



March 29, 2017

The Honorable Thad Cochran
Chairman, Committee on Appropriations
United States Senate
Room S-128, The Capitol
Washington, DC 20510

The Honorable Patrick Leahy
Ranking Member, Committee on Appropriations
United States Senate
Room S-146A, The Capitol
Washington, DC 20510

The Honorable Rodney Frelinghuysen
Chairman, Committee on Appropriations
United States House of Representatives
Room H-305, The Capitol
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member, Committee on Appropriations
United States House of Representatives
1016 Longworth House Office Building
Washington, DC 20515

Dear Chairman Cochran, Chairman Frelinghuysen, Ranking Member Leahy and Ranking Member Lowey:

As Congress prepares fiscal year 2018 (FY18) appropriations legislation for federal agencies, the National Association of State Departments of Agriculture (NASDA) encourages you to support vital programs to ensure a safe, affordable, and abundant food supply. Ahead of the 2018 Farm Bill, support for discretionary programs under your committee's jurisdiction is more important than ever. Amidst the farm economy downturn, investment in these programs demonstrates support for America's farmers and ranchers and commitment to agriculture programs. Many economic analyses predict record levels of farm foreclosures and ripple effects throughout rural communities.^{1 2} We respectfully request that you preserve and enhance the various rural programs under your jurisdiction for FY18.

NASDA represents the Commissioners, Secretaries, and Directors of agriculture in all fifty states and four territories. As elected and appointed officials, NASDA members are strong advocates for American agriculture and are partners with a number of federal agencies in regulating, marketing, and providing services to the agricultural industry. One of NASDA's top priorities is the principle of cooperative federalism—a robust partnership and role for states in federal policymaking. Effective federal-state partnerships are critical to a host of federally-mandated regulatory programs, as well as key services the agriculture industry depends upon. Enhancing resources for states to deliver these programs and ensuring no unfunded mandates on the states are especially critical.

¹ Federal Reserve Bank of St. Louis. (2017, February 9). Agriculture Finance Monitor. Retrieved from <https://files.stlouisfed.org/files/htdocs/publications/af-finance/2017-02-09/2016-fourth-quarter.pdf>

² ERS, USDA. (2017, February 24). 2017 Farm Sector Income Forecast. Retrieved from <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/farm-sector-income-forecast/>

FOOD AND DRUG ADMINISTRATION

Integrated Food Safety System

- **Fund Food Safety Modernization Act (FSMA) State Implementation Programs at \$100 million**

NASDA urges the committee to provide sufficient funding for Food Safety Modernization Act (FSMA) implementation. **NASDA requests the committee to continue to increase funding for the state implementation activities that are required by FSMA.** While FDA is charged with writing the rules, significant implementation and enforcement activities under FSMA are the primary responsibilities of state agencies. It is crucial that Congress provide sufficient resources so as to avoid unfunded mandates on the states and to ensure farmers have the tools and education necessary to comply with these new federal requirements. Moreover, NASDA continues to insist that FDA get the rules right. The combination of problematic elements of these regulations coupled with inadequate funding for their implementation will ultimately subject producers to inconsistent and arbitrary enforcement, putting their farms in economic jeopardy while doing little, if anything to enhance food safety. Funding to ensure parity between imported and domestic food is also necessary.

NASDA continues to estimate state programs will need an investment of \$100 million annually to ensure the systematic and timely implementation of the elements of FSMA for which states have primary responsibility. To date, funding for states has focused on implementing the Produce Safety rule, but funding is also necessary for the development and operation of programs associated with the *Preventive Controls: Human Food* and *Preventive Controls: Animal Food* rules. Specifically, NASDA estimates the following funding levels for state programs are necessary:

- **Produce Safety:** \$40 million annually for state programs
- **Preventive Controls: Animal Food:** \$20 million annually for state programs
- **Preventive Controls: Human Food:** \$40 million annually for state programs

NASDA appreciates the initial investment in food safety and state programs Congress made beginning in the FY16 omnibus bill. It is hoped that the availability of additional funding, coupled with what has been provided, will ultimately allow states to fully implement effective programs.

