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FARM BILL 2023: TRADE AND HORTICULTURE

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY

UNITED STATES SENATE

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FARM BILL 2023: TRADE AND HORTICULTURE

Wednesday, February 1, 2023

U.S. SENATE
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC.

The Committee met, pursuant to notice, at 10 a.m., in room 328A, Russell Senate Office Building, Hon. Debbie Stabenow, Chairwoman of the Committee, presiding.

Present: Senators Stabenow [presiding], Brown, Klobuchar, Bennett, Gillibrand, Smith, Booker, Luján, Welch, Fetterman, Boozman, Hoeven, Ernst, Hyde-Smith, Marshall, Tuberville, Braun, Grassley, Thune, and Fischer.

STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR FROM THE STATE OF MICHIGAN, CHAIRWOMAN, U.S. COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Chairwoman STABENOW. Good morning. I call hearing of the U.S. Senate Agriculture, Nutrition, and Forestry Committee to order. Senator Brown was just indicating, sitting in Senator Pat Leahy's seat, he was caring more about organics and dairy this morning. We welcome you to this.

Speaking of welcoming new members, we are so pleased to have Senator Welch and Senator Fetterman as new members of the Committee. We appreciate you and are so glad that you are joining us, particularly at this moment when we have such important work to do on the farm bill, so thank you.

Also we welcome our witnesses, Under Secretary Taylor, Under Secretary Moffitt, and Ms. Charles. Thank you for being here today on really, really important topics. I know that Ranking Member Boozman and I share the fact that we know we have a big job ahead, and we are working closely together to be able to pass the next farm bill with strong bipartisan support, and I am really confident that this Committee is up to the task to be able to do that.

Last year, our Committee examined USDA's research, rural development, and energy programs, and now we begin the new Congress with a review of the farm bill's horticulture and trade titles. These titles represent the breadth of American agriculture, supporting our specialty crop and organic farmers, strengthening our local food systems, building new markets abroad for all of our commodities and products, and delivering critical food aid across the globe. I am proud that Michigan is one of our most diverse agricultural States in the Nation. From dairy, apples, asparagus to blueberries and cherries, Michigan farmers produce over 300 different

crops. The message I hear from these farmers is clear. Federal farm policy cannot be a one-size-fits-all model.

In the context of today's hearing, let me speak specifically about specialty crops. Our fruit and vegetable farmers face rising labor costs, increasing import pressures, and emerging pests and diseases. I am committed to passing a farm bill that will improve their ability to manage risks and market their products. Our attention to their issues is vital to keep our American-grown fruits and vegetables on our tables.

Since the passage of the 2018 Farm Bill we have seen continued growth in the organic sector, which exceeded \$63 billion in sales last year. We need to continue to support our organic farmers, including those transitioning into the program.

It is also important that we made the Local Agricultural Market Program (LAMP), permanent in the 2018 Farm Bill, and we have seen a surge in demand for locally sourced foods during the pandemic, underscoring the need for more investments in our local and regional food systems.

Globally, we are facing unprecedented levels of food insecurity, compounded by high food prices, supply chain challenges, and, of course, Putin's war against Ukraine. Our farmers play a vital role in providing U.S.-grown commodities to feed those in need, and farm bill development programs help to build resiliency on the ground.

The farm bill also creates opportunities for American farmers to connect with consumers around the world by providing marketing assistance and credit access. Agricultural exports have grown from \$66 billion in 1996, to a record of more than \$191 billion in 2022. That is more than 1 million American jobs on or off the farm.

Our witnesses today will highlight how those vital programs support the diversity of American agriculture. The success of our agriculture economy requires continued investments in markets and opportunities for farmers. Whether they are selling to neighbors or exporting products globally, whether they are growing traditional commodities, specialty crops, or organics, the farm bill helps farmers put food on tables here and around the world. We all have a stake in continuing to make sure that happens. That is what this farm bill is all about.

I would like to now turn to my friend and Ranking Member, Senator Boozman.

STATEMENT OF HON. JOHN BOOZMAN, U.S. SENATOR FROM THE STATE OF ARKANSAS

Senator BOOZMAN. Thank you, Madam Chair, and let me start by welcoming the 21 returning members to our Committee. I am grateful that you have chosen to continue to serve on the Committee. It is an important moment for U.S. agriculture, and I believe that together we will be able to craft the policies needed to maintain the world's safest, most abundant, and most affordable food supply while protecting the land, water, air, wildlife and rural communities that we all care about.

Additionally, I would like to welcome our two new members, Senators Welch and Fetterman, to the Ag Committee. I had the pleasure of working with Senator Welch when we were in the House,

and I look forward to continuing our work here. Again, he is a good friend and I think is going to be a great member.

Senator Fetterman is the 11th member from Pennsylvania to serve on this Committee since its founding in 1825. I look forward to his contributions and to work together in the future.

Chairwoman Stabenow recently surprised us all with her announcement that the 118th Congress would be her last in the Senate. Leading this Committee and serving as the third-highest member of the Democratic leadership, Senator Stabenow has climbed her way up the ladder to serve not only the people of Michigan but the many Americans who have benefited from the policies and programs she has championed. I have no doubt that over the next two years the Chairwoman will continue to pursue her goals, as determined as ever, and I know that determination will be key to passing the next farm bill, which brings today's hearing.

Madam Chairwoman, thank you for convening today's hearing, which builds on our work from last year and kicks off our most important task for the 118th Congress—drafting and passing a farm bill. As we begin to create the next farm bill it is important to understand the environment in which we find ourselves. In December, the year-over-year consumer price index settled at 6.5 percent. The annual average inflation in 2022 was 8 percent, the highest in more than four decades. Inflation is hammering the country, and it is not yielding any time soon.

In the farm sector, this was seen in record-high production expenses including fertilizer, fuel, labor, land, taxes, interest, and feed costs, among others. The only saving grace for many farmers was relatively high commodity prices, and backing those higher prices was a surge in agriculture exports. During this last fiscal year, U.S. agriculture exports increased by 14 percent to a record of nearly \$200 billion.

While headwinds on trade are beginning to develop, it is important to have a focused and proactive trade agenda to support farm and rural economies. The farm bill contains several programs intended to assist with trade promotion activities, including the Market Access Program and the Foreign Market Development Program. I look forward to reviewing the effectiveness of these programs and ensuring our investment matches each program's needs.

Trade only works if trading partners live up to the agreements that they sign. When they do not, they must be held accountable. I am pleased that one of the first official acts of Ambassador McKalip and Under Secretary Taylor was to travel to Mexico and appropriately confront the government for proposing to ban imports of U.S. biotech corn, a significant departure from science-based trade policy.

As many countries around the world advance anti-farmer and anti-production policies, the U.S. must actively promote and defend science-based technologies to help American farmers and ranchers continue to feed, fuel, and clothe the world. Global food security will only improve if we embrace scientific advancements that allow for more productive and sustainable agricultural production. Today more than 1 in 10 people around the world, around 828 million people, will be going to bed hungry. Beyond that, nearly 350 million face acute food insecurity, which is more than double the num-

ber in 2019. Amidst manmade conflict, economic shocks, high supply chain costs, and resulting food price increases, we are seeing food being taken from the hungry to give to the starving.

During my travels to East Africa last fall I saw the impact firsthand of conflict in the Horn of Africa, which leads many to seek refuge in Kenya and other surrounding countries. However, the unrelenting drought in this region means all countries face a significant food shortage, and U.S. commodities provide a vital support to fighting the hunger problem.

The U.S. has consistently been a leader in delivering food assistance around the world, beginning with our efforts following World War II. Our emergency and non-emergency programs continue today, and many are authorized under the farm bill. Americans should take great pride in the Food for Peace, Food for Progress, and McGovern-Dole programs. These programs not only have saved and transformed lives in some of the world's most desperate situations, they have also created tremendous goodwill toward the U.S. and recipient countries.

Today's hearing will help flesh out some of the most consequential aspects of U.S. agriculture and food security. I thank our witnesses for joining us today and look forward to the hearing. Again, thank you very much for being here.

Madam Chair?

Chairwoman STABENOW. Thank you very much. I will now introduce our three witnesses and then ask each of you to give us five minutes of opening testimony before questions.

Alexis Taylor is the Under Secretary for Trade and Foreign Agricultural Affairs. Prior to this role she was the Director of the Oregon Department of Agriculture. She also has experience with United States Department of Agriculture and in Congress, having worked as an advisor to Representative Leonard Boswell of Iowa and Senator Max Baucus of Montana. It is good to have you back.

Our next witness is Jenny Moffitt, who serves as the Under Secretary of Marketing and Regulatory Programs. Before joining USDA, Under Secretary Moffitt held multiple leadership positions within the California Department of Food and Agriculture. She has also spent 10 years as the managing director of her family's organic walnut farm in California. Thank you again for being here.

Finally, Sarah Charles is the Assistant to the Administrator of USAID's Bureau for Humanitarian Assistance, the U.S. Government lead for international disaster response. Prior to her current position, she held roles at the International Rescue Committee and the National Security Council at the White House. Thank you so much for being here as well.

We will turn to Under Secretary Taylor.

STATEMENT OF HON. ALEXIS TAYLOR, UNDER SECRETARY FOR TRADE AND FOREIGN AGRICULTURAL AFFAIRS, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Ms. TAYLOR. Good morning, Senator Stabenow, Ranking Member Boozman, and members of the Committee. I am pleased to be here with colleagues from USDA and USAID.

Chairwoman Stabenow, I would like to particularly thank you for your leadership and dedication, not just to this Committee but to

the entire agricultural sector over the years. While you are not leaving us quite yet, you will be missed.

I appreciate the opportunity to discuss trade, market development, international food assistance, and capacity building programs authorized by the farm bill under the Trade and Foreign Agricultural Affairs mission area. This mission area promotes U.S. agricultural exports, works to reduce barriers that impede trade, opens new markets for U.S. farm products, and contributes to global food security.

The TFAA mission area oversees the Foreign Agricultural Service and the U.S. Codex Office. FAS is USDA's lead international agency, linking U.S. agriculture to the world to enhance export opportunities and global food security. FAS supports our food and agricultural sector with a network of economists, marketing experts, negotiators, and trade specialists, in D.C. and in nearly 100 offices around the world, covering over 180 countries.

We are proud that our role in opening and maintaining markets has resulted in a new record, as has been highlighted here, in agricultural exports of over \$196 billion last year, topping the previous year's record by 14 percent. While those numbers are impressive, what is more impressive is the real-world impact those exports have to our producers and their rural communities. U.S. agricultural exports support more than 1 million jobs here at home and contribute more than \$154 billion in additional economic activity.

Over numerous farm bills, Congress has authorized and refined and effective combination of agricultural market development programs and export credit guarantee programs. These programs are designed to develop markets, facilitate financing of overseas sales, and resolve market access barriers. We partner with a diverse group of cooperators representing U.S. food and agricultural industries and manage a toolkit of trade promotion programs to help U.S. exporters develop and maintain markets.

A recently prepared study for the U.S. Grains Council found that USDA export market development programs generated a high benefit to cost ratio for U.S. agriculture but also the overall economy. This study determined that U.S. agricultural export value increased by over \$24 for every dollar invested in export market development.

Likewise, we are equally as proud of our international food assistance and capacity-building programs, which provide assistance that has helped millions of people around the world. I have seen firsthand the impact of this work, to help developing countries improve their agricultural systems and build their trade capacity to receive our exports, or supply us with products the U.S. needs to meet consumer demand. Before developing countries can become customers for U.S. agricultural products, they must first become politically, economically, and socially stable, and our programs support this work.

USDA-sponsored fellowship and exchange programs invest in the future of developing countries by enabling international researchers, policymakers, and agricultural specialists to work alongside their U.S. counterparts, acquiring the knowledge and skills to help build their country's agricultural sectors. By helping developing countries strengthen their agricultural institutions and foster regu-

latory systems that support science-based trade policies, these programs also help to improve international market access for U.S. agricultural products.

I am proud to lead USDA's efforts to improve foreign market access for U.S. product, diversify into new markets, and improve the competitive position of U.S. agriculture in the global marketplace, all while working to uphold science-based standards, and equally as important, support food security of millions of people around the world. We look forward for the opportunity to refine our programs as Congress works to reauthorize the farm bill, so we can make U.S. farm policy more efficient, effective, equitable, and sustainable, while providing greater export opportunities to a vast range of markets for the benefit of our farmers, ranchers, and food businesses.

Thank you again for having me, and I look forward to any questions you might have.

[The prepared statement of Ms. Taylor can be found on page 40 in the appendix.]

Chairwoman STABENOW. Thank you very much.
Under Secretary Moffitt.

STATEMENT OF HON. JENNY LESTER MOFFITT, UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Ms. MOFFITT. Thank you, Chairwoman Stabenow, Ranking Member Boozman, and members of this Committee for the opportunity to be with you today and for the wide array of resources you have provided USDA as we partner with farmers, ranchers, and producers to strengthen American agriculture. In my travels as Under Secretary for Marketing and Regulatory Programs, I have seen the impact of the farm bill and the importance of the programs in the horticulture title, and I have heard directly from farmers and ranchers about how they benefit from these programs and our work at USDA.

Growing up in a small community with a family of farmers, I have seen the benefits of the farm bill firsthand, and I know the ingenuity and the passion that farmers and ranchers bring to the challenges and rewards of producing the food that feeds us all.

Over the past few years, we have seen the challenges that farmers and ranchers face, particularly in accessing markets to capture their fair share of the food dollar. Even with record farm income, many farmers, too many farmers, some 89 percent, must work off-farm to meet the needs of their families. We know that small and mid-sized farmers are impacted the most, and there are still far too many barriers for new and beginning farmers.

Under the leadership of the Biden-Harris administration and Secretary Vilsack, and with the support of leaders on this Committee, USDA has been hard at work to address these challenges and strengthen our food, agricultural, and rural economies. Strengthening and transforming local and regional food systems is one priority of our efforts. The Local Agriculture Market Program in the 2018 Farm Bill and our newly created Local Food Procurement Programs are putting rural prosperity front and center, adding value to where food is produced, ensuring that capital stays in

the communities, and ensuring and leading to long-term economic growth and vibrant rural communities.

These programs create a win for local farmers, local economies, and for people's health. From Eastern Market in Detroit, Michigan, to the Alabama farmers supplying their local school districts, I have seen, up close, the excitement that farmers, schools, food banks, and communities have for these programs.

I have also heard about the fact that our access to our programs is also important. It is one of the reasons why we launched the USDA Regional Food Business Centers, and why we have received over \$1.8 billion worth of applications for our \$400 million program. These centers will provide exactly the needed assistance, coordination, and capacity-building to help farmers, food business, and rural economies thrive.

Enhancing the competitiveness of specialty crop products is another vital part of our work, and thanks to the support and leadership of this Committee we are excited that this year the Specialty Crop Block Grant will have awarded \$1 billion in funding for projects across the country to support vital, critical research for marketing, education programs for producers, and to support our local economies.

In addition, we are committed to growing organic markets, where producers use climate-smart production methods that can meet ever-changing consumer demand for a variety of projects. We just capped a series of rulemaking to promote fairer and more competitive markets for organic producers, including the recent Strengthening Organic Enforcement rule as required in the 2018 Farm Bill. These rules, coupled with our Organic Transition Initiative, are directly addressing challenges facing organic farmers with new programs that will provide technical assistance, farmer-to-farmer mentoring, paying for voluntary conservation practices, and building targeted organic markets.

We are also supporting farmers as we safeguard crops from pest and diseases, and assuring our trade partners of our high-quality agricultural products. While outside of the horticulture title I am also proud of the work that we are doing to protect animals from pests and diseases, thanks to the resources provided in the 2018 Farm Bill. It is fitting to be here today with Under Secretary Taylor, given the close working relationship between our technical experts at APHIS and the team at FAS as we work together to ensure international standards and strong trade are built on sound science.

There is more work ahead, for sure, but one thing is clear: leveraging resources in support of better and more competitive markets for U.S. farmers, ranchers, and consumers is in the best interest of our Nation's economy, our Nation's food system, and the environment. With the support of Congress, I believe we can and must continue this effort, and I look forward to working collaboratively with members of this Committee and Congress as you work to draft the 2023 Farm Bill and continue to champion American agriculture.

I would be happy to answer any questions you have. Thank you.

[The prepared statement of Ms. Moffitt can be found on page 53 in the appendix.]

Chairwoman STABENOW. Thank you so much.

Finally, Ms. Charles, you are recognized for five minutes. Ms. Charles.

STATEMENT OF SARAH CHARLES, ASSISTANT TO THE ADMINISTRATOR, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, D.C.

Ms. CHARLES. Chairwoman Stabenow, Ranking Member Boozman, and distinguished members of the Committee, thank you for the opportunity to discuss USAID's food assistance programs authorized by the Food for Peace Act.

As a result of this Committee's leadership and support, the United States is the world's largest donor of humanitarian food assistance, at a time when these programs have never been more critical. As Senator Boozman outlined, today we are in the midst of an unprecedented global hunger crisis. Analysts estimate that acute hunger levels are 70 percent higher than pre-pandemic levels in 2019.

Amid these record-high levels of need, U.S. leadership to fight hunger could not be more important or more evident. In Fiscal Year 2022, USAID and USDA drew down the full balance of the Bill Emerson Humanitarian Trust, and in total USAID program \$2.2 billion in Title II emergency assistance. With these funds we provided a significant infusion of American-grown commodities to countries in highest risk of famine around the world.

Our leadership is most evident in the Horn of Africa, currently experiencing the most severe food security crisis in the world. In Somalia, northern Kenya, and southern Ethiopia, five forecasted rains have failed. The sun has dried up endless miles of orange, cracked earth, and millions of livestock have died.

In the Horn, where I traveled this summer, I met mothers like Edina, a pastoralist and a mother of seven. When the ground dried up and food vanished her livestock ate plastic sheeting out of desperation. All 18 of her livestock, her entire livelihood, perished in the drought. With no livelihood, Edina and one of her daughters developed signs of acute malnutrition, and Edina worried that her young daughter might die. Thanks to Food for Peace assistance, Edina and her family received nutrition support from our partners, and her daughter has now fully recovered.

This aid was part of a broader U.S.-led mobilization of funds that has been key to preventing the onset of famine in the Horn, and in particular in Somalia. However, as we speak today, a sixth failed rainy season is forecasted, and food security in the Horn continues to deteriorate. Without sustained assistance famine is projected to emerge this spring.

While USAID is taking every step possible to meet needs worldwide, we also face a sharp decline in humanitarian resources now that the agency has exhausted the generous supplemental appropriations provided by Congress in 2022. We continue to call for other international donors to step up, and we are also looking for ways to drive greater efficiency in our programs. Over the past decade, we have been grateful for bipartisan support from Congress and for reforms made during the previous farm bill reauthorizations, to ensure that Food For Peace programs can meet the hu-

manitarian challenges of the day. Today the scale of global need and skyrocketing costs have stretched the limits of these programs, revealing constraints to USAID's efficiency.

As this Committee works to reauthorize the Food for Peace Act this year, amid a historic level food security crisis, there is an opportunity to maximize American generosity and save even more lives. Technical changes to the legislation could improve the impact of U.S. food assistance while maintaining the proud legacy of Food for Peace programs. For example, reducing complex accounting requirements associated with the Food for Peace Act would enable partners to spend more effort on delivering food assistance while maintaining strict oversight of funds. Simplifying accounting systems will also reduce barriers to local organizations, States, and becoming partners.

As you look forward to reauthorizing the Food for Peace Act I would also ask you consider updating the non-emergency authorities to make U.S. commodities and resilience programs a programming option rather than a requirement. These non-emergency programs, known as Resilience Food Security Activities, are relatively small but an important part of our toolkit in fighting global hunger. These programs target the poorest households in areas of recurrent crisis and help families graduate from dependence on humanitarian aid.

We would welcome working with you on adjustments to this program to give partners greater flexibility to design programs that are tailored to the unique context and most likely to reduce need for humanitarian assistance in the future. Maximizing these programs will have significant benefits. An impact evaluation on Food for Peace Resilience Programs, or RFSAs, found that for every \$1 invested, households could see over \$3 in additional benefits, helping families move out of dependence on aid.

As we confront a hungrier future, U.S. assistance programs have never been more vital. Thanks to this Committee's partnership all around the world, nutrition projects and commodities stamped with the words "From the American people" save lives, are an affirmation of American values worldwide, and a source of hope to those affected by some of the world's worst crises.

Thank you. I look forward to your questions.

[The prepared statement of Ms. Charles can be found on page 62 in the appendix.]

Chairwoman STABENOW. Thank you so much. We will now start with a round of questions from the Committee, five-minute rounds, and Under Secretary Moffitt, let me first talk to you about specialty crops. I was pleased to author this title, the horticulture title, back in 2008. I did not know that you did not routinely add titles. It was a very big fight but we got it done. From us in Michigan, as a group, we grow more fruits and vegetables than anything else, certainly from our Michigan agricultural economy, and it is almost half the cash receipts of the country. I am glad we have a title that represents the interests of these products.

Could you talk about ways we could strengthen domestic markets for our specialty crop farmers, including local and regional markets? Just speak a little bit more about that.

Ms. MOFFITT. Thank you, Senator Stabenow, and thank you for your leadership on the Specialty Crop Block Grant and advancing specialty crops, both domestically as well as abroad, particularly on domestic. The Specialty Crop Block Grant is a strong partnership with State Departments of Agriculture as well as the specialty crop industry to identify over 12,000 projects that are happening and have happened around the country enhancing the specialty crop industry.

The projects that are being funded, one example is for the red tart cherries, to create a new beverage product that has increased the consumption of red tart cherries grown in your home State of Michigan. That has added more than \$4.8 million to the sales of that program.

That is just one piece of it. Also addressing production challenges is another part. What I was really excited to see when I visited the State of Alabama is the Local Agriculture Market Programs, the Local Procurement Programs that were doing, coupled with the Specialty Crop Block Grant Programs, together are building a new economy in Alabama for specialty crop products, where they have access to local markets at the same time that the grant programs are addressing critical research as well as education needs. These programs combined are really enhancing and growing domestic, particularly local specialty crops so that our communities have access to the great, healthy produce and food that is grown in our communities.

Chairwoman STABENOW. Thank you very much. Under Secretary Taylor, how can we improve the ability of specialty crop farmers to compete internationally, in international markets, especially considering the unfair competition they face from heavily subsidized imports?

Ms. TAYLOR. Chairwoman Stabenow, thank you for this question. I think it is really important in thinking about how trade policy works for all of our diverse agricultural producers here in the United States.

As I think about this question, first and foremost, we need to make sure our specialty crop producers have open access to markets. That is access to markets here, and obviously Under Secretary Moffitt works very closely on those, but markets abroad as well. I actually just met with the specialty crop sector two weeks ago, and they were talking about how they have leveraged some of the Technical Assistance for Specialty Crops (TASC), which is a program the farm bill has created and funded, and how important those technical projects are to knock down trade barriers that they are experiencing. Programs like that, I think, are critical to helping our specialty crop sector access new markets around the world.

Additionally, I think ensuring our trading partners are operating fairly, and that trade commitments that are being made to our specialty crop producers, and trade commitments broadly, are being lived up to, and enforcing them when they are not.

I think it is a multipronged approach that we have to focus here domestically but then also internationally.

Chairwoman STABENOW. Thank you very much.

Ms. Charles, we know, and you have spoken about the fact that food aid programs are incredibly important. A number of years ago

I led a codel through the Agriculture Committee to Africa, and we saw up close how significant this is, and because of the weather disasters and growing climate crisis and so on things are even worse, I know, than when we were in there. We have to provide emergency food assistance. We also know growing local markets and building resiliency is important.

From your perspective, how can we improve these programs while maintaining a variety of tools in the toolbox and ensuring that in-kind commodities remain in the mix?

Ms. CHARLES. Thank you for that question, and I certainly welcome codels in the future. I think we have a lot to share and a lot that the American people and this Committee can be proud of that we are doing in the Horn and elsewhere in the world to address food insecurity.

The vast majority of our Title II assistance is for those emergency food aid programs, and I think there are some efficiencies that can be gained that allow us to layer in IDA-supported assistance with those, simplify accounting of those programs. I also think, speaking to your point about building resilience, a small portion of these programs, about 10 percent of the program, is really geared toward graduating people off of dependence on food assistance, and I would love to work with you all, with your teams on some greater flexibilities in those programs that allow us to really tailor them to this specific context, including in some context not using in-kind commodities, if that is the most appropriate way to program.

Chairwoman STABENOW. Thank you very much. I will now turn to Senator Boozman.

Senator BOOZMAN. Thank you, Madam Chair. What I would like to do is yield to Senator Grassley. He has made great effort to be here. We appreciate him showing up, and he has some important questions he would like to ask. With your permission, we will trade.

Chairwoman STABENOW. Absolutely. Senator Grassley.

Senator GRASSLEY. Thank you for the accommodation. I appreciate it very much, to the distinguished leaders of this Committee. My questions are for Secretary Taylor. I am glad you are on the job, now confirmed, because in your position you are going to be a lead advocate for U.S. farmers across the world. Everybody on this Committee knows that when we produce a third more than what we consume domestically that international trade to get that out of our country around the world is a very important issue for prosperity in agriculture.

When it comes to agriculture trade, the concern I hear most from Iowans is access to Mexico's corn market. I am sure other Senators have this same concern. With over 90 percent of the corn acreage in the United States being planted to biotech seeds, and Mexico being the No. 1 purchaser of U.S. corn, I am concerned that this decree is not being met with the urgency that it deserves. This is the case for both Iowa producers and, most importantly, for food insecurity in Mexico and around the world.

As the former Chair of the Finance Committee I was glad to lead the effort for the USMCA, which ended up getting 89 votes. I was pleased to see yesterday that the U.S. trade Representative has for-

mally established a second USMCA dispute settlement panel to hold unfair Canadian dairy tariff rate quota policies accountable.

The question is for you, Alexis, why has the Biden administration not established such a dispute settlement process under USMCA panel with Mexico on this issue of GMOs?

Ms. TAYLOR. Thank you, Senator Grassley, for that question. I would say that I do think we are engaging with urgency on this issue. We certainly appreciate the potential impact that the proposed decree could have on our corn growers here in the United States. Much broader than that, fundamentally our trading system globally but also within the USMCA, is built upon science-based policies, and the challenge to that is greatly concerning. I have heard from specialty crop producers, livestock producers, all with the concern of Mexico with this decree moving away from that fundamental principle.

I, on my third week on the job, and Ambassador McKalip's second week on the job, we traveled jointly to Mexico to again engage with our counterparts there, highlight our concerns, highlight that this is a fundamental principle from the United States on what a global trading system is built upon, and not something that we can walk away from or negotiate away from.

We continue to have those conversations with our Mexican counterparts, and we are reserving the right, all the rights that are awarded to us under USMCA, and we will continue to ensure that our trade access that has been granted to us within USMCA is lived up to by all of our trading partners, and look forward to working with you and this Committee on this very important issue, because it is a fundamentally critical question that we are answering here.

Senator GRASSLEY. Are you aware of any timeline to start the negotiations, get the process in place?

Ms. TAYLOR. Senator Grassley, I would we are still, I think, productively engaging with Mexico. We have been very clear that the USMCA gives us a process to go down if we cannot find resolution on this issue, and that we reserve all of those rights. At least today we are still productively engaging and hope to find a resolution that does not disrupt trade, impact our producers, and ultimately impact negatively Mexican livestock producers who are dependent on this product as well.

Senator GRASSLEY. For you, Secretary Taylor, a key component of the farm bill includes investments in export market development programs, authorized under Title III. These investments help promote U.S. products in emerging and developed countries, and can pave the way for bilateral agreements. Free trade agreements are essential for U.S. agriculture products and in making sure that our producers can compete on a level playing field.

As Under Secretary do you think that your programs can pave the way for bilateral agreements?

Ms. TAYLOR. Senator Grassley, I think our market development programs are critical in a host of ways and areas. First, it helps build the bridge to relationships, and trading is still very much about relationships—connecting buyers and sellers with products that we have and products that they want. At the same time, they also help to address many technical barriers to trade that our pro-

ducers are experiencing and our exporters are experiencing in markets.

I do think as we utilize these programs in partnership with industry they help strengthen the ties and strengthen our economic ties as we continue to look for new diversified markets, and I think they are critically important to those record \$196 billion of agricultural exports that we saw last year.

Senator GRASSLEY. Thank you, Secretary Taylor. Thank you, leaders of the Committee, for accommodating me.

Chairwoman STABENOW. Absolutely. Senator Brown.

Senator BROWN. Thank you, Madam Chair, and I join others in extolling your leadership. I have known the Chair of this Committee from time in the House together, and we sit on two committees in the Senate, and she always puts workers first and people first and family farmers first. I am so appreciative of that, and the kindness you show around here to other members, which is not always the case for all of our colleagues, so thank you for that.

Senator Fetterman and Senator Welch, welcome to the Committee. I noticed that the Republican got off on the Committee so I understand that too.

Under Secretary Moffitt, let me start with you. Thanks for being here. The pandemic highlighted the vulnerability of long global supply chains in agriculture and in industry and throughout our economy and the need for more locally and regionally produced food. Chair Stabenow and I have been advocates for a long time of local food, and proud to have played a role in creating the LAMP program, the Local Agriculture Market Program in the last farm bill. It was a great step toward strengthening local and regional food systems, but more must be done. It is why Senator Thune and I are introducing the Strengthening Local Processing Act. Our bill is about expanding local meat and poultry processing infrastructure. It is critical if we are going to lower prices and address corporate consolidation, the ever-approaching corporate consolidation in the meat industry, as we have seen, and far too many places in agriculture in our economy overall.

I am working on a bill to strengthen LAMP, support increased USDA procurement from local producers. I have heard concerns from organizations in Ohio, Under Secretary Moffitt, about the application process. The program can be too difficult to access for, let us say, lower resourced and underserved communities. I know we can fix that. I need your help. I know we can count on you to do that. Give us some thoughts on how we will work together on this, please.

Ms. MOFFITT. Senator Brown, thank you for that question, and thank you for your leadership on the Local Agriculture Marketing Program. As you said, at the height of the pandemic or at the early stages of the pandemic we saw how important local and regional supply chains are, and the LAMP program, particularly, is valuable in building those bridges, in building the connections and the capacity for both communities, for buyers in those communities as well as farmers and producers in the communities, to really foster those relationships so that we can get more product grown locally, produced locally, into the local food system as well, enhancing our supply chains, and really getting more choice for farmers to access

more markets as well as more choice for consumers to be able to buy from local farmers as well.

Regarding your question on accessibility at the LAMP programs and the application process, I really want to thank you for that question and for the leadership in the 2018 Farm Bill, directing the Agriculture Marketing Services to work on this. Agriculture Marketing Services has done a few different things. We have worked directly with producers as well as resources at universities to create things like guidebooks to access the program. We also answer technical questions. We open office hours and answer questions for people who are potential applicants.

I am really proud to say that as we get toward the next round, the 2023 round, of the LAMP grants we will be adding a new component, a much more streamlined component for organizations, for producers, for those who are interested in applying for the LAMP grants, to be able to have much easier access and a streamlined application process.

Senator BROWN. Thank you for that.

Switching to Under Secretary Taylor, thank you. When we talk about corn, soy, wheat, other agricultural commodities, we know that trade promotion and export markets are important to farmers, certainly in my State but all over the country. Our adversaries know that too. We have seen the Chinese Communist Party weaponize agricultural trade again and again, hurting farmers in my State in the process.

Speak to the issue, if you would, of using tools like the Market Access Program. What barriers exist to using the Market Access Program to further diversify our ag markets?

Ms. TAYLOR. Thank you, Senator Brown. The market development programs that we have a suite of, the Market Access Program is the largest. We received \$200 million in funding for that program. I would say it is highly oversubscribed. With our industry partners, they submit proposals to do export market development activities within the frame of that program, and on average, with them self-regulating what they are submitting, we are getting \$300 million, at least, of project proposals.

I think there is a large need there because these dollars are so effective an important to developing, to maintaining those markets, and to diversifying away from the People's Republic of China and some of the challenges that we have seen with them being our largest trading partner.

These are also, I think, an important note when talking about these market development programs, is they are highly leveraged. For every \$1 of Federal funding that is being utilized, somewhere between \$2.30 and \$2.40 of industry funds are going to match those resources. While the Federal Government is invested, our industries are invested in these markets, and success is there as well.

Senator BROWN. Thank you. Thank you, Madam Chair.

Chairwoman STABENOW. Thank you very much. Senator Boozman.

Senator BOOZMAN. I think what I would like to do, Madam Chair, we have got a bunch of members here so I think I will bat

at the end, and we will just go ahead and go through the line on ours.

Chairwoman STABENOW. All right. You will bat cleanup. All right. Senator Ernst.

Senator ERNST. Thank you, Madam Chair, and thank you, Ranking Member Boozman, as well, and to our witnesses. Thank you, ladies, for being with us today.

The continued success and growth of Iowa and the ag industry is absolutely dependent on strong trade. Unfortunately, we have seen some hesitation with the Biden administration in this area, and that is evident by the fact that our U.S. trade rep does not believe in free trade negotiations, and that it took nearly 20 months to nominate Under Secretary Alexis Taylor. Thankfully—thankfully—we were able to get Alexis confirmed in the 11th hour of the 117th Congress, because she absolutely is well deserving of this position. Welcome aboard, Under Secretary Taylor.

Iowa is the second-largest agricultural export State. In 2020 alone, our State generated around \$26.2 billion in agricultural cash receipts—man, that is a lot of money, folks, for the State of Iowa—and with the highest of that and those valued commodities being corn, pork, and soybeans.

This is why I am glad to reintroduce the bipartisan Expanding Agricultural Exports Act to increase the funding for market access programs and foreign market development programs. Trade is way too critical for many States, including Iowa, and having a strong commodity market, and exports add that value to farmers' bottom line and Iowa's economy.

Under Secretary Taylor, I will start with you. Again, it is great to have you on board. In your testimony you had highlighted the success of the MAP program for increasing U.S. ethanol sales to Korea, which is a great achievement. Many countries are looking to utilize low-carbon biofuels to help achieve their climate goals. Do you agree that biofuels are a cleaner fuel source, and can you talk about the potential that we might have for ethanol exports to India, where they really do need a lot of help?

Ms. TAYLOR. Thank you, Senator Ernst, for that question, and thank you for your support and this Committee's support late last year. It was greatly appreciated.

I do believe biofuels are an important way, as not the United States but globally, we are trying to address a changing climate, lower carbon emissions. Obviously, coming from Iowa I am well versed in how important the biofuels industry is to the economy, and having a cleaner renewable resource. I think it is an important component. It is one we are engaging with trading partners on often and frequently.

I think within India I think there are many countries where there is a lot of potential but also large challenges. I think we are open to working with industry partners, the U.S. Grains Council, to make sure that we are targeting those priority markets, having those conversations at appropriately high senior levels to make sure they know this is truly an important issue, as we are navigating not just opening trade but also addressing carbon reduction globally.

Senator ERNST. Right. No, thank you, and I appreciate that. As well, the last time that you were in front of the Committee we did discuss the Mexico biotech decree that bans much of our Iowa corn, and Senator Grassley has already spoken to that. Just so folks know, if President Amlo's ban does go into effect it would cause our overall U.S. economy to lose nearly \$74 billion in economic output over a ten-year period. That is for our awareness, and an outsized portion of that would impact Iowa, which is our top corn-growing State. I appreciate the attention to that and your work in that area, working with Mexico.

Under Secretary Moffitt, I want to commend USDA for its efforts in handling highly pathogenic avian influenza and for keeping African swine fever out of the U.S. HPAI, as you know, has been devastating to Iowa's poultry industry, and ASF, it would be the absolute worst-case scenario for not only Iowa but all American pork producers. It really does underscore the importance of the National Animal Disease Preparedness and Response Program that was created in our last farm bill in 2018.

I just want to commend you on that. We have got a lot more work to be, and will be submitted questions for the record. I will yield back. Thank you very much, everyone. Thanks to our witnesses.

Chairwoman STABENOW. Thank you. Senator Bennet.

Senator BENNET. Thank you, Madam Chair, and thank you for your continued service to the country and to the Committee.

Secretary Moffitt, I want to say thank you to you for coming to the San Luis Valley in Colorado to visit our potato producers there and to come to understand, I think, how important it is to have the success we have had now opening up the Mexican market for them, and that is work that we have to continue to build on.

I will say to my colleagues on the Committee that trade is great. We need more trade, and Colorado's producers believe we need more trade. If we do not have the labor to actually get these crops in we are going to have a huge problem in this country, and we are facing a massive crisis when it comes to farm labor in the United States, including in the San Luis Valley, where you visited.

I hope for this Congress, miracle of miracles, that we might actually be able to finally address this, because there is nobody but Congress that can address this. Our growers and our producers and our specialty crop folks in my State, and I know all across the country, are depending on us to do it, and I hope that is not a futile hope that people have.

I wanted to ask you about hemp, Secretary Moffitt. In 2018, in this farm bill, the Committee legalized the production of hemp, as you know, for the first time. Farmers in Colorado were eager to plant and grow it. Unfortunately, burdensome testing requirements and lack of processing facilities have stunted the potential for this versatile crop, something that, you know, a crop that people all over the country are interested in growing.

What USDA resources are available to help farmers in States navigate the complex hemp regulatory framework, and what should we look to do in the upcoming farm bill to ensure the success of this crop?

Ms. MOFFITT. Senator Bennet, thank you, and it was a pleasure to visit the San Luis Valley and to meet with the potato producers there. We continue to work on maintaining that potato market access that we have worked so hard to achieve.

Regarding your question on hemp, as of January 1, 2021, we have 42 States that have State-approved plans with USDA to register and to continue the hemp production in those 42 States. The rest of the States, USDA directly works with hemp producers. We also have 53 tribes around the country that also are partnering with us with hemp plans as well.

As far as the question about what resources that we have at USDA to support hemp producers, we have done a handful of things as have worked since the 2018 Farm Bill on developing the hemp program at the Agricultural Marketing Services. One is to make sure that we have an easy registration process and a streamlined IT process so that hemp producers and testing and all of the procedures that go along with hemp production are in one system that is easy to communicate with producers as well as with the local officials. That is one key part of it.

Also, last week we released the first weekly national hemp report. This national hemp report is part of AMS's market news that will provide weekly, timely information for hemp producers to be able to access information on markets so they can make informed business decisions.

Senator BENNET. Okay. Well, if there is more we can do in the farm bill I hope you will let us know.

Ms. Charles, I had a question for you. As you know, Russia's unprovoked war on Ukraine has significantly damaged global food supply chains, including the export of Ukrainian wheat and other grains to Africa, to Asia, and to the Middle East. This has exacerbated the food shortages that you talked about in your opening testimony in the Horn of Africa that are already dealing, as you said, with historic drought.

How can Congress use the upcoming farm bill to provide essential humanitarian food and mitigate the growing global hunger crisis that we are now facing?

Ms. CHARLES. I think we saw this year, really, the importance of flexibility in our toolkit. To address Russia's war in Ukraine we both immediately drew down the full balance and have exhausted the full balance of the Bill Emerson Humanitarian Trust to use U.S.-sourced in-kind commodities to get to those places like Yemen and Ethiopia, northern Kenya, south Sudan that would be most impacted by shortages and critical price spikes as a result of Russia's war in Ukraine.

We also used IDA assistance, our non-Title II assistance, to procure Ukrainian wheat, working with the World Food Program, as proof of concept for that Black Sea Grain Initiative that has been so important in helping to stabilize wheat prices still at quite a high level but with less volatility toward the end of the year with that Black Sea Grain Initiative in place than we saw in the days after Russia's invasion of Ukraine.

Using kind of all of the different tools in the toolkit to help ensure that food is not out of reach for the world's hungriest.

Senator BENNET. Thank you, Madam Chair.

Chairwoman STABENOW. Thank you very much. Before going to the next question I just want to thank you, Senator Bennet. Nobody worked harder at the end of the last Congress or through the last Congress on farm worker issues. I could not agree more about what needs to happen around comprehensive immigration reform. Our farmers need a legal system that works for them. Thank you.

Senator BENNET. Thank you, Madam Chair.

Chairwoman STABENOW. Thank you very much. Senator Hyde-Smith.

Senator HYDE-SMITH. Thank you, Madam Chair and Ranking Member Boozman, and I certainly appreciate this all-female delegation at the end of the table, discussing agricultural issues.

