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# Appropriations for FY2001: U.S. Department of Agriculture and Related Agencies

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress passes each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Agriculture Appropriations. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

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# Appropriations for FY2001: U.S. Department of Agriculture and Related Agencies

## Summary

During July, the House and Senate completed action on their respective versions of an FY2001 appropriations bill (H.R. 4461) for the U.S. Department of Agriculture (USDA) and related agencies. The full House approved H.R. 4461 with amendments, by a 339-82 vote, on July 11, 2000. The Senate adopted a substitute amendment (S. 2536, as modified) to the text of the House-passed bill and approved the measure, 79-13, on July 20. The two bills are relatively close in total FY2001 regular spending levels — $75.70 billion in the Senate-passed bill and $75.42 billion in the House-passed bill, compared with $77.27 billion in the Administration request. Of these amounts, nearly $14.54 billion is for discretionary programs in the House bill, compared with $14.85 billion in S. 2536, and $15.5 billion proposed by the Administration. Administration officials have stated that the President likely would veto either version of the bill, mainly because they fall short of the Administration requested levels, particularly for food safety, research and conservation programs. Conference action is expected following the August recess.

Not included in the above totals is over $3 billion in emergency spending for USDA programs in the Senate-passed bill. Most of this spending would provide economic and disaster relief to agricultural producers, including $1.45 billion in crop disaster payments; $450 million in livestock feed assistance; $443 million in direct payments to dairy farmers, and $160 million for potato and apple growers. The only emergency provision in the House bill is $115 million in apple and potato assistance. So far this year, USDA programs have received $15 billion in emergency supplemental funding.

One of the most controversial issues in the agriculture appropriations debate has been whether to exempt food and medicine from unilateral sanctions against Cuba and other specified nations. A food and medicine exemption provision is included in the Senate-passed bill, and a nearly identical provision was in the House-reported bill. However, House opponents fought successfully to delete the provision from the bill, after working out a compromise, which House leadership has stated will serve as their position in conference.

During floor debate on the FY2001 agriculture spending bill, attempts to either limit (House) or prohibit (Senate) federal spending on the sugar price support program were thwarted. Also defeated on the House floor were proposed amendments to eliminate funding for the Market Access Program and for an emergency payment program for wool and mohair producers; a prohibition on the use of USDA funds for the destruction of livestock predators; and a blocking of FDA approval of an abortion drug. Amendments were adopted in both chambers to allow the importation of FDA-approved drugs from Canada and Mexico. Both bills contain prohibitions on mandatory spending on certain agricultural research programs and for the Fund for Rural America.

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## Most Recent Developments

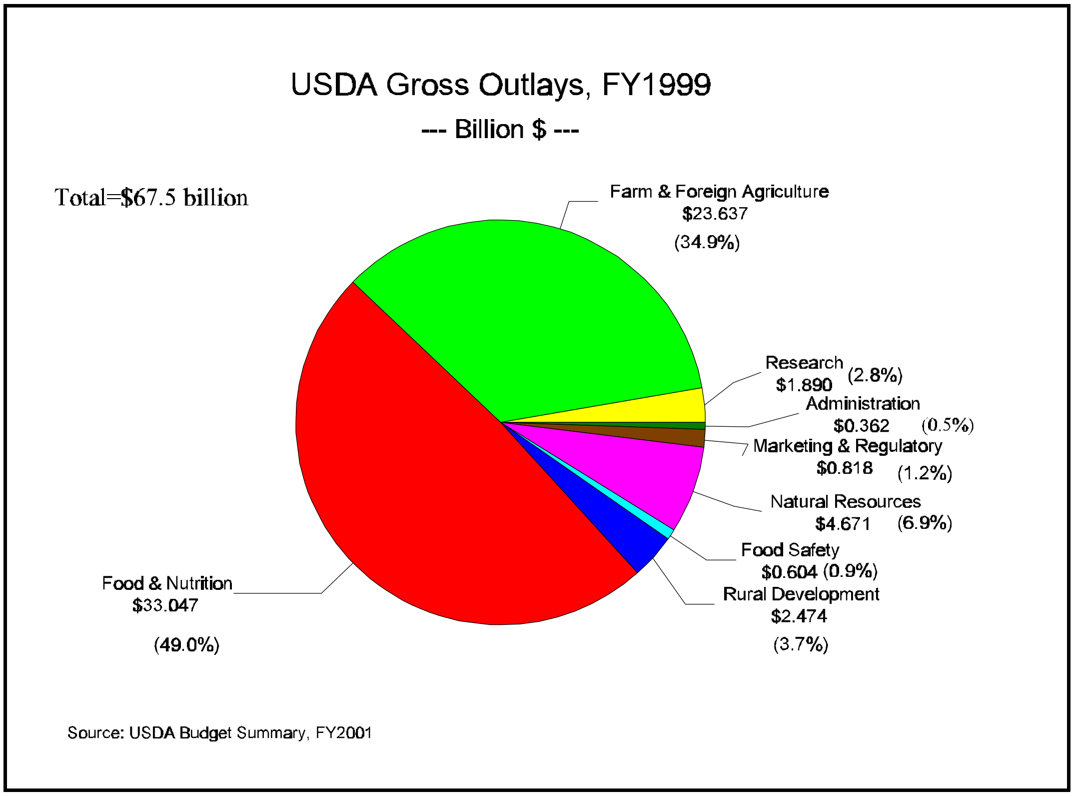
The Senate approved its version of the FY2001 agriculture appropriations bill (H.R. 4461) by a vote of 79-13 on July 20, 2000. Earlier, the House approved its version of the spending bill on July 11, by a vote of 339-82. Conference is pending and is expected following the August recess. Controversy continues over the issue of whether food and medicine should be exempt from unilateral sanctions imposed on Cuba and other specified nations, which is contained in the Senate-passed bill. Another major difference between the two measures is the inclusion in the Senate bill of an estimated $3 billion in emergency spending provisions to assist farmers experiencing low commodity prices and natural disasters. Four separate supplemental measures containing a combined total of nearly $15 billion in emergency farm assistance have been enacted so far this fiscal year.

## USDA Spending at a Glance

The U.S. Department of Agriculture (USDA) carries out its widely varied responsibilities through approximately 30 separate internal agencies and offices staffed by some 100,000 employees. USDA is responsible for many activities outside of the agriculture budget function. Hence, spending for USDA is not synonymous with spending for farmers, nor with the agriculture appropriations bill, which includes funds for non-USDA programs, notably the Food and Drug Administration (FDA).

USDA gross outlays for the most recently completed fiscal year (FY1999) were $67.5 billion. By far the largest outlay within the Department, $33.0 billion, or just under one-half of total FY1999 outlays, was for its food and nutrition programs -- primarily the food stamp program (the costliest of all USDA programs), various child nutrition programs, and the Women, Infants and Children (WIC) program. FY1999 gross outlays also include $23.6 billion, or just over one-third of total outlays, for farm and foreign agricultural services. Within this mission area of USDA are the programs funded through the Commodity Credit Corporation (e.g., commodity support programs, the conservation reserve program, and certain trade programs), crop insurance, farm loans, and foreign food aid programs.

Another $4.7 billion (7%) was spent in FY1999 on an array of natural resource and environment programs, nearly three-fourths of which funded the Forest Service (which is funded through the Interior appropriations bill, and the only USDA agency not funded through the agriculture appropriations bill), and the balance for a number of conservation programs for farm producers. USDA programs for rural development




($2.5 billion in gross outlays for FY1999); research and education ($1.9 billion); marketing and regulatory activities ($818 million); meat and poultry inspection ($604 million); and departmental administrative offices and other activities ($362 million) account for most of the balance of USDA spending.

## Mandatory vs. Discretionary Spending

Approximately three-fourths of total USDA spending is classified as mandatory, which by definition occurs outside the control of annual appropriations. Eligibility for mandatory programs is usually written into authorizing law, and any individual or entity that meets the eligibility requirements is entitled to the benefits authorized by the law. Currently accounting for the vast majority of USDA mandatory spending are the food stamp program (which accounts for nearly one-half of total USDA mandatory spending); child nutrition programs; the farm commodity price and income support programs; the federal crop insurance program; and the conservation reserve program (CRP).

Although they have mandatory status, the food and nutrition programs are funded by an annual appropriation based on projected spending needs. Supplemental appropriations generally are made if and when these estimates fall short of required spending. An annual appropriation is also made to reimburse the Commodity Credit

Corporation for losses it incurs in financing the commodity support programs and the various other programs it finances. Historically, spending levels among theseprograms has been erratic and unpredictable, making total USDA spending highly variable. Some of this unpredictability was lessened by the enactment of the 1996 farm bill, which fixes the level of spending on direct payments to program crop producers, and no longer ties these payments to market conditions. However, emergency provisions in the FY1999 omnibus appropriations act (P.L. 105-277), the FY2000 agriculture appropriations act (P.L. 106-78) and various supplemental spending acts have made available a total of nearly $16 billion in additional funding to farmers to help them recover from low commodity prices and natural disasters. Most of this emergency funding was provided through the Commodity Credit Corporation's ongoing borrowing authority from the U.S. Treasury.

**Table 1. U.S. Department of Agriculture and Related Agencies Appropriations, FY1993 to FY2000**
(budget authority in billions of dollars)

| | FY93 | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 | FY00 |
|---|---|---|---|---|---|---|---|---|
| Discretionary | $13.88 | $14.59 | $13.29 | $13.31 | $13.05 | $13.75 | $13.69 | $13.95 |
| Mandatory | $46.88 | $56.25 | $54.61 | $49.78 | $40.08 | $35.80 | $42.25 | $62.24 |
| Total Budget Authority | $60.75 | $70.84 | $67.90 | $63.09 | $53.12 | $49.55 | $55.94 | $76.18 |

**Note:** Includes funding for all of USDA (except the Forest Service), the Food and Drug Administration, and the Commodity Futures Trading Commission.

**Source:** House Appropriations Committee.

The other 25% of the USDA budget is for discretionary programs, which are determined by funding in annual appropriations acts. Among the major discretionary programs within USDA that are funded by the annual agriculture appropriations act are its rural development programs, research and education programs, agricultural credit, the supplemental nutrition program for women, infants, and children (WIC), the Public Law (P.L.) 480 international food aid program, meat and poultry inspection, and food marketing and regulatory programs. FY2000 funding levels for all USDA discretionary programs (except for the Forest Service) is provided by the FY2000 agriculture appropriations act (P.L. 106-78).