Center for Veterinary Medicine (CVM)

- **CVM program areas at least \$196.7 million**
- **National Antimicrobial Resistance Monitoring System (NARMS) funding at \$10.8 million**
- **Combating Antibiotic Resistance Initiative at \$35 million for USDA**

NASDA supports funding of at least **\$196.7 million for CVM, which oversees the safety of animal drugs, feeds and biotechnology-derived products.** Though questions exist related to FDA's approach to regulating animal biotechnology, funding must be adequate to ensure efficient pre-market review. Further, we request that the **new user fees established by the Animal Drug User Fee Act (ADUFA) of \$22.977 million be included** in the FY18 appropriations bill. ADUFA establishes a system of performance standards to improve the new animal drug review process at CVM. The review process has improved as

CVM has met the performance standards. To maintain this success, we request the fees be integrated into this year's appropriation bill. The appropriation is entirely budget neutral as the money is provided by the animal health companies.

NASDA strongly supports the continuation of the **National Antimicrobial Resistance Monitoring System (NARMS) presently funded at \$10.8 million**. NASDA thanks Congress for increasing NARMS funding for meat testing by \$3 million in previous years. Continued funding will help detect trends in antibiotic resistance. NASDA supports an **additional \$35 million for the USDA and \$1 million for the Food Drug Administration – Center for Veterinary Medicine (CVM)** for research, monitoring, and surveillance under the **National Action Plan for Combating Antibiotic Resistant Bacteria (CARB)**. Finally, NASDA supports developing scientifically valid methods to better understand antimicrobial drug use practices in animals and the public health impacts of resistant bacteria.

U.S. DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service (AMS)

- **Protect the Specialty Crop Block Grant (SCBG) Program's mandatory funding of \$85 million**

NASDA urges the committee to protect the Specialty Crop Block Grant Program's mandatory funding of \$85 million. The SCBG Program provides important research, education, and marketing tools to enhance specialty crop competitiveness, while also advancing foods with critical health benefits to the American people. NASDA also urges the committee to protect these funds from arbitrary reprogramming efforts from within the administration.

Agricultural Research Service (ARS)

- **ARS at \$1.3 billion**
- **Office of Pest Management Policy (OPMP) at \$5 million**
- **Fully fund National Agricultural Law Center (NALC)**

NASDA supports funding of at least \$1.3 billion for ARS. ARS' intramural research and their partnerships with universities and industry are uniquely suited for projects requiring a long-term investment while maintaining the capacity to respond to emerging problems.

NASDA urges the committee to **fund the Office of Pest Management Policy (OPMP) at a minimum of \$5 million**, which includes a requested increase above the \$3 million authorized by the Agricultural Act of 2014. **We further request assurances USDA-ARS executes this complete funding allocation to OPMP.** OPMP plays a critical role in coordinating policies and activities at USDA related to pesticides. Furthermore, OPMP provides a crucial source of leadership in the coordination of interagency activities between USDA, the EPA, the FDA, and state agencies.

NASDA encourages continued extramural funding for the National Agricultural Law Center (NALC), and its partners in the Agricultural & Food Law Consortium (Consortium) through the USDA-ARS National Agricultural Library. The Consortium supports development and dissemination of objective, scholarly, and relevant agricultural and food law research and information to producers, policy makers, extension, others and NASDA leadership and members as they are a formal NASDA partner. Led by the NALC, the Consortium includes the National Sea Grant Law Center at the University of Mississippi School of Law, the Agricultural & Resource Law Program at The Ohio State University, and the Center for Agricultural & Shale Law at Penn State Law. Requested report language: *The Committee expects USDA-ARS National Agricultural Library extramural research and information consortium projects to be funded at no less than the fiscal year 2014 levels.*