Under Secretary Taylor, this question is for you. Poultry is the No. 1 commodity in Mississippi in terms of production value, and my State has produced over \$3.26 billion worth of poultry in 2022. Really important to us. As we all know, the avian influenza, the highly pathogenic avian influenza, has been spreading across the country. When we served as ag commissioners together, that is one thing that kept me awake at night, the fear of that. Although the disease itself has primarily affected the egg industry, it has put the poultry industry on high alert and created trade barriers for the poultry industry.

I am thankful for the efforts of APHIS and their staff and employees. They are doing their best under Under Secretary Moffitt's leadership. While Mississippi is fortunate to have only detected avian influenza in one commercial broiler lot, not far from my house, so far, that could change at any time. China has imposed barriers to trade on poultry products from several States because of the outbreak, directly contradicting an agreement it previously entered with the U.S. If we do not stay on top of this issue Mississippi will be next.

In 2020, China's General Administration of Customs China, GACC, and USDA's Animal and Plant Health Inspection Services agreed to a regionalization policy for the avian influenza outbreaks. China agreed that in the event that the outbreak is detected in poultry a Statewide ban would be enforced for all products coming from the State of detection and the resumption of the imports and exports would be approved no sooner than 90 days post-virus elimination, after disinfection and cleaning. This was a huge win for our chicken sector, and under this protocol China has become the U.S. poultry industry's top export market. Of course, as you and I found out in China, they only want the paws, the feet.

Unfortunately, since last August, China has failed to honor the 2020 agreement, and during this time GACC has not responded to APHIS's request to lift bans on a number of States that are now eligible to resume exports under the agreement. I am not aware of any real substantive concerns raised by GACC, but it is crucial that we really stand up to China, and not only for the sake of our chicken growers but to show them we are serious about them holding to their commitments. This issue has serious implications for the poultry industry for both Mississippi and the entire country, and China will be watching our response to this.

Have you and other senior leaders at USDA, have you engaged China directly on this issue?

Ms. TAYLOR. Thank you for that question, Senator Hyde-Smith. I have had many internal discussions within USDA. I have not engaged with China yet on this. This agreement around reopening after a high-path avian influenza outbreak is being led by discussions with USTR under the Phase 1 agreement and ensuring that China lives up to those commitments. We are engaged in those conversations with USTR.

I will say while China is a very important market they are also very challenging, and so constant engagement at senior levels is critically important and something I am committed to doing with my Chinese counterparts because I know how important for chicken paws they are for your growers.

Senator HYDE-SMITH. Okay. You answered my second question with that answer. Thank you very much.

Chairwoman STABENOW. Thank you. We will now turn to Senator Fetterman, and again, welcome to the Committee.

Senator FETTERMAN. Hi, once again, and thank you so very much for the opportunity to be a member of this Committee.

Chairwoman STABENOW. Absolutely.

Senator FETTERMAN. This is actually my very first meeting, so I am just really honored, being an advocate for Pennsylvania's very, very critical kinds of agricultural industry. It is going to start out with a very broad kind of question, given this being, you know, just starting in on this.

Ms. Taylor, agriculture is Pennsylvania's single biggest industry, and we have over 60,000 farms, and 97 percent are farm-owned. What changes are needed to the department's trade programs to make them stronger?

Ms. TAYLOR. Senator, I think I appreciate those numbers. I think that is really important to underscore that the majority of our farms in your States and across the country are family owned and operated. That was the case—I grew up on my family's farm in Iowa, that has been in my family for 160 years.

As I think about the trade programs that we have, we are focused on ensuring that small and mid-sized producers and businesses can also access those programs, that they are able to be navigated, that they can identify diverse market opportunities outside the country that might be of interest to them, and certainly welcome any additional engagement from you on how we can make sure our family farmers are able to tap into our market development programs to connect to the markets and the buyers in those markets, and ultimately the consumers who will have a desire for our products.

Senator FETTERMAN. Thank you. Ms. Moffitt, Pennsylvania has an incredibly strong organic farming industry. In fact, I believe it is the second-largest in the Nation actually. It faces a lot of challenges, as we all know. What changes to the USDA made recently to strengthen the organic label and what additional tools are needed, do you think?

Ms. MOFFITT. Senator Fetterman, thank you for that question and for your interest in organic production. Two weeks ago USDA AMS announced that the largest change to the national organic standards since the inception of the National Organic Program led to Strengthening Organic Enforcement. Strengthening Organic En-

forcement, as it will be implemented and we are already working with producers as well as certifiers on implementation of that rule, will close some of the loopholes and add new players that have now been part of the organic industry that were not part of the organic industry in the inception, to make sure that we have a level playing field for all producers.

At the same time we are also growing the organic producer base through a Transition to Organic Partnership Program. This is field-based technical assistance driven by producers and organizations in Pennsylvania to mentor new and aspiring organic farmers to be able to attain certification as well.

Rulemaking is very important, and also the support that we need and the mentorship that we need to grow and enhance and increase organic production is another part of what we are working on. Thank you.

Senator FETTERMAN. Thank you. Well, actually, Madam Chair, just again looking forward to really getting in and learning so much more from all of you than I am going to be able to contribute early on here. Thank you again for the opportunity to be here.

Chairwoman STABENOW. Thank you so much. We know Pennsylvania agriculture is very important, and we are glad to have you on the Committee to be that voice. Thank you so much.

Senator Marshall.

Senator MARSHALL. Thank you, Madam Chair and Ranking Member. I am sure everybody in this room knows that since 1933 this farm bill, which is authorized about every five years, helps provide affordable, safe, reliable food and fiber for this country. It is not lost upon me that as I look around the room and see the portraits in the room that Senator Pat Roberts' legacy stares over all of us, and this is the first farm bill in 40 years when his boot prints are not going to be all over it.

I certainly want Kansans and America to know that this is every bit as important to me as it is to him, and as I promised him I will make sure that as the father of crop insurance that we will be protecting that.

I think about, in so many ways this farm bill is important to Kansas and our guests today, that it was in 1953 that a farmer in Cheyenne County, Kansas, Peter O'Brian, stood up at a Kansas Farm Bureau meeting and said, "We can help people overseas that we can give food for peace," and we are so proud that that program has continued.

Another Kansas, President Eisenhower, signed that into law shortly thereafter. Of course, I believe this is the 21st anniversary of the Dole-McGovern bill, which helps provide food for education. We appreciate you all helping us carry those legacies forward.

Now, on to some tough questions. Forgive me. The first couple are for Under Secretary Taylor. This is a two-part question. The first part, I think, is a yes-or-no answer, but before you answer it I will give the second part. Does the Biden administration believe that Mexico has a right to exclude genetically modified U.S. corn from its market under the terms of the USMCA?

The followup question is this. The Biden administration has triggered USMCA's dispute resolution system six separate times to complain about Mexico labor conditions. In the meantime, the Ad-

ministration has refused to trigger the USMCA to contest Mexico's planned exclusion of American corn.

Madam Secretary, our farmers feel like that this Administration is putting Mexican assembly workers ahead of farmers. What are we waiting for? What are we waiting for to trigger this mechanism? I am tired of talking about it, forming committees, and praying about it. We think it is time for action.

Ms. TAYLOR. Senator Marshall, thank you for those questions. I think, first and foremost, under USMCA we have, from the Biden administration, been very clear that their proposed ban on genetically engineered corn does not live up to the science-based standards that were housed within USMCA.

Two weeks ago, on my third week on the job, I traveled to Mexico with Ambassador McKalip to have these conversations directly with our Mexican counterparts. This is a fundamentally important question to how USMCA was built but also the global trading system.

Senator MARSHALL. I am going to back up. Do you feel, yes or no, the Biden administration believes Mexico has a right to exclude genetically modified U.S. corn from its market under the terms of the USMCA?

Ms. TAYLOR. We do not, sir.

Senator MARSHALL. Next question, again for Secretary Taylor. Before the Eighth Circuit, attorneys for the Justice Department suggested that the USDA are not experts on the use of pesticides. They used this argument to try to convince the Eighth Circuit judges to ignore Secretary Vilsack standing by the science in a letter to Members of Congress.

Will you stand up to the Justice Department and emphasize that we do feel like we have experts in this area in USDA?

Ms. TAYLOR. Senator, we do have experts on this within USDA. I know many are under Under Secretary Moffitt's purview. We work closely with them as we are working bilaterally with trading partners around the world on these issues that are impacting U.S. agricultural trade.

Senator MARSHALL. Senator Moffitt then, how do you feel about the Justice Department basically slapping you on the face and saying that USDA does not understand the science?

Ms. MOFFITT. A lot of what we are doing at APHIS is really engaging in, as Under Secretary Taylor said, really in the bilateral conversations with other countries on making sure that we are doing and implementing is science-based and that we are following the science. We, of course, and Secretary Vilsack talks a lot about how important the science is, whether that is with our trading partners, whether that is in the domestic industry. We continue to stand by the science and have robust conversations across the Administration with science at the forefront.

Senator MARSHALL. Okay. Last question. I am not sure which one of you can answer this. When it comes to food aid, Food for Peace, in 2010, we were giving commodities as opposed to cash about ten to one, and now about two-thirds of the aid is in cash rather than U.S. commodities. Can someone just kind of explain, you know, justify that, where we are going? Why are we giving cash instead of commodities?

Ms. CHARLES. Senator, about 30 percent of our Title II is U.S.-sourced in-kind commodities. The other cost—it is not about giving cash instead of those commodities. It is really the cost of managing those programs, including significantly increased shipping and transportation costs to move those commodities.

Senator MARSHALL. Yes. Madam Chair, I would like to submit for the record a document from CRS that shows that two-thirds of the money is now being given as cash rather than U.S. commodities. Thank you.

Chairwoman STABENOW. Without objection. Thank you.

[The document can be found on page 72 in the appendix.]

Chairwoman STABENOW. Senator Welch, again, welcome to the Committee. It is good to make sure that Vermont's voice is still here on the Committee.

Senator WELCH. Well, I am being observed here, Madam Chair. [Laughter.]

Chairwoman STABENOW. You are. Every step you make will be observed.

Senator WELCH. I am under a little bit of pressure, but I am absolutely delighted to be here with you and the Ranking Member—as he mentioned, we worked together in the House—and with all of my colleagues.

You know, local agriculture, I believe, is absolutely essential to all of us. Most of us are not farmers but all of us benefit by not just what farmers do but by what they do being the custodians of the landscape. Vermont is very small agriculture, as you know, but we have got to find a way, in my view, to make local agriculture in every district sustainable.

I want to turn to the Honorable Jenny Lester Moffitt. We had a visit from Under Secretary Moffitt, who came to an organic dairy farm that has been in the Course family since 1868. Just think about the things that the generations of family went through, and now they are milking, I think, over 90 head on this 300-plus-acre dairy farm. They do not use plows. In 40 years they have not plowed the land, and it is really productive and doing a great job. I just want to thank you for coming up and just demonstrating your commitment to that.

One of the questions that came up was about the organic rules, and it is really important we have organic rules to protect the brand, but it is also important that the rules not be oppressive so that those folks who are honestly trying to comply with them do not have to get buried in paperwork. That was a question that was asked to you by the fifth and sixth generation of Courses who were present. Maybe you could elaborate on how you are going to try to thread that needle, which I think would be important to all of the farmers that we represent for whom that is a concern.

Ms. MOFFITT. Thank you, Senator Welch, and it was a pleasure to be up in Vermont last week with you and to meet with the Course family. Conversations like those around the kitchen table at dairy farmers and other farmers is such a valuable part of the job that I have, really informing the decisions that we are making at USDA to make sure they are really rooted in the best interest of farmers and producers and folks around the community. Thank you for having me.

Regarding your question about organic rules, yes, organic rules are such an important part, and the National Organic Program is really based on an everchanging organic industry, so continuously updating organic rules is an important part. I know that as someone who has sold organic products around the world how important that level playing field is. At the same time, making sure that organic producers, while implementing very rigorous standards, are also not doing paperwork that is unnecessary is an important part of that.

We are making sure. A lot of the Strengthening Organic Enforcement rule will actually be about bringing in new brokers, importers, folks who have not traditionally been part and certified under organic standards. There will not be a lot of changes that existing organic producers will see aside if they are importing products into the country and other trades. The paperwork that they are currently filling out will not see many changes.

Senator WELCH. Thank you. You know, one thing that could be helpful, all of us have organic farmers. If they have issues with how the rules are being implemented or interpreted we can contact you?

Ms. MOFFITT. Absolutely.

Senator WELCH. Because that, I think, would be a common concern. Thank you.

Ms. Charles, that was just a heartbreaking story you told about that woman who lost her 18 cattle and nearly lost the life of her daughter, and it is reassuring and wonderful that the food aid saved her life. There is a constant issue about food aid—leave out the climate issues for a minute—about what we can do to help local agriculture culture, because obviously, the best food aid is local production. I know that is a concern for you because it is not as though we are going to be able to really solve that problem, and it is much better for folks in those horrible situations to be independent.

Are there any policies that are under consideration about trying to help food insecurity, helping food production locally?

Ms. CHARLES. Certainly a big piece of our development assistance at USAID is about poverty reduction and increasing the yields of small-hold farmers in particular, to increase food security in the long term. Under the Food for Peace program the bulk of that is emergency food assistance, but we do have a small percentage, about 10 percent of that program, that is dedicated to longer-term resilience activities. These are activities often targeting small-scale farmers or helping pastoralists transition to agri-pastoralists, to help them build resilience and be more able to withstand climate shocks or conflict shocks by improving productivity, yields using climate-smart agricultural inputs. We would like to work with you and your team as you look at reauthorizing the farm bill on ways to maximize the effectiveness of those programs.

Senator WELCH. Thank you. I yield back. Thank you very much, Madam Chair.

Chairwoman STABENOW. Thank you very much. Senator Thune.

Senator THUNE. Thank you, Madam Chair and Senator Boozman, for holding today's hearing to consider trade and horticulture titles of the farm bill. I look forward to working with you, both of you,

and our colleagues on this Committee to advance a farm bill that supports the needs of producers and rural America. I also want to thank our witnesses, panelists, for being here today to provide your input on this important topic.

I know it has already been touched on, my colleagues have raised this, but before I turn to my questions I also want to reiterate my concerns with Mexico's efforts to restrict genetically engineered corn imports, which would threaten food security and stifle ag biotech innovation that benefits both the United States and Mexico. Under Secretary Taylor, I appreciate USDA's strong stance on this issue and urge USDA to continue holding Mexico accountable on its trade commitments.

Under Secretary Taylor, as I have previously mentioned to you, I am concerned about this Administration's lack of attention to expanding market access for U.S. agricultural products. I hope you and USTR ag chief and chief negotiator McKalip's recent confirmations are a turning point for this Administration when it comes to ag trade.

In your new role, what are some specific new ideas—in addition to maintaining existing access to corn exports to Mexico, what are your ideas on new market access opportunities for U.S. farmers and ranchers, and is the Administration considering market access opportunities in Africa? Then finally, are you advocating for reauthorization of trade promotion authority?

Ms. TAYLOR. Senator, thank you for those questions. I think, first and foremost, one of the areas that is a priority for me coming into this role is looking at market diversification. Obviously, the People's Republic of China is our largest single agricultural market, but we saw what an overreliance on any single market can mean. Looking to help our agricultural exporters, our farmers and ranchers, identify new markets is really critical.

I look to a couple of different regions of the world first. I think South Asia is a really exciting opportunity. I think about countries like Vietnam, when they have some of the highest macroeconomic growth projected in Asia. They also have an expected five million middle-class households going to come online in the next five years. We have an opportunity today and early on to create consumers, lifelong consumers. Their population is also relatively young, so lifelong consumers of American agricultural products. I think there is a lot of potential and exciting opportunity there, one that while the Indo-Pacific economic framework is still getting underdeveloped and exactly what the outcomes might be for U.S. agriculture. I am hopeful that we will see successful access there, addressing SPS and non-tariff barriers to knock down some trade hurdles that we currently experience.

Likewise, you mentioned Africa. I think Africa generally has a lot of potential. Specifically, I think Kenya is a very exciting potential market, which obviously we are engaging with there as well.

We are also engaging in a couple of other areas within the African continent. We are working with the African Continental Free Trade Area that is under negotiation there. One of the areas that we are providing support is technical support, in particular as they are addressing SPS regulations and how science-based principles can really help form that continental trade agreement. The U.S. is

providing that technical support, which will also benefit our agricultural producers. I think there is significant opportunity on the African continent as well.

Senator THUNE. Let me just say—and again, by way of IPEF, and I could not agree more that the way to isolate China is to do it economically, and that has, obviously in that region of the world, a lot of national security implications as well. It just seems like IPEF did not address the issue of market access, which is what our agricultural producers in South Dakota are looking for, and free trade agreements with countries in that region of the world, you know, free trade agreements with other places around the world, some that are what we think are low-hanging fruit.

It just seems like the Administration—no request for trade promotion authority, has not been an FTA done, and the times there have been any sort of discussion around this issue, it has been related to issues that do not have anything to do with market access. I am just saying, you guys have got to step up your game here, and I hope you will.

I just have a few seconds here remaining, but during your confirmation hearing you mentioned your willingness to work with me on a path forward for mandatory country of origin labeling for beef. Last week, I introduced a bill that would direct USTR and USDA to develop a World Trade Organization (WTO)-compliant means of reinstating country of origin labeling (COOL) for beef. My question is will you provide technical assistance on the legislation and what actions will you take to coordinate with USTR on a path forward for mandatory COOL for beef?

Ms. TAYLOR. Senator Thune, we would welcome the opportunity to provide technical assistance on that bill and work with you and Congress on implementation with our colleagues at USTR, should it pass.

Senator THUNE. Okay. Thank you. Thank you, Madam Chair.

Chairwoman STABENOW. Absolutely. Thank you. Senator Smith.

Senator SMITH. Thank you, Madam Chair and Ranking Member. It is great to be back in the Committee, and I really appreciate the focus today, in part, on trade. Of course, trade is incredibly important to our producers in Minnesota. It is very, very important to the health and vitality of the agricultural community in Minnesota. We need to make sure that trade is working for everybody, for all of our producers, including small producers. I appreciate the question that Senator Fetterman started with.

Under Secretary Taylor, let me start with you. I have been focused on how we can support Tribal agricultural production in the United States. With this in mind, Senator Hoeven and I worked to include in the 2018 Farm Bill provisions to include Tribal representation on trade missions. Historically, USDA has not done everything that I think it could have to support Tribal producers, so there is a big opportunity here.

For example, in Minnesota traditional wild rice plays a really important role in Native communities, and there is a growing export market for traditionally harvested wild rice, and Tribal harvesters should have good, fair, equal footing.

Can you tell us what strategies are in place to promote greater inclusion of Tribal agricultural and food products and trade-related

activities? How is it going in USDA, and how can we use the farm bill to continue promoting indigenous food products?

Ms. TAYLOR. Senator Smith, thank you for those questions. Having previously worked for a member from Montana and in the State of Oregon I fully appreciate how important our Tribal nations are and how important making sure our programs that we are administering at USDA, that they are working for them.

As you mentioned, the 2018 Farm Bill actually directed USDA to develop some goals around Tribal participation within our trade-related activities. We have a key partner in the Intertribal Agriculture Council. We work very closely with them. They are our MAP and FMD participant. They often participate in trade shows.

Coming from the State Department of Agriculture in Oregon we also had a western regional group that was a State regional trade group tapping into market access programs. I know my colleagues, in particular, in Alaska, some of the Alaska Tribes participated in these programs as well, promoting seafood exports.

I think we appreciated that direction from the farm bill. We are ramping up that engagement with our Tribal nations, with, in particular, the Intertribal Agriculture Council. Certainly welcome additional feedback on how we can continue to engage to make sure our programs are working for our Tribal nations as well.

Senator SMITH. Thank you. I appreciate that, and we will look to work closely with you on this because it is very important.

I have another question for you. This is related to geographic indicators. The European Union continues to impose geographical indications that can block the use of commonly used household names for cheese and other products, and this is a significant barrier, a roadblock for U.S. dairy producers.

For example, a Minnesota dairy, including groups like AMPI Co-Op, they cheese like parmesan, asiago, romano, fontina, which would face unfair barriers if they tried to export these products to the EU or other countries that are influenced by the EU's stance on geographical indications. In the USMCA we had hard-fought provisions around this issue that forced Mexico, for example, not to restrict access to U.S. products.

Can you tell us how you and your colleague at USTR are building upon those efforts, and update us on what your strategies are and what more you think that we need to do in this area.

Ms. TAYLOR. Thank you, Senator Smith. I have yet to see feta on a map, so I think, at times, these GIs clearly restrict our trade, which is of large concern to, in particular, our dairy producers, but broader than that as well, can feel the impacts.

We have a multiple-pronged, I think, approach to trying to address this, first working with countries who are either engaging in negotiations with the EU and/or have concluded negotiations with the EU, to articulate our concerns, to make sure they understand the market accesses that we currently have and how that could be impactful there.

I think we are also engaging, just broadly, with our trading partners to ensure, again, that this does not become a new trade barrier for our exports. Then we are also engaging in multilateral fora about this issue. The WTO, the Asia-Pacific Economic Cooperative Forum, APAC, and then there is a world intellectual property orga-

nization as well, where we are engaging to make sure that intellectual property rights are being respected, but that these generic names that we use, that are being used all of the world, do not become a barrier for our trade.

Senator SMITH. Thank you very much. Madam Chair, I appreciate this. I have one question which I will put in for the record, following up a little bit, I think, on Senator Thune's question about how we can expand export markets, specifically looking at Cuba as an export market and what we can do there more. Thank you.

Chairwoman STABENOW. Absolutely. Thank you. Senator Fischer.

Senator FISCHER. Thank you, Madam Chair, and thank you to our panelists who are here today.

Trade is vital to Nebraska's agricultural economy. Agricultural exports from Nebraska were valued at \$6.5 billion in 2021. New and growing export markets drive value back to rural America. The Market Access Program and Foreign Market Development Programs are critical in helping our producers develop those new markets. I agree with many of my colleagues to day that as we look toward the next farm bill it will be critical to ensure that these programs do continue.

In order to fully realize our investment from those market development programs, thought, the U.S. Government has an important role to play. At a bare minimum, we must uphold our existing trade agreements, and Under Secretary Taylor, I did appreciate your remarks to Senator Grassley earlier that there is no negotiating on Mexico's ban on biotech corn because the science is clear on that. You mentioned that Mexico's livestock sector needs our corn, and that is a large market for Nebraska farmers.

Nebraska is also unique in that we grow half of the Nation's food-grade white corn with Mexico being our top export market. I understand Mexico's claim that there are cultural reasons for wanting to ban imports of white corn.

Can you assure us that when you say there is no compromise with Mexico on their attempts to ban biotech corn that that also includes our food-grade white corn?

Ms. TAYLOR. Thank you, Senator Fischer. From the conversations that I have had with my Mexican counterparts we talked about it broadly, to include our yellow corn and our white corn exports. There are concerns, I think, in both, and fundamentally the science is the same. As it is for many other genetically engineered products that have been studied for decades, the safety of these products is not in question.

Senator FISCHER. Thank you. I agree with you also on your point that this has a broader impact. If we have a country who is claiming, in a trade agreement, that they are not going to accept our products, that are safe—GMOs, they are safe—that is a message we need to get out, not just in our international trade but also here within this country. I appreciate you standing firm on that and making it clear that GMOs are safe, they are secure, they are healthy, they help to feed the world. We can go on and on with this as we continue to move forward, so I thank you for that.

In December, I led 25 of my colleagues. It was a bipartisan letter that we sent to the Administration to hold Mexico to their commitments under the USMCA, and we have not received a response yet

from that. Could you check on that and let us know how the Administration plans to proceed?

Ms. TAYLOR. Absolutely, Senator.

Senator FISCHER. Okay. Thank you very much.

Also you note in your testimony that the Indo-Pacific economic framework, there are meaningful opportunities in there to address non-tariff barriers and sanitary and phytosanitary restrictions. I agree addressing those items would be helpful. However, I have heard from many Nebraska egg producers concerned about the lack of any meaningful market access provisions as part of the Administration's trade agenda.

In your capacity as Under Secretary will you advocate that market access provisions, specifically for agriculture, are included as part of the negotiations for the IPEF?

Ms. TAYLOR. Senator, thank you for that question. I believe broadly that market access, addressing tariffs but also at the SPF side of trade, is critically important. Doing one without the other does not often equate to market access. We have seen that around the world.

I think while tariff liberalization, broadly, has been critical to U.S. agriculture there have been parts that have not felt that as equal. I heard this often from some specialty crop producers in the State of Oregon about some of the challenges that they experienced.

What I will say is I am interested in pursuing trade policy that balanced the need for the diverse set of our agricultural producers in this country in pursuing new and diversified markets.

Senator FISCHER. Thank you. I look forward to continuing our discussions on that, and a special thank you for really holding firm on the yellow corn and the white corn with Mexico, and my thanks to the Secretary as well.

Chairwoman STABENOW. Thank you very much. Senator Klobuchar.

Senator KLOBUCHAR. Thank you very much, Madam Chair. I would add my thanks to Senator Fischer's on the corn issue. Minnesota is actually fourth in the country for exports, ag exports, so this hearing is really important to us. I also thank Senator Smith for her question on dairy, something else we care a lot about.

I am just going to start broader, Ms. Taylor, with the fact that we see room to grow with exports. According to the 2021 study on the Export Market Development Programs you cite for every \$1 invested in these programs U.S. ag export value increased by more than \$24, which is pretty incredible. Yet it found that these programs are underfunded. I know Senator Brown asked you a little bit about this, but could you talk about how we compare to other international trading partners? According to your testimony, the EU's export program for wine alone was greater than the entire budget of all of USDA's market development programs. I think that should concern our colleagues when we look at a balance, as much as we enjoy pairing up with the EU and drinking their wine.

Okay. Go ahead.

Ms. TAYLOR. Thank you, Senator Klobuchar. These programs, I think, are critically important, and others around the world also have their own versions of programs to promote their own prod-

ucts, and we are going head-to-head in many of these markets around the world competing. These tools that Congress and this Committee have provided is critical to letting our producers get into these markets, to navigate oftentimes complex regulatory systems, language barriers, to compete.

Our programs, just MAP alone, while it is funded at \$200 million, we, on average, are seeing about \$300 million of requests, and I would say that is with our industry partners self-regulating because they know we have limited funds. We see something similar in the Foreign Market Development Program, FMD. That program is funded at \$34.5 million, and we roughly get about \$50 million of requests.

They are highly prescribed funds, but also highly leveraged, as you point out. The impact and return we receive is pretty impressive.

Senator KLOBUCHAR. Next up, Cuba. I lead the bill on opening up the market to Cuba, 95 percent of our customers living outside our borders. Absent lifting the embargo, I am interested, which I would do, I am interested in what options USDA has to facilitate more American ag exports to Cuba. Have you considered allowing Cuba to be part of the Emerging Market Program, which would facilitate easier exports to Cuba? I note this has always been a bipartisan bill. Go ahead.

Ms. TAYLOR. Yes. Thank you, Senator. I think Cuba is an interesting market with a lot of untapped potential. There are obviously huge challenges as well.

In the 2018 Farm Bill, MAP was opened up to be allowed explicitly in Cuba, and we have seen some cooperators and the industry drive projects there. I believe the Emerging Market Program did not have that same authority granted to it, and so I think that would be something we would be interested in exploring with you and this Committee as you work on reauthorizing the farm bill.

Senator KLOBUCHAR. Thank you. Again, this would be American products, and as we know, we were making some headway there. We still have to work to do on the human rights front, many other things, but I hope we can go back to looking at that.

My last question, turkeys. Minnesota, No. 1 turkey producer in the country. Minnesota turkey farmers have once again been significantly impacted by avian influenza. It went better this time, I think, in terms of the quick response. Senator Cornyn and I had worked hard on a vaccine bank and also on funding for these emergencies in this farm bill, supported by all the members.

As this outbreak continues, because it is still going on, how is USDA adjusting to address and mitigate what is happening, and specifically I know impacted countries in the EU are considering implementing a vaccine strategy. What can be done in the farm bill to incorporate a vaccine strategy without impacting trade?

Ms. TAYLOR. Senator, I think as you mentioned that it has gone better. I think we learned a lot of lessons from the high-path avian influenza outbreak in 2014–2015, that we spent the time since working with trading partners, working with the World Organization on Animal Health around a regionalization approach and some science-based standards.

I think we have seen a different reaction this time than we did in 2014 and 2015. We still have many challenges and so we are still working to lift restrictions that maybe do not line up with the WOAHS standards.

Just recently we were able to work with Taiwan. The lifted restrictions on 12 States. This is a continued process of engagement, and I think we have made some important progress, thanks to our technical colleagues in APHIS. We are going to have to continue to work at this.

Senator KLOBUCHAR. Okay. I am not going to ask another question but I know you were asked by Senator Bennet about hemp. I am remembering Senator McConnell coming to these hearings, the markup of the bill for the very reason of including hemp provisions. There continues to be confusion and frustration among hemp growers regarding the gaps in regulation and guidelines that I know you are aware of at the FDA, DEA, and USDA, and I am hoping we can fix those. Thank you.

Chairwoman STABENOW. Thank you very much. Senator Tuberville.

Senator TUBERVILLE. Thank you, Madam Chair, Ranking Member Boozman. I look forward to working with you all on this very important bill. Agriculture in my State of Alabama is the No. 1 industry, and we are proud of it. The problem we are having, as we had through COVID, is we have lost a lot of family farms in our State, and I would hope doing this farm bill that we would really keep in mind of what we are doing and how we are doing it for all farmers, but especially try to keep as many family farms as we possibly can.

Most of my questions have been asked, but I am going to ask this question of Ms. Taylor. Our cotton producers in Alabama and across the Southeast export most of their cotton overseas in one form or another. You know what MAP is and FMD. Do you have any new plans for these two programs?

Ms. TAYLOR. Senator, I think they are well-established programs. They have shown a lot of success. I will look forward to working with Congress on any changes that you all might be seeking, but from our perspective they are highly effective programs.

Senator TUBERVILLE. You are satisfied with them, how they are working?

Ms. TAYLOR. Yes, sir.

Senator TUBERVILLE. Okay. Thank you.

Ms. Moffitt, I understand that our nurseries face the emerging threat of the box tree moth, serious pests with boxwoods that have begun to spread into U.S. from Canada. Boxwoods are the No. 1 evergreen shrub crop grown in the U.S. and very important to our State, in Alabama, and I am told the USDA Animal Plant Health Inspection Service is beginning working well and with the horticulture industry for this.

Do you have any comments on this?

Ms. MOFFITT. Thank you, Senator, for that question, and yes, the Animal Plant Health Inspection Service, APHIS, has been working with the industry, making sure that we have movement controls so that we are containing the pest where it is currently, and then also working to eradicate it. We are also working with Canada to make

sure that we have movement control and restriction control in there. Our engagement with industry, as you recognize, is ongoing, and that is a vital part of our response mechanism.

Senator TUBERVILLE. Yes, and as you well know, cogongrass is covering over 200,000 acres in Alabama, 75 percent of infested land and forest. You know, the weed damage of this crop reduces forest productivity. What research is APHIS doing to combat this?

Ms. MOFFITT. Senator, that is a great question. I can talk with APHIS and get some more information, and we can make sure we get back to you on that information.

Senator TUBERVILLE. Okay. Thank you. Thank you, Madam Chair.

Chairwoman STABENOW. Absolutely. Thank you so much. Senator Luján. I do have to say, you are no longer at the end of the dais. You are moving up quickly.

Senator LUJÁN. I appreciate that, Madam Chair. It is incredible what two years will do to somebody.

Chairwoman STABENOW. That is right.

Senator LUJÁN. I appreciate you and the Ranking Member. First off, thank you both for your leadership and to all the staff that are here, and welcome to our new colleagues as well.

Look, in New Mexico, as I hope you all know, we have a few things that we love, one of them being our chili. I remind my friends from Colorado that they should be grateful to New Mexico for the seed that they got from us, for the chili they brag about, just so long as they do not forget where it came from.

The reason I bring that up is there are many challenges taking place in New Mexico and different parts of the country when it comes to specialty crops. In our State, not just our chili but pecans, pistachios, onions matter to us. Our dinner table has job opportunities of that nature. We have seen labor challenges throughout the country, and we feeling that in New Mexico as well. Specialty crop block grants matter to us. They are critical in enhancing the competitiveness of these crops in domestic and foreign markets.

Now my question for Deputy Secretary Moffitt is, can you describe if or now the Special Crop Block Grant Program is able to assist industry in modernizing specialty crop harvesting and especially with the lean toward a State like New Mexico, large in geography, 2.1 million population, we do not do as well as our other States do in the region or across the country when it comes to leveraging these programs. I am looking to see how we can learn more about strengthening them but ensure that for producers like the ones we have in New Mexico that they have access to these programs.

Ms. TAYLOR. Senator Luján, thank you so much for that question and your interest in the specialty crop block grant. What is very unique about the specialty crop block grant is that block grant component, which is a partnership with the State Departments of Agriculture so that the State Departments of Agriculture, with USDA, work on identifying what are the critical needs for the specialty crop industry in that State and really tailoring the grants that are administered in those States toward the needs in that State.

As you talk about the specialty crop block grant funds research, production challenge research particularly, but research writ large

as well, which is certainly a big component of what the industry needs to enhance that competitiveness of specialty crops. There is also promotion, of course, as well, through the specialty crop block grant in education. Given your question on mechanization and the protection challenges that are unique to New Mexico is key part of how that specialty crop block grant and the design of the block grant, what the States really working with industry on what projects are really needed to advance and grow specialty crops in your State.

I do lean you toward that research component.

Senator LUJÁN. I appreciate that. In areas where New Mexico has not been successful through the State Department of Agriculture in conjunction with producers, where we have not been successful, is that an area that I have your commitment we can work with you on to better understand how the application from the State can be improved such that we are more successful in the future?

Ms. TAYLOR. Senator, absolutely. We can work with the State directly. We will be happy to work also with your staff in facilitating those conversations. There is also a specialty crop multi-State program where we can address issues that cover multiple States across a region or across the country, in addressing different issues as well.

Senator LUJÁN. I appreciate that. With the program are there any updates, any areas to strengthen, given challenges that we now see over the last few years, with any changes that would be needed?

Ms. TAYLOR. The program continues as it has been for some time. We are always working on updating that. One big piece that we updated in the specialty crop block grant is information that we get back from grant recipients. Reporting is important, but making sure that reporting is not an increased burden on recipients is a key part. That was a big update we did last year with the grant program.

I also want to thank the Committee as well as Congress for leadership during the pandemic in adding additional funds to the specialty crop block grant to further enhance and grow specialty crops.

Senator LUJÁN. I appreciate that. Madam Chair, I have two other questions. I will submit them into the record, just to be cognizant of time. In an area of a program we are real proud of back in New Mexico called Nourish New Mexico and the cooperative agreement under the Local Food Purchase Assistance Cooperative Agreement Plan that I want to pursue more and have a conversation about.

Then in the area of trade promotion, which I hope to visit more with Ms. Taylor about as well, specific to New Mexico pecans. I do not want to get in a fight with other States but they are as delicious, if not more delicious than anywhere you go. If you want to have a competition with me, we will lay it down and we will do it right. There are some challenges that our producers in New Mexico have in other parts of the world where some States have done better. I will not get into why our pecans deserve to be at the top of that list but I look forward to chatting more with you. I thank you, Madam Chair, and to our Ranking Member.

Chairwoman STABENOW. Thank you so much, and we are so glad you are going to be part of this important farm bill work that we are doing on the Committee. Thank you.

Senator Braun.

Senator BRAUN. Thank you, Madam Chair.

I am from Indiana, which is the No. 1 manufacturing State per capita in the country, and Wisconsin is right behind us. Agriculture is right there in behind it. I have been a tree farmer involved in agriculture for a long time, owned a turkey farm for 32 years, half owner of it.

In general, what is besetting agriculture more than anything—and I am going to focus on a specialty, the row crop side of it. I remember when you could put out an acre with direct inputs of soybeans for \$70 an acre, \$140 for corn. We are so far away from that. The high altitude of financial risk involved with farming across the spectrum is significant.

We have talked about USMCA, other things that we depend upon, expanding markets across the world. If that does not happen with the help of our Federal Government we are making the hardest job God created even more difficult. Keep that in mind, in general.

Specifically, we are not the No. 1 turkey producer but we are one of the top poultry producers in the country, and avian flu is a big deal. I am part of legislation that wants to acknowledge that it is a known threat. We have been running into it far too often. Still uncertain how it happens but we are getting a good idea. We ought to be certain about protocol when it does occur.

I am introducing some legislation that would try to kind of regionally band how you are dealing it to where you are not holding a whole State at bay in the process of navigating through it, and that is an issue from ducks, turkeys, chickens in our State, and it is going to be around. I want to make sure through this legislation that there is real definition on what happens to still be able to market your product once you know you have got a case of it.

Tell me what you think about that, Under Secretary Taylor, and then I have got another question after that. Maybe give me 30 seconds or so.

Ms. TAYLOR. Thank you, Senator. I think we have done a lot of work with trading partners since 2014–2015, and while we still have some challenges in some markets the reaction globally has been drastically different. They did not pull whole-country bands on, which is what we were seeing initially.

We work with experts at APHIS to keep the smallest regionalized geographic area possible, depending on where those high-path outbreaks are.

I would offer our assistance in working with you on this bill on how our trading partners might react, but also, obviously, the experts on these diseases at APHIS will be critically important to say what does the science say around how small of a region that would make sense.

We also have been working very closely with the World Organization on Animal Health, and have made great progress there on what the science says and what appropriate standards are, and that has only helped us with our trading partners.

Senator BRAUN. Thank you. I will hold you up to that, and if you do that, that will be good, I think, to get this moving and across the line.

Under Secretary Moffitt, hemp has been something many farmers have been talking about trying to get into it. There is so much uncertainty about it because we do not have a real established infrastructure for it. I think that is going to happen over time. When you look at how big the industrial markets are on hemp across the world, I think we need to start getting with it.

Senator Tester and I have got legislation to create a new designation within the USDA for a licensing framework for producers who only produce industrial hemp, and producers who opt into this program would be barred from harvesting flowers and resin, and in exchange would receive more regulatory certainty. Again, I would love to see help from the USDA to give some certainty to what is a very kind of fragile, fledgling market. Is that something you would be comfortable with?

Ms. MOFFITT. Senator Braun, thank you for that question, and we are happy to engage with your staff as you develop this bill and provide technical assistance so that it is something that we can work on implementing should that bill pass.

Senator BRAUN. By the way, Senator Tester is one of the other few Senators actually involved in agriculture. I think he still drives a tractor now and then.

One final question. Senator Tuberville hit on it, on the forestry side of life, which oftentimes gets not the attention it should because it is a long-term product. Invasives are impacting forestry much more than it is row crop. You have got chemicals in a defined field that generally get rid of them. There is stuff like stiltgrass, not to mention the emerald ash borer that has eliminated what was about eight percent of our trees, ash trees.

Will the USDA, and is the USDA taking it seriously? Because hardwoods, in a State like Indiana, when you get through the full food chain, is about as much as the agricultural side would be, and yet it seems to get second fiddle in terms of attention.

Ms. MOFFITT. Senator Braun, thank you for that question. Forest pests are of primary concern, of utmost concern, at APHIS. I had the opportunity last year to visit the Forest Pests Materials Lab in Massachusetts, out on the Cape, to learn about the work that is being done, the research that is being done on forest pests. There are many, as you described already, and many more, and our forests, our national forests, our State forests, all of our forests are a really critical part of our network and our agricultural economies and our rural economies across America.

We take forest pests very seriously and continue to do and advance research and work with our partners across the world in advancing that research and making sure that we are not introducing new pests as well in the effort.

Senator BRAUN. Thank you.

Chairwoman STABENOW. Thank you very much. Senator Hoeven.

Senator HOEVEN. Thank you, Madam Chair, and thank you to both you and the Ranking Member, Senator Boozman, for holding this hearing today. I appreciate it very much.

Under Secretary Taylor, I have a number of questions for you. Thanks to all of you for being here today. I appreciate it.

One of the programs that is very important to us in North Dakota is the sugar program. The Red River Valley, which we share Red River Valley, to the north, which we share with Minnesota, it is about a \$3 billion industry. Obviously it is important that we pass and that we get it right. Of course, I also want to remind you that this is very important to the Chairwoman of the Committee too, because they do raise sugar beets in Michigan. Know that it is a matter of great importance to our Chairwoman as well, so I want to make sure you are aware of that.

It is about a \$3 billion—

Senator BOOZMAN. We all like sugar.

[Laughter.]