# FY2001 Appropriations Bills for USDA and Related Agencies

The House and Senate completed action on their respective versions of the FY2001 appropriations bill (H.R. 4461) for the U.S. Department of Agriculture (USDA) and related agencies on July 11 and July 20, 2000, respectively. Floor action had been delayed for several weeks because of a dispute over a provision to exempt food and medicine from unilateral sanctions against Cuba and certain other countries.

(See "Trade Sanctions" below in the "Agricultural Trade and Food Aid" section of the report.)

Both the House- and Senate-passed versions of H.R. 4461 are relatively close in total regular FY2001 spending levels -- $75.703 billion in the Senate-passed bill and $75.422 billion in the House-passed bill, compared with $77.270 billion in the Administration request. Administration officials have stated that the president would likely veto either version of H.R. 4461, because they provide less than the requested level, particularly for USDA food safety, research, and conservation programs. (See relevant sections below.)

**Table 2. Congressional Action on FY2001 Appropriations for the U.S. Department of Agriculture and Related Agencies**

| Subcommittee Markup Completed | | House Report | House Passage | Senate Report | Senate Passage | Conference Report | Conference Report Approval | | Public Law |
|---|---|---|---|---|---|---|---|---|---|
| House | Senate | | | | | | House | Senate | |
| 5/04/00 | 5/04/00 | H.R. 2536<br>H. Rept. 106-619 5/16/00 | Vote of 339-82<br>7/11/00 | S. 2536<br>S. Rept. 106-288 5/10/00 | Vote of 79-13<br>7/20/00 | ** | ** | ** | ** |

** = Pending

Total projected FY2000 and FY2001 spending by USDA is significantly higher than in previous years (see Table 1) primarily because of the continued weak state of the farm economy and legislation enacted to supplement farm income. Low commodity prices have caused support program spending to rise substantially in recent years. Congress has supplemented ongoing farm program spending with approximately $23 billion in total emergency assistance over the last two years, much of which is in the form of direct payments to farmers to compensate for low commodity prices and natural disasters. (see "Emergency Farm Financial Assistance" below).

The following sections review the major components of the House-passed and Senate-passed versions of the FY2001agriculture appropriations bill (H.R. 4461), and compare them with the Administration request. Also included is a discussion of the estimated $2.1 billion in supplemental agricultural spending in the Senate bill; the $210 million in agricultural spending in the conference agreement on FY2000 supplemental spending , which was attached to the conference agreement on FY2001 appropriations for military construction (P.L. 106-246), and the $7.14 billion in emergency assistance attached to the recently enacted crop insurance enhancement bill (P.L. 106-224) .

## Emergency Supplemental Farm Assistance

**Background.** Congress has provided four emergency assistance packages for farmers so far this fiscal year, amounting to nearly $15 billion in total farm assistance for FY2000 and $1.64 billion for FY2001. Most of the emergency farm assistance has gone or will go directly to farmers (primarily growers of grains and cotton) in the form of "market loss payments" to compensate for low farm commodity prices, and to producers who experienced a major crop loss caused by a natural disaster.

The four enacted measures include $8.7 billion in emergency funding provided in a supplemental title in the regular annual agriculture appropriations bill (P.L. 106-78), mostly in the form of "market loss" payments to growers of major commodities. This was followed one month later by $577 million in supplemental agricultural spending in the Consolidated Appropriations Act for FY2000 (P.L. 106-113), mainly in response to Hurricane Floyd. A third measure, the Agricultural Risk Protection Act of 2000 (P.L. 106-224) provided a total of $7.14 billion in additional farm assistance, of which $5.5 billion is for a second round of FY2000 market loss payments for grains and cotton and $1.64 billion primarily for other commodities in FY2001. The fourth measure was contained in supplemental provisions attached to the FY2001 military construction appropriations bill (P.L. 106-246), which provided $210 million in additional USDA funding, primarily for earlier natural disasters. For more background on emergency farm spending, see CRS Issue Brief IB10043, *Farm Economic Relief: Issues and Options for Congress*; CRS Report RS20269, *Emergency Funding for Agriculture: A Brief History of Congressional Action*; and CRS Report RS20416, *Emergency Farm Assistance in FY2000 Appropriation Acts FY1989-FY2000*.

**Pending Supplemental Agricultural Provisions.** The Senate-passed version of the FY2001 agriculture appropriations bill contains an estimated $3 billion in emergency supplemental spending. The only emergency provision included in the House-passed bill is $115 million in assistance for apple and potato growers. Included in the Senate-passed bill is an en bloc amendment adopted on the Senate floor which added approximately $2 billion to the $1.1 billion in supplemental agricultural assistance that was already in the Senate-reported bill, but not adopted as part of the conference agreement on the most recently enacted supplemental measure (P.L. 106-246).

Major agricultural provisions in the Senate-passed bill include an estimated $1.45 billion in disaster payments (of which an estimated $1 billion is for 1999 specialty crop losses and $450 million to producers of any crop with major losses in crop year 2000; $450 million in assistance to livestock farmers who lost livestock or on-farm feed to a disaster; $443 million in direct payments to dairy farmers in compensation for low farm prices; $181 million for various rural development programs to help rural areas recover from natural disasters; $160 million in economic and disaster assistance for apple and potato growers; and an estimated $117 million to expand enrollment by 100,000 acres in the Wetlands Reserve Program. (See Table 3 below for a full accounting of the estimated $3 billion in emergency payments in the Senate-passed bill.)

## Table 3. Emergency Agricultural Provisions in the Senate-Passed FY2001 Agriculture Appropriations Bill

| USDA Programs | Estimated Cost -million $- |
|---|---|
| Animal and Plant Health Inspection Service: Boll Weevil Eradication | **$59.4** |
| Grain Inspection, Packers and Stockyards Admin: Biotech Reference Facility | **$0.6** |
| Federal Crop Insurance Corp: Crop Insurance Premium Discounts | **$13** |
| Natural Resources Conservation Service:Watershed and Flood Prevention Operations | **$70** |
| Rural Community Advancement Program: | |
| Community Facilities Grant Program | **$50** |
| Rural Utility Service Grant Program | **$30** |
| Rural Utility Service Loans and Grants | **$50** |
| Community Facility Direct and Guaranteed Loans | **$50** |
| Rural Utilities Service: Additional $111 million loan authority for 5% loans | **$1** |
| Commodity Credit Corporation (CCC): Conservation Technical Assistance | **$35** |
| CCC: Supplemental Payments to Dairy Farmers | **$443(a)** |
| CCC: Crop Disease & Insect Assistance (excluding citrus canker) | **$18** |
| CCC: Livestock Assistance | **$450** |
| CCC: Increase Enrollment in Wetlands Reserve Program by 100,000 acres | **$117** |
| CCC: Indemnity Payments for Sheep Disease Losses (New England) | **$4** |
| CCC: Citrus Canker – Tree Replanting (Florida) | **$40** |
| Financial Assistance to South Carolina for SC Grain Dealers Guaranty Fund | **$2.5** |
| CCC: Disaster Payments: | |
| 2000-Year Crops | **$450** |
| 1999 Specialty Crops | **$1,000** |
| Hawaiian Sugar Assistance | **$7.2** |
| Payments to Apple Growers for Low Commodity Prices | **$100** |
| Quality Loss Payments for Apple and Potato Growers | **$60** |
| **Total USDA Supplemental Funding, Preliminary** | **$3,050.0 (a)** |

(a) Due to a technical error in the Senate-passed bill, the provision making $443 million in dairy payments inadvertently appears twice in the Senate bill. The table above adjusts for this error and reports the cost of the dairy provision only once. If the provision were scored twice, as CBO may be required to do, the total estimated cost of the USDA supplemental provisions is $3.5 billion instead of $3.05 billion.

**Source**: Senate-passed bill language and Senate Appropriations Committee staff.

## Commodity Credit Corporation

Outlays for farm support programs (including ongoing commodity support programs and recent emergency assistance to compensate farmers for low commodity prices and natural disasters) and various farm export and conservation programs are funded through USDA's Commodity Credit Corporation (CCC).

The CCC has a $30 billion line of credit with the U.S. Treasury. Therefore, the CCC does not require an annual appropriation to fund its spending activities. However, because CCC outstanding borrowing cannot exceed $30 billion, the annual agriculture appropriations bill contains funding for a "reimbursement of CCC net realized losses" so the Corporation can repay its debt to the Treasury and not exhaust its borrowing authority. This reimbursement is categorized as an indefinite appropriation, meaning that the CCC is provided "such sums as are necessary." It is a mandatory expenditure that is not included in the discretionary spending allocation given to the appropriations subcommittees.

Historically, the appropriation received by the CCC in any fiscal year would be to reimburse the Corporation for actual losses in the *previous* fiscal year. Over the last couple of years, CCC annual spending has been at or near historically high levels ($19.2 billion in FY1999 and an estimated $27 billion in FY2000), mainly because of the large amounts of CCC-funded financial assistance provided in recent emergency supplemental appropriations acts (but initially funded through CCC's borrowing authority with the Treasury) coupled with rising cost of ongoing farm income assistance programs. Consequently, in FY2000 and FY2001, USDA requested an appropriation to cover the CCC's expected *current* year losses, as well as unreimbursed *past* losses. Without such an appropriation, USDA feared that the CCC would exhaust its $30 billion credit limit with the Treasury.

When the FY2000 agriculture appropriations act (P.L. 106-78) was being debated last year, USDA had estimated that the CCC would require an appropriation of $14.368 billion for its FY2000 and prior years' unreimbursed losses. However, because of the $9 billion in emergency assistance authorized in FY2000 (most of which is funded through the CCC) and increased spending for the ongoing commodity support programs, the estimated FY2000 appropriation has been revised to $30.037 billion, a $15.7 billion increase over the initial estimate. USDA's FY2001 estimate for CCC appropriations is $27.771 billion. Both the House- and Senate-passed versions of the FY2001 agriculture appropriations bill provide this amount, which likely will be revised in accordance with economic conditions and the final amount of emergency economic assistance that is provided.

## Crop Insurance

The federal crop insurance program is administered by USDA's Risk Management Agency (RMA). It offers basically free catastrophic insurance to producers who grow an insurable crop. Producers who opt for this coverage have the opportunity to purchase additional insurance coverage at a subsidized rate. Most policies are sold and completely serviced through approved private insurance companies that have their program losses reinsured by USDA. The annual agriculture appropriations bill makes two separate appropriations for the federal crop insurance program. It provides discretionary funding for the salaries and expenses of the RMA and also provides "such sums as are necessary" for the Federal Crop Insurance Fund, through which all other expenses of the program are funded including premium subsidies, indemnity payments, and reimbursements to the private insurance companies.