Animal and Plant Health Inspection Service (APHIS) discretionary programs

- **APHIS discretionary program areas at a minimum of \$950 million**
- **Fully fund Cooperative Agricultural Pest Survey (CAPS) Program**
- **Fund Wildlife Services at \$120 million**
- **Fund Feral Swine Control at \$20 million**
- **New research funding for National Animal Health Monitoring System (NAHMS)**
- **Fully fund National Animal Health Laboratory Network (NAHLN) at \$15 million**

NASDA members are key regulatory partners with USDA-APHIS in protecting American agriculture and rural economies from the threats posed by animal and plant diseases and pests. It is estimated that plant pests alone cost the US economy over \$100 billion a year. NASDA recommends **a minimum of \$950 million in discretionary funding for APHIS.** Any reductions to APHIS' budget will result in deterioration of essential services and impair the Agency from carrying out its fundamental mission, which is "to protect the health and value of American agriculture and natural resources."

We urge the committee to fully fund the Cooperative Agricultural Pest Survey (CAPS) program, which is an important state-federal cooperative program that conducts science-based national and state surveys targeted at specific exotic plant pests, diseases, and weeds identified as threats to U.S. agriculture and/or the environment. A strong agricultural pest detection system is essential to providing a continuum of checks from offshore programs, domestic port inspections, and countrywide surveys.

NASDA encourages the committee to **adequately fund APHIS's critical Wildlife Services (WS) programs at \$120 million.** In cooperation with state departments of agriculture, industry and others, WS leadership and expertise is needed to resolve conflicts between humans and wildlife, protect public health and safety related to water quality and safety of air travelers, and protect agriculture from detrimental animal predators through identification, demonstration, and application of the appropriate methods of control. Periodic efforts to reduce or limit the use of funds for core WS missions should be rejected. NASDA also **supports \$20 million to the national control program for feral swine.** These invasive species cause an estimated \$1.5 billion annually in damages to pastures, crops, and natural areas.

NASDA supports fully funding **the National Animal Health Monitoring System (NAHMS)** for antibiotic research. Further, funding of this system must be **new money** not redirected USDA funds. **Antibiotic use data collection should be collected through the NAHMS**, which conducts national studies on the health and management of U.S. livestock populations. NAHMS has defined protocols in place, is already on-farm collecting data, and provides confidentiality protections.

NASDA was pleased the 2014 Farm Bill authorized \$15 million annually for the National Animal Health Laboratory Network (NAHLN), but even if fully funded, NAHLN will need additional funding beyond what is authorized. NAHLN is a cooperative effort composed of USDA-APHIS, NIFA, university, and state veterinary diagnostic labs. NAHLN is an early warning system for emerging and foreign animal diseases, and **we urge Congress to provide the full authorized funding in FY18.** This funding will help expand surveillance and surge capacity of the NAHLN by: increasing the number of participating state labs; developing infrastructure for electronic data transmission; and, increasing efficiency and effectiveness of lab personnel training and employment.

Food Safety and Inspection Service (FSIS)

- **Remove Prohibitions on USDA Horse Meat Inspections**
- **Fund State Food Safety and Inspection at \$63 million**

We encourage the committee to **resist attempts to include language that would prohibit funding for USDA horse meat inspection for human consumption.** A 2011 GAO study concluded that removing funding for USDA horse meat inspectors has resulted in widespread starvation, abandonment, unnecessary suffering of horses and unwanted horses being shipped farther to processing facilities in Canada or Mexico.

NASDA urges the committee to restore funding for State Food Safety and Inspection programs to \$63 million and refrain from further cuts. This funding is critical for states that provide state meat inspections under a variety of programs regulated by FSIS.

Foreign Agricultural Service (FAS)

- **Protect mandatory funding for the Market Access Program (MAP)**
- **Protect mandatory funding for the Foreign Market Development (FMD) program**

Funding for the Foreign Agricultural Service (FAS) is a key NASDA priority, and is vital to ensuring American agricultural producers and related businesses are able access important export markets. NASDA recognizes industry requests to enhance this program and urges the committee to **protect mandatory funding invested in the Market Access Program (MAP).** MAP encourages the development, maintenance, and expansion of commercial agricultural export markets. The program especially helps small businesses in urban, suburban, and rural areas access foreign markets and increase export opportunities. In addition, we encourage you to **protect mandatory funding invested in the Foreign**

Market Development (FMD) Program, thereby helping to foster trade opportunities with American businesses in emerging markets.

