

## **NASCOE LEGISLATIVE UPDATE – FY 2021 APPROPRIATIONS**

The House of Representatives recently approved the Fiscal Year 2021 Agriculture Appropriations bill. At this point, the bill will sit idle until the Senate Appropriations Committee publicly releases their proposal. The House provides significant increases for FSA Salaries and Expenses and continues previous law provisions related to both employees and county office closures. The below information highlights important funding levels and report language included in the fiscal year 2021 proposal.

- Provides an increase of \$1,000,000 for Departmental Administration to address hiring challenges facing USDA agencies.
- Performance Management —The Committee is aware of the Department’s intention to transition from a five-tier performance rating system to a two-tier system in the coming months. The Committee is concerned about the short comment period provided for such a potentially significant shift in policy. Prior to finalizing any change to performance management policy, the Committee directs the Department to survey employees and to reopen the comment period to seek additional comments from the public. The Department is further directed to brief the Committee within 30 days after the end of the comment period. The briefing shall include, but not be limited to, results of the employee survey; all comments received; plans to address concerns; and data and analysis supporting any changes from the current system.
- Acreage Adoption Initiative —The Committee recognizes the conservation benefits of USDA’s new pilot program, CLEAR30. The Committee encourages USDA, through the Lake Erie Basin Project, to explore creating a similar pilot project that allows farmers to adopt an acre of land around the basin to survey and research soil nutrient outcomes, through experiments with cover crops, phosphorus, carbon dioxide, and nitrogen. The Committee directs NRCS to inform the Committee of the pilot program’s feasibility.
- Agricultural Labor —The Committee is concerned with the lack of available domestic agricultural workers and the increasing demand for agricultural labor across the United States. For this reason, the Committee encourages the Secretary to report to the Committee on the size of the agricultural workforce in the United States. The report should include the number of workers in the current agricultural labor force and the number of agricultural job vacancies in the United States. The report should assess both year- round and seasonal agricultural labor.
- Information Technology Briefing —The Committee directs the Under Secretary to provide briefings during fiscal year 2021 on the development and combination of information technology systems, specifically farm program modernization and the latest updates to the farmers.gov website.

- Livestock Indemnity Payments —The Committee is concerned the current process for producers to apply for reimbursement due to attacks by animals under the Livestock Indemnity Program is burdensome and does not fully compensate producers for their loss. The Committee directs the Secretary to provide a report to the Committee within 180 days of enactment on factors contributing to producers’ challenges in the application process for the Livestock Indemnity Program. The report shall examine ways to streamline, simplify, and improve the application process for producers, and make recommendations on possible methods to fully and fairly compensate producers for direct and indirect costs of eligible attacks.
- Livestock Indemnity Payments for Adverse Weather —The Committee is aware that millions of farmed animals die each year due to the effects of adverse weather. Extreme weather events are occurring at increased frequency, putting additional livestock at risk. The Committee recognizes the importance of disaster planning and directs the Department to work with producers that want to voluntarily develop disaster plans to prevent livestock deaths and injuries.
- Watershed Projects —The Committee directs the Secretary to report on the status of all federally funded watershed projects throughout the States and territories that remain unfinished or incomplete due to lack of funds. The Committee encourages the Department to focus on active projects that are over 50 percent complete and where participating states and territories have contributed their share of the project costs.
- Dryland Farming —The Committee recognizes the importance of the authority granted to the Secretary in the 2018 Farm Bill to permit dryland agricultural uses on land enrolled under a Conservation Reserve Enhancement Program (CREP) agreement and encourages the use of this discretion to permit dryland agriculture within new or modified CREP projects where irrigated agriculture is currently taking place.
- Heirs Property —The Committee acknowledges and appreciates the listening sessions conducted by the FSA on heirs property issues and encourages the FSA to continue to work with local persons knowledgeable about heirs property issues and to implement the program in such a way that it is accessible to those who could benefit. The Committee directs FSA to inform the Committee on how it will implement input from the listening sessions. The Committee also directs the FSA to create a strategic plan that addresses issues that could prevent heirs property owners from accessing and benefiting from the program, including the difficulties of collateralization for those with limited assets and credit history.
- Noninsured Crop Disaster Assistance Program (NAP) Fairness — The Committee is aware of the recent ruling from the USDA National Appeals Division finding that the FSA did not follow its own rules while attempting to adjust the approved yields for farmers and ranchers in Rio Arriba County, NM. Within 120 days of the enactment of

this legislation, USDA shall review the Farm Service Agency’s actions, consistent with this ruling, and provide a report to the Committee on which counties in the United States may have been impacted by similar decisions from State FSA directors and what mitigating actions the Agency plans to take. The Committee directs the USDA to provide equitable relief to the impacted farmers and ranchers and directs USDA to make reforms to the NAP policies and procedures to ensure farmers and ranchers are held harmless when errors are discovered.

