



THE SECRETARY OF AGRICULTURE

WASHINGTON, D. C.

20250-0100

May 11, 2017

The Honorable John Hoeven
Chairman
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
Committee on Appropriations
United States Senate
129 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

This report identifies actions we are taking at the Department of Agriculture (USDA) to meet the challenge of advancing agricultural trade, improving service delivery to agricultural producers, and addressing the needs of Rural America. These steps are part of a broader on-going review of the Department based on the President's March 13, 2017, Executive Order 13781 entitled "Comprehensive Plan for Reorganizing the Executive Branch."

In keeping with Congress' directive in the 2014 Farm Bill, and to advance agricultural trade, I intend to create an Under Secretary for Trade and Foreign Agricultural Affairs and realign the Foreign Agricultural Service to report to the new Under Secretary. Agricultural trade is critical for the vitality of the U.S. farm sector and economy as a whole. U.S. agricultural and food exports account for 20 percent of the value of production, and every dollar of these exports creates another \$1.27 in business activity. Every \$1 billion in U.S. agricultural exports requires approximately 8,000 American jobs throughout the economy. Agriculture has run a positive trade balance since the 1960s and exports have nearly tripled since 2000. However, the rise of new barriers to trade and preferential trade agreements that exclude the United States could jeopardize this growth and negatively affect the U.S. farm economy.

Therefore, USDA must be positioned to effectively address trade barriers that impede or disadvantage U.S. agricultural exports and actively open new markets for U.S. farm products. The proposed reorganization of USDA's trade functions will substantially enhance the Department's ability to quickly respond to sanitary and phytosanitary (SPS) and other nontariff trade barriers when they arise and to actively open new markets to create a level playing field for U.S. farmers and ranchers. In essence, I want someone dedicated to a singular mission ...selling more of our agricultural bounty to a hungry world.

In addition, in order to create a customer-focused culture of public service and improve service delivery to agricultural producers, I intend to create an Under Secretary for Farm Production and Conservation and realign the Farm Service Agency (FSA), the Risk Management Agency, and

the Natural Resources Conservation Service (NRCS) to report to the renamed Under Secretary. This realignment will re-orient our approach to serving producers and improve our responsiveness to the needs of producers. It makes no sense that producers have to visit multiple USDA offices often located within minutes of each other to access our programs. In addition, there are better ways to deliver the support functions to our field staff. I would rather utilize our scarce funding on direct program delivery than fund redundant administrative functions. Therefore, as part of this realignment I have directed FSA and NRCS to review their office locations and administrative functions to determine the opportunity for office co-locations and the sharing of administrative services.

I believe that America cannot move forward if Rural America is forgotten. While poverty is a rural, suburban and urban challenge, the reality is that nearly 85 percent of America's persistent-poverty counties are in rural areas. Of particular concern, rural childhood poverty rates are at their highest point since 1986; one in four rural children live in poverty, and deep poverty among children is more prevalent in rural areas-12.2 percent in rural areas compared to 9.2 percent in urban areas. Therefore, to raise the visibility of the investments made by the Rural Development mission area and ensure the voices of rural Americans are heard I intend to realign the Rural Development agencies to report directly to the Secretary.

These steps are the down payment on improving the efficiency, effectiveness and accountability of the Department. Over the next several months we will be working with Congress, our stakeholders and our employees to listen to ideas about how to make the Department even more responsive to the needs of our customers. My goal is for the USDA to be the best managed, most customer-responsive agency in the United States government. I look forward to working with you as we move forward.

A similar letter will be sent to Chairman Robert Aderholt, Chairman Pat Roberts, Chairman C. Michael Conaway, Ranking Member Sanford Bishop, Jr., Ranking Member Collin C. Peterson, Ranking Member Jeff Merkley, and Ranking Member Debbie Stabenow.

Sincerely,

A handwritten signature in black ink that reads "Sonny". The signature is written in a cursive, flowing style with a prominent initial "S".

Sonny Perdue
Secretary

Enclosure