Senator HOEVEN. I know the Ranking Member is trying to downplay his intense concerns about the program as well.

Senator BOOZMAN. I eat my sugar, for sure.

Senator HOEVEN. I am not sure they are doing sugar beets in Arkansas, but they do other things they like having us support them on their crops. He is a strong advocate as well.

Anyway, the policy is designed to provide a cost-effective safety net for our sugar producers and avoid foreign producers dumping on the market, which provides a low-cost, consistent sugar price for American consumers. It is very important that the program is administered in a way that is consistent with the intent in the farm bill.

My question is do you agree that USDA, your own metric, the Department of Ag's metric, a stocks-to-use ratio between 13.5 and 15.5 percent is appropriate when determining whether the sugar market is adequately supplied? I know that is kind of technical but it is very important because it has a big impact for our producers.

Ms. TAYLOR. Thank you, Senator Hoeven. The sugar program is being administered between myself, under the Trade and Foreign Agricultural Affairs mission area, and the FPAC and Under Secretary Robert Bonnie. This is a newer structure as USDA was reorganized several years ago with the creation of my position.

I believe we have long administered the sugar program within that stocks-to-use ratio. It is well known. It was developed to really try to meet the intent that Congress laid out about adequate supplies at reasonable prices in the farm bill, and we are committed to using that metric to manage the sugar program.

Senator HOEVEN. We actually had Secretary Bonnie out to see us and met with our producers, which we appreciate very much. I think it was productive for him to hear from them as well.

Based on your answer then, when the market is adequately supplied according to that measure, then you believe that we should not be allowing additional imports, even though we get pressure from some of our trading partners to do that sometimes, as long as we are meeting those metrics.

Ms. TAYLOR. Correct, Senator. That is how we have historically run the program and how we are running that program today, because again, we are trying to be transparent in how we are running the program and making those decisions. In addition, we have

the suspension agreement with Mexico which lays out a tie to the stocks-to-use ratio, so I think that is an important component.

Senator HOEVEN. I am glad you touched on that because they are always pushing to increase their imports into our market, and I find that interesting at a time when they want to restrict our corn exports to Mexico. On the one hand we need to resist that, their efforts to dump into our market, and on the other hand they need to abide by WTO when it comes to sales of GMO corn to Mexico. Do you agree with that?

Ms. TAYLOR. Senator, I do believe that the provisions laid out within the USMCA, what Mexico committed to, are foundationally built upon science, and we have grave concerns that their proposed ban on GE corn walks away from that science that they have committed to. I actually was in Mexico two weeks ago meeting with my counterparts to highlight our concerns from what Mexico has proposed.

Senator HOEVEN. I have seen the Ag Secretary, Secretary Vilsack, pushing back, and I trust you all are going to continue to do that, right?

Ms. TAYLOR. Yes, sir.

Senator HOEVEN. Very good. Thank you.

Then trade in the Pacific, obviously that is complicated. We have tried a number of different approaches. Tell me about how you are going to expand our ability to sell and to trade in the Pacific.

Ms. TAYLOR. I think this is a very exciting part of the world. They have growing middle classes. They have growing economies, and they have a generally very young population. When I think of Vietnam, for instance, they are projected to add five million middle-class households over the next five years. We have the ability today to build trading relationships, to help our producers get into those markets, to build those long-term relationships and create life-long consumers of American food and agriculture products. I think that is a huge market potential.

We at USDA are invested in these regions. Our Foreign Agricultural Service has teams on the ground in this region. We are working with U.S. exporters to get their products in. We focus on many trade activities. Then, of course, we also have the Indo-Pacific Economic Framework, which we are focused on. While it is still young, we are focused on—

Senator HOEVEN. That is why I bring it up.

Ms. TAYLOR [continuing]. providing meaningful access to knocking down those non-tariff trade barriers that are limiting factors today. We are interested to see where that framework can go to continue to help advance U.S. agricultural interests in the region.

Senator HOEVEN. Right. Right on. I joined with Senator Thune on a letter in regard to that. I appreciate that very much. I have a very pithy question on specialty crops, but I know that our Chairwoman, being an expert on specialty crops, will sufficiently grill you on that, so I will pass on that, and then just once again thank the Chairwoman and the Ranking Member for holding this hearing.

Chairwoman STABENOW. Thank you. Thank you very much, Senator Hoeven. We look forward to working closely with you as we do the farm bill.

Last but certainly not least, Senator Boozman.

Senator BOOZMAN. Well, thank you, Madam Chair. This has really been an excellent hearing, and hopefully it is just the example of the hearings we are going to have in the future. This, like I said, has been excellent. The reason is so much of this is trade related. Forty percent of the products in Arkansas are exported. We have to protect the markets that we have, and again, constantly look for new markets. We are excited that you are on board, Under Secretary Taylor, and like I say, in such an important position.

Under Secretary Taylor, rice and wheat farmers in Arkansas, and rice and wheat farmers throughout the country are seriously impacted by India's blatant WTO violations. Can you tell us a little bit about what you all are doing in your partnership with Ambassador McKalip, how you are able to take some steps to hold India accountable? Is there anything that we, as a Committee or as a Congress, can do to be helpful in that regard? How can we make sure that this egregious oversubsidization—and those words are not too strong. I think everybody agrees with that. How can we hold them accountable?

Ms. TAYLOR. Thank you, Senator Boozman. We continue to engage India in multilateral forums on this issue, raising questions within the WTO and working on, and your staff's counternotifications, to bring out really what we view as the truth behind their subsidization policy here.

I have been engaging with my team since I have been at USDA on this topic, as I committed to you I would. I think while we do have grave concerns and it is one that we are looking at multiple approaches to try and address, within, again, the multilateral forum, to try and bring some resolution and certainty to our rice and wheat producers, who are seeing impact from these subsidies.

Senator BOOZMAN. Right. Thank you.

Under Secretary Moffitt, I want to acknowledge the incredible work that APHIS does. They do an excellent job in ensuring the health and viability of U.S. animal agriculture, and the agency's commitment to science-based animal health protocols and standards necessary to facilitate market access for U.S. producers.

As Under Secretary—and this has come out again repeatedly with the poultry issue, and Senator Hyde-Smith really laid it out very, very well—I guess the question is with the pathogenic avian influenza outbreak can you tell us again how we can help you, what you can do, and then also with Under Secretary Taylor, Secretary McKalip, the whole deal, what can we do to push this forward? It really is kind of a common-sense thing. The science is with us. What steps do we need to take to actually get this done so that we can get poultry from these areas back in China and other countries?

Ms. MOFFITT. Senator Boozman, thank you so much for that question and your recognition of the work that APHIS has done. We have had over 800 employees deployed over the course of the past year, and that is 800 APHIS employees. This is in partnership with States who are also lockstep as well the industry and us in implementing biosecurity measures and really tackling and making sure that every time we have an uptick in high-path avian influenza we stamp it out as quick as possible, to do that exactly that,

to make sure that the disease is not spreading beyond the borders of that one operation. I appreciate your recognition of the success that it has had, and it is thanks, in large part, to funding that was received in the 2018 Farm Bill, taking lessons learned from the 2015 outbreak.

We have been working, and our national vet has been working across the world in conservations with national vets across the world, providing strong epidemiological data, making sure that the regionalization approach that we have all agreed on through the World Organization for Animal Health is being acknowledge and worked on.

We are working on updating the work that we are doing so that we are focused on the most at-risk areas, the most at-risk commercial operations, so that we continue to advance and keep open as many markets as possible while continuing to stamp out the disease. That strong relationship that our veterinarian has with other national veterinarians has been able to keep open, as Under Secretary Taylor mentioned, keep open many markets that we did not have open in the 2015 outbreak.

Senator BOOZMAN. Very good.

Ms. Charles, again, you know, the focus has been so much on trade. You have such an important mission. We are in a situation now where we have drawn down the Bill Emerson Humanitarian Trust for the first time in nearly 20 years, based on urgent need for emergency commodities. There are all kinds of issues going on.

Very quickly, can you talk to us a little bit how we can ensure that the original food program goals, providing food to hungry people, are met during this emergency? I hope that maybe through the subcommittee that we can have you back where we can really discuss this issue and go forward.

Ms. CHARLES. I would be happy to come back and talk in more detail with the subcommittee and work with you as you work to reauthorize the farm bill. I think we have a lot to be proud of over the last many years, and in particular the last year, with the authorities you all have provided with the supplemental funding that Congress, more broadly, has provided, how we have been able to respond, including using tools like the Bill Emerson Humanitarian Trust to a truly extraordinary year. I think we can anticipate high levels of hunger in the years to come, and would love to work with you on greater flexibility in the program to respond to that.

Senator BOOZMAN. Good. Well thanks to all of you very much for the great work you do.

Chairwoman STABENOW. Thank you so much, and thanks to each of you. We very much appreciate your leadership and the roles that you are playing and having the opportunity to be here with us today. The trade and horticultural programs we have discussed cover a lot of ground, but one thing is very clear, and that is these farm bill investments support much-needed economic opportunities, both here at home and abroad, for our farmers. This is a very important part of the farm bill.

I look forward to working with Senator Boozman and all the members of the Committee as we craft these titles. The record will remain open for five business days, and the hearing is adjourned.

[Whereupon, at 12:11 p.m., the hearing was adjourned.]

A P P E N D I X

FEBRUARY 1, 2023

**Statement by
Alexis Taylor
Under Secretary of Trade and Foreign Agricultural Affairs
U.S. Department of Agriculture**

**Before the Senate Committee on Agriculture, Nutrition, and Forestry
Washington, DC
February 1, 2023**

Chairwoman Stabenow, Ranking Member Boozman, Members of the Committee, I am pleased to appear before you with my colleagues, U.S. Department of Agriculture (USDA) Market and Regulatory Programs, Under Secretary Moffitt, and Sarah Charles, Assistant to the Administrator, U.S. Agency for International Development. I want to thank the President and Secretary Vilsack for their faith in me to serve as the USDA Under Secretary for Trade and Foreign Agricultural Affairs (TFAA). I also want to thank members of this Committee for your advice and support throughout the nomination process. I value the conversations that we have already had, and I look forward to working with you as the Farm Bill process moves ahead. I appreciate the opportunity to discuss the trade, market development, international food security, and trade capacity building programs and activities administered by the United States Department of Agriculture (USDA) as authorized by the Agriculture Improvement Act of 2018 (2018 Farm Bill).

The pandemic has been incredibly difficult on all Americans whether they live in urban, rural, suburban, or tribal communities. Despite this unprecedented adversity, the Biden-Harris Administration is working to better position our agriculture and rural communities to compete in the global economy. For our part, we are working every day to meet this challenge to diversify revenue streams for those communities by creating and expanding export market opportunities for our farmers, ranchers, and producers, as well as ensure that U.S. agriculture plays a key part in supporting the food security needs of people at home and around the world.

INTRODUCTION

The TFAA Mission Area within the Department promotes U.S. agricultural exports, works to reduce trade barriers that impede U.S. agricultural exports, opens new markets for U.S. farm products and contributes to the global food security situation. As Under Secretary, I oversee the Foreign Agricultural Service (FAS) and the U.S. Codex Alimentarius Office. FAS is USDA's lead international agency and this year the Agency celebrates its 70th year of linking U.S. agriculture to the world to enhance export opportunities and global food security. FAS is proud to report that U.S. agriculture just set a new record in agricultural exports of \$196.4 billion in fiscal year (FY) 2022, topping last year's record by 14 percent.

FAS supports producers through a network of agricultural economists, marketing experts, negotiators, and trade specialists in Washington, D.C. and through our network of Foreign Service Officers posted in nearly 100 international offices covering 180 countries. We are proud that our role in opening and maintaining markets has resulted in billions of dollars of additional U.S. agricultural exports for the benefit of American producers and that the international food assistance programs and capacity building activities administered by FAS help millions of people worldwide.

The efforts of FAS employees, both in Washington and around the globe, combined with Farm Bill authorized market promotion programs, and in collaboration with the U.S. agricultural community, have contributed to some of the strongest agricultural export numbers on record. For many American agricultural products, overseas markets now account for more than half of total sales. Maintaining and expanding those export markets are critical, not only for producers and businesses who are exporting food and agriculture products, but also for those producers whose main market is domestic. USDA ERS estimates that in 2020 U.S. agricultural exports supported more than one million jobs here at home and contributed more than \$154 billion in additional economic activity¹. Nonetheless, to continue these impressive gains, we cannot rest. We must continue to refine and improve our longstanding Farm Bill authorized programs to ensure that they operate efficiently, effectively, equitably, and sustainably.

TRADE POLICY

FAS expands and maintains access to foreign markets for U.S. agricultural products by removing trade barriers and enforcing U.S. rights under existing trade agreements. FAS works with foreign governments, international organizations, and the Office of the U.S. Trade Representative (USTR) to improve accountability and predictability for agricultural trade. We will continue to focus on maintaining and expanding access to export markets for American producers through rebuilding trust with our partners and holding them accountable.

The People's Republic of China (PRC), Canada, and Mexico continue to lead as the top importers of U.S. agricultural products with record high values at \$36.4 billion, \$28.4 billion, and \$28.0 billion in FY 2022 respectively (up 9 percent, 17 percent, and 18 percent from FY 2021).

With a population of 1.4 billion and a middle class the size of the entire United States, the PRC is the largest market for U.S. agricultural exports. Despite tension in 2018-2019 with China, American agriculture has proven to once again how effectively it can compete on a more level playing field. The United States continues to have strong, record high exports to the PRC of soybeans, sorghum, beef, poultry, tree nuts, and dairy. However, we still face a variety of non-tariff barriers in that market, such as non-science based, sanitary and phytosanitary measures and onerous regulatory procedures. The U.S. Government is continuing to engage the PRC to resolve these issues and streamline import procedures.

While it is a challenge to manage all the complexities of our relationship with the PRC, we recognize the importance of this market and will continue to represent and advocate for U.S. agriculture. At the same time, we are aggressively diversifying our global portfolio of export markets for U.S. agricultural products to other promising markets, such as Vietnam, the Philippines, Egypt, and Kenya.

Canada and Mexico are the other two of the top three largest export markets for U.S. agricultural exports, accounting for a combined \$56.4 billion in FY 2022, up \$8.3 billion from

¹ Kenner, Bart, Hui Jiang, Dylan Russell, Wendy Zeng, Steven Zahniser, Maros Ivanic, Fengxia Dong, Megan Husby, and Xuan Hong Pham. Outlook for U.S. Agricultural Trade: February 2022, AES-119, USDA, Economic Research Service and USDA, Foreign Agricultural Service, February 24, 2022. <https://www.ers.usda.gov/webdocs/outlooks/103379/aes-119.pdf?v=2666.4>

last year. While our closest neighbors are among our largest trading partners and benefit nearly every segment of American agriculture, these relationships are not without challenges. Since gaining expanded market access for U.S. fresh potatoes in May 2022, USDA continues to work diligently with our Mexican counterparts to support that expanded access. USDA, in close coordination with USTR and industry, continues to engage Mexico at every level to help ensure there is transparent and predictable access for U.S. exporters so that trade continues unimpeded. We are also coordinating closely with USTR to press Mexico to avoid any trade disputes in corn and maintain a transparent, science- and risk-based regulatory approval process for all biotechnology products. With respect to our northern neighbor, in December 2021, a USMCA dispute settlement panel found Canada's dairy TRQ allocation measures to be inconsistent with Canada's USMCA obligations. In response to the adverse findings of the panel, Canada made changes to its TRQ allocation measures, however Canada remains out of compliance with USMCA obligations. On May 25, 2022, the United States requested dispute settlement consultations with Canada under the USMCA. On December 20, 2022, the United States requested new dispute settlement consultations, expanding its challenge of Canada's dairy TRQ allocation measures. We will continue to press for the full benefits of market access for the U.S. dairy sector that the United States secured in the USMCA and will continue to work in lockstep with USTR.

USDA is also paying attention to opportunities in the broader Indo-Pacific region. In May 2022, with the support of 13 Indo-Pacific Partners, President Biden launched the Indo-Pacific Economic Framework for Prosperity (IPEF) to deepen economic relationships in the region and coordinate approaches on global economic challenges such as fair and resilient trade, improving the sustainability and resiliency of supply chains, and unlocking the economic opportunities as the region transitions to a clean economy, and strengthening anti-corruption efforts and increasing the effectiveness of tax administration in the region. Although not a traditional trade agreement, IPEF can yield fruitful opportunities for U.S. agriculture by addressing non-tariff barriers and sanitary and phytosanitary restrictions, and current negotiations look promising. We have been interested in this region for some time, so we welcome the benefits an enhanced focus could bring for U.S. agriculture and market diversification efforts. In 2021, 14 of the 25 largest U.S. agricultural export markets were in the Indo-Pacific region, including fast-growing markets in Southeast Asia. USDA is turning senior level attention to this region and will continue to consult with USTR and the Department of Commerce as IPEF progresses to promote U.S. agriculture in the region. We are also pleased that the United States has begun negotiations with Taiwan under the auspices of the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office in the United States for the purpose of reaching agreements with high-standard commitments and economically meaningful outcomes, including provisions to facilitate agricultural trade.

Africa remains a continent of great, yet mostly untapped, potential for U.S. agricultural exports. In FY 2022, only one African country (Egypt) was in the United States' top 15 agricultural export markets, and only four additional countries (Nigeria, Morocco, Algeria, and South Africa) were in the United States' top 50 agricultural export markets – but we expect this to change significantly in the future. U.S. agricultural exports to the African continent totaled close to \$6.8 billion in FY 2022, with soybeans, wheat, and poultry meat and products as the top three products. Africa is home to some of the world's fastest growing economies and the continent's rapidly growing middle class is forecast to triple by 2030, which provides an unprecedented opportunity for U.S. agriculture. A key development for trade across the African

continent is the 2019 ratification of the African Continental Free Trade Area (AfCFTA) that aims to create a continental market for goods and services with a harmonized trade facilitation regime. AfCFTA will be one of the largest trading blocs in the world once trade negotiations conclude and the AfCFTA is fully implemented. USDA shares many of AfCFTA's objectives and is actively providing technical support to the African Union as they work to lower barriers, diversify trade, and further develop science- and risk-based regulatory systems. In these ways, the AfCFTA presents a long-term positive opportunity for U.S. exporters seeking to gain market access in African countries.

MARKET DEVELOPMENT AND EXPORT ASSISTANCE

Over numerous Farm Bills, Congress authorized and refined an effective combination of agricultural market development and export credit guarantee programs. These programs are designed to develop markets, facilitate financing of overseas sales, and resolve market access barriers – all of which are goals central to the FAS mission. We must open, expand, and maintain access to foreign markets, given 95 percent of the world's consumers live outside the United States. FAS partners with more than 70 cooperator groups representing almost every sector of the U.S. food and agricultural industry and manages a toolkit of Farm Bill-authorized trade promotion programs to help U.S. exporters develop and maintain markets for hundreds of agricultural products. Included under the umbrella of the Agricultural Trade Promotion and Facilitation Program as provided in the 2018 Farm Bill are the Market Access Program (MAP), Foreign Market Development Cooperator Program (FMD), Technical Assistance for Specialty Crops (TASC), and Emerging Markets Program (EMP).

These programs, in conjunction with USDA-sponsored international trade shows and Agribusiness Trade Missions (ATMs), assist U.S. agricultural producers in marketing commodities overseas by bolstering their in-country presence, helping to make sales and building demand for U.S. products. As many of the participants on these ATMs are small and mid-size companies, these missions open opportunities to create relationships and ultimately, through sales, diversify a business's revenue stream supporting additional jobs in rural economies across the country.

A 2021 MAP/FMD study², managed by the U.S. Grains Council and conducted by IHS Markit, in cooperation with Texas A&M University, concluded that “USDA Export Market Development programs are highly effective at generating an extremely high return on investment and account for a high percentage of the level of U.S. agricultural exports.” The study reports that the MAP, FMD and associated industry contributions boosted exports by an average of \$9.6 billion annually from 1977-2019, representing about 13.7 percent of total agricultural export value, returning \$24.40 for every dollar invested.

Market Access Program (MAP)

The largest market development program operated by FAS is the Market Access Program. Through MAP, FAS partners with non-profit U.S. agricultural trade organizations, U.S. agricultural cooperatives, non-profit State Regional Trade Groups, and state agencies to share the costs of overseas marketing activities, such as consumer promotion, market research,

² (<https://www.fas.usda.gov/sites/default/files/2022-05/USGC-IHS-Markit-Cost-Benefit-Report.pdf>)

and trade show participation. The 2018 Farm Bill maintained the available \$200 million of Commodity Credit Corporation (CCC) funds annually for MAP. These funding levels for MAP leverage industry contributions, often with support from a variety of research and promotion programs, better known by some as producer check off programs, that to aid in the creation, expansion, and maintenance of foreign markets for hundreds of U.S. agricultural products. A broad range of U.S. commodities, from Michigan tart cherries and dry beans to South Dakota beef and soybeans, to Arkansas poultry, Alaska seafood, Hawaiian coffee, southern softwood lumber, and apples and pears from the Pacific Northwest, all benefit from MAP. In FY 2023 MAP is providing funding to 73 U.S. agricultural trade associations, State Regional Trade Groups, state agencies, and agricultural cooperatives. For perspective, a 2021 competitor study, led by the USA Poultry and Egg Export Council (USAPEEC), reported that the EU Central Fund, Common Market Organization investment, and individual government export development investments, combined are estimated to be more than \$644 million. Support for wine alone was estimated at \$275-\$280 million annually, which was substantially more than the combined funding of MAP and FMD for all of U.S. agriculture.

I would like to highlight a couple MAP successes for you today. The U.S. Grains Council has used MAP to educate Korean buyers about the availability and price of U.S. ethanol and introduce buyers to U.S. suppliers. These promotional efforts have helped U.S. ethanol exports to Korea grow from 47.3 million gallons in 2016 to 137.4 million gallons in Marketing Year 2020/21, valued at \$520 million. Another prime example of the value of the MAP program is how USAPEEC used MAP to introduce U.S. chicken paws to China and grow demand. Long considered a residual to broiler production and carrying marginal value in the domestic market, USAPEEC used MAP to develop relationships with buyers, create demand for U.S. chicken paws as a snack item, and more recently expand use into traditional Chinese dishes. U.S. exports of frozen chicken paws to China began in 1997 totaling \$12 million and grew to a record level of \$696 million in 2021.

Foreign Market Development Cooperator Program (FMD)

The Foreign Market Development Cooperator Program is another FAS-administered market development program reauthorized by Congress in the 2018 Farm Bill. FMD is a cost-share program that aids in the creation, expansion, and maintenance of long-term export markets for U.S. agricultural products. The 2018 Farm Bill maintained the annual funding level for FMD at \$34.5 million in CCC funds. The program fosters a market development partnership between FAS and U.S. agricultural producers and processors who are represented by non-profit commodity or trade associations known as cooperators. Under this partnership, FAS and each cooperator pool their technical and financial resources to conduct overseas market development activities. FMD-funded projects generally address long-term opportunities to reduce foreign import barriers or expand export growth opportunities. For example, FMD supported projects might include efforts to reduce infrastructure or historical market impediments, improve processing capabilities, modify codes and standards, or identify new markets or new uses for an agricultural commodity or product. In FY 2023, FMD is providing partnership resources to leverage funding of 23 U.S. agricultural trade associations.

Thanks to FMD funding, Cotton Council International (CCI) conducted “Cotton Day” activities in Turkey in 2021, the first in-person events there since the beginning of the COVID pandemic. U.S. cotton industry leaders met with their counterparts in the Turkish textile industry,

and customers provided feedback about using U.S. cotton in their products. Participants were particularly interested in CCI's technical services. U.S. cotton sales to Turkey increased by 500,000 bales, valued at about \$245 million, in the two months following these activities.

Technical Assistance for Specialty Crops (TASC) Program

U.S. exports of specialty crops reached \$25.1 billion in FY 2022, accounting for 13 percent of total U.S. agricultural exports. Tree nuts represented more than one-third of FY 2022 specialty crop exports. Other specialty crops like fruits, vegetables, dried fruits, horticultural crops, wine, and nursery crops are increasing in export value. Despite these increases, trade barriers such as burdensome requirements related to pre-export plant health inspections, low or missing pesticide maximum residue levels, labeling, or quality certification may prevent some U.S. specialty crop producers from shipping products overseas.

Utilizing the Technical Assistance for Specialty Crops program, USDA is committed to assisting U.S. agricultural stakeholders to overcome trade barriers that deter U.S. specialty crop exporters and help them compete in the global marketplace. First authorized in the 2002 Farm Bill, the TASC program is administered by FAS to fund projects that address existing and potential SPS and technical barriers to trade that may affect U.S. specialty crop exports. TASC activities must benefit the industry at large rather than a specific company, and applicants must provide a clear strategy for overcoming trade barriers and market access issues. In line with the changes to the program made in the 2018 Farm Bill, TASC awards are generally granted for a project period not exceeding five years, with the opportunity for an extension based on a determination of the effectiveness of continued funding.

For example, a 2021 TASC grant awarded to USDA/ARS, Sinclair, and the International Fresh Produce Association resulted in the successful development of a home-compostable price lookup sticker that was originally expected to take 5-10 years. Following this effective use of TASC funding, a prototype was completed in October 2022 that will help maintain U.S. exports of grapefruit and sweet potatoes to the EU and other markets. In another project, TASC funding helped the California Table Grape Commission monitor and report on non-precleared product shipments to Australia. This reporting, funded by TASC, helped improve the on-arrival process, minimize problems during the shipping season, and allowed for broad distribution of actionable information to California table grape shippers exporting to the Australian market.

Emerging Markets Program (EMP)

EMP provides grants to eligible U.S. private or government entities to conduct assessments of the food and rural business system needs of emerging markets, make recommendations on how to enhance the effectiveness of such systems, including potential reductions in trade barriers, and provide technical assistance to enhance the effectiveness of such systems. For this program, an emerging market is defined as any country, foreign territory, customs union, or other economic market that "is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of its economy," and "has the potential to provide a viable and significant market for United States agricultural commodities." Private, federal, and state organizations are eligible to participate in EMP. For Fiscal Year 2022, the EMP program supported 32 agricultural export promotion projects with funding totaling \$6.4 million.

A great example of EMP work is a 2021 Cranberry Marketing Committee project that implemented a multifaceted culinary training program for more than 900 students across India to familiarize young culinary professionals with U.S. cranberries. The training sessions concluded with a competition in which the students were asked to prepare their own unique dish using U.S. cranberries, and the dishes were judged by an expert panel of chefs. In a post-training survey, 97 percent of the participating students indicated that the training heightened their awareness of U.S. cranberries, with nearly 88 percent stating that they would use U.S. cranberries in future recipes. Moreover, three of the five participating institutes plan to continue U.S. cranberry education in the years to come, helping to establish U.S. cranberries' presence within India's expansive and growing foodservice sector and leading to increased export opportunities for the entire U.S. cranberry industry.

Export Credit Guarantee Program (GSM-102)

The GSM-102 program encourages sales of U.S. agricultural commodities to international markets by facilitating the extension of needed trade financing. Over 130 countries – mainly developing countries and emerging markets in Latin America, Asia, and Africa and the Middle East - are targeted destinations under the program. In 2022, the GSM-102 program supported \$3.4 billion in U.S. agricultural exports of corn, soybeans, soybean meal, wheat, rice, cotton, and other commodities, including the first-ever sale of U.S. apples under the program. Significant export markets included Mexico, Colombia, Guatemala, South Korea, Egypt, and Morocco. The fiscal year 2022 program was the largest since 2012, supporting U.S. exports and global food security by providing U.S. food and feed to international markets and much-needed liquidity to foreign banks in times of global economic uncertainty.

In November 2022, with input and support from industry, USDA reduced program fee rates for longer-term transactions. This change is in line with international agreements and will allow additional program flexibility for U.S. exporters to help global food security while maintaining fees that are sufficient to cover the program's long-term operating costs and losses.

DATA AND ANALYSIS

The FAS network of global contacts and long-standing relationships with international groups contribute to the Agency's unique market intelligence capacity. FAS analysts provide objective intelligence on foreign market conditions, prepare production forecasts, assess export opportunities, track changes in policies affecting U.S. agricultural exports and imports, and support U.S. foreign policy around the globe. The Agency is trusted by U.S. decision-makers and entities worldwide to provide relevant, sound, and reliable information related to foreign agricultural markets, international trade barriers, crop conditions, and related policy developments. Through market analysis in Washington and reporting from FAS overseas offices on foreign production and demand, FAS contributes to the USDA economic information system establishing official estimates of world agricultural supply and demand that drives trading on commodity markets worldwide. FAS maintains key public-facing databases to provide convenient access and up-to-date international market information to inform strategy and business decisions. Collecting and communicating market information is invaluable for U.S. exporters, as it provides a level playing field for U.S. organizations working abroad and supports these organizations in identifying new market opportunities. Through our Global Ag Information

Network (GAIN) this type of information is gathered and reported by our 70 posts overseas and published on the FAS website. In 2022, we published over 2,200 reports that were viewed 1.28 million times. FAS information helps producers and others make informed decisions during fluid and challenging situations by providing data and analysis to make sense of complex global commodity fluctuations, such as those we are currently seeing in the wake of Russia's full-scale invasion of Ukraine.

INTERNATIONAL CLIMATE EFFORTS

USDA is actively engaged in climate issues and in the international domain, the United States is leading by example. FAS is part of the broader USDA effort to build markets for climate smart commodities by proactively and transparently explaining the United States' initiatives to trading partners. FAS shares information about USDA efforts to improve productivity while reducing environmental and climate impacts: such as programs that help reduce emissions and increase carbon sequestration, investments to improve forest health, decarbonize rural infrastructure, expand the use of climate smart practices through incentives and technical assistance. These programs and investments promote innovation, and build resilience in the U.S. agriculture sector. Through its partnerships, FAS is working to increase international engagement, strengthen the credibility of our call for greater climate-focused efforts, and prompt other countries to adopt similar actions and commitments.

FAS works within USDA and more broadly within the U.S. government to ensure a coordinated approach as we engage country partners and international organizations on issues related to climate change. FAS is exploring bilateral and multilateral opportunities to expand capacity building in developing countries. Our domestic approach to tackling the climate crisis is of interest globally, and sharing our national experience strengthens our global policy positions. Through the Agriculture Innovation Mission for Climate (AIM for Climate), launched at COP27 and amplified with further commitments at COP28, FAS is bringing participants together to increase and accelerate global innovation, research and development on agriculture and food systems that support climate action. FAS posts are supporting a whole-of-government recruitment effort in targeting potential partner countries to ensure a broad representation of countries.

Exchange programs such as the Cochran and Borlaug fellowships have started the process of including training and information sharing around climate change strategies and activities into our programs. Moving forward, Food for Progress and McGovern-Dole will also incorporate appropriate tools and training activities to address climate change impacts in targeted countries. As funding is available, FAS also plans to develop specific capacity building activities in targeted countries by expanding institutional and research capacity, conducting farmer training and demonstration projects, and supporting our niche and added contributions to interagency and multilateral efforts.

FOOD SECURITY AND CAPACITY BUILDING

In addition to the important work FAS does to promote U.S. exports and build trade capacity for American agriculture, FAS also leads USDA's efforts to help developing countries enhance their food security, improve their agricultural systems, and build their trade capacity to receive our exports or send their products to the U.S. in a form that meets our consumers'

requirements. USDA's staff coordinate with colleagues across the Department and the U.S. Government, particularly the U.S. Agency for International Development (USAID) and the State Department, as well as with donors, stakeholders, and beneficiaries to enhance global food security and build markets. Collaboration with our interagency partners extends well beyond the Beltway -- our programs benefit from collaborating with FAS Attachés in our embassies around the world and with foreign officials and stakeholders.

USDA administers three international food assistance programs that were reauthorized by the 2018 Farm Bill. These include the McGovern-Dole International Food for Education and Child Nutrition Program (McGovern-Dole); the Food for Progress Program (FFPr); and the USDA Local and Regional Food Aid Procurement Program (USDA LRP). These non-emergency food assistance programs help meet the nutritional needs of beneficiaries and support agricultural development and education.

USDA is also responsible for maintaining and managing the Bill Emerson Humanitarian Trust (BEHT). Funds released from the BEHT allow USAID to address emergency food needs under Title II of the Food for Peace Act. A release of funds from the BEHT can only be triggered if the USAID Administrator determines that funds available for emergency needs under Title II for a fiscal year are insufficient to meet emergency needs during the fiscal year.

McGovern-Dole

This past year the McGovern-Dole Program celebrated its 20th anniversary, which is a significant achievement and a testament to the value of the program. USDA is proud to administer the McGovern-Dole Program and continue the legacy of two great champions of U.S. agriculture and international food assistance -- the late Senators George McGovern and Robert Dole. Since its inception in the 2002 Farm Bill, the McGovern-Dole Program has helped feed and educate more than 31.1 million children in almost 50 countries. Over the past 20 years, the McGovern-Dole Program has grown in size and scope to support quality school meals and education around the world. Through the McGovern-Dole Program, USDA has worked to build the capacity of host governments and communities to transition McGovern-Dole supported schools to their national school meals programs. For example, since 2015, USDA awarded the World Food Program (WFP) two consecutive awards for projects in Côte d'Ivoire. Through the second award, made in FY 2020, WFP is working to reinforce the achievements made under the first award and is proceeding with a gradual handover of the school feeding program to the Government of Côte d'Ivoire. The first steps toward the handover of the school feeding implementation to the government have begun -- as of the 2022-2023 school year, the government is expected to cover a significant portion of feeding days a month from its own resources.

McGovern-Dole uses appropriated funds to purchase commodities grown by American farmers and donated funds to enhance food security; improve literacy (especially for girls); and strengthen the nutrition and health of school-age children. McGovern-Dole awards are made annually to eligible implementing partners - private voluntary organizations (PVOs) and the World Food Program, a public international organization. Following an objective proposal review process, USDA selects and funds the strongest proposals based on rigorous criteria, including demonstrated experience, ambitious goals and outcomes, established capacity to coordinate with U.S. Government agencies and local governments, detailed commodity

distribution plans, and thorough graduation and sustainability plans. School feeding projects are made possible through a combination of U.S. donated food commodities, some food commodities procured locally or regionally, and technical assistance provided by qualified entities to help each project achieve success. In countries where McGovern-Dole projects are implemented, USDA works to assure that host country governments contribute to school feeding in many ways and from a variety of levels, from local to national. Such contributions often include internal transportation of commodities, provision of land for project infrastructure, construction materials, in-kind labor, food accompaniments, and more.

In FY 2022, USDA funded eight McGovern-Dole proposals for new projects valued at \$220 million in Burundi, Cambodia, The Gambia, Lesotho, Madagascar, Mauritania, Tanzania, and Timor Leste. A total of 43,890 metric tons (MT) of donated U.S. commodities will be provided over the term of these four- to five-year projects. Including the eight new projects funded in FY 2022, McGovern-Dole now has a total of 55 active projects in 34 countries valued at close to \$1.3 billion across the life of the projects. In FY 2021 alone, McGovern-Dole projects directly benefited more than 4.5 million children and community members. This included feeding nutritious school meals to over 2.1 million food-insecure children, training tens of thousands of Parent Teacher Associations and teachers, and rehabilitating thousands of school facilities.

The 2018 Farm Bill provided new authority within McGovern-Dole allowing the program to undertake a LRP component directly. The 2018 Farm Bill directed USDA to use not more than 10 percent of the funds made available for McGovern-Dole to procure local and regional agricultural commodities.

The FY 2022 agricultural appropriations act provided that not less than 10 percent of the funds made available for McGovern-Dole, or \$23,700,000, be used for the local and regional procurement of agricultural commodities under the program. For FY 2022, each of the eight awards includes a local and regional commodity procurement component. The integration of the local and regional procurement component into McGovern-Dole is a welcome addition that allows project implementers to improve the dietary diversity of school-age children through including more fresh fruits, vegetables, and animal protein into the daily school meal, and strengthens the capacity of local and regional farmers, cooperatives, processors, and agribusinesses to create a pipeline of high-quality commodities that support sustainable school meal programs.

Local and Regional Food Aid Procurement Program (USDA LRP)

First authorized as a separate program in the 2014 Farm Bill and reauthorized in the 2018 Farm Bill, USDA LRP is designed to strengthen the ability of local and regional farmers, community farmer groups, farmer cooperatives and associations, processors and agribusinesses to provide high-quality commodities that can be supplied to school feeding programs and, in coordination with USAID, help expedite provision of safe and quality foods to populations affected by food crises and disasters. In accordance with congressional intent, the USDA LRP program is designed to complement existing U.S. government food assistance programs, especially the McGovern-Dole program, which supports school feeding, as well as maternal and child nutrition projects around the world. Through FY 2019, Congress made funds available to

operate the USDA LRP program directly from the annual appropriation for McGovern-Dole. McGovern-Dole funds made available to USDA LRP by Congress in previous fiscal years appropriations are as follows: \$5 million (FY 2016), \$5 million (FY 2017), \$10 million (FY 2018), and \$15 million (FY 2019). During FY 2022, USDA had four continuing USDA LRP agreements with project implementers in Burkina Faso, Cambodia, Guatemala, and Nicaragua. Congress has not funded USDA LRP, since providing the authority to conduct LRP directly through McGovern-Dole in the 2018 Farm Bill.

Food for Progress

The Food for Progress Program (FFPr) was authorized in the Food Security Act of 1985, which provides that the program may be funded either through Food for Peace Title I appropriations or through the CCC. The FFPr statute caps freight costs for the program, when funded by the CCC, at no more than \$40 million per year. FFPr has two principal objectives: to improve agricultural productivity in developing countries and emerging democracies and to expand markets for U.S. agricultural products. Under the FFPr, USDA enters into cooperative agreements with eligible organizations to implement projects in targeted countries. These projects generally support agricultural, economic, or infrastructure development and can also be targeted at hunger and malnutrition. USDA purchases U.S. agricultural commodities and provides them to the award recipient, which generally sells them on the local market in the targeted country in a process referred to as monetization. The award recipient will use the sale proceeds to implement its FFPr project. FFPr implementers have trained farmers in animal and plant health, improved farming methods, developed road and utility systems, established producer cooperatives, provided microcredit, and developed agricultural value chains for products not produced in the U.S. such as cashews and cacao. FFPr project implementers have included PVOs, foreign governments, universities, and intergovernmental organizations.

In FY 2022, FFPr award recipients made seven monetization sales of donated U.S. commodities to 13 buyers across six countries. The commodities included crude degummed soybean oil, soybean meal, and hard red winter wheat. A total of 88,560 MT of U.S. commodities with a commercial value of \$69.24 million was shipped in FY 2022. For example, FFPr provided more than 45,000 metric tons of U.S. crude degummed soybean oil and soybean meal to Shelter for Life to implement a cashew value chain project in Senegal, The Gambia, and Guinea-Bissau. With help from the project, cashew producers are no longer accepting bags of rice from intermediaries in exchange for raw cashew nut. Instead, they sign contracts directly with international exporters. In 2022 alone, project partner cooperatives in the three countries sold 79,752 MT of raw cashew nut, which helped farmers and farms generate more than \$71 million in sales. To date, the project has trained 20,946 farmers on good agricultural practices such as pruning and post-harvest techniques. As a result, 15,686 farmers have applied improved management practices or technologies on over 20,000 hectares of cashew plantations.

Fellowship Programs

USDA invests in the future of developing countries by helping them strengthen their agricultural institutions and regulatory systems, encouraging compliance with international norms and fostering an environment conducive to agricultural growth and trade. Before developing countries can become customers for U.S. agricultural products, they must first

become politically, economically, and socially stable. The lack of economic development, particularly in fragile countries and regions, results in economic and political instability which can pose a national security threat to the United States. FAS-sponsored fellowship programs and exchanges enable international researchers, policymakers, and agricultural specialists to work alongside their U.S. counterparts, acquiring knowledge and skills to help build their countries' agricultural sectors. FAS administers three Congressionally authorized fellowship programs: the Borlaug International Agricultural Science and Technology Fellowship Program (Borlaug); the Cochran Fellowship Program (Cochran); and the International Agricultural Education Fellowship Program (IAEFP).

