Congressional Research Service
Informing the legislative debate since 1914

Agriculture and Related Agencies: FY2012 Appropriations

(name redacted), Coordinator
Specialist in Agricultural Policy

December 19, 2011

Congressional Research Service
7-....
www.crs.gov
R41964

CRS REPORT
Prepared for Members and
Committees of Congress

Summary

The Agriculture appropriations bill provides funding for all of the U.S. Department of Agriculture (USDA) except the Forest Service, plus the Food and Drug Administration (FDA) and, in alternating years, the Commodity Futures Trading Commission (CFTC).

The FY2012 Agriculture Appropriations Act (P.L. 112-55, H.R. 2112) was signed by the President on November 18, 2011, after passing both chambers by more than two-thirds majorities. It was the lead division of a three-bill "minibus" appropriation that also included Commerce-Justice-Science and Transportation-Housing and Urban Development appropriations. The minibus was the first FY2012 appropriation to be enacted, and it also included another short-term continuing resolution, through December 16, 2011, for the remaining nine appropriations bills. The Agriculture bill was the vehicle for the minibus since it was the only one of the three subcommittee bills in the minibus to have passed the House.

P.L. 112-55 provides $20.2 billion of discretionary budget authority, including $367 million of conservation-related disaster assistance that was not subject to the regular budgetary caps. After subtracting the disaster funding and adjusting for CFTC jurisdiction, the $19.8 billion of regular discretionary budget authority reflects a $372 million reduction from FY2011 levels (-1.8%). The bill also includes $116.8 billion of mandatory funding for nutrition assistance and farm supports, up +11% from FY2011 due to a 19% increase in nutrition assistance because of the economy.

The FY2012 Agriculture appropriation spreads its reductions in discretionary spending by trimming most agency budgets in the range of 3%-6%, although some programs have greater reductions. The act makes cuts to rural development programs (-$233 million, -8.8%), discretionary agriculture programs (-$209 million, -3%), discretionary nutrition assistance (-$127 million, -1.8%), foreign assistance programs (-$56 million, -2.9%), and conservation programs (-$45 million, -5.1%). The Food and Drug Administration and Commodity Futures Trading Commission each receive small increases in budget authority of about 1.5% to 2%.

The appropriation increases the amount of limitations on mandatory farm bill programs by 27% to $1.2 billion, though rescissions from prior-year appropriations were smaller by about half, at $445 million. These limitations and rescissions, though greater than most years, were less in total than for FY2011. Reliance on these provisions in FY2011 and relatively less use in FY2012 increased the amount of cuts required to agency programs by about $220 million to meet the bill's discretionary allocation.

The final appropriation is closer to the Senate-passed version from November 1, 2011, than the House-passed version from June 16, 2011. The Budget Control Act of 2011 (P.L. 112-25, August 2, 2011) set the discretionary limits that were used for the Senate bill and in the conference agreement. The Senate-passed version cut discretionary Agriculture appropriations to $19.8 billion, $2.7 billion more than the House bill in its discretionary total.

The House version of H.R. 2112, passed under the House's more austere budget resolution, would have cut discretionary Agriculture appropriations to $17.25 billion, a reduction of $2.7 billion from FY2011 levels (-14%), and following a 15% cut in FY2011. Much of the floor debate in the House related to funding reductions for the Women, Infants, and Children (WIC) feeding program (-11%), food safety (-10%), and international food aid (-31%); preventing USDA payments to Brazil in relation to the U.S. loss in the WTO cotton case; and programs promoting locally produced food (USDA's "know-your-farmer-know-your-food" initiative).

Contents

Figures

Tables

Appendixes

Contacts

Most Recent Developments

The FY2012 Agriculture Appropriations Act (P.L. 112-55) was signed by the President on November 18, 2011, as the lead division of a three-bill "minibus" appropriation. The minibus passed both chambers by more than two-thirds majorities on November 17, 2011. It reduces regular discretionary Agriculture appropriations by $372 million to $19.8 billion, a cut of -1.8% below FY2011 levels after adjusting for disaster designations and certain jurisdiction issues. The act also includes $367 million of conservation-related disaster assistance that was not subject to the same budgetary caps; with this spending, the appropriation is $20.2 billion, a slight increase over unadjusted FY2011 levels. In December 2011, the Department of Agriculture implemented provisions concerning livestock marketing, and restricting payment limits and mohair support.

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—provides 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 appropriations bill rests with the House and Senate Committees on Appropriations, particularly each committee's Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. These subcommittees are separate from the agriculture authorizing committees—the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

USDA Activities and Relationships to Appropriations Bills

The U.S. Department of Agriculture (USDA) carries out widely varied responsibilities through about 30 separate internal agencies and offices staffed by about 100,000 employees.[1] USDA spending is not synonymous with farm program spending. USDA also is responsible for many activities outside of the Agriculture budget function, such as conservation and nutrition.

USDA divides its activities into "mission areas." Food and nutrition programs are the largest mission area, with more than two-thirds of the budget, to support the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), the Women, Infants, and Children (WIC)

[1] USDA, *FY2012 Budget Summary and Annual Performance Plan*, February 2011, p. 123, at http://www.obpa.usda.gov/budsum/FY12budsum.pdf.

program, and child nutrition programs.[2] The second-largest USDA mission area, with about one-fifth of USDA's budget, is farm and foreign agricultural services. This broad mission area includes the farm commodity price and income support programs of the Commodity Credit Corporation, crop insurance, certain mandatory conservation and trade programs, farm loans, and foreign food aid programs. Five other mission areas with a combined one-sixth of USDA's budget include natural resource and environmental programs, rural development, research and education programs, marketing and regulatory programs, and food safety.

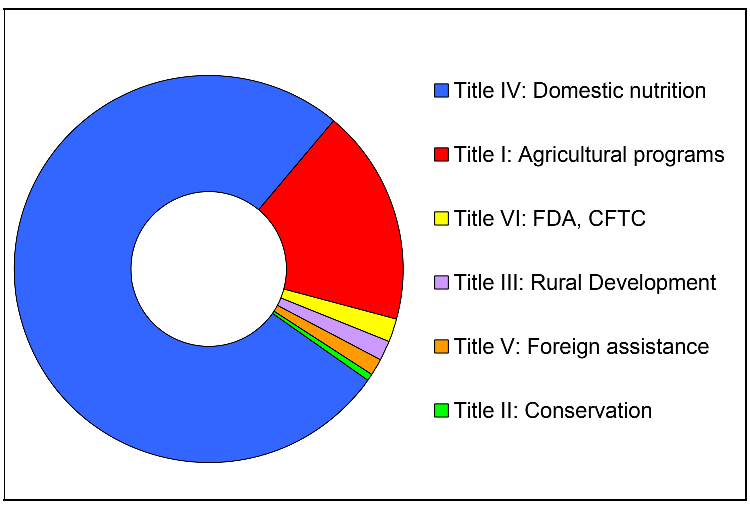
About 60% of the budget for the natural resources mission area is for the Forest Service, which is funded through the Interior appropriations bill.[3] The Forest Service is the only USDA agency not funded through the Agriculture appropriations bill. It also accounts for over one-third of USDA's personnel, with about 35,000 staff years in FY2011.[4]

Comparing USDA's organization and budget data to the Agriculture appropriations bill in Congress is not always easy. USDA's "mission areas" do not always correspond to the titles or categories in the Agriculture appropriations bill.

- Foreign agricultural assistance is a separate title in the appropriations bill (Title V, **Figure 1**), but is joined with domestic farm support in USDA's "farm and foreign agriculture" mission area.
- Title I in the agriculture appropriations bill (Agricultural Programs), covers four USDA's mission areas: agricultural research, marketing and regulatory programs, food safety, and the farm support portion of farm and foreign agriculture.

Figure 1. Agriculture and Related Agencies Appropriations, FY2012

($138 billion in Titles I-VI)



Source: CRS, based on P.L. 112-55 and H.Rept. 112-284, p. 213.

Notes: Includes mandatory and discretionary appropriations. Excludes general provisions.

[2] USDA, *FY2012 Budget Summary*, at p. 117.

[3] For more on Forest Service appropriations, see CRS Report R41896, *Interior, Environment, and Related Agencies: FY2012 Appropriations*.

[4] USDA, *FY2012 Budget Summary*, at p. 123.

The type of funding (mandatory vs. discretionary) also is an important difference between how the appropriations bill and USDA's mission areas are organized.

- Conservation in the appropriations bill (Title II) includes only discretionary programs. The mandatory funding for conservation programs is included in Title I of the appropriations bill as part of the Commodity Credit Corporation.
- Conversely, USDA's natural resources mission area includes both discretionary and mandatory conservation programs (and the Forest Service).

Related Agencies

In addition to the USDA agencies mentioned above, the Agriculture appropriations subcommittees have jurisdiction over appropriations for two related agencies:

- The Food and Drug Administration (FDA) of the Department of Health and Human Services (HHS), and
- The Commodity Futures Trading Commission (CFTC, an independent financial markets regulatory agency)—in the House only.

The combined share of FDA and CFTC funding in the overall Agriculture and Related Agencies appropriations bill is about 2% (Title VI).

Jurisdiction over CFTC appropriations is assigned differently in the House and Senate. Before FY2008, the agriculture subcommittees in both the House and Senate had jurisdiction over CFTC funding. In FY2008, Senate jurisdiction moved to the Financial Services Appropriations Subcommittee. Although jurisdiction may be different, CFTC must reside in one or the other in an enacted appropriation. Placement in the enacted version now alternates each year. In even-numbered fiscal years, CFTC has resided in the Agriculture appropriation act. In odd-numbered fiscal years, CFTC has resided in the enacted Financial Services appropriations act.

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.

Discretionary vs. Mandatory Spending

Discretionary and mandatory spending are treated differently in the budget process. Discretionary spending is controlled by annual appropriations acts and consumes most of the attention during the appropriations process. The subcommittees of the House and Senate Appropriations

Committees originate bills each year that provide funding and direct activities among discretionary programs.[5]

Eligibility for participation in 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 through authorizing committees that set rules for eligibility, benefit formulas, and other parameters, not through appropriations.

In FY2011, about 16% of the Agriculture appropriations bill was for discretionary programs, and the remaining balance of 84% was classified as mandatory.

Major discretionary programs include certain conservation programs, most rural development programs, research and education programs, agricultural credit programs, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Food for Peace international food aid program, meat and poultry inspection, and food marketing and regulatory programs. The discretionary accounts also include FDA and CFTC appropriations.

The largest component of USDA's mandatory spending is for food and nutrition programs—primarily the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) and child nutrition (school lunch and related programs)—along with the farm commodity price and income support programs, the federal crop insurance program, and various agricultural conservation and trade programs. Some mandatory spending, such as the farm commodity programs, is highly variable and driven by program participation rates, economic and price conditions, and weather patterns. Formulas are set in the 2008 farm bill (P.L. 110-246). But in general, mandatory spending has tended to rise over time, particularly as food stamp participation and benefits have risen in recent years because of the recession, rise in unemployment, and food price inflation. (See "Historical Trends" in a later section on funding.)

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.

Outlays, Budget Authority, and Program Levels

In addition to the difference between mandatory and discretionary spending, four other terms are important to understanding differences in discussions about the federal spending: budget authority, obligations, outlays, and program levels.[6]

1. *Budget authority* = How much money Congress allows a federal agency to commit to spend. It represents a limit on funding and is generally what Congress

[5] The distinction between discretionary and mandatory spending was highlighted by Rep. Kingston during House floor debate on Agriculture appropriations on June 16, 2011, using a version of **Figure 3** from later in this report; http://www.c-spanvideo.org/program/HouseSession5217/start/4762/stop/4883.

[6] See CRS Report 98-405, *The Spending Pipeline: Stages of Federal Spending*, by (name redacted)

focuses on in making most budgetary decisions. It is the legal basis to incur obligations. Most of the amounts mentioned in this report are budget authority.

2. *Obligations* = How much money agencies commit to spend. Obligations represent activities such as employing personnel, entering into contracts, and submitting purchase orders.
3. *Outlays* = 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 construction or delivery of services, budget authority may be committed (contracted) in one fiscal year and outlays may be spread across several fiscal years.
4. *Program level* = Sum of the activities supported or undertaken by an agency. A 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 makes allowances for defaults and interest rate assistance.
   - Transfers from other agencies, or funds are carried forward from prior years.

Action on FY2012 Appropriations

Both chambers passed the conference agreement for the FY2012 Agriculture Appropriations Act on November 17, 2011, and the President signed it the next day (**Table 1**). It was the lead division of a three-bill "minibus" appropriation that also included Commerce-Justice-Science and Transportation-Housing and Urban Development appropriations. The minibus was the first FY2012 appropriation to be enacted, and it also included another short-term continuing resolution, through December 16, 2011, for the remaining nine appropriations bills. The Agriculture bill was the vehicle for the minibus since it was the only one of the three subcommittee bills in the minibus to have passed the House.

Table 1. Congressional Action on FY2012 Agriculture Appropriations

Subcommittee Markup		House Report	House Vote	Senate Report	Senate Vote	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
5/24/2011 Voice vote	Polled out[a]	5/31/2011 H.R. 2112 H.Rept. 112-101 Voice vote	6/16/2011 H.R. 2112 Vote of 217-203	9/7/2011 H.R. 2112 S.Rept. 112-73 Vote of 28-2	11/1/2011 H.R. 2112, Division A Vote of 69-30	11/14/2011 H.R. 2112 Division A H.Rept. 112-284	11/17/2011 Vote of 298 - 121	11/17/2011 Vote of 70-30	11/18/2011 P.L. 112-55 Division A

Source: CRS.

a. A procedure that permits a bill to advance if subcommittee members independently agree to move it along.

Across the most recent 14 fiscal years, stand-alone Agriculture appropriations bills were enacted five times, in FY2000-FY2002, FY2006, and FY2010 (**Table A-1** in the Appendix). Omnibus appropriations were used seven times, in FY1999, FY2003-FY2005, FY2008, FY2009, and FY2012. Year-long continuing resolutions were used two times, in FY2007 and FY2011. **Table A-1** lists each appropriation and annual CRS report. **Figure A-1** shows a timeline of enactment.

House Action

In the House, the Agriculture appropriations subcommittee marked up its FY2012 bill by voice vote on May 24, 2011. A week later, the full appropriations committee reported the bill (H.R. 2112, H.Rept. 112-101) by voice vote, after adopting several amendments. On June 13, the Rules Committee met to discuss the rule for floor consideration (H.Res. 300), leaving four provisions unprotected from points of order that were considered controversial amendments from the full committee markup, waiving points of order against the rest of the committee-reported bill, and allowing an otherwise open rule for floor amendments to be offered. On June 14, floor consideration began, and on June 16, 2011, the House passed H.R. 2112 by a vote of 217-203. Agriculture was the first non-security FY2012 appropriations bill to pass the House, and the third bill after Homeland Security and Military Construction-Veterans Affairs.

Under the open rule for floor consideration, Members offered 61 amendments: 22 were adopted, 33 were rejected, 3 were withdrawn, and 3 were disallowed by point of order. There were 38 recorded votes on amendments. Four other provisions in the committee-reported bill fell by point of order, left unprotected by the rule.

The House-passed bill would have cut discretionary Agriculture appropriations to $17.2 billion, 14% below FY2011 levels, following a 15% cut in FY2011 from FY2010 levels (**able 2**). Much of the floor debate related to funding reductions for the Women, Infants, and Children (WIC) feeding program (-11%), food safety (-10%), international food aid (-31%); preventing USDA payments to Brazil in relation to the U.S. loss in the WTO cotton case; and programs promoting locally produced food such as USDA's "know-your-farmer-know-your-food" initiative (**Table 3**).[7]

Other more notable non-money amendments that were adopted would have prevented funding of blender pumps for higher mixtures of ethanol (a similar amendment in the Senate was withdrawn), prevented funding related to the RU-486 abortion pill (proposed relative to the USDA telemedicine program, but also affecting the FDA), prevented food aid to North Korea, and prevented implementation of USDA policy on climate change adaptation. The bill also included a 0.78% across-the-board rescission to discretionary accounts (§743), which is reflected in tables throughout this report and in the Senate committee report's tables.

Senate Action

In the Senate, the full Appropriations subcommittee marked up a FY2012 Agriculture appropriations bill (H.R. 2112, S.Rept. 112-73) by a vote of 28-2 on September 7, 2011. The full committee bypassed subcommittee action by "polling" the bill out of subcommittee—a procedure that permits a bill to advance if subcommittee members independently agree to move it along.[8]

[7] Supplemental appropriations are not included in fiscal year totals because the primary purpose of this report is to compare the regular annual appropriation across years.

[8] For more about polling in the Senate, see CRS Report RS22952, *Proxy Voting and Polling in Senate Committee*, by (continued...)