For FY2001, the Administration requested $67.7 million for the FY2001 salaries and expenses of the RMA, up $3.7 million from the FY2000 level. The House-passed bill concurs with the request. The Senate-passed bill provides a smaller increase of $1.6 million (to $65.6 million), which the Senate Appropriations Committee report says is adequate to meet mandatory pay cost increases. Funding provided to the Federal Crop Insurance Fund is classified as an "indefinite" appropriation that can only be estimated until final participation rates and actual crop losses are known. Therefore, both the House and Senate bills provide such sums as are necessary for FY2001, which the Administration estimates will be $1.728 billion. A general provision adopted in full committee markup of the House bill would have reduced the government reimbursement of the administrative and operating expenses of the private crop insurance companies in order to offset the cost of an amendment that increased rural development spending by $57 million. However, an increase in the allocation for FY2001 USDA spending allows the new rural development spending without the crop insurance offset.

Meanwhile, legislation has been enacted making permanent changes to the federal crop insurance program, to make premiums more affordable and coverage more attractive to farmers. The recently enacted measure (P.L. 106-224) significantly increases the portion of the premium paid by the government on behalf of the farmer; provides improved coverage for farmers affected by multiple years of natural disasters; authorizes pilot insurance programs for livestock producers, and gives the private sector greater representation in policymaking. New funding provided by this law did not have to be offset because the final FY2001 budget resolution (H.Con.Res. 290) made room in the budget for $8.17 billion in new spending for the crop insurance program over a 5-year period (FY2001-05). For more information on the crop insurance legislation, see CRS Issue Brief IB10033, *Federal Crop Insurance: Issues In the 106th Congress*.

## Farm Service Agency

While the Commodity Credit Corporation serves as the *funding* mechanism for the farm income support and disaster assistance programs, the *administration* of these and other farmer programs is charged to USDA's Farm Service Agency (FSA). In addition to the commodity support programs and most of the emergency assistance provided in recent supplemental spending bills, FSA also administers USDA's direct and guaranteed farm loan programs, certain conservation programs and domestic and international food assistance and international export credit programs.

**FSA Salaries and Expenses.** This account funds the administrative expenses for program administration and other functions assigned to the FSA. These funds consist of appropriations and transfers from CCC export credit guarantees, from P.L. 480 loans, and from the various direct and guaranteed farm loan programs. All administrative funds used by FSA are consolidated into one account. For FY2001, both the House and Senate bills appropriate $828.4 million for this account, which is $34 million more that the FY2000 level (excluding supplementals), and equal to the Administration's request. A recent Administration proposal to collocate more than two dozen FSA, Natural Resources and Conservation Service (NRCS), and rural development state offices came under criticism in House report language. Concern is expressed in this report that the process used by USDA to select collocation of statewide headquarters should be supported by rigorous analysis, show no reductions in services available to the public, and demonstrate cost-effectiveness.

**FSA Farm Loan Programs.** Through FSA farm loan programs, USDA serves as a lender of last resort for family farmers unable to obtain credit from a commercial lender. USDA provides direct farm loans and also guarantees the timely repayment of principal and interest on qualified loans to farmers from commercial lenders. FSA farm loans are used to finance the purchase of farm real estate, help producers meet their operating expenses, and financially recover from natural disasters. Some of the loans are made at a subsidized interest rate. An appropriation is made to FSA each year to cover the federal cost of making direct and guaranteed loans, referred to as a loan subsidy. Loan subsidy is directly related to any interest rate subsidy provided by the government, as well as a projection of anticipated loan losses caused by farmer non-repayment of the loans.

The Administration's FY2001 budget requests an appropriation of $185.6 million for FSA farm loan subsidies, which would support a loan volume of $4.558 billion for FY2001 direct and guaranteed FSA loans. The House-passed bill concurs with the Administration request. The House level and the Administration request for FY2001 are $82 million above the regular appropriation for FY2000 and would support a loan volume that is $2.5 billion above FY2000. However, supplemental funding was enacted last year that increased total FSA farm loan funding for FY2000 to $260.6 million, which supports $5.583 billion in loans. Hence, the House-passed level supports a loan volume that is $1.6 billion above the regular FY2000 appropriation but $1 billion below the combined level in the regular and supplemental appropriations for FY2000.

The Senate-passed bill provides an appropriation of $107 million to support direct and guaranteed loans of $3.083 billion, which is the same loan level as what was provided in the regular FY2000 appropriations act. Although the loan level of $3.083 billion is the same, funding that level in FY2001 requires an $82 million larger appropriation, mainly because interest rates are expected to be higher in FY2001 than in FY2000.

## Agricultural Trade and Food Aid

**Trade Sanctions.** During floor debate on H.R. 4461, the House deleted a controversial provision (Title VIII) to exempt U.S. food and medical exports from current and future U.S. unilateral economic sanctions. This occurred when the chair accepted a point of order that the proposed language constituted legislating a policy change on a spending bill, and thus was contrary to House rules. Countries currently subject to such sanctions to which this proposal would apply are Cuba, Iran, Libya, Sudan, and North Korea. The inclusion of Cuba in this proposed change generated the most controversy and delayed floor consideration of the bill for more than a month. The stalemate broke when a compromise was reached on June 27. Though Title XIII was deleted in floor action, the compromise reportedly will serve as the basis for the House leadership's position in negotiations with the Senate in conference later this session.

The House compromise still would exempt commercial sales of food and medical products from current and future U.S. economic sanctions, but requires that such exports to the five above named countries meet specified licensing requirements and not be facilitated by any form of U.S. government assistance (such as foreign aid, credit or guarantees, and export assistance). The President is granted authority for national security reasons to waive the prohibition on the availability of government assistance only with respect to Libya, North Korea, and Sudan. In the case of Cuba and for agricultural sales only, the compromise broadens the prohibition on government assistance to also prohibit any financing ("loan, guarantee, or extension of credit") provided by the private sector and by State and local governments. Other provisions reportedly prohibit: (1) merchandise imports from Cuba (effectively codifying current U.S. regulatory policy), and (2) certain travel-related transactions not allowed by Treasury regulations in effect on June 1, 2000 (except for travel related to selling agricultural commodities).

The food/medical exemption provisions in the Senate-passed version of H.R. 4461 are comparable in objective to those laid out in the House compromise, but differ in the nature of export licensing requirements and the scope of the financing prohibition with respect to sales of agricultural commodities to Cuba. Senate language effectively prohibits U.S. government assistance for food and medical product sales to the five countries, but does not allow for a Presidential waiver for the three countries specified in the House compromise. The Senate-passed bill does not include any provision that applies only to Cuba nor does it address the tourism travel issue.

If a food/medical sanctions exemption is enacted, the most significant change would allow for commercial sales of U.S. agricultural exports to Cuba, which was not covered by Administration policy decisions made in April 1999 to allow such sales to Iran, Libya, and Sudan, and in June 2000 with respect to North Korea. Supporters of the exemption argue that sanctions are not fair to U.S. farmers and inflict suffering on the innocent while doing little to change the behavior of the leaders of sanctioned countries. Opponents contend that lifting sanctions, particularly with respect to Cuba, is at odds with American values and challenge the view that trade is more important than such values. The Administration has signaled it supports in principle to the exemption of agricultural commodities from sanctions, but objects to the requirement that Congress must approve a presidential request to implement a future sanction on agricultural exports. The Administration has signaled that it might support legislative initiatives to permit food and medical product sales to Cuba as long as such efforts did not support Castro's government. For more information, see Economic Sanctions and Agricultural Exports in the CRS electronic briefing book on trade, and CRS Issue Brief IB10061, *Exempting Food and Agriculture Products from U.S. Economic Sanctions: Current Issues and Proposals*.

**FY2001 Appropriations.** For the international activities of USDA subject to annual appropriations, the Administration's FY2001 budget proposes budget authority of $1.1 billion. The requested level of spending is just $35 million above the FY2000 enacted spending level. P.L. 480 food aid, the salaries and expenses of the Foreign Agricultural Service, and administrative expenses of the CCC export credit guarantee programs are the USDA international activities that require an annual appropriation.

P.L. 480 is the main channel for U.S. foreign food aid and the largest appropriated international USDA program. The Administration's budget requests an appropriation of $973.4 million for P.L. 480 in FY2001, around $31 million more than what was appropriated in FY2000.[1] For the Foreign Agricultural Service (FAS), which implements the international programs, the Administration requests an appropriation of $113.6 million, $4.4 million more than FY2000. Requested budget authority for administrative expenses of the CCC export credit guarantee program are identical to the FY2000 appropriated level of $3.8 million.

The House-passed bill provides funding of $1.02 billion for USDA's annually appropriated international activities. The recommended spending level for P.L. 480 in FY2001 is $906.4 million, $37 million less than requested by the Administration and $6.3 million less than enacted in FY2001. Recommended budget authority for Title I credit sales in the House bill is $114.2 million (for loan subsidies), the same level as proposed by the Administration. The recommended appropriation for Title I's ocean freight differential (the difference between foreign flag and U.S. shipping costs) is $20.3 million. The House level of $770 million for commodity donations under P.L. 480 Title II is $67 million less than requested by the President. A House floor amendment adopted on June 29 reduced the committee recommended level for Title II spending by $30 million to offset an increase in USDA's domestic food and nutrition spending. The House bill provides $1.8 million to cover administrative expenses in connection with the P.L. 480 programs. It also concurs with the Administration's request for salaries and expenses attributed to the operation of CCC export credit guarantees ($3.8 million) which is also the level enacted for FY2000. For FY2001, the House appropriation of $109.2 million for the Foreign Agricultural Service is the same as in FY2000.

The Senate-passed bill recommends a total of $1.09 billion for international programs subject to annual appropriations. This is approximately $70 million more than proposed by the House. The Senate bill includes $114.2 for loan subsidies under Title I of P.L. 480; $20.3 million for the ocean freight differential; $837 million for Title II P.L. 480 commodity donations; $3.8 million for administrative expenses of the CCC export credit guarantee program; and $113.4 million for the Foreign Agricultural Service. A Senate level for Title II that is $67 million greater than the House-passed level appears likely to be resolved in conference.