The namesake of Nobel Laureate Dr. Norman E. Borlaug, a fellow Iowan whose statue proudly stands in the Capitol, the Borlaug Program promotes agricultural productivity, food security, trade, and economic growth by providing training and collaborative research opportunities to early and mid-career scientists, researchers, or policymakers from developing and middle-income countries. Since the program's inception in the 2008 Farm Bill, USDA has supported more than 975 Borlaug Fellows from 69 countries. The Cochran Fellowship Program, named for the late Senator Thad Cochran of Mississippi who served as the Chairman of this Committee, as well as the Ranking Member, operates in middle-income and emerging market countries, providing training opportunities for senior and mid-level specialists and administrators working in agricultural trade and policy; agribusiness development; management; animal, plant, and food sciences; extension services; agricultural marketing; and many other areas representing the public and private sectors of interest to agriculture. Since 1984, Cochran has provided training for over 19,250 international Fellows from 127 countries worldwide. Opportunities to host Cochran Fellows are circulated through the U.S. Land Grant University System, USDA, other federal government agencies, the U.S. Agricultural Export Development Council, U.S. private agri-businesses, and agricultural consultants.

The IAEFP was authorized under the 2018 Farm Bill to provide fellowships to eligible U.S. citizens to assist developing countries in establishing school-based agricultural education and youth extension programs. The program was created to 1) develop globally minded United States agriculturists with experience living abroad; 2) help meet the food and fiber needs of the domestic population of eligible countries; and 3) strengthen and enhance trade linkages between eligible countries and the United States agricultural industry. Congress appropriated \$1 million in FY20 for the inaugural IAEFP. FAS awarded FY20 funds to Texas A&M University and Catholic Relief Services for programming in Ghana and Uganda, respectively. Due to the global pandemic, selected fellows were restricted from traveling; thus, their fellowships were delayed. However, nine fellows arrived in Ghana in August 2021 for their program to provide technical advice on improving agricultural production, increase knowledge of the importance of robust agricultural extension programs, and share their experiences with youth-based agricultural organizations, such as 4-H. The Ghana IAEFP concluded in June 2022. Due to additional delays caused by security concerns and an Ebola outbreak in Uganda, the program's Uganda activities continue to be delayed. FAS continues to monitor the situation and will resume programming once conditions on the ground improve. Congress appropriated an additional \$1 million in both FY21 and FY22 for the IAEFP. Texas A&M University was awarded FY21 funds to establish the program in Guatemala for two consecutive years. They were also awarded FY22 funds to conduct a second year of the IAEFP in Ghana. The University of Missouri also received FY22 funds to establish the program in Mexico. A cohort of nine fellows is anticipated to arrive in each of these three countries in August 2023 to begin their programs.

CONCLUSION

As Under Secretary, I am proud to be part of the USDA mission area responsible for efforts to improve foreign market access for U.S. products, build new markets, diversify farm and ranch revenue streams, improve the competitive position of U.S. agriculture in the global marketplace, and support food security and technical assistance beyond our borders. I believe Congress has an important opportunity to refine these trade programs when reauthorizing the next Farm Bill so that they make U.S. farm policy more efficient, effective, equitable, and sustainable while providing greater export opportunities to a vast range of markets for the benefit of even more U.S. farmers, ranchers, and other stakeholders.

I look forward to answering your questions and working with you as you and your staff consider the next Farm Bill and the programs that will facilitate U.S. agricultural exports and maintain our commitment to providing technical and food assistance to those around the world in need.

Thank you.

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**Statement by
Jennifer Lester Moffitt
Under Secretary for Marketing and Regulatory Programs
U.S. Department of Agriculture**

**Before the Senate Committee on Agriculture, Nutrition, and Forestry
Washington, DC
February 1, 2023**

Chairwoman Stabenow, Ranking Member Boozman, and Members of the Committee, thank you for the opportunity to appear before you today to share updates from the U.S. Department of Agriculture's (USDA) Marketing and Regulatory Programs mission area and our efforts to foster markets for producers and consumers. Many of the programs important to creating more and better markets are in the Horticulture Title of the Farm Bill.

I count myself fortunate to come from a small rural community and from a family of farmers where I experienced firsthand the ingenuity and passion that farmers and ranchers bring when faced with challenges. They work hard every day to produce food that feeds their communities, the nation, and the world— and over the last few years we have seen the many struggles they face in accessing markets and capturing their fair share of the food dollar. Even with record farm incomes this year, too many farmers— some 89%— must take off-farm work to meet the needs of their families— particularly those with small and mid-size operations— and there are still far too many barriers to entry for new and beginning farmers.

Under the leadership of the Biden-Harris Administration and Secretary Vilsack, USDA has been hard at work to address these challenges head on and transform our food, agriculture, and rural economies so that at every stage along the supply chain, there are opportunities that benefit all consumers, producers, and rural communities. USDA is doing this by expanding the number of revenue sources and income opportunities for farmers so their operations— and the agricultural economy— become more sustainable, resilient, and profitable. New markets, improved program access, and greater support through research and education for all producers is how we help farmers build the resilience of American agriculture.

Our framework for the future of our food and agricultural supply chains and a resilient food system is guided by four fundamental goals:

First, we are supporting the creation of more, new, and better markets where farmers and ranchers have a fair shot to compete and earn a fair price for their products. Second, we are working to increase the accessibility of nutritious foods, as part of our broader efforts to tackle nutrition insecurity. Third, we are creating new revenue streams for producers by supporting farmers and ranchers' ability to turn a profit from leading the development and implementation of climate smart agriculture and forestry, biobased products, and other voluntary, market-based solutions to climate change. And finally, we are recommitting ourselves to equity and reducing barriers to access through program design, implementation, and outreach so that all producers have the tools and opportunity needed to farm. This framework supports and builds upon our work in implementing the President's Executive Orders on Promoting Competition in the U.S. Economy and on America's Supply Chains.

Thanks to the work of Congress and your leadership, Madam Chairwoman, the Biden-Harris Administration and USDA is doing this work and partnering with farmers, ranchers, and other food businesses with a wide array of resources provided through the American Rescue Plan, the CARES Act,

the Consolidated Appropriations Act, 2021, as well as other recent legislation that is further highlighted in my testimony today.

USDA is on a mission to ensure today's markets work better for both family farmers and the communities they feed. This means making more nutritious food available to more people, with more of the food dollar going back to the farm, while increasing income streams and revenue for producers. As President Biden has said, we are working to build the economy not from the top down, but from the bottom up and the middle out. For our farmers and ranchers, this means we are working hard to find opportunities for more people to benefit, which in turn is creating more jobs in rural communities and supporting a circular economy, so if you chose to be small or mid-sized you can still be successful, profitable, and stay on the land.

As this Committee begins its work on the next Farm Bill, it is crucial that Congress deliver a strong Horticulture Title that supports and expands producers' access to markets, while increasing consumer access to nutritious foods, working with producers in the face of climate change, and supporting the vibrancy of rural communities.

Local Agriculture Market Program

Robust and vibrant local and regional food systems provide more, and often higher value, marketing opportunities for farmers and ranchers while shortening the chain from producer to consumer. This supports rural economic growth while building consumers' understanding of food production and agriculture. For nearly 50 years, Congress has recognized this valuable connection through programs borne from the Farmer-to-Consumer Direct Marketing Act of 1976. According to the 2020 Local Food Marketing Practices Survey, the value of food sold through direct marketing practices was \$9 billion, including \$4.1 billion sold through institutions and intermediate markets. Thanks to the continued support of Congress, through the Farm Bill, discretionary appropriations, and more recently funding under the Consolidated Appropriations Act of 2021, these grants, collectively known as the Local Agriculture Market Program (LAMP), continue to provide critical tools for communities, farms, and businesses to strengthen local and regional food systems and markets, including farmers markets.

Last April, I toured the impressive space at Eastern Market in Detroit, Michigan and learned about their commitment to increase access to local produce in the city, especially to underserved areas. For 125 years, Eastern Market has worked to nourish Detroit and serve as a hybrid retail/wholesale public market, surrounded by regional food businesses. I also had the pleasure of meeting with different food entrepreneurs that the market hosts and trains to help them build their own food businesses through an accelerator program.

In 2022, Eastern Market received a USDA Local Food Promotion Program grant to expand its food access programs in Detroit and southeast Michigan. Through this funding, Eastern Market will build on the neighborhood-level community markets that are run and serve as bridges for communities to access and consume locally grown produce and value-added food products.

This project is just one example of the nearly 600 projects in all 50 states and three territories that have been funded by LAMP since the 2018 Farm Bill was signed into law. In addition to the Local Food Promotion Program, USDA's LAMP grant program includes the Farmers Market Promotion Program and the Regional Food Systems Partnerships at USDA's Agricultural Marketing Services (AMS) and the Value-Added Producer Grants run through USDA's Rural Development. These popular programs were funded at a combined \$50 million per year starting in fiscal year 2019, with an additional \$100 million

through the Consolidated Appropriations Act of 2021 and additional discretionary appropriations as well. Even with this additional funding, strong demand for these programs persists given their ability to support nimble and flexible local food and farmer efforts that contribute to community level economic development. In recognition of the success of these programs, USDA dedicated an additional \$130 million in American Rescue Plan (ARP) Act emergency funds to support expanding and strengthening opportunities for local food businesses to sell to institutions, such as universities, hospitals, schools, and facilities operated by local, tribal, and state governments. These programs are effectively accomplishing Congress' intent and remain very popular and highly oversubscribed year over year.

To address the supply chain breakages, many of which were exacerbated during the pandemic, we are using emergency funding to anchor and further support strengthening local and regional food systems. Last year we announced USDA's Regional Food Business Centers, supported by \$400 million made available through Consolidated Appropriations Act, 2021. These Centers will complement LAMP. As LAMP supports marketing opportunities for producers, the Centers expand on that by providing localized assistance along supply chains at a local and regional level. I believe these Centers will significantly improve the linkages between producers, the middle of the supply chain, and consumers that make our local and regional food systems more resilient, that make these businesses more profitable and sustainable, and that improve the local economy. These Regional Food Business Centers will coordinate across geographic areas with stakeholders, provide direct business technical assistance to small and mid-sized food and farm businesses, and provide builder grants to support expansion projects and those focused on regional needs. These are needs that I have heard time and again as I meet with stakeholders across the country, and the Centers will address these gaps to help local and regional economies thrive. To solidify a lasting impact of these Centers for local communities and regional areas, this work will require additional investment from Congress.

Local Procurement

We are now coupling the achievements of the LAMP programs to build capacity for producers to access new markets by expanding and enhancing procurement of local products for nutrition programs. Leveraging the purchasing power of the Federal government through local procurement creates a win for local economies and for people's health. It puts rural prosperity front and center by adding value to food where it is produced so that capital stays within a community leading to longer term economic growth and vibrant rural communities. And, as we highlighted in the Biden-Harris Administration National Strategy on Hunger, Nutrition, and Health, "Sourcing local foods can help increase consumption of fruits, vegetables, and other under consumed foods, improve attitudes about healthy eating, and support local economies."

Recognizing the importance of this work and the different needs of partners, we created two programs to build and engage local procurement marketing channels while providing nutritious food for food banks, pantries, and schools. The Local Food Purchase Assistance (LFPA) is a new program supported by American Rescue Plan and Commodity Credit Corporation funding that provides funds to states, tribes, and territories to purchase food from local and underserved farmers for food banks, pantries, and other nutrition assistance programs. Similarly, the Local Food for Schools (LFS) program provides Commodity Credit Corporation funds to states to purchase food from local and underserved farmers for school nutrition programs. These programs address supply chain needs and food system vulnerabilities that were longstanding structural issues that were further revealed and intensified during the pandemic. AMS application of these resources demonstrate the incredible power and opportunity of partnerships and locally-led solutions. Increasing farmers' marketing opportunities and developing the means to sustain a purchasing relationship with them provides consistent access to locally and regionally sourced

food, keeps stable economic opportunities, and improves health outcomes that will make our U.S. food supply system stronger and more resilient.

In April, I traveled to Denver where I announced the first LFPA agreement between USDA and states, tribes, and territories. Through this program, Colorado is working to procure locally grown food products from underserved producers and then pack, transport, and distribute these food products to communities in need of nutritional support. In touring a food bank in Colorado, I had the opportunity to hear about the state's commitment in working across agencies to connect producers with food banks to build a resilient economy with economic justice.

Another great example where I got to hear directly from farmers about how this work is helping them was in Alabama, where farmers participating their state's LFPA program shared with me the benefits of the constant demand and volume presented by this program, and how it allows small farmers to scale up and access better, consistent markets. They've seen how LFPA creates job opportunities in their rural communities and how by LFPA bringing in more revenue to local economies, it is helping to break cycles of poverty. One farmer even mentioned that when he dropped off his farm fresh watermelon and strawberries at a food bank, he saw a young boy's surprise and delight upon seeing the fresh fruits available. That experience alone, the farmer shared, made the program worth it.

Later, in announcing the first LFS agreement in Minnesota, I met farmers and school nutrition leaders who told me how our LFS program has removed logistical obstacles for farmers and promoted local food as both the equitable choice and the easy choice for schools. Communities in Minneapolis and throughout the country are actively supporting LFS. Kids love trying new, healthy produce, and farmers enjoy the new, consistent opportunity that allows them to grow.

As of the start of the year, we had LFPA agreements with 48 states, four territories, and more than 20 tribes. For LFS, we had agreements with more than 30 states. And this list continues to grow as we continue to sign more agreements. These programs give nutrition assistance programs more options and provide States and territories the opportunity to support a fairer, more competitive, and more resilient local food chain, all while providing farmers and ranchers with another market for their products.

Specialty Crop Block Grants

As we work to create and enhance markets into the future, enhancing the competitiveness of our specialty crop producers who grow our fruits, vegetables, tree nuts, medicinal plants, and nursery, floriculture, and horticulture crops is a vital part of this vision.

The Specialty Crop Block Grant Program, which was first authorized by the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621), has been supporting specialty crop producer and consumers since 2006. The 2018 Farm Bill reauthorized the program and made important funding investments that have enhanced the competitiveness of and increased the consumption of specialty crops within the United States. In Fiscal Year 2022, USDA used the \$85 million provided in the Farm Bill to award grants to 55 recipients, which supported 601 Sub-award projects across the country. On January 21st, USDA announced the Fiscal Year 2023 funding availability.

Given my previous role at the California Department of Food and Agriculture, I know first-hand how important this program is to the states as they partner with the specialty crop industries to fund critical research, marketing, and education programs that best meet the needs in their states.

This year will mark a big milestone for this program as AMS will have awarded a total of \$1 billion in funding for projects across the country to support specialty crop producers.

Last year, I had the opportunity to travel to Washington state to see these grants in action as they support important marketing, education, and research. Grants are being used for market development for Washington craft cider and cider made with Washington grown apples. The Washington Wine Industry Foundation is providing updated tools to help producers mitigate financial and production risks. The Washington State Wine Commission is working on research and a strategy to control a virus that plagues Washington vineyards and threatens their long-term profitability, and Washington State University is researching the effects of smoke from wildfires on grape and wine quality. From research to education to marketing, the program is supporting specialty crops in all fifty states and territories to be more competitive and resilient, all while supporting our local economies.

Another great example from last year's Specialty Crop Block Grant awards was a grant received by the Arkansas Department of Agriculture's Farm to School and Early Childhood Education Program. This program is making a difference in schools where it supports the development of school gardens, taste test opportunities, and much needed technical assistance to the school food professionals who work with farmers from their communities to increase the consumption of local specialty crops in the classroom and cafeteria. Deepening the connection between schools and local farmers helps children learn about where the food comes from and appreciate how it is grown and creates a significant financial opportunity for farmers, food processors, and food manufacturers who gain a valuable new market and can feel good about giving back to their own.

Protecting Specialty Crops and Other Plants from Pests and Disease

The 2014 Farm Bill made permanent two important programs that protect plant health and specialty crops, and the viability of our growers and producers. Together, the Plant Pest and Disease Management and Disaster Prevention Programs and the National Clean Plant Network program strengthen our ability to safeguard U.S. specialty crops and agriculture. These programs are especially critical in the face of climate change. Even now, up to 40 percent of global crop production is lost to pests. We know that climate change has increased the level of plant pest infestations and disease infection, allowed pests to produce more generations each year, and extended the range of many plant pests. Protecting American agriculture from foreign pests and diseases assures our trading partners of the high-quality of our agricultural products. Trading partners are more likely to accept our products if they know we have systems in place to identify and eradicate pests and diseases, just as we demand similar strong and effective processes in the countries from which we take products.

The Plant Protection Act provides \$75 million annually for these programs, with at least \$5 million annually required for the National Clean Plant Network. Each year under the prevention program, the Animal Plant Health Inspection Service (APHIS) provides funding directly to states, universities, and other partners to carry out high-impact projects that expand the reach of our plant health programs. These vital partnerships allow us to do additional surveillance, increase domestic inspection activities, and strengthen our scientific and technical knowledge, among other things. For example, this cooperative program has helped eradicate plum pox, funded teams of detector dogs that have stopped invasive pests and diseases from spreading throughout the country, and protected honeybees and other pollinators.

We recently announced that we are allocating more than \$70 million to support 350 projects under these prevention programs. These projects will strengthen the country's infrastructure for pest detection,

surveillance, and mitigation, as well as protect the U.S. nursery system, which according to the 2019 Census of Horticultural Specialties represent over \$13.78 billion in sales for horticulture operations. Universities, states, federal agencies, nongovernmental organizations, nonprofits, and Tribal organizations will carry out selected projects in 48 states, Guam, and Puerto Rico. The USDA National Detector Dog Training Center in Georgia trains our agricultural detector dog teams, and the program includes over \$6 million for agricultural detector dog teams in California, Florida, Hawaii, and nationally. We are also funding pest detection surveys in 11 states throughout the country.

Another important aspect of the program is that it provides APHIS with ready reserve funding that the Agency can use to swiftly target emerging plant pests and diseases. Rather than having to wait for an annual appropriation or utilize the Secretary's emergency transfer authority, APHIS can tap into this reserve of funds to immediately address these threats. These funds have been key in our efforts to eradicate or slow the potential spread of pests such as African giant snail and more recently the spotted lanternfly. In our recent funding announcement, we set aside \$13.5 million for this critical program.

The other part of these Farm Bill programs is the National Clean Plant Network, which is critical to the health, value, and continued success of the specialty crop industry. The network provides producers with high quality propagative material that is free of pests and diseases for key crops, including fruit trees, berries, citrus, and hops. Our announcement included over \$7 million in support of 28 projects for this network.

I should also note our continued appreciation for the strong support this Committee and others have demonstrated for the Agricultural Quarantine Inspection (AQI) program over the last few years. The AQI program, a partnership between APHIS and U.S. Customs and Border Protection, establishes a set of overlapping safeguards that protect American agriculture and natural resources from foreign pests and diseases. USDA is incredibly thankful for the additional supplemental funding that Congress provided through several recent appropriations bills that was critical to weathering the downturn in user fee revenue during the pandemic. The continued support of the program ensured we can continue to protect producers and preserve critical domestic and export markets for agricultural products.

While not in the Horticulture Title, I would also like to take a quick opportunity to point out the value of the last Farm Bill's animal health programs. The three-legged stool, which includes funding for projects analogous to the plant program I described earlier, has been invaluable in protecting producers and ensuring states, industry, and our other animal health partners are fully prepared for any potential emergencies. I thank the Chair and Ranking Member for their strong support of those programs.

Organic Production

Our work at USDA to grow market opportunities for producers and to strengthen the supply chain is also evident in our work on organic markets. Organic production allows producers to hold a unique position in the marketplace - using production methods that can meet ever-changing consumer tastes for a variety of products. At the start of 2023, there were 27,607 certified organic businesses in the United States, with sales over \$63 billion. As more farmers look to tap into this market, we are developing tailored tools to support their efforts.

To maintain consumer trust in the organic seal, we have finalized two rules to ensure consistent standards for our producers. First, to promote a fairer and more competitive market for all organic dairy producers, we finalized the Origin of Livestock rule on April 5, 2022. This rule ensures that certified USDA organic dairy products are produced to the same consistent standard.

Second, we finalized the Strengthening Organic Enforcement rule last month. This 2018 Farm Bill provision significantly updated organic standards to respond to industry growth and the growing complexity of organic supply chains and incorporated many recommendations from the National Organic Standards Board to strengthen the integrity of the USDA organic seal.

Additionally, in December 2022, we announced that USDA has successfully registered the USDA organic seal trademark with the U.S. Patent and Trademark Office. This action provides even greater ability to fight against fraudulent use of the seal, which is specifically described in the Organic Foods Protection Act. This action is only one of the latest results achieved through work with the Organic Agricultural Product Imports Interagency Working Group, which was established by the 2018 Farm Bill. The working group enables USDA and Customs and Border Protection (CBP) to advance coordination and information sharing related to organic imports and supply chain integrity, to ensure that imports represented as organic meet the requirements and that we have a fair and level playing field for American farmers.

We look forward to continuing toward finalizing the Organic Livestock and Poultry Practices rule that seeks to ensure that the USDA organic regulations promote a fairer and more competitive market for organic livestock producers, by making sure that certified USDA livestock and poultry products are produced to the same consistent standards all across the country. The comment period closed in November 2022, and AMS is currently reviewing the comments and drafting a final rule.

I know many of you are aware of challenges in organic supply chains over the last several years. As part of our broader Organic Transition Initiative, we are investing emergency pandemic funding CCC up to \$100 million to address organic supply chain weaknesses and support organic supply chain innovation in targeted markets. Late last year, we gathered input from over 100 stakeholders through verbal and written comments to structure a grant program that will open new markets and relieve bottlenecks on organic supply chains. We expect to publish a Request for Applications this spring to launch this new and innovative funding opportunity.

This work is in addition to the Organic Dairy Marketing Assistance Program, using the same source of one-time emergency funding and announced recently by our colleagues at the Farm Service Administration. This new program will provide relief to small organic dairy farms that have faced a unique set of challenges over the past several years that have been compounded by the ongoing pandemic and drought conditions across the country. The assistance will specifically assist organic dairy producers with up to 75 percent of their projected marketing costs in 2023, based on current cost estimates available.

We are helping not only established organic farmers, but also farmers transitioning to organic production. These farmers face challenging technical, cultural, and market shifts while transitioning to organic production, and even during the first years after successful organic certification. I know this from my family's own experience. When my dad decided to convert to organic production in the 1980's, he was fortunate to reach into a community of fellow growers to seek mentorship, guidance, expertise. Those connections are crucial to beginning organic farmer success.

Another program is the Transition to Organic Partnership Program (TOPP) was announced in October 2022. Through this program, we are working with organizations across the country through cooperative agreements to establish and administer a farmer-to-farmer mentorship program providing direct farmer training, education, and outreach activities. For example, many farmers that transition speak languages

other than English, and having in-person assistance and mentors that speak the same language is incredibly important. TOPP is a collaborative effort involving more than 150 partners, with cross-functional teams and representatives from different regions working together to support farmers transitioning to organic production.

Technical Assistance and Equity

The importance of providing more and better technical assistance to farmers does not end with those transitioning to organic. Providing busy farmers and ranchers with the tools to find and apply to our various programs is a critical component of making our programs successful. And providing them with broader tools to run viable businesses and problem-solve thorny challenges will help our food system rebuild stronger.

That's why I am proud of the work AMS has done through the Meat and Poultry Processing Capacity Technical Assistance Program. Through this effort, USDA has partnered with the Flower Hill Institute, Oregon State University, the Intertribal Agriculture Council, the American Association of Meat Processors, the American Meat Science Association, and the Agricultural Utilization Research Institute to connect independent meat and poultry processors with the resources they need to be successful. This support includes assistance navigating federal programs, business development, planning, advice on operations, and help with supply chain development. Just last month, tribal representatives traveled in from across Indian Country to participate in the extensive technical sessions at the Intertribal Agriculture Council's Annual Conference, which were supported and delivered by our MPPTA cooperative partners. And to date, our partners have helped more than 450 meat and poultry processing projects. One recent participant, a small mixed species processor, noted that there was "no way" they could have navigated a recent problem without the support of this program.

Emergency funding from ARP was also used to expand the Dairy Business Innovation Initiatives, to support farmers through technical assistance and grant awards. They are so successful at supporting dairy businesses and producers in the development, production, marketing, distribution of, and adding value to their dairy products, as well as providing direct technical assistance to dairy businesses, which is why the USDA Regional Food Business Centers, that are currently supported by one-time funds, have been modeled after these Initiatives.

All told, we are putting our taxpayer resources into ways to strengthen the supply chain and to support producers across the country to grow their businesses – from organic and transitioning farmers to meat and poultry processors, to dairy producers, to local and regional farm and food businesses. Easing the business challenges for current farmers and ranchers and providing technical assistance for the future of US agriculture are fundamental strengthen the food supply chain so that consumers and rural economies thrive.

International Markets and Other Activities

As part of our push for more and better markets, we are also looking to increase the markets outside of the country for American growers. It's an honor to be here today with Under Secretary Taylor. It highlights the important partnership that our technical regulatory staff at MRP has with our colleagues at Trade and Foreign Agricultural Affairs.

Part of enabling trade success is by ensuring animal and plant health for products imported into the U.S. and those that we export to other countries. This means doing all we can to keep foreign pests and

diseases out of the country so that our producers can ship their products around the U.S. and to foreign trading partners who can trust that our products meet their standards. Our dedicated team at APHIS strives every day to protect the health and value of American agriculture.

Last year, APHIS, in partnership with our colleagues at the Foreign Agricultural Service, successfully worked with technical counterparts in Mexico (SENASICA) to substantially expand market access for U.S. potato exports to Mexico. The U.S. potato industry estimates that access for U.S. fresh potatoes to markets throughout Mexico will be worth up to \$250 million per year in export potential, in five years. This demonstrates the importance of APHIS's work to open and maintain access to markets, fostering lasting economic growth for U.S. farmers and producers.

Most Americans might not see their work on a day-to-day basis, but they benefit from their impact constantly.

Conclusion

Over the course of my career, I have had the opportunity to work with great people. Since becoming Under Secretary for MRP, I have traveled to 27 states and seen how farmers and ranchers benefit from our work. I have also met with many of our dedicated field staff who engage directly with farmers and ranchers and local partners to address the unique local and regional needs across the country. MRP employees work hard and passionately every day! And I could not be more impressed with them. It is because of those dedicated staff that MRP and USDA can serve those who depend on us.

There is more work ahead, but one thing is clear—leveraging resources in support of better and more competitive markets for U.S. farmers, ranchers, and consumers—is in the best interest of our nation's economy, food system, and the environment. With the support of Congress, I believe we can—and must—continue this effort.

USDA has been given a great responsibility to use resources provided both through the 2018 Farm Bill and during the pandemic to strengthen the U.S. food supply chain. We maintain our commitment to address the challenges of food insecurities by building more and better local, regional, national, and international markets for producers and consumers while ensuring animal and plant health. As you look to draft the next Farm Bill, we at USDA are committed to support your work wherever possible to build the lessons of the last few years to ultimately deliver programs that support a food system that's stronger, more resilient, and more equitable than before.

I look forward to working collaboratively with members of the Committee and Congress as you work to draft the 2023 Farm Bill and continue to champion American agriculture. I would be happy to address any questions you may have.

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Testimony of Sarah Charles
Assistant to the Administrator for the Bureau for Humanitarian Assistance
U.S. Agency for International Development
Before the
Senate Committee on Agriculture, Nutrition, and Forestry

Introduction

Chairwoman Stabenow, Ranking Member Boozman, and distinguished Members of the Committee, thank you for the opportunity to discuss the United States Agency for International Development's food assistance programs authorized by the Food for Peace Act. As a result of this Committee's leadership and support, the United States continues to be the world's largest donor of humanitarian food assistance—at a time when steadfast commitment to global food assistance programs has never been more vital.

U.S. Global Leadership

After steadily declining for more than a decade, today, world hunger is rising sharply due to persistent global conflict, the lingering effects of the COVID-19 pandemic, climate change, and the far-reaching impacts of Russia's war in Ukraine. We are now facing a global food security crisis of historic proportions: today, the Famine Early Warning Systems Network (FEWS NET) estimates that 126 million people in the most vulnerable countries are acutely food insecure, representing a 70 percent leap from pre-pandemic levels in 2019. U.S. in-kind food assistance, funded through the Food for Peace Title II account and last year's unprecedented drawdown of the full balance of the Bill Emerson Humanitarian Trust (BEHT), has been vital to our response to these unprecedented needs.

The food security crisis gripping the Horn of Africa is the most severe food security crisis facing the world today. After five consecutive below-average rainy seasons, the Horn is experiencing the worst drought on record in at least 70 years. The scale of need is massive, with approximately 23 million people across Ethiopia, Somalia, and Kenya requiring emergency food assistance to meet their basic needs and many communities experiencing very high levels of acute malnutrition and excess mortality from hunger. Women and children are particularly vulnerable, as nearly 5 million children are acutely malnourished in Ethiopia, Kenya, and Somalia, and 1.4 million are severely malnourished, a condition that increases a child's risk of death by a factor of 12.

In response to these needs, USAID mobilized quickly last year, contributing more than \$1.5 billion to humanitarian food assistance and nutrition programming in the Horn of Africa. Of this, approximately \$465 million consisted of Title II emergency food assistance and resources from the BEHT drawdown. These resources were used to provide commodities such as wheat, split peas, sorghum, and vegetable oil to feed communities affected by the drought, as well as

ready-to-use supplemental foods (RUSF) and ready-to-use therapeutic foods (RUTF) to treat acute malnutrition in children. Title II resources played a role in filling critical needs for these commodities in the Horn at a time when international and regional producers were unable to meet heightened demands late last year. By boosting RUTF and RUSF production capacity in the United States and using prepositioning authority to expedite procurement and delivery of these commodities, USAID was able to help mitigate against future supply chain disruptions.

According to food security experts, the scale-up of humanitarian assistance—mobilized primarily by the United States—was integral in preventing the onset of famine in parts of Somalia late last year, unmistakably demonstrating the life-saving impact of U.S. assistance.

However, the crisis continues to deteriorate. An unprecedented sixth consecutive poor rainy season looms on the horizon this spring, and in the absence of sustained humanitarian assistance, famine is projected to emerge in parts of southern Somalia between April and June. USAID will continue to prioritize the Horn of Africa response in 2023, but the Agency faces a sharp decline in humanitarian resources now that it has nearly exhausted the generous supplemental appropriations provided by Congress in 2022. Preventing famine and large-scale deaths across the region in the coming year will require sustained and robust humanitarian assistance from the international community, which is why USAID continues to urgently and consistently call on all donors to help fill critical funding gaps.

In Yemen, we are seeing how the aftershocks of global events can be felt continents away—and how fragile food security is. After eight years of civil war, Yemen continues to suffer through one of the worst humanitarian crises in the world, with needs amplified by Russia's war in Ukraine. Nearly 75 percent of Yemen's population—more than 23 million people—require humanitarian assistance and approximately 17 million people are experiencing acute food insecurity. The country imports 90 percent of its food supply, historically sourcing about 50 percent of wheat imports from Russia and Ukraine, making it vulnerable to various global events, including Russia's further invasion of Ukraine. In the last year, Putin's war caused price spikes and food shortages in Yemen, putting food further out of reach for many Yemenis. For example, between January and September of 2022, the price of basic food items increased 22 percent in southern Yemen and 12 percent in northern Yemen, reducing families' purchasing power and impeding their access to food. Measures supported by the United States, including the Black Sea Grain Initiative, an initiative to move Ukrainian wheat through the Black Sea, have been vital in increasing access to Ukrainian wheat and will help stabilize wheat prices, making food access more predictable for families.

To respond to specific needs in Yemen, USAID supports implementing partners, including international nongovernmental organizations and the World Food Program, reaching approximately 13 million vulnerable people every month with food. In Fiscal Year (FY) 2022,

USAID provided nearly \$972 million, including \$752 million to support emergency food assistance programming. USAID's emergency food assistance utilizes agricultural commodities sourced in the United States, agricultural commodities from other sources, as well as cash transfers and vouchers for the purchase of food in local markets. This combination of food assistance activities ensures that communities have food, while also supporting local markets where they are functioning. In some cases, this also gives families the opportunity to complement U.S.-sourced commodities with fresh produce. USAID food assistance has saved lives and reduced suffering, as earlier analysis projected that 2 million more Yemenis – 19 million people in total – would be experiencing acute food insecurity during this time frame.

Programs authorized by the Food for Peace Act have been paramount in helping to demonstrate U.S. leadership abroad. However, the scale of global need has stretched the limits of U.S. food assistance programs, revealing significant constraints to USAID's effectiveness and efficiency. As Congress looks toward the upcoming reauthorization of the Food for Peace Act as part of an omnibus agriculture authorization act known as the Farm Bill over the coming months, we look forward to working with the Committee to ensure that U.S. assistance remains fit-for-purpose to meet rising needs worldwide.

Current State of Food for Peace Act Programming

USAID utilizes resources authorized under Title II of the Food for Peace Act and appropriated via annual agriculture appropriations bills to fund emergency and non-emergency food assistance programs worldwide. In Fiscal Year 2022, USAID provided approximately \$2.6 billion in Title II Food for Peace assistance, procuring nearly 1.8 million metric tons of food from the United States and reaching nearly 45 million beneficiaries in 31 countries. Nearly 90 percent of Title II assistance was for emergency responses, while 10 percent was for non-emergency resilience and food security programs.

USAID provides emergency food assistance to vulnerable populations affected by natural disasters, such as droughts and floods, and complex emergencies, such as conflict. When appropriate, U.S. in-kind food assistance is often used to respond to an emergency where local markets are not functioning; there is not enough food in local markets to meet needs; or beneficiaries do not have physical access to markets. The types of food provided to beneficiaries can vary based on dietary needs, cultural factors, and nutritional requirements of beneficiary populations. Because U.S. in-kind food assistance takes an average of four to six months to reach beneficiaries, USAID prepositions commodities in warehouses that are strategically located across the globe to reduce delivery times. In Fiscal Year 2022, a total of 90 percent of Title II emergency food assistance commodities were programmed in just five countries: Ethiopia, Yemen, Sudan, South Sudan, and the Democratic Republic of Congo.

The Farm Bill also typically reauthorizes the Bill Emerson Humanitarian Trust (BEHT), a reserve that can be used to allow the United States to meet emergency humanitarian food needs and respond to unanticipated food crises when all other Title II Food for Peace Act resources have been exhausted. In April 2022, USAID and the U.S. Department of Agriculture (USDA) took the extraordinary measure of fully drawing down the BEHT to respond to the unprecedented global food security needs in Ethiopia, Kenya, Somalia, Sudan, South Sudan, and Yemen—providing more than 480,000 metric tons of wheat, sorghum, split peas, lentils, vegetable oil, and specialized nutritious foods.

In addition to emergency programs, USAID also works with communities that are susceptible to recurrent shocks to improve and sustain their food and nutrition security through non-emergency programs authorized in Section 202(b) of the Food for Peace Act, called Resilience Food Security Activities (RFSAs). These unique, multi-year programs build on emergency food security interventions to strengthen the resilience of people, communities, countries, and systems in a way that reduces chronic vulnerability and facilitates inclusive growth. In FY 2022, USAID obligated a total of \$378 million in non-emergency food security awards across 24 programs spanning 12 countries.

Constraints in USAID Food Assistance Programming

Over the past decade, and with the bipartisan support of Congress, USAID has worked to ensure that programs authorized by the Food for Peace Act can meet the humanitarian challenges of the day. For example, previous iterations of the Food for Peace Act included a 13 percent cap on critical resources that support the administration, management, and distribution of food assistance programming, known as Section 202(e) resources. As the 13 percent cap became untenable, Congress raised the cap to 20 percent of available Title II funding, giving USAID the ability to support emergency programming while also enabling the design of high-quality non-emergency activities to build resilience in communities based on local context and beneficiary needs.

However, USAID is also impacted by the economic fallout of the compounding global events driving the global food security crisis, making it increasingly important to optimize every dollar of assistance. The cost of delivering humanitarian assistance continues to rise rapidly: for example, the World Food Program reported that since Russia's further invasion of Ukraine on February 24, 2022, the cost of global humanitarian operations has increased 44 percent over 2019 levels. These rising operational costs have stretched critically-needed 202(e) resources to the brink, limiting USAID's ability to support high-quality, context-based resilience programming as well as increasingly expensive emergency program logistics.

For example, in Haiti, due to rising pressure on 202(e) resources, the 2021 RFSA solicitation required the design to include a minimum of 50 percent use of U.S. in-kind

commodity use annually. During the question and answer period, partners, including local Haitian organizations, expressed concern about the need to program commodities, noting that in-kind imports distort local markets and would be antithetical to the program's goal to build resilience amongst farmers. Partners were also concerned about the lack of warehousing and storage capacity, potential displacement of local production and trade, and the policies of the host government. In 2022, during the program's first year of implementation, escalating insecurity exacerbated challenges to programming commodities. Due to port closures, commodities sat in the port, uncollected for upwards of 3 months, collecting fees and leading to large scale commodity loss. Additionally, all activities had to be paused in October, following protests that resulted in the looting of commodities from partner warehouses, including that of a RFSA consortium partner.

In addition to the high cost of delivering assistance, the strict accounting requirements set out by the Food for Peace Act make it increasingly difficult for USAID to partner with new and local partners for Title II programming. To ensure compliance with U.S. law, USAID requires that partners account for costs associated with programming across four separate categories: Section 202(e), Internal Transportation Storage and Handling (ITSH), ocean freight, and inland freight. Tracking spending across these accounts is a laborious task for partners, requiring them to invest in complex and custom financial tracking systems. Ultimately, these requirements are burdensome for existing partners, limit the opportunities for new and local partners to participate in programming authorized by the Food for Peace Act, and increase the risk of mismanagement of funds.

Finally, in 2020, USAID merged the Office of Food for Peace and the Office of U.S. Foreign Disaster Assistance to form the Bureau for Humanitarian Assistance (BHA) as part of the broader USAID Transformation effort. The Bureau is designed to streamline the Agency's humanitarian assistance delivery and eliminate the artificial siloes created by dividing humanitarian assistance between two separate offices. While USAID has made significant strides to ensure that programming is coherent across BHA, the administrative and accounting requirements associated with programming assistance across multiple appropriations accounts has led to continued duplication of effort and inefficiency.

Opportunities Looking Ahead

Thanks to the leadership and generosity of Congress, programs authorized by the Food for Peace Act have nourished hungry communities and saved lives for more than half a century. The Farm Bill reauthorization amid an unprecedented global food security crisis provides an unparalleled opportunity for Congress and USAID to work together to reauthorize the Food for Peace Act and ensure that the U.S. government can maximize American generosity and continue to meet the humanitarian challenges of today and tomorrow.

As Congress works to reauthorize the Food for Peace Act, technical changes to the legislation could have profound and transformational impacts on the future of U.S. food assistance, while maintaining the United States' legacy as the leading donor of humanitarian food assistance, including by providing in-kind, U.S. sourced agricultural commodities.

For example, by updating authorities to make U.S. commodities in non-emergency programs a programming option, rather than a requirement, USAID's partners would have increased flexibility to use Title II resources to design non-emergency activities that are tailored to the local drivers of hunger and that contribute to sustainable development outcomes. USAID would continue to provide U.S.-sourced commodities through Title II emergency programs, while maintaining the flexibility to design non-emergency programs for the singular purpose of helping communities build resilience.

Congress could also consider establishing a single associated cost category to combine the authorizations under Section 202(e) and ITSH. By combining cost categories, Congress would maintain oversight of funds while streamlining budgeting and lessening the administrative burden for partners, laying the foundation for USAID to build a more diverse partner base to better serve their own communities.

Finally, there is a significant opportunity to help maximize efficiencies within the Bureau for Humanitarian Assistance by modernizing the existing statute to reflect the Bureau's current structure. For example, Section 207(f) of the Food for Peace Act authorizes programs that are used to support important monitoring, evaluation, and oversight programs including the Famine Early Warning Systems Network (FEWS NET), the Food Aid Quality Review (FAQR), technical assistance to implementing partners, program impact evaluations, and the maintenance of informational technology systems. As written, these funds can only be used to design evaluation and technical assistance for Title II programs, rather than the full spectrum of Bureau-implemented food assistance programs. Broadening authorizations, including the 207(f) authorization, to simplify the management of technical assistance and evaluation contracts would help reduce inefficiencies and duplication of effort across the Bureau. Ultimately, this would help USAID realize the efficiency envisioned by the creation of the Bureau for Humanitarian Assistance.

Taken together, incremental changes to the Food for Peace Act as part of the Farm Bill reauthorization act could strengthen U.S. food assistance programs, ensuring that food aid programs are updated to meet the needs of today and we can continue to save even more lives for years to come. Let me be clear, though: even if Congress does not take these steps, we must at minimum ensure that the Food for Peace Act is reauthorized and extended before many key authorities expire at the end of this fiscal year.