National Agricultural Statistics Service (NASS)

- **Funding for NASS of at least \$176.6 million**

NASDA urges the committee to fund NASS at a minimum of \$176.6 million as NASS data is vital to keeping agricultural markets stable, efficient, and fair by making available objective data to commodity market buyers and sellers. NASS provides objective, timely, accurate, and essential statistics in service to U.S. agriculture. NASS statistics provide the information necessary for producers, agribusinesses, farm organizations, economists, and others for critical decision making in agricultural marketing and investing.

National Institute for Food and Agriculture (NIFA) discretionary programs

- **National Agriculture in the Classroom at \$1 million**
- **Agriculture and Food Research Initiative (AFRI) at \$700 million**
- **Veterinary Medical Loan Repayment Program (VMLRP) at \$6.5 million**
- **Veterinary Services Grant Program (VSGP) at \$3 million**
- **Food Animal Residue Avoidance Database (FARAD) at \$2.5 million**
- **Section 1433 at \$10 million**

NASDA encourages funding for Agriculture in the Classroom (AIC) Programs at \$1 million. This funding supports state programs that provide tools to improve agriculture literacy among PreK-12 teachers and students. **NASDA recommends this programming remain under USDA's scope due to its closely aligned mission areas.**

NASDA strongly supports providing \$700 million for the Agriculture and Food Research Initiative (AFRI). AFRI competitively funds new projects and addresses emerging issues in food, agriculture, and natural resources research. Studies show that every dollar invested in agricultural research returns over \$20 to our economy. NASDA is supportive of language directing AFRI to address pollinators, antibiotic resistance and advancing drug approvals to treat minor species. Within NIFA, NASDA requests funds for the following, emphasizing impacts on animal agriculture:

- **\$6.5 million, or level funding, for the Veterinary Medical Loan Repayment Program (VMLRP).** Since 2010, 286 veterinarians have participated in the VMLRP and nearly 860 have applied. NASDA also urges congress to exempt VMLRP awards from withholding taxes.
- **\$3 million for the Veterinary Services Grant Program (VSGP)** in FY 2018 with future increases to the full authorized level of \$10 million. Congress needs to begin initial funding for the newly authorized competitive grant program to address gaps in rural areas.
- **\$2.5 million for the Food Animal Residue Avoidance Database (FARAD).** This program has received level-funding in the past at \$1.25 million. In 2013, there were more than 7.5 million animals impacted in nearly 2,000 residue avoidance cases handled by FARAD.

The 2014 Farm Bill includes enhancements to **Section 1433, Continuing Animal Health and Disease, Food Security, and Stewardship Research, Education and Extension Programs**. The expanded Section 1433 maintains the program for animal health and disease and adds a competitive grant program focusing on priorities in the areas of food security, one health and stewardship. NASDA recommends funding of \$10 million for fiscal 2018, less than half of its authorized level of \$25 million.

Natural Resources Conservation Service (NRCS)

- **Protect mandatory Environmental Quality Incentives Program (EQIP) funding at \$1.75 billion**
- **Ensure Conservation Stewardship Program (CSP) availability at 10 million acres**
- **Protect mandatory Regional Conservation Partnership Program (RCP) funding at \$110 million plus eligible funds from EQIP, CSP and ACEP**
- **Protect mandatory Agriculture Conservation Easement Program (ACEP) at \$250 million**

NASDA encourages Congress to protect the mandatory funding for the Farm Bill Title II working lands conservation programs. Voluntary, incentive-based conservation programs are necessary to advance agriculture's efforts to improve water and air quality, soil health, and address water quantity concerns. These programs also help producers avoid overly burdensome regulatory pressures.

Specifically, we urge Congress to maintain all mandatory conservation program funding for FY18. Additionally, NASDA encourages Congress to provide the maximum possible funding for Conservation Technical Assistance which provides the direct, on-the-ground assistance producers need to address specific concerns.

