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WASHINGTON, DC – Congressman Sam Farr (D-Carmel), Ranking Member of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Subcommittee, made the following opening statement on the Agriculture Appropriations Bill:

As Prepared for Delivery

"The allocation for our subcommittee bill is \$19.405 billion. This is: \$1.7 billion or 8% below the 2013 President's request; \$365 million or 1.8% below 2012 enacted.

"In tough budget times everyone has to tighten their belts. We all know that. But this bill goes beyond lean in two areas in particular: International Food Aid and the CFTC.

"I do appreciate the effort you have made to keep our side of the aisle informed. So I was prepared to consider a lean bill. But I think there comes a point in budget exercises when you starve the program so much, it just can't function. I fear that's where this bill is going.

"The \$25 million cut to the CFTC will hurt the American economy and the American taxpayer.

"Four years ago, our financial system failed. Over 8 million jobs evaporated. Millions lost their homes. Unregulated swaps played a critical role in the 2008 financial meltdown – the near-failure of AIG was triggered by its substantial swap business.

"Dodd-Frank got to the root of the problem by charging the CFTC with swap market oversight. This oversight is essential for our markets to be transparent, open, and competitive. And to prevent the 2008 financial crisis from happening again.

"Dodd-Frank expanded CFTC's oversight 8-fold from the \$37 trillion futures market to the

over-the-counter swaps market -- a domestic market of over \$300 trillion in notional value. So just when the CFTC needs to scale up, they're being slapped with deep cuts that strangle their ability to safeguard against another financial collapse.

"If my math is right, the \$308 million ask by the President is equal to about six seconds of trading for an over \$300 trillion domestic market and an additional \$100 trillion international.

"We can't afford the equivalent of six seconds to prevent another financial catastrophe? Make no mistake about it: we need this funding now, because we need oversight now.

"JPMorgan's recent \$2 billion and could be as high as \$4 billion trading loss is proof positive that more oversight is needed in our financial markets. Because who's investigating JPMorgan's enormous financial loss? The CFTC!

"Market participants depend on the credibility and transparency of well-regulated markets. Without sufficient funding, the CFTC can't police these markets, leaving the system and investors at serious risk.

"As for the cuts to International Food Aid, the United States is the greatest agricultural producer in the world. We produce more and we produce it more efficiently than any other country.

"But this bill will undermine the very resources that support our agricultural supremacy and with food aid assistance we have an opportunity to positive impact on several countries that are in political, economical, and environmental strife. Cutting food aid only increases the need to bump other more costly efforts later.

"While I am appreciative of the effort the Chairman makes on domestic food assistance I am very concerned about the deep, dangerous 22% cut to Food for Peace.

"PL 480 literally saves millions of lives every year -- real people and real lives. In the last 50

years, PL 480 has fought hunger and offered hope to some 3 billion people in 150 countries. This program also supports about 44,000 US jobs in farming, process, and shipping, according to industry analysts.

"To be clear, we must focus on teaching people to fish. But how can people learn to fish, when they don't even have the energy or calories to stand up? This means communities can fish for themselves. And what better return on our investment could we ask for than decreased dependence on US food aid?

"PL 480 is also in the best interest of our national security. There's a reason it's called Food for Peace and there is no better national security strategy than peace. Struggles to gain access to food can easily erupt in violence, instability, and health epidemics.

"Now, if you would allow me to change gears, I would like to mention that the FDA oversees 80% of the nation's food supply, including foods from more than 300,000 facilities in 200 countries so I appreciate the bump up for the Food Safety Modernization Act implementation.

"However in total the Food and Drug Administration is funded at \$16 million under the 2012 level and \$31 million below the budget request. As you know in addition to overseeing most of our food supply it is responsible for the safety of drugs and medical devices many of which are imported.

"I hope we will have a chance to revisit many of these public health and safety matters as we move through the process.

"Finally, Mr. Chairman I had intended to offer some language today that would tweak the Commodity Promotion Act to enable USDA to accept an organic promotion order. But I understand there were objections by the authorizing committee.

"Therefore, I would hope we could keep this issue alive, while the legislative process plays out. Should the Agriculture Committee complete work on an authorization, our efforts may not be needed.

"Again, I do think the Chairman made a good effort in crafting this bill given the allocation he had. I look forward continuing to work with him as we move this bill through the process."

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