Conclusion

In the face of a global food security crisis, U.S. food assistance programs have never been more vital. Thanks to this Committee's leadership and partnership, bags of U.S. commodities with the words "From the American People" affixed to the front continue to be an affirmation of American values worldwide and source of life-saving support and hope to those affected by some of the world's worst humanitarian crises.

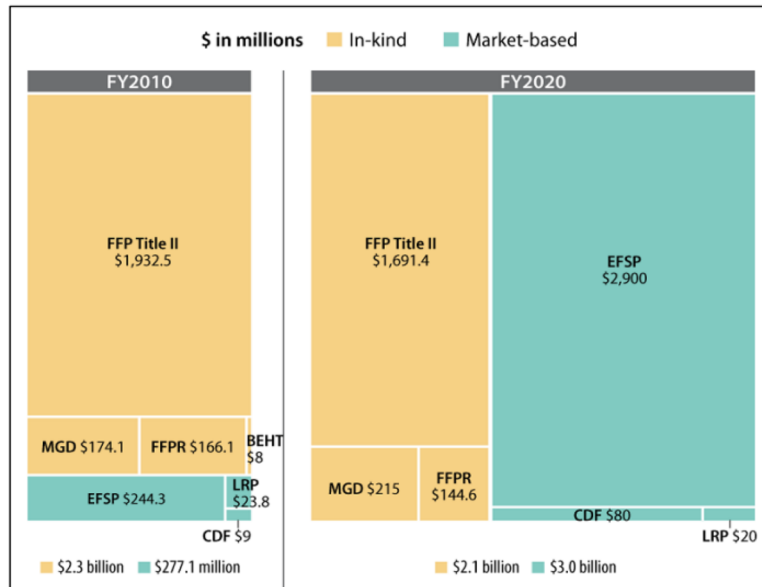
As we confront an even hungrier future, and this Congress considers the reauthorization of the Food for Peace Act, I look forward to working closely with this Committee to optimize Food for Peace Title II programming to ensure that U.S. food assistance programs can continue to reach those in need for decades to come.

**DOCUMENTS SUBMITTED FOR THE
RECORD**

FEBRUARY 1, 2023

Attached below is the proportions of In-Kind (commodity) donations, and Market Based (cash) donations in a decade span. As you can see, we are spending 2:1 on cash vs. in kind donations to other nations.

Figure 3. U.S. In-Kind and Market-Based Food Assistance Outlays, FY2010 and FY2020



Source: CRS, using data from *U.S. International Food Assistance Report to Congress, FY2010*, and USDA and USAID preliminary food assistance outlays for FY2020.

QUESTIONS AND ANSWERS

FEBRUARY 1, 2023

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Farm Bill 2023: Trade and Horticulture
 February 1, 2023
 Questions for the Record
The Honorable Alexis Taylor

Chairwoman Debbie Stabenow

1. Under Secretary Taylor, the Food for Progress program has a \$40 million cap on transportation costs. As a result of this cap, the maximum amount of commodities eligible to be shipped under this program often cannot be met. Can you please provide data on the amount of commodities that could be shipped through this program if the cap was increased to \$60 million? Can you provide the data on commodities if the cap was eliminated?

RESPONSE: Utilizing an average freight estimate of \$150 per metric ton (MT) between U.S. flag and foreign flag vessels, USDA anticipates that approximately 400,000 MT of commodities could be programmed and shipped with a transportation cap of \$60 million under this program. Without a transportation cap, the only limitations on the program would be a statutory 400,000 MT minimum on commodity purchases, a statutory cap of \$15 million per year to assist in project administration and monitoring costs, and any limits that might exist in the CCC account.

2. Under Secretary Taylor, Michigan fruit and vegetable growers continue to face challenges from subsidized imports undercutting their markets. This is an ongoing issue threatening the domestic food supply chain. Last October, the Office of the U.S. Trade Representative and the U.S. Department of Agriculture said they would work with Members of Congress and domestic producers to examine issues related to the competitiveness of specialty crop producers and would develop possible administrative actions and legislation. Please provide an update on USDA's role in this effort. How can USDA better partner with USTR on the trade challenges facing specialty crop producers, particularly as it relates to import competition and dumping?

RESPONSE: The Foreign Agricultural Service (FAS) and its USDA partners are committed to expanding export opportunities for the U.S. specialty crop sector. Foreign market access helps the U.S. specialty crop industry thrive and supports the livelihood of those on farms and in related industries. USDA works with U.S. agricultural industry groups, U.S. regulatory agencies, and the Office of the U.S. Trade Representative (USTR) to open, expand, and maintain access for U.S. specialty crop products to export markets. Regarding imports of seasonal and perishable commodities, USDA has been coordinating with USTR and closely monitoring the trade remedy requests from the specialty crop sector. Unfortunately, many of these requests have not received a positive determination of injury by the U.S. International Trade Commission (USITC). To help this sector, USDA is currently working with USTR to establish a private-sector industry

advisory panel to recommend measures to promote the competitiveness of producers of seasonal and perishable produce.

Through our farm bill authorized programs and activities, USDA remains committed to assisting U.S. agricultural stakeholders to overcome trade barriers that deter U.S. specialty crop exporters and help them compete in the global marketplace. We are working to improve competitiveness of the U.S. specialty crop sector through technological modernization, developing new commodity varieties, and establishing markets for, and promoting, U.S. produce overseas, as well as strengthening USDA's "Buy American" purchase policies for nutrition assistance programs. For example, USDA has expanded assistance for specialty crops under initiatives such as Pandemic Assistance for Producers and added an additional \$100 million in funding for the Specialty Crop Block Grant Program to improve competitiveness. USDA has also funded 15 Technical Assistance for Specialty Crops projects (TASC) for a total of \$4,965,255 in FY 2022, including funding for research or market development for a variety of different horticultural products. TASC projects seek to remove, resolve, or mitigate existing or potential sanitary, phytosanitary, and technical barriers that prohibit or threaten the export of U.S. specialty crops.

Ranking Member John Boozman

1. U.S. food aid is an important tool for the U.S. government and rice, soy, and corn farmers, among others, in my state are proud to play a part in the efforts to not only feed America, but also provide their commodities to USDA and USAID through international food aid. We constantly hear from our agricultural stakeholders and others who implement the programs your agency operates that freight costs and requirements to use U.S.-flagged vessels reduce the amount of food that America can send overseas.
 - a. What can USAID do to help reduce those freight costs and given the current supply chain situation and the war in Ukraine?

RESPONSE: The Cargo Preference Act of 1954 (CPA) currently requires that at least 50 percent of the gross tonnage of cargo that is owned, procured, furnished, or financed by the U.S. Government (USG), including international food assistance, be transported on U.S.-flag, privately owned, commercial ocean vessels to the extent those vessels are both available and offered at fair and reasonable rates for commercial vessels of the United States.

As the CPA applies to all USG-financed cargoes, the United States Agency for International Development (USAID) and the United States Department of Agriculture (USDA) must administer their programs in accordance with 46 U.S.C. § 55305 and regulations issued by the Secretary of Transportation, who has delegated this responsibility to the Maritime Administration (MARAD). MARAD is responsible for monitoring federal agencies' implementation of cargo preference laws. FAS maintains records for each shipment under both the McGovern-Dole International Food for Education and Child Nutrition Program and the Food for Progress Program.

MARAD calculates guideline rates to determine whether U.S.-flag bulk shipping rates are fair and reasonable. MARAD makes the determination of fair and reasonable rates, upon request, whenever there is a bulk U.S.-flag offer; in rare instances, they have determined that a U.S.-flag quoted rate is unreasonable. MARAD only provides those determinations for bulk shipments, however, and is unable to provide the fair and reasonable calculations for U.S. containerized shipments.

USDA strongly supports the efforts of the Department of Transportation/Maritime Administration to increase the number of eligible U.S.-flag bulk agricultural cargo vessels, which currently stands at four. Bulk agricultural cargo vessels provide the most efficient and effective transportation method for agricultural cargos. The increased dependency on the limited number of U.S.-flag general cargo vessels limits the total commodity tonnage USDA can sponsor through international food aid and increases costs of transportation due to the inefficient loading and discharge practices of these types of vessels.

- b. Can those cargo preference requirements be suspended at the administration level?

RESPONSE: The Cargo Preference Act of 1954 (46 U.S.C. 55305) requires that at least 50 percent of the gross tonnage of all cargo that is owned, procured, furnished, or financed by the U.S. Government, including agricultural commodities, be transported on privately owned, U.S.-flag, commercial ocean vessels to the extent such vessels are available at fair and reasonable rates. The President, the Secretary of Defense, or Congress (by concurrent resolution or otherwise) may waive 46 U.S.C. 55305 temporarily by (1) declaring the existence of an emergency justifying a waiver; and (2) notifying the appropriate agencies of the waiver. A waiver has never been granted. The Secretary of Agriculture does not have the authority to temporarily waive this section to exempt food assistance from the requirements of the CPA.

- 2. The Global Food Security Act was recently reauthorized and is expected to continue the whole-of-government approach, including coordination between USAID and USDA on food programs.

- a. How is USDA coordinating with USAID in operating emergency humanitarian and longer-term resilience programs?

RESPONSE: USDA has worked with USAID's Bureau for Resilience and Food Security (formerly the Bureau for Food Security) since 2009 to provide technical support on the design and implementation of the Global Food Security Strategy (GFSS) and Feed the Future (FTF) programs. With USAID funding, FAS has provided specialized expert technical advisors and short-term technical consultants for program planning, implementation, and monitoring and evaluation of FTF programs. Most recently USDA is providing technical support through agreements with U.S. land grant universities to assist USAID FTF missions in the development of

their country plans, and to assist other USAID missions to adapt their food security programming to better respond to the global fertilizer crisis.

USDA also provides specialized expert technical advisors such as nutritionists, food security analysts, crop, livestock and pest management specialists, commodity market analysts, emergency food program operations specialists, and monitoring and evaluation specialists to USAID's Bureau for Humanitarian Assistance.

USDA coordinates with the USAID-led Feed the Future initiative via our two international food assistance programs: the Food for Progress Program and the McGovern-Dole International Food for Education and Child Nutrition Program. The Food for Progress program has been successful in both addressing food security, through the sale of U.S. commodities in target markets, and improving our trade relations and the agricultural markets of partner countries, through the use of the monetization proceeds to help build local agricultural sectors.

Under McGovern-Dole – the world's largest international school meals program – the U.S. has utilized nutritious U.S. commodities, as well as supplemental locally and regionally procured commodities, to provide more than 5.5 billion meals to more than 31 million school children. McGovern-Dole has made incredible strides not only in providing for school meals and literacy programming, but also in helping to cultivate sustainable programs that can eventually be transitioned to host-country ownership and administration.

Lastly, in 2022, USAID triggered the release by USDA of the full \$282 million in the Bill Emerson Humanitarian Trust (BEHT). USAID used funds released from the BEHT to procure U.S. commodities, which were chosen and allocated by USAID's Bureau for Humanitarian Assistance. USDA provided an additional \$388 million in funding from the Commodity Credit Corporation (CCC) to cover ocean freight transportation, inland transport, internal transport, shipping and handling, and other associated costs to deliver the BEHT-purchased commodities to food insecure recipient countries.

- b. What are the potential barriers to further synchronizing USAID and USDA programs?

RESPONSE: USDA does not receive any direct appropriations for international food security capacity building despite funding being authorized in the 2018 Farm Bill. All the capacity building funding comes to USDA through inter-agency contracts from USAID accounts or other internal USG cost-sharing agreements.

USDA does receive \$2.5 million in USAID funding to collaborate on several agricultural trade related capacity building activities, including support to the African Union Commission, as well as the Standards and Trade Development Facility and other regional and bilateral efforts globally. However, USDA's ability to do capacity building is limited to the level of funding provided by USAID. If USDA received

direct appropriations, they would be able to strategically focus on trade related regulatory capacity building in places with market potential which could have tremendous impact on increasing global food security.

3. USDA's export and trade promotion programs are a critical part of expanding markets overseas for U.S. farmers. If Congress provides increased funds for the Market Access Program (MAP), Foreign Market Development Program (FMD), and others through this Farm Bill, what markets, commodities, and issues will USDA prioritize to expand opportunities?

RESPONSE: USDA, through its market development programs, partners with industry participants and funds industry submitted and led project priorities. The strategic priorities and assessment of market opportunities of specific industries and products are reflected in the programing requests by our partner trade associations. These priorities often closely match USDA-FAS objectives because of the close working relationships and parallel mission to expand U.S. agricultural, fish, and forest product export opportunities.

A recent study titled "A Case Study Evaluation of USDA's Agricultural Trade Promotion Program: Observations on the Outcomes and Impacts to Date from Significant Additional Funding and New Regulatory Flexibilities for U.S. Cooperators," conducted by Trade Moves in October 2022, provides a comprehensive review of how increased funding could be used by program recipients and documents the impact previous funding has generated. The study found that "the combination of the significant level of new funding, timing in receiving the allocations, time horizon of five years to utilize the funds and new flexibilities allowed under the program led to bold and innovative initiatives by cooperators to increase their presence around the world, help U.S. exporters tap into unrealized markets and opportunities, scale up and modernize programming, make investments in long-term assets, expand engagement with consumers and other target audiences, pivot during the pandemic, and help boost U.S. competitiveness in new and existing markets."

The study noted that FAS program participants, referred to as cooperators, significantly expanded their export strategies and presence in new and emerging markets. They used new funds to increase investment in market research, implement programming aimed at reducing dependence on China in the long-term, and establish a larger U.S. presence in new and emerging markets. The study also found that in establishing a larger U.S. presence, there were several notable trends such as smaller cooperators established first-time in-market activities and/or representation in emerging markets; larger cooperators established broad, longer-term educational and technical presence in emerging markets; and cooperators of various sizes launched global strategies or multi-market campaigns. The experience with increased export market development funding also demonstrated increased investment in longer-term potential markets, such as those in Africa.

4. Key competitors like the European Union, China, Brazil, and CPTPP members continue to pursue their own trade agreements, strengthen economic ties, and align policies with partners globally. What is USDA doing to advocate for the importance of pursuing new trade negotiations?

RESPONSE: The United States Trade Representative (USTR) leads trade negotiations for the U.S. government, and USDA is strongly supporting the trade negotiations that the current Administration is pursuing such as the Indo-Pacific Economic Framework (IPEF), the U.S.-Kenya Strategic Trade and Investment Partnership (STIP), and the U.S.-Taiwan Initiative on 21st Century Trade. In these negotiations USDA, in concert with USTR, is pursuing a robust negotiation agenda aimed at reaching agreement in a number of areas, including agriculture, in order to overcome trade barriers to U.S. agricultural exports. Outside of trade negotiations USDA works alongside USTR and other interagency partners through a variety of multilateral and bilateral engagements to open market access for U.S. farmers, ranchers, and food producers.

5. The U.S.-EU relationship is strong after 12 months of significant engagement, including through the Trade and Technology Council (TTC), USDA's Cooperation Platform on Agriculture (CPA), and U.S. investment in response to Russia's invasion the Ukraine. Yet, EU trade barriers to U.S. agricultural exports remain highly problematic and unresolved. What is the U.S. government doing to bring the EU to the table to address the major barriers facing the U.S., including but not limited to geographic indicators, and their market access into the EU?

RESPONSE: As you note, 12 months of significant engagement has improved our relationship with the EU – specifically the Directorate-General for Agriculture and Rural Development, our CPA partners. However, some major barriers – geographical indications (GIs) and market access – have been at issue for over a decade. It's taken time to repair relations, and that work is ongoing. USDA's efforts, through the CPA, seek to bring in our producers' voices and perspectives to those conversations, and we are collaborating with like-minded countries so that the EU understands the United States is not an outlier in our concerns.

Additionally, USDA continues to engage the EU bilaterally on a range of market access issues and multilaterally within the WTO to combat a number of sanitary and phytosanitary (SPS) trade barriers that stymie the flow of U.S. agricultural exports to the EU. Overcoming these barriers is an on-going priority for USDA to enhance market access opportunities for American farmers, ranchers, and producers.

6. Advocating for strong intellectual property rights globally has been a cornerstone of U.S. trade policy. How will you work with USTR and engage your global counterparts to ensure strong intellectual property rights protection and enforcement for agriculturally important IP, such as new plant varieties?

RESPONSE: Intellectual property rights, which include protection of new technologies and new plant varieties, as well as GIs, are crucial to U.S. agricultural producers. With

respect to new plant varieties, innovations in agricultural biotechnology can play a key role in advancing the critical objectives of feeding a growing world population, adapting to and mitigating the impacts of climate change, and bolstering food security. If we are going to produce more, while using less land and fewer inputs, we must commit to developing and deploying new ways of doing things in agriculture, and we must ensure that the intellectual property of such developments is protected. The Office of the United States Trade Representative (USTR) has been an indispensable partner in our work to ensure our trading partners not only meet their obligations to develop and use science-based regulations for products of agricultural biotechnology, but also protect the intellectual property rights of new technologies and products.

When GIs are unfairly administered U.S. producers are disadvantaged and ultimately lose market access. USDA does not oppose the use of intellectual property rights or GI protection when used properly; rather USDA, in cooperation with the other U.S. agencies, seeks to preserve our producers' intellectual property rights. USDA is working with USTR, United States Patent and Trademark Office, and other agencies to engage bilaterally and multilaterally and promote and protect access for products identified by common names. The United States also provides best practices for intellectual property rights in its intellectual property chapter of our free trade agreements (FTAs), which promotes transparent, science- and risk-based procedures that protect new technologies, but also weeds out illegitimate GIs, and thus helps preserve intellectual property rights.

7. Policies purporting to be Sanitary and phytosanitary (SPS) measures have become trade barriers and major impediments to trade. How are you advocating for science based, transparent SPS measures with our trading partners bilaterally and multilaterally? What enforcement mechanisms do you envision to ensure compliance with the SPS principles?

RESPONSE: Producers in the United States and around the world rely on access to safe tools and technologies to feed a growing global population. To meet these objectives, USDA works diligently to ensure that sanitary and phytosanitary (SPS) measures implemented by our trading partners are science- and risk-based. USDA supports engagement in the World Trade Organization (WTO) to highlight and push back against measures that lack scientific justification, and we also engage directly with trading partners to address unjustified SPS barriers to expand market access for U.S food and agricultural products. The United States government considers all available tools when determining the most appropriate approach to resolving specific trade concerns, and USDA, in coordination with USTR, plays a critical role in those deliberations.

While negotiation of the Indo-Pacific Economic Framework (IPEF) is still in its early stages, USDA is closely working with USTR and the Department of Commerce to ensure positive outcomes for U.S. agricultural equities in the IPEF. Specifically, relative to agriculture, current IPEF negotiating text emphasizes advancing standards for agricultural sustainability and agricultural biotechnology, enhancing agricultural supply chain resilience, improving transparency on regulatory and prohibitory measures, and promoting science-based decision-making to protect human, animal, and plant life. As with all our trade initiatives, the United States seeks to ensure that the highest-standard

commitments that will reduce impediments to exports of safe and wholesome U.S. agricultural products are secured for the benefit of U.S. farmers, ranchers, and producers. USDA also works closely with USTR to ensure that the obligations set forth in all current trade agreements are adhered to by our trading partners.

8. Initiatives like the European Union's "Farm to Fork" strategy was introduced to target reductions in land-use under the guise of creating a more sustainable and biodiverse system. Not only does this strategy potentially violate the SPS agreement at the WTO, USDA has reported that this strategy will also result in a reduction of agriculture production and will likely increase food prices. In your conversations with current and potential trading partners, how are you demonstrating the importance of science-based decision-making to countries who seek to establish similar initiatives especially in light of global food security concerns?

RESPONSE: USDA is seeking the most productive avenues to engage the EU on their policies and ensure that they are supported by science. For example, scientists at Teagasc, the research arm of Ireland's Department of Agriculture, Food, and the Marine in Ireland and Wageningen University in the Netherlands conducted similar studies to USDA's Economic Research Service study on Farm to Fork ([Economic and Food Security Impacts of Agricultural Input Reduction Under the European Union Green Deal's Farm to Fork and Biodiversity Strategies](#)) and produced comparable findings. That is, the economic implications of several of the proposed targets under Farm to Fork find reduction in global agriculture production, higher prices, less trade, and more global food insecurity. Science-based decision-making is a cornerstone to USDA decision-making, and most countries feel similarly.

Regarding global food security concerns, our conversations with current trading partners about global food security focus on priorities. In 2022, there was a joint Organization for Economic Co-operation and Development and Food and Agriculture Organization report,¹ which stated that agricultural productivity needs to increase 28 percent over the next decade to achieve global sustainability and emissions goals. This is more than triple the increase recorded in the last decade. The question asked is "How do we increase agricultural productivity for safe, healthy, nutritious food globally and markets where producers can be profitable, and consumers have affordability?" USDA believes that balance must be in a voluntary, market-based system that stimulates research and innovation and where producers have access to tools and technologies they need to produce an abundance of food.

FAS leads USDA's efforts to help developing countries improve their agricultural systems and build their trade capacity through a variety of programs. Leveraging the technical expertise of other USDA agencies and offices, U.S. research institutions, and

¹ OECD/FAO (2022), *OECD-FAO Agricultural Outlook 2022-2031*, OECD Publishing, Paris, <https://doi.org/10.1787/f1b0b29c-en>.

agricultural industry organizations, we support ministries of agriculture and other host-country institutions in improving their agricultural infrastructure, fostering economic development, and enhancing their ability to engage in global trade. These capacity building efforts and fellowship programs aim to provide alternative approaches to trading partners to the EU Farm to Fork model, promote food security, and open the gates to trade opportunities.

For example, in June 2022, Senegal's Parliament passed a new biosafety law in an emergency session. The head of the National Biosafety Authority shared that his experience as a FAS Cochran Fellow inspired much of this new law. The program provided an overview of the application of biotechnology as a tool for conserving and improving agricultural biodiversity. The goal of the new Senegalese law is to improve and preserve agricultural biodiversity, set an example for modern, science-based approaches to regulation of agricultural biotechnology, and reduce or eliminate technical barriers to trade. The new law, which replaces a 2009 biosafety law, will permit the entry of genetically engineered products after completion of an approval process and establishes a process to allow the entry, research, and commercialization of genetically modified organisms in Senegal.

Senator Amy Klobuchar

1. Currently, the U.S. Department of Agriculture is allowed to use funds to promote exports to Cuba for the Market Access Program and the Foreign Market Development Program, but funds are not permitted to be used for Cuba in the Emerging Market Program.
 - a. Does your agency need new statutory authority to incorporate Cuba into the Emerging Market Program? If so, will your office provide technical assistance on legislative language incorporating Cuba into the Emerging Market Program?

RESPONSE: New statutory authority would be needed to incorporate Cuba into the Emerging Market Program (EMP). The Trade Sanctions Reform and Export Enhancement Act (22 USC 7207) restricts United States Government assistance for exports to Cuba, including EMP. U.S. assistance to Cuba is also currently prohibited by the Foreign Assistance Act of 1961 (22 USC 2370) until Cuba and the United States conclude a bilateral agreement for the furnishing of such assistance. As Congress considers reauthorizing the farm bill in 2023, USDA would be pleased to work with you and your staff to provide technical assistance in this regard.

- b. As the U.S. Embassy in Havana re-opens and provides services to U.S. citizens and Cubans, U.S. farmers would benefit from a USDA professional on the ground. Is your agency planning to send a Foreign Agriculture Attaché to Cuba?

RESPONSE: USDA is well positioned to support a USDA foreign service officer (FSO) for future operations in Cuba. However, USDA's ability to place staff on the ground in Cuba is dependent on the U.S. Department of State. During the last engagement with Cuba (2016-2017), State permitted USDA to send one official on a

rotating basis from FAS or Animal and Plant Health Inspection Service (APHIS) who served in a temporary duty capacity (TDY) in Havana. Current coverage of Cuba is provided by the Caribbean Basin Agriculture Office (CBATO) based out of Miami. CBATO currently provides regional coverage of 25 Caribbean markets, including Cuba. Additionally, APHIS covers Cuba from its regional office in the Dominican Republic.

Senator Kirsten Gillibrand

1. Undersecretary Taylor, I would like to start by congratulating you on your well-deserved confirmation to be Undersecretary of Trade and Foreign Agricultural Affairs. During your confirmation hearing I asked about expanding foreign market access for America's dairy producers.
 - a. In addition to yesterday's United States Trade Representative announcement regarding the establishment of a second United States-Mexico-Canada Agreement dispute panel on Canadian dairy Tariff-Rate Quota policies can you please speak to any other initiatives you and your staff are working on to promote U.S. dairy exports?

RESPONSE: USDA partners closely with the U.S. Dairy Export Council (USDEC), a nonprofit organization to promote U.S. dairy exports. USDA's Market Access Program (MAP) and Foreign Market Development (FMD) programs have provided financial support for USDEC's efforts to promote U.S. dairy exports since 1993. We partner with USDEC as it represents the export trade interests of U.S. milk producers, proprietary processors, dairy cooperatives, and export traders. USDEC uses MAP and FMD funding and contributions from U.S. producers to promote U.S. manufactured dairy products and dairy ingredients such as whey and lactose abroad. We are providing over \$5.3 million in MAP funding, and over \$806,000 in FMD funding for USDEC's international activities in program year 2023.

In the trade policy realm, FAS was active and critical to preserving market access for dairy products to a variety of overseas markets in Brazil, Colombia, and the EU. Specifically, USDA 1) ensured a \$45 million market remained open while the United States and Brazil negotiated a new export certificate; 2) defended more than \$78 million in dairy exports against a safeguard investigation in Colombia; and 3) maintained the top 20 export markets for U.S. dairy products shipped directly from the United States to the EU, with exports in 2021 exceeding US \$111 million. FAS continues to press for fair and open markets for U.S. dairy exports around the globe through our trade policy work, but also supports market promotion efforts. For calendar year 2022 total exports of U.S. dairy products were \$9.5 billion.

Senator Tina Smith

1. Cuba makes chocolate and coffee that Minnesotans want to buy and Minnesota grows corn and edible beans, and produces dairy that Cubans want to buy from us. They are a

natural trading partner and just 90 miles away from the southern coast of Florida. In 2017, when I was Lt. Governor, I led a Minnesota state trade delegation to Cuba to promote foreign purchases of Minnesota-grown and Minnesota-made products. I was glad to see that President Biden has reversed some of the harsh and restrictive policies on trade and travel instituted by the last administration. These steps are just the beginning of a process to support the Cuban people's fundamental freedoms and spur economic opportunities in Cuba and the United States. Under Secretary Taylor, a strong trade relationship with Cuba would improve the bottom line for many American producers. What can this Committee do in the Farm Bill to expand trade with Cuba and continue to help our farmers that want to export to Cuba?

RESPONSE: Despite U.S. agricultural exports to Cuba totaling \$319 million in 2022, current U.S. sanctions create challenges for engagement with Cuba that stymie potential export growth. The Foreign Assistance Act of 1961 (22 USC 2370) generally prohibits any U.S. government assistance in or to Cuba until Cuba and the United States conclude a bilateral agreement for furnishing such assistance. Additionally, the Trade Sanctions Reform and Export Enhancement Act (TSRA) of 2000 (22 USC 7207) specifically prohibits U.S. credit or guarantees for exports and other export assistance to U.S. exporters for Cuba. The 2018 Farm Bill did authorize the Market Access Program and the Foreign Market Development program to undertake activities in Cuba if doing so would not contravene the directives set forth in the June 2017 National Security Presidential Memorandum on Cuba. In August 2020, FAS approved the first MAP project in Cuba, which seeks to gain market access for and conduct variety trials of seed potatoes. This project is ongoing. Currently USDA's other farm bill-authorized export promotion and technical assistance activities remain prohibited for Cuba.

2. The international food assistance programs in the Farm Bill are in many cases interagency endeavors to support food security globally, particularly by USDA and USAID.
 - a. Can you speak to some successes as well as some of the gaps in this USDA and USAID collaboration?

RESPONSE: In October 2022, USAID Administrator Samantha Power and Secretary of Agriculture Tom Vilsack released the U.S. government's Global Food Security Research Strategy, underscoring the U.S. government's commitment to ending hunger and malnutrition and building medium to long-term sustainable resilient food systems. The new research strategy emphasizes priority objectives and the use of data to help strengthen the impact of U.S. food security assistance and, with America's leadership, generate sustainable solutions for addressing the root causes of hunger and malnutrition, which are both inextricably linked to entrenched, extreme poverty.

Currently, USDA does not receive any direct appropriations for international food security or capacity building programs; all our capacity building funding comes through inter-agency contracts from USAID accounts or other internal USG cost-sharing agreements. With USAID's focus on programming in Feed the Future target

countries, ensuring trade-related regulatory capacity building work remains a priority but can be a challenge. Strategically focusing on trade-related regulatory capacity building could have tremendous impact on increasing global food security.

- b. Is the Farm Bill an opportunity to fill in these gaps?

RESPONSE: Yes. As Congress considers reauthorizing the farm bill in 2023, USDA would be pleased to work with you and your staff to provide technical assistance in this regard. The most efficient way to address food security problems abroad is by removing barriers to agricultural trade. Too many low- and middle-income countries still place non-tariff and non-scientific regulatory barriers on food imports and therefore actually increase costs to their citizens.

Senator Richard J. Durbin

1. Illinois farmers are overwhelmingly in favor of expanding foreign markets for their products. Strong export demand helps create new markets that lessen the need for federal expenditures on farm safety-net programs.

Not long ago, we saw farm prices collapse during the trade war with China, when we lost a major export market overnight, particularly for soybeans. USDA's foreign marketing development programs like the Market Access Program and the Foreign Market Development Program are critical to opening new markets and creating more exports that improve market resiliency. As you know, studies suggest that each dollar invested by USDA generates more than \$20 back into the U.S. economy. Funding for these programs, however, have not increased since 2006.

- a. Can you provide an example on the effectiveness of these programs, to date, based on your experience?

RESPONSE: USDA market development programs have been found to be highly effective in increasing U.S. agriculture, fish, and forestry exports. The most recent study conducted by IHS Markit and Texas A&M, [USGC-IHS-Markit-Cost-Benefit-Report.pdf \(usda.gov\)](#) completed in January 2021, concluded that MAP and FMD increased export revenue by an average of \$9.6 billion annually from 1977-2019, creating an annual lift in export revenues of 13.7 percent and returning \$24.50 for every dollar invested. USDAs' market development programs are critical to opening new markets, and there are numerous examples of program success. A few of the many examples of program success include the following:

Over a decade ago, through the use of USDA market development programs, USA Poultry and Egg Export Council (USAPEEC) introduced U.S. chicken paws as a snack item and more recently expanded use into traditional Chinese dishes. U.S. exports of frozen chicken paws to China began in 1997 at \$12 million, reaching a record \$943 million in 2022, adding export value to producers for a product that

otherwise would go to rendering for a nominal value.

Market development funds not only helped expand the acceptance of ethanol blending in many markets, supporting export growth from under \$100 million in 2000 to \$3.8 billion in 2022, these programs also created demand for the co-product from ethanol productions-DDGS (distillers dried grains with solubles). The U.S. Grains Council (USGC) used MAP and FMD-funded technical assistance to build demand for feed-use of DDGS. In the early 1990's, U.S. DDGS were exported to about a dozen countries and were valued at only about \$20 million, but today the United States is exporting all over the world and exports reached a record \$3.4 billion in 2022. The 2022 ethanol and DDGS exports are the equivalent of about an additional 45 MMT of corn exports. U.S. corn exports in 2022 reached a record of nearly 58 MMT, valued at \$18.6 billion. USGC has used MAP and FMD to evaluate market challenges, such as those posed by Mexico's decree restricting genetically modified corn imports, which would adversely impact a market that accounted for \$4.9 billion in corn exports in 2022. Additionally, program funds were used to address tariff and shipping constraints in emerging markets like Vietnam, as well as making investments in future growth markets like Senegal and Kenya.

- b. With additional funds for these programs, what additional export opportunities potentially could be achieved in the next two years?

RESPONSE: The 2021 economic impact study previously noted (conducted by IHS Markit and Texas A&M, and completed in January 2021), also assessed the impact of the additional market development funding allocated in fiscal year 2019. According to the study, the projected gains from increased 2019 funding for the MAP and FMD programs would generate consistent and substantial returns to the U.S. farm economy. Specifically, the study reported that the \$300 million in additional funds and \$90 million in additional contributions, spent from 2019 through 2024, would generate \$11.1 billion in additional agricultural export revenue (about \$1.4 billion annually), add \$810 million in farm cash receipts annually (\$6.44 billion in total over the 2019-2026 period), and add \$130 million in farm income annually (\$1.05 billion over the same period).

2. The USDA's trade promotion programs have been integral to developing markets for U.S. products, but also can build strong geopolitical relationships between the U.S. and other countries around the world.

- a. Can you provide the committee with an example from your experience on how USDA export promotions programs may have assisted in strengthening relationships in regions like Southeast Asia, Africa, or the Middle East?

RESPONSE: In addition to developing markets for U.S. agricultural products, USDA's market development programs strengthened global relationships between the

United States and our trading partners. Examples of how USDA worked to enhance trade relationships include Nigeria, where the American Soybean Association through the U.S. Soybean Export Council (USSEC) used FAS market development funding to establish the Nigeria Soy Excellence Center (SEC) for workforce training and capacity building programs targeting enterprises throughout the region and the Nigerian protein value chain. Through the SEC, Nigerian farmers and businessmen have been trained and are working to build Nigeria's demand for protein, leading to increased demand for U.S. soy. Similarly, USSEC established SEC's with FAS program funding in Latin America and in Thailand, setting the stage for expanded governmental and business relationships and increased demand for U.S. soy in these regions. In 2022, USDA also hosted Trade Missions in the United Arab Emirates, the Philippines, and Kenya and Tanzania that provided over 50 U.S. agriculture and food exporters with connections to buyers in those markets that resulted in over \$27.7 million in projected 12-month sales.

Senator Ben Ray Lujan

1. New Mexico prides itself on being the top pecan producing state (when we aren't trading places with our friends in Georgia), producing around 79 million pounds annually. When I sit down with New Mexican pecan producers, access to export markets and unfair import barriers remains a top concern. When compared to the export market access similar tree nuts experience it is clear that American pecan producers are at a substantive disadvantage in the global marketplace.
 - a. Please explain what USDA has done to help pecan producers overcome these hurdles and how can the Farm Bill be strengthened to provide additional support for increased foreign market access?

RESPONSE: For several years, FAS has worked closely with U.S. pecan producers to advocate for lower pecan tariffs in India, a major importer of U.S. tree nuts. After U.S. Trade Representative Katherine Tai raised India's high pecan tariffs during the January 2023 Trade Policy Forum, India agreed to lower its tariffs on pecans from 100 to 30 percent effective April 1, pending Indian parliamentary approval. In India, FAS has been engaging with tree nut retailers and importers, who are excited about how a lower pecan tariff can benefit their businesses, and we are excited to partner with pecan growers in the U.S. to tap into this new market opportunity.

USDA market development programs have been found to be highly effective in increasing U.S. agriculture, fish, and forestry exports. The American Pecan Council, along with other industry commodity associations, received USDA market development support, such as MAP or FMD funding in FY 2022 and FY 2023 to promote agricultural exports, such as pecans. The most recent study conducted by IHS Markit and Texas A&M, January 2021, concluded that MAP and FMD increased export revenue by an average of \$9.6 billion annually from 1977-2019, creating an annual lift in export revenues of 13.7 percent and returning \$24.5 for every dollar

invested. Through these programs, U.S. small- to medium-sized farmers, ranchers, and agribusinesses have increased opportunities for market research and product promotion, ultimately maximizing export opportunities for improved rural livelihoods.

Senator Reverend Raphael Warnock

1. Thank you for your testimony, Under Secretary Taylor. As you may recall, the European Union and United Kingdom have used non-tariff barriers to block U.S. peanut exports. I have personally raised this issue through a bipartisan letter to Secretary Vilsack and Ambassador Tai that was cosigned by 18 of my colleagues in June of 2021. Unfortunately, these barriers still remain.
 - a. What steps does USDA plan to take to alleviate these trade barriers for U.S. producers, particularly peanut producers in Georgia.

RESPONSE: USDA has been working with the American Peanut Council (APC) to address non-tariff trade barriers in the EU related to aflatoxin contamination. Since June 2021, staff from the Foreign Agricultural Service (FAS) and the Agricultural Marketing Service (AMS) have met regularly with APC and the European Commission. We have engaged in a multi-pronged approach to reduce the primary barrier to U.S. exports of peanut and processed peanut products, namely the 20 percent EU import inspection rate tied to past increases in the rate of U.S. non-compliance with EU aflatoxin limits for peanuts. As part of this approach, FAS and AMS staff convened multiple bilateral dialogues with Commission officials regarding the EU's aflatoxin testing rate and expressed concerns with the Commission's decision to increase import inspection rates. FAS and AMS staff are analyzing official sampling and testing data from all EU member states to develop a quantitative basis for discussing changes to the inspection rate.

In addition, FAS and AMS staff are also working with industry to support implementation of an EU audit-related workplan that demonstrates U.S. industry's commitment to addressing aflatoxin issues. In 2022, AMS (1) developed a Laboratory Approval Program to accredit U.S. laboratories to test for aflatoxin contamination and (2) amended AMS peanut inspection instructions to ensure official samples for EU-bound shipments align with EU requirements. USDA also worked with APC to finalize APC's Memorandum of Understanding (MOU) with signatory handlers outlining expectations for aflatoxin control procedures, which AMS will verify this year. In 2022, FAS and AMS staff also arranged a joint meeting with industry, the Commission, and USG to showcase U.S. efforts to reduce aflatoxin related issues. FAS continues to work with industry and inter-agency partners, as well as the EU, to secure resolution to the EU barriers to U.S. peanut exports.

- b. How can USDA take steps to ensure EU member states are appropriately handling (according to their own regulations) U.S. peanuts at EU and UK ports?

RESPONSE: FAS and AMS staff met with European Commission staff in Brussels in March 2023 to discuss the actions taken by the U.S. peanut industry and USDA that together have led to a decrease in aflatoxin rejections in U.S. peanut shipments to the EU. This information will be shared by USDA before the Commission makes its next determination of future official sampling rates. FAS and AMS staff are also working with APC to evaluate the feasibility of a joint USG/peanut industry trip to the EU to visit selected ports and collect information about port sampling practices.

Regarding the United Kingdom (UK), USDA worked last year with U.S. peanut exporters to avoid increased import checks in the UK. In April, the UK Food Standards Agency (UKFSA) notified USDA of their intention to temporarily increase the level of identity and physical checks for aflatoxin in peanuts from 10 to 20 percent. In July, following discussions with the UKFSA and APC, USDA submitted formal comments to the UKFSA's public consultation process. In September, the UK notified the World Trade Organization that identity and physical checks for peanuts from the United States would remain at 10 percent, easing the regulatory burden for U.S. peanuts. USDA continues to engage with the UKFSA to confirm UK identity and physical checks data.

2. On February 1st, the Government of India presented their annual budget, which included notifications of custom duty changes. One of these proposed changes specified that the import tariff for pecans be reduced from 100 percent to 30 percent. Georgia is a national leader in pecan production, and this tariff reduction would greatly benefit growers and shellers in my state.
- a. When does USDA expect that this tariff reduction will be finalized? How is USDA aiding and supporting the reduction of this tariff?

RESPONSE: In January 2023, the United States and India held the 13th ministerial-level meeting of the U.S.-India Trade Policy Forum (TPF) in Washington, D.C., co-chaired by U.S. Trade Representative Katherine Tai and Indian Minister of Commerce and Industry Piyush Goyal. On the heels of the November 2021 TPF, India agreed in December to allow imports of cherries and alfalfa hay. Additionally, effective April 1, 2023, and pending parliamentary approval, India moved to reduce its basic custom duty on pecans from 100 percent to 30 percent. Previously, pecans lacked a unique harmonized tariff system code, subjecting them to the higher tariff "nuts, others" category. A new, reduced tariff presents opportunities for U.S.-origin pecan exports to India during the next 6-12 months. In 2022, the United States exported roughly 109 metric tons of pecans to India, valued at over \$1.3 million. U.S. pecan exports have the potential to expand to the \$2-5 million range in this nascent but promising market. FAS has been engaging in pecan-related outreach and marketing efforts with retailers and importers in India. With American tree nuts

already popular in the Indian market, Indian importers are excited about how the pecan tariff reduction could benefit their businesses.