This expedited committee procedure was formerly uncommon for the Agriculture appropriations bill, but was used for the FY2009-FY2011 Agriculture appropriations bills as well.

Floor consideration of the bill began on October 18, 2011, as part of a "minibus" of three appropriations bills (S.Amdt. 738, in the nature of a substitute, to H.R. 2112) that included Agriculture (Division A), Commerce-Justice-Science (Division B), and Transportation-Housing and Urban Development (Division C). The Agriculture bill was the vehicle for the minibus, since it was the only one of the three to have passed the House. Cloture was approved on October 21, and final passage occurred on November 1, 2011, by a vote of 69-30.

Results of Senate floor action for the Agriculture portion of the bill included 19 amendments proposed and raised on the floor for consideration, out of a much larger pool of amendments introduced and numbered. Of the 19 proposed, 12 were adopted, 4 were rejected, 2 were withdrawn, and 1 fell by point of order (eliminating the SNAP benefit in the Recovery Act). There were six recorded votes among these Agriculture-related amendments: passage of a farm subsidy AGI payment limit (84-15) and an increase in disaster funding (58-41), and failure of an FDA drug import provision (44-55), an FDA drug regulatory provision (44-54), SNAP categorical eligibility (41-58), and a reduction in rural development funding (13-85). Besides the two amendments that passed by recorded votes, the other 10 added amendments were adopted by voice vote or unanimous consent. Only two of the amendments that were adopted changed amounts in the bill from the Senate-reported version—to increase disaster funding by $110 million, which is offset by a disaster declaration so as to not count against the regular bill total; and to transfer $8 million between accounts to increase conservation (these are reflected in the updated tables in this report). The rest were policy-related amendments controlling how the appropriations may be used, ranging from the adoption of nutrition standards to uses of funds for vehicles, conferences, and USDA loan programs.

The Senate-passed bill would have cut discretionary Agriculture appropriations to $19.8 billion, a cut of -0.8% below FY2011 levels (**able 2**, **Table 3**), after adjusting for disaster designations of certain provisions. This Senate total was $2.7 billion more than the House bill's discretionary total (excluding CFTC from both bills for comparison). The Senate bill's discretionary total was greater than the House bill primarily in the following areas: domestic nutrition programs (+$645 million, mostly for WIC), foreign assistance (+$544 million), FDA (+$350 million), agricultural research (+$320 million), rural development (+$180 million), and fewer rescissions and farm bill limitations (+$430 million). In addition to the amounts above, the Senate bill would have provided $376 million in disaster assistance for conservation and forestry; this amount had a disaster designation for budgetary purposes and is not counted in the discretionary total in the following tables, in order to facilitate comparison of the regular appropriation.

Continuing Resolutions

FY2012 began under a short-term continuing resolution (CR) on October, 1, 2011. Short-term continuing resolutions have been needed every year since at least FY1999 (**Figure A-1**).

An initial four-day CR was enacted to fund discretionary operations through October 4, 2011, at FY2011 levels minus 1.503% (P.L. 112-33). A second, seven-week CR was subsequently enacted

(...continued)

(name redacted).

at the same funding level to fund the government through November 18, 2011 (P.L. 112-36). The funding level in the CR was intended to reduce overall discretionary spending to the $1.043 trillion government-wide total allowed for FY2012 by the Budget Control Act (see below). Entitlement and other mandatory programs were continued at a rate to maintain program levels.

Table 2. Agriculture and Related Agencies Appropriations, by Title: FY2010-FY2012

(budget authority in millions of dollars)

Title in Appropriations Bill	FY2010 P.L. 111-80	FY2011 P.L. 112-10	Change from FY2010 to FY2011	FY2012 House-passed	FY2012 Senate-passed	FY2012 P.L. 112-55	Change from FY2011 to FY2012 $	Change from FY2011 to FY2012 %
Agricultural Programs	30,192	29,490	-2.3%	24,439	24,952	24,970	-4,520	-15.3%
Mandatory	22,855	22,605	-1.1%	18,293	18,293	18,293	-4,311	-19.1%
Discretionary	7,336	6,885	-6.1%	6,145	6,658	6,677	-209	-3.0%
Conservation Programs	1,009	889	-11.9%	784	837	844	-45	-5.1%
Rural Development	2,979	2,638	-11.4%	2,238	2,421	2,405	-233	-8.8%
Domestic Food Programs	82,783	89,655	+8.3%	96,265	105,520	105,553	+15,898	+17.7%
Mandatory	75,128	82,527	+9.8%	89,944	98,553	98,552	+16,025	+19.4%
Discretionary	7,655	7,128	-6.9%	6,322	6,967	7,001	-127	-1.8%
Foreign Assistance	2,089	1,891	-9.5%	1,391	1,935	1,836	-56	-2.9%
FDA	2,357	2,457	+4.2%	2,157	2,506	2,506	+49	+2.0%
CFTC (in Agriculture) [a]	169	—	—	171	—	205	+3	+1.5%
CFTC (in Financial Services) [a]	—	*202*	*+19.8%*	—	*240*	—	—	—
General Provisions	-238	-1,871	+685.2%	-1,914	-1,106	-1,274	+598	-31.9%
Total in agriculture bill (no adjustment for jurisdiction over CFTC, as listed in Committee reports)								
Mandatory	97,983	105,131	+7.3%	108,237	116,846	116,845	+11,714	+11.1%
Discretionary	**23,356**	**20,018**	**-14.3%**	**17,293**	**20,219**	**20,200**	**+182**	**+0.9%**
Total	121,339	125,149	+3.1%	125,530	137,065	137,046	+11,896	+9.5%
Adjustments to make comparison to 302(b) and across years for jurisdiction								
Other scorekeeping adjustments	-52	-87	+66.7%	-72	-72	-72	+15	-17.2%
Subtract disaster declaration	0	0	—	0	-376	-367	—	—
Adjusted total without CFTC in any column (Senate basis) [a]								
Discretionary	**23,135**	**19,931**	**-13.8%**	**17,051**	**19,771**	**19,556**	**-375**	**-1.9%**
Total	121,118	125,062	+3.3%	125,288	136,617	136,401	+11,339	+9.1%
Adjusted total with CFTC in all columns (House basis) [a]								
Discretionary	**23,304**	**20,133**	**-13.6%**	**17,221**	**20,011**	**19,761**	**-372**	**-1.8%**
Total	121,287	125,265	+3.3%	125,458	136,857	136,607	+11,342	+9.1%

Source: CRS, compiled from P.L. 112-55, S. 1573, P.L. 112-10, P.L. 111-80, and unpublished CBO tables.

Notes: Regular appropriations only; does not include supplemental appropriations of $549 million in FY2010.

a. CFTC is shown in different ways because of subcommittee jurisdiction differences between the House and Senate to make totals comparable.

Table 3. Agriculture and Related Agencies Appropriations, by Agency and Program: FY2008-FY2012

(budget authority in millions of dollars)

Agency or Major Program	FY2008 P.L. 110-161	FY2010 P.L. 111-80	FY2011 P.L. 112-10	Change from FY2010 to FY2011	FY2012 Admin. Request	FY2012 House-passed	FY2012 Senate-passed	FY2012 P.L. 112-55	Change from FY2011 to FY2012 $	Change from FY2011 to FY2012 %
Title I: Agricultural Programs										
Offices of Sec., Tribal Rel., Chief Econ.	15.5	19.3	17.6	-9.1%	22.1	15.3	16.7	16.2	-1.4	-7.9%
Healthy Food Financing Initiative	—	—	—	—	35.0	—	—	—	—	—
Chief Information Officer	16.2	61.6	39.9	-35.2%	63.6	33.7	36.0	44.0	+4.1	+10.3%
Office of Inspector General	79.5	88.7	88.5	-0.2%	90.8	79.4	84.1	85.6	-2.9	-3.3%
Buildings, facilities, and rental payments	194.9	293.1	246.5	-15.9%	255.2	199.8	230.4	230.4	-16.1	-6.5%
Other Departmental administration offices [a]	131.0	164.1	145.6	-11.3%	169.9	114.1	129.4	131.3	-14.3	-9.8%
Under Secretaries (four offices in Title I) [b]	2.5	3.5	3.5	-0.2%	3.6	2.9	3.3	3.3	-0.2	-5.0%
Research, Education and Economics										
Agricultural Research Service	1,167.8	1,250.5	1,133.2	-9.4%	1,137.7	987.6	1,094.6	1,094.6	-38.6	-3.4%
National Institute of Food and Agriculture	1,183.8	1,343.2	1,214.8	-9.6%	1,204.8	1,012.0	1,214.0	1,202.3	-12.5	-1.0%
Economic Research Service	77.4	82.5	81.8	-0.8%	86.0	69.5	77.7	77.7	-4.1	-5.0%
National Agricultural Statistics Service	162.2	161.8	156.4	-3.3%	165.4	148.3	152.6	158.6	+2.2	+1.4%
Marketing and Regulatory Programs										
Animal and Plant Health Inspection Service	867.6	909.7	866.8	-4.7%	837.4	787.0	823.3	819.7	-47.1	-5.4%
Agric. Marketing Service	114.7	92.5	87.9	-5.0%	97.4	78.5	83.4	83.4	-4.5	-5.1%
Section 32 (permanent+transfers)	1,169.0	1,320.1	1,065.0	-19.3%	1,080.0	1,080.0	1,080.0	1,080.0	+15.0	+1.4%
Grain Inspection, Packers & Stockyards	38.5	42.0	40.3	-4.1%	44.2	36.7	38.2	37.8	-2.5	-6.2%
Food Safety										
Food Safety & Inspection Service	930.1	1,018.5	1,006.5	-1.2%	1,011.4	964.4	1,006.5	1,004.4	-2.1	-0.2%
Farm and Commodity Programs										
Farm Service Agency: Salaries and Exp. [c]	1,435.2	1,574.9	1,521.2	-3.4%	1,718.2	1,433.9	1,479.0	1,496.6	-24.6	-1.6%

Agency or Major Program	FY2008 P.L. 110-161	FY2010 P.L. 111-80	FY2011 P.L. 112-10	Change from FY2010 to FY2011	FY2012 Admin. Request	FY2012 House-passed	FY2012 Senate-passed	FY2012 P.L. 112-55	Change from FY2011 to FY2012 $	Change from FY2011 to FY2012 %
FSA Farm Loan Program: Subsidy Level	148.6	140.6	147.7	+5.0%	110.7	107.4	106.5	108.2	-39.5	-26.7%
FSA Farm Loans: Loan Authority [d]	*3,427.6*	*5,083.9*	*4,651.3*	*-8.5%*	*4,747.1*	*4,763.4*	*4,757.0*	*4,787.1*	*+135.8*	*+2.9%*
Dairy indemnity, mediation, water protect.[e]	8.2	10.3	9.3	-9.8%	4.5	7.2	7.7	7.7	-1.6	-17.4%
Risk Management Agency Salaries & Exp.	76.1	80.3	78.8	-1.8%	82.3	67.5	74.9	74.9	-3.9	-5.0%
Federal Crop Insurance Corporation [f]	4,818.1	6,455.3	7,613.2	+17.9%	3,142.4	3,142.4	3,142.4	3,142.4	-4,470.9	-58.7%
Commodity Credit Corporation [f]	12,983.0	15,079.2	13,925.6	-7.7%	14,071.0	14,071.0	14,071.0	14,071.0	+145.4	+1.0%
Subtotal										
Mandatory	**18,987.0**	**22,855.4**	**22,604.7**	**-1.1%**	**18,293.5**	**18,293.5**	**18,293.5**	**18,293.5**	**-4,311.2**	**-19.1%**
Discretionary	**6,632.9**	**7,336.1**	**6,885.4**	**-6.1%**	**7,139.9**	**6,145.2**	**6,658.4**	**6,676.7**	**-208.7**	**-3.0%**
Subtotal	**25,619.9**	**30,191.6**	**29,490.1**	**-2.3%**	**25,433.4**	**24,438.7**	**24,951.9**	**24,970.2**	**-4,519.9**	**-15.3%**
Title II: Conservation Programs										
Conservation Operations	834.4	887.6	870.5	-1.9%	898.6	764.9	828.2	828.2	-42.3	-4.9%
Watershed & Flood Prevention	29.8	30.0	0.0	-100.0%	0.0	3.0	0.0	0.0	0.0	na
Watershed Rehabilitation Program	19.9	40.2	18.0	-55.3%	0.0	14.9	8.0	15.0	-3.0	-16.5%
Resource Conservation & Development	50.7	50.7	0.0	-100.0%	0.0	0.0	0.0	0.0	0.0	na
Under Secretary, Natural Resources	0.7	0.9	0.9	-0.2%	0.9	0.8	0.8	0.8	-0.05	-5.0%
Subtotal	**937.5**	**1,009.4**	**889.4**	**-11.9%**	**899.6**	**783.6**	**837.0**	**844.0**	**-45.4**	**-5.1%**
Title III: Rural Development										
Rural Development Under Secretary	0.6	0.9	0.9	-0.2%	0.9	0.8	0.8	0.8	-0.05	-5.0%
Salaries and Expenses (including transfers)	661.7	715.5	688.3	-3.8%	691.0	589.9	653.9	653.9	-34.4	-5.0%
Rural Housing Service	881.6	1,424.2	1,224.0	-14.1%	1,034.3	1,037.3	1,090.2	1,090.3	-133.7	-10.9%
RHS Loan Authority [d]	*6,095.4*	*13,904.7*	*25,750.7*	*+85.2%*	*25,333.9*	*26,020.3*	*26,442.9*	*26,546.0*	*+795.3*	*+3.1%*
Rural Business-Cooperative Service [g]	173.2	184.8	127.8	-30.8%	180.5	93.6	119.1	109.3	-18.6	-14.5%
RBCS Loan Authority [d]	*1,265.2*	*1,215.7*	*952.1*	*-21.7%*	*925.4*	*674.1*	*885.2*	*880.2*	*-72.0*	*-7.6%*

Agency or Major Program	FY2008 P.L. 110-161	FY2010 P.L. 111-80	FY2011 P.L. 112-10	Change from FY2010 to FY2011	FY2012 Admin. Request	FY2012 House-passed	FY2012 Senate-passed	FY2012 P.L. 112-55	Change from FY2011 to FY2012 $	Change from FY2011 to FY2012 %
Rural Utilities Service	616.9	653.4	596.7	-8.7%	537.0	516.9	556.8	551.0	-45.8	-7.7%
RUS Loan Authority [d]	*9,179.5*	*9,287.2*	*9,163.3*	*-1.3%*	*7,572.2*	*8,225.4*	*8,802.7*	*8,719.9*	*-443.4*	*-4.8%*
Subtotal [g]	**2,334.0**	**2,978.8**	**2,637.8**	**-11.4%**	**2,443.6**	**2,238.5**	**2,420.8**	**2,405.2**	**-232.5**	**-8.8%**
Subtotal, RD Loan Authority [d]	***16,540.1***	***24,407.5***	***35,866.1***	***+46.9%***	***33,831.6***	***34,919.8***	***36,130.8***	***36,146.0***	***+279.9***	***+0.8%***
Title IV: Domestic Food Programs										
Child Nutrition Programs	13,901.5	16,855.8	17,319.9	+2.8%	18,810.6	18,770.4	18,151.2	18,151.2	+831.2	+4.8%
WIC Program	6,020.0	7,252.0	6,734.0	-7.1%	7,390.1	6,001.1	6,582.5	6,618.5	-115.5	-1.7%
SNAP & other Food & Nutrition Act Programs	39,782.7	58,278.2	65,206.7	+11.9%	73,183.8	71,173.3	80,402.7	80,401.7	+15,195.0	+23.3%
Commodity Assistance Programs	210.3	248.0	246.1	-0.7%	249.6	196.0	242.3	242.3	-3.8	-1.5%
Nutrition Programs Administration	141.7	147.8	147.5	-0.2%	170.5	124.0	140.1	138.5	-9.0	-6.1%
Office of Under Secretary	0.6	0.8	0.8	-0.2%	0.8	0.7	0.8	0.8	-0.04	-5.1%
Subtotal										
Mandatory	**53,683.2**	**75,128.0**	**82,526.8**	**+9.8%**	**91,943.9**	**89,943.8**	**98,552.9**	**98,551.9**	**+16,025.1**	**+19.4%**
Discretionary	**6,373.6**	**7,654.6**	**7,128.3**	**-6.9%**	**7,861.5**	**6,321.7**	**6,966.7**	**7,001.1**	**-127.2**	**-1.8%**
Subtotal	**60,056.8**	**82,782.6**	**89,655.1**	**+8.3%**	**99,805.4**	**96,265.5**	**105,519.6**	**105,553.0**	**+15,897.9**	**+17.7%**
Title V: Foreign Assistance										
Foreign Agric. Service	158.4	180.4	185.6	+2.9%	229.7	171.2	176.3	176.3	-9.3	-5.0%
Public Law (P.L.) 480	1,213.5	1,692.8	1,499.8	-11.4%	1,692.8	1,034.5	1,564.7	1,468.5	-31.3	-2.1%
McGovern-Dole Food for Education	99.3	209.5	199.1	-5.0%	200.5	178.6	188.0	184.0	-15.1	-7.6%
CCC Export Loan Salaries	5.3	6.8	6.8	-0.2%	6.8	6.8	6.5	6.8	+0.01	+0.2%
Subtotal	**1,476.5**	**2,089.5**	**1,891.3**	**-9.5%**	**2,129.9**	**1,391.0**	**1,935.5**	**1,835.7**	**-55.7**	**-2.9%**
Title VI: FDA & Related Agencies										
Food and Drug Administration	1,716.8	2,357.1	2,457.0	+4.2%	2,744.0	2,156.7	2,506.0	2,505.8	+48.8	+2.0%
Commodity Futures Trading Commission [h]	111.3	168.8	—	-100.0%	308.0	170.6	—	205.3	+3.0	+1.5%