U.S. Forest Service

- **Forest Inventory and Analysis program at \$83 million**

The Forest Inventory and Analysis (FIA) program provides critical information on the state of our nation's forests. We ask the committee to reverse recent spending cuts and **fund FIA at a level of at least \$83 million**. The program inventories America's forests and provides unbiased information for monitoring trends in habitat, wildfire risk, insect and disease threats and other resource questions.

ENVIRONMENTAL PROTECTION AGENCY

Office of Pesticide Programs (OPP)

- **Fund OPP at \$128 million**
- **Pesticide Program Implementation Grants at \$15 million**
- **Pesticide Enforcement Grants at \$19 million**
- **State Pollinator Protection Plans at \$5 million**

NASDA encourages the Committee to adequately fund EPA-OPP at \$128 million to ensure the agency has appropriate resources necessary to support FIFRA-related activities, training, resources to facilitate state meetings, and field training resources. NASDA urges the committee **to fund EPA State Pesticide Program Implementation & Enforcement Grants at \$34 million** (\$15 million for Pesticide Program Implementation and \$19 million for Pesticide Enforcement grants). **NASDA supports funding of at least \$5 million for OPP to support existing resources available to states and tribes to develop pollinator protection plans.** This funding is critical for states in developing and implementing state managed pollinator plans. NASDA supports OPP's work to improve pollinator health through research and technical analysis on pollinators and improving understanding to promote pollinator health through the regulatory processes.

Office of Water

- **Clean Water Action Section 319 Program at \$164.9 million**

NASDA requests a minimum of **\$164.9 million for the Clean Water Act Section 319 program** but, the national need is much greater. These funds are critical for state non-point source water quality efforts.

ARMY CORPS OF ENGINEERS

Army Corps of Engineers

- **Fund costs of construction and expansion of the four priority inland waterways projects at \$363.8 million**
- **Fund at least \$800 million for inland waterways operations and maintenance**
- **Fund Operations & Maintenance (O&M) at \$3.137 billion**
- **Appropriations at levels called for in WRRDA 2014 for the Harbor Maintenance Trust Fund**

We support **\$363.8 million in funding** for the Corps to ensure funding of the **Inland Waterway Trust Fund (IWTF) for inland waterway modernization, replacement, rehabilitation, & expansion projects** (including the Olmsted, Lower Mon, Kentucky Lock Expansion and Chickamauga projects) **is maintained at the highest level** supportable by the inland waterway diesel tax revenues expected for FY18 by Treasury for the IWTF. NASDA supports the **Corps of Engineers' Operations & Maintenance (O&M) funding level of \$3.137 billion** for the operations and maintenance activities of the Corps including inland/coastal navigation.

We request reaching the **Harbor Maintenance Trust Fund (HMTF) Target levels** outlined in the 2014 WRRDA bill, including 74% of HMT received the prior fiscal year for FY18.

Conclusion

NASDA asks that you give our requests careful consideration as you work to fund the nation's agricultural policy priorities in fiscal year 2018. NASDA is a partner and co-regulator with federal agencies in the implementation of a host of food, agricultural and natural resources programs. NASDA Members have a unique wealth of information, experience, and expertise but require resources to implement and execute their responsibilities. We realize how difficult your task is but know that investing in the outlined programs will be beneficial now and in the future. NASDA stands ready to work with you and your staff to expeditiously pass the agriculture appropriations bill. Thank you for your consideration, and please let us know if you have any questions.

