

**Testimony of Secretary Sonny Perdue**  
**U.S. Department of Agriculture**  
**before the**  
**United States Senate Committee on Agriculture, Nutrition, and Forestry**  
**April 24, 2018**

Good Morning Chairman Roberts, Ranking Member Stabenow, and distinguished Members of the Committee. Exactly one year ago, many of you, along with your colleagues voted to confirm me as the 31<sup>st</sup> Secretary of Agriculture; an honor I truly cherish. I thank you for the opportunity to appear before you to testify about the current state of rural America. Over the past year, USDA has made breakthroughs in agricultural trade, moved to reduce burdensome regulations, identified over 100 recommendations to improve life in rural America through the Taskforce on Agriculture and Rural Prosperity, responded to an inordinate number of natural disasters, and battled through an extreme fire season, among other notable achievements. Through all of these successes, USDA has been able to remain on a path to become the most effective, most efficient, and best managed department in the Federal government. We also look forward to other program improvements this year as part of a reauthorized Farm Bill to help us better serve the American people and farmers.

**The State of Rural America**

As mentioned, over the past year, farmers have continued to stand the test of time, weathering natural disasters, low markets prices, and anxiety regarding exports. But through the resilience of farmers, American agriculture will continue to prosper. In 2017, we saw the largest soybean crop ever, corn production was the second highest in history, and cotton yields hit a record high; however, some of our competitors have seen similar high production numbers. Last year, farmers, less than one percent of the American population, provided food and fiber to over 300 million Americans, and millions more around the globe. The economy is strong with 103,000 jobs created in March and unemployment at 4.1 percent. Over 21,000 young and beginning farmers signed up for the Beginning Farmers Loan Program. Farm and food exports were the third- highest on record at approximately \$140.5 billion. Our producers and our agencies have continued to make sure America has the highest quality, most abundant, safest, and affordable food supply in the world. As agriculture policy leaders, it's our job to make sure American producers and consumers can continue enjoying our vast food supply by reducing regulatory burdens, increasing efficiency, and implementing our programs with responsibility and integrity.

On my first day in office, President Trump signed an Executive Order directing me to lead the Interagency Task Force on Agriculture and Rural Prosperity. On January 8, 2018, we released the findings of the Task Force. The report is the result of an intensive six-month effort made by 22 Federal agencies in partnership with state, local, and tribal leaders. The recommendations centered on five areas: e-connectivity, quality of life, rural workforce, technology, and economic development. To ensure that the findings of this report have a meaningful impact on rural America, we are moving forward to implement the initial recommendations and to expand stakeholder participation. We are working closely with the White House so that we can move forward together in making a lasting impact in rural America.

No doubt, rural America has struggled under burdensome regulations, but this Administration is taking aggressive action to reduce confusing, burdensome regulations that impair productivity, and USDA is not an exception. Regulations must be consistent, affordable, and practical enough for our customers and staff to continue doing the important job of feeding, fueling, and clothing the nation. Under President Trump's leadership, this Administration has made it a top priority to get rid of excessive regulations, and has eliminated 22 existing regulations for every new one that comes on the books. At the President's direction, regulatory reform is one of the cornerstones of the Department's strategies for creating a culture of consistent, efficient service to customers, while reducing burdens and improving efficiency. USDA anticipates in fiscal year 2018 issuing regulations that will result in over \$56 million in annual savings.

President Trump has also made it a priority to rebuild our infrastructure and he has followed through on that commitment. Under the President's infrastructure plan, rural America would receive a much-needed boost in investment. With a quarter of the new Federal money heading to rural parts of the country, states will have the ability to expand broadband access, increase connectivity, rebuild roads, and supply affordable utilities. Importantly, states will have the flexibility to choose which projects will best meet their unique needs. In my travels across the country, I have heard from the people in the Heartland, and the overwhelming view is that this is just the type of investment they are looking for to help create jobs, improve education, improve the quality of life, and increase overall prosperity. Last year, USDA made significant investments in rural infrastructure, including telecommunications, e-connectivity, water and sewer systems, and critical community facilities that have improved educational, health, and economic opportunities for rural residents. These vital services are part of the foundation of a high quality of life for the 46 million rural Americans. Congress also recognized the critical tool broadband is for rural Americans and provided \$685 million for this effort in the Omnibus. Of this amount, \$600 million will be used to start a pilot program to improve rural broadband. We can, and we should do better for our Nation's future for many generations to come.

