



June 12, 2017

Secretary Sonny Perdue
United States Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

Dear Secretary Perdue:

I write on behalf of National Farmers Union's (NFU) roughly 200,000 members who are engaged in all forms of agriculture and all aspects of the rural economy. The proposed reorganization of the United States Department of Agriculture (USDA) would have significant effects on farmers, ranchers and rural Americans who benefit from a variety of USDA's farm, conservation, trade and rural programs. Opportunities to maximize the positive impacts of the plan should be carefully considered and those changes that would negatively impact rural America should be corrected.

The principles outlined in Executive Order 13781 should be handled with caution, especially in the context of USDA reorganization. Many challenges faced by rural communities are unique and cannot be addressed with private sector investment alone. The distinct functions of each USDA agency must be recognized, and an effort to streamline programs should not sacrifice any agency's integrity. The Executive Order requires the justification of the public benefits any program provides. Programs supporting farmers, ranchers, and rural communities are vital to our nation's food security and therefore provide immense public benefits.

USDA's broad mission to promote and support our country's food and agriculture is vital to rural communities and the country, as a whole. The reorganization impacts four USDA Mission Areas and six agencies. The far-reaching implications of the proposal require careful consideration and stakeholder input, which has been largely absent from the process thus far.

Trade and Foreign Agricultural Affairs

The 2014 Farm Bill called for the establishment of an Under Secretary for Trade and Foreign Agricultural Affairs to serve as "a multi-agency coordinator of sanitary and phytosanitary issues and nontariff trade barriers in agriculture." The establishment of the Under Secretary post should help elevate the interests of farmers and ranchers on matters of international trade. However, the Foreign Agricultural Service (FAS) is the lone agency that would be overseen by the Under Secretary, limiting the post's effectiveness. USDA should engage stakeholders to identify how to maximize the Under Secretary's ability to organize a multi-agency coordinated trade effort.

United States agriculture has long carried a trade surplus, but free trade agreements have not boosted the farm economy as promised. At the same time, the free trade agenda has led to a \$500 billion trade

deficit, leading to millions of lost jobs and lower wages across rural America. As the President renegotiates NAFTA and seeks to establish new trade agreements, the Under Secretary should ensure that the agricultural sector is given priority consideration.

The success of production agriculture is also inherently tied to the success of rural economic development and quality of life in rural communities. Rural America should not have to choose between production agriculture and critical economic development investments. Establishing the TFAA Under Secretary at the expense of the Under Secretary for Rural Development would significantly offset positive effects of the proposed change.

Farm Production and Conservation

Farmers and ranchers interface with the Farm Service Agency (FSA), Risk Management Agency (RMA), and Natural Resources Conservation Service (NRCS) more frequently than any other federal agencies. Placing all three agencies under the newly-formed Farm Production and Conservation (FPC) mission area should make interfacing with each agency more convenient for farmers and ranchers. Given the importance of these agencies, NFU urges the nomination of a highly-qualified, consensus-building Under Secretary that has proven expertise in both agricultural production and conservation practices.

The FPC Under Secretary's primary objective should be to improve the distinct functions of each agency and to improve the experiences of farmers and ranchers who utilize FSA, RMA, and NRCS programs. Staff for each agency has focused expertise required for effective administration of these programs. Furthermore, each agency utilizes its own specialized data collection and management systems. Merging these systems would reduce efficiencies and create confusion in the short term but could improve effectiveness in the long term.

Field staffers across the country are also essential to the success of FSA, RMA, and NRCS. The current structure of field offices promotes keen familiarity with local conditions and development of strong relationships with area farmers and ranchers. Fostering trust between agency staff and producers is critical to the goals of these programs. As the Department looks to improve efficiencies, maintaining field offices and field staff should remain a high priority.

Rural Development

The future success of family farms is inherently tied to economic well-being and quality of life in the communities in which farmers and ranchers live and raise their families. Rural Development's \$216 billion portfolio provides rural Americans with access to efficient transportation infrastructure, high-speed broadband, affordable housing and water, quality schools and essential services. Providing these critical resources requires the highest caliber of leadership and accountability. NFU urges the Administration to reconsider its proposal and maintain the Rural Development Mission Area and Under Secretary.

In 1936, Congress passed the Rural Electrification Act to bring electricity to millions of rural residents across the United States. The Act authorized federal loans to establish rural electric cooperatives,

bringing communities an essential service, creating jobs and driving economic growth. The work of Rural Development is similarly crucial today, as rural areas struggle to recover from the Great Recession. Private sector investment alone is not enough to meet the unique challenges rural America faces. These communities need a strong federal partner as they develop and maintain infrastructure, small businesses, education and high-quality health services.

RD's nearly 5,000 employees and 400 offices manage funding streams and subsidy rates that are more complicated than any other area of USDA. Field offices and staff are important for increasing access to RD programs. Current staffing levels and field offices should be maintained, as any cuts would disproportionately affect the smallest and most remote businesses, communities, farmers and ranchers.

The shift of Rural Development from a core Mission Area to an office under the Secretary has been described as an elevation. While NFU appreciates USDA's heightened interest in Rural Development, the President's 2018 budget proposal does not align with USDA's priorities, raising significant concern among rural Americans. Without an Under Secretary and Mission Area status, RD would likely lose much of its decision-making power. This would leave RD at great risk should future secretaries pursue different priorities.

Thank you for the opportunity to comment. Input from stakeholders is essential to understanding how the proposed reorganization would impact farmers, ranchers and rural communities. NFU looks forward to working with USDA to maximize the Department's effectiveness.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Johnson". The signature is fluid and cursive, with the first name "Roger" written in a larger, more prominent script than the last name "Johnson".

Roger Johnson
President