Agriculture and Related Agencies: FY2009 Appropriations

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November 24, 2008

Congressional Research Service
7-5700
www.crs.gov
R40000

CRS Report for Congress
Prepared for Members and Committees of Congress

Summary

The agriculture appropriations bill includes all of the U.S. Department of Agriculture (USDA) except the Forest Service, plus the Food and Drug Administration (FDA). The Commodity Futures Trading Commission (CFTC) appropriation also has been enacted with the agriculture appropriations bill, even though jurisdiction in the Senate for CFTC funding moved to the financial services appropriations subcommittee in FY2008.

The agriculture appropriations bill was not completed before the beginning of FY2009. A nearly 5½ -month continuing resolution (P.L. 110-329, Division A) was enacted on September 30, 2008, to fund the government until March 6, 2009, or until a separate appropriations bill is enacted. The continuing resolution generally funds agencies at their FY2008 levels. However, a few exceptions affecting the agriculture bill allow billions more in spending than in FY2008, including primarily an unspecified amount for food stamps to maintain program levels, plus $638 million more for the Women, Infants and Children (WIC) nutrition program, $150 million more for the Food and Drug Administration, and $518 million more for rural rental assistance.

During the regular appropriations cycle, the Senate Appropriations Committee reported its version of the agriculture appropriations bill on July 17, 2008 (S. 3289, S.Rept. 110-426). The bill would have provided $97.2 billion in total funding (up 7% from FY2008), including $20.4 billion in discretionary appropriations (up 14% from FY2008) and $76.8 billion in mandatory funds (up 6% from FY2008). The Senate bill contained provisions to reduce mandatory spending by $641 million for 18 conservation, bioenergy, specialty crop, research, and rural development programs below the levels authorized in the 2008 farm bill.

The House Appropriations Committee did not report an FY2009 agriculture appropriations bill. The subcommittee approved a bill on June 19, 2008, but the full committee stopped regular action on FY2009 appropriations bills over procedural difficulties. Thus, no information is publicly available on the contents of the House subcommittee markup.

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The agriculture appropriations bill was not completed before the beginning of FY2009. A nearly 5½ -month continuing resolution (P.L. 110-329, Division A) was enacted on September 30, 2008, to fund the government until March 6, 2009, or until a separate appropriations bill is enacted. The continuing resolution generally funds agencies at their FY2008 levels, with a few exceptions that affect the agriculture bill.

The Senate Appropriations Committee reported its version of the agriculture appropriations bill on July 17, 2008 (S. 3289, S.Rept. 110-426). The bill would have provided $97.2 billion in total funding (up 7% from FY2008), including $20.4 billion in discretionary appropriations (up 14% from FY2008) and $76.8 billion in mandatory funds (up 6% from FY2008). See **Table 3** and **Table 6** for more details on the bill totals and specific agency amounts.

The House Appropriations Committee did not report an FY2009 agriculture appropriations bill. The subcommittee approved a bill on June 19, 2008, but the full committee stopped regular action on all FY2009 appropriations bills shortly thereafter over procedural difficulties.

Scope of the Agriculture Appropriations Bill

The agriculture appropriations bill—formally known as the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act—covers funding for the following agencies and departments:

- all of the U.S. Department of Agriculture (except the Forest Service, which is funded by the Interior appropriations bill),
- the Food and Drug Administration (FDA) in the Department of Health and Human Services, and
- in the House, the Commodity Futures Trading Commission (CFTC); in the Senate, CFTC appropriations are handled by the financial services appropriations subcommittee.

Jurisdiction for the bill rests with the House and Senate Committees on Appropriations, particularly in each committee’s Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

USDA Activities

The U.S. Department of Agriculture (USDA) carries out widely varied responsibilities through about 30 separate internal agencies and offices staffed by some 100,000 employees. USDA spending is not synonymous with farm program spending; it is responsible for many activities outside of the agriculture budget function.

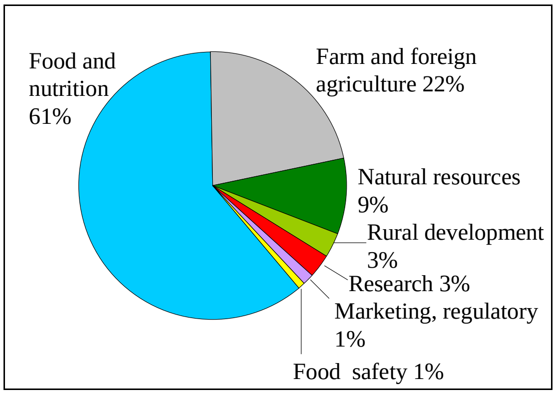
USDA estimated that its outlays in FY2008 would be $99 billion. Food and nutrition programs comprise the largest mission area with $60 billion, or 61% of the total, to support the food stamp program, the nutrition program for Women, Infants, and Children (WIC), and child nutrition programs (**Figure 1**).

The second-largest mission area, with an expected $22 billion (22%) in outlays, is farm and foreign agricultural services. This mission area includes the farm commodity price and income support programs of the Commodity Credit Corporation, certain mandatory conservation and trade programs, crop insurance, farm loans, and foreign food aid programs.

Other USDA activities include natural resource and environmental programs (9% of the total), rural development (3%), research and education programs (3%), marketing and regulatory programs (1%), and food safety (1%). About two-thirds of the outlays for natural resources programs goes to the Forest Service (about $6.2 billion), which is funded through the Interior appropriations bill. The Forest Service, included with natural resources in **Figure 1**, is the only USDA agency not funded through the agriculture appropriations bill.

Figure 1. USDA Outlays, FY2008 Estimated

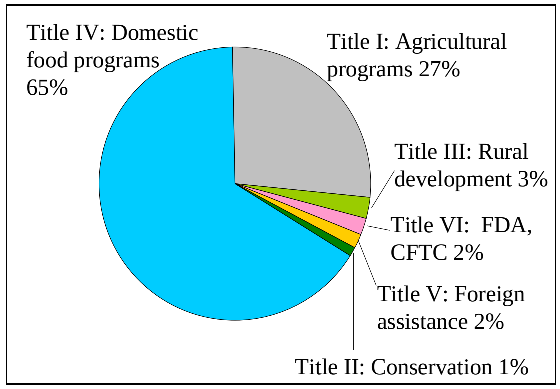
$99.0 billion



Source: CRS, using USDA *FY2009 Budget Summary*, Feb. 2008.

Figure 2. Agriculture and Related Agencies Appropriations, FY2008

$90.8 billion



Source: CRS, using tables from Senate Appropriations Committee, July 2008.

Comparing USDA's organization and budget data to the Agriculture appropriations bill is not always easy. USDA defines its programs using "mission areas" that do not always correspond to categories in the Agriculture appropriations bill, and spending may not match up between USDA summaries and the appropriations bill for other reasons. For example, foreign agricultural assistance programs are a separate title in the appropriations bill (Title V); foreign assistance programs are joined with domestic farm support in USDA's "farm and foreign agriculture" mission area (compare **Figure 1** with **Figure 2**). Conversely, USDA has separate mission areas for agricultural research and marketing and regulatory programs, but both are joined with other domestic farm support programs in Title I (agricultural programs) of the appropriations bill. Conservation in the appropriations bill (Title II) is for discretionary programs only, whereas USDA's natural resources mission area includes both discretionary and mandatory conservation programs in addition to the Forest Service.

Moreover, outlays by an agency do not always equal the appropriation or budget authority. For example, the mandatory outlays of the Commodity Credit Corporation (CCC) as reported by USDA do not necessarily equal the appropriation to the CCC. The CCC makes payments (outlays) to farmers using a line of credit with the Treasury, and the appropriation to CCC replenishes the line of credit to a sometimes different level.

Related Agencies

In addition to the USDA agencies mentioned above, the agriculture appropriations subcommittees have jurisdiction over appropriations for the Food and Drug Administration (FDA) of the Department of Health and Human Services (HHS) and, in the House, the Commodity Futures Trading Commission (CFTC, an independent financial markets regulatory agency). The combined share of FDA and CFTC funding in the overall agriculture and related agencies appropriations bill is about 2% (see Title VI in **Figure 2**).

Jurisdiction over CFTC appropriations is assigned differently in the House and Senate. In the House, appropriations jurisdiction for CFTC remains with the agriculture appropriations subcommittee. In the Senate, jurisdiction moved to the financial services appropriations subcommittee with the FY2008 appropriations cycle. Despite the differences in jurisdiction, the Consolidated Appropriations Act for FY2008 still put CFTC appropriations with the Agriculture appropriations bill.

These agencies are included in the Agriculture appropriations bill because of their historical connection to agricultural markets. However, the number and scope of non-agricultural issues has grown at these agencies in recent decades. Some may argue that these agencies no longer belong in the Agriculture appropriations bill. But despite the growing importance of non-agricultural issues, agriculture and food issues are still an important component of FDA's and CFTC's work. At FDA, medical and drug issues have grown in relative importance, but food safety responsibilities that are shared between USDA and FDA have been in the media during recent years and are the subject of legislation and hearings. At CFTC, the market for financial futures contracts has grown significantly compared with agricultural futures contracts, but volatility in agricultural commodity markets has been a subject of recent scrutiny at CFTC and in Congress.

Mandatory vs. Discretionary Spending

Mandatory and discretionary spending are treated differently in the budget process. Eligibility for mandatory programs (sometimes referred to as entitlement programs) is usually written into authorizing laws, and any individual or entity that meets the eligibility requirements is entitled to the benefits authorized by the law. Congress generally controls spending on mandatory programs by setting rules for eligibility, benefit formulas, and other parameters, not through appropriations. Approximately 80% of the total agriculture and related agencies spending is classified as mandatory, which by definition occurs independently of annual appropriations.

The 2008 farm bill (the Food, Conservation, and Energy Act of 2008, P.L. 110-246) determines most of the parameters for mandatory spending in the Agriculture appropriations bill. The vast majority of USDA's mandatory spending is for the food and nutrition programs (e.g., food stamps), the farm commodity price and income support programs, the federal crop insurance program, and various agricultural conservation and trade programs (nearly all of **Figure 1**'s largest two pie pieces). Some mandatory spending, such as the farm commodity program, is highly variable and driven by program participation rates, economic and price conditions, and weather patterns. But in general, mandatory spending has tended to rise over time, particularly as food stamp participation and benefits have risen (**Table 1**).

Table 1. Agriculture and Related Agencies Appropriations: FY2000-FY2008 Actual and FY2009 Senate-Reported Bill

(fiscal year budget authority in billions of dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 S. 3289
Mandatory	62.0	58.3	56.9	56.7	69.7	68.3	83.1	79.8	72.7	76.8
Discretionary	13.9	15.0	16.3	17.9	16.8	16.8	16.8	17.8	18.1	20.4
Total	**75.9**	**73.3**	**73.2**	**74.6**	**86.6**	**85.1**	**99.8**	**97.6**	**90.8**	**97.2**
Percent discretionary	18%	20%	22%	24%	19%	20%	17%	18%	20%	21%

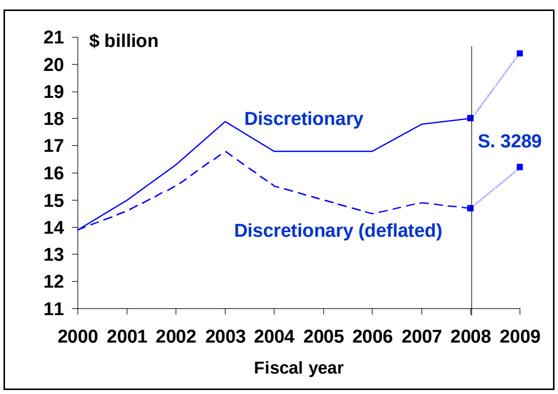
Source: CRS, using tables from the House and Senate Appropriations Committee.

Notes: Includes regular annual appropriations for all of the USDA (except the Forest Service), the Food and Drug Administration, and the Commodity Futures Trading Commission. Reflects rescissions. Excludes emergency supplemental appropriations.

Although these programs have mandatory status, many of these accounts receive funding in the annual Agriculture appropriations act. For example, the food stamp and child nutrition programs are funded by an annual appropriation based on projected spending needs. Supplemental appropriations generally are made if these estimates fall short of required spending. The Commodity Credit Corporation operates on a line of credit with the Treasury, but receives an annual appropriation to reimburse the Treasury and to maintain its line of credit.

The other 20% of the agriculture and related agencies appropriations bill is for discretionary programs. Spending for discretionary programs is controlled by annual appropriations acts. The subcommittees of the House and Senate Appropriations Committees originate bills each year that provide funding to continue current activities as well as any new discretionary programs.