Agency or Major Program	FY2008 P.L. 110-161	FY2010 P.L. 111-80	FY2011 P.L. 112-10	Change from FY2010 to FY2011	FY2012 Admin. Request	FY2012 House-passed	FY2012 Senate-passed	FY2012 P.L. 112-55	Change from FY2011 to FY2012 $	Change from FY2011 to FY2012 %
Title VII: General Provisions										
Limit mandatory farm bill programs	-335.0	-511.0	-949.0	+85.7%	-699.5	-1,439.0	-1,131.0	-1,205.5	-256.5	+27.0%
Rescissions	-732.0	-107.9	-925.0	+757.0%	-477.5	-475.0	-353.0	-445.1	+479.9	-51.9%
Other appropriations	641.9	380.6	2.6	-99.3%	0.0	0.0	378.5	377.1	+374.5	—
Subtotal	**-425.1**	**-238.3**	**-1,871.4**	**+685%**	**-1,177.0**	**-1,914.0**	**-1,105.5**	**-1,273.6**	**+597.8**	**-31.9%**
RECAPITULATION:										
I: Agricultural Programs	25,619.9	30,191.6	29,490.1	-2.3%	25,433.4	24,438.7	24,951.9	24,970.2	-4,519.9	-15.3%
Mandatory	18,987.0	22,855.4	22,604.7	-1.1%	18,293.5	18,293.5	18,293.5	18,293.5	-4,311.2	-19.1%
Discretionary	6,632.9	7,336.1	6,885.4	-6.1%	7,139.9	6,145.2	6,658.4	6,676.7	-208.7	-3.0%
II: Conservation Programs	937.5	1,009.4	889.4	-11.9%	899.6	783.6	837.0	844.0	-45.4	-5.1%
III: Rural Development [g]	2,334.0	2,978.8	2,637.8	-11.4%	2,443.6	2,238.5	2,420.8	2,405.2	-232.5	-8.8%
IV: Domestic Food Programs	60,056.8	82,782.6	89,655.1	+8.3%	99,805.4	96,265.5	105,519.6	105,553.0	+15,897.9	+17.7%
Mandatory	53,683.2	75,128.0	82,526.8	+9.8%	91,943.9	89,943.8	98,552.9	98,551.9	+16,025.1	+19.4%
Discretionary	6,373.6	7,654.6	7,128.3	-6.9%	7,861.5	6,321.7	6,966.7	7,001.1	-127.2	-1.8%
V: Foreign Assistance	1,476.5	2,089.5	1,891.3	-9.5%	2,129.9	1,391.0	1,935.5	1,835.7	-55.7	-2.9%
VI: FDA	1,716.8	2,357.1	2,457.0	+4.2%	2,744.0	2,156.7	2,506.0	2,505.8	+48.8	+2.0%
CFTC in Agriculture appropriations [h]	111.3	168.8	—	—	308.0	170.6	—	205.3	+3.0	+1.5%
CFTC in Financial Services appropriations [h]	—	—	*202.3*	*+19.8%*	—	—	*240.0*	—	—	—
VII: General Provisions	-425.1	-238.3	-1,871.4	+685%	-1,177.0	-1,914.0	-1,105.5	-1,273.6	+597.8	-31.9%
Total in agriculture bill (no adjustment for jurisdiction over CFTC, as listed in Committee reports)										
Mandatory	**72,670.2**	**97,983.4**	**105,131.5**	**+7.3%**	**110,237.4**	**108,237.2**	**116,846.4**	**116,845.4**	**+11,713.9**	**+11.1%**
Discretionary	**19,157.5**	**23,356.0**	**20,017.8**	**-14.3%**	**22,349.4**	**17,293.2**	**20,218.9**	**20,200.3**	**+182.5**	**+0.9%**
Total	**91,827.7**	**121,339.4**	**125,149.3**	**+3.1%**	**132,586.8**	**125,530.4**	**137,065.3**	**137,045.7**	**+11,896.4**	**+9.5%**

Agency or Major Program	FY2008 P.L. 110-161	FY2010 P.L. 111-80	FY2011 P.L. 112-10	Change from FY2010 to FY2011	FY2012 Admin. Request	House-passed	Senate-passed	P.L. 112-55	Change from FY2011 to FY2012 $	%
Adjustments to make comparison to 302(b) and across years for jurisdiction										
Other scorekeeping adjustments [i]	-42.6	-52.2	-87.0	+66.7%	-69.0	-72.0	-72.0	-72.0	+15.0	-17.2%
Subtract disaster declaration	-1,022.0	0.0	0.0	—	0.0	0.0	-375.9	-367.0	—	—
Adjusted total without CFTC in any column (Senate basis) [h]										
Discretionary	**17,981.6**	**23,135.0**	**19,930.8**	**-13.8%**	**21,972.4**	**17,050.6**	**19,771.0**	**19,556.0**	**-374.8**	**-1.9%**
Total	90,651.8	121,118.4	125,062.3	+3.3%	132,209.8	125,287.8	136,617.4	136,401.4	+11,339.1	+9.1%
Adjusted total with CFTC in all columns (House basis) [h]										
Discretionary	**18,092.9**	**23,303.8**	**20,133.1**	**-13.6%**	**22,280.4**	**17,221.2**	**20,011.0**	**19,761.3**	**-371.8**	**-1.8%**
Total	90,763.1	121,287.2	125,264.5	+3.3%	132,517.8	125,458.4	136,857.4	136,606.7	+11,342.1	+9.1%

Source: CRS, compiled from P.L. 112-55, S. 1573, P.L. 112-10, P.L. 111-80, P.L. 110-161, and unpublished CBO tables.

Notes: Does not include supplemental appropriations. Supplemental appropriations were $2.4 billion in FY2008 (P.L. 110-252 and P.L. 110-329 provided $1.345 billion for foreign aid, $695 million for conservation, $188 million for rural development, and $5 million each for APHIS, ARS, and OIG); and $549 million in FY2010 (P.L. 111-118 and P.L. 111-212 provided $400 million for nutrition, $150 million for foreign aid, $31 million for farm loans, $18 million for forestry, offset by a $50 million reduction in BCAP).

a. Includes offices for Advocacy and Outreach; Chief Financial Officer; Assistant Secretary and Office for Civil Rights; Assistant Secretary for Administration; Hazardous Materials Mgt.; Dept. Administration; Assistant Secretary for Congressional Relations; Office of Communications; General Counsel; Office of Homeland Security.

b. Includes four Under Secretary offices: Research, Education and Economics; Marketing and Regulatory Programs; Food Safety; and Farm and Foreign Agriculture.

c. Includes regular FSA salaries and expenses, plus transfers for farm loan program salaries and expenses and farm loan program administrative expenses. However, amounts transferred from the Foreign Agricultural Service for export loans and P.L. 480 administration are included in the originating account.

d. Loan authority is the amount of loans that can be made or guaranteed with a loan subsidy; it is not added in the budget authority subtotals or totals.

e. Includes Dairy Indemnity Program, State Mediation Grants, and Grassroots Source Water Protection Program.

f. Commodity Credit Corporation and Federal Crop Insurance Corporation each receive "such sums as necessary." Estimates are used in the appropriations bill reports.

g. Amounts for the Rural Business Cooperative Service in this report are before the rescission from the Cushion of Credit account. This approach allows the total appropriation for RBS to remain positive, unlike in Appropriations committee tables. The rescission is included in the General Provisions section.

h. CFTC is shown in different ways because of jurisdiction differences to make totals comparable.

i. "Other scorekeeping adjustments" are not appropriated items (e.g., negative subsidies in loan program accounts) and are not shown in Appropriations committee tables, but are part of the official score of the bill. Adjustments for disaster designation allow regular appropriations to be compared and also may affect subcommittee allocations.

Conference Agreement

The conference agreement for the three-bill minibus was published on November 14, 2011, (H.Rept. 112-284 to accompany H.R. 2112) and both chambers passed the bill on November 17, 2011, with more than two-thirds majorities. The President signed the bill the next day, and the minibus appropriation was enacted as P.L. 112-55.

On October 19, 2011, the White House had issued what amounts to a Statement of Administration Policy (SAP) for all of the appropriations bills.[9] Regarding the Agriculture bill, the statement mentions the importance of adequate funding for food safety, WIC, and global food security. It also referred to certain program termination proposals.

The enacted appropriation closely follows the amounts specified in the Senate-passed bill. It reduces regular discretionary Agriculture appropriations by $372 million to $19.8 billion, a cut of -1.8% below FY2011 levels after adjusting for disaster designations of certain provisions and jurisdiction over CFTC (**able 2**, **Table 3**). The bill also included $367 million of conservation-related disaster assistance that was not subject to the same budgetary caps; with this spending, the appropriation is $20.2 billion, a slight increase over FY2011 levels.

The FY2012 Agriculture appropriation spreads its reductions in discretionary spending by trimming most agency's budgets in the range of 3%-6%, although some programs have greater reductions. The act makes cuts to rural development programs (-$233 million, -8.8%), discretionary agriculture programs (-$209 million, -3%), discretionary nutrition assistance (-$127 million, -1.8%), foreign assistance programs (-$56 million, -2.9%), and conservation programs (-$45 million, -5.1%). The Food and Drug Administration and Commodity Futures Trading Commission each receive small increases in budget authority of about 1.5% to 2%. The appropriation increases the amount of limitations on mandatory farm bill programs by 27% to $1.2 billion, though rescissions from prior year appropriations were smaller by about half, at $445 million.

Budget Resolution and Subcommittee Allocation

The House passed a budget resolution (H.Con.Res. 34) on April 15, 2011, with a $1.019 trillion discretionary budget limit for FY2012. This would be a $30.4 billion cut from FY2011 (-2.3%) across all 12 appropriations bills. For the Agriculture bill, the "302(b)" subcommittee allocation in the House is $17.25 billion (in both H.Rept. 112-96 and H.Rept. 112-104), which is $2.7 billion less than for FY2011 (-13%).

The Senate did not pass a separate budget resolution. But on August 2, 2011, the Budget Control Act of 2011 (P.L. 112-25) was enacted. Among other actions, such as establishing the Joint Select Committee on Deficit Reduction and raising the debt ceiling, it sets the total FY2012 discretionary limit for all 12 appropriations bills at $1.043 trillion. This is akin to the result of a joint budget resolution that can be used for the final FY2012 appropriation bills. This amount is $24 billion (+2.3%) higher than the $1.019 trillion discretionary limit in the House budget resolution (H.Con.Res. 34). The $1.043 trillion level is $6.8 billion below FY2011 (-0.6%).

[9] See http://www.whitehouse.gov/sites/default/files/omb/legislative/letters/letter-regarding-fy2012-appropriations-sent-to-senator-inouye-congressman-rogers—congressman-dicks-and-senator-cochran.pdf.

Given the limit set in the Budget Control Act, the Senate Appropriations committee began markups. On September 7, 2011, the Senate Appropriations Committee adopted subcommittee allocations (S.Rept. 112-76). For the Agriculture bill, 302(b) initial subcommittee allocation was $19.78 billion, which is $141 million less than FY2011 (-0.7%) but nearly $2.8 billion more than the House allocation (+16%).

The Senate Appropriations committee subsequently adopted higher 302(b) suballocations for Agriculture, but solely due to disaster designations of provisions. On September 20, the committee adopted a revised subcommittee allocation of $20.046 billion (S.Rept. 112-81). On October 20, 2011. the committee adopted a further revised allocation for Agriculture of $20.156 billion (S.Rept. 112-89). These revised allocations were $266 million greater and $376 million greater, respectively, than the initial allocation, exactly reflecting the amount of disaster designations in the Senate markup and in a floor amendment, as allowed under the Budget Control Act. The Senate's revised allocations were greater than FY2011, but because of the disaster amounts rather than the underlying bill.[10]

On November 17, 2011, the Senate Appropriations committee adopted a final Agriculture subcommittee allocation for passage of the conference agreement. The allocation was $20.24 billion (S.Rept. 112-95), which incorporates $367 million of disaster designation allowed under the BCA. The non-disaster amount for the "regular" appropriation is about $19.8 billion. Of the $20.24 billion allocation for Agriculture in S.Rept. 112-95, $1.75 billion is designated as security spending under the BCA.[11]

Historical Trends

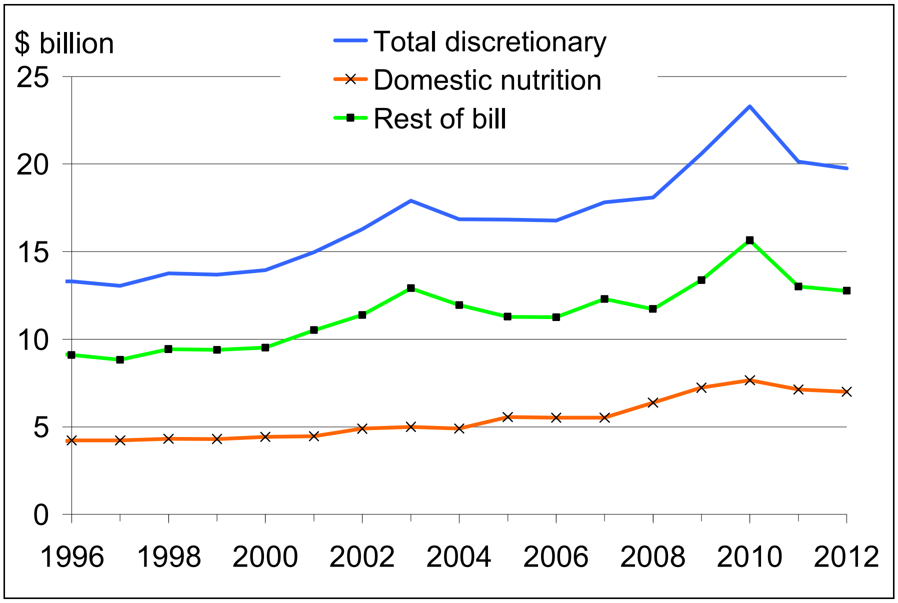
After years of growth, discretionary Agriculture appropriations peaked in absolute terms in FY2010, although mandatory nutrition spending continues to rise. This section offers perspective on type of funding (mandatory or discretionary), purpose (nutrition vs. other), and relationships to inflation, GDP, and the federal budget. The enacted FY2012 appropriation in P.L. 112-55 is the basis for comparison throughout most of this section.

Figure 2 shows total discretionary appropriations levels in the Agriculture appropriations bill. The total amount is divided between discretionary domestic nutrition assistance programs and the rest of the bill (**Table 4**). Over the past 10 years (since FY2002), total discretionary funding in the Agriculture appropriations bill has grown at an average annualized rate of +2.0% per year (**able 5**). The nutrition portion of this discretionary total shows a +3.7% average annual increase over 10 years, while the rest of the bill has an average annual 10-year increase +1.1%.

[10] An alternative used in prior budget years is not counting the disaster provisions against the 302(b) allocation so as to not need a revised higher allocation. This accounting alternative is used in this report to make the non-disaster portion of the Senate bill more comparable to the House version, while still recognizing the disaster designation.

[11] Security spending in the Agriculture appropriations bill includes Food for Peace (formerly known as P.L. 480 Title II grants) and McGovern-Dole Food for Education.

Figure 2. Discretionary Agriculture Appropriations, FY1996-FY2012



Source: CRS.

Notes: Includes only regular annual appropriations for USDA (except the Forest Service), FDA, and CFTC (regardless of jurisdiction). Fiscal year budget authority. The label "Domestic nutrition" includes WIC, commodity assistance programs, and nutrition programs administration.