This past year, natural disasters, including flooding, hurricanes, droughts, and wild fires, greatly impacted our rural communities. In response to the hurricane season, USDA was able to provide more than \$5.4 million in infant formula and baby food, and distribute nearly 13 million pounds of USDA Foods for congregate feeding and disaster household feeding. In coordination with other federal, state and local, agencies, over 28,000 personnel, including nearly 10,000 Forest Service personnel, responded to an extreme fire season. USDA appreciates the work of Congress to include a bipartisan fix to address funding for fighting wildfires and making forest management reforms in the 2018 Consolidated Appropriations Act. This solution will enable us to improve overall forest health and help keep wildfires from threatening lives, homes, and communities. And on April 6th, USDA announced the 2017 Wildfire and Hurricane Indemnity Program (WHIP) as directed by Congress through the Bipartisan Budget Act of 2018, to offset losses for producers affected by hurricanes Harvey, Irma, and Maria and devastating wildfires. With the help of crop insurance and our suite of disaster programs, many producers were able to recover from a difficult farming season.

International trade continues to be an engine for economic growth in rural America. Over the past year, we have inked deals to get U.S. beef back into China, U.S. pork back into Argentina, lifted South Korea's ban on U.S. poultry imports, and eased the regulations on U.S. citrus in the European Union. Since the day he took office as USDA's first Under Secretary for Trade and

Foreign Agricultural Affairs, Ted McKinney has been circling the globe, promoting U.S. agricultural products and engaging with foreign government counterparts to break down barriers to U.S. exports. The trade missions to India and Guatemala he led will generate more than \$30 million in projected 12-month sales for the U.S. agribusinesses that took part. China is a key market for U.S. agriculture, but China's unfair trade policies, including agriculture subsidies and import restrictions, have undermined fair trade and the global trading system. As we take a stronger approach to the way we handle trade as a Nation, President Trump has directed me to use all of my authorities to ensure that we protect and preserve our agricultural interests. USDA has worked to find, open, and expand markets for the high-quality food, fuel, and fiber that our farmers and ranchers produce. We are leaving no stone unturned as we work to enter into trade agreements that will benefit American agricultural producers.

Finally, I would like to turn to the 2018 Farm Bill. The Farm Bill not only addresses many of the issues I have already discussed, but is critical to animal health, marketing, and other agricultural programs; nutrition assistance; our investments in agriculture research; and support for Land Grant universities, among others that help USDA support producers and rural communities. We appreciate Congress' work in developing the Farm Bill, and the Administration stands ready to assist as requested.

Over the past year, my team and I have traveled to more than 35 states to talk with the men and women who are at work in the fields on America's farms and ranches to produce the food and fiber that feeds and clothes every American, and also much of the world. Whether we were holding town halls, or listening sessions in fields, machine sheds, community colleges, or front yards, we were gathering good advice. We heard about what works from previous Farm Bills, and what is not working right now. We took what we heard from the field and released a set of principles to aid you in drafting the next Farm Bill. I hope they serve you well as you go about your important work. As you deliberate, it is imperative that you improve the tools the Department has to address pressing and difficult situations faced by our producers, within a streamlined budget constraint.

## **Conclusion**

The success of the United States today and in the future depends on optimizing rural America's productivity and quality of life. Unleashing the potential and ingenuity of rural communities is an integral part of making America great again, and will help build a safe, strong, and proud America. Our whole Nation's prosperity is intrinsically tied to rural America's ability to thrive in the new global economy, using its abundant natural resources to provide food, fiber, forest products, energy, and recreation to the world.

I look forward to working with you to implement policies that will harness the innovative spirit of the hard-working men and women in rural America and help them improve the quality of life and economic opportunities across America. I would be happy to answer any questions at this time.