[1] In addition to the regular appropriation, FY2000 spending for P.L. 480 was augmented by a $648 million transfer from the Commodity Credit Corporation for Title I concessional loans for Russian purchases of food commodities. Additional CCC transfers to P.L. 480, however, are not anticipated in FY2001 budget estimates.

Many of USDA's international programs do not receive an annual appropriation, since they are funded through the borrowing authority of USDA's Commodity Credit Corporation (CCC). For example, the recommended $3.8 million appropriation for administrative expenses for the CCC export credit guarantee program would support a program level of $3.8 billion of commercial loans to guarantee payment for financing of U.S. agricultural exports. The FY2001 estimated level of CCC export credit guarantees is unchanged from the FY2000 estimated level. Two other USDA programs funded through the CCC help to develop markets for agricultural exports. For the Market Access Program (MAP), the Administration estimates spending of $90 million, the maximum allowed under the 1996 farm law. MAP has been a frequent but unsuccessful target of budget cutters who label it "corporate welfare," and of some Members in search of funds to offset increased spending for other programs. An amendment reflecting that point of view which would have effectively prohibited spending on MAP was defeated on the House floor. A provision in the committee-reported version of the bill that would have restored MAP funding for mink pelts was struck from the House-passed bill on a point of order. The Foreign Market Development Program (FMDP), or Cooperator Program, previously funded as a discretionary program but now financed by the CCC, would entail spending of $27.5 million in FY2001.

The Export Enhancement Program (EEP) and the Dairy Export Incentive Program (DEIP), also funded by the CCC, are USDA's current direct export subsidy programs. The budget proposes EEP spending at $478 million, the maximum level authorized in the 1996 farm law and under the World Trade Organization (WTO) Agreement on Agriculture. EEP subsidies have been little used in recent years (only $1 million in FY1999) because, according to USDA, global supply and demand conditions do not favor its use.

For DEIP, the Administration proposes a program level of $66 million, a reduction from the FY2000 estimate of $119 million. The proposed reduction reflects limits imposed by commitments in the WTO Agricultural Agreement, and an end in June 2000 of "roll-over authority" in the Agricultural Agreement, which had allowed countries to exceed their annual export subsidy limits by drawing on unused subsidy authority from previous years.

Section 416(b) commodity donations and food aid under the Food for Progress program also are funded by CCC. (Food for Progress also can use Title I appropriated funds or commodities in CCC inventories to carry out its programs.) For Section 416(b) commodity donations, which were valued at more than $1.2 billion in FY1999 ($794 million in commodity value and $428 million in ocean transportation and overseas distribution costs), outlays for ocean freight and overseas distribution are estimated to fall to $75 million in FY2000. (No estimate for Section 416(b) has yet been provided for FY2001.) Food for Progress, which provides U.S. farm commodities to developing countries and emerging democracies, would require an estimated $118 million in FY2001 ($88 million for commodities and $30 million for transportation and other costs).

Adding the appropriations for P.L. 480, FAS, and the administrative expenses associated with CCC export credit guarantees to the estimated levels of activity for the CCC funded programs (credit guarantees, EEP, DEIP, MAP, FMDP, Section

416(b) and FFP) results in a program level (the value of goods and services provided) for USDA's international activities of around $5.8 billion.

For more information, see CRS Issue Brief IB98006, *Agricultural Export and Food Aid Programs*; CRS Issue Brief IB10040, *Agricultural Trade Issues in the 106th Congress*; CRS Report RS20520, *Foreign Food Aid Programs: Background and Selected Issues*; CRS Report RS20399, *Agricultural Export Programs: The Export Enhancement Program (EEP)*; CRS Report RS20402, *Agricultural Export Programs: The Dairy Export Incentive Program (DEIP)*; and CRS Report RS20415, *Agricultural Export Programs: The Market Access Program and the Foreign Market Development Cooperator Program*.

## Conservation and Environment

Both the House- and Senate-passed bills provide overall increases in discretionary funding for conservation programs in FY2001 over the FY2000 levels, but less than the Administration requested. A majority of conservation funding is mandatory spending which would be affected by some general provisions, discussed below. For the discretionary programs, the House-passed bill provides $812 million, an increase of $8.7 million over FY2000, but just over $65 million less than the $878 million proposed by the Administration. The Senate-passed bill provides almost $867 million, a larger increase of more than $63 million over FY2000. Neither bill provides any funding to implement the conservation elements in the Administration's Safety Net Initiative.

**NRCS Discretionary Programs.** All discretionary conservation programs are funded through USDA's Natural Resources Conservation Service (NRCS). For Conservation Operations, the largest appropriated NRCS program that provides basic technical assistance to farm operators through field staff, the House bill provides $676 million, an increase of $16 million, but $70 million less than the Administration request. The Senate bill provides $714 million, which is $33 million less than the Administration request. Reports from both the House and Senate Appropriations Committees contain numerous earmarks and instructions to NRCS. Among the earmarks and directions accompanying the House bill are $18 million for the Grazing Lands Conservation Initiative; a prohibition on using these funds to carry out the Urban Resources Partnership; and a number of animal waste treatment projects. The House adopted a floor amendment to delete a provision in the committee-reported bill that would have prohibited funding for the American Heritage Rivers Initiative.

Earmarks in the Senate bill include $17 million for the Grazing Lands Initiative, spending to establish a national priority area under the Environmental Quality Incentives Program in the Mississippi Delta, and numerous activities in Hawaii and Alaska. The Administration's higher request for Conservation Operations would support a 16% increase in staff years for NRCS, from 11,600 to over 13,000. No revised estimates have been released on the effects of either appropriations bill on staffing levels in FY2001.

For other conservation programs, the House bill agrees with the Administration proposal to reduce from $91.6 million in FY2000 to $83.4 million Watershed and Flood Prevention Operations, which is used to build and operate small dam and related projects for purposes that range from flood control to recreation. The Senate bill, by contrast, calls for an increase of $7.8 million from the FY2000 level, to $99.4 million. The House earmarks numerous projects and specifies a minimum amount that must be spent on projects rather than to support agency staff. The Senate also earmarks several projects. Both bills contain language on rising water elevation levels at Devil's Lake, North Dakota. The House and Senate bills both increase funding for the Resource Conservation and Development Program to implement regional conservation programs developed by local sponsors. The House increases funding by $6.5 million to $41.7 million, and the Senate by $1 million, to $36.3 million, which is the same as the Administration request. The House adopted a floor amendment to move all funding for the office of the Undersecretary for Natural Resources and Environment, $693,000 to the Resource Conservation and Development Program; the Senate bill has no comparable provision.

A growing concern within NRCS is that many of the watershed projects are approaching or have exceeded their design life, and it is seeking funding to initiate a rehabilitation program. The Administration's budget submission proposed a new $60 million loan program to help states and localities rehabilitate older dams and projects. The House bill supports this proposal within its appropriations for this program, while the Senate bill does not address the Administration proposal. The House bill supports the Administration proposal to provide no funding for Forestry Incentive Program, which encourages conservation on forest lands using long-term easements and technical assistance, while the Senate bill provides more than $6 million, an increase of almost $1 million above last year. The Administration has made this proposal in previous years.

**Mandatory Conservation Programs.** Both bills include general provisions that affect two mandatory conservation programs. The bills limit funding for the Environmental Quality Incentives Program (EQIP), a cost sharing program, to $174 million, the same amount as FY2000 and $26 million less than the authorized level, and both prohibit money from being spent on the Conservation Farm Option. The Administration requested $325 million for EQIP, and strongly opposes the House and Senate limitations on EQIP spending. The CFO is authorized to spend $46 million, the same level as estimated by the Administration.

**Administration Safety Net Initiative.** The Administration's budget estimated a total of $3.9 billion for conservation in FY2001 for all mandatory and discretionary programs, an increase of $1.1 billion over FY2000 estimates. The Administration placed most of these proposals in the conservation component of its Safety Net Initiative. These proposals included expanded activity in several current mandatory conservation programs and creating one new program. The conservation component would require new spending of $1.3 billion in FY2001, all of which requires authorizing legislation. Nearly one-half ($600 million) of the $1.3 billion requested would have supported a proposed new Conservation Security Program, modeled after legislation introduced by Senator Tom Harkin (S. 1426). The stated purpose of this new program is to promote sound land management by providing conservation payments to landowners who voluntarily implement specified conservation practices.

The balance of the requested $1.3 billion would provide additional funding to five current USDA conservation programs. (Changes in some programs would be measured by expanded acres enrolled and in others by additional funds made available.) The total acreage cap of 975,000 acres for the Wetlands Reserve Program would be replaced with an annual cap of 250,000 additional acres. The enrollment cap for the Conservation Reserve Program would be raised from 36.4 million acres to 40 million acres, with an additional $100 million in FY2000 and $125 million in subsequent years to be used as an incentive to enroll acreage with especially high environmental value under a continuous sign-up option. (The Administration has since provided these incentive payments through administrative action.) The Farmland Protection Program and the Wildlife Habitat Improvement Program, two programs that have exhausted their current authorized funding, would receive $65 million and $50 million, respectively, under the Administration request.

**Emergency Conservation Spending.** The Senate-passed bill provides emergency funding for several conservation programs. The House-passed bill does did not include similar provisions. The Senate bill includes an amendment providing an additional $70 million to the Watershed and Flood Prevention Operations Program, and to allow those funds to be used to purchase flood plain easements. Another provision allows USDA to spend the $10 million provided for the Farmland Protection Program and the $40 million provided for EQIP in the recently-enacted crop insurance legislation (P.L. 106-224) only if the technical assistance to support this new spending for both programs is taken from the authorization. It also permits this funding to be used to implement the Wildlife Habitat Incentives Program. Another adopted amendment increases the enrollment ceiling for the Wetland Reserve Program by 100,000 acres, to 1,075,000, and allow those acres to be enrolled in FY2001. Also, an additional $35 million for technical assistance to implement the five conservation programs funded through the Commodity Credit Corporation is included in the Senate-passed bill.

**Kyoto Protocol.** An amendment to the House bill was adopted in subcommittee prohibiting the use of any funds in the FY2001 appropriations bill for the Kyoto Protocol. This provision was amended when the House adopted a floor amendment that limits the application of this provision to activities that have not otherwise been authorized in law. The original subcommittee provision reflects concerns of those opposing the 1997 Kyoto Protocol to control "greenhouse gas" emissions that have been connected to possible global climate change. In addition, report language was included directing the Administration to submit the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) to the Senate for advice and consent within 3 years of the date of adoption, and addresses other concerns about the Kyoto Protocol. (For additional information about the Kyoto Protocol, see CRS Report 98-2, *Global Climate Change Treaty: the Kyoto Protocol*.)

