

**Chairman Jack Kingston**  
**Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies**  
**House Committee on Appropriations**  
**Hearing on USDA's FY 2013 Budget Proposal – Farm and Foreign Agricultural Services**  
**March 20, 2012**  
**Chairman's Opening Statement- AS PREPARED**

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The Subcommittee will come to order.

I want to welcome everyone to our ninth of eleven budget hearings for fiscal year 2013. This will be our last week of regularly scheduled appropriation hearings.

To date, the Subcommittee members have engaged the witnesses and each other in a very positive, productive environment. These hearings will help us to make decisions as to whether to continue investing money in a number of areas; increase, decrease funding; or eliminate programs all together. Where possible, we have found common ground on a number of issues. The Nation's \$15.5 trillion debt continually plays a part in these latter decisions.

Today we gather to review the budgets of USDA's Farm and Foreign Agricultural Services mission area. For a majority of the public, this mission area is probably the most well-known areas of USDA - vital programs that help farmers, ranchers and growers produce an abundant supply of diverse foods for U.S. citizens and people around the globe. I want to welcome Mr. Michael Scuse, USDA's Under Secretary for Farm and Foreign Agricultural Services; Mr. Bruce Nelson, Administrator, Farm Service Agency; Ms. Suzanne Heinen, Acting Administrator, Foreign Agricultural Service; Mr. William Murphy, Administrator, Risk Management Agency; and, Mr. Mike Young, USDA's Budget Director.

The FY 2013 President's Budget for the Farm and Foreign Agricultural Services Mission Area seeks total discretionary funding of \$3.47 billion, of which approximately \$1.62 billion is for Farm Service Agency Programs and \$1.77 billion is for Foreign Agricultural Service Programs. While there are smaller increases and decreases, the one major change on the discretionary side is a \$66 million reduction in the PL 480 Food for Peace budget. As part of the FSA request, \$100 million will support mostly farm ownership and operating loans of roughly \$4.8 billion. This support will help an estimated 29,600 farmers and ranchers.

As you point out in your testimony, there are a number of areas that your mission area can highlight as signs of progress:

- the pending closure of two FAS foreign offices and 131 FSA county offices – leaving 2,113 county offices still open;
- a 30 percent reduction in staffing since 2003;
- record high revenue from U.S. farm exports; and,
- proposals to reduce mandatory spending by \$32 billion.

There are still a number of unanswered questions though, such as why is there a projected drop in the positive balance of trade by 43 percent or what are we really gaining with CRP payments? Also, a further explanation of the nearly \$6 billion increase for the Federal Crop Insurance Corporation fund. We will allow you to answer some of these questions shortly.

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