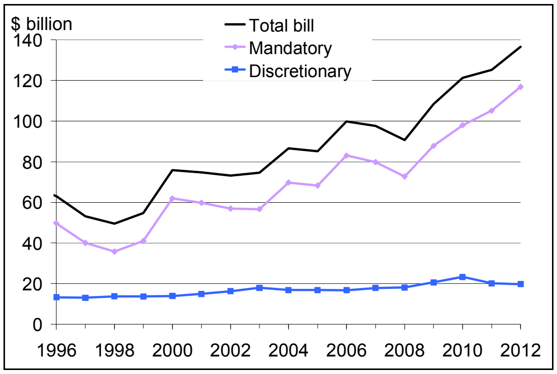
Figure 3 shows the Agriculture appropriations bill divided between mandatory and discretionary spending.[12] Mandatory appropriations have a 10-year average annual growth of +7.5%, while discretionary appropriations show the +2.0% rate discussed above. The total (mandatory plus discretionary) reflects a +6.4% average annual increase over 10 years.

Figure 4 shows the same bill total as in **Figure 3**, but divided between domestic nutrition and other program spending. The share going to nutrition has risen from 46% in FY2000 to 77% in FY2012. Since FY2002, total nutrition spending has increased at an average rate of about +10.8% per year, compared to a -1.3% average annual change for the "rest of the bill" (the rest of USDA but excluding the Forest Service, plus FDA and CFTC). Nutrition spending has increased even faster in the more recent 5- and 10-year periods, and the decline in the rest of the bill is sharper, too, in more recent 5- and 10-year periods.

Most nutrition program spending is mandatory spending, primarily in the Supplemental Nutrition Assistance Program (SNAP) and child nutrition (school lunch and related programs). **Figure 5** takes the orange-colored line from **Figure 4** (total domestic nutrition programs) and divides it into mandatory and discretionary accounts. Over the past 10 years, mandatory nutrition spending rose at about +11.5% per year, while the discretionary portion increased at about +3.7% per year.

[12] A version of **Figure 3** was used on the House floor by Rep. Kingston on June 16, 2011, http://www.c-spanvideo.org/program/HouseSession5217/start/4815/stop/4883.

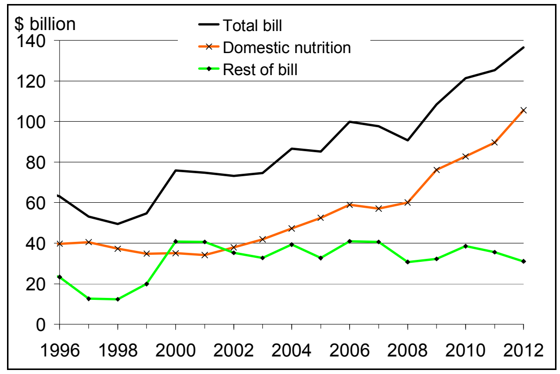
Figure 3. Agriculture Appropriations: Mandatory vs. Discretionary



Source: CRS.

Notes: Includes regular annual appropriations only for USDA (except the Forest Service), FDA, and CFTC (regardless of where funded). Fiscal year budget authority.

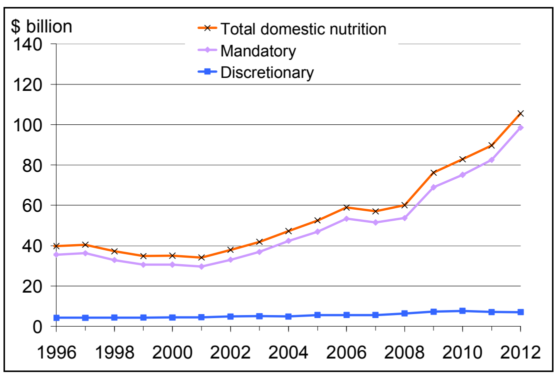
Figure 4. Agriculture Appropriations: Domestic Nutrition vs. Rest of Bill



Source: CRS.

Notes: The largest domestic nutrition programs are the child nutrition programs, SNAP (food stamps), and WIC. "Other" includes the rest of USDA (except the Forest Service), FDA, and CFTC.

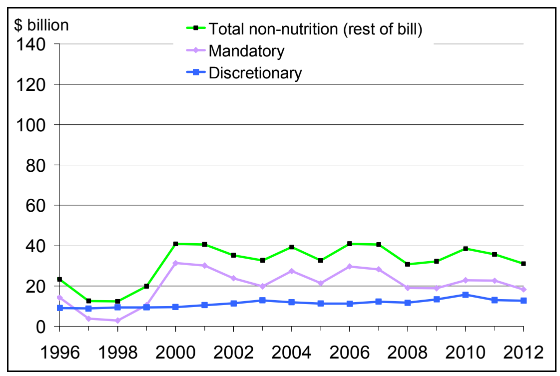
Figure 5. Domestic Nutrition Programs in Agriculture Appropriations: Mandatory vs. Discretionary



Source: CRS.

Notes: Mandatory nutrition programs include SNAP (food stamps) and the child nutrition programs. WIC is the largest discretionary nutrition program.

Figure 6. Non-Nutrition Programs (Rest of Bill) in Agriculture Appropriations: Mandatory vs. Discretionary



Source: CRS.

Notes: Includes all of USDA except nutrition and Forest Service, and FDA and CFTC. Mandatory includes the farm commodity programs, crop insurance, some conservation, and trade programs.

Table 4. Trends in Nominal Agriculture Appropriations: FY1995-FY2012

(fiscal year budget authority in billions of dollars, except as noted)

FY1995-2003	1995	1996	1997	1998	1999	2000	2001	2002	2003
Discretionary total	**13.29**	**13.31**	**13.04**	**13.75**	**13.69**	**13.95**	**14.97**	**16.28**	**17.91**
Domestic nutrition [a]	3.93	4.22	4.22	4.31	4.31	4.42	4.46	4.89	5.00
Rest of bill [b]	9.36	9.09	8.82	9.44	9.39	9.53	10.51	11.39	12.91
Mandatory total	**54.61**	**49.78**	**40.08**	**35.80**	**41.00**	**61.95**	**59.77**	**56.91**	**56.70**
Domestic nutrition	36.30	35.54	36.27	32.91	30.51	30.63	29.66	33.06	36.89
Rest of bill	18.31	14.23	3.81	2.89	10.48	31.33	30.12	23.86	19.82
Total bill	**67.90**	**63.09**	**53.12**	**49.55**	**54.69**	**75.90**	**74.74**	**73.19**	**74.61**
Domestic nutrition	40.23	39.76	40.49	37.22	34.82	35.04	34.12	37.95	41.89
Rest of bill	27.67	23.33	12.63	12.33	19.87	40.85	40.63	35.24	32.72
Percentages of Total									
1. Mandatory	80%	79%	75%	72%	75%	82%	80%	78%	76%
2. Discretionary	20%	21%	25%	28%	25%	18%	20%	22%	24%
1. Domestic nutrition	59%	63%	76%	75%	64%	46%	46%	52%	56%
2. Rest of bill	41%	37%	24%	25%	36%	54%	54%	48%	44%
FY2004-2012	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Discretionary total	**16.84**	**16.83**	**16.78**	**17.81**	**18.09**	**20.60**	**23.30**	**20.13**	**19.76**
Domestic nutrition	4.90	5.55	5.53	5.52	6.37	7.23	7.65	7.13	7.00
Rest of bill	11.94	11.28	11.25	12.29	11.72	13.37	15.65	13.00	12.76
Mandatory total	**69.75**	**68.29**	**83.07**	**79.80**	**72.67**	**87.80**	**97.98**	**105.13**	**116.85**
Domestic nutrition	42.36	46.94	53.37	51.51	53.68	68.92	75.13	82.53	98.55
Rest of bill	27.38	21.36	29.70	28.29	18.99	18.88	22.86	22.60	18.29
Total bill	**86.59**	**85.13**	**99.85**	**97.61**	**90.76**	**108.40**	**121.29**	**125.26**	**136.61**
Domestic nutrition	47.26	52.49	58.89	57.03	60.06	76.16	82.78	89.66	105.55
Rest of bill	39.32	32.64	40.95	40.58	30.71	32.25	38.50	35.61	31.05
Percentages of Total									
1. Mandatory	81%	80%	83%	82%	80%	81%	81%	84%	86%
2. Discretionary	19%	20%	17%	18%	20%	19%	19%	16%	14%
1. Domestic nutrition	55%	62%	59%	58%	66%	70%	68%	72%	77%
2. Rest of bill	45%	38%	41%	42%	34%	30%	32%	28%	23%

Source: CRS. Regular appropriations only; all years include Commodity Futures Trading Commission.

a. The largest domestic nutrition programs are the child nutrition programs, the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps)—both of which are mandatory—and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is discretionary.

b. "Rest of bill" includes the non-nutrition remainder of USDA (except the Forest Service), FDA, and CFTC. Within that group, mandatory programs include the farm commodity programs, crop insurance, and some conservation and foreign aid/trade programs.

Table 5. Agriculture Appropriations: Percentage Changes over Time

	Average annual change from the past to FY2012							
	Based on Nominal Value				Based on Real Value (2011 $)			
	FY2011 (1 yr.)	FY2007 (5 yrs.)	FY2002 (10 yrs.)	FY1997 (15 yrs.)	FY2011 (1 yr.)	FY2007 (5 yrs.)	FY2002 (10 yrs.)	FY1997 (15 yrs.)
Discretionary total	**-1.8%**	**+2.1%**	**+2.0%**	**+2.8%**	**-3.2%**	**+0.7%**	**-0.2%**	**+0.8%**
Domestic nutrition [a]	-1.8%	+4.9%	+3.7%	+3.4%	-3.1%	+3.4%	+1.5%	+1.4%
Rest of bill [b]	-1.9%	+0.8%	+1.1%	+2.5%	-3.2%	-0.7%	-1.0%	+0.5%
Mandatory total	**+11.1%**	**+7.9%**	**+7.5%**	**+7.4%**	**+9.6%**	**+6.4%**	**+5.2%**	**+5.3%**
Domestic nutrition	+19.4%	+13.9%	+11.5%	+6.9%	+17.8%	+12.3%	+9.2%	+4.8%
Rest of bill	-19.1%	-8.4%	-2.6%	+11.0%	-20.2%	-9.6%	-4.7%	+8.9%
Total bill	**+9.1%**	**+7.0%**	**+6.4%**	**+6.5%**	**+7.6%**	**+5.5%**	**+4.2%**	**+4.4%**
Domestic nutrition	+17.7%	+13.1%	+10.8%	+6.6%	+16.1%	+11.5%	+8.4%	+4.5%
Rest of bill	-12.8%	-5.2%	-1.3%	+6.2%	-14.0%	-6.5%	-3.3%	+4.1%

Source: CRS.

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

a. The largest domestic nutrition programs are the child nutrition programs, the Special Supplemental Nutrition Assistance Program (SNAP, formerly food stamps)—both of which are mandatory—and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is discretionary.

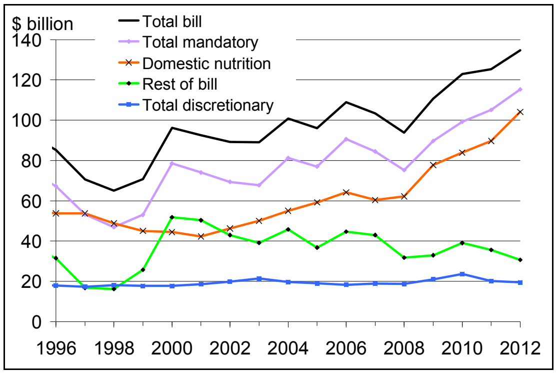
b. "Rest of bill" includes the non-nutrition remainder of USDA (except the Forest Service), FDA, and CFTC. Within that group, mandatory programs include the farm commodity programs, crop insurance, and some conservation and foreign aid/trade programs.

Spending on the non-nutrition programs in the bill is more evenly divided between mandatory and discretionary, more variable over time, and generally growing more slowly than nutrition. **Figure 6** divides the green-colored line in **Figure 4** into mandatory and discretionary accounts. This subtotal of mandatory spending has shown a -2.6% average annual change over 10 years, and +11% per year over 15 years. Discretionary spending on this component—arguably where appropriators have the most control reflects an average annual increase of +1.1% over the past 10 years. Over the five-year period since FY2007, the rest of bill increase is more nearly flat, at +0.8% per year.

The Agriculture appropriations totals can also be viewed in inflation-adjusted terms and in comparison to other economic variables (**Figure 7** through **Figure 10**, and **Table 6**)

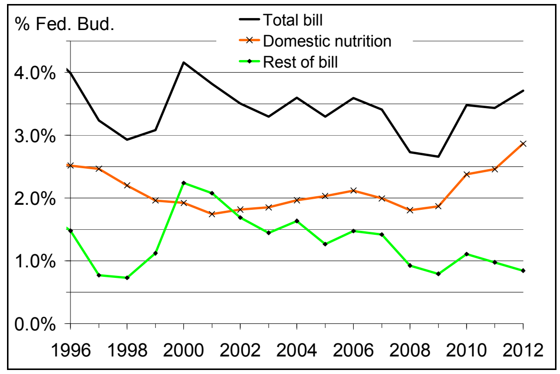
If the general level of inflation is subtracted, total Agriculture appropriations show positive "real" growth—that is, growth above the rate of inflation—but mostly because of mandatory and/or nutrition programs. The total appropriation has increased at an average annual real rate of +4.2% over the past 10 years. Within that total, nutrition programs have increased at a higher average annual real rate of +8.4%. The non-nutrition "rest of the bill" shows a -3.3% average annual real change over 10 years, and a -6.5% average annual real change over 5 years (**Figure 7**).

Figure 7. Agriculture Appropriations in Inflation-Adjusted 2011 Dollars



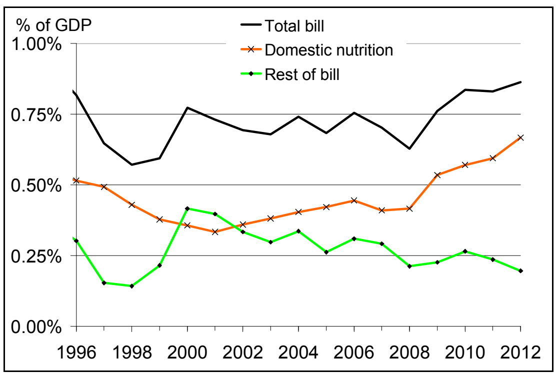
Source: CRS.
Notes: Adjusted with the GDP Price Index, FY2012 President's Budget, *Historical Tables,* Table 10.1.

Figure 8. Agriculture Appropriations as a Percentage of Total Federal Budget



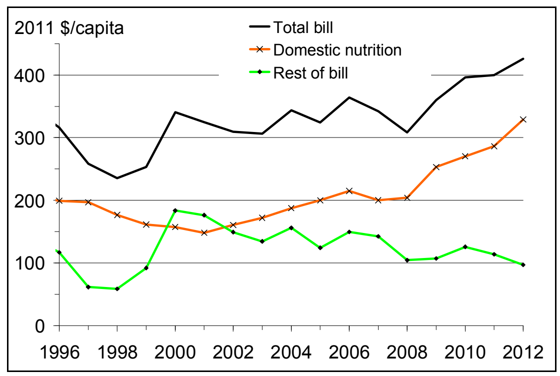
Source: CRS.
Notes: Total federal budget authority, FY2012 President's Budget, *Historical Tables,* Table 5.1.

Figure 9. Agriculture Appropriations as a Percentage of GDP



Source: CRS.
Notes: Gross domestic product (GDP) is from the President's Budget, *Historical Tables,* Table 10.1.

Figure 10. Agriculture Appropriations per Capita of U.S. Population



Source: CRS.
Notes: Population figures from Census Bureau, U.S. Population Projections, and *Statistical Abstract of the United States.*

Relative to the entire federal budget, the Agriculture bill's share declined from 4.4% of the federal budget in FY1995 to 2.7% in FY2009, before rising again to 3.7% in FY2012 (**Figure 8**). The share for nutrition programs had declined from 2.6% in FY1995 to 1.8% in FY2008, but the recent recession has caused that share to rise to 2.9% in FY2012. The share for the rest of the bill has declined from 1.8% in FY1995 and 2.1% in FY2001 to 0.8% in FY2012 (**Table 7**).

As a percentage of gross domestic product (GDP),[13] Agriculture appropriations have been fairly steady at under 0.75% of GDP from FY2000-FY2009, but have risen to about 0.86% of GDP in FY2012 (**Figure 9**) due to increases in nutrition program demand. Nutrition programs have been rising as a percentage of GDP since FY2000 (0.33% in FY2001 to 0.67% in FY2012), while non-nutrition agricultural programs have been declining (0.42% in FY2000 to 0.20% in FY2012).