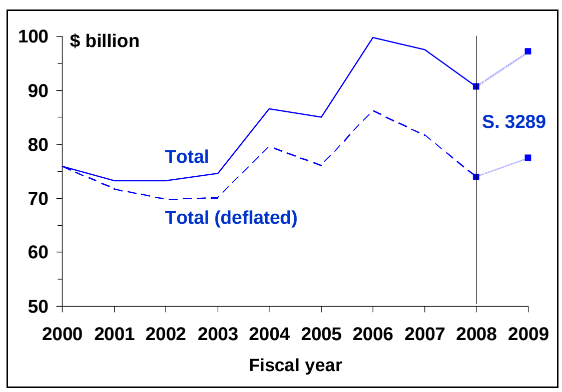
Figure 3. Discretionary Appropriations: Nominal and Deflated



Source: CRS.

Notes: Deflated using Bureau of Economic Analysis GDP price deflator.

Figure 4. Total Appropriations: Nominal and Deflated



Source: CRS.

Notes: Deflated using Bureau of Economic Analysis GDP price deflator.

Major discretionary programs include certain conservation programs, most rural development programs, research and education programs, agricultural credit programs, 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. The discretionary accounts also include FDA and CFTC appropriations.

Both discretionary and total appropriations have increased since 2000, but in inflation-adjusted terms, the level is more nearly constant. (**Figure 3** and **Figure 4**).

Outlays, Budget Authority, and Program Levels

In addition to the difference between mandatory and discretionary spending, three other terms are important to understanding differences in discussions about the federal spending: budget authority, outlays, and program levels.

1. *Budget authority* is how much money Congress allows a federal agency to commit to spend. It represents a limit on funding and is generally what Congress focuses on in making most budgetary decisions. Most of the amounts mentioned in this report are budget authority.
2. *Outlays* are how much money actually flows out of an agency's account. Outlays may differ from appropriations (budget authority) because, for example, payments on a contract may not flow out until a later year. For accounts that require multi-year contracts for construction or delivery of services, budget authority may be committed (contracted) in one fiscal year and outlays may be spread across several fiscal years. But for many accounts, especially those tied to salaries and normal operating expenses, outlays closely track budget authority.
3. *Program levels* reflect the activities supported or undertaken by an agency. An agency's program level may be much higher than its budget authority for several reasons.
    - User fees support some activities (e.g., food or border inspection).
    - The agency makes loans; for example, a large loan authority (program level) is possible with a small budget authority (loan subsidy) because the loan is expected be repaid. The appropriated loan subsidy make allowances for defaults and interest rate assistance.
    - Transfers are available from other agencies or funds are carried forward from a previous fiscal year.

Action on FY2009 Appropriations

The FY2009 agriculture appropriations bill was marked up in the House subcommittee and reported by the Senate full committee (**Table 2**). It did not reach the floor in either chamber. The agencies affected by the bill are being funded by a continuing resolution until March 6, 2009.

Table 2. Congressional Action on FY2009 Agriculture Appropriations

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
6/19/08 Voice vote	Polled out	—	—	7/17/08 S. 3289 S.Rept. 110-426 Vote 29-0	—	—	—	—	—

Source: CRS.

Continuing Resolution

The agriculture appropriations bill was not completed before the beginning of FY2009. Consequently, a nearly 5½ -month continuing resolution (P.L. 110-329, Division A) was enacted on September 30, 2008, to fund the government until March 6, 2009, or until a separate appropriations bill is enacted. The continuing resolution covers the Agriculture appropriations bill, along with eight other regular appropriations bills. Only three of the regular 12 appropriations bills were enacted before the beginning of the fiscal year, and those were enacted as a "mini" consolidated appropriations bill together with the continuing resolution.

The continuing resolution generally funds agencies at their FY2008 levels. Exceptions for agriculture and related agencies programs in the continuing resolution include:

- allowing a higher base allocation for FDA under the continuing resolution by including in FY2009 funding the $150 million of supplemental emergency funding that was provided in FY2008 in addition to the regular FY2008 appropriation;
- allowing mandatory spending increases for programs in the Food and Nutrition Act of 2008 to maintain program levels (an unspecified increase, likely in the billions of dollars);
- increasing the discretionary funding for the Women, Infants, and Children (WIC) nutrition program to an annual rate of $6.658 billion (up from $6.02 billion in FY2008);
- increasing funding for the Food and Nutrition Service's Commodity Assistance Program to $234 million (up from $210 million in FY2008); and
- increasing the rural housing rental assistance program to $997 million (up from $479 million in FY2008 and equivalent to the Administration's request).

The continuing resolution (CR) continues any limitations on funding or programs that were included in the FY2008 appropriations act. It generally prohibits initiating any new programs, but it makes special allowances for administrative expenses to carry out new mandatory programs that were authorized by the 2008 farm bill. Salaries of most federal employees will rise 3.9% in January 2009, but agencies will not receive any additional funding under the CR to pay for the increase. Earmarks in the FY2008 appropriations bill are not continued under the CR.

OMB Apportionment

Although the continuing resolution sustains existing programs and allows new mandatory farm bill programs to begin, it generally orders a conservative funding approach. Under the CR, the Office of Management and Budget (OMB) apportions funds to agencies by limiting the amount available at certain times of the fiscal year.[1]

The purpose of the sometimes conservative apportionment is to avoid tying the hands of appropriators (by agencies already over-obligating funds) should Congress return to session and pass a final FY2009 appropriations bill that funds some programs at a lower level than FY2008. For example, some new conservation programs with mandatory funding (but that appropriators or the Administration have indicated should not be fully funded, as discussed later in the section "Limits on Mandatory Program Spending") may receive an OMB apportionment, but the agency may not be able to spend the money until a later quarter in the fiscal year.

House Action

The agriculture subcommittee of the House Committee on Appropriations passed the FY2009 Agriculture appropriations bill on June 19, 2008, by voice vote. The bill's contents, though, were never released because the full committee never voted on or reported the bill.

The full appropriations committee was to consider both the Agriculture and Labor-HHS bills on June 26, 2008. But proceedings were halted that day before the Agriculture bill was considered. While the Labor-HHS bill was under consideration, an amendment by the ranking minority member was offered to substitute the Interior appropriations bill for the text of the Labor-HHS bill. The amendment was part of an attempt to raise an offshore oil drilling proposal by the minority party. After a short discussion, the full committee voted to adjourn, 35-27, and appropriations action on individual bills stopped in the House for the remainder of the session.

Senate Action

The Senate Appropriations Committee reported its version of the Agriculture appropriations bill (S. 3289, S.Rept. 110-426) on July 17, 2008, by a vote of 29-0. The full committee bypassed subcommittee action by "polling" the bill, a procedure that permits a bill to advance if subcommittee members independently agree to move it along. This committee procedure, uncommon for the Agriculture appropriations bill, has more commonly been used for the Legislative Branch appropriations bill and the former District of Columbia appropriations bill. Although the bill was reported, it did not reach the Senate floor.

Overall Funding Levels

The Senate-reported FY2009 agriculture appropriations bill, before adjustments, would provide $96.7 billion in total funds for agriculture and related agencies, including $21.1 billion in "allowed" discretionary appropriations and $75.6 billion in mandatory funds (**Table 3**). The

[1] OMB Bulletin No. 08-02, "Apportionment of the Continuing Resolution(s) for Fiscal Year 2009," September 30, 2008, http://www.whitehouse.gov/omb/bulletins/fy2008/b08-02.pdf.

"allowed" discretionary amount reflects the amount provided to the agencies in the regular text of the appropriations bill, before scorekeeping adjustments that limit certain mandatory programs. The allowed discretionary amount is 8.9% greater than FY2008 (+$1.721 billion).

Table 3. Agriculture Appropriations: FY2009 Action and FY2008 Enacted

(budget authority in billions of dollars)

		FY2009		Percentage increase in Senate-reported bill	
	FY2008 Enacted	Admin. Request	Senate-reported	vs. FY2008	vs. Admin.
Total before scorekeeping adjustments					
Mandatory	71.5	75.5	75.6	5.7%	0.1%
Discretionary (allowed)	19.4	19.3	21.1	8.9%	9.7%
Total before adjustments	**90.9**	**94.8**	**96.7**	**6.4%**	**2.1%**
Total after scorekeeping adjustments					
Mandatory	72.7	76.7	76.8	5.6%	0.1%
Discretionary (official)	18.0	18.9	20.4	13.6%	8.2%
Total, After Adjustments	**90.7**	**95.5**	**97.2**	**7.2%**	**1.7%**

Source: CRS.

After scorekeeping adjustments in the Senate-reported bill, the total rises to $97.2 billion (**Table 3**). The "official" discretionary appropriation, which is used for official budget accounting, is $700 million less than the "allowed" discretionary amount, and would grow 13.6% from FY2008 to $20.4 billion (up from $18.0 billion in FY2008). Mandatory funding after scorekeeping adjustments rises about $1.2 billion compared to the amount before adjustments because Section 32 funds are added in the adjustments. The final mandatory amount for the bill rises about 5.6% (+$4.1 billion) over FY2008, not because of farm programs, which are nearly constant, but because of nutrition programs, which would increase by $4.2 billion (+7.8%).

See **Table 6** at the end of this report for more details on the amounts for specific agencies.

Limits on Mandatory Program Spending

In recent years, appropriators have placed limitations on mandatory spending authorized in the farm bill. This has affected mandatory programs for conservation, rural development, bioenergy, and research. Mandatory programs usually are not part of the appropriations process since the authorizing committees set the eligibility rules and payment formulas in authorizing legislation. Funding for mandatory programs is usually assumed to be available based on the authorization, without appropriations action.

When the appropriators limit mandatory spending, they do not change the authorizing law. Rather, appropriators have put limits on mandatory programs by using appropriations language such as: "None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section [...] of Public

Law [...] in excess of $[...].” These provisions usually have appeared in Title VII, General Provisions, of the Agriculture appropriations bill.

The savings achieved by limiting mandatory programs in this way are counted as “scorekeeping adjustments.” The effect is to score budget savings that can be used to fund discretionary programs at a higher level than allowed by the discretionary spending cap (the 302(b) allocation). This is how the “allowed” discretionary amount in **Table 3** can be higher than the “official” discretionary amount.

For FY2009, the Senate-reported bill contains $641 million in reductions from 18 mandatory programs (including $469 million from nine conservation programs, $85 million from three bioenergy programs, $72 million from five specialty crops and research programs, and $15 million from one rural development program; see **Table 4**).

Table 4. Proposed FY2009 Reductions in Mandatory Programs

(dollars in millions)

Program (authorizing section in the 2008 farm bill)	Authorization in 2008 farm bill available in FY2009	Funds allowed in S. 3289	Reduction in mandatory program
Conservation programs			
Environmental Quality Incentives Program (sec. 2501)	1,337	1,052	-285
Small Watershed Rehabilitation program (sec 2803)	100	0	-100
Watershed & Flood Prevention (carryover from FY2007)	65	30	-35
Farmland Protection Program (sec. 2401, 2701)	121	106	-15
Grassland Reserve Program (sec. 2403)	59	48	-11
Wildlife Habitat Incentive Program (sec. 2602)	85	74	-11
Voluntary Public Access & Habitat Incentive Program (sec. 2606)	50	45	-5
Agricultural Management Assistance program (sec. 2801)	15	10	-5
Healthy Forest Reserve (sec. 8205)	10	8	-2
Subtotal, conservation programs			**-469**
Bioenergy programs			
Rural energy for America program (sec. 9007)	55	0	-55
Repowering assistance program (sec. 9005)	35	8	-27
Biorefinery assistance program (sec. 9003)	75	72	-3
Subtotal, bioenergy programs			**-85**
Specialty crops and research programs			
Fruit and vegetables in schools program (sec. 4304)	65	16	-49
Specialty crop research program (sec. 7311)	50	36	-14
Specialty crop block grants (sec. 10109)	49	44	-5
Organic research (sec. 7206)	18	16	-2
Beginning farmer development program (7410)	18	16	-2

Program (authorizing section in the 2008 farm bill)	Authorization in 2008 farm bill available in FY2009	Funds allowed in S. 3289	Reduction in mandatory program
Subtotal, specialty crops and research programs			**-72**
Rural development programs			
Value added grants (sec. 6202)	15	0	-15
Subtotal, rural development programs			**-15**
Total reduction in mandatory programs			**-641**

Source: CRS, based on 2008 farm bill (P.L. 110-246) and Section 721 of S. 3289.

Most of the proposed FY2009 reductions are from new or continuing mandatory programs in the enacted 2008 farm bill (P.L. 110-246). Passage of the new farm bill has made available many mandatory programs that appropriators or the Administration may propose to reduce, because of either policy preferences or jurisdictional issues between authorizers and appropriators. The Administration initially had proposed $314 million in mandatory reductions from three programs, all in conservation,[2] but requested additional reductions in a supplemental budget request after the 2008 farm bill was enacted.[3]

Limits on mandatory programs in the proposed FY2009 bill ($641 million, **Table 4**) are larger than the reductions in the FY2008 appropriations act ($335 million from two programs)[4] and those proposed for FY2007,[5] but not as large as those during the height of the 2002 farm bill period ($1.5 billion in FY2006). Since appropriators had garnered a reputation for limiting various mandatory programs in the 2002 farm bill, authorizers in the agriculture committees chose to reduce or eliminate those programs when savings needed to be scored during budget reconciliation in 2005. Thus, as the 2002 farm bill ended, relatively little authorization was left among the mandatory programs that the appropriators had limited from FY2003 to FY2006. Therefore, passage of the 2008 farm bill—with a host of new and reauthorized mandatory conservation, research, rural development and bioenergy programs—creates new possibilities for appropriators to limit mandatory programs.