For more information on USDA conservation issues, see CRS Issue Brief IB96030, *Soil and Water Conservation Issues*.

## Agricultural Research, Education, and Economics

Four agencies carry out USDA's REE function. The Department's in-house research agency is the Agricultural Research Service (ARS), which provides scientific support to USDA's action and regulatory agencies and conducts long-term, high-risk, basic and applied research on subjects of national and regional importance. The National Agricultural Library merged with ARS in the 1994 USDA reorganization. The Cooperative State Research, Education, and Extension Service (CSREES) is USDA's liaison with state-level research, education and extension programs at the land grant Colleges of Agriculture. The Economic Research Service (ERS) provides economic analysis of agriculture issues using its databases as well as data collected by the National Agricultural Statistics Service (NASS). ARS, CSREES, ERS, and NASS are under the Under Secretary for Research, Education, and Economics.

The House-passed version of H.R. 4461 contains appropriations of $2.0 billion for USDA's four research, education and economics agencies in FY2001, compared with $2.06 billion in the Senate-passed bill and $2.1 billion in the Administration request. These amounts represent essentially level funding with FY2000 ($2 billion).

**Agricultural Research Service.** The House-passed bill would appropriate $883 million for ARS. Of this, $843.6 million would go to ARS's research programs and $39.3 million would pay for modernizing and building ARS facilities. This includes an amendment adopted on the House floor that shifted $6.8 million from ARS research programs to CSREES research and extension activities. The total amount in the House-passed bill represents a $5 million increase for ARS research over FY2000, but a $13 million decrease (-25%) from the current $52.5 million spending level for ARS facilities. The Senate-passed measure calls for total ARS spending of $927.9 million, of which $871.6 million is for research programs (+5% over FY2000) and $56.3 million for facilities renovation (+7% over current level). The Administration's budget requested a total of $933.6 million -- $894 million for ARS research and $39 million for facilities, representing almost an 8% increase in research funding and a 25% decrease in construction funds. Administration officials have expressed concern that the House bill funds only $16 million of the $98 million in requested increases for ARS research, yet provides funding for numerous unrequested research projects.

Report language accompanying both the House and Senate measures would restore nearly all of the individual ARS research projects that the Administration had proposed for termination and would redirect savings from a few project terminations to new and ongoing projects.

**Cooperative State Research, Education, and Extension Service.** H.R. 4461 provides $952.6 million for CSREES, the agency through which USDA funds land grant colleges for state-level research, education, and extension programs. Of that amount, $481.6 million would go to support research, $431.5 million would support Extension, and $39.5 million would support the integrated research and extension competitive grant program. The Senate-passed measure provides $965 million for CSREES, of which $494.7 million would support research and education programs, $426.7 million would support Cooperative Extension programs, and $43.3 million would support a new competitive grants program for integrated research and extension projects that was authorized in the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626). Both measures concur on raising the amount of the Native American Institutions Endowment Fund, which supports the 1994 Native American land grant colleges, from its current level of $4.6 million to $7.1 million.

Both the Senate and House measures would provide level funding for the block payments to the states under the Hatch Act of 1887 (for research at the state agricultural experiment stations) and under the Smith-Lever Act (for state extension programs). This concurs with the Administration's request of $108.5 million and $276.5 million for Hatch and Smith-Lever, respectively). Both bills are in agreement with the Administration's request for level funding for cooperative forestry research ($21.9 million). The Senate-passed bill concurs with the Administration request for level funding for the 1890 (historically black) land grant colleges, while an adopted floor amendment to the House bill shifted $6.8 million more to the 1890 colleges from ARS accounts.

The Senate measure funds Special Research grants at $65 million (+8.3% from the FY2000 level of $60 million), while the House bill appropriates $74.4 million (+$24 million). The Administration requested a dramatic reduction in Special Grants – down to $6.4 million – and concurrently requested a $30.7 million increase in the National Research Initiative (NRI) competitive grants program – to $150 million. The Senate committee bill originally funded the NRI at $121.4 million (+1.8%), but Senate floor amendments transferred $2.7 million from the NRI into Special Grants, leaving $118.7 million for competitive grants. The House bill provides $96.9 million (-19%) for the NRI.

**Economic Research Service.** The House-passed measure appropriates $66.4 million for ERS, a 1.5% increase over the FY2000 level of $65.4 million and a 20% increase over the budget request. The Senate-passed bill provides $67 million for ERS, and contains language stipulating that USDA use $500,000 of $1.5 million in ERS appropriations to be transferred to the Food and Nutrition Service, for a study of the decline in food stamp program participation and related issues.

**National Agricultural Statistics Service.** The House-passed bill provides $100.9 million for NASS, while the Senate-passed bill provides $100.6 million. These figures represent a small increase from the FY2000 level of $99.3 million and are nearly the same as the Administration's request.

**Research Programs with Authorized Mandatory Funding.** General provisions in both the House- and Senate-passed bills would prevent the expenditure of FY2001 mandatory funds of $120 million for the Initiative for Future Agriculture and Food Systems (which Congress authorized in a research reauthorization act in 1998, P.L. 105-185) and $60 million for the Fund for Rural America (authorized in P.L. 104-127, the 1996 farm act, of which $20 million is allocated for research and extension grants.)

The 1998 research law made the annual funds available for these programs available for allocation over a 2-year period. Therefore, although the FY2000 agriculture appropriations act (P.L. 106-78) blocked USDA from spending available FY2000 funds for the programs, it did not block the expenditure of FY1999 funds that were still available in FY2000. In January 2000, Secretary of Agriculture Dan Glickman announced that USDA would proceed with publishing a request for proposals for the Initiative for Future Agriculture and Food Systems using the FY1999 funds that were still available in FY2000. The grant awards will have to be made before September 30, 2000. The House-passed bill specifically prohibits the spending of the second year of FY 2000 funds (in FY2001) and the first year of FY2001 funds. The Senate measure prohibits the spending of the first year of FY2001 funds only.

## Food Safety

USDA's Food Safety and Inspection Service (FSIS) is responsible for the mandatory inspection of meat, poultry, and processed egg products to ensure their safety, wholesomeness, and proper labeling. FSIS's FY2000 appropriation is $641 million, with a total program level of about $724 million.

The House-passed bill provides $673.8 million in appropriated funds for FY2001, and the Senate-passed bill provides $678 million. Both bills expect that about $83 million in user fees collected for overtime and holiday inspection also will be available.

As in past years, the Administration proposed in its initial budget request to change virtually the entire funding source for FSIS programs from federal appropriations to user fees collected from the meat and poultry packing industry. However, in keeping with a provision in the FY2000 appropriations act prohibiting the assumption of budget savings from user fees unless authorizing legislation has been passed, the budget that the Administration submitted to Congress calls for $688.2 million in appropriations. Congress, over the duration of several Administrations, has never concurred with proposals to change poultry inspection to a user-fee supported service.

The House and Senate committee reports contain identical language directing FSIS: to (1) report by March 1, 2001, on its progress in reviewing all regulations to determine if they should be revised or removed in the wake of the 1996 implementation of the HACCP system; (2) to require senior managers to make annual visits to a variety of meat and poultry operations; and (3) to require senior managers to become HACCP-certified in the same way that inspectors are.

***Appropriations for USDA Food Safety Initiative Activities.*** The Administration proposed a total of $423 million for all federal Food Safety Initiative Activities for FY2001, of which $165.3 million would go to USDA agencies and the balance to the Department of Health and Human Resources (which includes the Food and Drug Administration). The House-passed version of H.R. 4461 contains $144.8 million and the Senate-passed bill contains $165.5 for USDA Food Safety Initiative activities. Both bills would appropriate $28.8 million for FSIS activities, $1.4 million for ERS food safety studies, and $2.5 million for NASS data collection. The House bill would provide $84 million (the Senate bill, $88.4 million) for federal level food safety research and $25.9 million (the Senate bill, $35.8 million) for state-level research. The Administration has threatened to veto any agriculture appropriations measure that does not provide sufficient funding for its Food Safety Initiative.

For more information, see CRS Issue Brief IB10037, *Meat and Poultry Inspection Issues.* For a discussion of the FDA component of the Food Safety Initiative, see the "Food and Drug Administration, Food Issues" section below.)

## Marketing and Regulatory Programs

USDA's marketing and regulatory programs (MRP) are administered by three agencies: the Agricultural Marketing Service (AMS), the Animal and Plant Health Inspection Service (APHIS), and the Grain Inspection, Packers, and Stockyards Administration (GIPSA). The stated mission of these programs is to "expand domestic and international marketing of U.S. agricultural products and to protect the health and care of animals and plants, by improving market competitiveness and the farm economy for the overall benefit of both consumers and American agriculture." The Administration's FY2001 budget requested an aggregate appropriation of $633 million for the MRP, or $98 million over the FY2000 appropriation. The Senate-passed bill recommends MRP funding of $575 million ($40 million over FY2000 appropriation and $40 million below the Administration's request). Similarly, the House-passed bill increases MRP funding to $574 million ($39 million over FY2000 funding and $39 million below the President's request).

APHIS, the agency responsible for protecting U.S. agriculture from foreign pests and diseases, accounts for most of the proposed spending within MRP missions. For FY2001, the House-passed bill provides $475 million, a $32 million increase over FY2000, but $42 million below the Administration's request. The Senate bill provides $468 million, a $25 million increase over last year, and $49 million below the Administration request. Both the House and Senate reports include $87 million for Agricultural Quarantine Inspection (AQI) fees, and substantially increase funding over the Administration's request for boll weevil management and Wildlife Services operations. The President's proposed Invasive Species Initiative ($8.8 million) was not supported by either the House or Senate report language. Similarly, the Administration's request to fund through appropriations some programs traditionally financed through the Commodity Credit Corporation (CCC) (i.e., emerging plant pests, and fruit fly exclusion & detection) was rejected by both the House and Senate committees. Funding for these programs was frozen at FY2000 levels by the Senate, but increased by $6 million by the House. Reports from both committees instructed the Secretary to continue using the CCC mechanism to obtain the additional financing needed (approximately $50 million) to supplement the Administration's request level for these programs. A House floor amendment that would have prevented APHIS Wildlife Services from funding campaigns to destroy wild animals to protect livestock was defeated by a vote of 190-228.