[13] Two other CRS reports compare various components of federal spending against GDP at a more aggregate level. See CRS Report RL33074, *Mandatory Spending Since 1962*, and CRS Report RL34424, *Trends in Discretionary Spending*.

Table 6. Trends in Benchmarks and Real Agriculture Appropriations: FY1995-FY2012

(fiscal year budget authority in billions of dollars, except as noted)

FY1995-2003	1995	1996	1997	1998	1999	2000	2001	2002	2003
GDP ($ billions)[a]	7,341	7,718	8,212	8,663	9,208	9,821	10,225	10,544	10,980
U.S. budget authority[b]	1,540	1,581	1,643	1,692	1,777	1,825	1,959	2,090	2,266
Population (million)[c]	266.6	269.7	272.9	276.1	279.3	282.4	285.3	288.0	290.7
GDP price index[a]	81.84	83.42	84.95	86.03	87.17	88.89	90.99	92.49	94.42
Inflation-adjusted 2011 dollars (real dollars)									
Discretionary total	**18.31**	**17.99**	**17.31**	**18.02**	**17.71**	**17.69**	**18.55**	**19.84**	**21.38**
Domestic nutrition	5.41	5.70	5.60	5.65	5.57	5.60	5.53	5.96	5.97
Rest of bill	12.90	12.29	11.71	12.37	12.14	12.08	13.02	13.88	15.41
Mandatory total	**75.23**	**67.28**	**53.19**	**46.92**	**53.03**	**78.58**	**74.06**	**69.38**	**67.71**
Domestic nutrition	50.01	48.04	48.14	43.13	39.47	38.85	36.75	40.30	44.05
Rest of bill	25.22	19.24	5.05	3.79	13.56	39.74	37.32	29.08	23.66
Total bill	**93.55**	**85.27**	**70.50**	**64.94**	**70.74**	**96.27**	**92.62**	**89.22**	**89.10**
Domestic nutrition	55.42	53.74	53.74	48.78	45.03	44.45	42.28	46.26	50.02
Rest of bill	38.12	31.53	16.76	16.16	25.70	51.82	50.34	42.96	39.07
FY2004-2012	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
GDP ($ billions)	11,686	12,446	13,225	13,896	14,439	14,237	14,508	15,080	15,813
U.S. budget authority	2,408	2,583	2,780	2,863	3,326	4,077	3,485	3,651	3,685
Population (million)	293.3	296.0	298.8	301.7	304.5	307.2	310.2	313.2	316.3
GDP price index	96.84	100.00	103.42	106.54	108.98	110.43	111.27	112.75	114.32
Inflation-adjusted 2011 dollars (real dollars)									
Discretionary total	**19.61**	**18.98**	**18.29**	**18.85**	**18.72**	**21.03**	**23.61**	**20.13**	**19.49**
Domestic nutrition	5.70	6.26	6.02	5.85	6.59	7.39	7.76	7.13	6.90
Rest of bill	13.90	12.72	12.27	13.00	12.12	13.65	15.86	13.00	12.58
Mandatory total	**81.20**	**77.00**	**90.56**	**84.45**	**75.18**	**89.64**	**99.29**	**105.13**	**115.24**
Domestic nutrition	49.32	52.92	58.18	54.51	55.54	70.37	76.13	82.53	97.20
Rest of bill	31.88	24.08	32.38	29.94	19.64	19.27	23.16	22.60	18.04
Total bill	**100.81**	**95.98**	**108.86**	**103.30**	**93.90**	**110.68**	**122.90**	**125.26**	**134.73**
Domestic nutrition	55.03	59.18	64.21	60.35	62.13	77.76	83.88	89.66	104.10
Rest of bill	45.78	36.80	44.65	42.95	31.77	32.92	39.02	35.61	30.63

Source: CRS. Regular appropriations only; all years include Commodity Futures Trading Commission. See footnotes in **Table 4** for definitions of "domestic nutrition" and "rest of bill."

a. OMB, Budget of the United States Government, "Historical Tables," Table 10.1, at http://www.whitehouse.gov/omb/budget/Historicals.

b. OMB, Budget of the United States Government, "Historical Tables," Table 5.1, total budget authority.

c. Census Bureau, U.S. Population Projections, at http://www.census.gov/population/www/projections/index.html, and *Statistical Abstract of the United States*.

Finally, on a per capita basis, inflation-adjusted total Agriculture appropriations have risen slightly over the past 10 to 15 years from about $350 per capita in 1995 and 2000 (FY2011 dollars) to about $426 per capita in FY2012 (**Figure 10**). Nutrition programs have risen more steadily on a per capita basis from about $200 per capita in 1995 (and a low of $150 per capita in 2001) to $329 per capita in FY2012. Non-nutrition "other" agricultural programs have been more steady or declining, falling from $185 per capita in 2000 to $97 per capita in FY2012.

Table 7. Trends in Agriculture Appropriations Measured Against Benchmarks

(fiscal year)

FY1995-2003	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture appropriations as a % of total federal budget									
Total bill	**4.4%**	**4.0%**	**3.2%**	**2.9%**	**3.1%**	**4.2%**	**3.8%**	**3.5%**	**3.3%**
Domestic nutrition	2.6%	2.5%	2.5%	2.2%	2.0%	1.9%	1.7%	1.8%	1.8%
Rest of bill	1.8%	1.5%	0.8%	0.7%	1.1%	2.2%	2.1%	1.7%	1.4%
Agriculture appropriations as a % of GDP									
Total bill	**0.92%**	**0.82%**	**0.65%**	**0.57%**	**0.59%**	**0.77%**	**0.73%**	**0.69%**	**0.68%**
Domestic nutrition	0.55%	0.52%	0.49%	0.43%	0.38%	0.36%	0.33%	0.36%	0.38%
Rest of bill	0.38%	0.30%	0.15%	0.14%	0.22%	0.42%	0.40%	0.33%	0.30%
Agriculture appropriations per capita (2011 dollars)									
Total bill	**351**	**316**	**258**	**235**	**253**	**341**	**325**	**310**	**306**
Domestic nutrition	208	199	197	177	161	157	148	161	172
Rest of bill	143	117	61	59	92	184	176	149	134
FY2004-2012	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Agriculture appropriations as a % of total federal budget									
Total bill	**3.6%**	**3.3%**	**3.6%**	**3.4%**	**2.7%**	**2.7%**	**3.5%**	**3.4%**	**3.7%**
Domestic nutrition	2.0%	2.0%	2.1%	2.0%	1.8%	1.9%	2.4%	2.5%	2.9%
Rest of bill	1.6%	1.3%	1.5%	1.4%	0.9%	0.8%	1.1%	1.0%	0.8%
Agriculture appropriations as a % of GDP									
Total bill	**0.74%**	**0.68%**	**0.75%**	**0.70%**	**0.63%**	**0.76%**	**0.84%**	**0.83%**	**0.86%**
Domestic nutrition	0.40%	0.42%	0.45%	0.41%	0.42%	0.53%	0.57%	0.59%	0.67%
Rest of bill	0.34%	0.26%	0.31%	0.29%	0.21%	0.23%	0.27%	0.24%	0.20%
Agriculture appropriations per capita (2011 dollars)									
Total bill	**344**	**324**	**364**	**342**	**308**	**360**	**396**	**400**	**426**
Domestic nutrition	188	200	215	200	204	253	270	286	329
Rest of bill	156	124	149	142	104	107	126	114	97

Source: CRS. Regular appropriations only; all years include Commodity Futures Trading Commission. See footnotes in **Table 4** for definitions of "domestic nutrition" and "rest of bill."

Savings Achieved by Limits and Rescissions

The enacted FY2012 appropriation contains about $1.65 billion in rescissions and limitations on mandatory farm bill programs (Title VII in **Table 3**). The FY2011 appropriation contained $1.87 billion of such rescissions and limitations, more than in past years. These actions are used to score savings that help meet the discretionary budget allocations, and by association provide relatively more to (or help avoid deeper cuts to) regular discretionary accounts than might otherwise be possible. These types of reductions grew in importance in the FY2011 appropriation, which required a large discretionary cut from the year before. Half of the $3.4 billion reduction in total discretionary appropriations between FY2010 and FY2011 was achieved by a $1.7 billion increase in the use of farm bill limitations and rescissions.

The FY2012 appropriation increases the amount of limitations placed on mandatory farm bill programs by 27% to $1.2 billion, though rescissions from prior-year appropriations were smaller by about half, at $445 million. These limitations and rescissions, though greater than most years, were less in total than for FY2011. The net reduction in the amount of limitations and rescissions from $1.87 billion in FY2011 to $1.65 billion in FY2012 effectively increased the amount of cuts required to agency programs by about $220 million to achieve the FY2012 bill's reduction in total discretionary spending to $19.8 billion.

Changes in Mandatory Program Spending (CHIMPS)

In recent years, appropriators have placed limitations on mandatory spending authorized in the farm bill (**Table 8**). These limitations are also known as CHIMPS, "changes in mandatory program spending." Mandatory programs usually are not part of the annual appropriations process since the authorizing committees set the eligibility rules and payment formulas in multi-year authorizing legislation (such as the 2008 farm bill). Funding for mandatory programs usually is 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.

Passage of a new farm bill in 2008 made more mandatory funds available for programs, some of which appropriators or the Administration have chosen to reduce, either because of policy preferences or jurisdictional issues between authorizers and appropriators.

Table 8. Changes in Mandatory Program Spending (CHIMPS), FY2008-FY2012

(dollars in millions)

	FY2008	FY2010	FY2011	FY2012			
Program in 2008 farm bill	**P.L. 110-161**	**P.L. 111-80**	**P.L. 112-10**	**Admin. Request**	**House-passed**	**Senate-passed**	**P.L. 112-55**
Conservation programs							
Environmental Quality Incentives Program	-270.0	-270.0	-350.0	-342.0	-350.0	-350.0	-350.0
Dam Rehabilitation Program	-65.0	-165.0	-165.0	-165.0	-165.0	-165.0	-165.0
Wetlands Reserve Program	—	—	-119.0	-9.0	-200.0	-200.0	-200.0
Conservation Stewardship Program	—	—	-39.0	-2.0	-210.0	-35.0	-76.5
Farmland Protection Program	—	—	—	—	-50.0	-50.0	-50.0
Grasslands Reserve	—	—	—	-50.0	-30.0	-50.0	-30.0
Wildlife Habitat Incentive Program	—	—	—	-12.0	-35.0	-35.0	-35.0
Voluntary Public Access Program	—	—	—	—	-17.0	-17.0	-17.0
Agricultural Management Assistance	—	—	—	-5.0	-5.0	-5.0	-5.0
Subtotal conservation	**-335.0**	**-435.0**	**-673.0**	**-585.0**	**-1,062.0**	**-907.0**	**-928.5**
Other programs							
Fruit and vegetables in schools program [a]	—	-76.0	-117.0	-114.5	-133.0	-133.0	-133.0
Emergency Food Assistance Program	—	—	—	—	-51.0	—	—
Biomass Crop Assistance Program	—	—	-134.0	—	-45.0	—	-28.0
Bioenergy Program for Advanced Biofuels	—	—	—	—	-50.0	-30.0	-40.0
Rural Energy for America Program	—	—	—	—	-70.0	-36.0	-48.0
Crop insurance good performance discount	—	—	-25.0	—	-25.0	-25.0	-25.0
Microenterpreneur Assistance Program	—	—	—	—	-3.0	—	-3.0
Subtotal other	**0.0**	**-76.0**	**-276.0**	**-114.5**	**-377.0**	**-224.0**	**-277.0**
Total reduction in farm bill programs	**-335.0**	**-511.0**	**-949.0**	**-699.5**	**-1,439.0**	**-1,131.0**	**-1,205.5**

Source: CRS, compiled from P.L. 112-55, P.L. 112-10, P.L. 111-80, and P.L. 110-161.

a. Delays funding from July until October of the same calendar year. This effectively allocates the farm bill's authorization by fiscal year rather than school year—with no reduction in overall support—and results in savings being scored by appropriators.

Historically, decisions over expenditures are assumed to rest with appropriations committees.[14] The division over who should fund certain agriculture programs—appropriators or authorizers—has roots dating to the 1930s and the creation of the farm commodity programs. Outlays for the farm commodity programs were highly variable, difficult to budget, and based on multi-year programs that resembled entitlements. Thus, a mandatory funding system—the Commodity Credit Corporation (CCC)—was created to remove the unpredictable funding issue from the

[14] Summarized from Galen Fountain, Majority Clerk of the Senate Agriculture Appropriations Subcommittee, "Funding Rural Development Programs: Past, Present, and Future," p. 4, at the 2009 USDA Agricultural Outlook Forum, February 22, 2009, at http://www.usda.gov/oce/forum/2009_Speeches/Speeches/Fountain.pdf.

appropriations process. The dynamic changed near the turn of the century when farm bills began using mandatory funds for programs that usually were discretionary. Appropriators had not funded some programs as much as authorizers had desired, and authorizing committees wrote farm bills using the mandatory funding at their discretion. Tension arose over who should fund certain activities: authorizers with mandatory funding at their disposal, or appropriators with standard appropriating authority. Some question whether the CCC, which was created to fund the hard-to-predict farm commodity programs, should be used for programs that are not highly variable and are more often discretionary. The programs affected by CHIMPS include conservation, rural development, bioenergy, and some smaller nutrition assistance programs. CHIMPS have not affected the farm commodity programs or the primary nutrition assistance programs (such as SNAP), which are generally accepted as legitimate mandatory programs.

For FY2012, the conference agreement contains $1.206 billion of reductions from 15 mandatory programs, an increase of 27% from the FY2011 CHIMPS level. The House-passed bill contained $1.439 billion of reductions from 16 mandatory programs, and the Senate-passed bill would have removed $1.131 billion from 13 mandatory programs (**Table 8**). The reductions in FY2012 affect about twice as many programs as in prior years. The level of CHIMPS in FY2012, especially as proposed in the House bill, begin to approach the $1.5 billion level of CHIMPS last reached in FY2006.[15]

CHIMPS in FY2012—the last year of the 2008 farm bill's authorization—could have had potentially noteworthy effects on the 10-year farm bill baseline budget available to the Agriculture Committees to write the expected 2012 farm bill. But appropriators made changes to the expiration dates of several CHIMP-ed programs, and thus avoided greater impacts on the baseline. This issue, as well as greater context about the magnitude and perception of conservation CHIMPS, is discussed in the section "Mandatory Conservation Programs" later in this report.

Rescissions

Rescissions are a method of permanently cancelling the availability of funds that were provided by a previous appropriations law, and in doing so achieving or scoring budgetary savings. Often rescissions relate to the unobligated balances of funds still available for a specific purpose that were appropriated a year or more ago (e.g., buildings and facilities funding that remains available until expended for specific projects, or disaster response funds for losses due to a specifically named hurricane). These are often one-time savings from cancelling unobligated budget authority that in some cases may no longer have been about to be spent.

Rescissions in the FY2012 conference agreement total $445 million. This is less than half of the rescission level in FY2011 (**Table 9**). The FY2011 appropriation made unusually large rescissions, compared with prior years, to unobligated balances in accounts such as building and facilities, and rural broadband. Rescissions in FY2011 totaled about $925 million, up from a more typical range of $100 million to $500 million. Because some of these were one-time savings from cancelling unobligated balances, the high level was difficult to repeat in FY2012.

[15] For more background, see CRS Report R41245, *Reductions in Mandatory Agriculture Program Spending*.

Table 9. Rescissions from Prior-Year Budget Authority

(dollars in millions)

	FY2008	FY2010	FY2011	FY2012			
Program	**P.L. 110-161**	**P.L. 111-80**	**P.L. 112-10**	**Admin. Request**	**House-passed**	**Senate-passed**	**P.L. 112-55**
Export credit	—	—	-331.0	—	—	-15.0	-20.2
ARS buildings and facilities	—	—	-229.6	-223.7	—	—	—
Cushion of Credit (rural development) [a]	-34.0	-44.5	-207.0	-241.8	-155.0	-155.0	-155.0
Section 32	-684.0	-52.5	—	—	-150.0	-150.0	-150.0
Agriculture buildings and facilities	—	—	-45.0	—	—	—	—
Broadband loan balances	—	—	-39.0	—	—	—	—
Broadband grants	—	—	-25.0	—	—	—	—
SNAP employment and training	-10.5	-11.0	-15.0	0.0	-11.0	-11.0	-11.0
NRCS expired accounts	—	—	-13.9	—	—	—	—
APHIS	—	—	-10.9	—	—	—	—
Common Computing Environment	—	—	-3.1	—	—	—	—
Outreach for socially disadvantaged farmers	—	—	-2.1	—	—	—	—
NIFA buildings and facilities	—	—	-1.0	-1.0	—	-2.5	-2.5
Rural community advancement	—	—	-1.0	—	—	—	—
Agricultural Marketing Service	—	—	-0.7	—	—	—	—
APHIS buildings and facilities	—	—	-0.6	—	—	—	—
Forestry incentives	—	—	—	—	-5.5	-6.0	-6.0
Great Plains Conservation	—	—	—	—	-0.5	-1.0	-0.5
Trade Adjustment Assistance for Farmers	—	—	—	—	-90.0	—	-90.0
USDA unobligated balances	—	—	—	—	-63.0	—	—
Ocean freight	—	—	—	—	—	-5.0	-3.2
Office of Advocacy and Outreach	—	—	—	—	—	-4.0	-4.0
P.L. 480 Title I	—	—	—	—	—	-3.0	-2.3
Foreign currency program	—	—	—	—	—	-0.5	-0.3
CACFP audit	-3.5	—	—	—	—	—	—
Wildlife Habitat Incentives	—	—	—	-10.2	—	—	—
Water Bank Act	—	—	—	-0.7	—	—	—
Total	**-732.0**	**-107.9**	**-925.0**	**-477.5**	**-475.0**	**-353.0**	**-445.1**

Source: CRS, compiled from P.L. 112-55, P.L. 112-10, P.L. 111-80, and P.L. 110-161.

a. Tables in House and Senate report language place this rescission in the Rural Business Cooperative Service section in recent years, causing that agency's net appropriation to be negative. This report puts the rescission here for consistency with other rescissions.