Under the continuing resolution and because of the reductions recommended in the Senate-reported bill or the Administration's request, some of these mandatory programs may be affected

[2] The Administration's proposed $314 million in reductions in mandatory programs included $220 million from the Environmental Quality Incentives Program, $84 million from the Conservation Security Program, and $10 million from agricultural management assistance.

[3] The Administration's supplemental budget request on August 1, 2008, http://www.whitehouse.gov/omb/budget/amendments/amendment_8_1_08.pdf, released following the enactment of the 2008 farm bill, included additional reductions in mandatory programs, many of which were included in the Senate-reported bill. Beyond those incorporated in the Senate bill, the Administration proposed eliminating funding for the Chesapeake Bay Watershed Program ($23 million), the Rural Microentrepreneur Assistance Program ($4 million), the Plant Pest and Disease Management and Disaster Prevention program ($12 million), and the National Clean Plant Network ($5 million).

[4] The $335 million in mandatory reductions in the FY2008 appropriations act included $270 million from the Environmental Quality Incentives Program and $65 million from dam rehabilitation (watershed and flood prevention).

[5] A final FY2007 agriculture appropriations bill was never enacted. FY2007 was funded by a year-long continuing resolution that basically funded operations at the FY2006 level. The House proposed $505 million in reductions; the Senate proposed $396 million in reductions.

by OMB apportionment even though a final FY2009 appropriations bill has not been enacted. While OMB may apportion funds as required by the authorizing law, it might not allow the agencies to spend the mandatory money until a later quarter in the fiscal year, pending future action on a final FY2009 appropriations law.

USDA Agencies and Programs

The agriculture and related agencies appropriations bill covers all of USDA except for the Forest Service. This amounts to about 94% of USDA's total appropriation. The Forest Service is funded through the Interior appropriations bill. The order of the following sections reflects the order that the agencies are listed in the Agriculture appropriations bill. See **Table 6** at the end of this report for more details on the amounts for specific agencies.

Agricultural Research, Extension, and Economics

Four agencies carry out USDA's research, education, and economics (REE) function. The Department's intramural science agency is the Agricultural Research Service (ARS), which conducts long-term, high-risk, basic and applied research on subjects of national and regional importance. The Cooperative State Research, Education, and Extension Service (CSREES) distributes federal funds to the land grant colleges of agriculture to provide partial support for state-level research, education, and extension programs. 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).

The Senate-reported FY2009 appropriations bill, S. 3289, contained $2.54 billion in discretionary funds for research, extension, and education programs. This was more than the $2.3 billion proposed by the Administration for FY2009, and slightly less than the $2.59 billion appropriated for FY2008. The Senate bill allowed most of the mandatory funds that the 2008 farm bill provided for certain research grant programs (see "Cooperative State Research, Education, and Extension Service," below).

The USDA research, education, and extension budget, when adjusted for inflation, remained essentially flat in the period from FY1972 through FY1991. From FY1992 through FY2000, the mission area experienced a 25% increase (in deflated dollars) over the previous two decades, as a federal budget surplus allowed greater spending for all non-defense research and development. From FY2001 through FY2003, supplemental funds appropriated specifically for anti-terrorism activities, not basic programs, accounted for most of the increases in the USDA research budget. Funding levels since have trended downward to historic levels.

Although the states are required to provide 100% matching funds for research and extension, most states have regularly appropriated two to three times that amount. Fluctuations in state-level appropriations can have significant effects on state program levels, even when federal funding remains stable. Cuts at either the state or federal level can result in program cuts down to the county level.

In an effort to find new money to boost the availability of competitive grants in the REE mission area, the House and Senate Agriculture Committees have tapped sources of available funds from the mandatory side of USDA's budget and elsewhere (e.g., the U.S. Treasury) twice since 1997.

However, in every year except FY1999, the annual Agriculture appropriations act prohibited the use of those mandatory funds for the purposes the agriculture committees intended. On the other hand, in many years during the FY1999-FY2006 period, appropriations conferees provided more discretionary funds for ongoing REE programs than were contained in either the House- or Senate-passed versions of the bills. Nonetheless, once adjusted for inflation, these increases are not viewed by some as significant growth in spending for agricultural research. Agricultural scientists, stakeholders, and partners express concern for funding over the long term.

The 2008 farm bill institutes significant changes in the structure of the REE mission area, but retains and extends the existing authorities for REE programs. This is intended to maintain traditional program activities while the new structure is being implemented. On October 1, 2009, a new National Institute of Food and Agriculture (NIFA) will take the place of CSREES, and there will be one program planning staff (called the Research, Extension, and Education Office (REEO)) to coordinate the activities of ARS, ERS, NASS, and NIFA. Future budget requests for this mission area are to be in the form of a single line item. The new farm bill also provides mandatory funds for an expanded number of competitive grant programs, although it repeals the mandatory-funded Initiative for Future Agriculture and Food Systems (established in 1998 legislation).

Agricultural Research Service

The Senate-reported bill provided a total of $1.17 billion for USDA's in-house science agency, the Agricultural Research Service, with $1.13 billion for research and $31 million to support 15 laboratory modernization projects. The Administration's budget recommended a total of $1.05 billion for ARS research (the FY2008 appropriation is $1.17 billion), with $1.04 billion allocated to research and $13.2 million allocated for planning the construction of a biocontainment laboratory in Athens, Georgia.

The Administration request called for terminating approximately 130 research projects and redirecting the $146 million in savings to higher-priority research initiatives. As in past years, the Senate appropriators concurred with only a few of the Administration's proposed project terminations, and directed that funding for ongoing projects be provided at the same locations and levels as in FY2008. The reported bill agreed with the Administration's request for intensified research on honeybee colony collapse disorder (CCD) and provided a total of $10.4 million for pollinator research and an increase of $1 million above the FY2008 level specifically for CCD research.

Cooperative State Research, Education, and Extension Service

The Senate-reported bill provided a total of $1.15 billion for the Cooperative State Research, Education, and Extension Service (CSREES), a 2.9% reduction in discretionary funding from FY2008. The Administration proposed $994.1 million, a 16% decrease from the FY2008 appropriation. CSREES is the agency that sends federal funds to land grant Colleges of Agriculture.

Of the $1.15 billion in the Senate-reported bill, $629.9 million funded CSREES's research and education grant programs. This represented a $34.4 million decrease from FY2008. However, the bill took into account the mandatory funding for certain research programs provided in the 2008 farm bill. The Senate committee-reported bill did not allow the total amounts allocated in the farm bill to be expended; however, it did allow the majority to go toward the purposes the authorizing committees intended. The bill provided $36 million for the Specialty Crop Research Initiative (-$14 million from farm-bill authorized level); $16 million for the Organic Research and Extension Initiative (-$2 million); and $16 million for the beginning farmer and rancher research program (-$2 million). It also allowed $15 million in mandatory funds provided in the farm bill for the Outreach for Socially Disadvantaged Farmers program, which CSREES administers. In total, this represented an $84 million increase in support for state-level research and education programs.

The Senate-reported bill provided increased funding for cooperative extension programs in the states: $464.3 million ($453.2 million in FY2008). It provided level funding for integrated research and extension programs: $55.9 million. As in previous years, the committee rejected the Administration's proposal to eliminate Special Research Grants for specific projects at specific land grant universities; the bill contained $50.7 million for that program.

The 2008 farm bill eliminated the Initiative for Future Agriculture and Food Systems (IFAFS), but combined the purpose of that program (with its emphasis on more applied research) with the National Research Initiative (NRI) competitive grants program (whose emphasis is more on fundamental, or basic, research). The farm bill authorizes appropriations of $700 million annually for the combined competitive grant program, called the Agriculture and Food Research Initiative (AFRI). The Senate-reported bill would have appropriated $200 million for AFRI for FY2009, a $9 million increase from the NRI funding for FY2008.

Economic Research and Agricultural Statistics

The Administration's FY2009 budget request provided $82.1 million for USDA's Economic Research Service (ERS; $77.4 million in FY2008) and $153.5 million for the National Agricultural Statistics Service (NASS; $162.2 million in FY2008). The Senate-reported bill appropriated $78.2 million for ERS, essentially level funding with FY2008, but less than the Administration's request. The bill provided $149.1 million for NASS, an 8% decrease from the FY2008 level, and also less than the Administration's request.

Marketing and Regulatory Programs

Three agencies carry out USDA's marketing and regulatory programs mission area: the Animal and Plant Health Inspection Service (APHIS), the Agricultural Marketing Service (AMS), and the Grain Inspection, Packers, and Stockyards Administration (GIPSA).

Animal and Plant Health Inspection Service (APHIS)

APHIS is responsible for protecting U.S. agriculture from domestic and foreign pests and diseases, responding to domestic animal and plant health problems, and facilitating agricultural trade through science-based standards. APHIS has key responsibilities for dealing with such prominent concerns as avian influenza (AI), bovine spongiform encephalopathy (BSE or "mad cow disease"), bovine tuberculosis, a growing number of invasive plant pests—such as the Emerald Ash Borer, the Asian Long-horned Beetle, and the Glassy-winged Sharpshooter—and a national animal identification (ID) program for animal disease tracking and control, among other things. APHIS is also the USDA agency charged with administering the Animal Welfare Act (AWA), which seeks to protect pets and other animals used for research and entertainment.

The Senate-reported bill provided an $861 million appropriation for APHIS, or $58.1 million below the President's FY2009 budget request of $919.1 million, and $6.3 million below the FY2008 level of $867.3 million. (An additional $2 million was appropriated for APHIS buildings and facilities, for which the Administration had sought $7.4 million in FY2009.) The budget estimated the collection of $241 million in existing user fees and trust funds in FY2009 in addition to the appropriated monies. The Administration again proposed new user fees of $9 million to pay for some of the agency's animal welfare activities, plus $11 million to pay for biotechnology regulatory services and veterinary biologics activities, to begin in the following fiscal year. The Senate-reported bill did not make note of these proposed fees, which would have required authorizing legislation.

Within the APHIS appropriation, the Senate committee report designated that $159.6 million be devoted to foreign pest and disease exclusion programs, compared with the Administration request for $170.5 million. Also within the total APHIS appropriation, the Senate committee report designated $248 million for plant and animal health monitoring and surveillance activities; the Administration had requested $282.3 million. The Senate committee report further included, within the APHIS total, $340.7 million for pest and disease management, which was above the Administration's proposed $329.9 million allocation.

Foot and Mouth Disease

During markup of the Senate committee bill, appropriators approved an amendment to prohibit APHIS from allowing imports of any swine, ruminants, or their meat products from any region of Argentina, unless the Secretary certifies to Congress that that entire country is free of Foot and Mouth Disease (FMD). FMD is one of the most contagious animal diseases of pigs, sheep, goats, cattle, and other ruminants and has caused huge production and economic losses in affected areas. The United States has not had a reported outbreak since 1929, and it bans the import of these animals and of fresh (frozen and chilled) meats from them, if they are from areas with FMD, including much of South America. APHIS reportedly is working on a proposed rule to permit meat imports from FMD-free regions of Argentina, which has not reported any recent outbreaks.

Emerging Plant Pests

The emerging plant pests (EPP) account within the pest and disease management spending area (see above) would have been funded by the Senate committee at $127.5 million in FY2009, compared with an Administration request of $145.5 million and a FY2008 level of $127 million. The committee report further specified how most of this money should be divided among plant problems of major concern: for citrus pests and diseases, $35.5 million; Glassy-winged Sharpshooter/Pierces' Disease, $23.1 million; Emerald Ash Borer, $32.5 million; Sudden Oak Death, $5.3 million; Asian Long-horned Beetle, $20 million; Karnal bunt, $1.5 million; potato cyst nematode, $7.7 million.

Regarding another EPP, the Senate committee report provided for $500,000 to be used to suppress the Varroa mite on Oahu to keep the Big Island (Hawaii) free of it. The panel stated that Hawaii is a major supplier of queen bees to the United States mainland, where colony collapse disorder has devastated the industry. Finally, the Senate provided $993,000 for the EPP light brown apple moth; the committee noted in its report that $90 million in Commodity Credit Corporation (CCC) funding has been made available in FY2007 and FY2008 for the pest (although as of June 2008 only $27 million had been obligated).