The Agricultural Marketing Service (AMS) is responsible for facilitating the marketing and distribution of agricultural products and ensuring fair-trading practices. For FY2001, the Administration requested $81.5 million, which reflects a shift to annual appropriations to fund the mandatory livestock's price reporting program previously funded by the CCC in FY2000. The request also included new funding for the operation of a data collection program on food-borne pathogens, as part of the President's Food Safety Initiative, and for the implementation of the Pesticide Data Program (PDP). The House version provides $71.3 million, a $6.2 million increase over FY2000, but $10.2 million below the Administration's request. The House bill provides $1.1 million, compared with the $14.3 million requested, for PDP implementation, and reduces to $3 million the Administration's request for $5.9 million for implementing the Livestock Mandatory Price Reporting Act of 1999. In the Senate version, $79.3 million is provided for all of AMS, a $12.2 million increase over last year, and $2.2 million below the Administration request. In contrast to the House, the Senate version includes full funding for PDP and for the Mandatory Price Reporting requests.

USDA's Grain Inspection, Packers, and Stockyards Administration (GIPSA) establishes the official U.S. standards, inspection and grading for grain and other commodities. GIPSA has also been working to improve monitoring of livestock markets, where concentration has raised concerns about decreasing competition. The House bill provides $27.8 million, while the Senate bill provides $27.3 million. Not included in the Senate's figure is a supplemental appropriation of $600,000 for the completion of a biotechnology reference facility dedicated to the development of genetic testing methods for biotech crops. Both bills are below the Administration's FY2001 request for GIPSA of $33.5 million, but above the FY2000 level of $26.4 million.

## Rural Development

The Department's rural development mission area is charged with addressing the housing, infrastructure, and community and economic development needs of rural areas. The Administration's budget proposal for FY2001 requests an appropriation of $2.588 billion to support $8.084 billion in direct and guaranteed loans and a variety of grant programs. The requested appropriation is $474 million above the $2.187 billion available in FY2000. The House-passed bill recommends an appropriation of $2.407 billion to support $7.741 billion in direct and guaranteed loan authority. The Senate-passed bill includes $2.502 billion in support of $7.804 billion in loan authority. The Senate bill also contains emergency spending provisions of $180 million for rural development programs, mainly in response to the hurricanes that struck rural areas in late 1999.

**Rural Community Advancement Program.** Both the House and Senate subcommittees recommended lower funding for the Rural Community Advancement Program (RCAP) than what was requested by the Administration. However, a full committee amendment to the House bill was adopted providing an additional $57 million in RCAP funds. As reported out of full committee, the House bill provides $775.8 million to RCAP, $13 million above the Administration request of $762.5 million. The Senate level at $749.3 million is $13 million below the request. However, emergency provisions in the Senate bill would provide an additional $180 million for RCAP funding including: $50 million for additional rural community facilities grants "for areas of extreme unemployment or economic depression"; $30 million for Rural Utility Service grants for rural communities with high energy costs; $50 million for direct loans and grants of the rural utilities programs for regions experiencing natural disasters; and $50 million for community facility direct and guaranteed loans to help rural North Carolina regions recover from the 1999 hurricanes.

**Fund for Rural America.** The Administration's budget assumes full funding ($60 million) for the Fund for Rural America, a mandatory program which Congress has prohibited from receiving funds in recent agriculture appropriations acts. Neither the House nor the Senate bill would allow any funds to be obligated on this program in FY2001.

**Rural Housing Programs.** The Administration's budget recommends $1.536 billion in loan subsidies, rental assistance payments, and grants for the Rural Housing Service including $332.3 million in loan subsidies in support of $5.385 billion in loan authority. The proposed loan subsidy is $151 million more than approved for FY2000 and would support $795.6 million more in loan authority than in FY2000. The Administration's budget includes several new housing related initiatives and budget increases intended to address the needs of poor and moderate income households. These include recommendations that would:

- eliminate the statutory requirement that 20% of multi-family housing loan guarantees must carry an interest subsidy;

- provide a $40 million increase in rural rental assistance payments in support of existing and new multi-family and farm labor housing (increasing budget authority for such payments from $640 million in FY2000 to $680 million in FY2001); and

- increased funding for the President's National Homeownership Initiative including $1.3 billion in direct loans for single family housing, and $3.7 million in loan guarantees. This would represent an additional $200 million in direct loans and $500 million in single family housing loan guarantees above the program's FY2000 funding levels.

The House-passed bill includes $1.383 billion in loan and grant assistance for programs funded in the Rural Housing Service. It also includes $254 million in housing subsidies. This funding level would support $5.073 billion in loan authority. The Senate-passed bill includes $1.481 billion in total Rural Housing Service assistance, which is $55 million less than requested by the Administration, but $98 million more than recommended by the House. The Senate also recommends $285 million in housing subsidies, which is $31 million more than in the House-passed bill and $47 million less than the amount sought by the Administration. The Senate bill recommends $4.564 billion in loan authority. In addition:

- the House and Senate bills recommend $1.1 billion in direct loans, or $200 million less than requested by the Administration in support of its National Homeownership Initiative. The Senate bill also includes $500 million less in loan guarantee authority than requested by the Administration in support of the Initiative;

- both the House and Senate bills recommend $100 million less in loan guarantee authority for the multifamily housing program (Sec. 515) loans; and

- the House-passed bill recommends $25 million less than requested by the Administration for Section 521, Rental Assistance Program.

**Rural Business and Cooperative Programs.** The requested $56.9 million in budget authority for the Rural Business-Cooperative Service for FY2001 is $2.9 million more than appropriated in FY2000. It is $18.7 million more than the $38.2

million provided by the House-passed bill and $24 million more than the $33.0 million recommended by the Senate bill. The most significant reduction recommended by both bills is $13.3 million in subsidies under the Rural Development Loan Fund (intermediary relending program).

The Administration is also seeking $15 million annually in mandatory funding for Round II empowerment zones and enterprise communities. Five Round II empowerment zones were authorized under the Taxpayer Relief Act of 1997, and 20 enterprise communities by the FY1999 appropriations act. Both bills include $42.6 million in support of empowerment zones, $6 million for a Rural Community Development Initiative that would provide technical assistance to community-based housing and development organizations, and $8.4 million for Rural Business Opportunity Grants.

The Senate also includes a general provision that would prohibit the relocation or closure of a state rural development office without undertaking a cost benefit analysis.

**Rural Utilities Service.** The Administration is requesting $100.9 million in budget authority and $2.6 billion in loan authority for the activities of the Rural Utilities Service (RUS). The House bill includes $89.4 million in budget authority to support $2.6 billion in loan authority for RUS activities. The Senate bill recommends an appropriation of $108 million to support $3.686 billion in loan authority. The House-passed bill includes $19.5 million for Distance Learning and Telemedicine, which is $7.5 million less than requested by the Administration or recommended in the Senate bill. Both bills support the Administration's request for $400 million in loan authority for distance learning and telemedicine. The Administration also requested $33.6 million in loan subsidies to support $2.045 billion in loan authority for the rural electrification and telecommunications loans. The Senate bill recommends $40.4 million to support $2.611 billion in loans, while the House bill recommends $33.3 million for $2.04 billion in loans. The House and Senate bills support the Administration's $175 million request for the rural telephone banks program account. The Administration's proposed Rural Utility Service initiative includes $102 million for a pilot loan and grant program to finance broadband transmission and local dial-up internet service. The Senate-passed bill recommends $2 million for a broadband internet demonstration project.

## Food and Nutrition

USDA's Food and Nutrition Service (FNS) administers the nation's domestic food assistance programs. These include the food stamp program, school lunch, breakfast, child and adult care food, summer food and special milk programs, the special supplemental nutrition program for women, infants, and children (WIC) and various commodity donation programs for the elderly, poor, and homeless. For FY2001, the Administration requests budget authority of $36.264 billion for these programs. This amount is $1.22 billion more than FY2000 budget authority for these programs and is expected to fund the anticipated needs of the programs at current, full-service levels. Both the House- and Senate-passed appropriations bills for FY2001 recommend total budget authority of $35.2 billion for these programs, or about $1.1 billion less than the Administration request. Much of the difference between the Congress and Administration is due to the Administration request for a substantially higher food stamp reserve fund than normally is provided by the Congress. The Senate-passed bill also provides for the transfer of $1.5 million from the Economic Research Service to the Food and Nutrition Service for program studies and evaluations.

**Food Stamps.** Budget authority of $22.132 billion is requested for the food stamp and related programs, which is $1.06 billion over FY2000 budget authority. Funding includes the costs of food benefits, administration and employment and training for food stamp recipients ($19.7 billion); a $1 billion reserve fund for the food stamp program; $1.3 billion in block grant funding for the nutrition program for Puerto Rico, and $100 million to buy commodities for distribution through the emergency food assistance program (EFAP). Most of the Administration proposed increase for food stamp and related programs is due to a proposed $900 million increase in reserve funds. The House-passed bill recommends a total of $21.232 billion for these programs, the same as the Administration *except* for the food stamp reserve fund, which it maintains at $100 million. The Senate-passed bill calls for a total of $21.221 ($10.7 million less than House appropriators) for food stamp and related programs. Up to $7.3 million was added on the Senate floor to the Food Distribution Program on Indian Reservations program, an alternative to food stamps, to buy bison from Native American producers and cooperatives.

The Administration budget also indicated plans to propose legislation that would restore food stamp eligibility to some legal aliens who became ineligible under the 1996 welfare reform law, and to give states greater authority to conform their food stamp rules to those of certain other assistance programs. The Administration has not followed through on this proposal, which was estimated to add 210,000 legal aliens to the food stamp rolls.

**Child Nutrition.** FY2001 budget authority of $9.546 billion is proposed by the Administration for child nutrition programs. This does not include some $400 million in commodities bought for child nutrition programs using agricultural surplus removal funds (and not charged to the child nutrition account). This requested level is expected to be sufficient to maintain full service levels for the school lunch, school breakfast, child and adult care food, summer food, and special milk programs. Among other things reflected in the proposed budget are funding for activities not conducted with FNS funds in FY2000 – nutrition education and training ($2 million), and nutrition surveys and studies ($3 million); and a $1 million reduction (to $6 million) for school breakfast demonstration projects. Higher spending is expected for each of the food service programs except for the special milk program, where lower milk prices have resulted in a downward adjustment in federal subsidies for the milk served, and slightly lower federal costs. In FY2001, 27.8 million children are expected to participate in the school lunch program on an average day, and 8 million in the school breakfast program.