Senator Peter Welch

1. What work is being done by USDA Foreign Agricultural Service to ensure that small- and medium-sized agricultural businesses have the technical assistance and resources necessary to meet packaging and labeling requirements that are implemented abroad in places such as the European Union?

RESPONSE: USDA is aware there is a growing variety of labeling and packaging requirements in place and under consideration worldwide. FAS is tracking these measures in different stages of implementation in over 50 countries and regional groups. Adapting to country-specific requirements can be costly and time-consuming for U.S. exporters. As a result, USDA is proactively engaging in working with the EU and other foreign governments to ensure their packaging and labeling requirements follow good regulatory practices, are not overly burdensome, and are based on science and evidence.

USDA engagement ranges from raising concerns at the World Trade Organization Committee on Technical Barriers to Trade, to active participation in the Codex science-based standards development process, to ensuring agriculture equities are included in the recent launch of United Nations negotiations to reduce plastic waste. USDA holds regular consultations with industry stakeholders and Agricultural Technical Advisory Committee (ATAC) members on emerging developments in labeling and packaging sustainability. Industry stakeholders are also often included in USDA-sponsored technical discussions with foreign governments.

2. What steps can Congress take in the upcoming farm bill to make it easier for small- and medium-sized producers, including those in Vermont, to export agricultural goods?

RESPONSE: The full range of USDA market development programs are critical for U.S. food and agricultural exporters of all sizes to continue to compete in the global marketplace. USDA market development programs have been found to be highly effective in increasing U.S. agriculture, fish, and forestry exports. The most recent study conducted by IHS Markit and Texas A&M, January 2021, concluded that MAP and FMD increased export revenue by an average of \$9.6 billion annually from 1977-2019, creating an annual lift in export revenues of 13.7 percent and returning \$24.50 for every dollar invested. Each year, demand for these programs grossly exceeds available funding. Using the funds provided by Congress, U.S. small- to medium-sized farmers, ranchers, and agribusiness have increased opportunities for market research and product promotion and maximizing export opportunities for improved rural livelihoods.

3. How does the McGovern-Dole Food for Education Program benefit both those in need abroad and domestic producers at home?

RESPONSE: The McGovern-Dole Program benefits those in need abroad and domestic producers by using commodities grown and produced by American farmers, and

agricultural producers in targeted developing countries, to enhance food security, improve literacy and primary education, and support maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger.

Since its inception in the 2002 Farm Bill, the McGovern-Dole Program has helped feed and educate more than 31.1 million children in almost 50 countries. Over the past 20 years, the McGovern-Dole Program has grown in size and scope to support quality school meals and education around the world. Through the McGovern-Dole Program, USDA has also worked to build the capacity of host governments and communities to transition McGovern-Dole supported schools to their national school meals programs.

McGovern-Dole uses appropriated funds to purchase commodities grown by American farmers. School feeding projects use a combination of U.S. donated food commodities, some food commodities procured locally or regionally, and technical assistance provided by qualified entities to help each project achieve success. In countries where McGovern-Dole projects are implemented, USDA works to assure that host country governments also contribute to school feeding in many ways and from a variety of levels, from local to national. Such contributions often include internal transportation of commodities, provision of land for project infrastructure, construction materials, in-kind labor, food accompaniments, and more.

In FY 2022, USDA funded eight McGovern-Dole proposals for new projects valued at \$220 million in Burundi, Cambodia, The Gambia, Lesotho, Madagascar, Mauritania, Tanzania, and Timor Leste. A total of 43,890 metric tons (MT) of donated U.S. commodities will be provided over the term of these four- to five-year projects. Including the eight new projects funded in FY 2022, McGovern-Dole now has a total of 55 active projects in 34 countries valued at close to \$1.3 billion across the life of the projects. In FY 2021 alone, McGovern-Dole projects directly benefited more than 4.5 million children and community members. This included feeding nutritious school meals to over 2.1 million food-insecure children, training tens of thousands of Parent Teacher Associations and teachers, and rehabilitating thousands of school facilities.

4. How can this Committee expand access to international assistance programs for small- and medium-sized farmers, like those in Vermont, in the upcoming Farm Bill?

RESPONSE: When it comes to providing international assistance to aid small and medium-sized farmers in other countries, a number of programs currently exist that help improve food security in foreign countries. FAS leads USDA's efforts to help developing countries improve their agricultural systems and build their trade capacity. Leveraging the technical expertise of other USDA agencies and offices, U.S. research institutions, and agricultural industry organizations, we support ministries of agriculture and other host-country institutions in improving their agricultural infrastructure, fostering economic development, and enhancing their ability to engage in global trade. For example, Food for Progress enables important economic development projects in countries around the world that provide technical assistance and other support that

improve resilient and sustainable production along entire agricultural value chains. The programs generate improved incomes for smallholder farmers in developing countries and strengthen food security in developing nations. Further, the majority of the funds that enable the assistance are derived from U.S. commodities, which are purchased by USDA and then donated to implementing partners for sale in the country or region where a Food for Progress project is being implemented. As such, Food for Progress also provides support for small and medium-sized U.S. farmers, whose crops enable this life-changing program to function.

Senator Tommy Tuberville

1. Ms. Taylor, our cotton and poultry producers in Alabama and across the entire Southeast rely on USDA's Market Access Program (MAP) and Foreign Market Development Program (FMD) to expand global market access for U.S. agricultural exports.

MAP funding was set at \$200 million in 2006 and has not increased in 16 years. In 2023, that \$200 million is only worth approximately \$116 million dollars. A recent econometric study conducted by agricultural economists at IHS Market and Texas A&M University predicted that doubling funding for these two programs would generate an additional \$44.4 billion in U.S. agricultural exports over the 2024-2029 time period. This would directly benefit farmers, livestock and poultry producers, cotton industry, and small businesses as they work to maintain and expand their global presence.

Reinvestment in export promotion programs is needed now. USDA is forecasting a U.S. agricultural trade deficit in 2023 for the first time in years which points to the need to increase MAP and FMD funding to promote US agricultural exports.

- a. What are your plans to maintain and expand these two important programs?

RESPONSE: FAS is committed to working with Congress to ensure these programs remain effective, efficient, and an equitable use of taxpayer funding. FAS has long made funds from these programs available to organizations representing the broad diversity of U.S. agricultural products and currently partners with 74 U.S. commodity organizations, state regional trade groups (SRTG's), the Intertribal Agriculture Council, and the National Association of State Departments of Agriculture. New entrants to MAP and FMD typically come into the program through one of the established participants, to gain experience and increase the likelihood of success in the programs. Recent entrants include Oregon's Hazelnut industry, the National Industrial Hemp Council, and the American Pecan Council.

FAS supports the public-private partnership created by these programs through sharing market information and coordination on market access issues impacting U.S. agricultural, fish, and forestry exports. In addition to its Washington, D.C. staff, FAS has a global network of nearly 100 offices covering approximately 180 countries. These offices are staffed by agricultural attachés and locally hired agricultural experts

who are the eyes, ears, and voice for U.S. agriculture around the world and assist in implementing market development activities.

Senator Deb Fischer

1. Nebraskans continue to have deep concern about Mexico's movement to unilaterally dismantle a long-held science-based regulatory system for agricultural biotechnology products through its Presidential Decree banning the importation of genetically engineered (GE) corn by January 2024. It is imperative that USTR and USDA ensure science-based trade standards are upheld. I appreciate recent visits and statements from the administration that there can be no compromise with Mexico.

- a. The administration has stated that all options, including a dispute settlement process, are on the table. With the current ban set to take place in less than a year, what is the timeline for the administration to initiate a dispute settlement process?

RESPONSE: Addressing this issue is a top priority for the U.S. Department of Agriculture and the Office of the United States Representative (USTR). The Administration continues to engage with Mexican officials at all levels to convey our serious concerns about these policies. It is critical that Mexico fully complies with its United States-Mexico-Canada Agreement (USMCA) commitments, and that it returns to a science- and risk-based regulatory approach for all biotech products. To this end, the Office of the U.S. Trade Representative (USTR) and USDA have engaged extensively with the Government of Mexico, including most recently through sanitary and phytosanitary (SPS) technical consultations under the Sanitary and Phytosanitary Measures Chapter of the United States-Mexico-Canada Agreement (USMCA) regarding Mexican measures concerning products of agricultural biotechnology. These consultations represent the next step in addressing the United States' concerns with Mexico's biotechnology policies. We will continue the sustained, active engagement with our Mexican counterparts at all levels of government and remain firm in our view that Mexico's current biotechnology trajectory is not grounded in science, which is the foundation of USMCA. We remain unequivocal in our stance that the science around agricultural biotechnology has been settled for decades.

- b. Will the administration commit to ensuring that all of Mexico's biotechnology regulatory processes are science based, even when crops end use will be for human consumption?

RESPONSE: The Administration remains committed to upholding a science-based, rules-based trading system and preventing disruptions to bilateral agricultural trade and economic harm to U.S. farmers and Mexican consumers and manufacturers of tortilla and dough. The United States cannot and must not compromise on our insistence that science-based safety reviews have provided decades of support that biotech-improved crops are safe for human and animal consumption and processing uses.

U.S. Senate Committee on Agriculture, Nutrition, and Forestry

Farm Bill 2023: Trade and Horticulture

February 1, 2023

Questions for the Record

The Honorable Jenny Lester Moffitt

Chairwoman Debbie Stabenow

1. Thank you for your work on finalizing the Strengthening Organic Enforcement rule. Protecting the integrity of the organic label is so important to our organic farmers and to our families who buy organic products. How will this new rule strengthen USDA's ability to enforce organic standards, and are there additional actions this Committee needs to take in the next Farm Bill to further support our organic farmers and protect the integrity of the organic seal?

The final Strengthening Organic Enforcement rule bolsters USDA's ability to enforce organic standards by addressing the following 2018 Farm Bill mandates, the additional actions recommended by the National Organic Standards Board, and comments provided by the public:

- Limiting the types of operations in the organic supply chain that are not required to obtain organic certification;
- Imported organic products must be accompanied by an electronic import certificate to validate organic status;
- Import certificates will be submitted to the U.S. Customs and Border Protection's Automated Commercial Environment (ACE);
- Certifying agents must notify USDA within 90 days of the opening of any new office that conducts certification activities.

In December 2022, we announced the trademarking of the USDA organic seal. This gives us more tools to protect organic farmers and consumers. We have already worked with CBP to successfully protect that trademark.

The National Organic Program listens carefully to the community to set regulatory priorities. The National Organic Standards Board (NOSB) recommendations are a critical source of feedback that guides priorities, as are public comments from organic farms, businesses, and consumers. This continuous improvement in the standards, and then protecting those standards through enforcement is critical to the success of the organic sector.

The NOSB plays a critical role in protecting the integrity of the organic seal, and the members of the board dedicate much of their time to this mission. To ensure that the board reflects the diversity of organic farming, we are committed to having small farmers' views represented.

In addition to continuing to support our current organic farmers, USDA is committed to supporting farmers who are working to transition to organic or who have recently transitioned to organic. An important pillar of that support is the Transition to Organic Partnership Program (TOPP). Organizations participating in the partnership network are working together to establish and administer a farmer-to-farmer mentorship program providing direct farmer training, education, and outreach activities. These activities are already helping to transition and recently transitioned producers who face technical, cultural, and market shifts during the transition period and the first few years of organic certification.

The Department stands ready to work with Congress as it develops the next Farm Bill to continue support for our organic farmers and to protect the integrity of the organic seal.

2. Last August, USDA announced a \$300 million investments known as the Organic Transition Initiative. How will this initiative complement current Farm Bill programs to support existing organic farmers and those attempting to transition into the program?

In October 2022, AMS established cooperative agreements in six regions across the U.S. for the Organic Transition Initiative, Transition to Organic Partnership Program (TOPP) with up to \$100 million in funding. Organizations participating in the partnership network are working together to establish and administer a farmer-to-farmer mentorship program providing direct farmer training, education, and outreach activities. These activities are already helping to transition and recently transitioned producers who face technical, cultural, and market shifts during the transition period and the first few years of organic certification. This program compliments current Farm bill programs, such as organic certification cost share, and addresses additional barriers producers face when seeking organic certification including technical assistance for Organic System Plans, mentorship and community building to enable new organic farmers to find organic inputs and tailor organic production practices to their operation, and assistance in new market development. This program, currently funded with one-time dollars, has proven exceptionally popular with producers.

The remainder of the \$200 million for the Organic Transition Initiative supports programs that address barriers for organic producers at the farm level and in current organic markets.

To support farmers transitioning to organic, \$100 million in funding has been allocated to organic conservation practices at NRCS (\$75 million) and organic crop insurance at RMA (\$25 million). NRCS is developing a new Organic Management conservation practice standard and offering financial and technical assistance to producers who implement the practice. Additionally, RMA is offering the Transitional and Organic Grower Assistance (TOGA) Program that provides additional premium assistance to make crop insurance more affordable for transitioning and organic producers. The goal of TOGA is to increase usage of crop insurance as a risk management tool by transitioning and organic producers, which will protect those producers, and make lenders more willing to make loans, since they are assured that a portion of the crop is covered when disaster strikes.

USDA is also providing up to \$100 million to address organic supply chain weaknesses and support organic supply chain innovation in targeted markets. Late last year, AMS gathered input

from over 100 stakeholders through verbal and written comments to structure a grant program that will open new markets and relieve bottlenecks on organic supply chains. USDA expects to publish a Request for Applications for new and innovative Organic Market Development Grant. The program targets projects that address inadequate organic processing capacity and infrastructure, a lack of certainty about market access, and insufficient supply of certain organic ingredients.

3. Having robust data on agriculture production and markets is critical for USDA to best tailor programs to meet the needs of producers. This is particularly true for organic and specialty crop producers, who often manage diversified operations or may be experiencing market conditions that differ from traditional commodity markets. How could USDA improve data collection regarding specialty crop and organic markets? What additional resources or authorities from Congress are necessary to improve collection and dissemination of this data?

Specialty Crops Market News reports aggregate information from growers, shippers, wholesalers, and others on current supply, demand, and prices of over 786 fresh fruits, vegetables, nuts, ornamentals, and other specialty crops. About 375 reports are issued daily, weekly, monthly, or annually, nearly all of which contain data on organic commodities, to assist industry members in making informed marketing decisions.

Our support of organic farmers continues with an expansion of vital industry information on organic prices. The 2018 Farm Bill authorized \$3.5 million to support AMS efforts through the Organic Data Initiative to expand its collection and distribution of existing price data on over 200 organic agricultural products. To improve the awareness of the organic Market News, we conducted outreach at twenty major organic industry conferences and trade shows, engaging with thousands of stakeholders and providing demonstrations of Market News data and tools. As a direct result of our outreach, industry members have volunteered to share additional data with Market News reporters to provide even more accurate and robust pricing information on organic commodities. Several initiatives are underway to expand price reporting on organic commodities to additional market levels, such as farmers markets, to better capture marketing practices that may differ from those used by conventional producers. Additionally, Market News is partnering with several land-grant universities to capture information about organic data needs. This feedback will be used to better target Market News resources and reporting towards areas the industry identifies as those of greatest need.

Market News has several new technology tools to allow increased access to specialty crop and organic price and volume data, including an application programming interface (API) which can allow direct downloads of specialty crop and organic data, available through the new public-facing data dissemination website My Market News. The Market News Mobile App also has the ability to filter data by organic status.

We stand ready to provide technical assistance on any market news enhancements considered by this committee and Congress.

4. In the 2018 Farm Bill, we invested in permanent local foods programming through the Local Agriculture Market Program (LAMP). Can you talk about the successes of LAMP and the impact that the program has had on local and regional food systems, especially with the recent challenges and disruptions to our food supply chain?

LAMP grants have a long history of generating new income sources for small, beginning, veteran, and socially disadvantaged farmers and creating new market opportunities for value-added products. An analysis of LAMP AMS program awardee reports from 2019 to 2022 indicate that the grants supported the creation of 4,237 new food businesses, 5,067 jobs created or retained, and a 92 percent average increase in sales for existing businesses.

In response to the pandemic and recent supply chain disruptions, these grants have offered an important source of funding to help support the development of local and regional food systems and food systems resiliency. Over the last few years, a series of flexibilities were available to grant applicants and recipients to respond to project challenges due to the public health emergency.

Additionally, grant projects helped producers that previously sold through traditional markets prepare for and connect to new and growing local markets, a direct response to shifting consumer demand. Many projects embraced online platforms and sales and greater networking and collaboration, such as the development of food hub networks and a processor collective to increase product availability and volumes. We also saw projects addressing value chain coordination and food systems planning as a necessary matter for resilience. Through the American Rescue Plan (ARP) Act, we distributed additional funds through LFPP and the Regional Food Systems Partnership to support the development of infrastructure to support farms to sell to institutional markets, such as cafeterias and meal programs at schools, colleges, universities, hospitals, and operations run by local, Tribal, and State governments. Many of these projects focused on value chain coordination, peer learning networks, procurement, and scaling up existing, successful farm to institution models.

In fiscal year 2022, AMS implemented new performance measures to enhance impact and outcome measurement. Later this year, AMS will submit a report to Congress providing a deeper assessment of the impact of these grants, which have invested \$378 million in 2,165 projects across all 50 states since their inception in 2006.

5. Specialty crop growers in Michigan, such as apple, asparagus, and cherry growers, have expressed frustration with USDA Section 32 and bonus purchases and raised concerns that USDA's procurement practices are not sufficiently assisting industries with commodity surpluses, including local and regional surpluses. This is happening at a time when food banks are experiencing increased demand and need additional USDA food. How can USDA's procurement practices be improved to better support specialty crop industries in Michigan and across the country during market downturns, while also being more responsive to the needs of partners who implement USDA's nutrition programs?

AMS continues to support specialty crop growers utilizing various funding sources to meet the needs of USDA's nutrition programs and remove surpluses from the market through Section 32

authority. We encourage interested sectors to work with AMS to request purchases through this authority and submit supporting economic data and analysis. In FY22 and FY23 we purchased the following under Section 32:

FY22 and FY23 (through 8/28) Section 32 Purchases			
Commodity	Pounds		Dollars
ALMONDS	55,994,400	\$	139,492,102.12
APPLES	24,515,310	\$	20,597,916.40
APRICOT	6,649,470	\$	11,066,655.90
ASPARAGUS	1,516,500	\$	2,695,996.80
BLUEBERRY	17,463,600	\$	24,119,462.40
CHERRIES	10,413,264	\$	34,902,755.48
DATES	16,354,368	\$	38,647,409.93
FIG	1,064,448	\$	3,711,201.11
GRAPEFRUIT	21,169,270	\$	13,864,986.53
GRAPES	34,345,350	\$	34,853,208.68
HAZELNUTS	11,180,400	\$	32,738,298.70
NECTARINES	25,955,280	\$	38,211,358.85
ORANGES	46,695,216	\$	31,517,053.49
PEACHES	54,216,448	\$	86,426,008.99
PEARS	4,136,580	\$	3,593,386.94
PISTACHIO	24,805,440	\$	109,580,308.93
PLUMS	31,386,080	\$	46,940,668.95
RAISINS	48,180,672	\$	84,501,973.00
STRAWBERRY	16,583,400	\$	28,135,439.28
SWEET POTATOES	94,591,791	\$	49,039,472.14
TANGERINES	15,840,000	\$	14,051,493.04
WALNUTS	74,996,928	\$	116,849,055.08

In addition to Section 32, in fiscal year 2023, AMS has purchased 133.3 million pounds of apple products and 15.7 million pounds of cherry products. Over the past five years, AMS has purchased 1.2 billion pounds of apple products, 7.3 million pounds of asparagus, and 68.3 million pounds of cherry products to support growers and meet the needs of USDA nutrition program partners.

We are also investing in novel procurement options to support local and historically underserved farmers and ranchers, including specialty crop producers, while delivering food to our communities through the Local Food Purchase Assistance (LFPA) program and the Local Food for Schools (LFS) program. Together, with these programs, we are investing more than \$1 billion to allow states, territories, and tribes to procure food from local and historically underserved producers and provide nutritious, regionally unique products to local food banks, pantries, and schools. These programs are helping small farmers scale up and access better, consistent market, create job opportunities in rural communities, and bring more revenue into local economies. We are also examining whether the more flexible mechanisms that can leverage state and local connections under LFPA and LFS may be useful for Section 32 purchases through cooperative agreements. Having more tools in the toolbox allows USDA to be more nimble and take fuller advantages of opportunities to connect producers with surpluses and food banks and nutrition programs.

Ranking Member John Boozman

1. As you are aware, animal disease continues to be a challenge in my state and nationwide. Given the current impact of highly pathogenic avian influenza and the potential for other damaging diseases such as Foot and Mouth Disease (FMD), it appears that, in response, APHIS has been prioritizing policies promoting animal disease traceability (ADT). Given these ongoing threats to the American protein sector, the domestic food supply, and public health, what is USDA's estimate of the financial resources necessary, at both the federal and state level, to establish the ADT system you envision?

APHIS' goal for animal disease traceability (ADT) is to develop a completely electronic traceability system. ADT is a significant tool to control and contain serious diseases of cattle, bison, swine, sheep, and goats and other livestock. Diseases such as foot and mouth disease (FMD) could result in significant economic impacts to these industries and the uncontrolled ripple effect would impact many other parts of the agricultural system.

APHIS currently budgets approximately \$6.5 million per year in cooperative funding to States for their operational expenses to implement the Federal ADT program as well as intra-state traceability that is under the State's jurisdiction. This funding is for the States to implement traceability in all species.

Since 2020, APHIS has spent an average of \$10.6 million per year in additional funds for cattle and bison to provide radio frequency identification (RFID) ear tags and infrastructure support for data capture from livestock markets and accredited veterinarians. Under the current traceability program, APHIS and States have provided 11 million official visual tags per year at no cost to the livestock industry. RFID tags purchased under APHIS current high-volume contracts have

an average cost of \$1.25 each. The recent proposed rule APHIS issued would require ID tags to be electronically as well as visually readable. Were that rule to become final, replacing the 11 million visual tags with RFID will cost APHIS \$13.75 million per year, at current prices. Without additional Federal funding, this cost will necessarily be passed on to the livestock industry.

Swine are also a disease risk for diseases such as FMD and African Swine Fever. While we have not currently proposed a mandatory ADT swine program, APHIS estimates that 8-10 million tags would be needed per year with a cost of \$30 million over 5 years to implement such a program. Small ruminants (sheep and goats) compose the smallest of the livestock commodities but pose a unique risk for FMD in that they present with significantly fewer clinical signs of disease which results in slower identification of outbreaks and potential risk to all livestock. \$1 million per year would enhance traceability for the sheep and goat industries and would provide for both visual and RFID identification.

APHIS estimates that additional funding to support infrastructure in livestock markets and other commingling points to implement a completely electronic traceability system would cost about \$5 million per year for five years. This would include ear tag readers, data loggers, data transmission, software to collect traceability data, and software for electronic movement documents.

In summary, a completely electronic traceability system for the food animal species covered under APHIS regulations (i.e., cattle, bison, sheep, goats, and swine) at critical commingling points such as livestock markets would cost approximately \$26 million per year in addition to current funding levels.

2. For each fiscal year since passage of the 2018 Farm Bill, please provide a per program summary of the discretionary and mandatory funding administered by the Agricultural Marketing Service (AMS) that supports the organic sector, including but not limited to the National Organic Program (NOP), organic data modernization, and ad-hoc programs such as each program under the Organic Transition Initiative. In addition, please provide a summary of AMS's progress implementing organic-related provisions in the 2018 Farm Bill and a summary of all NOP rule-making activities since passage of the 2018 Farm Bill.

National Organic Program (NOP) Appropriations have been as follows: FY 2019 - \$14 million; FY 2020 - \$16 million; FY 2021 - \$18 million; FY 2022 - \$20 million. The 2018 Agricultural Improvement Act (Farm Bill) Funding for Technology Modernization was \$5 million for the life of the Farm Bill, which is funding the organic import certificate development. The Organic Transition Initiative Funding includes \$300 million, including \$100 million for AMS's Transition to Organic Partnership Program, \$100 million for AMS's Pinpointed Organic Market Development Program, \$75 million for NRCS, and \$25 million for RMA in 2022.

Examples of key activities completed by the NOP to implement Farm Bill activities include:

- Establishment and ongoing meetings of the “Organic Agricultural Product Imports Interagency Working Group,” which brings together USDA and Customs and Border Protection (CBP) representatives to address import oversight topics.
- Trademarking of the USDA organic seal, to leverage enforcement authorities under other Federal agencies, such as CBP. This work derived from the Working Group and has already led to enforcement actions that were facilitated by the trademark protection.
- Placing an NOP staff member in the CBP Commercial Targeting and Analysis Center (CTAC), a law enforcement data center that includes multiple Federal agencies collaborating on investigations and enforcement activities. This work was also made possible by the USDA-CBP Working Group.
- Developing and launching the electronic organic import certificate “message set” within the CBP Automated Commercial Environment (ACE) to implement the Farm Bill import certificate requirement.
- Building data interfaces and dashboards to import ACE import certificate data for analysis and follow-up by NOP; NOP has received over 2,000 voluntary electronic organic import certificates since launching the technology in ACE.
- Increasing certifier oversight and compliance by increasing the number of audits conducted with certifier satellite offices around the world.
- Publication of the Strengthening Organic Enforcement (SOE) proposed rules, which implement many of the requirements of the Farm Bill, including limiting the exemptions from certification, implementing import certificate requirements, and improving certifier and operation oversight practices.

NOP rulemaking activities since passage of the Farm Bill have included a second proposed and final rule for Origin of Organic Livestock; proposed and final rules for Strengthening Organic Enforcement, which implemented Farm Bill provisions; the Organic Livestock and Poultry Standards proposed rule; an Inerts in Organic Production Advanced Notice of Proposed Rulemaking; and several National List rules to maintain the National List of Allowed and Prohibited Materials within the USDA organic regulations.

The 2018 Farm Bill also provided \$5 million to fund USDA efforts in Organic Production and Market Data Initiatives (ODI); \$3.5 million was allocated to AMS and is available until September 30, 2023. With this funding AMS has expanded its collection and distribution of existing price data on over 200 organic agricultural products, while targeting efforts to increase the availability and awareness of organic Market News data. We conducted outreach at twenty major organic industry conferences and trade shows, engaging with thousands of stakeholders and providing demonstrations of Market News data and tools. Industry members have volunteered to share additional data with Market News reporters to provide even more accurate and robust pricing information on organic commodities. Several initiatives are underway to expand price reporting on organic commodities to additional market levels, such as farmers markets, to better capture marketing practices that may differ from those used by conventional producers. Additionally, Market News is partnering with several land-grant universities to capture information about organic data needs. This feedback will be used to target Market News

resources and expansion of reporting towards those areas of greatest need for additional organic data as indicated by the organic industry.

Market News has several new technology tools to allow increased access to organic price and volume data, including an application programming interface (API), available through the new public-facing data dissemination website My Market News, to allow direct downloads of organic data, as well as a Market News Mobile App with the ability to filter data by organic status.

Senator Michael F. Bennet

1. During the COVID-19 global pandemic we witnessed the breakdown of our global food supply chains. Regional and local food systems – the farmers markets and the local food bank – carried our communities through the crisis. The next Farm Bill must strengthen our food system to become more resilient when hit with disruptions. The Local Agriculture Market Program (LAMP) receives \$50 million each year through the Farm Bill and funds both the Farmers Market and Local Food Promotion Program (FMLPP) and Value-Added Producer Grants (VAPG).

- a. How many FMLPP applications did USDA receive during the last three annual solicitation processes?

In total, USDA received 1,258 applications during the fiscal year 2020 through 2022 application cycles for the Farmers Market and Local Food Promotion Programs.

Program	2020	2021	2022	TOTAL
FMPP	206	220	136	562
LFPP	225	269	202	696

- b. In total, how much funding was requested for FMLPP through the last three annual applications solicitation periods?

In total, USDA received \$519.9 million in requested funds during the fiscal year 2020 through 2022 application cycles for the Farmers Market and Local Food Promotion Programs (FMLFPP) as well as the Regional Food Systems Partnership (RFSP) program which is also part of LAMP administered by AMS. Below is a breakdown of the data annually.

The Regional Food Systems Partnerships (RFSP) program supports partnerships that connect public and private resources to plan and develop local or regional food systems. The program focuses on strengthening the viability and resilience of regional food economies through

collaboration and coordination. RFSP supports public-private partnerships that plan and develop relationships between local and regional producers, processors, intermediaries, and institutional markets or institutional food service operations through local and regional producers and local and regional food systems. RFSP offers three types of projects: 24-month Planning and Design; 3-year Implementation and Expansion Projects; and Farm to Institution. The funding for each project ranges from \$100,000 to \$1,000,000. Between 2020 and 2022, we received 347 applications for RFSP. For this year, approximately \$56.5 million will be available to fund RFSP projects.

Note that in 2021, LAMP programs received funding from both the Consolidated Appropriations Act and the Farm Bill. In 2022, LAMP programs received funding from both the American Rescue Plan and the Farm Bill. The tables below reflect these supplemented amounts, which include \$50 million from the Farm Bill.

In these following tables, we have consolidated the information for all four LAMP programs: FMPP, LFPP, RFSP, and VAPG.

	Funding Amount Available		
Program	FY2020	FY2021	FY2022
FMPP	\$13.5M	\$38.5M	\$13.5M
LFPP	\$13.5M	\$38.5M	\$43.5M
RFSP	\$10M	\$15.3M	\$40.0M
VAPG	\$67.8M	\$76.9M	\$38.6M

	Funding Amount Requested (Demand)		
Program	FY2020	FY2021	FY2022
FMPP	\$44,842,632	\$87,800,000	\$21,554,539
LFPP	\$53,901,300	\$113,900,000	\$54,537,027
RFSP	\$41,640,135	\$69,392,126	\$32,403,948
VAPG	\$80,724,042	\$126,414,079	\$277,903,088

Amount of Funds Awarded			
Program	2020	2021	2022
FMPP	\$13,482,784	\$37,437,450	\$13,101,269
LFPP	\$13,514,046	\$37,532,222	\$31,857,406
RFSP	\$9,331,027	\$14,809,185	\$19,153,031
VAPG	\$57,556,787	\$71,390,111	\$32,979,836

- c. How many VAPG applications did USDA receive during the last three annual solicitation processes? From RD: 1,824

2020 – 512 Applications Received

2021 – 828 Applications Received (bump in COVID funding and a reduced match option led to an increase in applications for FY21)

2022 – 484 Applications Received

- d. In total, how much funding was requested for VAPG through the last three annual applications solicitation periods?

Funding for VAPG is included in the chart above.

Senator Kirsten Gillibrand

1. Undersecretary Moffitt, some in the dairy industry are submitting proposals to USDA for much-needed updates to Federal Milk Marketing Orders. This process must fix key deficiencies in the system for producers. The current Class I mover inflicted significant losses on dairy farmers at the height of the pandemic, but also in 2022 where the new mover again underperformed the old one for many months. We need change if we're going to maintain family dairy farms in New York and nationwide.
 - a. Can you commit that the Department will work to support the updating of the Federal Milk Marketing Orders system as proposals come forward?

USDA will carefully consider any proposal submitted requesting a change in program provisions.

Outside of the Federal Order system, USDA is working hard to support small dairy farmers, including through recent announcements related to the new Organic Dairy Marketing Assistance Program and the Pandemic Market Volatility Assistance Program. This work builds on our efforts to support regional dairy markets through more than \$100 million in combined

appropriated and American Rescue Plan investments in the Dairy Business Innovation Initiatives in 2022 as well as significant improvements to Dairy Margin Coverage.

2. On January 27th, 2023, the USDA announced a public hearing for the Appalachian, Southeast, and Florida Federal milk marketing orders to discuss timely issues citing “chronic milk deficits and challenging market conditions,” however these problems are not specific to these 3 orders.

- a. Is USDA planning on holding hearings on Federal Milk Marketing Orders to address these same issues?

The proposal initiating this rulemaking only requested changes to the Appalachian, Southeast and Florida Federal milk marketing orders (FMMOs). Should stakeholders from other FMMOs submit a proposal requesting a hearing, USDA will utilize the same rulemaking procedure in determining whether to move forward.

3. Cooperatives within New York and nationally have been discussing improvements to the Federal Milk Marketing system – a whole of industry approach that is vital to creating long-term, sustainable solutions. Any national federal milk marketing order hearings need to strengthen the dairy industry from farmer to processor, however there may be some proposals with only one-side of the industry in mind. For the dairy economy to be strong we need to make changes across the industry.
 - a. If USDA acts on a federal order hearing, will you commit to ensuring that all aspects of the industry, and their proposals, are considered?

Absolutely. USDA is committed to ensuring transparency and maximum participation from all aspects of the industry in any of the FMMO rulemakings it initiates.

4. The reason consumers trust the organic label so much is that it reflects their personal values. Advancing the organic standards to stay consistent with those values is important, especially to small and medium-sized farmers in my state. I’m pleased to see that under your leadership the Department is moving to address some of the organic standards updates including the Origin of Livestock and Strengthening of Enforcement – however, both took a significant period of time and in the end - required congressional action to be finalized.
 - a. How will USDA position itself to better respond to future consumer and producer expectations of organic standards?

Continuous improvement in the USDA organic standards is an important priority for the National Organic Program. Rulemaking has been consistently most successful when there is broad support from across the sector about specific rules and when stakeholders are fully engaged in a public and transparent process to provide comments. In 2022, NOP implemented new approaches for communicating with the organic sector about priorities for new standards,

including a Listening Session model and expanded mechanisms for reporting on priorities and progress with the community. We plan to continue these practices.

- b. How can Congress assist USDA in adapting the rulemaking process to allow producers to meet these market demands quicker?

USDA has promulgated many new and revised organic standards and is required to periodically review and potentially update them based on new science, new consumer demands, or other external factors.

We stand ready to provide technical assistance on any changes to the organic standards process considered by this committee and Congress.

- 5. Organic dairy farmers are facing an economic crisis right now. The USDA recently announced the new Organic Dairy Marketing Assistance Program, but I'm hearing that more help may still be needed.
 - a. How can we ensure that the safety net programs designed for conventional dairies work for organic dairies too, especially considering increasing input costs faced by organic dairy and poultry farmers?

USDA recognizes that its existing programs have not been sufficient for the organic sector over the past year given the unique set of challenges the organic sector has faced. That is why, as you note, USDA has announced up to \$104 million for the new Organic Dairy Marketing Assistance Program (ODMAP), which will help cover up to 75 percent of eligible organic dairy producers' projected 2023 marketing costs. Once signup opens later this year, producers will be able to fill out an ODMAP application through their county office.

We are committed to supporting organic producers to the extent available under our current authorities. We are happy to provide technical assistance to Congress on any contemplated changes to existing safety net programs.

- 6. With inflation increasing production costs, market fluctuations and consumer responses, and the instability of climate change, it is critical to support the food system with business technical assistance. As with other sectors of our economy, farmers need support for business planning, funding and capital access, and market development. These programs help grow rural economies, improve the resilience of local and regional food systems, lead to generation transfer which improves stewardship, and creates opportunities for a new, diverse generation of farm and food entrepreneurs all while

ensuring farm viability. In 2021, I was proud to join 50 of my House and Senate colleagues in sending a letter to USDA calling for this dedicated funding as part of the Department's pandemic response. I am very pleased that this call was answered, in part, with the creation of the new Regional Food Business Centers at AMS and I am eager to see these centers stood up. Of the many applications I was pleased to see New York State Department of Agriculture and Markets join with Cornell University and Buffalo Go Green to propose an 11 state coalition to provide structure and funding for 5 years of business technical assistance for the northeast food system. On the ground groups such as The Hudson Valley AgriBusiness Development Corporation have demonstrated the positive impacts of business technical assistance in communities, with 19 graduates of their Farm and Food Funding Accelerator program creating 206 jobs and making purchases from 125 other regional farms. Also the Carrot Project, based in the northeast, has conducted research that shows that two years of business advising can increase net income by more than 50% for start-up and early-stage farms, and it yields increased confidence in financial management.

- a. Under Secretary Moffitt – once established, the Regional Food Business Centers will provide an important framework for providing key business support to farmers and food businesses. As Congress tackles a new farm bill, however, how can we ensure that these Centers have a lasting impact and expand our support for on-farm business technical assistance and food system entrepreneurs with leverage from other federal programs such as US Dept of Treasury CDFI and US Dept of Commerce EDA?

USDA intends to coordinate closely with other federal agencies including the US Department of Treasury CDFI and US Department of Commerce EDA programs in implementing the Regional Food Business Centers. With an initial investment through the Consolidated Appropriations Act, USDA is signing five-year agreements with partners to start up these Centers. During these five years, each Center will work, with support from AMS staff, to build capacity and sustainability through partnerships throughout their regions. The Centers will provide regular impact reporting to AMS over these five years for outcome measurements, providing valuable data to AMS to adapt into long-term programming.

A key goal of the Centers is to provide the framework for long-term economic viability of food and farm businesses and regional CDFIs and EDA programs are crucial partners in that work. The Centers' regional approach is designed to ensure strong connections and place-based solutions that will have sustaining and transformational impact. The USDA Regional Food Business Centers are modeled after the popular Dairy Business Innovation (DBI) Initiatives, which have, with continued financial support from Congress, provided outreach, education, and support since authorized via the 2018 Farm Bill. The recent change in Unique Entity Identifier numbers has raised some difficulties with the DBI's subgrant recipients, and we expect similar challenges for the Regional Centers.

AMS and the Office of Tribal Relations will ensure that resources from US Dept of Treasury and US Dept of Commerce will be available to the national Tribal Center. The Centers will provide regular impact reporting to AMS for outcome measurements, providing valuable data to AMS to adapt into long-term programming.

Senator Richard J. Durbin

1. Illinois ranks 4th in pork production in the United States, with about 25% of the product exported. You are well versed on African Swine Fever, the highly contagious and deadly disease that affects hogs. I know that the USDA Agriculture Research Service, while not under your jurisdiction, has made positive steps towards a commercially available vaccine.

Under your jurisdiction is the USDA Animal Plant Health Inspection Service (APHIS), which functions as the Centers for Disease Control for plants and animals. There have been no outbreaks of ASF in the U.S. because of the experts and inspectors at APHIS, and the education of hog producers by the various trade associations. We only need to look at current events, however, with egg prices and bird influenza, for example, to see firsthand the consequences upon the both the agricultural and consumer marketplace when there is a disease outbreak, which illustrates the great concerns of hog producers regarding ASF.

- a. As we head into the Farm Bill, as we review existing capacities and resources for APHIS protections, what should we keep topmost in mind in terms of adjusting APHIS authorities, in order to strengthen our federal abilities for monitoring, protection, and inspection, for this hog disease—in fact—any potential pest or diseases for plants and animals on the horizon that experts have indicated pose the greatest near-term risks, and therefore warrant increased APHIS abilities?

Thankfully, APHIS has many permanent authorities that allow it to rapidly detect and respond to foreign plant and animal pests and diseases. This includes authority for the Secretary, in the event of a plant or animal health emergency, to tap into other USDA funding sources to support response activities -- typically from the Commodity Credit Corporation.

Section 12101 of the 2018 Farm Bill established a three-part program specifically to help APHIS support animal disease prevention and management. The Farm Bill provided funding to establish two new programs: the National Animal Vaccine and Veterinary Countermeasures Bank and the National Animal Disease Preparedness and Response Program. It also expanded funding opportunities for the existing National Animal Health Laboratory Network. These three programs work together to safeguard animal health, which helps ensure farmers and ranchers provide high-quality agricultural products to consumers here and abroad. We appreciate Congress' strong support for these programs and think they have been a valuable tool for us in protecting animal health.

Projects funded under these programs include several to the University of Illinois for animal disease training exercises and for enhancing biosecurity knowledge in swine and cattle sectors.

Similarly, the 2014 Farm Bill permanently established the Plant Protection Act Section 7721 program, which allows APHIS to expand the reach of its plant pest and disease protection efforts by partnering with states, universities, and other entities on focused projects that improve plant health outcomes. Section 7721 also establishes and funds the National Clean Plant Network, which works to establish a network of clean plant centers to provide the specialty crop industry with high-quality, pathogen-free foundation stock to ensure the global competitiveness of these important markets.

Projects funded under these programs include awards to the University of Illinois for orchard and high risk pathway surveys and the Morton Arboretum for work on forest pests.

For both plants and animals, these programs have been important tools in our overall efforts to safeguard agriculture and natural resources. The Agency's scientific and technical experts stay abreast of emerging plant and animal diseases and these tools and authorities give us access to funding and partnerships that better prepare us for any pest or disease incursions.