More generally, the Administration and congressional appropriators have sparred for years over whether APHIS should—as appropriators have preferred—reach as needed into USDA's Commodity Credit Corporation (CCC) account for mandatory funds to deal with EPP and other plant and animal health problems on an emergency basis, or be provided the funds primarily through the annual USDA appropriation—as the Administration and OMB have argued.

Animal ID

The Senate-reported bill provided $9.9 million for FY2009 to continue implementation of the National Animal Identification System (NAIS), less than the Administration request of $24 million. As of July 2008, only about 500,000 premises were registered under the NAIS out of an estimated 1.4 million U.S. animal and poultry operations. This is despite USDA's commitment of approximately $127 million to the program over a number of years.

Reportedly, a House Appropriations draft bill for USDA's FY2009 appropriation contained incentives to encourage wider adoption of animal ID, which is currently voluntary for producers—notably a requirement that USDA purchase meats for the school lunch program starting in 2010 only from suppliers in the ID system. (See CRS Report RS22653, *Animal Identification: Overview and Issues*, by Geoffrey S. Becker.)

Other APHIS Programs

Among other APHIS allocations noted in the Senate report were $59.8 million for avian influenza activities, $17.8 million for Chronic Wasting Disease, $17.8 million for bovine spongiform encephalopathy ("mad cow disease") ongoing surveillance; and $20.1 million for animal welfare regulation, including $497,000 for horse protection activities.

Agricultural Marketing Service (AMS)

AMS is responsible for promoting the marketing and distribution of U.S. agricultural products in domestic and international markets. User fees and reimbursements, rather than appropriated funds, account for a substantial portion of spending by the agency. Such fees, which now cover AMS activities like product quality and process verification programs, commodity grading, and Perishable Agricultural Commodities Act licensing, will total an estimated $141 million in FY2008 and a projected $145 million in FY2009.

AMS historically receives additional funding each year through two separate appropriations mechanisms—the direct annual USDA appropriation, and a transfer from the so-called Section 32 account.[6] Regarding the FY2009 direct appropriation, the Senate-reported bill would have provided $73.4 million, including nearly $3.2 million for the National Organic Program (under the AMS Marketing Services account) and $1.7 million for payments to states under the Federal-State Marketing Improvement Program (FSMIP). The Senate bill was below the Administration's

[6] Section 32 funding comes from a permanent appropriation equivalent to 30% of annual U.S. Customs receipts. AMS uses these additional Section 32 monies (also not reflected in the above totals) to pay for a variety of programs and activities, notably child nutrition, and government purchases of surplus farm commodities not supported by ongoing farm price support programs. For an explanation of this account and more details on the farm bill change, see CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*, by Geoffrey S. Becker.

FY2009 request of $77.3 million, and the FY2008 level of $88.9 million. FSMIP was funded at an unusually high level of $11.6 million in FY2008; the appropriators in that year used the program as the funding vehicle for $8.5 million in specialty crop (fruits, vegetables, tree nuts, and nursery crops) block grants to states as authorized under the Specialty Crops Competitiveness Act of 2004 (P.L. 108-465). With enactment of the 2008 farm bill, Congress now provides mandatory funding for specialty crop block grants through USDA's CCC account.

The 2008 farm bill also effectively sets new annual caps on how much Section 32 money AMS will be able to use for all of its other activities, the most significant being the purchase of surplus agricultural commodities. These caps are intended as a way to fund a fresh produce program for school nutrition programs without raising spending above the budget baseline, as estimated by the Congressional Budget Office (CBO). The farm bill cap for FY2009 was set at $1.173 billion; the Senate-reported FY2009 appropriation bill lowered it further, to $1.014 billion. The apparent effect of this reduction could be to free up additional Section 32 money (i.e., $159 million) that the committee presumably had redirected toward other programs in its bill.

Grain Inspection, Packers, and Stockyards Administration (GIPSA)

One branch of this agency establishes the official U.S. standards, inspection and grading for grain and other commodities. Another branch is charged with ensuring competition and fair-trading practices in livestock and meat markets. The Senate-reported bill provided $39.2 million in FY2009 for GIPSA salaries and expenses, which was less than the Administration's FY2009 request of $44 million but more than the FY2008 amount of $38.5 million.

Agency activities also are supported by user fees, amounting to approximately $42 million annually or about half the agency's overall budget. The Administration again proposed additional user fees—to take effect after FY2009—to offset some grain inspection and Packers and Stockyards (P&S) activities, to recoup an estimated $27 million annually; the Senate report did not make note of this proposal, which would require authorizing legislation.

Meat and Poultry Inspection

USDA's Food Safety and Inspection Service (FSIS) conducts mandatory inspection of meat, poultry, and processed egg products to insure their safety and proper labeling. The Senate-reported bill provided $973.6 million for FSIS, $43.9 million above the FY2008 level and $21.6 million above the Administration's request of $951.9 million.

This congressional appropriation would be augmented in FY2009 by an estimated $140 million in existing user fees. The Senate-reported bill did not make note of the Administration's request for new user fees totaling another $96 million, but not starting until after FY2009. This proposal, repeated from the FY2008 Administration budget, would include $92 million in new licensing fees for meat and poultry establishments, and $4 million in "performance fees" charged to establishments involved in product retesting, recalls or illness outbreaks. The fees would require authorizing legislation.

Language in the Senate bill directed that FSIS devote not fewer than 120 full-time equivalent positions to enforcement of the Humane Methods of Slaughter Act (HMSA) and that $3 million be devoted to maintenance of the Humane Animal Tracking System. Funds for the system were requested by the Administration and are at the same level provided for FY2008. The Department came under criticism earlier in 2008 when an animal welfare advocacy group released a videotape showing the mistreatment of cattle at a California slaughter plant. The charges led to questions about enforcement of the HMSA, the entry of some nonambulatory ("downer") cattle into the food supply, and the largest meat recall ever. This was despite dedicated funding and instructions from Congress in several previous appropriations laws to increase enforcement of the humane slaughter law. (See CRS Report RS22819, *Nonambulatory Livestock and the Humane Methods of Slaughter Act*, by Geoffrey S. Becker.)

The accompanying Senate committee report stated that $3.8 million of the FSIS appropriation was for the agency's activities related to Codex Alimentarius, the cooperative international body that develops scientifically based guidelines for food safety in order to facilitate trade while protecting consumer health. The report also expressed support for language in the 2008 farm bill that permits eligible state-inspected plants to ship meat and poultry in interstate commerce, and encourages the Secretary to begin work on implementing regulations immediately. (See CRS Report RL34202, *State-Inspected Meat and Poultry: Issues for Congress*, by Geoffrey S. Becker.)

Farm Service Agency

USDA's Farm Service Agency (FSA) is probably best known for administering the farm commodity income support and disaster assistance programs, and making these payments to farmers through a network of county offices. In addition, FSA also administers USDA's direct and guaranteed farm loan programs, certain mandatory conservation programs (in cooperation with the Natural Resources Conservation Service), and certain international food assistance and export credit programs (in cooperation with the Foreign Agriculture Service).

FSA Salaries and Expenses

All of the administrative funds used by FSA to carry out its programs are consolidated into one account. A direct appropriation for FSA salaries and expenses pays to carry out the activities such as the farm commodity programs. Transfers are received for administration of CCC export credit guarantees, P.L. 480 loans, and the farm loan programs.

For FY2009, the Senate-reported bill provided $1.164 billion in direct appropriations for FSA salaries and expenses, plus $332 million in transfers from other parts of USDA for FSA salaries and expenses. The consolidated total in the Senate-reported bill was $1.496 billion, up 5% from FY2008, but 2% less than the Administration's request.

Unlike appropriations bills for the past few years, the FY2009 Senate-reported bill did not contain language prohibiting closure of FSA county offices. That language was incorporated into the 2008 farm bill as a two-year prohibition with certain exceptions (P.L. 110-246, sec. 14212).

FSA Farm Loan Programs

The USDA Farm Service Agency serves as a lender of last resort for family farmers unable to obtain credit from a commercial lender. USDA may provide direct farm loans (loans made directly from USDA to farmers), but it can also guarantee the timely repayment of principal and interest on qualified loans to farmers from commercial lenders. FSA loans are used to finance farm real estate, operating expenses, and recovery from natural disasters. Some 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 from farmer non-repayment of the loans. The amount of loans that can be made—the loan authority—is several times larger than the subsidy level.

For FY2009, the Senate-reported bill would have continued the same loan authority as in FY2008, $3.428 billion. The Administration's budget request had proposed reducing the amount of guaranteed loans and increasing the amount of direct loans, for a slight net increase in loan authority. The cost of the loan program in terms of appropriated loan subsidy would have decreased in the Senate-reported bill by $1.2 million to $147 million. This was about $7 million less than the loan subsidy in the Administration's request, owing to the Administration proposal's heavier use of direct loans, which are relatively more expensive to the government per dollar of loan authority.

For more information about agricultural credit in general, see CRS Report RS21977, *Agricultural Credit: Institutions and Issues*, by Jim Monke.

Commodity Credit Corporation

Although the Farm Service Agency pays the discretionary salaries and expenses to administer the farm income support and disaster assistance programs, the Commodity Credit Corporation (CCC) is the funding mechanism for the mandatory payments that farmers receive. Most spending for USDA's mandatory agriculture and conservation programs was authorized by the 2008 farm bill (P.L. 110-246). For more information, see CRS Report RL34696, *The 2008 Farm Bill: Major Provisions and Legislative Action*, by Renee Johnson et al..

The CCC is a wholly owned government corporation that has the legal authority to borrow up to $30 billion at any one time from the U.S. Treasury. These borrowed funds finance spending for programs such as farm commodity subsidies and various conservation, trade, and rural development programs. Emergency supplemental spending also has been paid from the CCC over the years, particularly for ad hoc farm disaster payments, for direct market loss payments to growers of various commodities in response to low farm commodity prices, and for animal and plant disease eradication efforts.

Although the CCC can borrow from the Treasury, it eventually must repay the funds it borrows. It may earn a small amount of money from activities such as buying and selling commodities and receiving interest payments on loans. But because the CCC never earns more than it spends, its borrowing authority must be replenished periodically through a congressional appropriation so that its $30 billion debt limit is not depleted. Congress generally provides this infusion through the annual USDA appropriation law. In recent years, the CCC has received a "current indefinite appropriation," which provides "such sums as are necessary" during the fiscal year.

Mandatory outlays for the commodity programs rise and fall automatically based on economic or weather conditions. Funding needs are difficult to estimate and more or less of the Treasury line of credit may be used year to year. Similarly, the congressional appropriation may not always restore the line of credit to the previous year's level. For these reasons, the appropriation to the CCC may not reflect the outlays of the CCC for the agricultural programs. Outlays (e.g., payments to farmers) in FY2009 will be funded initially through the borrowing authority of the CCC and reimbursed to the Treasury through a separate (and possibly future) appropriation.

For FY2009, USDA projects that CCC net expenditures (outlays) will be $9.4 billion, nearly the same as FY2008, and down from $10 billion in FY2007 and $20 billion in FY2006. The lower current level of CCC outlays is due to less need for price-triggered farm commodity subsidies since market prices are higher than government support levels.

For FY2009, to replenish CCC's borrowing authority with the Treasury, the Senate-reported bill concurred with the Administration request for an indefinite appropriation ("such sums as necessary") for CCC, estimated to be $11.1 billion, down 14% from $13 billion in FY2008. With these amounts of outlays and appropriations, the CCC would have about $25 billion of its $30 billion line of credit available at the end of the fiscal year.

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. Policies are sold and completely serviced through approved private insurance companies that have their program losses reinsured by USDA and are reimbursed by the government for their administrative and operating expenses.

The annual Agriculture appropriations bill traditionally makes two separate appropriations for the federal crop insurance program. It provides discretionary funding for the salaries and expenses of the RMA. It also provides "such sums as are necessary" for the Federal Crop Insurance Fund, which finances all other expenses of the program, including premium subsidies, indemnity payments, and reimbursements to the private insurance companies.

For the salaries and expenses of the RMA, the Senate-reported bill concurred with the Administration request for $77.18 million, which represented a 1.5% increase over the FY2008 appropriated level of $76.05 million. As permitted in the FY2008 appropriations act, the Senate bill also allowed RMA to tap up to $11.166 million in FY2009 mandatory funds available for crop insurance research and development, in order to strengthen RMA's ability to reduce waste, fraud and abuse within the crop insurance program. This was in addition to the authority given to RMA by the 2008 farm bill (P.L. 110-246) to allocate up to $4 million in general crop insurance mandatory funds for combating waste, fraud, and abuse. Most of this funding would be used for RMA's ongoing "data mining" activities, whereby RMA compiles and monitors an annual list of producers who either exhibit high frequency and severity of losses, or are suspected of poor farming practices that might contribute to production losses. USDA estimates that the use of the spot-check list has prevented between $70 million and $110 million each year in improper payments.