USDA Agencies and Programs

The Agriculture and Related Agencies appropriations bill covers all of USDA except for the Forest Service. This amounts to nearly 95% of USDA's total appropriation. The Forest Service is funded through the Interior appropriations bill.[16] The order of the following sections reflects the order that the agencies are listed in the Agriculture appropriations bill (except for the portion of FDA appropriations for food safety, which is discussed in a comprehensive section on food safety). See **Table 3** and tables in some of the following sections for more details on the amounts for specific agencies.

Agricultural Research, Education, and Extension

Four agencies carry out USDA's research, education, and economics (REE) mission:

- The **Agricultural Research Service (ARS)**, USDA's intramural science agency, conducts long-term, high-risk, basic and applied research on food and agriculture issues of national and regional importance.
- The **National Institute of Food and Agriculture (NIFA)** distributes federal funds to land grant colleges of agriculture to provide partial support for state-level research, education, and extension.
- The **Economic Research Service (ERS)** provides economic analysis of issues regarding public and private interests in agriculture, natural resources, food, and rural America.
- The **National Agricultural Statistics Service (NASS)** collects and publishes current national, state, and county agricultural statistics. NASS also is responsible for administration of the Census of Agriculture, which occurs every five years and provides comprehensive data on the U.S. agricultural economy.

P.L. 112-55 provides $2.533 billion to the USDA REE mission area for FY2012, which is $53 million (-2%) less than FY2011. Within this total, ARS received a $38.6 million (-3.4%) cut, ERS received a $4 million (-5%) cut, and NIFA levels were reduced by $12.5 million (-1%). NASS actually received a $2.2 million (+1%) increase for FY2012 relative to FY2011. In contrast to the final enacted levels for FY2012, the House-passed bill, H.R. 2112, would have provided the REE mission area with $2.217 billion, while the Senate bill would have provided $2.538 billion (**Table 10**).

The changes in the FY2012 funding levels for REE activities comes after a 9% reduction in the FY2011 levels relative to FY2010. All REE agencies received cuts in FY2011 relative to FY2010, with ARS and NIFA experiencing the biggest cuts, almost 10% for each agency. Similar to FY2011, the FY2012 enacted appropriation did not include any earmarks or congressionally designated spending items for REE-related activities.

The 2008 farm bill instituted significant changes in the structure of the REE mission area, but retained and extended the existing authorities for REE programs. The 2008 farm bill called for the establishment of a new agency called the National Institute of Food and Agriculture (NIFA,

[16] See CRS Report R41896, *Interior, Environment, and Related Agencies: FY2012 Appropriations*.

formerly CSREES), which USDA launched on October 8, 2009. The 2008 farm bill also created a new competitive grants program, the Agriculture and Food Research Initiative (AFRI), which replaced two previously authorized competitive grants programs, and created several new research initiatives related to specialty crops, organic agriculture, and bioenergy.[17]

Table 10. USDA REE Mission Area Appropriations, FY2008-FY2012

(budget authority in millions of dollars)

	FY2009	FY2010	FY2011	FY2012				Change from FY2011	
Agency and Program	**P.L. 111-8**	**P.L. 111-80**	**P.L. 112-10**	**Admin. Request**	**House-passed**	**Senate-passed**	**P.L. 112-55**	**$**	**%**
Agric. Research Service	**1,187.2**	**1,250.5**	**1,133.2**	**1,137.7**	**987.5**	**1,094.6**	**1,094.6**	**-38.6**	**-3.4%**
Nat'l. Inst. of Food & Agric.	**1,222.2**	**1,343.2**	**1,214.8**	**1,205.0**	**1,012.0**	**1,214.0**	**1,202.3**	**-12.5**	**+1.0%**
Research and Education	*691.0*	*788.2*	*698.7*	*708.0*	*591.7*	*709.8*	*705.6*	*+6.9*	*+1.0%*
AFRI	*201.5*	*262.5*	*264.5*	*262.5*	*227.7*	*266*	*264.5*	*+0.03*	*0.0%*
Hatch-Act	*207.1*	*215.0*	*236.3*	*215.0*	*206.4*	*236.3*	*236.3*	*-0.03*	*0.0%*
Evans-Allen	*45.5*	*48.5*	*50.9*	*48.5*	*47.6*	*50.9*	*50.9*	*0*	*0.0%*
McIntire-Stennis	*27.5*	*29.0*	*32.9*	*27.6*	*29.8*	*32.9*	*32.9*	*-0.03*	*0.0%*
Extension	*474.3*	*494.9*	*479.1*	*467.0*	*408.0*	*478.2*	*475.2*	*-3.9*	*-1.0%*
Smith-Lever (b)&(c)	*288.5*	*297.5*	*293.9*	*282.6*	*257.2*	*295.8*	*294.0*	*+0.1*	*0.0%*
Integrated Activities	*56.9*	*60.0*	*36.9*	*30.0*	*12.3*	*26.0*	*21.5*	*-15.4*	*-41.8%*
Economic Research Service	**79.5**	**82.5**	**81.8**	**86.0**	**69.5**	**77.7**	**77.7**	**-4.1**	**-5.0%**
Nat'l. Agric. Statistics Svc.	**151.6**	**161.8**	**156.4**	**165.4**	**148.3**	**152.6**	**158.6**	**+2.2**	**+1.4%**
Total, REE Mission Area	**2,640.4**	**2,838.0**	**2,586.3**	**2,594.1**	**2,217.4**	**2,538.9**	**2,533.2**	**-53.1**	**-2.1%**

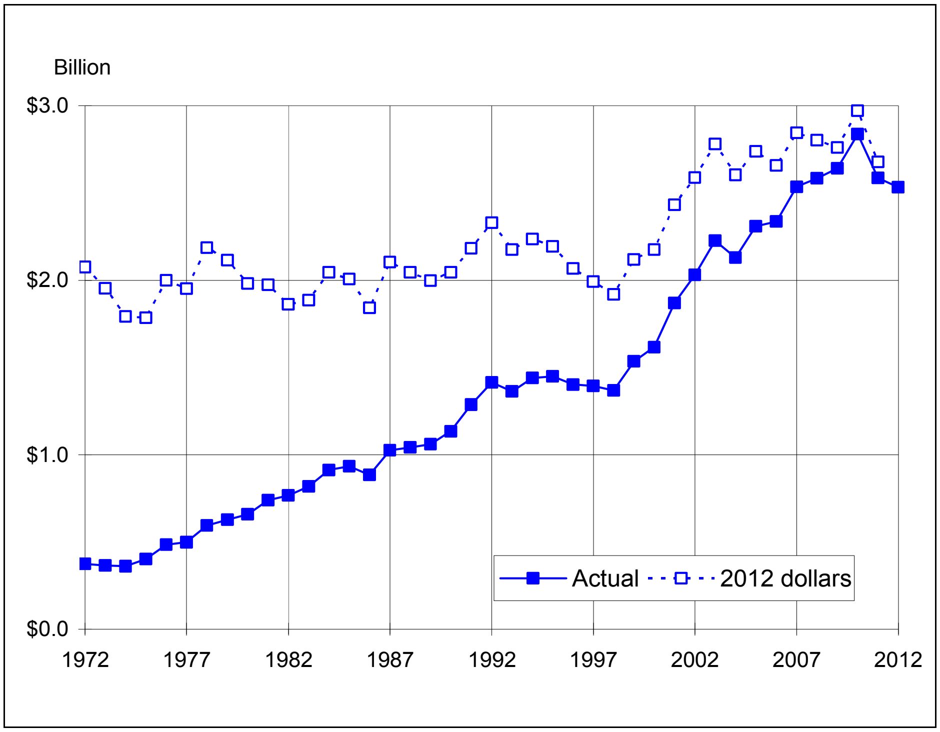
Source: CRS, compiled from P.L. 112-55, H.R. 2112, P.L. 112-10, P.L. 111-80, and P.L. 111-8.

When adjusted for inflation, USDA-funding levels for agriculture research, education, and extension have remained relatively flat from the early 1970s to 2000 (**Figure 11**).[18] From FY2001 through FY2003, supplemental funds appropriated specifically for anti-terrorism activities accounted for most of the increases in the USDA research budget. Funding levels since have remained fairly constant on an inflation-adjusted basis, although ARS received supplemental funding for buildings and facilities in FY2009. ARS and NIFA account for most of the research budget and their appropriations generally have tracked each other. 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.

[17] For more information on USDA research, education, and extension programs, see CRS Report R40819, *Agricultural Research, Education, and Extension: Issues and Background*.

[18] Based on analysis of USDA data.

Figure 11. USDA Research Budget, FY1972-FY2012



Source: Compiled by CRS from Congressional Budget Justifications, various years.

Agricultural Research Service

The enacted FY2012 appropriation provides $1.095 billion for USDA's in-house science agency, the Agricultural Research Service (ARS), which is $38.6 million (-3.4%) less than the regular FY2011 level. Similar to FY2011, the FY2012 amount is allocated entirely to salaries and expenses of the agency and does not include any resources for ARS Buildings and Facilities.

For FY2012, the Administration requested $1.137 billion. The House-passed agricultural appropriations bill, H.R. 2112, would have provided $987.5 million for ARS, while the Senate-passed bill provided the conference agreement's amount of $1.095 billion. The conference report concurred with the USDA's proposal to close 10 ARS research facilities in the following locations: Fairbanks, AK; Shafter, CA; Brooksville, FL; Watkinsville, GA; New Orleans, LA; Coshocton, OH; Lane, OK; Clemson, SC; Weslaco, TX; and Beaver, WV.

National Institute of Food and Agriculture

The enacted FY2012 appropriation provided NIFA with 1.202 billion, $12.5 million (-1.0%) less than the regular FY2011 level. The enacted FY2012 appropriation provided $182.3 million more than the House-passed bill, but $11.6 million less than the Senate-passed bill.

Though slightly less than the Administration's request, Research and Education activities received $705.6 million, an almost $7 million increase relative to FY2011. The budget was relatively flatlined for USDA's flagship competitive grants program, Agriculture and Food Research Initiative (AFRI), and several of the primary formula fund programs such as the Hatch Act, the Evans-Allen Act, and the McIntire-Stennis forestry programs.[19] Extension Activities were appropriated $475.2 million, almost $4 million less than FY2011 (-1%). In contrast, Integrated Activities, which already took a 39% cut in FY2011 relative to FY2010, were appropriated $21.5 million for FY2012, which was another $15.4 million (-42%) less than in FY2011.

For FY2012, the Administration requested $1.205 billion for NIFA. The House-passed H.R. 2112 would have provided $1.012 billion, while the Senate-passed bill would have provided $1.214 billion. The House-passed bill would have cut funding for research and education by over 15% from FY2011 levels, specifically reducing the competitive grant program AFRI by almost 14% and the primary formula fund that supports agricultural research under the Hatch Act by about 13%. Extension and Integrated Activities were also reduced considerably in the House-passed bill, by 15% and 67%, respectively. The Senate-passed bill, on the other hand, would have maintained FY2012 NIFA funding close to FY2011 levels, with a less than 1% cut. Funding for research and education activities were actually slightly higher in the Senate-passed bill compared with FY2011, by 1.6%. Extension funding would have been maintained at almost FY2011 levels, though the Smith-Lever extension formula funds would have received a slight increase in funding. Integrated Activities were cut by almost 30%, though the Senate committee report noted that programs previously funded through the Integrated Activities account would have been eligible for funding under AFRI.

Economic Research Service

P.L. 112-55 provides $77.7 million for the Economic Research Service (ERS), which is $4.1 million (-5%) less than the enacted FY2011 appropriation. The Administration requested $86.0 million for ERS for FY2012. The House-passed H.R. 2112 included $69.5 million for ERS, while the Senate-passed bill provided the amount that was adopted in the conference agreement.

National Agricultural Statistics Service

Under the enacted FY2012 appropriation, NASS received $158.6 million, which was $2.2 million more than (+1.4%) the enacted FY2011 appropriation. Up to $41.6 million is made available until expended for the Census of Agriculture. The Administration requested $165.4 million for NASS for FY2012. H.R. 2112 included $148.3 million for NASS, while the Senate-passed bill provided $152.6 million.

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).

[19] Some of these programs received slight increases, while others received slight decreases of less than 1% of FY2011 funding levels; see **Table 10** for details.

Animal and Plant Health Inspection Service

The Animal and Plant Health Inspection Service (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 prominent concerns such 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. APHIS also is charged with administering the Animal Welfare Act (AWA), which seeks to protect pets and other animals used for research and entertainment.

The enacted FY2012 appropriation provides $816.5 million for APHIS salaries and expenses for FY2012, which is $47 million less than FY2011 (-5%).[20] This amount is less than that in the Senate-passed bill of $823.3 million, but greater than that in the House-passed bill of $783.8 million for APHIS (reflecting the 0.78% rescission). It is also lower than the Administration's requested amount ($832.7 million). As reflected in both the House and Senate bill, the enacted bill authorizes APHIS to collect fees to cover the total costs of providing technical assistance, goods, or services in certain cases. The conference bill also provides $3.2 million for buildings and facilities (compared to a proposed $4.7 million in the Administration's request).

The Administration's FY2012 budget request proposed a new budget structure for APHIS to manage 29 budgetary line items instead of 45 line items. The committee report expresses support for this proposed budget structure. In prior years, individual budget line items were associated with a specific animal or plant pest or disease. The new budget structure proposes moving from specific animal disease line items to a commodity-based structure with commodity "Health" lines that "integrate the activities needed to address the health concerns for each commodity" and will facilitate "the Agency's ability to adjust rapidly or efficiently to new or emerging situations."[21] Both the House and Senate bills appeared to support this restructuring. The House report stated "this increased flexibility will allow APHIS to apply the greatest resources to the greatest threats or risks within a line item and to prioritize funds accordingly"; however, the committee reiterated that it expects APHIS "to apply appropriated funds to the agency's historical core programs and mission area first before allocating resources to those less critical functions or initiatives."[22]

Within APHIS, the enacted bill provides the following appropriations across each of the proposed budget categories: animal health ($290.6 million); plant health ($312.1 million); wildlife services ($90.5 million); regulatory services ($34.4 million); safeguarding and emergency preparedness ($18.0 million); safe trade and international technical assistance ($34.5 million); animal welfare ($27.8 million); and agency management ($9.7 million).

Within these budget categories, nearly 19% of the appropriated amount, $154.0 million, is directed to Specialty Crop Pests, "to remain available until expended." In addition, the joint explanatory report states that "the conferees expect that funding for Specialty Crop Pests will be supplemented with contingency or Commodity Credit Corporation funds for the emergency

[20] The final CR for FY2011 (P.L. 112-10) provided $863.3 million.

[21] USDA, "2012 Budget and Explanatory Notes, APHIS," pp. 18-47 through 18-50, http://www.obpa.usda.gov/18aphis2012notes.pdf.

[22] H.Rept. 112-101.

purpose of eradicating the European Grape Vine Moth." Among the other budget categories, the conference bill highlights that the following funding levels will be available until expended: $32.5 million for Animal Health Technical Services (which shall provide for funding for the animal disease traceability system within this category);[23] $52.0 million for Avian Health; $4.3 million for APHIS Information Technology Infrastructure; $9.1 million for Field Crop and Rangeland Ecosystems Pests; $55.7 million for Tree and Wood Pests; and $2.8 million for the National Veterinary Stockpile. Other highlighted programs and/or funding levels include $17.8 million for cotton pests; $0.7 million for activities under the 1970 Horse Protection Act; $1.5 million for the scrapie program for indemnities; $1.0 million for wildlife services methods development; and $1.5 million for wildlife damage management program for aviation safety. Also, up to 25% of the screwworm program shall remain available until expended.