- **Small Farms** —The Committee is concerned that a majority of financial and technical assistance goes to larger farmers. The Department should make every effort to reach smaller farmers. The committee awaits the report on small farms as directed by House Report 116–107.
- **Staffing Levels** —The Committee is concerned about staffing shortages at FSA offices. No later than 90 days from the enactment of this Act, the Committee directs the Secretary to submit a report to Congress with an administrative breakdown of allotment levels by State, current full-time equivalents, current on-board permanent employees by State, and funded ceiling levels by State.

House Fiscal Year 2021 Funding Levels

FSA Business Center:

FY 2020 Enacted	House Bill	House vs FY 2020 Enacted
\$280,186,000	\$292,852,000	+ \$12,666,000

FSA Salaries and Expenses:

FY 2020 Enacted	House Bill	House vs FY 2020 Enacted
\$1,414,214,000	\$1,446,437,000	+ \$32,223,000

**NASCOE LEGISLATIVE UPDATE – COVID-19 ASSISTANCE**

On July 27th, the U.S. Senate introduced the HEALS Act which is yet another COVID-19 relief package. The Senate bill is in response to the HEROES Act which recently passed the U.S. House of Representatives. For now, Senate leadership hopes to pass the bill before the end of the first week of August. We expect the House and Senate will quickly resolve differences and send any conference report to President for his signature. It is possible this bill could become law next month.

### **Senate's HEALS Act**

USDA/Office of The Secretary - \$20 billion. The proposal provides additional funding to support agricultural producers, growers, and processors impacted by COVID-19.

Farm Service Agency – \$76.4 million. The proposal provides additional funding to support temporary staff and overtime costs resulting from an increased volume of applications in response to COVID-19.

Rural Development – \$133.4 million.

- Salaries and Expenses – \$20 million. The proposal provides for administrative expenses such as overtime and information technology needs.
  
- Rental Assistance Program – \$113.4 million. The proposal provides Rental Assistance (RA) to all currently assisted wage-earning residents if they lost all wages and were unable to pay rent.

Food and Nutrition Service (FNS) – \$250 thousand. The proposal provides additional funding to cover the cost of staff overtime for FNS employees.

Foreign Agricultural Service (FAS) – \$2 million. The proposal provides additional funding to cover the cost of repatriating FAS employees stationed abroad.

Agriculture Quarantine and Inspection – \$245 million. The proposal provides additional funding to cover salary expenses to offset the decrease in user fee revenue caused by business disruptions.

### **House's HEROES Act**

DIVISION F – Assistance to Agricultural Producers and Other Matters Relating to Agriculture.

Livestock Section – Ensures livestock producers are paid for their animals by requiring dealer trusts for the benefit of all unpaid cash sellers of livestock.

Provides emergency assistance to support livestock producers who are forced to euthanize market-ready livestock due to processing plant disruptions.

Provides \$300 million to support improved animal health surveillance and laboratories, some of which are performing COVID-19 tests in this public health emergency.

Dairy Section – Establishes a direct dairy donation program to prevent dumped milk and facilitate rapid donations of displaced dairy products directly to feeding programs. Milk associated with donated products would be reimbursed at current Class I prices.

Provides cash flow assistance to small and mid-sized dairies that have grown over the last seven years by establishing supplemental margin coverage based on the difference between 2019 actual production and Dairy Margin Coverage production history.

Authorizes a USDA recourse loan program for dairy processors, packagers, merchants, marketers, wholesalers, and distributors.

Reduces the cost of Dairy Margin Coverage premiums for operations that commit to participating in the program for 2021-2023 by providing a payment worth 15% of annual premium costs.

Specialty Crops and Other Commodities – Provides \$100 million to address COVID-19 specialty crop supply chain issues at the state level via the Specialty Crop Block Grant Program.

Provides \$50 million in additional funding to support local farmers, farmers markets, and other local food outlets who are impacted by COVID-19 market disruptions. Temporarily waives matching requirements for these additional funds.

Provides \$50 million to support beginning farmers and ranchers with financial, operational, and marketing advice in this difficult market. Temporarily waives matching requirements for these additional funds.

Provides \$28 million to be distributed as block grants to state departments of agriculture to support existing farm stress programs.

Provides support for renewable fuels and cotton textile mills.

Provides \$16.5 billion for direct payments to agricultural producers.

Commodity Credit Corporation – Amends the CCC Charter Act to add authority for the Secretary to deal with removal and disposal of livestock and poultry due to supply chain interruptions. Amends the CCC Charter Act to add authority to provide assistance to agricultural processing plants in the event of a public health emergency in order to assure the continuation of markets for agricultural commodities. Amends the CCC Charter Act to require Congressional notification before disbursement of CCC funding.

Conservation – Expands the Conservation Reserve Program Soil Health Incentive Pilot Program to 5 million acres.