Senate appropriators also concurred with the Administration estimate of the need for an FY2009 appropriation of $6.583 billion for the Federal Crop Insurance Fund, although the amount actually required to cover program losses and other subsidies is subject to change based on actual crop losses and farmer participation rates in the program. The Administration's FY2009 estimate for the fund is significantly higher than the estimated $4.1 billion in FY2008. Much of the difference is explained by an expectation that crop losses will be greater this year than last year's record low loss experience, and the difference is also partially due to the higher value of crops given higher market prices.

For more information on crop insurance, see CRS Report RL34207, *Crop Insurance and Disaster Assistance in the 2008 Farm Bill*, by Ralph M. Chite.

Conservation

The Senate-reported bill provided increased funding for discretionary Natural Resource Conservation Service (NRCS) programs, despite proposed reductions in the Administration's budget. However, the Senate bill limited spending for several mandatory programs that were authorized to receive substantial funding increases following changes enacted in the 2008 farm bill.

Discretionary Programs

The Senate-reported bill provided $970.2 million for total FY2009 discretionary conservation programs. This was $32.6 million (+3%) more than was provided in FY2008, and nearly $170.0 million more than was requested by the Administration. All the discretionary conservation programs are administered by NRCS.

Most of the increase was in appropriations for Conservation Operations (the largest discretionary program). The Senate-reported bill provided $866.9 million for FY2009, which was $32.5 million above the FY2008 estimate and $72.1 million above the Administration's request, and was intended to help pay for implementation of new farm bill conservation programs. The committee specified that no more than $250,000 be available for alterations and improvements to buildings and other public improvements. The committee also specified that appropriations be made available for technical assistance and related expenses to carry out certain programs.

The Senate bill also maintained funding for other discretionary programs at levels enacted for FY2008, thus restoring funding for programs the Administration proposed to terminate, including the Watershed and Flood Prevention Operations (the Senate bill included $29.8 million for FY2009); the Resource Conservation and Development (RC&D) program ($50.7 million for FY2009); and the Healthy Forests Reserve Program ($2.0 million for FY2009).

The Administration proposed to reduce funding for the Watershed Rehabilitation Program to $6 million, but the Senate bill contained $20.0 million for FY2009. The committee specified that no more than $15.5 million of funds for Watershed and Flood Prevention Operations be used for technical assistance; also, no more than $3.1 million of funds for RC&D could be available for national headquarters activities.

Mandatory Programs

Mandatory conservation programs are administered by NRCS and the Farm Service Agency (FSA). Funding comes both from the Commodity Credit Corporation and a mandatory account for NRCS. The Senate-reported bill substantially limited spending for several NRCS programs, compared to newly authorized levels in the 2008 farm bill. However, many of these programs would still receive more money than they received for FY2008. Overall, FY2009 funding for NRCS's mandatory spending programs in the Senate bill was reduced by $469 million (**Table 4**) from the FY2009 level authorized by the 2008 farm bill. Funding for FSA's Conservation Reserve Program (CRP) was not expected to change, and was estimated at about $2.0 billion for FY2009.

Funding levels for the Environmental Quality Incentives Program (EQIP) would have been limited to $1.05 billion for FY2009—a reduction of $285 million from the authorized level of $1.34 billion in the 2008 farm bill. Estimated funding for EQIP was $1 billion in FY2008, although the program was authorized at $1.27 billion for FY2008 in the 2002 farm bill.

Other NRCS programs with reduced funding compared to authorized levels in the 2008 farm bill included the Farmland Protection Program ($15 million lower than the FY2009 authorized level); the Wildlife Habitat Incentive Program ($11 million lower); the Grassland Reserve Program and the Healthy Forest Reserve Program (both $2 million lower); and the Agricultural Management Assistance program and the newly created Voluntary Public Access and Habitat Incentive Program (both $5 million lower than authorized). For some of these programs, recommended FY2009 funding would still be greater than estimated FY2008 spending. Finally, the Senate bill limited the use of unobligated prior-year balances in excess of $30 million for the dam rehabilitation program under the Watershed and Flood Prevention Program, and specified that no new funds be used for the dam rehabilitation program, although $100 million was newly authorized for FY2009 (available until expended) in the 2008 farm bill.

Rural Development

Three agencies are responsible for USDA's rural development mission area:

- Rural Housing Service (RHS),
- Rural Business-Cooperative Service (RBS),
- Rural Utilities Service (RUS).

An Office of Community Development provides community development support through field offices. This mission area also administers the rural portion of the Empowerment Zones and Enterprise Communities Initiative, Rural Economic Area Partnerships, and the National Rural Development Partnership.

Part of the rural development appropriation covers the federal cost of making loans, referred to as a loan subsidy. Loan subsidy is directly related to any interest rate reduction provided by the government, as well as a projection of anticipated loan losses from non-repayment of the loans. The amount of loans that can be made, the loan authority, is several times larger than the subsidy.

For FY2009, the Senate bill provided $2.89 billion (+24% over FY2008) in discretionary budget authority to support $16.6 billion (+0.3% over FY2008) in USDA rural development loan and grant programs. The Administration requested $198 million less in budget authority than FY2008, and $3.6 billion less in loan authority. Most of the differences in budget authority can be accounted for by the RHS rental assistance program, and in loan authority by the RUS electric loan program.

Rural Housing Service (RHS)

The Senate bill provided a $1.83 billion appropriation for RHS loans and grants, about 37% more (+$498 million) than enacted for FY2008. All of this increase can be accounted for by a $526 million increase (+109%) in the rental assistance program, which is needed to meet program demand by low income tenants. The RHS appropriation would support $6.09 billion of loan authority for FY2009, about equal to FY2008 and 7% more than the Administration's request.

Single-family housing loans (Section 502[7] direct and guaranteed loans) constitute the largest RHS loan account and represent 87% of the total loan authority under RHS. The Senate bill included $128 million (-$27 million compared to FY2008, but +$115 million compared to the Administration's request) to support $5.31 billion in direct and guaranteed loan authority (the same as for FY2008). Loan guarantees represent the larger portion of the Section 502 authorization level ($4.19 billion).

For the rental assistance program (Section 521), the Senate bill provided just over $1 billion in budget authority, an increase of $526 million over FY2008 (+109%) and $10 million more than requested. This large increase reflects a higher demand or need for the rental assistance program by low income tenants, who are requesting contract renewals at a higher rate. Given the demand for this program, the continuing resolution allows the Administration's proposed level of spending, an annual rate of $997 million through March 6, 2009 (P.L. 110-329, Division A, Sec. 115). See the "Continuing Resolution" section earlier in this report for details.

For mutual and self-help housing grants and rural housing assistance grants, the Senate bill authorized the same as in FY2008 ($38.7 million for each program).[8] For the farm labor account (Section 514/516), the Senate bill included $15 million for loan subsides and grants, about $7 million less than enacted for FY2008. The Administration requested no funding for the program. For the rural housing voucher program, the bill contained $5.0 million, the same as for FY2008.

Within RHS, the Senate bill included $67.7 million for the Rural Community Facilities account – approximately the same as for FY2008 – and approximately $44 million more than the Administration's request.[9]

Rural Business-Cooperative Service (RBS)

The Senate bill provided RBS $189.4 million in budget authority (+$12 million over FY2008, +6.3%), which would support $1.26 billion in loan authority (about the same as FY2008). These amounts were considerably higher than the Administration's request, which was for $54 million in budget authority and $734 million in loan authority.

Approximately $87.4 million would have been provided for the Rural Business Program account (see footnote 9), nearly the same as FY2008. This included $38.7 million for Rural Business Enterprise grants, $2.5 million for Rural Business Opportunity grants, $43 million in loan subsides for Business and Industry (B&I) loan guarantees ($993.0 million in loan authorization), and $3.0 million for the Delta Regional Authority. These funding levels were the same as enacted for FY2008 but considerably more than the Administration's request.

[7] Section references in this heading are to Title V of the Housing Act of 1949.

[8] Rural Housing Assistance supports very low-income housing repair grants and housing preservation grants. The program also supports supervisory and technical assistance grants and compensation for construction defects. No funding for FY2009 was recommended for these latter two programs.

[9] Prior to FY2008, 12 accounts in the Rural Community Advancement Program (RCAP) were combined into a single account with three funding streams: a Rural Community Facilities Account administered by RHS; a Rural Business Program Account administered by RBS, and a Rural Water and Waste Disposal Account administered by RUS. Beginning in FY2008, the former RCAP accounts are reported separately under the RHS, RBS, and RUS accounts.

The Senate bill also included $8.1 million for the rural Empowerment Zone/Enterprise Communities (EZ/EC) grants programs, the same as FY2008. The bill's amount for the Renewable Energy Program was $50 million (+$14 million over FY2008) to support $198 million in loans (-$8 million under FY2008). The Administration had requested nothing for these programs.

The Senate bill also provided $25.1 million in Rural Cooperative Development Grants (-$2.7 million compared to FY2008) to support the Cooperative Development program ($4.4 million), Appropriate Technology Transfer for Rural Areas ($2.7 million), Value-Added Product Grants ($16.2 million), and Grants to Assist Minority Producers ($1.5 million). The bill also included $14.0 million to support $33.5 million of loans for the Rural Development Loan Fund, the same as for FY2008.

Rural Utilities Service (RUS)

For FY2009, the Senate bill provided $657.3 million of budget authority and $9.25 billion in loan authorization, both about the same as FY2008, but both about 30% higher than the Administration's request.

Loan subsidies and grants under the Rural Water and Waste Disposal Program account (see footnote 9) represent the largest share of budget authority under RUS programs (about 85% of the total). For the various water and waste disposal programs, the Senate bill contained $558.6 million in budget authority, the same as FY2008 and $290 million more than requested. This would support $1.17 billion in direct and guaranteed loans, nearly the same as for FY2008 and $210 million less than the Administration's request.

The bill also recommended $38.8 million in budget authority to support $7.78 billion in telecommunication loans, both basically the same as FY2008.

For the Distance Learning/Telemedicine program, the bill contained approximately $34.7 million in grant support, the same as for FY2008. The bill also included $297.9 million in loan authority for broadband loans, the same as requested and enacted for FY2008.

For more information on USDA rural development programs, see CRS Report RL31837, *An Overview of USDA Rural Development Programs*, by Tadlock Cowan.

Domestic Food Assistance

Funding for domestic food assistance represents nearly two-thirds of USDA's budget. These programs are, for the most part, mandatory entitlements; that is, funding depends on program participation and indexing of benefit payments. These mandatory programs include child nutrition programs, the newly renamed Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp program), and The Emergency Food Assistance Program (TEFAP). The three main discretionary budget items are the Special Supplemental Nutrition Program for Women, Infants, and Children (the WIC program), the Commodity Supplemental Food Program (the CSFP), and federal nutrition program administration.

For FY2009, the Senate committee bill would have provided a total of $65 billion for domestic food assistance, about $900 million more than the Administration's request and $5 billion more than FY2008.[10] The Senate bill differed from FY2008 and the Administration's request primarily in that it provided considerably more funding for the WIC program and the CSFP, and in that Food Stamp expenses are higher than in FY2008.

Programs under the Food and Nutrition Act (Formerly the Food Stamp Act)

Appropriations under the Food and Nutrition Act support (1) the regular Supplemental Nutrition Assistance Program (SNAP), (2) a Nutrition Assistance Block Grant for Puerto Rico and small nutrition assistance grants to American Samoa and the Commonwealth of the Northern Marianas (in lieu of the SNAP), (3) the cost of commodities and administration under the Food Distribution Program on Indian Reservations (the FDPR), (4) the cost of commodities for TEFAP (but generally not related administrative or distribution expenses, which are covered under the Commodity Assistance Program budget account), and (5) Community Food Projects and grants to improve access to the SNAP.

For the above-noted programs covered by the Food and Nutrition Act, the Senate bill would have appropriated a total of $43.4 billion in FY2009, up from $37.9 billion in FY2008—in both cases, a $3 billion contingency reserve for SNAP benefits was included in case cost projections prove too low. With only two relatively small, but significant differences, this closely matched the Administration's $43.3 billion request for FY2009. These differences are noted below.