Both the House and Senate bills provide slightly less than the Administration request for child nutrition programs – the House-passed bill would fund these programs in FY2001 at a total of $9.535 billion ($11 million less than the Administration proposal); the Senate-passed bill would provide a total of $9.541 billion ($5 million less than the Administration). Major differences between the

Administration and the Congress are over funding for the nutrition education and training (NET) program which the Administration wants to fund, and funding for studies and evaluations of programs, which the Administration would like to have done by the Food and Nutrition Service, but which appropriators, for the past several years have funded through the Economic Research Service of USDA.

**WIC.** The Administration requests an appropriation of $4.148 billion for the special supplemental nutrition program for women, infants and children (WIC) for FY2001. This is an increase of $116 million above FY2000 spending for this program (or $133 million if one takes into account the plan to keep money normally set aside to pay for the farmers market nutrition program (FMNP) for WIC costs, and fund the FNMP with new funds under the category of Commodity Assistance Programs (CAPs). The WIC program provides monthly food supplements to low-income women, infants and children (under age 5) with nutritionally related health problems. The recommended funding is expected to bring WIC participation up to 7.5 million people by the end of FY2001, according to Administration estimates. Included in the Administration request is $3.5 million for program studies and evaluations, which currently are being carried out through the Economic Research Service of the USDA (instead of FNS). Under the Administration proposal, the FMNP would be funded through the Commodity Assistance Program (CAP) instead of WIC appropriations. WIC funding would not be reduced to reflect this change; instead new funding, increased from $17 million to $20 million would be added to CAP spending. A similar proposal contained in last year's budget was rejected by appropriators. The FMNP operates in certain areas where WIC recipients have access to farmers markets. It provides funding for the issuance of food instruments to WIC recipients to be used to buy fresh foods at farmers' markets.

The House and Senate bills recommend $4.067 billion and $4.052 billion, respectively for the WIC program for FY2001, or $35 million more (for the House) and $20 million more (for the Senate) than the FY2000 level. Senate appropriators estimate that their recommended spending, along with carryover funds, will support average monthly participation of 7.35 million participants, up from the average monthly level of 7.2 million in FY2000. Both versions of the bill reject the Administration proposal to remove WIC funding for the farmers' market nutrition program. Both bills earmark a specific amount of WIC funds ($10 million for the House, and $15 million for the Senate) and permit an additional $5 million of WIC funds to be used to further fund the FMNP after WIC program caseload needs are met. Both bills also specify a set amount of WIC administrative funds ($14 million) that are to be used for management information systems, electronic benefit transfer systems, and breastfeeding promotion. The House-passed bill requires that WIC carryover funds in excess of $100 million be transferred as follows: $6 million to child nutrition programs, $5 million to commodity assistance programs, and $10 million for food donations. This provision is not in the Senate bill. As with the other nutrition programs, the House and Senate bills prohibit the use of any WIC program funds for program studies and evaluations. An amendment to the Senate bill provides for the use of WIC funds to determine whether an eligible child has received a blood screening test for lead.

**Commodity Assistance.** Budget authority for Commodity Assistance Programs (or CAPs) would be $158.3 million under the Administration proposal, an increase of $25 million above FY2000 spending. Programs included in this category (for appropriations purposes) include: the commodity supplemental feeding program (CSFP) for low-income mothers, young children and the elderly, which would receive $93.3 million in the request, or $5 million more than in FY2000; the emergency food assistance program (EFAP), which would receive $45 million, the same as last year, for the administrative costs of distributing commodities supplied with food stamp funds and from CCC holdings; and the farmers market nutrition program (FMNP) formerly funded with WIC money, now proposed to receive $20 million as part of CAP funding. Neither the House nor the Senate bills agrees to the Administration FMNP proposal. The House recommends a total of $138.3 million, $5 million more than the FY2000 level for CAPs. This would provide $93.2 million for the CSFP and $45 million for EFAP administrative costs. The House-passed bill also permits the transfer of $5 million from WIC carryover funds in excess of $100 million for the CSFP. The Senate recommends $140.3 million, or $7 million more than FY2000 budget authority for CAP. It does not designate specific levels for each of the two programs.

Budget authority for food donation programs would total $151.1 million under the Administration FY2001 budget plan: $150 million (+$10 million over FY2000) for the nutrition program for the elderly (commodities program) and $1.1 million for the needy family program (Pacific Island and disaster aid). The elderly program operates in conjunction with the Older Americans Act meal service programs and provides USDA commodities, or cash in lieu thereof to support the costs of meals served to the elderly through congregate and at-home feeding sites. The House and Senate both provide $141.1 million for these programs, or $10 million less than the Administration request, and the same as FY2000. However, an adopted House floor amendment to the House bill increased the elderly nutrition programs by $20 million, offset by a $20 million reduction in P.L. 480 Title II spending.

Under the House bill, both CAPs and the food donations programs could receive additional funding (up to $5 million and $10 million, respectively) if FY2000 carryover funds from the WIC program exceed $100 million.

# Food and Drug Administration

## Overview

The Food and Drug Administration (FDA) is the agency of the Department of Health and Human Services responsible for regulating the safety of foods, drugs, cosmetics, and medical devices. It is funded through both congressional appropriations and user fees. The total collections of user fees are established each year in the annual agriculture appropriations act.

For FY2001, the House approved a total appropriation of $1.102 billion (a $53 million increase over FY2000) that includes $1.118 billion for salaries and expenses, $11.35 million for buildings and facilities (the same level as the FY2000 appropriation), and a rescission of $27 million from the FY 2000 tobacco program appropriation. The Senate approved a total of $1.099 billion for FY 2001 (a $50 million increase over FY 2000) with $1.068 billion for salaries and expenses, and $31 million for buildings and facilities. The Senate does not rescind the $27 million for the tobacco program. (See below.) The Administration requested a total appropriation of $1.211 billion, an increase of $162 million from FY2000. The request included $1.157 billion for FDA's salaries and expenses, $31 million for buildings and facilities, and $23 million for advance FY 2002 appropriations.

The President also requested $203 million to be collected from user fees for FY2001. Most of this amount would be collected under the Prescription Drug User Fee Act (PDUFA) ($149 million) to which the House and the Senate agree. In addition, $54 million was requested to be collected in fees under the Mammography Quality Standards Act ($15 million), existing certification programs, and several new programs. One of the new programs in the Administration's request was a "food additive user fee program," to supplement the appropriation for the agency's regulatory services. Previous appropriations acts have prohibited FDA from developing, establishing, or operating any "general user fee" program. Neither the House nor the Senate agreed with this request and both asked the agency to identify the reduced services that would occur if the user fee proposal was not enacted. They also both prohibit FDA from paying the salaries and expenses of any personnel preparing an appropriations submission that included any "general user fee" program.

## Food Issues

Both the House and Senate approved the Administration's request for an FY2001 increase of $30 million for the FDA portion of the President's Food Safety Initiative (FSI). In general, both the House and Senate support the Administration's expansion of FDA activities under the FSI. Some of the approved $30 million increase would be appropriated for specific purposes. For example, the Senate specified that $5 million be available for the Center for Food Safety and Applied Nutrition (CFSAN), and $1 million for the National Center for Toxicological Research (NCTR). The Senate report recommended specifically that the agency also use the funds to implement a Hazardous Analysis and Critical Control Point (HACCP) system for fruit and vegetable juices, to complete the National Antimicrobial Resistance Monitoring System (NARMS), and to expand annual inspections of high-risk food establishments. Both the House and the Senate want FDA to support food safety research at the National Center for Food Safety and Technology (NCFST) in Illinois. In its report, the House requires that FDA provide funding to establish a food safety laboratory at New Mexico State University that will conduct rapid screening of microbial contamination on imported and domestic fresh produce. The House also adopted an amendment requiring FDA to use $3 million to evaluate and regulate the contributions by animal drugs to the development of antibiotic resistance in food borne pathogens.

Funding for seafood research is also specified under the FSI. Both the House and the Senate committee reports recommend that FDA support efforts for research on *Vibrio vulnificus* and molluscan shellfish. The House report recommends FDA continue funding the Interstate Shellfish Sanitation Commission, and the Senate report recommends that the agency continue education programs on the hazards of consuming raw shellfish.

Separate from the FSI, FDA had requested $13 million to pay for the transfer of a program of the National Marine Fisheries Service to FDA's Office of Seafood. The program provides fee-for-service inspections and certification services. The House rejected this request because it believes that the requested transfer should be authorized by the appropriate authorizing committee, not by appropriators. The Senate did not comment on this request.

Although not specified as receiving funds under the FSI, both the House and the Senate committee reports have addressed issues related to food biotechnology. The House report expects FDA to work with USDA to provide a unified strategy and sufficient information for responding to consumer safety and environmental concerns about bioengineered foods. The Senate report recommends FDA spend $1 million to develop safety evaluation criteria for genetically engineered ingredients in animal feeds, and to provide adequate funding to educate overseas foreign regulators on the evaluation of the safety of biotechnology products and food.

Food irradiation labeling is also an issue of interest to both the House and Senate. Both committee reports noted that FDA had not finalized labeling regulations on food irradiation that had been required in the report accompanying the FDA Modernization Act of 1997. Both committee reports do not want disclosures to be perceived as warnings. The House expects a status report in November, proposed regulations by September 2001, and final regulations by October 2001.

The Senate committee report also recommends that FDA establish performance benchmarks to measure the rate of review of direct food and color additive petitions, including those with food safety benefits. FDA is also to seek public comments and report to the Senate Appropriations Committee on its use of FY2000 funds to reduce the food and color additive petition backlog.

With respect to the regulation of dietary supplements, the House report requires that within 6 months of enactment the FDA will report on how it is complying with a court decision which overturned FDA regulations requiring marketers of dietary supplements to submit health claims to the agency for approval. The Senate recommends research on dietary supplements be split between the National Center for Natural Products Research in Mississippi, NCTR and CFSAN.

## Drug and Medical Device Issues

The House and the Senate committee reports expressed concern about improving the timeliness of product reviews, including those for generic drugs, orphan drugs, biologics (blood and blood products), and medical devices. Both committee reports recommend funding increases for the Office of Generic Drugs to improve the science base of reviewers and to upgrade its information technology systems to allow for the electronic submission of generic drug applications. Both also recommended specific projects for orphan drugs, the blood supply, and the regulation of prescription drug wholesalers. The House adopted an amendment to increase by $2 million the Center for Drug Evaluation and Research's (CDER) appropriation to accelerate the review of generic drug applications. The House report wants FDA to expand the list of eligible devices that can be reviewed under the third-party review program, and the

Senate report wants FDA to use the $2.8 million increase to ensure the safety of reprocessed devices.

