Business Center experiences a direct increase in workload to hire, onboard, provide equipment and services, etc. Likewise, additional program requirements and funding provided to FPAC mission area agencies require additional resources for the successful program delivery.

Through human resources management, the FPAC Business Center continues to provide support to NRCS to hire staff to deliver the $19.5 billion in IRA conservation program funding. Among other strategies, the agency developed a bundled hiring plan to quickly recruit and hire professional conservation planners, streamlined hiring processes, and used partnership agreements and internship and retiree programs to hire additional employees to assist in the effort. These strategies resulted in NRCS increasing overall hiring by 35 percent and decreasing separations by 28 percent in FY23.

NRCS is facing a significant turnover in its workforce due to the projections for retirement of staff members and is struggling to attract college graduates with the technical skills needed for program delivery, such as engineering and soil sciences. This shift comes at a crucial time when the agency needs to increase its staffing levels to meet the demands of initiatives like the Inflation Reduction Act and Bipartisan Infrastructure Law. With a smaller pool of candidates for open positions, NRCS has ramped up the use of recruitment and retention incentives and has been granted approval to fill 1,700 positions through Direct Hire Authority.

While these measures are expected to help with recruitment, , NRCS is examining additional actions to address retention challenges. One such action is to coordinate with OPM to review the current pay structure for engineers to determine whether a special pay rate would help attract and retain the skilled workforce expected by our customers.

The FPAC Business Center also supported the development and implementation of an environmental review process for the activities funded under Partnerships for Climate-Smart Commodities to meet requirements set forth by the National Environmental Policy Act and other environmental laws. By engaging contractual support through small businesses, the agency has been able to reduce the workload on local NRCS field staff while providing direct technical support to partners and applicants.

Through funding received in 2023, the FPAC Business Center developed the Web Environmental Analysis Tool that will streamline the environmental review process for FSA programs and incorporate environmental justice into their program delivery.

The FPAC Business Center has improved the financial audits and oversight for the mission area agencies and programs each year since it was established in 2018. This has resulted in NRCS receiving unmodified opinions from auditors on the financial statements with no findings or material weaknesses for the first time ever in 2023.

In providing support to NRCS, RMA, and FSA, the Department greatly appreciates instances where administrative funding was provided for implementing new FPAC programs. Congress recently identified administrative funding with the Inflation Reduction Act, thus enabling greater success in the delivery of those programs. Likewise, administrative funding set aside for the implementation of disaster assistance funded through supplemental appropriations, allowed payment delivery to be expedited. Congress' consideration of administrative funding for the FPAC Business Center is also critical to the success of these programs.

Conclusion

I wish to thank the Committee for your time and the opportunity to provide you with information on FPAC programs and service delivery accomplishments from the last fiscal year, as well as detail a few areas of focus called out in our Budget request for the next fiscal year.

The budget presented to you will continue FPAC's progress and mission. It reflects the vital importance of delivering programs authorized by Congress to our nation's producers effectively, equitably, and in a way that protects our vital resources for generations to come. It also reflects an investment in the more than 22,000 FPAC employees that provide programs and support to producers in every state and territory.

We recognize when American farmers are financially healthy, they not only support themselves and their families, but also their employees, suppliers, local economies, and the communities where they live and do business. I look forward to working closely with the committee as we together promote the social and economic growth of agriculture and its foundational impact in every community. I would be happy to answer any questions you may have about our budget.