



BY RCIS GOVERNMENT RELATIONS DIRECTOR JEFF SANDS

WHAT'S GOING ON?

CONGRESSIONAL UPDATE

Budget Reconciliation in Progress

The House adopted the Senate budget resolution by a thin margin of 216-214 before Congress entered the long Easter recess. The resolution overcame considerable opposition from fiscal hawks in the House after the Senate leadership assured opposing Republicans that they would seek deeper spending cuts than Senate Republicans had initially indicated. Speaker Mike Johnson (R-LA) invited Senate Majority Leader Thune to address his caucus, and while they shared many of the same objectives and policy platitudes, the Senate has not committed to finding the same savings that the House has committed to with \$1.5 trillion marked in cuts. When pressed, Majority Leader Thune said “we’ll see” on where the upper chamber lands on that portion of this considerable legislation – more on that point later in the reconciliation process.

As part of finding the \$1.5 trillion in savings the House has pledged, the House Agriculture Committee (HAC) is currently tasked with finding up to \$230 billion in spending cuts, which are largely expected to be in nutrition. House Ag Committee Chairman G.T. Thompson (R-PA) has been pushing for some flexibility in this number, however, and the White House has recently signaled agreement with that principle due to potential impacts of losing nutrition benefits in red states. Flexibility will be particularly important as Thompson works to add farm policy and other spending additions that were included in last year’s House farm bill to the reconciliation bill, namely an inflation adjustment for Administrative and Operating expenses and recoup of additional premium for loss adjustment expenses in proven higher-risk states. While the official release

of text and Committee consideration, or markup, of the bill was expected to be this week, due to continued disagreement within the House Republican party on overall cuts and strategy, it is now being reported that consideration of the Agriculture bill will be punted until the week of May 12, but stay tuned on that front as that date has not yet been confirmed with an official hearing notice from HAC.

USDA Secretary Rollins to Testify in House and Senate

USDA Secretary Brooke Rollins is set to provide testimony on USDA budget needs to lawmakers in both Chambers this week as she heads to both House and Senate Agriculture Appropriations. Anticipated topics of discussions would be impact of tariff actions and resulting administrative actions, progress on rollout of economic and weather-related assistance to farmers, as well as departmental plans in the wake of the President's proposed budget.

Sec. Rollins is scheduled to be with the Senate Appropriations on Tuesday, May 6, and House Appropriations on Wednesday, May 7. RCIS will keep you updated on any matters related to government funding or Presidential budget plans as those details become more readily available.

ADMINISTRATION UPDATE

FY 2026 Budget Request

The Office of Management and Budget released a “skinny” version of the President’s Budget Request for FY 2026, which includes a proposed 10% cut in discretionary non-defense funding as compared to FY2025 enacted levels. For the Agriculture Department, an 18% cut was requested. While crop insurance was not mentioned explicitly, the budget called for a \$358 million cut from the Farm Production and Conservation-Business Center (FPAC-BC), targeted at salaries and expenses. The explanatory statement noted that the funding reduction reflects the Agency’s plan to create efficiencies through technology. Notably, the President’s Budget Request simply outlines the legislative goals of the Administration, but ultimately it is up to Congress to set topline funding levels. The budget request can be found [here](#).

Emergency Commodity Assistance Program Disbursements Reach \$7B of \$10B Available to Date

The Dashboard for the Emergency Commodity Assistance Program (ECAP) has crossed the \$7 billion threshold for total payments disbursed out of the \$10 billion available. Ideally, the first tranche of payments – factored at 85% – should get producers to around \$8.5 billion, with the remaining 15% to come in the summer. Applications opened on March 19, and will run through August 15 to provide economic assistance for eligible producers for crop year 2024. Resources regarding ECAP and the program dashboard may be accessed here.

HIP-WI Webinar Upcoming

USDA's Risk Management Agency is hosting a webinar on May 14 to discuss Hurricane Insurance Protection – Wind Index (HIP-WI) and Tropical Storm Option (TS). Access the webinar [here](#).

Please don't hesitate to reach out with any questions or comments. I can be reached at jeffrey.sands@rcis.com.

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