The House and Senate approved several amendments to counter the current high prices of prescription drugs facing U.S. consumers as compared to prices for consumers in other countries. The House adopted an amendment that blocks FDA from enforcing Section 801(d)(1) of the Federal Food Drug and Cosmetic Act. This section forbids the re-importation of U.S.-made prescription drugs from other countries unless the drug is imported by the manufacturer of the drug. This section, adopted in 1988, ensures that U.S.-approved drugs imported from other countries are not adulterated, counterfeit, nor have diminished potency. Another adopted amendment blocks FDA from interfering with the importation of drugs approved in the United States that were made in an FDA-approved facility in the United States, Canada or Mexico. A third amendment would restrict FDA in certain cases from sending consumers warning letters that the re-importation of prescription drugs made in the United States is illegal. The Senate adopted two amendments. The first would require FDA to publish regulations expanding the certification requirements on prescription drug imports and would allow pharmacists and wholesalers to import prescription drugs (not just the manufacturers.) The second amendment says that if prescription drugs are imported, they must be certified by the Secretary of Health and Human Services that they would pose no risk to the public's health and safety and would result in a "significant reduction" in the cost of the drugs for the U.S. consumer.

Both committee reports contain language concerning the international harmonization of regulations for pharmaceuticals, medical devices, and food, and to increase inspections of foreign regulatory systems for these products. The House committee report requires FDA to report on how the agency is working to lower barriers to global marketing of medical technology, and how it will promote mutual recognition and international harmonization of approval systems and product surveillance. The Senate committee report recommends FDA intensify inspections in developing countries and use $1.8 million of the FSI funding to support activities of the *Codex Alimentarius,* an international organization designed to protect the health of consumers globally, and to facilitate international trade in foods.)

Because common allergenic contact dermatitis costs the U.S. economy over $1 billion annually, and because FDA has only 24 approved patch test kits for allergenic chemicals, the House report recommends FDA expedite the approval of over 400 allergen tests used already in Europe and Canada.

With the March 21, 2000, Supreme Court affirmation of a lower court's decision, FDA no longer has the authority to regulate in states the sales of tobacco products to youth. Neither committee recommended any FY 2001 appropriation for the agency's youth tobacco prevention activities. The House rescinded $27 million from the FY2000 appropriation in the FY 2001 appropriation and the Senate requires FDA work with the Appropriations Committee to reprogram the remaining $27 million.

## Buildings and Facilities

Both the House and Senate provided funding to complete construction of FDA's Arkansas Regional Laboratory. The chambers disagreed, however, over funding the replacement of FDA's regional laboratory facility in Los Angeles. The Senate provides $20 million for a first construction phase as requested by the Administration, while the House report said this construction funding would be provided in the House-passed version of the FY 2000 Supplemental Appropriations bill (H.R. 3908). The House report noted its concern about the impact on FDA employees of the transfer to Irvine, CA.

For more information on FDA issues, see CRS Report 95-422, *Food and Drug Administration: Selected Funding and Policy Issues for FY2000*, CRS Issue Brief IB98009, *Food Safety Issues in the 106th Congress*, and CRS Report RS20507, *Labeling of Genetically Modified Foods.*

**Table 4. U.S. Department of Agriculture and Related Agencies Appropriations, FY2000 vs. FY2001**
($ in millions)

| Agency or Major Program | FY2000 Enacted (1) | FY2001 Adminis tration Request | FY2001 House-Passed Bill | FY2001 Senate-Passed Bill | FY2001 Confer-ence Rept. |
|---|---|---|---|---|---|
| **Title I — Agricultural Programs-** | | | | | |
| Agric. Research Service (ARS) | 882.9 | 933.6 | 882.9 | 927.9 | |
| Coop. State Research Education and Extension Service (CSREES) | 945.6 | 965.3 | 952.6 | 964.8 | |
| Economic Research Service (ERS) | 65.4 | 55.4 | 66.4 | 67.0 | |
| National Agricultural Statistics Service (NASS) | 99.3 | 100.6 | 100.9 | 100.6 | |
| Animal Plant Health and Inspection Service (APHIS) | 443.0 | 517.2 | 475.2 | 468.0 | |
| Agric. Marketing Service (AMS) | 65.1 | 81.5 | 71.3 | 79.3 | |
| Grain Inspection , Packers and Stockyards Admin. (GIPSA) | 26.4 | 33.5 | 27.8 | 27.3 | |
| Food Safety and Insp. Serv (FSIS) | 649.1 | 688.2 | 673.8 | 678.0 | |
| Farm Service Agency (FSA) | 794.4 | 828.4 | 828.4 | 828.4 | |
| FSA Farm Loans - Subsidy Level | 82.0 | 185.6 | 185.6 | 107.0 | |
| **Farm Loan Authorization* | *3,083.3* | *4,557.9* | *4,557.9* | *3,083.2* | |
| FSA Farm Loans- Salaries and Administrative Expenses | 214.2 | 269.5 | 269.5 | 269.5 | |
| Risk Management Agency (RMA) Salaries and Expenses | 64.0 | 67.7 | 67.7 | 65.6 | |
| Federal Crop Insur. Corp. Fund (2) | 710.9 | 1,727.7 | 1,727.7 | 1,727.7 | |
| Commodity Credit Corp. (CCC) (2) | 30,037.0 | 27,771.0 | 27,771.0 | 27,771.0 | |
| Other | 357.0 | 515.1 | 383.0 | 424.8 | |
| **Total, Agricultural Programs** | **35,436.3** | **34,740.3** | **34,484.0** | **34,506.9** | |
| **Title II -Conservation Programs** | | | | | |
| Conservation Operations | 660.8 | 747.2 | 676.8 | 714.1 | |
| **Total, Conservation Programs** | **803.5** | **877.3** | **812.8** | **866.9** | |
| **Title III - Rural Development** | | | | | |
| Rural Community Advancement Program (RCAP) | 693.6 | 762.5 | 775.8 | 749.3 | |
| Rural Housing Service (RHS) | 1,332.0 | 1,536.3 | 1,383.4 | 1,481.3 | |
| ** RHS Loan Authority* | *4,589.4* | *5,385.0* | *5,073.5* | *4,564.4* | |
| Rural Business Cooperative Serv. | 54.0 | 56.9 | 38.2 | 33.0 | |
| ** RBCS Loan Authority* | *53.3* | *79.5* | *53.3* | *53.3* | |

| Agency or Major Program | FY2000 Enacted (1) | FY2001 Adminis tration Request | FY2001 House-Passed Bill | FY2001 Senate-Passed Bill | FY2001 Confer-ence Rept. |
|---|---|---|---|---|---|
| Rural Utilities Service (RUS) | 107.3 | 100.9 | 89.4 | 107.7 | |
| ** RUS Loan Authority* | *2,986.5* | *2,620.0* | *2,615.0* | *3,686.5* | |
| **Total, Rural Development (1)** | **2,187.5** | **2,587.6** | **2,407.7** | **2,502.2** | |
| ** Rural Development, Total Loan Authority* | *7,629.1* | *8,084.5* | *7,741.8* | *8,304.1* | |
| **Title IV - Domestic Food Programs** | | | | | |
| Child Nutrition Programs | 9,554.0 | 9,546.1 | 9,535.0 | 9,541.5 | |
| WIC Program | 4,032.0 | 4,148.1 | 4,067.0 | 4,052.0 | |
| Food Stamp Program | 21,071.8 | 22,132.0 | 21,232.0 | 21,221.3 | |
| Commodity Donation Programs | 274.4 | 309.4 | 299.4 | 281.4 | |
| Other | 112.1 | 129.1 | 117.0 | 117.4 | |
| **Total, Food Programs** | **35,044.1** | **36,264.7** | **35,250.4** | **35,213.6** | |
| **Title V - Foreign Assistance** | | | | | |
| Foreign Agric. Service (FAS) | 109.2 | 113.6 | 109.2 | 113.4 | |
| Public Law (P.L.) 480 | 942.7 | 973.4 | 906.4 | 973.4 | |
| CCC Export Loan Salaries | 3.8 | 3.8 | 3.8 | 3.8 | |
| **Total, Foreign Assistance** | **1,055.7** | **1,090.8** | **1,019.4** | **1,090.6** | |
| **Title VI - FDA & Related Agencies** | | | | | |
| Food and Drug Administration (3) | 1,049.0 | 1,211.3 | 1,102.3 | 1,098.9 | |
| Commodity Futures Trading Commission (CFTC) | 63.0 | 72.0 | 69.0 | 67.1 | |
| **Total, FDA & Related Agencies** | **1,112.0** | **1,283.3** | **1,171.3** | **1,166.0** | |
| **General Provisions** | **2.3** | **--** | **119** | **--** | |
| **Emergency USDA Spending** | **8,6705.** | **--** | **--** | **3,050.0** | |
| | | | | | |
| **Bill Total Including Emergency Spending** | **84,312.5** | **76,844.6** | **75,264.5** | **78,396.8 .** | |
| **Subtotal - Before CBO Scorekeeping Adjustments, Excluding Emergency Spend. (4)** | **75,642.0** | **76,821.6** | **75,264.5** | **75,346.8** | |
| CBO Scorekeeping Adjustments (4) | 256.7 | 425.1 | 157.1 | 356.1 | |
| **Grand Total, After Scorekeeping Adjustments, Excludes Supplem.** | **75,898.7** | **77,269.7** | **75,421.6** | **75,702.9** | |

**Note:** An item with an asterisk (*) represents the total amount of direct and guaranteed loans that can be made given the requested or appropriated loan subsidy level. Only the subsidy level is included in the totals.

(1) P.L. 106-113 required a government-wide 0.38% cut from total discretionary and emergency budget authority. USDA was required to cut $87.1 million from programs funded by the FY2000 agriculture appropriations act which is reflected in this table.

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(2) Under current law, the Commodity Credit Corporation and the Federal Crop Insurance Fund each receive every year an indefinite appropriation ("such sums, as may be necessary"). The amounts shown for both FY2000 and FY2001are USDA estimates of the necessary appropriations.

(3) The Administration's request for FDA does not include a requested FY2002 advance appropriation of $23 million for FDA's buildings and facilities.

(4) Scorekeeping adjustments reflect the savings or costs of provisions that affect mandatory programs, plus the permanent annual appropriation made to USDA's Section 32 program.

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**Source:** Based on spreadsheets provided by the House Appropriations Committee