Senator Cory Booker

1. Commodity prices are high right now, and that has led to some large-scale commercial operators making big profits. However, far too many of our small and mid-sized farmers are still struggling, and nearly half of all farmers in the U.S. have negative on-farm income. These farmers need our help. Are there legislative changes that Congress can make in this Farm Bill that would enable USDA to target more of your procurement to small and mid-sized farmers and processors?

We strongly share your interest in supporting small and mid-sized farmers. Supply chain disruptions of the last several years have underlined the importance of strong and vibrant local and regional food systems that provide opportunities for all producers. As a result, we're administratively investing over \$1 billion in local procurement through the Local Food Purchase Assistance (LFPA) and Local foods for Schools (LFS) Programs. These programs provide funds to states, tribes, and territories to procure food from area producers, located within the state or within 400 miles. This food is then used in nearby nutrition assistance programs at food banks, food pantries, and in schools, meaning the food and the value from the food stays in the communities where it is produced. These programs also specifically focus on procuring from historically underserved producers. These programs are currently being conducted under the authorities of the American Rescue Plan and the Commodity Credit Corporation Charter Act with associated one-time funding and are currently scheduled to end after funds are exhausted and the performance period of the agreements conclude.

USDA designed the LFPA and the LFS to run through states, territories, and tribal entities because federal procurement rules do not allow USDA to use geographic preferences, which would be needed to support local procurement. These entities also tend to be more familiar than the USDA with the local producers and the needs in their areas.

In addition, to increase small and small disadvantaged business participation, AMS' Commodity Procurement Program recently published a notice in the Federal Register requesting comments on barriers facing small businesses interested in providing commodities purchased for the USDA Foods Program and small businesses providing Halal, Kosher, and Organic products. AMS has also increased its outreach efforts by implementing quarterly webinars covering the new updated vendor approval process, a subcontracting overview with the Office of Small and Disadvantaged Business Utilization, as well as collaboration sessions with the Small Business Administration and APEX Accelerators (formerly known as Procurement Technical Assistance Centers). Additionally, Commodity Procurement created a pilot five-week program for the Intertribal Agriculture Council (IAC) with small group workshops each week to walk through each step of the new vendor application process and participation in AMS purchases. Lastly, in the next several months AMS will be participating in a variety of conferences across the country (Puerto Rico, Chicago, and DC) to conduct in-person outreach and present on the recently updated new vendor process that has removed some longstanding financial barriers that affect small producers and has helped increase vendor participation.

We stand ready to provide technical assistance to Congress as you consider efforts to target procurement activities to small and mid-sized farmers and processors.

2. You are in charge of purchasing some food from farmers that can be used in schools. States like New Jersey and Michigan produce crops that we would be proud for our children to eat, like blueberries, which have great health benefits. Can you let us know if you have the resources needed to buy fresh fruits and vegetables and get them to schools under the purchasing programs you operate at USDA?

USDA is interested in continuing to grow our procurement of fresh produce for school meals. Last year, we announced up to \$200 million for the Local Food for Schools program. Through LFS, we provide funds to states to procure local foods, including fresh produce for school meals. This program is currently scheduled to end after funds are exhausted and the current performance period ends.

We've also worked to buy fresh produce for schools based on demand from schools through our traditional procurement channels.

School districts across the country are able to use USDA Foods entitlement dollars to purchase fresh produce supplied by local and regional vendors through the USDA Department of Defense (DoD) Fresh Fruit and Vegetable Program (USDA DoD Fresh). USDA DoD Fresh is the predominant way fresh produce is ordered as a USDA Food for schools. The program helps school districts to secure domestically grown produce and incorporates locally grown produce options. The State of Origin for each produce item appears in the ordering catalog so school districts can more easily identify locally grown options. USDA is committed to providing

program participants with a wide variety of nutritious, domestically-produced foods that align with the Dietary Guidelines for Americans through USDA Foods. We have increased the amount of fresh produce purchased through the Section 32 program for products that have experienced market oversupply. In FY22 and FY23, we have purchased fresh sweet potatoes, plums, pears, peaches, citrus, nectarines, and grapes under Section 32.

Over the past ten years, AMS has grown its ability to procure more fresh food from local, small, and mid-sized farmers and vendors and can increase such purchases. Should Congress seek to increase the fresh food that AMS' purchases for USDA, we stand ready to do so.

Senator Ben Ray Lujan

1. We are proud of the work being completed through "Nourish New Mexico" and the cooperative agreement under the Local Food Purchase Assistance Cooperative Agreement Program (LFPA). The program offers New Mexico the chance to purchase products from over 500 historically underserved producers in the state, highlighting our diverse specialty crops, meat, dairy, eggs, and value-added/manufactured foods, that are underrepresented in the state's other locally sourced food assistance programs.
 - a. Should dollars USDA spends on food procurement support rural communities, particularly those who have been historically underrepresented in procurement programs?

Yes. Our Commodity Procurement Program is doing extensive outreach to underserved communities in collaboration with states and tribes through programs like Local Food Purchase Assistance and Local Food for Schools. These programs are using a novel procurement model to support local and historically underserved farmers and ranchers, including specialty crop producers. Together, with these programs, we are investing more than \$1 billion to allow states, territories, and tribes to procure food from local and historically underserved producers and provide nutritious, regionally unique products to local food banks, pantries, and schools. These programs are helping small farmers scale up and access better, consistent market, create job opportunities in rural communities, and bring more revenue into local economies. States have relayed how these programs have opened doors and initiated conversations with underrepresented producers.

To increase small and small disadvantaged business participation, AMS' Commodity Procurement Program recently published a notice in the Federal Register requesting comments on barriers facing small businesses interested in providing commodities purchased for the USDA Foods Program and small businesses providing Halal, Kosher, and Organic products. AMS has also increased its outreach efforts by implementing quarterly webinars covering the new updated vendor approval process, a subcontracting overview with the Office of Small and Disadvantaged Business Utilization, as well as collaboration sessions with the Small Business Administration and APEX Accelerators (formerly known as Procurement Technical Assistance Centers).

Additionally, Commodity Procurement created a pilot five-week program for the Intertribal Agriculture Council (IAC) with small group workshops each week to walk through each step of the new vendor application process and participation in AMS purchases. Finally, in the next several months AMS will be participating in a variety of conferences across the country (Puerto Rico, Chicago, and DC) to conduct in-person outreach and present on the recently updated new vendor process that has removed some longstanding financial barriers that affect small producers and has helped increase vendor participation.

- b. Are there plans for expanding local procurement programs and ensuring these programs are easier to access or dollars are being spent more equitably across geographies?

Local food procurement is an important component of USDA's goals to build resiliency in the food system, create new revenue streams for producers, support the rural economy, while increasing access to nutritious foods. The Local Food Purchase Assistance (LFPA) and Local Food for Schools (LFS) programs are important tool to achieve these goals. The current programs are funded with one-time available dollars for the next three years. USDA looks forward to conversations about the potential for future funding for these procurement programs and stands ready to continue these programs if funding exists.

- c. What steps should Congress consider to strengthen these efforts?

USDA designed the LFPA and LFS programs to run through states, territories, and tribal entities to use geographic preferences, which would be needed to support local procurement. These entities also tend to be more familiar than the USDA with the local producers and the needs in their areas. These programs are currently being conducted under the authorities of the American Rescue Plan and the Commodity Credit Corporation Charter Act with associated one-time funding and are currently scheduled to end after funds are exhausted and the performance period of the agreements conclude. AMS is also exploring the extent that this mechanism can be expanded for some procurement using Section 32 funds as well.

Over the past ten years, AMS has built up its capacity to procure more fresh food from local, small, and mid-sized farmers and vendors and can increase such purchases. Should Congress seek to increase the fresh food that AMS' purchases for USDA, we stand ready to do so.

Senator Peter Welch

1. USDA announced that the \$100 million Organic Dairy Marketing Assistance Program (ODMAP) will help cover up to 75 percent of eligible organic dairy producers' projected 2023 marketing costs.

- a. How is USDA planning to distribute this funding?

The ODMAP will be focused on helping smaller organic dairy farms that have faced a unique set of challenges and higher costs over the past several years—challenges and costs that have been compounded by the ongoing pandemic and drought conditions across the country. FSA plans to provide payments to cover a portion of eligible producers' estimated marketing costs for 2023. Final spending will be dependent on enrollment and each producer's projected production, but ODMAP has been allocated up to \$100 million. Once signup opens for the program, producers will be able to fill out their ODMAP application through their county office once signup opens for the program. Additional details about the ODMAP will be available and updated on www.farmers.gov in the coming weeks as well.

- b. Specifically, is USDA considering any formulas for disbursement, and if so, what are they?

In recognition of the unique challenges and stressors the organic dairy sector continues to face, USDA will provide eligible producers who apply for ODMAP with a one-time payment, calculated based on a cost share of estimated marketing costs on the pounds of organic milk marketed for the 2022 calendar year not to exceed 5 million pounds of production. The formula will not require specific cost data from producers to streamline program delivery and minimize paperwork burden.

- c. Is USDA planning to set any funding floors or ceilings for the total assistance that producers can receive?

USDA will set a payment cap of 5 million pounds of 2022 milk production, similar to the tier 1 limit under Dairy Margin Coverage.

- d. Is USDA planning to distribute funding directly to producers, or through an alternate distribution mechanism?

USDA is planning to distribute funding directly to producers.

This work is in addition to our recent investments in the Organic Transition Initiative to support organic and transitioning farmers through increased direct support for conservation practices and risk mitigation, and creation of a robust nationwide support network to increase knowledge and resources available to farmers and ranchers in the communities where they live. As part of this initiative, USDA will invest up to \$100 million in key organic markets where the need for domestic supply is high, or where additional processing and distribution capacity is needed for more robust organic supply chains. Examples of markets seeking support include organic grain and feed; legumes and other edible rotational crops; and livestock and dairy. The Dept. previously held a [listening session](#) on these topics and is in the process of continuing stakeholder engagement to inform this investment.

These efforts also build on the more than \$100 million we invested through the four Dairy Business Innovation Initiatives in 2022, including through the Northeast Dairy Business Innovation Center, co-located with the Vermont Department of Agriculture.

We are also focused on ensuring organic dairy farmers have a level playing field to compete and were pleased to have recently finalized our Origin of Livestock and Strengthening Organic Standards rules.

2. Once established, the Regional Food Business Centers will provide an important framework for providing key business support to farmers and food businesses. As Congress tackles a new farm bill, how can we ensure that these Centers have a lasting impact and expanding our support for on-farm business technical assistance?

We intend to coordinate closely with other federal agencies as well as institutional, non-profit, industry, foundation and other partners in implementing the USDA Regional Food Business Centers to serve as the cornerstone of USDA's development of local and regional supply chains. With an initial investment through the Consolidated Appropriations Act, USDA is signing five-year agreements with partners to start up these Centers. During these five years, each Center will work, with support from AMS staff, to build capacity and sustainability through partnerships throughout their regions. The USDA Regional Food Business Centers are modeled after the popular Dairy Business Innovation (DBI) Initiatives, which have, with continued support from Congress, shown successes over the years.

A key goal of the Centers is to provide the framework for long-term economic viability of food and farm businesses and regional community development finance intuitions and economic developmental authorities. The Centers' regional approach is designed to ensure strong connections and place-based solutions that will continue beyond the life of the funding. The Centers will provide regular impact reporting to AMS for outcome measurements, providing valuable data to AMS to adapt into long-term programming.

3. The size and structure of Vermont's organic farming community varies significantly from organic farms in other regions of the country, but there is no consistent, nationwide data collection system for organics.
 - a. How can Congress improve initiatives at USDA in the Farm Bill to ensure the data collected is a consistent and accurate reflection of the domestic organics market?

As directed by the 2018 Farm Bill, USDA AMS is expanding its collection and distribution of price data on over 200 organic agricultural products, targeting efforts to increase the availability and awareness of organic market news data. An Organic Working Group has been formed to leverage new and existing cooperative agreements with states, including Vermont, and land-

grant universities to increase organic market coverage and data, allowing AMS Market News to publish additional organic price and volume information.

We stand ready to provide technical assistance on any market news enhancements considered by this committee and Congress.

Senator Tommy Tuberville

1. Ms. Moffitt, I have heard concerns from our grower community in Alabama regarding the regulation of *Ralstonia solanacearum*. *Ralstonia* is a bacterial plant pathogen that causes wilting in geraniums, a common annual in the Southeast. Growers have been especially concerned in recent years with new diagnostic testing procedures of imported plant cuttings from certified offshore facilities at the ports of entry causing delays and loss of quality.

The pathogen testing occurs at random and can tack on an additional 24 hours to shipping times. These delays are concerning as these cuttings are perishable and need to quickly be transplanted into a growing medium to survive. While the plants cuttings sit in shipping containers, they produce ethylene, which slowly kills the plant.

The impact of such delays goes beyond quality. It forces rescheduling of domestic shipping and logistics, causes bottlenecks in the supply chain, and disrupts labor resources scheduled for planting.

- a. I respect and appreciate the role APHIS plays to safeguard agriculture and plant resources from harmful plant pests and pathogens. While duly recognizing this role, what is APHIS doing to minimize harmful delays in the inspection process for these materials?

APHIS tests a small fraction of Pelargonium shipments in effort to safeguard against the introduction of the USDA Select Agent *Ralstonia solanacearum* Race 3 biovar 2. APHIS visually inspects shipments not tested and clears them the same day unless a pest is detected. APHIS offers same-day clearance of clean shipments scheduled to arrive for testing at the Plant Inspection Station (PIS) first thing in the morning, Monday through Friday.

APHIS previously required confirmatory tests for Race 3 biovar 2 at our lab in Laurel, MD, when cuttings tested positive for *Ralstonia solanacearum* on preliminary tests, adding shipping and clearance delays. Industry representatives articulated their concerns to APHIS regarding these delays, and we adjusted accordingly while still ensuring our detection abilities.

APHIS responded to industry's concerns by accelerating the development and validation of a rapid *R. solanacearum* R3bv2 specific diagnostic test that does not require off-site confirmatory testing. APHIS implemented this new test in September 2022.

- b. What suggestions do you have to be more efficient with *Ralstonia* pathogen testing to reduce the time USDA holds containers?

There are several best practices that may help reduce the time needed for these inspections. We suggest that the importer notify the plant inspection station (PIS) when a shipment will arrive at the port so that we can communicate back whether that shipment will be tested. This provides the importer time to communicate with customers and adjust logistics. Furthermore, we suggest that each shipment, to the extent possible, is scheduled with local PIS management to arrive at the PIS first thing in the morning. This will help allow inspections and testing to be completed the same day. While shipments may arrive at the port-of-entry early in the day, the process to unload, clear through Customs, and deliver to the PIS may take several hours – in these cases the shipment will be tested the next day.

- c. To increase shipping and processing efficiencies, does USDA have jurisdiction to test for this pathogen at a foreign, U.S.-owned farm and potentially “pre-certify” a shipment before its arrival in the U.S.?

USDA can perform pre-export inspection, testing, or treatment in a foreign country and “pre-certify” exports to the United States with a Preclearance program. Under those programs, a bilateral agreement allows USDA staff to directly observe operations and preclear exports before they are shipped. With preclearance, only products that meet U.S. entry requirements are shipped, reducing costs associated with shipments that are rejected or delayed due to pest detections. Precleared exports do not routinely require agricultural inspection and clearance at the port of entry but are still subject to other U.S. Agency requirements. Preclearance programs require full cost recovery from industry and agreements must be established with each exporting country.

Preclearance programs are partnerships between the national plant protection organization (NPPO) of the exporting country and APHIS. Together the NPPO and APHIS ensure that all phytosanitary requirements are met prior to entry into the U.S.

USDA does not currently have any preclearance programs for geraniums. The process to establish such a program would require: 1) the national plant protection organization (NPPO) of the exporting country makes a formal request to APHIS to create the voluntary preclearance program; 2) APHIS would review the program requirements and work with the NPPO to develop a bilateral workplan identifying the parameters of the program; and 3) If approved by both parties, the NPPO would identify an industry cooperator who would pay for APHIS inspectors to perform inspections in the exporting country in accordance with the bilateral workplan.

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
 Farm Bill 2023: Trade and Horticulture
 February 1, 2023
 Questions for the Record
Ms. Sarah Charles

Chairwoman Debbie Stabenow

- 1. Women play a crucial role in the production of food, supporting their communities, and in feeding their families and the world. In 2021, more than 150 million more women than men experienced hunger worldwide. Given this disproportionate impact of the hunger crisis on women and girls, how is USAID incorporating wraparound services, like preventing sexual exploitation, into its programming?**

Answer:

USAID has made a concerted effort over the last few years to elevate protection from sexual exploitation and abuse (PSEA) across our operations, publishing a PSEA Policy in March 2020 and developing publicly available staff and partner toolkits to help provide guidance on this critical issue. USAID further recognizes the inherent risks of sexual exploitation and abuse associated with food insecurity and in the provision of life-saving food assistance. In consideration of these elevated risks of violence, abuse and exploitation in food crises, USAID's Bureau for Humanitarian Assistance (BHA) requires all partners to have PSEA Policies in place, and to develop plans for how partners will implement these policies. In particular, USAID/BHA expects its partners to embed PSEA experts into their operations, to train staff on their obligations to protect those we serve from sexual exploitation and abuse, to have safe and responsive reporting mechanisms in place – ensuring in particular that mechanisms are accessible to women and girls – and to establish systems for preventing, detecting and responding to incidents of sexual exploitation and abuse in a survivor-centered manner.

The Tanganyika Conflict Mitigation & Reconciliation (TCMR) activity in Democratic Republic of Congo is one example. TCMR established 18 Psychosocial and Group Therapy (PSGT) committees, which conducted outreach and built capacity. TCMR also installed and supported 18 listening centers, which are managed by Psycho-Social assistants. These assistants receive survivors of sexual- and gender-based violence and provide proper care and referral of cases to appropriate structures. During FY22, 450 victims were received in the listening structures, of which 53 cases, including 5 Twa, were followed up by the TCMR's sub-partner: Women's Action Network (RAF).

In June 2022, USAID convened a roundtable on the gendered impacts of the global food security crisis that brought together technical experts and representatives from leading multilaterals, donor organizations and NGOs. The participants identified several priorities for action to address the disproportionate impacts of the global food security crisis on women's food security and nutrition and their economic security and overall

well being, including increased risks of gender-based violence. The recommendations that emerged from the roundtable have informed USAID programs as the Agency mobilized to respond to the global food security crisis, pivoting existing investments and increasing overall investments through generous supplemental funding authorized by Congress in Fiscal Year 2022.

USAID is deeply concerned that the acute food insecurity across the globe will drive an increase in gender-based violence, including child, early and forced marriage, and child protection threats. USAID had been supporting the development of The Toolkit to Address Gender-Based Violence in Agriculture and Market Systems Development which was launched in July 2022. The Agency accelerated our efforts to disseminate and encourage the use of this toolkit by our program teams in the field. The Toolkit provides practical guidance to help agriculture program staff identify and address gender-based violence in their work as they focus their efforts to address the food security crisis.

Ranking Member John Boozman

1. **U.S. food aid is an important tool for the U.S. government and rice, soy, and corn farmers in my state are proud to play a part in the efforts to not only feed America, but also provide their commodities to USDA and USAID through international food aid. We constantly hear from our agricultural stakeholders and others who implement the programs your agency operates that freight costs and requirements to use U.S.-flagged vessels reduce the amount of food that America can send overseas.**
- a. **What can USAID do to help reduce those freight costs given the current supply chain situation and the war in Ukraine?**

Answer:

USAID has a few options to reduce freight costs for its life-saving food assistance programs. For example, USAID uses a lowest landed cost evaluation process to select freight bids that comply with the terms and conditions of any solicitation (e.g. capacity and availability to meet the requirements as specified in the solicitation) at the most cost-effective rate, while also taking into account past performance of the service. This process enables USAID to minimize costs while ensuring that commodities reach vulnerable populations in a timely manner.

USAID may also rely on notwithstanding authorities from the Food for Peace Act and Foreign Assistance Act to not withstand Cargo Preference Act requirements on a case-by-case basis, should these requirements impede the timely and cost-effective delivery of humanitarian assistance. However, if USAID chooses to rely on notwithstanding authority to deliver emergency food assistance, USAID must still meet the overall 50 percent cargo preference requirement with other Agency-financed cargoes, which may have cost implications for other USAID programs.

A significant challenge to reducing freight costs for bulk shipments is the lack of competition in the U.S. bulk shipping industry. There are currently only three bulk vessels operating under the U.S. flag, and they are all owned by one company: Liberty Maritime. Because of the limited number of bulk vessels available, USAID did not receive U.S. flag offers for 800,610 MT of bulk cargo in FY22. Therefore, the Agency accepted every offer that was received from a U.S. flag bulk carrier in order to comply with Cargo Preference Act requirements. Increasing the number of bulk vessels in the U.S. flag fleet would drive down freight costs due to increased market competition among carriers.

We understand that the primary limiting factor to increasing the number of vessels in the fleet is the statutory three-year waiting period for joining the cargo preference program (see 46 USC 55305(a)), which creates a significant barrier to entry. For example, a recent U.S. Government Accountability Office (GAO) report (GAO-22-105160) highlighted the Maritime Administration's (MARAD) concerns with the impact of the three-year waiting period on the supply of vessels needed to deliver bulk food-aid and its proposal for addressing it. We would welcome Congressional engagement on this issue by Members of Congress who are concerned about high freight costs for life-saving emergency food assistance that is transported in bulk.

b. Can those cargo preference requirements be suspended at the administration level?

Answer:

The Cargo Preference Act authorizes the President, the Secretary of Defense, and Congress (by concurrent resolution or otherwise) to temporarily waive cargo preference requirements by declaring the existence of an emergency justifying a waiver and notifying the appropriate agencies of the waiver.

2. Nondomestic commodity procurement:

a. Please provide an account of all the countries from which the U.S. has purchased commodities and the type and amount of those commodities purchased.

Answer:

Unlike in Title II Food for Peace Act programs—where USAID works with USDA to directly purchase agricultural commodities on the U.S. market and provide them to implementing partners to distribute—USAID's implementing partners under the Emergency Food Security Program (EFSP) use International Disaster Assistance (IDA) funding authorized by the Foreign Assistance Act to purchase commodities using local, regional, and international procurement (LRIP) modalities. In Fiscal Year (FY) 2022,

USAID purchased 720 metric tons (MT) of Ready to Use Supplementary Food (RUSF) from a supplier in Nigeria and 1,155 MT of High Energy Biscuits (HEBs) from suppliers in Pakistan and Oman with IDA funding. The ready-to-use foods were purchased after the two U.S. suppliers no longer had the additional production capacity to meet the high, urgent need. There is no U.S. supplier at this time for HEBs.

A list of commodities that USAID's implementing partners planned to purchase using LRIP during FY 2022 is below. The commodities are broken out by country of origin and quantity. USAID defines country of origin as "the country where a commodity is mined, grown, or produced. A commodity is produced when, through manufacturing, processing, or substantial and major assembling of components, a commercially-recognized new commodity results that is significantly different in basic characteristics or in purpose of utility from its components." Some entries list multiple origin countries due to the nature of the procurements under that award.

FY22 USAID/BHA Local, Regional, and International Procurement of Agricultural Commodities by Country of Origin		
Planned Origin Country/Countries	Commodity	Estimated Quantity (MTs)
Afghanistan	Iodized Salt	200.0
Afghanistan	Wheat Flour	31,421.1
Argentina, Brazil, Dominican Republic	Beans (Black)	2,817.4
Argentina, Brazil, Dominican Republic	Lentils (Green)	2,654.1
Argentina, Canada, and US	Lentils	6.9
Argentina, Canada, and US	Peas	9.2
Argentina, Chile, Colombia	Rice	1,320.0
Argentina, Chile, Colombia, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Uruguay, Brazil	Rice	295.2
Argentina, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, Panama, Brazil, Turkey, Morocco	Oil (Vegetable)	448.4
Argentina, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Brazil	Beans (Black)	2,884.4
Argentina, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Brazil	Lentils (Green)	342.0

Australia	Sorghum/Millet	15,531.2
Belgium	Super Cereal Plus	6,796.0
Belgium, Rwanda, South Africa	Mixed and Blended Foods	3,114.0
Brazil	Beans	14.4
Brazil	Cabbage	9.1
Brazil	Carrots	8.9
Brazil	Chocolate powder	2.9
Brazil	Coffee powder	0.3
Brazil	Colorific	0.9
Brazil	Corn Cereal	1.4
Brazil	Garlic	0.6
Brazil	Iodized Salt	3.5
Brazil	Milk	6.1
Brazil	Oat Flakes	1.4
Brazil	Oil	1.1
Brazil	Onions	4.8
Brazil	Pasta	20.2
Brazil	Potatoes	9.0
Brazil	Protein	60.6
Brazil	Pumpkin	9.0
Brazil	Rice	34.6
Brazil	Seasonal fruits	4.8
Brazil	Sugar	4.3
Brazil	Tomatoes	2.4
Brazil	Wheat Flour	3.8
Burkina Faso	Sorghum/Millet	2,040.0
Cameroon	Beans	1,326.7
Cameroon	Iodized Salt	556.8
Cameroon	Rice	194.0
Canada, Australia, Ukraine	Peas (Yellow Split)	997.8
Canada, Kyrgyzstan	Chickpeas	16,800.0

Canada, Kyrgyzstan, Georgia	Chickpeas	6,846.0
Canada, Mexico, Greece	Wheat	200.0
Central African Republic	Beans	188.8
Central African Republic	Cassava	110.3
Central African Republic	Cassava Flour	184.5
Central African Republic	Cereals	1,485.7
Central African Republic	Cowpeas	162.4
Central African Republic	Groundnut	44.1
Central African Republic	Iodized Salt	33.1
Central African Republic	Maize	110.3
Central African Republic	Oil	36.8
Central African Republic	Oil (Vegetable)	49.0
Central African Republic	Peanuts	124.0
Central African Republic	Pulses	371.4
Central African Republic	Rice	88.2
Central African Republic	Sorghum	432.0
Central African Republic	Sugar	22.1
Chad	Cow Peas	8.1
Chad	Iodized Salt	0.5
Chad	Oil (Vegetable)	2.3
Chad	Powdered Sugar	1.4
Chad	Sorghum	38.3
Chad	Sorghum/Millet	2,246,383.3
China, Thailand, India, Vietnam, Pakistan, Korea, Turkey, Egypt, Canada, Spain, Kazakhstan, Japan, Indonesia, Morocco, Hungary, Jordan	Pre-packaged Foods (Food Parcels)	7,955.3
Colombia	Beans	715.3
Colombia	Beans (Black)	243.8
Colombia	Beans (Dried)	7.8
Colombia	Beans/Chickpeas	1.8
Colombia	Canned Fish	90.0

Colombia	Canned Sardines	17.2
Colombia	Canned Tuna	202.2
Colombia	Chocolate	1.2
Colombia	Corn Flour	199.6
Colombia	Cornmeal	7.8
Colombia	Eggs	19.5
Colombia	Flaked Oats	3.9
Colombia	Ground Coffee	1.2
Colombia	Iodized Salt	7.4
Colombia	Lentils	413.1
Colombia	Maize (Meal)	211.8
Colombia	Oatmeal	0.9
Colombia	Oil	1.2
Colombia	Oil (Soybean)	4.4
Colombia	Oil (Vegetable)	331.2
Colombia	Panels	5.1
Colombia	Pasta	737.3
Colombia	Pasta (Spaghetti)	12.9
Colombia	Pasta Sauce	71.3
Colombia	Pink Egg	2.3
Colombia	Pre-packaged Foods (RTERs)	386.4
Colombia	Rice	850.4
Colombia	Rice (White)	20.4
Colombia	Sugar	7.8
Colombia	Tuna	5.5
Colombia	Tuna in oil	0.8
Colombia	Wheat Flour	17.6
Colombia	Lentils	317.7
Colombia, Brazil	Maize (Meal)	1,607.3
Colombia, Brazil, Costa Rica	Maize (Meal)	2,996.9
Colombia, Brazil, Turkey	Beans	108.0

Colombia, Mexico, Panama	Iodized Salt	199.1
Colombia, Mexico, Panama, Brazil	Iodized Salt	379.8
Colombia, Panama	Pasta	2,062.3
Colombia, Panama, Brazil	Pasta	1,540.2
DRC	Beans	3,874.4
DRC	Beans (Dried)	105.0
DRC	Cassava Flour/Cereals	2,010,588.0
DRC	Cereal seeds (Maize)	30.6
DRC	Corn Flour	345.6
DRC	Iodized Salt	20,665.1
DRC	Legumes	1,101,622.0
DRC	Leguminous seeds (Cowpea)	15.6
DRC	Maize (Flour)	67,918.0
DRC	Maize (Meal)	6,067.8
DRC	Maize/Rice	2,592.0
DRC	Oil	122,985.4
DRC	Oil (Palm)	24.7
DRC	Oil (Vegetable)	376.3
DRC	Vegetable Seeds	0.2
DRC	Beans	14,766.0
DRC	Maize (Flour)	492.2
DRC, Uganda, Kenya, or other regional country	Oil (Vegetable)	36.9
Ecuador, Chile, Colombia, France, Italy, Spain, Turkey, USA	Food kits	142.3
Ecuador, Panama, Brazil	Canned Fish	600.1
Egypt	Pasta	22.5
Egypt	Wheat Flour	10,395.0
Egypt, India, Taiwan	Rice	15.0
Ethiopia	Iodized Salt	75.0
Ethiopia	Maize	10,500.0
EU Countries	Beans (Kidney)	1.1

EU Countries	Buckwheat	2.4
EU Countries	Pasta (Macaroni)	2.4
EU Countries, Turkey	Iodized Salt	0.1
EU Countries, Turkey	Oatmeal	2.4
EU Countries, Turkey	Sugar	0.4
EU Countries, Turkey	Tea	0.2
EU Countries, Turkey, Thailand	Canned Meat	1.1
EU Countries, Turkey, Thailand	Canned Sardines	1.1
EU Countries, Turkey, Thailand	Rice	2.4
Europe, Turkey	Beans (Kidney)	9.6
Europe, Turkey	Buckwheat	24.0
Europe, Turkey	Canned Meat	8.4
Europe, Turkey	Canned Sardines	9.6
Europe, Turkey	Iodized Salt	0.8
Europe, Turkey	Oatmeal	24.0
Europe, Turkey	Oil (Sunflower)	6.6
Europe, Turkey	Pasta	24.0
Europe, Turkey	Rice (White, Medium Grain)	24.0
Europe, Turkey	Sugar	4.0
Europe, Turkey	Tea (Black)	1.6
France	RUSF	315.0
GCMF	Peas (Split)	953.5
India	Cereals (Bread)	4,017.4
India	Oil (Olive)	2.0
India	Oil (Vegetable)	29.5
India	Rice	6,879.5
India	Wheat	30,000.0
Indonesia	Oil	1,362.0
Indonesia	Oil (Vegetable)	411,082.1
Indonesia	Oils and Fats	564.0
Indonesia	Rice	5,191.2

Indonesia	Oil (Vegetable)	350.0
Indonesia, Malaysia	Oil (Vegetable)	498.9
Indonesia, Malaysia	Oil (Vegetable)	1,227.8
Indonesia, Malaysia	Oils and Fats	288.0
Indonesia, Malaysia, Ethiopia, Kenya	Oils and Fats	1,914.5
Indonesia, Malaysia, Turkey, Pakistan	Oil (Vegetable)	14,296.6
Indonesia, Turkey	Ghee	56.0
Indonesia, Turkey	Oil (Vegetable)	1,067.0
Indonesia, Turkey	Peas (Yellow Split)	1,246.1
Iraq, Egypt, KSA, UAE	Canned Tomato Paste	61.3
Italy	Canned Peeled tomatoes	12.0
Italy	Canned Tomato Paste	9.0
Italy	Sweet Corn/Beans	6.9
Jordan	Wheat Flour	17,325.0
Kazakhstan, Kyrgyzstan	Peas (Yellow Split)	5,000.0
Kazakhstan, Pakistan, India, Uzbekistan	Wheat Flour	22,643.0
Kazakhstan, Pakistan, Malaysia, Indonesia	Oil (Vegetable)	4,000.0
Kazakhstan, Pakistan, Turkey	Peas (Split)	13,746.7
Kazakhstan, Pakistan, Uzbekistan, Kyrgyzstan, Turkey	Wheat Flour	125,684.3
Kenya	Iodized Salt	660.0
Kenya	LNS-MQ	54.0
Kenya	Oil (Vegetable)	1,396.2
Kenya or other regional country	Iodized Salt	6.2
Kenya, Uganda	Pulses	400.0
KSA, UAE, Egypt, Iraq	Beans (White)	153.4
Kyrgyzstan	Canned Hummus	2.4
Kyrgyzstan	Hummus	2.4
Madagascar	Cowpeas & Other Legumes	147.0
Madagascar	Maize	979.0
Madagascar	Oil (Vegetable)	120.0

Madagascar	Rice	942.8
Malawi	Cow Peas	639.8
Malawi	Peas (Pigeon)	141.4
Malawi	Pulses (Peas)	256.0
Malawi, Kenya	Beans	900.0
Malawi, Mozambique	Peas	533.6
Malawi, Zambia, Mozambique	Cow Peas	3,356.0
Malawi, Zambia, Mozambique	Maize	16,040.2
Malaysia	Oil (Vegetable)	168.0
Malaysia	Oils and Fats	600.0
Malaysia	Oil (Vegetable)	442.2
Malaysia, Indonesia	Oil (Vegetable)	1,000.0
Morocco	Oil (Vegetable)	6,401.9
Morocco	Sugar	10,500.0
Morocco, Brazil, Mexico	Sugar	5,670.0
Morocco, Egypt	Oil (Vegetable)	1,528.8
Morocco, Kyrgyzstan, Syria	Chickpeas	279.9
Mozambique	Cow Peas / Split Peas	1,800.1
Mozambique	Rice	1,200.0
Myanmar	Cereals	7,604.8
Myanmar	Iodized Salt	73.4
Myanmar	Pulses	868.0
Namibia	Iodized Salt	5.6
Niger	Beans	1,316.5
Niger	Sorghum/Millet	3,881.1
Nigeria	Beans	3,000.0
Nigeria	Iodized Salt	160.0
Nigeria	Oil (Vegetable)	1,500.0
Nigeria	Sorghum/Millet	11,615.5
Oman, Pakistan	High Energy Biscuits	350.0
Pakistan	High Energy Biscuits	274.0

Pakistan	Iodized Salt	1,467.2
Pakistan	Rice	15,303.2
Pakistan	Wheat	9,855.1
Pakistan	Other	0.0
Pakistan, India	Rice	14,242.8
Papua New Guinea	Iodized Salt	0.1
Papua New Guinea	Oil	0.4
Papua New Guinea	Rice	6.0
Papua New Guinea	Sugar	0.2
Papua New Guinea	Tinned fish	0.9
Poland	Beans (Canned)	7.5
Poland	Black Tea	1.0
Poland	Buckwheat	16.2
Poland	Canned Meat	8.5
Poland	Canned Sardines	7.8
Poland	Iodized Salt	5.4
Poland	Oatmeal	16.2
Poland	Oil (Sunflower)	4.6
Poland	Pasta	16.2
Poland	Sugar	5.4
Romania	Peas (Split)	5,890.4
Rwanda	Corn-Soya Blend (CSB++)	104.0
Rwanda	Super Cereal Plus	10,000.0
Rwanda, Tanzania	Beans	600.0
Senegal	Iodized Salt	124.2
South Africa	Beans	63.0
South Africa	Maize (Grits)	4,000.0
South Africa	Maize (Meal)	500.0
South Africa	RUSF	5,122.2
Sudan	Maize/Sorghum	1,499.4
Sudan	Sorghum	17,740.0

Sudan, Tanzania	Pulses	6,400.0
Sudan, Tanzania, Uganda	Sorghum/Millet	29,000.0
Syria	Beans (Kidney)	25.5
Syria	Bulgur	76.5
Syria	Canned Tomato Paste	2.3
Syria	Iodized Salt	2,105.1
Syria	Lentils (Green)	25.5
Syria	Lentils (Red)	25.5
Syria	Oil (Sunflower)	40.8
Syria	Oil (Vegetable)	5,733.0
Syria	Pasta (Macaroni)	25.5
Syria	Rice (Fortified)	76.5
Syria	Sugar	30.6
Syria	Wheat	1,450.0
Syria	Wheat Flour	14,049.5
Syria	Wheat Flour (Fortified)	76.5
Syria	Yeast	1.0
Tanzania	Maize	14,737.5
Tanzania	Rice	1,800.0
Tanzania, Uganda	Sorghum/Millet	13,828.0
Turkey	Apricot jam	4.0
Turkey	Beans (Kidney)	45.3
Turkey	Beans (White)	2.4
Turkey	Bulgur	558.7
Turkey	Canned Chicken	10.0
Turkey	Canned Chickpea Paste/Hummus	8.0
Turkey	Canned Fava Beans	16.0
Turkey	Canned Green Peas	1.6
Turkey	Canned Tomato Paste	20.8
Turkey	Canned Tuna	19.5
Turkey	Canned White Beans	2.4

Turkey	Chicken	0.9
Turkey	Chickpeas (Whole)	25.1
Turkey	Dates	1.4
Turkey	Dates (Dried)	1.4
Turkey	Food Basket	451.0
Turkey	Ghee	3.0
Turkey	Halva	10.4
Turkey	Iodized Salt	32.5
Turkey	Lentils (Green)	87.1
Turkey	Lentils (Red)	70.4
Turkey	Noodles	6.0
Turkey	Oil	12,342.5
Turkey	Oil (Olive)	9.5
Turkey	Oil (Sunflower)	209.3
Turkey	Oil (Vegetable)	6,880.5
Turkey	Pasta	33.4
Turkey	Pasta (Macaroni)	45.3
Turkey	Pasta (Spaghetti)	7.0
Turkey	Peas	2.4
Turkey	Peas (Yellow Split)	3,419.0
Turkey	Pre-packaged Foods	28,314.0
Turkey	Pre-packaged Foods (Food Parcels)	17,913.0
Turkey	Pre-packaged Foods (RTERs)	9,731.2
Turkey	Rice	75.2
Turkey	Rice (Fortified)	136.0
Turkey	Sugar	80.6
Turkey	Thyme	1.0
Turkey	Thyme (Dried)	1.0
Turkey	Tuna	45.7
Turkey	Wheat	200.0

Turkey	Wheat Flour	55,526.7
Turkey	Wheat Flour (Fortified)	136.0
Turkey	Yeast	68.1
Turkey	Zaatar (Dried)	2.0
Turkey, Canada	Lentils (Red Split)	5.0
Turkey, Canada, Kazakhstan	Lentils	5.0
Turkey, Egypt	Canned Tomato Paste	116.2
Turkey, Egypt, Syria	Canned Tomato Paste	116.2
Turkey, Indonesia, Syria	Ghee	56.0
Turkey, Iraq	Wheat Flour	7,386.7
Turkey, Iraq, KSA	Dates	2.0
Turkey, Kazakhstan	Chickpeas (Dried)	8.0
Turkey, Kyrgyzstan	Lentils (Brown)	139.9
Turkey, Kyrgyzstan	Lentils (Red)	209.9
Turkey, Kyrgyzstan, Syria	Lentils (Brown)	139.9
Turkey, Kyrgyzstan, Syria	Lentils (Red)	209.9
Turkey, Morocco, Argentina	Oil (Vegetable)	400.3
Turkey, Poland, Romania	Canned Meat	5,119.8
Turkey, Poland, Romania	Pasta	25,598.9
Turkey, Poland, Romania	Rice	25,598.9
Turkey, Poland, Romania, Hungary, Bulgaria, Slovakia	Beans (Canned)	617.2
Turkey, Poland, Romania, Hungary, Bulgaria, Slovakia	Canned Meat	2,057.3
Turkey, Poland, Romania, Hungary, Bulgaria, Slovakia	Cereals	40,402.3
Turkey, Poland, Romania, Hungary, Bulgaria, Slovakia	Mixed and Blended Foods	14,526.8
Turkey, Poland, Romania, Hungary, Bulgaria, Slovakia	Other	5,119.8
Turkey, Poland, Romania, Hungary, Bulgaria, Slovakia	Pulses	617.2
Turkey, Poland, Romania, Hungary, Bulgaria, Slovakia, Ukraine	Iodized Salt	164.6