In addition, the conference agreement requires that matching state funds be at least 40% for formulating and administering a brucellosis eradication program, and sets limitations on the operation and maintenance of aircrafts and aircraft purchases, and requires that any repair and alteration of leased buildings and improvements not exceed 10% of the current replacement value of the building.

As in previous years, the enacted FY2012 appropriation highlights that appropriators expect USDA to continue to use the authority provided in this bill to transfer funds from other appropriations or funds available to USDA for activities related to the arrest and eradication of animal and plant pests and diseases.[24] The Office of Management and Budget (OMB) 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 emerging plant pests and other plant and animal health problems on an emergency basis, or be provided the funds primarily through the annual USDA appropriation, as OMB has argued. In particular, both committees highlight the need for USDA to use its authority to transfer CCC funds to address emerging plant pests. The enacted agreement provides that $1 million be available until expended for a "contingency fund" to control outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions.

Other language that had been contained in the House and Senate committee reports and was not specifically addressed in the conference agreement was implicitly approved.[25] For example, the House committee report included language addressing funding for the Pale Cyst Nematode eradication, sudden oak death, and the Brown Marmorated Stink Bug, as well as House committee requirements that APHIS submit reports on equine diseases the status of USDA's animal disease traceability (ID) system. The Senate committee report included language regarding funding for agricultural quarantine inspection, sudden oak death, and certain APHIS wildlife services education and training programs, as well as Senate committee concerns

---

[23] See CRS Report R40832, *Animal Identification and Traceability: Overview and Issues*.

[24] This provision is in accordance with the Animal Health Protection Act (7 U.S.C. 8310 and 8316, §§10411 and 10417) and the Plant Protection Act (7 U.S.C. 7751 and 7772, §§431 and 442).

[25] The joint explanatory statement of the conference committee states: " The statement of the managers remains silent on provisions that were in both the House Report (H.Rept. 112-101) and Senate Report (S.Rept. 112-73) that remain unchanged by this conference agreement, except as noted in this statement of the managers." Also: "The House and Senate report language that is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein."

regarding declining bee populations and invasive honey bee pests, issues surrounding equine transport and increasing loses of livestock to predation, and proposals to develop livestock warranty programs.

Agricultural Marketing Service and Section 32

The Agricultural Marketing Service (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 funding for the agency. Such fees cover AMS activities like product quality and process verification programs, commodity grading, and Perishable Agricultural Commodities Act licensing.

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.[26] For FY2012, P.L. 112-55 provides $82.2 million to AMS, which is $4.3 million (-5%) below FY2011 levels. The House-passed bill would have provided $78.5 million, while the Senate-passed bill would have provided $83.4 million to AMS.

As mentioned above, in addition to direct appropriations, the Section 32 account is also funded by a permanent appropriation of 30% of the previous calendar year's customs receipts, less certain mandatory transfers. AMS uses these additional Section 32 funds (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. The 2008 farm bill set the maximum annual amount of Section 32 funds that would be available for obligation by AMS. This amount is $1.199 billion for FY2010, $1.215 billion for FY2011, and $1.231 billion for FY2012. At the same time, the 2008 farm bill also mandated that funding for a newly authorized fresh fruit and vegetable program in schools comes from the amount of Section 32 funds available for obligation by AMS.[27] The 2008 farm bill also requires additional purchases of Section 32 funds to be to purchase fruit, vegetables, and nuts for domestic food assistance programs.

The FY2012 appropriation provides $1.08 billion of Section 32 funds for AMS, which is the same as the House- and Senate-passed bills, and an increase of 1% over the $1.065 billion in FY2011. This amount represents the actual level of funding available for obligations by AMS, after rescissions and mandatory transfers have been made, and is considered mandatory spending. Section 32 funds available for obligation by AMS have been used at the Secretary's discretion, primarily to fund commodity purchases to support the agriculture sector and farm prices, for the school lunch and other domestic programs, and to provide disaster assistance.

Rescissions of Section 32 carryover funds are generally used to achieve budgetary savings. The enacted appropriation for FY2012 contained, under Title VII (General Provisions), a rescission of $150 million from unobligated balances carried over from FY2011. The FY2011 enacted appropriation did not rescind any Section 32 funds. In addition, P.L. 112-55 includes a provision

[26] For more details about Section 32 and the farm bill changes, see CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*.

[27] Under §4304, funding for the fresh fruit and vegetable school snack program is mandated to come from Section 32 in the following amounts: $40 million on October 1, 2008; $65 million on July 1, 2009; $101 million on July 1, 2010; $150 million on July 1, 2011; and for each succeeding July 1, the 2011 amount is to be adjusted for inflation.

that effectively prohibits the use of Section 32 funds for direct payment to farmers: "none of the funds appropriate or otherwise made available by this or any other Act shall be used to pay the salaries or expenses of any employee of the Department of Agriculture or officer of the Commodity Credit Corporation to carry out clause 3 of Section 32 of the Agricultural Adjustment Act of 195 (P.L. 74-320, 7 U.S.C. 612c, as amended) or for any surplus removal activities or price support activities under section 5 of the Commodity Credit Corporation Charter Act".[28]

Grain Inspection, Packers, and Stockyards Administration

USDA's Grain Inspection, Packers, and Stockyards Administration (GIPSA) oversees the marketing of U.S. grain, oilseeds, livestock, poultry, meat, and other commodities. GIPSA's Federal Grain Inspection Service establishes standards for the inspection, weighing, and grading of grain, rice, and other commodities. The Packers and Stockyards Program monitors livestock and poultry markets to ensure fair competition and guard against deceptive and fraudulent trade practices.

The enacted FY2012 Agriculture Appropriations Act (P.L. 112-55) provides $37.75 million for GIPSA salary and expenses, which is $2.5 million (-6.2%) less than enacted for FY2011, and $6.4 million (-14.6%) less than the Administration's budget request. The Senate-passed bill provided $38.2 million and the House-passed bill provided $36.7 million. The enacted appropriation authorizes GIPSA to collect up $49 million in user fees for inspection and weighing services.

Section 721 of the conference agreement includes conditions that restrict how USDA can finalize its proposed rule on livestock and poultry marketing practices issued June 22, 2010, to implement requirements under Title XI of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246). The proposed rule addresses how competitive injury is treated under the Packers and Stockyards Act (7 U.S.C. §181 et seq.; P&S Act); sets criteria for determining unfair, unjustly discriminatory and deceptive practices, and undue or unreasonable preference or advantages; and includes arbitration provisions that give contract growers opportunities to participate in meaningful arbitration. The proposed rule was contentious, with proponents arguing that it would bring fairness to marketing transactions, while opponents argued it would disrupt markets and lead to increased litigation.

Under Section 721, appropriated funds may be used to publish a final or interim final rule only if the annual cost to the economy is less than $100 million. The section prohibits USDA from using any funds to implement eight specific sections of the proposed rule, regardless of the annual cost to the economy of the final or interim final rule. Last, USDA is required to publish any rules in the *Federal Register* by December 9, 2011, and no funding may be used to implement the published rules until 60 days after publication.

Subsequent to the enactment of P.L. 112-55, USDA published its final rule on livestock and poultry marketing on December 9, 2011.[29] Only four provisions of the originally proposed 13 are

[28] Clause 3 of Section 32 provides that funds shall be used to re-establish farmers' purchasing power by making payments in connections with the normal production of any agricultural commodity for domestic consumption (7.U.S.C 612c).

[29] "Implementation of Regulations Required Under Title XI of the Food, Conservation and Energy Act of 2008; Suspension of Delivery of Birds, Additional Capital Investment Criteria, Breach of Contract, and Arbitration," *Federal Register,* vol. 76, no. 237, December 9, 2011, pp. 76874-76890, at http://www.gipsa.usda.gov/Federal%20Register/fr11/12-9-11.pdf.

included in the final rule, and the economic impact was estimated at less than $100 million. The final rule includes criteria that the Secretary of Agriculture may consider to determine if the P&S Act has been violated when poultry companies suspend the delivery of birds to contract poultry growers, and require poultry growers or swine producers to make additional capital investments. The final rule also sets criteria to determine if poultry growers and swine producers are given a reasonable amount of time to remedy a breach of contract before cancellation. Last, grower and producer contracts that include arbitration provisions must include an option that allows growers and producers to decline arbitration. The Secretary of Agriculture may determine whether or not growers and producers have the opportunity to participate in meaningful arbitration.

The action during the appropriations cycle was initiated in the House version of H.R. 2112. The Senate version did not include any related restrictions on GIPSA. The House version of H.R. 2112 prohibited USDA from spending funds to "write, prepare, develop, or publish" a final rule or an interim final rule. The House Committee report (H.Rept. 112-101, pp. 23-24) expressed concern that the GIPSA proposed rule misinterpreted the intent of Congress concerning the regulation of livestock marketing practices and underestimated the cost of the proposed rule. The report also expressed concern that USDA may not have complied with the Administrative Procedures Act that governs rulemaking by publishing its "Farm Bill Regulations—Misconceptions and Explanations" document. In addition, the committee report stated that by closing the comment period in November 2010 before holding the last of five workshops on competition held jointly with the Department of Justice in December 2010, the Department might have limited the public's ability to comment on the proposed rule.

For more information, see CRS Report R41673, *USDA's Proposed Rule on Livestock and Poultry Marketing Practices*.

Food Safety

Numerous federal, state, and local agencies share responsibilities for regulating the safety of the U.S. food supply.[30] Federal responsibility for food safety rests primarily with the Food and Drug Administration (FDA) and the U.S. Department of Agriculture (USDA). FDA, an agency of the Department of Health and Human Services, is responsible for ensuring the safety of the majority of all domestic and imported food products (except for meat and poultry products). USDA's Food Safety and Inspection Service (FSIS) regulates most meat, poultry, and processed egg products. The agriculture appropriations subcommittees oversee both the FDA and FSIS budgets.

Historically, funding and staffing levels between FDA and FSIS have been disproportionate to their respective responsibilities to address food safety activities. FSIS is responsible for between 10%-20% of the U.S. food supply, while FDA is responsible for the remainder.[31] However, FSIS has had approximately 60% of the two agencies' combined food safety budget, and FDA had the other approximately 40%. For example, in FY2011, FSIS received $1.007 billion in appropriated funds plus another approximately $150 million in industry-paid user fees.[32] By contrast, FDA's

---

[30] For more information, see CRS Report RS22600, *The Federal Food Safety System: A Primer*.

[31] The 20% estimate is based on information reported by the Government Accountability Office (GAO) in "Revamping Oversight of Food Safety," prepared for the 2009 Congressional and Presidential Transition, and appears to represent proportions of total spending for food consumed at home. The 10% estimate is based on data from USDA's Economic Research Service (ERS) on U.S. per capita food consumption at http://www.ers.usda.gov/data/foodconsumption/.

[32] USDA, 2012 Explanatory Notes, Food Safety and Inspection Service, February 12, 2011, http://www.obpa.usda.gov/ (continued...)

FY2011 budget for foods was $835.7 million, virtually all of it appropriated with limited authorized user fees.[33] Staffing levels also vary considerably among the two agencies: FSIS staff numbers around 9,600 FTEs, while FDA staff working on food-related activities numbers about 3,400 FTEs (FY2011 estimates).

The comprehensive food safety legislation that was enacted in the 111th Congress (FDA Food Safety Modernization Act (FSMA), P.L. 111-353) authorized additional appropriations and staff for FDA's future food safety activities.[34] FSMA was the largest expansion of FDA's food safety authorities since the 1930s. Among its many provisions, FSMA increases frequency of inspections at food facilities, tightens record-keeping requirements, extends oversight to certain farms, and mandates product recalls. It requires food processing, manufacturing, shipping, and other facilities to conduct a food safety plan of the most likely safety hazards, and design and implement risk-based controls. It also mandates improvements to the nation's foodborne illness surveillance systems and increased scrutiny of food imports, among other provisions. FSMA did not directly address meat and poultry products under USDA's jurisdiction.

Prior to enactment, the Congressional Budget Office (CBO) estimated that implementing FSMA could increase net federal spending subject to appropriation by about $1.4 billion over a five-year period (FY2011-FY2015).[35] This cost estimate covers activities at FDA and other federal agencies, and does not include offsetting revenue from the collection of new user fees authorized under FSMA. New fees authorized under FSMA include an annual fee for participants in the voluntary qualified importer program (VQIP) and three fees for certain periodic activities involving reinspection, recall, and export certification.[36] FSMA did not impose any new facility registration fees. Prior to enactment, CBO estimated that about $240 million in new fees would be collected over the five-year period (FY2011-FY2015).[37] Taking into account these new fees, CBO estimated that covering the five-year cost of new requirements within FDA, including more frequent inspections, would require additional outlays of $1.1 billion. FSMA also authorized an increase in FDA staff, reaching 5,000 by FY2014.[38]

Although Congress authorized appropriations when it enacted FSMA, it did not provide the full funding needed for FDA to perform these activities. After FSMA was signed into law in January 2011, concerns were voiced about whether there would be enough money to overhaul the U.S. food safety system and also whether expanded investment in this area is appropriate in the current

(...continued)

21fsis2012notes.pdf.

33 FDA "Operating Plan for FY 2011 and Comparisons to FY 2010," http://www.hhs.gov/asfr/ob/docbudget/2011operatingplan_fda.pdf.

34 P.L. 111-353 amended the Federal Food, Drug, and Cosmetic Act (FFDCA; 21 U.S.C. §§ 301 et seq.).

35 CBO, Cost Estimate, "S. 510, Food Safety Modernization Act, as reported by the Senate Committee on Health, Education, Labor, and Pensions on December 18, 2009, incorporating a manager's amendment released on August 12, 2010," August 12, 2010, http://www.cbo.gov/ftpdocs/117xx/doc11794/s510.pdf. Reflecting the August 2010 Senate amendment to S. 510. Estimated total costs would be covered by a combination of user fees and direct appropriations (budget authority).

36 FSMA, P.L. 111-353, Sections 107 and 401. Details of these annual and periodic fees are presented in CRS Report R40443, *The FDA Food Safety Modernization Act (P.L. 111-353)*.

37 As estimated by CBO, these fees would be phased in as follows: $15 million (FY2011), $27 million (FY2012); $47 million (FY2013); $63 million (FY2014); and $89 million (FY2015).

38 FSMA, P.L. 111-353, Section 401. By fiscal year, staff level increases were authorized to a total of not fewer than: 4,000 staff members (FY2011); 4,200 staff (FY2012); 4,600 staff (FY2013); and 5,000 staff (FY2014).

budgetary climate.[39] The Administration's budget requested a more than 30% increase in additional funding for FDA's food program, while its request for USDA's FSIS was lower compared to FY2010 appropriations (**Table 11**).[40]

As part of the House Appropriations Committee Oversight Plan, the Agriculture subcommittee held two budget hearings on USDA and FDA food safety in March 2011.[41] The Subcommittee also discussed the federal food safety inspection system, including coordination between USDA and FDA, and also FSMA implementation.

Not including funding from user fees, the enacted appropriation provides an increase in agency funding for FY2012 food safety efforts for FDA (3.5%) and a slight reduction in such funding for USDA (-0.2%), compared with the FY2011 appropriations. The enacted amounts for food safety within these agencies are similar to those proposed in the Senate-passed version of H.R. 2112.

Food and Drug Administration (FDA)

FDA's foods program accounts for about one-third of its budget authority for all its programs.[42] The enacted FY2012 appropriation provides $866.1 million for FDA's Foods Program, which is $30.4 million above FY2011 levels (+3.5%), not including funding from expected user fees (**Table 11**).[43] The enacted amount is slightly less than that proposed in the Senate-passed bill and nearly $120 million more than that proposed in the House-passed bill (after the 0.78% rescission and not including funding from expected user fees). Neither bill provides breakouts by the various activities within FDA's foods program or other FDA program areas. The enacted bill also assumes that FDA will collect additional revenue of more than $79 million in new user fees under its foods program. These authorized fees, as amended under FSMA, include food and feed recall fees, food reinspection fees, export certification fees, and voluntary qualified importer program fees.

The enacted amount is almost $90 million less than the Administration's request (**Table 11**). This has raised questions about how FDA will be able to implement food safety reforms authorized in the 111th Congress, and about how FDA and USDA will be able to invest in preventive efforts to address existing and emerging food safety threats. The request projected a total need of $1.035 billion for FDA's food program for FY2012, not including expected fees.[44] FDA justified the increase based on various elements of the newly enacted food safety law (FSMA).[45]

---

[39] See "Food Safety Bill Advocates Expect Funding Fight," *Food Safety News*, January 4, 2011.

