

Agriculture interests agree: Trump's USDA budget cuts are unacceptable

It is difficult to get the agriculture community, as a whole, to agree on anything. The most recent exception: the Trump budget's proposed cuts to the United States Department of Agriculture (USDA).

Farmers representing a broad swath of often-competing farm organizations have spoken out with near unanimity in opposition to the "huge" cuts to the USDA budget that have been proposed the Trump administration. If enacted the cuts would reduce ten-year expenditures to agriculture by \$46.5 billion and nutrition by \$190 billion.

"The President's proposed budget is an assault on the programs and personnel that provide vital services, research, and a safety net to America's family farmers, rural residents and consumers. It is deeply disappointing that the President would propose such cuts, especially in the midst of a farm crisis that has family farmers and ranchers enduring a drastic, four-year slide in farm prices and a 50 percent drop in net farm income.... [National Farmers Union] calls on Congress to reject these budget cuts and adopt funding levels that ensure the success and vibrancy of farming communities and rural America," said NFU President Roger Johnson.

"Proposing to carve more than \$4 billion out of the Agriculture Department's budget, the administration's 2018 spending blueprint fails to recognize agriculture's current financial challenges or its historical contribution to deficit reduction," said American Farm Bureau Federation President Zippy Duvall. "Proposing to carve more than \$4 billion out of the Agriculture Department's budget, the administration's 2018 spending blueprint fails to recognize agriculture's current financial challenges or its historical contribution to deficit reduction."

The cuts that have generated this response are contained in "Budget of the U.S. Government, A New Foundation For American Greatness, Fiscal Year 2018" (<http://tinyurl.com/juc9jhb>). While the budget is for FY 2018, it contains a projection of the cuts over the next ten years. For agriculture, the cuts can be found on page 33 while the cuts to nutrition are found on page 37 under a heading called Cross-cutting reforms: Reform welfare programs.

The other document that readers interested in understanding these proposed budget cuts will want to read is called "Major Savings and Reforms: Budget of the U.S. Government, Fiscal Year 2018" (MSAR) and can be accessed using the link provided above. Discretionary eliminations and reductions for the Department of Agriculture can be found on pages 9-15.

In last week's column, we wrote, "In the proposed restructuring of the USDA, the position of Under Secretary for Rural Development will be eliminated and the Rural Development agencies [Rural Housing Service, Rural Utilities Service, and the Rural Business and Cooperatives Service] 'will report directly to the Secretary'.... Critics of this shift have begun arguing that this represents a demotion of these services and will result in a reduction of USDA's commitment to rural development. Secretary Perdue has stated that this is an elevation of rural development concerns because they will have direct access to his office."

Given the Secretary's comments we were surprised to find the following in MSAR:

"The Budget proposes to eliminate funding for the...(USDA) rural single family housing direct loan program. Beginning in 2018, USDA will offer home ownership assistance only through its single family housing guaranteed loans. Financial markets have become more efficient, and increased the reach of mortgage credit to lower credit qualities and incomes.

Therefore, utilizing the private banking industry to provide this service, with a guarantee from the Federal Government, is a more efficient way to deliver this assistance.”

“The Budget proposes to eliminate the...USDA funding for water and wastewater treatment facilities because it duplicates the Environmental Protection Agency's (EPA) State Revolving funds. The Administration believes that EPA or private sector sources should fund this activity.”

“The Budget proposes to eliminate rural business and cooperative programs given findings that the programs have failed to meet the program goals and are improperly managed.”

Given Secretary’s Perdue’s comments in the reorganization plan and the numbers in the 10-year budget, it is possible that he had little warning of the President’s proposed budget cuts.

But, unlike members of Congress who are elected, Secretary Perdue is appointed by and serves at the discretion of the President so we do not expect him to publicly and vigorously argue against the President’s proposed cuts.

While members of Congress can declare that the proposed budget is “dead in the water,” it will take the steady and unified support of the agriculture and nutrition communities to challenge the cuts contained in the FY 2018 budget.

We doubt that farmers expected these kinds of cuts as they watched Trump declare his support for agriculture during his campaign for votes across Iowa and other farm states last year.

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