

agInnovation Budget and Legislative Committee DRAFT FY2028 USDA Budget Recommendations

This 2-page summary reflects the key recommendations and supporting rationale developed through a draft Internal Discussion Brief and BLC discussion held on June 23, 2026. The draft Discussion Brief is for internal use as background to support continued discussion, refinement, and consistent communication and advocacy.

AFRI: \$500 M, the same as last fiscal year's requests.

Hatch:

- **Budget Scenario 1: Maintain Previous Budget Request — \$300 million.** *(This scenario would be recommended if there is no significant change in the political landscape or congressional turnover).* A \$300 million request would represent a continued path toward the level of funding needed to preserve the scientific capacity, expertise, infrastructure, and innovation system that underpin the nation's agricultural research enterprise. While this increase would provide meaningful additional support, it would not fully offset the continuing erosion of Hatch's purchasing power, and the program would remain below its inflation-adjusted funding level. Maintaining a strong and responsive U.S. agricultural research system ultimately requires sustained federal investment that keeps pace with inflation and enables Land-grant universities to continue delivering science-based solutions that benefit producers, consumers, communities, and the nation.
- **Budget Scenario 2: Request a Transformational Increase — \$375 million.** *(This scenario would be recommended if significant political or budgetary opportunities emerge that support a larger federal investment).* A \$375 million request would provide the resources needed to rebuild scientific capacity, reinvest in critical expertise and research infrastructure, and strengthen the ability of Land-grant universities to respond to emerging agricultural, environmental, and food system challenges. In addition to restoring lost purchasing power, this request positions Hatch funding as a strategic investment in America's future—strengthening U.S. leadership in agricultural innovation, enhancing global competitiveness, and ensuring the nation's agricultural research enterprise is equipped to address emerging challenges and seize future opportunities.

Justification for Increased Hatch Funding

The need for increased Hatch funding is clear. The erosion of Hatch purchasing power—a funding shortfall of at least \$92 million since 2016 due to inflation—has steadily reduced the research capacity of the nation's Land-grant universities. This decline limits their ability to address emerging agricultural challenges, respond to stakeholder needs, and sustain U.S. leadership in agricultural innovation. Meanwhile, global competitors are rapidly increasing their investments in agricultural research and development. China has emerged as the world's largest investor in agri-food R&D, increasing its share of global investment from just 1.4% in 1990 to 26% by 2021—more than double the United States' share of 12%. Other Asia-Pacific countries, including India and Vietnam, have also significantly expanded their investments, and the region now accounts for approximately half of global public and private agri-food R&D spending (Pardey and Smith, 2026). Without restoring Hatch funding, the U.S. is ceding its longstanding global leadership in agricultural innovation to strategic competitors, with lasting consequences for farm productivity, food security, scientific capacity, rural economies, and national security. The following examples illustrate the consequences of declining investment and potential opportunities:

- **Rebuilding & Maintaining Scientific Capacity.** The significant erosion of Hatch purchasing power has limited the ability of Land-grant universities to recruit and retain highly specialized scientific expertise. Once expertise is lost through retirements, hiring freezes, or eliminated positions, rebuilding that capacity often requires years—or even decades. Restoring Hatch funding would enable universities to rebuild and

sustain the scientific workforce needed to address emerging agricultural, environmental, and food system challenges such as avian influenza and New World screw worm.

- **Leveraging Additional Investments.** Hatch funding serves as the foundation for broader research investment, enabling Land-grant universities to leverage millions of dollars annually from state appropriations, federal competitive grant programs, industry partnerships, and other public and private sources. As a result, each federal Hatch dollar generates value far beyond the initial investment by strengthening the nation's agricultural research enterprise and expanding its ability to deliver solutions for producers, communities, consumers, and the economy.
- **Sustaining Long-Term Research Programs.** Declining real-dollar support increasingly forces institutions to reduce or eliminate research programs that cannot be sustained through short-term competitive grants alone. Examples include: long-term soil health studies; plant breeding programs requiring multi-year selection cycles; water quality monitoring networks; integrated pest management programs; crop and livestock systems research; and regional and multistate research collaborations.

Many of these research programs produce transformative benefits over decades rather than individual grant cycles and therefore depend on stable capacity funding. Continued investment ensures long-term discoveries, innovations, and practical solutions needed to address critical and emerging agricultural, environmental, economic, and food system challenges at the local, state, regional, and national levels.

- **Delivering Exceptional Return on Investment.** Agricultural research consistently generates among the highest returns of any federal investment, with studies estimating public returns ranging from \$10 to \$20 for every \$1 invested. Decreasing the Hatch funding gap would strengthen: National agricultural productivity; Innovation, technology development, and adoption; Producer profitability and global competitiveness; Food security and affordability; Environmental sustainability and natural resource stewardship; Agricultural and national security; Rural economic development; and U.S. leadership in agricultural science and innovation.

Based on these well-established return-on-investment estimates, closing the annual Hatch funding gap has the potential to generate billions of dollars in long-term economic benefits.

- **Developing the Next Generation of Agricultural Scientists.** Hatch funding is foundational to educating and training the future agricultural workforce. Reduced purchasing power limits opportunities for: Graduate research assistantships; Undergraduate research experiences; Postdoctoral research positions; and Workforce development in high-demand agricultural disciplines.

Restoring Hatch funding would strengthen the pipeline of scientists, engineers, and innovators needed to maintain U.S. leadership in agriculture while meeting the workforce demands of producers, industry, government, and academia.

Future Discussion: Develop a multi-year budget strategy (5- 10 years) to provide a clear roadmap for achieving long-term funding goals; Identify strategic research priorities and emerging challenges that would be advanced through increased funding; and Develop a compelling narrative to demonstrate how the 3 LGU mission areas work together to deliver responsive, science-based solutions and maximize the impact of federal investment.

Pardey, Philip G. and Vincent H. Smith. 2026. US Agri-Food Research and Development, Farm Revenues, and Retirement Wealth. American Enterprise Institute for Public Policy Research. [US-Agri-Food-Research-and-Development-Farm-Revenues-and-Retirement-Wealth.pdf](#)