- On the basis of projected participation and the value of indexed benefit amounts, the Administration asked for a $41.4 billion appropriation for the regular SNAP, including a $3 billion contingency reserve and a small amount to cover new program costs attendant on termination of the CSFP (see later discussions of the Commodity Assistance Program account and Special Program Initiatives). This represented a $3.5 billion increase over FY2008. The Senate committee bill effectively adopted the FY2009 dollar request, but rejected the Administration's proposal to end the CSFP.
- For Puerto Rico, American Samoa, and the Northern Marianas, the Administration proposed an FY2009 amount totaling some $1.678 billion for Puerto Rico, $6.7 million for American Samoa, and $10.2 million for the Northern Marianas. These amounts represented small increases adding up to about $60 million over FY2008. The Senate committee bill adopted the Administration's requested amounts.
- The Administration's FY2009 budget for the FDPIR asked for $92 million, up from $88 million in FY2008. The Senate committee bill adopted the Administration's amount.
- For FY2009, the funding level for TEFAP commodities in the Senate committee bill was noticeably higher than the Administration's request for $140 million (the amount available in FY2008). The Senate bill appropriated $250 million,

[10] Not included in this annual appropriations figure are permanent appropriations and mandatory funding directed by child nutrition laws, the 2008 farm bill (P.L. 110-246), the value of commodities required to by purchased (under "Section 32" authority) for child nutrition programs and other outlets, and the value of "bonus" commodities acquired for agriculture support purposes and donated to food assistance programs. These items are separate from, but recognized in, the regular appropriations process. Also see the Section 32 discussion under the "Agricultural Marketing Service (AMS)" heading earlier in this report.

reflecting a requirement in the 2008 farm bill. The Senate bill also included a provision allowing the use of up to 10% of the TEFAP amount for the program's distribution costs.

- The Senate committee bill made $5 million available for both Community Food Projects and SNAP access grants (no change from FY2008).

The continuing resolution allows mandatory spending increases for programs in the Food and Nutrition Act of 2008 to maintain program levels (P.L. 110-329, Division A, Sec. 111). See the "Continuing Resolution" section earlier in this report for details.

Child Nutrition Programs

Appropriations under the Child Nutrition account fund a number of programs and activities covered by the Richard B. Russell National School Lunch Act and the Child Nutrition Act. These include the School Lunch and Breakfast programs, the Child and Adult Care Food Program (the CACFP), the Summer Food Service program, the Special Milk program, assistance for related state administrative expenses, procurement of commodities for child nutrition programs (in addition to those funded from separate budget accounts), state-federal reviews of the integrity of school meal operations ("Coordinated Reviews"), "Team Nutrition" and food safety education initiatives to improve meal quality and safety in child nutrition programs, technical assistance and other similar activities related to the CACFP, and data collection efforts. Funding for a program offering free fresh fruits and vegetables in schools is discussed later in the section on "Special Program Initiatives."

On the basis of projections of increased participation and the indexed value of child nutrition subsidies, the Administration proposed an FY2009 appropriation of $14.456 billion for all child nutrition programs, an increase of some $550 million over FY2008. In virtually all cases noted below, the FY2009 amount was higher than for FY2008. The Senate committee bill followed the Administration's requested amounts for FY2009. The following amounts for each program area show new funds made available for spending. However, these funds generally could be shifted among the programs if needed.

- School Lunch program: $8.346 billion
- School Breakfast program: $2.522 billion
- CACFP: $2.387 billion
- Summer Food Service program: $329 million
- State administrative expenses: $184 million
- Commodity procurement: $648 million
- Special Milk program: $13.9 million
- Coordinated reviews: $5.5 million
- Team Nutrition and food safety initiatives: $15.3 million
- Other activities (related to the CACFP and data collection): $5 million

The WIC Program

The Senate-reported bill for FY2009 would have provided a substantially larger amount for the WIC program than requested by the Administration: $6.75 billion vs. $6.1 billion. The Senate's higher amount was based on more current estimates of program needs (participation and food costs) than the Administration's and sought to assure that there would be sufficient funds to serve all those eligible who wish to participate. In addition, the Senate bill provided funding to maintain a $50 million contingency reserve for unexpected costs and rejected Administration proposals to cap grants for nutrition services and administration and limit eligibility for the WIC program (see later section on "Special Program Initiatives").

The continuing resolution increases the WIC funding to an annual rate of $6.658 billion until March 6, 2009 (P.L. 110-329, Division A, Sec. 114), higher than the amount that otherwise would have continued from FY2008. See the "Continuing Resolution" section earlier in this report for details.

Commodity Assistance Program

The Commodity Assistance Program supports several discretionary programs and activities: (1) the Commodity Supplemental Food Program (the CSFP), (2) funding for administrative and distribution costs under TEFAP, (3) the WIC Farmers' Market Nutrition program, (4) special assistance for certain nuclear-affected zones in the Marshall Islands, and (5) commodity assistance in the case of natural disasters.

For FY2009, the Administration proposed a major change affecting this budget account; it recommended terminating the CSFP, which was appropriated $142 million in FY2008 (see "Special Program Initiatives" at the end of this section). As a result, its requested total amount was $70 million (down from $212 million in FY2008). The budget request for the remaining program areas asked for FY2009 funding at the same level as in FY2008: $49.5 million for TEFAP administrative and distribution expenses, $19.8 million for the WIC Farmers' Market Nutrition program, and a total of some $1 million for the nuclear-affected zones and disaster assistance.

On the other hand, the Senate-reported provision for the Commodity Assistance Program account rejected the proposal to terminate the CSFP and, instead, increased funding to $155 million in FY2009. In other respects, it adopted the Administration's request. As a result, the Senate bill would have provided a total of $225 million for FY2009.

The continuing resolution increases FY2009 funding for the Commodity Assistance Program to an annual rate of $234 million, with $163 million allocated for the CSFP (P.L. 110-329, Division A, Sec. 119).

Nutrition Program Administration

This budget account covers spending for federal administration of all the domestic food assistance programs noted above, special projects for improving the integrity and quality of nutrition programs, and the Center for Nutrition Policy and Promotion (CNPP).

For FY2009, the Administration requested $150 million for nutrition program administration activities. This was a significant increase over the approximately $140 million provided for FY2008 and took into account salary increases and new initiatives relating to program integrity and oversight and dietary guidelines. The Senate committee bill appropriated $143 million for nutrition program administration.

Discretionary grants for the Congressional Hunger Center (and its Bill Emerson and Mickey Leland hunger fellowships) also have typically been administered as part of this budget account. The FY2008 appropriation provided $2.5 million for the Center, but the Administration proposed no money for FY2009. The Senate-reported bill would have appropriated $2.5 million for FY2009 (Sec. 726).

Special Program Initiatives

In addition to regular appropriations, the Senate-reported bill included (or rejected) changes to program rules established in underlying authorizing laws for domestic food assistance programs.

Child Nutrition Programs

The Senate-reported bill, in Sec. 729, added one additional state (Vermont) to the eight states in which federal subsidies are offered for suppers served in after-school programs. The eight existing states are Delaware, Illinois, Michigan, Missouri, New York, Oregon, Pennsylvania, and West Virginia.

Fresh Fruits and Vegetables in Schools

The 2008 farm bill established a program offering fresh fruits and vegetables in selected elementary schools nationwide. This replaced a fresh fruit and vegetable program that operated in a limited number of states (up to $20 million was available for FY2008). The farm bill provided mandatory funding (outside the regular appropriations process) for this expanded effort. For school year 2008-2009 (beginning July 2008), the farm bill includes $40 million. For school year 2009-2010 (beginning July 2009), it provides $65 million. The Senate committee bill would have delayed the availability of some of the 2009-2010 funding: $16 million on July 1, 2009, and the remaining $49 million on October 1, 2009. For more detail, see CRS Report RL33829, *Domestic Food Assistance: The Farm Bill and Other Legislation in the 110th Congress*, by Joe Richardson.

The WIC Program

The Administration proposed to cap the amount of the per-person grant that states get to administer the WIC program and provide nutrition education and other services (in addition to money for WIC food vouchers). Savings of some $150 million were projected. It also recommended denying automatic WIC eligibility to Medicaid participants with income above 250% of the federal poverty income guidelines. However, the Senate-reported bill rejected both proposals.

Commodity Assistance Program

As in previous years, the Administration recommended terminating the CSFP in FY2009. It contended that the program duplicates benefits provided under the SNAP and the WIC program and provided for special SNAP benefits and outreach efforts to the elderly population who make up almost all of the CSFP caseload. The Senate committee bill turned down the Administration's proposal.

Agricultural Trade and Food Aid

The Senate-reported appropriations bill included discretionary appropriations for USDA's international activities in FY2009 of $1.503 billion, with P.L. 480 Title II humanitarian food aid being the largest component. The appropriation would have exceeded the Administration's budget request by just $1.0 million. An additional $3.640 billion of mandatory CCC funds were allocated to other USDA international programs during FY2009. Since the reported appropriations measure imposed no restriction on mandatory export program spending, program levels for these activities (mainly export market promotion, export credit guarantees, and some food aid) would have been at farm bill authorized levels.

The Senate-reported bill included $169 million for the Foreign Agricultural Service (FAS) to administer USDA's international programs, up from $158 million in FY2008, and $1 million more than the Administration requested for FY2009.

For P.L. 480 foreign food assistance, the committee-reported amount was $1.229 billion, all for Title II commodity donations. This was the exact amount requested by the President, but less than the $2.5 billion of discretionary funding authorized for Title II in the recently enacted 2008 farm bill (P.L. 110-246). FY2008-FY2009 supplemental appropriations (P.L. 110-252) included $395 million for Title II commodity donations in FY2009. Assuming enactment of the Senate committee bill, the total appropriation available for Title II in FY2009 would have been $1.624 billion.

The Senate-reported bill concurred with the President's request for no funds for P.L. 480 Title I sales and grants. Authority for Title I concessional food aid has not been requested since FY2006, reflecting, according to the Administration, declining demand for concessional food aid finance and increasing need for food aid for emergency relief. Eliminating food aid loans and providing only commodity donations as food aid also accords with proposals in the Doha Round of multilateral trade negotiations to provide food aid in fully grant form.

The President's budget proposed (for the third time beginning with FY2007) to allow the Administrator of U.S. Agency for International Development (USAID) to use up to 25% of P.L. 480 Title II funds for local or regional purchases of commodities to address international food crises. The Senate Appropriations Committee did not include this proposal in S. 3289. The 2008 farm bill, though, contains a provision authorizing $60 million of CCC funds, not Title II appropriations, over four years for a pilot project to assess local/regional purchases of food aid for emergency relief. The Senate appropriations committee report (S.Rept. 110-426) also noted that the 2008 farm bill contained a provision mandating a minimum level of P.L. 480 Title II funds (a "safe box") to be used for non-emergency (development) assistance ($375 million in FY2009). While agreeing with the importance of non-emergency food aid, the committee suggested that this language has the potential to complicate the delivery of food assistance in an emergency situation. The committee indicated that it "should be notified immediately" of a determination that the need for emergency assistance would exceed the amount available and that the non-emergency "safe box" would be breached.

Two USDA-administered food aid programs, Food for Progress (FFP) and Section 416(b) donations, receive mandatory funding. The President's budget assumed $340 million of CCC funds for FFP, which provides food aid to emerging democracies. P.L. 480 Title I funds can be allocated to FFP, but in the absence of an appropriation for Title I, that source would be unavailable in FY2009. Similarly, USDA anticipates that no CCC commodity inventories would be available for distribution as food aid under Section 416(b), a program that makes surplus agricultural commodities available overseas. The Bill Emerson Humanitarian Trust, a reserve of commodities and cash to meet unanticipated food aid needs, does not receive a specific allocation of CCC funds. At present, $294 million of cash are in the reserve and could be used if unanticipated needs arise.

The Senate-reported bill provided $100 million of discretionary funds for the McGovern-Dole International Food for Education and Child Nutrition Program, the amount requested by the President. In addition, the 2008 farm bill authorized $84 million of mandatory funds from the CCC for McGovern-Dole in FY2009 to be available until expended.

The Senate bill included an appropriation of $5.353 million for administrative expenses of CCC export credit guarantee programs. The President's budget estimated this would finance, all in short-term guarantees, U.S. agricultural exports in FY2009 of $2.6 billion. The 2008 farm bill repealed authorization for an intermediate credit guarantee, one of several changes intended to help bring CCC export credit guarantee programs into compliance with a WTO dispute panel decision that found such programs to be prohibited export subsidies because they do not recover operating costs.

The President's budget proposed that $200 million of CCC funds would be allocated to the Market Access Program (MAP). In addition, other export market development activities would receive CCC funding in FY2009 at levels established in the 2008 farm bill: $34.5 million for the Foreign Market Development Program, up to $10 million for technical assistance under the Emerging Markets program, and $7 million for the Technical Assistance for Specialty Crops (TASC) program. Legislative authority for the Export Enhancement Program was repealed by the 2008 farm bill. USDA's other smaller export subsidy program, the Dairy Export Incentive Program (DEIP), would be allocated $3 million for FY2009.

For additional information on USDA's international activities, see CRS Report RL33553, *Agricultural Export and Food Aid Programs*, by Charles E. Hanrahan.

Food and Drug Administration (FDA)

The Food and Drug Administration (FDA) regulates the safety of foods and cosmetics, and the safety and effectiveness of drugs, biologics (e.g., vaccines), and medical devices.[11] Now a part of the Department of Health and Human Services (HHS), FDA was originally housed in the Department of Agriculture. The agriculture appropriations subcommittees retain jurisdiction over

[11] For more information about FDA's budget and functions, see CRS Report RL34334, *The Food and Drug Administration: Budget and Statutory History, FY1980-FY2007*, by Judith A. Johnson et al.

the FDA budget. FDA's budget has two components: direct appropriations (also referred to as budget authority) and user fees.