Sincerely,



Barbara P. Glenn, Ph.D.
Chief Executive Officer

Enclosure: NASDA Fiscal Year 2018 Appropriations Priorities Table

Cc: Representative Robert Aderholt (R-AL), Chair, Agriculture Appropriations Subcommittee
Representative Sanford Bishop (D-GA), Ranking Member, Agriculture Appropriations Subcommittee
Representative Ken Calvert (R-CA), Chair, Interior Appropriations Subcommittee
Representative Betty McCollum (D-MN), Ranking Member, Interior Appropriations Subcommittee
Senator John Hoeven (R-ND), Chair, Agriculture Appropriations Subcommittee
Senator Jeff Merkley (D-OR), Ranking Member, Agriculture Appropriations Subcommittee
Senator Lisa Murkowski (R-AK), Chair, Interior Appropriations Subcommittee
Senator Tom Udall (D-NM), Ranking Member, Interior Appropriations Subcommittee



Fiscal Year 2018 Appropriations Priorities

<p>FOOD AND DRUG ADMINISTRATION</p>
<p><u>Food Safety System</u></p> <ul style="list-style-type: none"> • Increase for the Food Safety Modernization Act (FSMA) implementation to \$100 million
<p><u>Center for Veterinary Medicine (CVM)</u></p> <ul style="list-style-type: none"> • CVM program areas at \$196.7 million • National Antimicrobial Resistance Monitoring System (NARMS) funding at \$10.8 million • Combating Antibiotic Resistance Initiative at \$35 million for USDA
<p>U.S. DEPARTMENT OF AGRICULTURE</p>
<p><u>Agricultural Marketing Service (AMS)</u></p> <ul style="list-style-type: none"> • Protect the Specialty Crop Block Grant Program’s mandatory funding of \$85 million
<p><u>Agricultural Research Service (ARS)</u></p> <ul style="list-style-type: none"> • Fully fund ARS at \$1.3 billion • Fully fund Office of Pest Management Policy (OPMP) at \$5 million • Fully fund National Agricultural Law Center (NALC)
<p><u>Animal and Plant Health Inspection Service (APHIS)</u></p> <ul style="list-style-type: none"> • Fund APHIS discretionary program areas at \$950 million • Fully fund the Cooperative Agricultural Pest Survey (CAPS) Program • Fund Wildlife Services at \$120 million • Fund Feral Swine Control at \$20 million • New research funding for National Animal Health Monitoring System (NAHMS) • Fully fund National Animal Health Laboratory Network (NAHLN) at \$15 million
<p><u>Food Safety and Inspection Service (FSIS)</u></p> <ul style="list-style-type: none"> • Remove Prohibitions on USDA Horse Meat Inspections • Fully fund State Food Safety and Inspection at \$63 million
<p><u>Foreign Agricultural Service (FAS)</u></p> <ul style="list-style-type: none"> • Protect mandatory funding for the Market Access Program (MAP) • Protect mandatory funding for the Foreign Market Development (FMD) program
<p><u>National Agricultural Statistics Service (NASS)</u></p> <ul style="list-style-type: none"> • Fund NASS at a minimum of \$176.6 million
<p><u>National Institute for Food and Agriculture (NIFA)</u></p> <ul style="list-style-type: none"> • National Agriculture in the Classroom at \$1 million • Fully fund Agriculture and Food Research Initiative (AFRI) at \$700 million

- Level funding for Veterinary Medical Loan Repayment Program (VMLRP) at \$6.5 million
- Fund Veterinary Services Grant Program (VSGP) at \$3 million
- Fund Food Animal Residue Avoidance Database (FARAD) at \$2.5 million
- Fund Section 1433 at \$10 million

Natural Resources Conservation Service (NRCS)

- Protect mandatory Environmental Quality Incentives Program (EQIP) funding at \$1.75 billion
- Protect acre availability in the Conservation Stewardship Program (CSP) at 10 million acres
- Protect mandatory Regional Conservation Partnership Program (RCP) funding at \$110 million plus eligible funds from EQIP, CSP and ACEP
- Protect mandatory Agriculture Conservation Easement Program (ACEP) at \$250 million

U.S. Forest Service

- Forest Inventory and Analysis program at \$83 million

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Office of Pesticide Programs (OPP)

- OPP at \$128 million
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- State Pollinator Protection Plans at \$5 million

Office of Water

- Clean Water Action Section 319 Program at \$164.9 million

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- Fund costs of construction and expansion of the four priority inland waterways projects at \$363.8 million
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