Turkey, Poland, Romania, Hungary, Bulgaria, Slovakia, Ukraine	Other	2,221.8
Turkey, Syria	Bulgur	349.9
Turkey, Syria	Iodized Salt	21.0
Turkey, Syria	Oil (Olive)	128.7
Turkey, Syria	Oil (Sunflower)	128.8
Turkey, Syria	Pre-packaged Foods (RTERs)	26.9
Turkey, Syria	Tuna	44.8
Turkey, Syria	Wheat Flour	8,496.0
Turkey, Syria	Yeast	30,536.0
Turkey, Syria, Iraq	Bulgur	766.8
Turkey, Syria, Iraq	Canned Tuna	73.6
Turkey, Syria, Iraq	Chickpeas	306.7
Turkey, Syria, Iraq	Iodized Salt	69.0
Turkey, Syria, Iraq	Lentils (Red Split)	766.8
Turkey, Syria, Iraq	Oil (Olive)	76.7
Turkey, Syria, Iraq	Pasta (Macaroni)	460.1
Turkey, Syria, Iraq	Rice (White, Medium Grain)	1,073.5
Turkey, Syria, Iraq	Sugar	613.5
Turkey, Syria, Iraq	Thyme (Dried)	76.7
Turkey, Syria, Ukraine	Oil (Vegetable)	460.0
Uganda	Beans	149.9
Uganda	Beans (Mixed)	700.0
Uganda	Cereals	4,340.0
Uganda	Iodized Salt	58.3
Uganda	Maize (White)	11,365.5
Uganda	Oil (Vegetable)	315.4
Uganda	Pulses	434.0
Uganda	Sorghum	17,395.1
Uganda, Rwanda	Iodized Salt	32.4
Uganda, Tanzania	Cereals	2,815.0

Uganda, Tanzania	Maize	10,000.0
Ukraine	Peas (Split)	3,783.3
Ukraine	Peas (Yellow Split)	16,699.0
Ukraine	Pulses	4,990.9
Ukraine	Wheat	156,978.0
Ukraine, Bulgaria, India	Cereals	63,612.0
Ukraine, EU Countries, Thailand	Oil (Sunflower)	13.8
Ukraine, EU Countries, Turkey	Beans (Kidney)	20.7
Ukraine, EU Countries, Turkey	Buckwheat Grain	45.1
Ukraine, EU Countries, Turkey	Iodized Salt	1.4
Ukraine, EU Countries, Turkey	Oatmeal	45.9
Ukraine, EU Countries, Turkey	Oil (Sunflower)	0.4
Ukraine, EU Countries, Turkey	Pasta (Macaroni)	45.1
Ukraine, EU Countries, Turkey	Sugar	6.9
Ukraine, EU Countries, Turkey	Tea	2.8
Ukraine, EU Countries, Turkey, Thailand	Canned Meat	20.7
Ukraine, EU Countries, Turkey, Thailand	Canned Sardines	20.7
Ukraine, EU Countries, Turkey, Thailand	Rice	45.9
Ukraine, Turkey	Peas (Yellow Split)	280.0
Ukraine, Turkey	Pulses	7,109.0
Ukraine, Turkey	Wheat Flour	709.0
Ukraine, Turkey, Poland, Romania, Hungary, Bulgaria, Slovakia	Mixed and Blended Foods	840.0
Venezuela	Bananas	400.5
Venezuela	Beans (Black)	134.0
Venezuela	Beans (White)	25.0
Venezuela	Beetroot	81.3
Venezuela	Bell Peppers	11.6
Venezuela	Cabbage	52.2
Venezuela	Cachapa mix	7.5
Venezuela	Canned Sardines	45.9

Venezuela	Canned Sardines in Tomato Sauce	38.3
Venezuela	Canned Tuna	63.0
Venezuela	Carrots	261.2
Venezuela	Chayote	11.6
Venezuela	Cheese	11.6
Venezuela	Chicken	330.8
Venezuela	Chickpeas	15.0
Venezuela	Chili Peppers	23.2
Venezuela	Chocolate flavored drink	62.7
Venezuela	Corn Flour	242.7
Venezuela	Eggplants	52.2
Venezuela	Eggs	57.1
Venezuela	Enriched Cream of Rice	49.0
Venezuela	Enriched Precooked White Cornmeal	296.0
Venezuela	Garlic	5.8
Venezuela	Iodized Salt	78.1
Venezuela	Malangas	52.2
Venezuela	Margarine	75.3
Venezuela	Mixed Herbs	69.6
Venezuela	Nutritious Drink	62.7
Venezuela	Oat Flakes	6.0
Venezuela	Oil	44.0
Venezuela	Oil (Corn)	15.0
Venezuela	Onions	34.8
Venezuela	Oranges	1,004.0
Venezuela	Pasta	162.0
Venezuela	Plantain	168.3
Venezuela	Popcorn	7.5
Venezuela	Potatoes	348.2
Venezuela	Red Meat	272.8

Venezuela	Rice	301.8
Venezuela	Rice (White)	242.0
Venezuela	Rice-Based drink	156,700.0
Venezuela	Spinach	11.6
Venezuela	Sugar	98.7
Venezuela	Sugar (White)	1,900.0
Venezuela	Sweet Potatoes	29.0
Venezuela	Tangerines	800.9
Venezuela	Tomatoes	40.6
Venezuela	Vinegar	32.8
Venezuela	Wheat Corn Flour	45.0
Venezuela	Wheat Flour	30.7
Venezuela	Yams	52.2
Venezuela	Yuca	127.7
Venezuela	Zucchini	127.7
Venezuela, Brazil	Margarine	18.0
Venezuela, Brazil	Oil (Corn)	54.0
Venezuela, Colombia, Brazil	Rice	162.0
Venezuela, Colombia, Brazil	Sugar	18.0
Venezuela, Other Regional Countries	Beans/Lentils	611.5
Venezuela, Other Regional Countries	Canned Fish	224.5
Venezuela, Other Regional Countries	Cheese	383.7
Venezuela, Other Regional Countries	Coffee, Tea, Spices, Salt	19.2
Venezuela, Other Regional Countries	Corn and Wheat Flour	123.9
Venezuela, Other Regional Countries	Eggs	191.8
Venezuela, Other Regional Countries	Fruits	191.8
Venezuela, Other Regional Countries	Lactovisoy	419.7
Venezuela, Other Regional Countries	Meat/Pork/Chicken	383.7
Venezuela, Other Regional Countries	Oil, Margarine, Butter	113.9
Venezuela, Other Regional Countries	Pasta	87.8
Venezuela, Other Regional Countries	Rice	99.9

Venezuela, Other Regional Countries	Sugar	107.9
Venezuela, Other Regional Countries	Tubers	191.8
Venezuela, Other Regional Countries	Vegetables	191.8
Vietnam, Thailand	Rice	12,990.0
Vietnam, Thailand	Rice	21,000.0
Zambia, Malawi, South Africa, Mozambique	Maize (White)	4,547.0
Zimbabwe	Oil (Vegetable)	341.1
Zimbabwe	Peas	120.0

b. How does USAID consider the U.S. diplomatic relations with a country when conducting purchases of nondomestic commodities?

Answer:

The USAID Bureau for Humanitarian Assistance's (BHA) primary goal is to respond to crises with lifesaving aid in the most efficient and effective way possible. To balance LRIP activities with other development, trade and political considerations, BHA issued Functional Policy 20-03: Award Requirements for Source and Origin of Local, Regional, and International Procurement (LRIP) of Food Commodities. This policy establishes an order of preference for commodity procurements made by USAID's partners in order to maximize the benefit to the economies in which we are working, with a preference first for supporting markets impacted by the humanitarian crisis and second for commodities produced in lower or lower-middle income countries near the crisis-affected area. However, given the scarcity of desired food commodities in local and regional markets at times, international procurement may be the more appropriate option to reach beneficiaries in need with lifesaving assistance in a timely manner.

c. Why is USAID sourcing commodities with U.S. taxpayer dollars from foreign countries who have a multitude of trade barriers that unfairly disadvantage American farmers?

Answer:

USAID establishes an order of preference for commodity procurements made by its humanitarian implementing partners in order to maximize the benefit to the economies in which we are working, with a preference first for supporting markets impacted by the humanitarian crisis and second for commodities produced in lower or lower-middle income countries near the crisis-affected area. However, given the scarcity of desired food commodities in local and regional markets at times, international procurement may be the more appropriate option to reach beneficiaries in need with lifesaving assistance in

a timely manner. The policy is designed to ensure that, to the extent possible, commodity purchases abroad help stimulate markets that need it the most.

As a part of its broader mission, USAID aims to help develop agricultural markets in other countries to increase local resilience and decrease reliance on food assistance. As lesser- developed economies strengthen and household incomes increase, countries often seek to import commodities to meet domestic demand. Given that the United States is a major exporter of agricultural commodities, it is very likely countries would seek to purchase U.S. agricultural commodities. For example, South Korea received food aid from the United States in the 1950s, and is now a major economy importing U.S. agricultural commodities. Finally, volumes of commodities being purchased by our implementing partners through LRIP modalities for humanitarian assistance are negligible when compared to overall global production and trade volumes.

3. Ready to Use Therapeutic Food (RUTF):

a. Please provide an account of how much was spent on RUTF procurement under Food for Peace and with International Development Assistance funding.

Answer:

In FY21, USAID's Bureau for Humanitarian Assistance (BHA) used Title II Food for Peace funds to support the direct purchase of 9,290 Metric Tons (MT) of ready-to-use therapeutic food (RUTF) from two U.S. suppliers, and an estimated 11,780 MT of RUTF using International Development Assistance (IDA) funds authorized by the Foreign Assistance Act of 1961, as amended, through the United Nations Children's Fund (UNICEF) from 22 approved suppliers located in 15 countries: Burkina Faso, Ethiopia, France, Haiti, India, Kenya, Norway, Pakistan, South Africa, Sudan, Madagascar, Malawi, Niger, Nigeria, and the United States. This product, along with funding provided for programming actions, supported the treatment of 1,517,040 children with severe wasting in 23 disaster-affected countries.

In FY22, BHA used IDA funding, including from the Ukraine supplemental appropriations; Title II Food for Peace funding; and the drawdown of the Bill Emerson Humanitarian Trust (BEHT) to support the purchase of 70,564 MT of RUTF, covering treatment for 5,213,112 children in 23 disaster-affected countries. Specifically, Title II funds supported the direct purchase of 11,601 MT of RUTF from two U.S. suppliers, and UNICEF used IDA funds to procure 58,963 MT of RUTF directly from 22 approved suppliers located in 15 countries.

b. How much of the \$200 million allocated last summer will go toward RUTF and how much will go toward related activities?

Answer:

The \$200 million allocated to UNICEF in 2022 supported \$119 million for RUTF procurements and \$61 million for wasting program implementation costs across thirteen priority countries facing severe food insecurity: Burkina Faso, Chad, Ethiopia, Haiti, Kenya, Niger, Nigeria, Madagascar, Mali, Somalia, South Sudan, Sudan, and Yemen. Program implementation costs include staffing, screening and referral mechanisms to identify wasted children for treatment, inputs for running outpatient treatment programs, anthropometric equipment, essential medicines including antibiotics, anti-malarials, micronutrient supplements, deworming tablets, and vaccines to ensure optimal recovery.

c. How do you plan to invest further in specific nutrition interventions like RUTF?

Answer:

BHA will continue to provide RUTF, other essential nutrition commodities, and funding for essential wrap-around services, targeting humanitarian settings with the highest burden of wasting. BHA will continue to focus funding on providing a full suite of services across the continuum of care for nutrition in emergency settings, including Community-Based Management of Acute Malnutrition (CMAM), nutrition messaging and education activities, and supplementation of the diets of nutritionally vulnerable groups including pregnant and lactating women and small children.

BHA has several ongoing work streams to improve the prevention and treatment of wasting. One priority is to improve food safety and quality specifications for RUTF and other specialized nutritious foods (SNFs), ensure producer safety and quality compliance, improve packaging, and analyze alternative formulations. A second priority is to improve the scale and quality of wasting programming by supporting operational research and policy work, ensuring the safe implementation of adaptations to clinical protocols that facilitate nutrition programming for as many children as possible. Finally, BHA will prioritize improved supply chain management, including improving the last mile delivery of SNFs. BHA will support UNICEF, the World Food Program (WFP), and international non-governmental organizations over the next three to five years to proactively stabilize levels of wasting in priority countries and aspires to support at least 30 percent of global RUTF needs.

4. The Global Food Security Act was recently reauthorized and is expected to continue the whole-of-government approach, including coordination between USAID and USDA on food programs.

a. How is USAID coordinating with USDA in operating emergency humanitarian and longer-term resilience programs?

Answer:

Emergency Humanitarian Programs:

USAID's Bureau for Humanitarian Assistance (USAID/BHA) and USDA regularly coordinate on the procurement and delivery of food commodities. Once USAID/BHA assesses and determines the need and appropriateness for U.S. in-kind food assistance, the bureau works with implementing partners to identify the types and amounts of required items from a list of eligible U.S. commodities, as well as a schedule for delivery. When USAID issues an award, implementing partners place an order or a "call forward" for commodities. USDA then issues a tender to U.S. producers, evaluates the resulting offers, and ultimately purchases the commodities on the open market.

Throughout the commodity procurement process, USAID and USDA work closely on commodity specifications, packaging improvement, handling and fumigation protocols, vendor audits and inspection processes. The agencies may also consolidate cargoes to lower prices based on better economies of scale for both commodity suppliers and ocean transporters. USAID and USDA also collaborate regularly on the Food Aid Consultative Group (FACG), which meets at least twice per year with its members to review and address issues concerning U.S. food assistance programs authorized under Title II of the Food for Peace Act.

In 2022, USAID and USDA also collaborated on a historic draw-down of the full balance of the Bill Emerson Humanitarian Trust (BEHT) to respond to the global food security crisis by bolstering food assistance programs in Ethiopia, Kenya, Somalia, Sudan, South Sudan, and Yemen—providing more than 480,000 metric tons of wheat, sorghum, split peas, lentils, vegetable oil, and specialized nutritious foods to people in need. USDA provided \$388 million in additional funding through the Commodity Credit Corporation (CCC) to cover ocean freight transportation, inland transport, internal transport, shipping and handling, and other associated costs for the commodities purchased with the funding from the draw-down.

Longer-Term Programs:

USAID and USDA collaborate very closely in interagency working groups on research, nutrition, monitoring and evaluation, global engagement, and more. USDA actively participates in the implementation of the Global Food Security Strategy (GFSS), at both the headquarters level and through participation in overseas interagency teams. In particular, USAID and USDA co-lead the implementation of the GFSS research portfolio. This collaboration most recently resulted in the 2022-2026 Global Food Security Research Strategy (GFSRS), which is the guiding document for the U.S. Government's food security research and innovation investments. USAID also coordinates closely with USDA in the development of the interagency GFSS country plans to ensure that relevant USDA investments are layered with humanitarian and longer-term resilience programming, as appropriate.

For example, the USDA McGovern Dole Food for Education program in Madagascar has been implementing the Mianatra Project in the Deep South of Madagascar since 2021, and has since started up a second award in December 2022 in response to chronic food insecurity, and escalated food insecurity and malnutrition crisis over the past 4 seasons. The programs focus on increasing access to a nutritious diet, literacy, and also

strengthening local communities to manage school feeding systems. USDA and the USAID multi-sectoral Resilience and Food Security Activity (RFSA) have collaborated on joint targeting and strengthening programmatic linkages, such as strengthening systems for local cassava production and processing used in the feeding programs, and broader cassava flour sales and marketing. USAID Madagascar and USDA are continuing to collaborate closely with local stakeholders and respective implementing partners to ensure that existing and new opportunities for operationalizing sequency, layering, and integration, and bridging the Humanitarian Development Nexus are informing the GFSS Country Plan development, and broader resilience approach.

Furthermore, USDA contributes to the Feed the Future (FTF) initiative via its international food assistance and international trade and scientific exchange and fellowship programs (in particular, the Food for Progress Program and the McGovern-Dole International Food for Education and Child Nutrition Program). For example, USAID and USDA in Malawi are currently coordinating with the FTF Implementing partners and USDA Food for Progress Implementing Partners to ensure that the private sector engagement approaches and value chain investments are coordinated and that these programs are key considerations in the GFSS Country Plan development. USDA continues to generate evidence and apply it to program improvement as part of its monitoring and evaluation cycle. Lastly, USDA has also played a key leadership role in the development of two global climate-smart agriculture initiatives: the Agricultural Innovation Mission for Climate and the President's Emergency Plan for Adaptation and Resilience. Both initiatives align closely with and contribute to the GFSS and the U.S. government's international food security efforts.

b. What are the potential barriers to further synchronizing USAID and USDA programs?

Answer:

USAID and USDA are actively working to strengthen existing technical connections and communications across all expertise to avoid gaps in coordination or duplication of efforts in the emerging agricultural sectors of LMICS (Lower to Middle Income Countries).

USAID and USDA successfully collaborate across multiple sectors and programs and are working on improving communications and coordination on new areas, such as specific threats to animals and crops.

One newer area of collaboration includes interagency emergency responses for threats to global agriculture and food security through contribution of technical expertise and the unique operational capacities of both USDA and USAID. This was demonstrated in response to recent threats like desert locusts, fall armyworm and African swine fever. Through technical coordination and collaboration on specific threats, USDA and USAID are gaining broader understanding of the mission and mandate of each Agency. Where there is the opportunity to leverage these, progress can be made toward a successful whole-of-government approach. At times, these missions and mandates will mean that

there are significant differences in approach, prioritization of target groups reached, activities and geographies.

With regard to the USDA Food for Progress (FFPr) program, there are some differences in targeting between FFPr programs and USAID Feed the Future (FTF) activities that affect the geographies we select and the farmers we choose to work with. Additionally, the monetization of commodities also still plays a core role in FFPr programs, and has programmatic and market implications for FTF and BHA programming, which no longer support monetization.

USDA will be submitting their own response.

5. Non-emergency program implementers have expressed concerns with the commodity requirements associated with those projects.

a. Has USAID required a blanket commodity purchase for each [Title II non-emergency] project?

Answer:

Title II of the Food for Peace Act includes a 20 percent cap on cash resources that support the administration, management, and distribution of food assistance programming, known as Section 202(e) resources. USAID's Bureau for Humanitarian Assistance (USAID/BHA) must manage this cap across all Title II countries and programs, both emergency and non-emergency. While USAID does not require a blanket commodity purchase for non-emergency projects, the need to balance limited 202(e) resources in an unpredictable environment of unprecedented global needs frequently requires non-emergency programs to incorporate substantial quantities of commodity purchases.

U.S. commodities have a significant role in Title II emergency programs; however, non-emergency programs are intended to build the resilience of vulnerable communities and bridge the gap between emergency and development assistance and commodities are not always the optimal modality for assistance. For example, in Haiti, due to rising pressure on 202(e) resources, the 2021 Resilience Food Security Activity (RFSA) solicitation required the design to include a minimum of 50 percent of U.S. in-kind commodity use annually. During the question and answer period, partners, including local Haitian organizations, expressed concern about the need to program commodities, noting that in-kind imports distort local markets and would be antithetical to the program's goal to build resilience amongst farmers. Partners were also concerned about the lack of warehousing and storage capacity, potential displacement of local production and trade, and the policies of the host government.

As Congress works to reauthorize the Food for Peace Act, technical changes to the legislation could have profound and transformational impacts on the future of U.S. food assistance, while maintaining the United States' legacy as the leading donor of

humanitarian food assistance, including by providing in-kind, U.S. sourced agricultural commodities. For example, by updating authorities to make U.S. commodities in non-emergency programs a programming option, rather than a requirement, USAID's partners would have increased flexibility to use Title II resources to design non-emergency activities that are tailored to the local drivers of hunger and that contribute to sustainable development outcomes. USAID would continue to provide U.S.-sourced commodities through Title II emergency programs, while maintaining the flexibility to design non-emergency programs for the singular purpose of helping communities build resilience. As an additional benefit, this reform could facilitate the entry of more local organizations in Title II programming, as many do not have experience in commodity supply chain management.

b. What are your thoughts on implementers meeting those requirements across the program by balancing purchases across different countries and projects?

Answer:

Due to the unpredictability of global needs and markets, USAID/BHA plans conservatively to ensure we do not pass the 20 percent cap on 202(e) resources. This is particularly challenging for us as we do not issue our awards at the same time each year—like other USAID bureaus do—but respond throughout the year to emerging disasters and evolving crises.

Furthermore, the cost of delivering humanitarian assistance continues to rise rapidly. The World Food Program reported that since Russia's further invasion of Ukraine on February 24, 2022, the cost of global humanitarian operations has increased 44 percent over 2019 levels. These rising operational costs have stretched critically-needed 202(e) resources to the brink, limiting USAID's ability to support high-quality, context-based resilience programming as well as increasingly expensive emergency program logistics.

By updating Title II authorities to make U.S. commodities in non-emergency programs a programming option, rather than a requirement, we can ensure that USAID's non-emergency programs are responsive to the needs of beneficiaries and can build sustainable resilience in communities across different countries and contexts.

6. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program

a. How does the Farmer-to-Farmer program help USAID achieve its objectives to end hunger, poverty and malnutrition?

Answer:

Through the Farmer-to-Farmer (F2F) Program, authorized by the Food for Peace Act, USAID brings the expertise and capabilities of American agricultural volunteers to solve development challenges in agriculture and food security abroad. Agriculture-led growth

is up to three times more effective at reducing poverty than growth in other sectors. F2F has remained effective over the years because the program model is competitive, flexible, and aligns assignments with U.S. government activities and strategies in developing countries. The program is fully demand-driven, responding to needs of local organizations that request volunteers to provide specific technical assistance. Since 1985, over 21,200 F2F volunteer assignments have supported more than 13,700 organizations, reaching 180 million people in 117 countries. F2F leverages the expertise, generosity, and ingenuity of U.S. volunteers from all 50 states.

Too often, farmers in the developing world are cut off from technologies and innovations that can improve their productivity and competitiveness. Farmers have the proven strength and resilience to lift their families and communities out of poverty, but they need access to the best practices available. F2F is designed to help bridge this gap, with highly-skilled volunteers helping people access the tools and information they need to thrive. F2F activities are quite varied and focus on animal-sourced foods, field crops, horticulture, rural livelihoods, resilience, and food security, among others. Improving production, processing, handling, and marketing of agricultural commodities means more food availability, more diverse and safer food options, and more income for smallholder farmers.

b. How can we better connect the expertise of land grant universities' research to meet the goals of this program?

Answer:

USAID currently funds a portfolio of 20 U.S. university-led Feed the Future Innovation Labs (FTFIL) which develop science-based technologies and innovations that improve crop production, protect livestock, help farmers manage pests and diseases, and build sustainable climate-resilient farming systems. To bring these solutions to farmers, the FTFILs rely on host country partners which include Farmer-to-Farmer.

For example, a partnership between the Peanut Innovation Lab, led by the University of Georgia, and the F2F program brought innovation and capacity-building to scale, training 3,636 farmers in groundnut production and aflatoxin control, including 2,245 women and 363 youth. Through the collaboration—which was built on the strengths of both parties—thousands of smallholder farmers received training in Malawi (669 farmers), Mozambique (381 farmers), Zambia (1,254 farmers) and Zimbabwe (1,322 farmers).

In Malawi, the Mississippi State University-led Fish Innovation Lab has partnered with F2F to pilot integrated insect-to-fish farming systems. The activity focus is on using black soldier fly (BSF) as fish feed and filling empirical knowledge gaps that currently preclude effective implementation of BSF as affordable fish feed. F2F is working with local fish farmer volunteers to teach the community how to mass rear BSF.

F2F volunteers can help translate the science that the FTFILs bring to farmers on the ground. And, by working with farmers, F2F offers a feedback loop to help the FTFILs ensure that their technologies are meeting farmers' needs.

7. Ukraine

a. How have USAID's humanitarian assistance programs been impacted by the conflict in Ukraine?

Answer:

Russia's invasion of Ukraine increased prices for food commodities, fertilizer, and energy. The invasion also severely restricted the supply of grain exports from Ukraine, which was a crucial source for wheat and corn used to feed acutely food insecure populations across the globe. The price and supply shocks, combined with the recovery from the COVID-19 pandemic, weather extremes caused by climate change, and prolonged complex emergencies increased the number of people around the world in need of humanitarian assistance. Many countries facing acute food insecurity and other humanitarian crises previously relied on imports of Ukrainian or Russian grain and fertilizer to meet food needs and support domestic agricultural production. For example, prior to the war, Somalia imported 95 percent of its wheat from Russia and Ukraine. Russia's invasion led to decreased food availability, decreased agricultural production, and price spikes that have made food unaffordable for many. The generous support of Congress through several Ukraine supplemental appropriations acts was instrumental to USAID's ability to reach more people with lifesaving, multi-sectoral humanitarian assistance.

Acute food insecurity impacts the amount of food communities can eat; it also affects the health of families and the nutrition status of children, and it changes the types of protection risks that women and girls face in their communities. In order to address these compounding needs, USAID provides a comprehensive package of assistance when responding to severe food security crises in addition to food assistance: treatment for acute malnutrition, health services, clean water, safe shelter, and protection programs that aim to prevent and respond to gender-based violence and child protection threats. For example, USAID has been supporting the development of a toolkit to address gender-based violence, which provides practical guidance to help agriculture program staff identify and address gender-based violence in their work as they focus their efforts to address the food security crisis.

In addition to being one of the key drivers of increased global humanitarian need, Russia's invasion of Ukraine has also impacted humanitarian operations through its effects on global supply chains and fuel and commodity markets. Ocean transportation costs have increased due to the high price of oil and an increase in demand in the freight market. Furthermore, USAID's purchasing power for food commodities dropped 15 percent from FY 2021 to FY 2022—a result of increased commodity and transportation

costs. If this trend continues, USAID will feed 10 million fewer people in the coming year. In addition to higher costs, volatility in the markets also makes planning for humanitarian operations extremely difficult.

b. Has it strained global response and how have the agencies been able to maintain other needed assistance?

Answer:

Thanks to the generosity of Congress, USAID/BHA was able to mount a robust response to the humanitarian crisis in Ukraine and the surrounding region, while also scaling up assistance globally to address the impacts on global food security and other humanitarian needs. USAID/BHA programmed a total of \$11.8 billion in fiscal year 2022, an almost 50 percent increase over the prior year. This includes funding from base appropriations, the Afghanistan supplemental appropriations, two Ukraine supplemental appropriations, and a historic full draw-down from the Bill Emerson Humanitarian Trust.

At current resource levels, USAID/BHA will not be able to maintain this level of assistance going forward and faces a more than 10 percent decrease in budgetary resources from FY22 to FY23. Going into FY24, USAID faces a steep decline in resources, with a minimum carryover, if base appropriations remain flat and in the absence of supplemental appropriations. However, the global gap between needs and resources continues to grow, and USAID is facing very difficult trade-offs for other emergencies at a time when needs are unprecedented, costs are high, and contributions from other donors are lagging. The Ukraine crisis and its ripple effects will continue to strain global humanitarian resources, and USAID/BHA will continue to prioritize available resources for the most acute emergency needs, while maximizing efficiencies and drawing on all tools available.

Senator Tina Smith

1. The international food assistance programs in the Farm Bill are in many cases interagency endeavors to support food security globally, particularly by USDA and USAID.

a. Can you speak to some successes as well as some of the gaps in this USDA and USAID collaboration?

Answer:

USAID's Bureau for Humanitarian Assistance (USAID/BHA) and USDA regularly coordinate on the procurement and delivery of food commodities. Once USAID/BHA assesses and determines the need and appropriateness for U.S. in-kind food assistance, the bureau works with implementing partners to identify the types and amounts of required items from a list of eligible U.S. commodities, as well as a schedule for delivery.

When USAID issues an award, implementing partners place an order or a “call forward” for commodities. USDA then issues a tender to U.S. producers, evaluates the resulting offers, and ultimately purchases the commodities on the open market. Throughout the commodity procurement process, USAID and USDA work closely on commodity specifications, packaging improvement, handling and fumigation protocols, vendor audits and inspection processes. The agencies may also consolidate cargoes to lower prices based on better economies of scale for both commodity suppliers and ocean transporters. USAID and USDA also collaborate regularly on the Food Aid Consultative Group (FACG), which meets at least twice per year with its members to review and address issues concerning U.S. food assistance programs authorized under Title II of the Food for Peace Act.

In 2022, USAID and USDA also collaborated on a historic draw-down of the full balance of the Bill Emerson Humanitarian Trust (BEHT) to respond to the global food security crisis by bolstering food assistance programs in Ethiopia, Kenya, Somalia, Sudan, South Sudan, and Yemen—providing more than 480,000 metric tons of wheat, sorghum, split peas, lentils, vegetable oil, and specialized nutritious foods to people in need. USDA provided \$388 million in additional funding through the Commodity Credit Corporation (CCC) to cover ocean freight transportation, inland transport, internal transport, shipping and handling, and other associated costs for the commodities purchased with the funding from the draw-down.

USAID and USDA are actively working to minimize technical and coordination gaps.

First, one area of collaboration includes interagency emergency responses for threats to global agriculture and food security through contribution of technical expertise and the unique operational capacities of both USDA and USAID. This was demonstrated in response to recent threats like desert locusts, fall armyworm and African swine fever. Through technical coordination and collaboration on specific threats, USDA and USAID are gaining broader understanding of the mission and mandate of each Agency. Where there is the opportunity to leverage these, progress can be made toward a successful whole-of-government approach. At times, these missions and mandates will mean that there are significant differences in approach, prioritization of target groups reached, activities and geographies.

USAID and USDA are actively working to strengthen technical connections and communications across all expertise to avoid gaps in coordination or duplication of efforts by both agencies in the emerging agricultural sectors of LMICS (Lower to Middle Income Countries).

Second, the USDA Food for Progress (FFPr) program in some geographic areas differs in the targeting and capacity levels of farmer groups from some USAID programs. For example, FFPr may not overlap directly with the same targets as some humanitarian partners or some Feed the Future (FTF) investments. Additionally, the monetization of commodities also still plays a core role in FFPr programs, and has programmatic and

market implications for FTF and BHA programming, which no longer support monetization.

Third, while interagency agreements with USDA represent an opportunity for tapping into respective comparative advantages, they have funding constraints. For example, the Food Safety Network—and its successor the Food Safety for Food Security project—is funded by USAID and implemented by USDA as the prime partner. USAID then takes on management and overhead costs. Participating interagency program agreements (PAPAs) Interagency Agreements are important tools for leveraging technical resources across the U.S. government.

b. Is the Farm Bill an opportunity to fill these gaps?

Answer:

USAID is seeking technical changes to the Food for Peace Act that will further maximize the use of U.S. in-kind commodities in the contexts where they are most helpful, foster innovative and effective nonemergency programming that addresses the root causes of hunger and builds resilience, reduce administrative burden for partners, and make these programs more accessible to local organizations. In the coming months, USAID will work with USDA to identify any opportunities for the Farm Bill to support improved coordination between our agencies.

Senator Reverend Raphael Warnock

- 1. Thank you for your testimony, Ms. Charles. I was pleased to see USAID's announcement in July 2022, providing a one-time infusion of \$200 million for Ready to Use Therapeutic Foods (RUTF), the single most effective treatment for child wasting – the most dangerous form of malnutrition. Peanuts are one of the main protein sources of RUTF and the producers in my state are proud to play such a critical role in the production of this life-saving treatment to address global child malnutrition and hunger.**

- a. How much was spent on RUTF procurement as part of Public Law 480 Title II and International Disaster Assistance funding during each of fiscal years 2021 and 2022?**

Answer:

In FY21, USAID's Bureau for Humanitarian Assistance (BHA) used Title II Food for Peace funds to support the direct purchase of 9,290 Metric Tons (MT) of ready-to-use therapeutic food (RUTF) from two U.S. suppliers, and an estimated 11,780 MT of RUTF using International Development Assistance (IDA) funds authorized by the Foreign Assistance Act through the United Nations Children's Fund (UNICEF) from 22 approved suppliers located in 15 countries—Burkina Faso, Ethiopia, France, Haiti, India, Kenya,

Norway, Pakistan, South Africa, Sudan, Madagascar, Malawi, Niger, Nigeria, and the United States. This product, along with funding provided for programming actions, supported the treatment of 1,517,040 children with severe wasting in 23 disaster-affected countries.

In FY22, BHA used IDA funding, including from the Ukraine supplemental appropriations; Title II Food for Peace funding; and the drawdown of the Bill Emerson Humanitarian Trust (BEHT) to support the purchase of 70,564 MT of RUTF, covering treatment for 5,213,112 children in 23 disaster-affected countries. Specifically, Title II funds supported the direct purchase of 11,601 MT of RUTF from two U.S. suppliers, and UNICEF used IDA funds to procure 58,963 MT of RUTF directly from 22 approved suppliers located in 15 countries.

b. Additionally, how much of the \$200 million does USAID anticipate will be spent on RUTF as opposed to related activities?

Answer:

The \$200 million allocated to UNICEF in 2022 supported \$119 million for RUTF procurements and \$61 million for wasting program implementation costs across 13 priority countries facing severe food insecurity—Burkina Faso, Chad, Ethiopia, Haiti, Kenya, Niger, Nigeria, Madagascar, Mali, Somalia, South Sudan, Sudan, and Yemen. Program implementation costs include staffing, screening and referral mechanisms to identify wasted children for treatment, inputs for running outpatient treatment programs, anthropometric equipment, essential medicines including antibiotics, anti-malarials, micronutrient supplements, deworming tablets, and vaccines to ensure optimal recovery.

Senator Peter Welch

1. Could you please highlight the importance of the Food for Peace program and specifically elaborate on how the emergency and development components of the program work together?

Answer:

Thanks to the leadership and generosity of Congress, programs authorized by Title II of the Food for Peace Act have nourished hungry communities and saved lives for more than sixty-five years. Through early warning of food insecurity and emergency food assistance activities, the Food for Peace program enables USAID's Bureau for Humanitarian Assistance to save lives, reduce suffering, and support the early recovery of people affected by conflict and natural disaster emergencies, including refugees. In Fiscal Year 2022, USAID provided approximately \$2.6 billion in Title II Food for Peace assistance, procuring nearly 1.8 million metric tons of food from the United States and reaching nearly 45 million beneficiaries in 31 countries. Nearly 90 percent of Title II assistance went to emergency responses, while the remaining 10 percent contributed to

bridging the gap between emergency and development assistance, strengthening the resilience of communities forcibly displaced by weather-related events and conflict.

Programs authorized under the Title II non-emergency authority of the Food for Peace Act target areas where disasters are prevalent or conflicts are persistent and address the root causes of food insecurity, helping families to build resilience to recurrent shocks and reducing long-term need for humanitarian assistance by diversifying and improving access to and availability of food, particularly for the most vulnerable.

USAID's Bureau for Humanitarian Assistance works closely with colleagues in the Bureau for Resilience and Food Security to target non-emergency programs in countries that they have identified as Feed the Future target countries. This ensures that communities can access the full range of USAID's programming from humanitarian assistance to longer-term sustainable development programs. The Food for Peace program is vital to allowing a seamless transition between emergency and development contexts, building families and communities' resilience in the face of future shocks and stresses.

The Farm Bill reauthorization amid an unprecedented global food security crisis provides an unparalleled opportunity for Congress and USAID to work together to reauthorize the Food for Peace Act and ensure that the U.S. government can maximize American generosity and continue to meet the humanitarian challenges of today and tomorrow. As Congress works to reauthorize the Food for Peace Act, technical changes to the legislation could have profound and transformational impacts on the future of U.S. food assistance, while maintaining the United States' legacy as the leading donor of humanitarian food assistance, including by providing in-kind, U.S. sourced agricultural commodities.

2. How can this Committee expand access to international assistance programs for small- and medium-sized farmers, like those in Vermont, in the upcoming Farm Bill?

Answer:

USAID's Bureau for Humanitarian Assistance (USAID/BHA) welcomes the participation of small- and medium-sized Vermont farmers in the bureau's procurement and delivery of food commodities authorized through Title II of the Food for Peace Act. The FY22 supply base for U.S.-based food assistance is very diverse, ranging from small, family businesses to multinational companies, with a total of 43 commodity vendors operating in 23 states. Many of these companies have a long history of participation in and support of providing in-kind assistance.

USAID/BHA and the U.S. Department of Agriculture (USDA) regularly coordinate on the procurement and delivery of food commodities. Once USAID/BHA assesses and determines the need and appropriateness for U.S. in-kind food assistance, the bureau works with implementing partners to identify the types and amounts of required items from a list of eligible U.S. commodities, as well as a schedule for delivery.

Once USAID issues an award, implementing partners place an order or a “call forward” for commodities. USDA then issues a tender to U.S. producers, evaluates the resulting offers, and ultimately purchases the commodities on the open market. USAID coordinates with USDA to monitor the price and availability of food commodities; USAID receives quarterly price estimates from USDA and shares these estimates with implementing partners. Final commodity selections are made based on appropriateness, availability, and estimated purchase price.

Senate Agriculture Committee members may encourage farmers to review USAID’s Food Aid Product Information Guide, which provides up-to-date information about each food product or commodity distributed under Title II of the Food for Peace Act. Industry and other stakeholders can apply for new opportunities via USDA’s Agricultural Marketing Service, which issues Purchase Program Announcements throughout the year.

Senator Joni Ernst

- 1. The Bureau for Humanitarian Assistance (BHA) has been at the forefront of the United States’ response to the humanitarian crisis related to Ukraine. BHA has been appropriated billions by Congress to support Ukraine and the global humanitarian crisis following Russia’s brutal invasion. However, there are still some credible concerns that BHA has not been allocated the human resources sufficient for its critical role.**

- a. Is it your judgment that BHA has sufficiently staffed operations dedicated to Ukraine? Please include an assessment of how you determined your response.**

Answer:

The staffing footprint is appropriate and sufficient for the size of the response. BHA determined the size of the Ukraine response team based on the scale of needs on the ground, as well as the scale and scope of the humanitarian response, and regularly reassesses and adjusts the size of the team to ensure it remains fit for purpose. As of February 1, the Ukraine Response Management Team (RMT), located in Washington D.C. had 21 staff members and the Disaster Assistance Response Team (DART), located in Rzeszów, Poland and Kyiv, Ukraine had 14 staff members. These teams are also augmented by support from across BHA’s seven offices, which can adjust to address any other requirements as needed. At the peak of staffing on April 5, 2022, the response had a total of 75 staff members on the RMT and DART, including staff in Kyiv at that time.

- b. How many dedicated Contracting Officers are currently working in Ukraine? Please only include warranted staff who are fully dedicated to Ukraine, not partially assigned.**

Answer:

In support of USAID's development assistance activities, there are three full-time Foreign Service Contracting Officers supporting Ukraine. One Contracting Officer is working from Poland and is the only one formally assigned to USAID Ukraine. One Contracting Officer is assigned to the USAID Bureau for Management's Office of Acquisitions and Assistance (M/OAA) providing surge support from Washington D.C. and one Contracting Officer is providing surge support from our Office of Support Operations (OSO) in Frankfurt, Germany.

BHA does not have any Contracting Officers solely dedicated to working on the Ukraine humanitarian assistance activities. BHA manages awards centrally in Washington, D.C., and all of BHA's dedicated Contracting Officers are located in Washington, D.C.

- c. How many Contracting Officers are currently dedicated to BHA? Please only include warranted staff, not partially assigned?**

Answer:

There are currently five Contracting Officer (CO) positions dedicated to BHA, which includes three COs with active warrants and two vacant positions that are scheduled to be filled imminently. Selections have been made for both vacant positions and the incoming staff are in the process of onboarding, with the intent to seek warrants rapidly. Additionally, there is one contract specialist in the process of receiving a warrant and two more contract specialists working to have warrants by August 31, 2023.

- d. How many Contracting Officers are partially assigned to BHA? Please include the average percent of their assignment to BHA?**

Answer:

As of February 1, there are two Contracting Officers partially assigned to BHA and both are assigned at 50 percent of their time. Surge staff are also available to respond to emerging priorities in the case of significant workload increases or if multiple emergencies occur simultaneously. Additionally, as of March 31, 2023, there will be another half-time time Contracting Officer assigned to support the BHA Personal Service Contract (PSC) portfolio, with additional warrants planned in the next six to twelve months.

- e. What is your assessment on the effectiveness of partially assigned Contracting Officers?**

Answer:

Based on current experience, the partially assigned Contracting Officers operate within the division backstopping BHA and are fully informed and experienced on BHA

procurements and able to respond similarly to the fully dedicated (100 percent time) warranted staff.