The FY2008 enacted appropriation in P.L. 110-161 provided FDA a direct appropriation of $1.72 billion. The President's request for FY2009, as amended,[12] was for $2.046 in direct appropriations (+19% more than FY2008). The Senate-reported bill would have provided $2.051 billion in direct appropriations, an increase of less than 1% over the President's request.

For user fees, the FY2008 enacted appropriation set FDA's FY2008 user fee appropriation level at $549 million. The FY2009 request included three categories of fees: continuing fee programs; newly authorized fee programs; and proposed fee programs. For continuing programs, the request was $595 million ($565 million for prescription drug, medical device, and animal drug fees; and $30 million for mammography, and export and color certification fees), a 3% increase over FY2008. The FY2009 request included $14 million for the advisory review of direct-to-consumer (DTC) television advertisements for prescription drugs, a new fee program authorized by the FDA Amendments Act of 2007 (FDAAA, P.L. 110-85). This brought the total request for authorized fees to $609 million, which would be 11% higher than the FY2008 enacted appropriation. The budget justification documents included two sets of proposed fees, which would require authorization in law before appropriations could be made. One set ($21 million) would bring revenue for FDA to use to enhance the review of generic human and animal drugs. The Administration categorized these as proposed definite appropriations and included the revenue in its fee total, which it presented as $630 million, 15% more than FY2008. The second set of proposed fees ($27 million), labeled in the request as "mandatory fees—non-add" and not included in the user fee total, covered reinspection, and food and animal feed export certification. The Senate committee report did not include either set of proposed fees or the newly authorized fee program for DTC advertisement review. The Senate bill, therefore, included $595 million in total fees.

The Senate-reported bill contained $335 million in specific budget authority increases. These increases were for cost-of-living adjustments ($25 million); food safety activities ($155 million); drug, biologics, and device safety ($104 million); and activities to modernize FDA's science and workforce ($50 million, including $10 million for buildings and facilities). The Senate report described product safety activities across the agency that the increased funding would support. These included increased facility inspections, improved laboratory infrastructure and rapid analysis tools, implementation of safety activities that FDAAA required, and upgraded information technology. Funding to modernize FDA's science and workforce, as listed in the Senate report, would support research, science training, professional development, and recruitment efforts. S.Rept. 110-426 also listed selected areas in which the committee encourages certain activities or minimum levels of budget commitment.

[12] The initial February 2008 version of the President's FY2009 request for FDA totaled $2.4 billion, including $1.771 billion in direct appropriations (budget authority) and $628 million in user fees (FDA, Fiscal Year 2009 Justification of Estimates for Appropriations Committees, February 2008, at http://www.fda.gov/oc/oms/ofm/budget/documentation.htm). The President submitted an amended request for the Department of Health and Human Services on June 9, 2008 (letter at http://www.whitehouse.gov/omb/budget/amendments/amendment2_6_9_08.pdf). The FDA Office of Financial Management provided CRS with additional details of the amended request (amended budget authority table and telephone conversations, August 2008).

Foods

The FDA's foods program area remains totally funded by direct appropriations. The FY2009 request and the Senate committee bill each included $661 million, 30% more than the FY2008 enacted appropriation.

The Senate committee endorsed the Administration's request for $155 million in additional funding for food protection activities. These activities include opening additional FDA offices outside of the United States; increasing capacity to identify and address food safety risk factors; more rapidly detecting contamination and tracing it back to its source; hiring additional foreign and domestic inspectors; and creating a communication system for public information about food borne illness outbreaks.

The Senate report mentioned the following food-related items: Agricultural Products Food Safety Laboratory ($1.8 million); development of a program to increase inspections of antibiotics in shrimp; Codex Alimentarius ($2.5 million); review of botanicals in dietary supplements ($1.7 million); National Center for Food Safety and Technology ($2.2 million); work with states to combat fraud concerning seafood economic integrity; seafood safety ($0.3 million); work with the State of Hawaii on standardized food safety certification; standards of identity (concerning FDA's lack of enforcement regarding the use of milk protein concentrate in standardized cheese); Waste Management Education and Research Consortium ($0.07 million); and the Western Region FDA Center of Excellence at the University of California at Davis ($1.5 million).

Human Drugs

The FY2009 request for the FDA human drugs program was $789 million, a 16% increase from FY2008. The total request included $407 million in direct appropriations and $381 million in user fees. Specified increases were for safety ($42 million) and modernizing science and workforce ($9 million).

As described in the introduction to this report's FDA section, the Senate committee did not include the DTC advertising fees authorized by FDAAA in the appropriations bill, thereby blocking their collection and use. By omitting that $12 million plus the $15 million requested for the proposed Generic Drug User Fee Act, the Senate recommendation for human drug program fee revenue totaled $354 million, an 8% increase over the FY2008 enacted level rather than the requested 17% increase.

The Senate report noted the following human drug-related areas in its report: collaborative drug safety research on cardiac biomarkers with the Critical Path Institute and the University of Utah ($0.6 million); critical path and modernizing drug safety ($16 million); generic drugs ($82 million); orphan products grants ($14 million); and prioritizing review and reporting on new treatments and clinical trials for pediatric oncology patients.

Biologics

The FY2009 request for the FDA biologics program was $268 million. Excluding its share of the DTC advertising fees, the total request was for $267 million, 13% higher than FY2008, including $181 billion in direct appropriations and $87 million in user fees. The increase in direct appropriations would go to product safety ($13 million) and modernizing science and workforce

($6 million). The only biologics-related issue mentioned in the Senate committee report concerned the evaluation of in vitro high-throughput immune response assessment technologies.

Animal Drugs and Feeds

FDA's animal drugs and feeds (ADF) budget funds activities of the Center for Veterinary Medicine and supporting field activities. The President's amended FY2009 request was for $128 million, including about $114 million in direct appropriations (an 18% increase over FY2008), almost $14 million for brand-name animal drug user fees, and $4 million for a new animal generic drug user fee program. The requested increase in direct appropriations would be used to enhance food and drug safety, and modernize scientific and workforce activities. The Senate committee concurred with the Administration request for the ADF budget authority. The Senate bill also allowed a total amount of more than $15 million for the user fee program (of which about $14 million was provided to the ADF budget) by anticipating the amount subsequently authorized for FY2009 in an extension of program authority.[13]

Devices and Radiological Health

The FY2009 request for the FDA devices and radiological health program was $326 million, a 15% increase from FY2008. The total request comprised $277 million in direct appropriations and $49 million in user fees. The Senate-reported bill included $327 million, with increases over FY2008 for product safety ($30 million) and modernizing science and workforce ($6 million).

In addition to the multi-product issue of safety, particularly for imports, the Senate committee noted the following device and radiological health items in its report: demonstration grants for improving pediatric device availability ($2 million), and mammography (to report, with a timeline, on proposed amendments to the Mammography Quality and Standards Act; and to spend at least at the FY2008 level).

Other Activities

Both the FY2009 request and the Senate committee recommendation would have increased funds to the National Center for Toxicological Research, and the FDA headquarters and the Office of the Commissioner for food protection and modernizing science and workforce activities.

The Senate committee report encouraged FDA to fund the Office of Women's Health ($5 million) and directed FDA to submit its FY2010 budget request using the account format it used for the FY2009 request.

Table 5 displays, by program area, the budget authority (direct appropriations), user fees, and total program levels in the FY2008 enacted appropriation, the FY2009 request, and the Senate committee recommendation for FY2009.

[13] P.L. 110-316, the Animal Drug User Fee Amendments of 2008, enacted in August 2008, reauthorized the brand-name animal drug user fee program, and authorized a new animal generic drug user fee program at a level of almost $5 million for FY2009. The Senate committee did not address funding for this program. For more information, see CRS Report RL34459, *Animal Drug User Fee Programs*, by Sarah A. Lister.

Table 5. FDA Appropriations and User Fees by Program Area

(millions of dollars)

FDA Program Area	Funds	FY2008 Enacted	FY2009 Admin. Request [a]	FY2009 Senate-reported [b]
Foods	BA	510	661	661
	Subtotal	**510**	**661**	**661**
Human drugs	BA	353	407	410
	Fees	327	381	354
	Subtotal	**680**	**789**	**763**
Biologics	BA	155	181	182
	Fees	81	87	86
	Subtotal	**236**	**268**	**268**
Animal drugs and feeds	BA	97	114	114
	Fees	12	18	14
	Subtotal	**109**	**132**	**128**
Devices and radiological health	BA	238	277	278
	Fees [c]	46	49	49
	Subtotal [c]	**284**	**326**	**327**
Toxicological research (NCTR)	BA	44	52	52
	Subtotal	**44**	**52**	**52**
Headquarters and Office of the Commissioner	BA	97	122	123
	Fees	36	40	39
	Subtotal	**133**	**162**	**161**
GSA rent	BA	131	131	131
	Fees	29	25	21
	Subtotal	**159**	**155**	**151**
Other rent and related (White Oak consolidation)	BA	89	89	89
	Fees	10	20	23
	Subtotal	**99**	**109**	**112**
Certification funds	Fees	10	10	10
	Subtotal	**10**	**10**	**10**
Salaries & Expenses Subtotal	**BA**	**1,714**	**2,034**	**2,039**
	Fees	**549**	**630**	**595**
	Total S&E	**2,264**	**2,664**	**2,633** [d]
Buildings & Facilities Subtotal	BA	6	12	12
	Total B&F	6	12	12
FDA Total	**BA**	**1,720**	**2,046**	**2,051**

FDA Program Area	Funds	FY2008 Enacted	FY2009 Admin. Request [a]	FY2009 Senate-reported [b]
	Fees	**549**	**630**	**595**
	Total FDA	**2,270**	**2,676**	**2,646**

Source: FDA, *Fiscal Year 2009 Justification of Estimates for Appropriations Committees,* February 2008; amended FY2009 request, June 2008, provided by the FDA Office of Financial Management, August 2008; and S. 3289 and S.Rept. 110-426, July 21, 2008.

Notes: BA=budget authority, also referred to as direct appropriation.

a. Reflects the amended Administration request. In addition to previously authorized user fees, includes $35.5 million in new user fees from DTC television advertisement advisory review ($14 million), authorized by P.L. 110-85 (FDAAA); animal generic drug user fees ($4.8 million), authorized by P.L. 110-316 (ADUFA 2008); and proposed generic drug user fees ($16.6 million). It does not include proposed fees for re-inspections or food and animal feed export certification. ADUFA fees reflect the revised numbers that FDA developed for congressional consideration of ADUFA (P.L. 110-316), rather than the amount in the original FY2009 request.

b. Does not include fees for DTC advertisement review, human or animal generic drug review, re-inspection, or food and animal feed certification.

c. Includes revenue collected from the Mammography Quality and Standards Act (MQSA).

d. S.Rept. 110-426 provides two different FDA FY2009 total program levels: $2.633 billion (p. 107) and $2.604 billion (p. 145). The difference ($29,618) is the value of fees from indefinite appropriations (MQSA and export and color certification).

Commodities Futures Trading Commission (CFTC)

The CFTC is the independent regulatory agency charged with oversight of derivatives markets. The CFTC's functions include oversight of trading on the futures exchanges, registration and supervision of futures industry personnel, prevention of fraud and price manipulation, and investor protection. Although most futures trading is now related to financial variables (interest rates, currency prices, and stock indexes), congressional oversight remains vested in the agriculture committees because of the market's historical origins as an adjunct to agricultural trade.

For FY2009, the Senate-reported Financial Services and General Government appropriations bill (S. 3260) provided $157.0 million, an increase of 24% over the Administration's request of $130 million, and 41% over the FY2008 appropriation of $111.3 million. The increase was related to concerns over the CFTC's ability to monitor the futures markets, particularly those in energy commodities. For more information about S. 3260, see CRS Report RL34523, *Financial Services and General Government (FSGG): FY2009 Appropriations*, by Garrett Hatch.

Because the House agriculture appropriations bill was not reported in the House, as described earlier in this report, no amounts for the House recommendation for CFTC are publicly available.

Table 6. Agriculture and Related Agencies Appropriations: FY2007-2008 Enacted and FY2009 Action

Budget authority in millions of dollars

			FY2009		Senate-reported vs. FY2008:		Senate-reported vs. Admin. request	
Agency or Major Program	**FY2007 Enacted**	**FY2008 Enacted**	**Admin. Request**	**Senate-reported**	**Dollar change**	**Percent change**	**Dollar change**	**Percent change**
Title I: Agricultural Programs								
Agricultural Research Service (ARS)	1,128.9	1,167.8	1,050.2	1,165.1	-2.7	0%	114.9	11%
Coop. State Research Education and Extension Service (CSREES)	1,182.9	1,183.8	994.1	1,150.0	-33.8	-3%	155.9	16%
Economic Research Service (ERS)	75.2	77.4	82.1	78.2	0.8	1%	-3.9	-5%
National Agric. Statistics Service (NASS)	147.3	162.2	153.5	149.1	-13.1	-8%	-4.4	-3%
Animal and Plant Health Inspection Service (APHIS)	851.2	867.6	926.6	863.0	-4.6	-1%	-63.6	-7%
Agricultural Marketing Service (AMS)	112.7	114.7	126.7	90.6	-24.1	-21%	-36.1	-28%
Grain Inspection, Packers and Stockyards Admin. (GIPSA)	37.8	38.5	44.0	39.2	0.7	2%	-4.8	-11%
Food Safety and Inspection Service (FSIS)	892.1	930.1	951.9	973.6	43.5	5%	21.7	2%
Farm Service Agency (FSA) Salaries and Expenses	1,337.1	1,430.3	1,521.5	1,495.7	65.4	5%	-25.8	-2%
FSA Farm Loans: Subsidy Level	149.8	148.6	154.0	147.4	-1.2	-1%	-6.6	-4%
FSA Farm Loans: Loan Authority [a]	*3,749.5*	*3,427.6*	*3,441.6*	*3,427.6*	*0.0*	*0%*	*-14.0*	*0%*
Risk Management Agency (RMA) Salaries and Expenses	76.7	76.1	77.2	77.2	1.1	1%	0.0	0%
Federal Crop Insurance Corporation (FCIC) [b]	4,379.3	4,818.1	6,582.9	6,582.9	1,764.8	37%	0.0	0%
Commodity Credit Corporation (CCC) [b]	23,098.3	12,983.0	11,106.3	11,106.3	-1,876.7	-14%	0.0	0%
Other agencies and programs	561.1	452.6	533.5	494.0	41.4	9%	-39.5	-7%
Subtotal								
Mandatory	27,494.1	17,818.0	17,706.6	17,706.9	-111.1	-1%	0.3	0%
Discretionary	6,536.2	6,632.9	6,598.0	6,705.3	72.4	1%	107.3	2%
Subtotal	**34,030.3**	**24,450.9**	**24,304.6**	**24,412.2**	**-38.7**	**0%**	**107.6**	**0%**
Title II: Conservation Programs								
Conservation Operations	763.4	834.4	794.8	866.9	32.5	4%	72.1	9%

Agency or Major Program	FY2007 Enacted	FY2008 Enacted	FY2009 Admin. Request	FY2009 Senate-reported	Senate-reported vs. FY2008: Dollar change	Senate-reported vs. FY2008: Percent change	Senate-reported vs. Admin. request Dollar change	Senate-reported vs. Admin. request Percent change
Watershed Surveys and Planning	6.1	0.0	0.0	0.0	0.0	0%	0.0	0%
Watershed & Flood Prevention	0.0	29.8	0.0	29.8	0.0	0%	29.8	—
Watershed Rehabilitation Program	31.3	19.9	5.9	20.0	0.1	1%	14.1	239%
Resource Conservation & Dev.	51.1	50.7	0.0	50.7	0.0	0%	50.7	—
Healthy Forests Reserve	0.0	2.0	0.0	2.0	0.0	0%	2.0	—
Under Secretary, Natural Resources	0.7	0.7	0.8	0.8	0.1	14%	0.0	0%
Subtotal	**852.6**	**937.5**	**801.5**	**970.2**	**32.7**	**3%**	**168.7**	**21%**
Title III: Rural Development								
Salaries and Expenses	161.3	168.8	258.2	210.7	41.9	25%	-47.5	-18%
Rural Housing Service (RHS)	1,520.7	1,331.3	1,484.3	1,829.8	498.5	37%	345.5	23%
RHS Loan Authority [a]	*5,570.8*	*6,095.4*	*5,699.8*	*6,085.7*	*-9.7*	*0%*	*385.9*	*7%*
Rural Business-Cooperative Service (RBS)	170.2	177.9	53.6	189.4	11.5	6%	135.8	253%
RBCS Loan Authority [a]	*1,149.1*	*1,265.2*	*733.8*	*1,257.1*	*-8.1*	*-1%*	*523.3*	*71%*
Rural Utilities Service (RUS)	647.2	655.3	339.0	657.3	2.0	0%	318.3	94%
RUS Loan Authority [a]	*7,639.5*	*9,179.5*	*6,467.1*	*9,251.9*	*72.4*	*1%*	*2,784.8*	*43%*
Under Secretary, Rural Development	0.6	0.6	0.7	0.6	0.0	0%	-0.1	-14%
Subtotal	**2,500.0**	**2,334.0**	**2,135.7**	**2,887.9**	**553.9**	**24%**	**752.2**	**35%**
Subtotal, Rural Development Loan Authority [a]	***14,359.4***	***16,540.1***	***12,900.7***	***16,594.7***	***54.6***	***0%***	***3,694.0***	***29%***
Title IV: Domestic Food Programs								
Child Nutrition Programs	13,345.6	13,901.5	14,455.7	14,455.7	554.2	4%	0.0	0%
WIC Program	5,204.4	6,020.0	6,100.0	6,750.0	730.0	12%	650.0	11%
Food Stamp Act Programs	38,161.5	39,782.7	43,348.8	43,437.3	3,654.6	9%	88.5	0%
Commodity Assistance Programs	177.6	210.3	70.4	225.4	15.1	7%	155.0	220%
Nutrition Programs Admin.	140.3	141.7	150.3	142.6	0.9	1%	-7.7	-5%

Agency or Major Program	FY2007 Enacted	FY2008 Enacted	FY2009 Admin. Request	FY2009 Senate-reported	Senate-reported vs. FY2008: Dollar change	Senate-reported vs. FY2008: Percent change	Senate-reported vs. Admin. request Dollar change	Senate-reported vs. Admin. request Percent change
Office of Under Secretary	0.6	0.6	0.7	0.6	0.0	0%	-0.1	-14%
Subtotal								
Mandatory	51,506.1	53,683.2	57,782.5	57,893.0	4,209.8	8%	110.5	0%
Discretionary	5,523.9	6,373.6	6,343.3	7,118.6	745.0	12%	775.3	12%
Subtotal	**57,030.0**	**60,056.8**	**64,125.8**	**65,011.6**	**4,954.8**	**8%**	**885.8**	**1%**
Title V: Foreign Assistance								
Foreign Agric. Service (FAS)	156.2	158.4	168.0	169.0	10.6	7%	1.0	1%
Public Law (P.L.) 480	1,218.1	1,213.5	1,228.7	1,228.7	15.2	1%	0.0	0%
McGovern- Dole Food for Educ.	99.0	99.3	100.0	100.0	0.7	1%	0.0	0%
CCC Export Loan Salaries	5.3	5.3	5.4	5.4	0.1	2%	0.0	0%
Subtotal	**1,478.6**	**1,476.5**	**1,502.1**	**1,503.1**	**26.6**	**2%**	**1.0**	**0%**
Title VI: FDA and Related Agencies								
Food and Drug Administration	1,574.2	1,716.8	2,046.2	2,051.4	334.6	19%	5.2	0%
Commodity Futures Trading Commission (CFTC)	98.0	111.3	130.0	n/a	n/a	n/a	n/a	n/a
Title VII: General Provisions								
Section 32 rescission	-37.6	-684.0	-57.0	-110.0	574.0	-84%	-53.0	93%
Disaster assistance and FSA salaries	0.0	622.0	0.0	0.0	-622.0	-100%	0.0	—
Other (net)	-1.1	5.9	-93.6	10.0	4.1	69%	103.6	-111%
Subtotal	**-38.7**	**-56.1**	**-150.6**	**-100.0**	**-43.9**	**78%**	**50.6**	**-34%**
RECAPITULATION								
I: Agricultural Programs	34,030.3	24,450.9	24,304.6	24,412.2	-38.7	0%	107.6	0%
Mandatory	27,494.1	17,818.0	17,706.6	17,706.9	-111.1	-1%	0.3	0%
Discretionary	6,536.2	6,632.9	6,598.0	6,705.3	72.4	1%	107.3	2%
II: Conservation Programs	852.6	937.5	801.5	970.2	32.7	3%	168.7	21%

Agency or Major Program	FY2007 Enacted	FY2008 Enacted	FY2009		Senate-reported vs. FY2008:		Senate-reported vs. Admin. request	
			Admin. Request	Senate-reported	Dollar change	Percent change	Dollar change	Percent change
III: Rural Development	2,500.0	2,334.0	2,135.7	2,887.9	553.9	24%	752.2	35%
IV: Domestic Food Programs	57,030.0	60,056.8	64,125.8	65,011.6	4,954.8	8%	885.8	1%
Mandatory	51,506.1	53,683.2	57,782.5	57,893.0	4,209.8	8%	110.5	0%
Discretionary	5,523.9	6,373.6	6,343.3	7,118.6	745.0	12%	775.3	12%
V: Foreign Assistance	1,478.6	1,476.5	1,502.1	1,503.1	26.6	2%	1.0	0%
VI: FDA[c]	1,574.2	1,716.8	2,046.2	2,051.4	334.6	19%	5.2	0%
VII: General Provisions	-38.7	-56.1	-150.6	-100.0	-43.9	78%	50.6	-34%
Total, Before Adjustments[c]								
Mandatory	79,000.2	71,501.2	75,489.1	75,599.9	4,098.7	6%	110.8	0%
Discretionary (allowed)	18,426.7	19,415.2	19,276.1	21,136.3	1,721.1	9%	1,860.2	10%
Total, Before Adjustments	**97,426.9**	**90,916.4**	**94,765.3**	**96,736.2**	**5,819.8**	**6%**	**1,970.9**	**2%**
Scorekeeping Adjustments								
Section 32	n/a	1,169.0	1,169.0	1,169.0	0.0	0%	0.0	0%
Limits on mandatory programs	n/a	-335.0	-314.0	-641.0	-306.0	91%	-327.0	104%
Emergency appropriations	n/a	-1022.0[d]	0.0	0.0	1,022.0	-100%	0.0	—
Other	n/a	-76.5	-76.3	-60.3	16.2	-21%	16.0	-21%
Subtotal of scorekeeping adjustments	**n/a**	**-264.5**	**778.7**	**467.7**	**732.2**	**-277%**	**-311.0**	**-40%**
Total, After Adjustments[c]								
Mandatory	n/a	72,670.2	76,658.1	76,768.9	4,098.7	6%	110.8	0%
Discretionary (official)	18,472.0	17,981.7	18,885.8	20,435.0	2,453.3	14%	1,549.2	8%
Total, After Adjustments	**n/a**	**90,652.0**	**95,544.0**	**97,203.9**	**6,551.9**	**7%**	**1,659.9**	**2%**
Other emergency appropriations for agencies in this bill, not included above	**P.L. 110-28**	**P.L. 110-252**						
Agricultural assistance	3,000.0	0.0						

Agency or Major Program	FY2007 Enacted	FY2008 Enacted	FY2009 Admin. Request	FY2009 Senate-reported	Senate-reported vs. FY2008: Dollar change	Senate-reported vs. FY2008: Percent change	Senate-reported vs. Admin. request Dollar change	Senate-reported vs. Admin. request Percent change
P.L. 480 Title II grants	450.0	1,245.0						
Conservation	115.0	480.0						
Other	87.5	0.0						
Subtotal	**3,652.5**	**1,725.0**						

Source: Compiled by CRS. Amounts for FY2008-09 are from pp. 131-146 of S.Rept. 110-426 for S. 3289 (the Senate-reported FY2009 agriculture appropriations bill) and other tables from the Senate Appropriations Committee. Amounts for FY2007 are from pp. 141-163 of the *Committee Print of the House Committee on Appropriations on H.R. 2764 / P.L. 110-161* at http://www.gpoaccess.gov/congress/house/appropriations/08conappro.html.

Notes: Amounts for FY2009 in the House bill are not available. The House agriculture appropriations subcommittee marked up its bill on June 19, 2008, and referred it to the full committee. But because the full committee did not consider and report the bill, amounts are not available.

a. Loan authority reflects the amount of direct and guaranteed loans that the agency may make or guarantee based on the appropriated loan subsidy. Loan authority is not added in the appropriations subtotals or totals in this table.

b. The Commodity Credit Corporation (CCC) and Federal Crop Insurance Corporation (FCIC) each receive an indefinite appropriation ("such sums as necessary"). The amounts shown in this table are estimates used in the appropriations bills.

c. For consistency, excludes CFTC funding since the Senate agriculture appropriations bills beginning in FY2008 do not include CFTC.

d. Appropriations with emergency designation included $622 million of disaster assistance in the general provisions section, plus $400 million of emergency funding for WIC in the nutrition section (that is, of the $6.020 billion listed for WIC in FY2008, $400 million was designated emergency funding).

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Acknowledgments

Jean Rawson, former Specialist in Agricultural Policy, contributed the section on agricultural research before her retirement.