[40] See "Obama's Budget Plan Would Boost FDA, Cut FSIS," *Food Safety News*, February 15, 2011.

[41] House Appropriations Committee, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, Budget Hearing on USDA Food Safety (March 15, 2011) and Food and Drug Administration (March 11, 2011), http://appropriations.house.gov/Calendar/EventSingle.aspx?EventID=235975 and http://appropriations.house.gov/Calendar/EventSingle.aspx?EventID=235976.

[42] P.L. 112-55 provides a total budget authority, not including revenue from fees, for FDA of $2,497.0 million.

[43] The final CR for FY2011 (P.L. 112-10) provided $863.3 million.

[44] Includes $955.3 million in budget authority plus $79.8 million in expected user fees. HHS, FY2012 FDA, "Justification of Estimates for Appropriations Committees," February 14, 2011, http://www.fda.gov/downloads/AboutFDA/ReportsManualsForms/Reports/BudgetReports/UCM243370.pdf.

[45] Preventive controls on farms (FSMA §105); preventive controls for food and feed processing (FSMA §101, 103, 104, 110, 204, 405); safe food transport (FSMA §111); retail food safety (FSMA §209); import oversight (FSMA §201, 211, 301-308); and integrated Food Safety System (FSMA §201, 205, 209, 210).

Table 11. Appropriations for Food Safety, FY2010-FY2012

(FTEs as indicated, and budget authority in millions of dollars)

Agency/Year	FTEs[a]	Appropriation[b]	Program Level, Including Fees
HHS Food and Drug Administration (FDA), "Foods" Subtotal Only			
FY2010 Appropriation	3,387	782.6	782.6
FY2011 Appropriation	3,387	835.7	835.7
H.R. 2112, Enacted	NA	866.1	945.2
FY2012 Administration Budget	4,173	955.3	1,035.1
H.R. 2112, House (before rescission)	NA	752.2	799.8
H.R. 2112, House (after 0.78% rescission)	NA	746.3	794.0
H.R. 2112, Senate	NA	867.1	946.2
Comparison with Enacted bill to:			
FY2011 Appropriation	*NA*	*30.4 (+3.5%)*	*109.5 (+11.6%)*
FY2012 Administration Budget	*NA*	*-89.2 (-10.3%)*	*-89.9 (-9.5%)*
FY2012 House bill (after 0.78% rescission)	*NA*	*119.8 (+13.8%)*	*151.2 (+16.0%)*
FY2012 Senate bill	*NA*	*-1.0 (-0.1%)*	*-1.0 (-0.1%)*
USDA Food Safety and Inspection Service (FSIS)			
FY2010 Appropriation	9,401	1,018.5	NA
FY2011 Appropriation	9,587	1,006.5	NA
H.R. 2112, Enacted	NA	1,004.4	NA
FY2012 Administration Budget	9,625	1,011.4	NA
H.R. 2112, House (before rescission)	NA	972.0	NA
H.R. 2112, House (after 0.78% rescission)	NA	964.4	NA
H.R. 2112, Senate	NA	1,006.5	NA
Comparison with Enacted bill to:			
FY2011 Appropriation	*NA*	*-2.1 (-0.2%)*	*NA*
FY2012 Administration Budget	*NA*	*-7.0 (-0.7%)*	*NA*
FY2012 House bill (after 0.78% rescission)	*NA*	*40.0 (+4.0%)*	*NA*
FY2012 Senate bill	*NA*	*-2.1 (-0.2%)*	*NA*

Source: CRS, from H.Rept. 112-284, H.Rept. 112-101, and S.Rept. 112-73; FTEs and FDA "Foods" are from USDA and FDA data. FY2010 and FY2011 amounts are updated based on S.Rept. 112-73.

Notes: Percentages in parentheses reflect the difference between P.L. 112-55 and FY2011 or other proposals.

a. Staffing in full time equivalents. HHS, "Justification of Estimates for Appropriations Committees," FY2012 FDA, February 14, 2011, http://www.fda.gov/downloads/AboutFDA/ReportsManualsForms/Reports/BudgetReports/CM243370.pdf; and USDA, "2012 Explanatory Notes," Food Safety and Inspection Service, February 12, 2011, http://www.obpa.usda.gov/21fsis2012notes.pdf.

b. FY2010 and FY2011 appropriations as reported in the FDA "Operating Plan for FY 2011 and Comparisons to FY 2010," http://www.hhs.gov/asfr/ob/docbudget/2011operatingplan_fda.pdf.

The House committee acknowledged CBO's projected estimate that FSMA implementation could require an additional $1.4 billion in new program level funding for FDA's foods program; however, the committee further stated that if the President's FY2012 budget request were adopted, this would result in a 156% increase for FDA since 2004—a level of spending the committee deemed "unsustainable."[46] The Obama Administration has criticized the House-passed reduction in funding for FDA's foods program.[47] During the House floor debate, Representatives Dingell and DeLauro both introduced amendments to restore funding for FDA's food safety programs. These amendments were not adopted.[48]

The Senate committee also recognized that current budget constraints would not allow the full funding requested for FSMA implementation. The Senate directed FDA to "apply these increased funds to the highest priority food safety activities" including "publication of new preventative controls for food processing facilities, additional import oversight and inspections of both foreign and domestic facilities, and improved scientific capabilities."[49] FDA was directed to report within 30 days of enactment on how FDA intends to allocate these funds. The Senate bill specifically provided a $40 million increase for FDA to begin implementing FSMA.

The enacted appropriation maintains the Senate-proposed requirement that FDA report to the conferees within 30 days of the bill's enactment on how it intends to allocate these increases. The enacted appropriation also maintains the set-aside for FDA to begin implementing FSMA, but at a somewhat lower amount of $39 million.

The enacted appropriation also contains a series of recommendations for FDA. The conference report notes data showing that about 20% of foodborne illnesses are from known pathogens, while the remaining 80% of illnesses are caused by unknown sources. Accordingly, the conferees encourage FDA to "work with the public and private sectors to gain a better understanding of the causes of illness," and to broaden the agency's "understanding of unknown sources [which] should contribute towards the development of new strategies, policies, and foodborne illness prevention methods."[50] At the same time, the conferees direct FDA to "do a better job of identifying more effective food safety activities that will reduce illnesses, hospitalizations, and deaths" associated with the 20% of foodborne illness from known pathogens. FDA is also directed to "develop a clear strategy to prioritize intervention methods along the farm to fork continuum to reduce illness ... and to tie the funding levels for food safety to ... both the known and the unknown sources of illness," and to communicate that information in the FY2013 budget justifications.

The conferees also direct FDA to develop a comprehensive program for imported seafood, given concerns that FDA currently inspects less than 2% of imported seafood, even though these

---

[46] H.Rept. 112-101.

[47] See, for example, Helena Bottemiller, "Obama Blasts GOP for Food Safety Budget Cuts," *Food Safety News*, June 30, 2011.

[48] Representative Dingell's amendment would have increased funding by $49 million for FDA's FSMA implementation and other food safety efforts, while Representative DeLauro's amendment would have increased funding by $1 million for FDA's Center for Food Safety and Applied Nutrition (CFSAN) to invest in foodborne illness preventive efforts. See, for example, *Congressional Record*, June 14-15, 2011, pp. H4164-H4165, H4253-H4256, and H4179-H4181.

[49] S.Rept. 112-73.

[50] H.Rept. 112-284 (*Congressional Record*, November 14, 2011, pp. H7433-7576).

imports may contain substances that are banned in the United States. The Senate committee bill included recommendations regarding seafood safety, especially for imported products.

Other recommendations in the House and Senate committee reports were not specifically addressed in the conference agreement.[51] These include House report language regarding FDA's 2011 proposed rule on nutrition labeling of standard menu items; FDA's rule to define and permit the use of the term "gluten-free" on food labels; and FDA's seafood advisory regarding seafood consumption during pregnancy. The House-passed bill also directed FDA to initiate formal reconsideration of the 2004 advisory in consideration of the 2010 Dietary Guidelines. Elsewhere in the enacted bill are a number of provisions regarding the 2010 Dietary Guidelines[52] (see section on "P.L. 112-55 and USDA's Proposed Rule on Nutrition Standards"). The Senate committee report also contained a series of recommendations for FDA, including the need for food safety information-sharing between HHS and USDA agencies, as well as recommendations regarding concerns about antimicrobial resistance and FDA's publication of its draft industry guidance.

Other provisions in both the House and Senate committee reports[53] include recommendations that FDA "collaborate on its research needs where possible to reduce redundancy regarding food safety research in produce and to find efficiencies where possible when constructing new research facilities."[54] Both committees also directed FDA to enhance its trade facilitation and interagency cooperation efforts toward the most serious compliance infractions, and recommended that FDA establish a pilot project to expedite imports for "highly compliant importers," modeled after the Customs and Border Protection (CBP) Customs-Trade Partnership Against Terrorism and Importer Self-Assessment programs, thereby facilitating trade and interagency cooperation.

Not included in the enacted bill was a provision of the House-passed bill specifying that no funds were to be used for USDA's Microbiological Data Program. This program, administered by the Agricultural Marketing Service (AMS), tests samples of domestic and imported fresh fruits and vegetables to monitor for microbial contamination and foodborne pathogens frequently associated with foodborne illness. The House committee report stated that "other Federal and state public health agencies are better equipped to perform this function" and that these agencies, including FDA, the Centers for Disease Control and Prevention (CDC), and/or the state departments of health and agriculture, should either collect such data under their purview or "consider entering into reimbursable agreements with USDA."[55] During House floor debate, Representative Clarke introduced an amendment to restore $1 million for the Microbiological Data Program that was not adopted in the House. This restriction on AMS use of funds was not included in the final enacted appropriations bill.

---

[51] The joint explanatory statement of the conference committee states: "The House and Senate report language that is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein."

[52] H.R. 2112, committee-reported version, §743 and §746.

[53] The joint explanatory statement of the conference committee states: "The statement of the managers remains silent on provisions that were in both the House Report (H.Rept. 112-101) and Senate Report (S.Rept. 112-73) that remain unchanged by this conference agreement, except as noted in this statement of the managers."

[54] H.Rept. 112-101 and S.Rept. 112-73.

[55] H.Rept. 112-101.

Finally, the bill reported by the House committee had included a provision seeking to prohibit funding for FDA rulemaking activities or guidance "intended to restrict the use of a substance or a compound" unless such a rule, regulation, or guidance is based on "hard science" and "the weight of toxicological evidence, epidemiological evidence, and risk assessments clearly justifies such action."[56] The provision was added in committee as an amendment by Representative Denny Rehberg. Chairman of the House Energy and Commerce Committee Fred Upton challenged the amendment as a violation of the House rule against legislating on a spending bill. Some media reports claim this provision is intended to prevent the FDA from restricting the use of antibiotics in feed for farm animals,[57] among other FDA actions including its consumer safety and tobacco regulation efforts.[58] The provision was later removed under a point of order.

Food Safety and Inspection Service (FSIS)

For USDA's FSIS, the enacted FY2012 appropriation provides $1.004 billion for FY2012, which is $2.1 million less than FY2011 (-0.2%). This is $40 million more than in the House-passed bill (including the rescission), but less than in the Senate-passed bill (-$2 million) and the Administration's FY2012 request (-$7 million, **Table 11**).

These congressional appropriations are expected to be augmented by existing (currently authorized) user fees, which FSIS had earlier estimated would total approximately $150 million,[59] as well as another $1 million credited to FSIS from fees collected for the cost of laboratory accreditation.[60] Neither the House or Senate bill assumes the adoption of two new user fees, proposed by the Administration, to partly recover the increased costs of providing additional inspections and related services. Estimated revenue from these two fees, which would require new authorizing legislation, would be an estimated $8.6 million and $4.0 million, respectively.[61]

FSIS's appropriations are to be allocated as follows: federal $887.5 million; state $62.7 million; international $15.8 million; Codex Alimentarius $3.8 million; and Public Health Data Communications Infrastructure System $34.6 million. The conference agreement further provides that $1 million may be credited from fees collected for the cost of the national laboratory accreditation programs,[62] and requires that funding for the Public Health Data Communication Infrastructure system remain available until expended. It also requires FSIS to continue its implementation of a grading and inspection program for catfish as required under the 2008 farm bill,[63] requires FSIS to maintain no fewer than 148 FTEs to inspect and enforce the Humane

[56] H.R. 2112, Committee reported version, §740.

[57] "Upton Wants Amendment on FDA Rule Struck from Spending Bill," *CQ Today Online*, June 8, 2011; "Republicans target Obama anti-obesity measures," *Washington Post*, June 2, 2011; and "Farm, Food Programs Up for Cuts in House Agriculture Spending Bill," *CQ Weekly*, June 6, 2011.

[58] "House expected to strip FDA language, other parts of agriculture approps bill," *The Hill*, June 14, 2011; and "House Appropriations Amendment Would Weaken FDA's Authority over Tobacco, Unleash Big Tobacco on America's Kids," American Lung Association, June 1, 2011.

[59] USDA, 2012 Explanatory Notes, Food Safety and Inspection Service, February 12, 2011, http://www.obpa.usda.gov/21fsis2012notes.pdf.

[60] Authorized by section 1327 of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 138f).

[61] USDA 2012 Explanatory Notes, Food Safety and Inspection Service, http://www.obpa.usda.gov/21fsis2012notes.pdf.

[62] 7 U.S.C. 138f.

[63] P.L. 110-246, section 11016.

Methods of Slaughter Act (HMSA) during FY2012, and limits the cost of altering any one building during the fiscal year to 10% of the current replacement value of the building.

Other recommendations adopted in the House and Senate committee reports[64] require that FSIS continue its efforts under an ongoing pilot inspection program for poultry slaughter inspection and to improve enforcement of the HMSA; urge FSIS to take the necessary steps to protect the public health from *E. coli* serotypes other than *E. coli* 0157:H7; and encourage FSIS to expand its pilot inspection program for poultry slaughter inspection (Hazard Analysis and Critical Control Point Based Inspection Model Project), among other activities. The Senate committee report also expressed concerns regarding the implementation of USDA's Public Health Information System.

Farm Service Agency

USDA's Farm Service Agency (FSA) is probably best known for administering the farm commodity subsidy programs and the disaster assistance programs. It makes 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 supports certain international food assistance and export credit programs administered by the Foreign Agricultural Service and the U.S. Agency for International Development.

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 also are received from other USDA agencies to pay for FSA administering CCC export credit guarantees, P.L. 480 loans, and the farm loan programs.

This section discusses amounts for regular FSA salaries and expenses, plus the transfer within FSA for the salaries, expenses, and administrative expenses of the farm loan programs. Amounts transferred to FSA from the Foreign Agricultural Service for administrative support are not included with the FSA totals in this report.

The enacted FY2012 appropriation provides $1.497 billion for FSA salaries and expenses, $25 million less than FY2011 (-1.6%). Both the House and Senate bills would have provided less ($1.434 billion in the House bill and $1.479 billion in the Senate bill). USDA's budget justification for FY2012 proposed $1.718 billion, nearly a $200 million increase above FY2011 Despite requesting greater funding, the Administration's proposal incorporated a 10% reduction in staffing (about 504 positions) for FY2012, after reducing the number of positions by about 363 in FY2011.[65] The Administration's request, therefore, prioritizes funding for information technology modernization plans.

[64] The joint explanatory statement of the conference committee states: "The House and Senate report language that is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein."

[65] USDA, FY2012 USDA Budget Explanatory Notes for Committee on Appropriations, p. 22-9 and 22-16, at http://www.obpa.usda.gov/22fsa2012notes.pdf.

The joint explanatory statement emphasizes FSA's information technology investment by saying that at least $66.7 million of the appropriation shall be for the MIDAS computer upgrade (Modernize and Innovate the Delivery of Agricultural Systems) and $13 million for the Common Computing Environment, and that "conferees strongly support the implementation of MIDAS, and encourage the agency to ensure that MIDAS's initial operating capability will be released by October 2012."[66] The Administration's request included $96 million for MIDAS and $26 million for the Common Computing Environment.[67]

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 provides direct farm loans (loans made directly from USDA to farmers), and it also guarantees 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.

The FY2012 appropriation provides $108 million of loan subsidy to support $4.787 billion of direct and guaranteed loans. This is consistent with the House, Senate, and Administration amounts, which were all fairly close (**Table 12**). The loan subsidy is about $40 million less than FY2011 (-27%), while the loan authority is about $136 million more than FY2011 (+3%).

Compared to FY2011, the enacted FY2012 appropriation is the same for farm ownership loans and guaranteed operating loans. The appropriation eliminates funding for the guaranteed interest assistance operating loan program, consistent with the Administration's request and due to less demand for the program in the current lower interest rate environment. The appropriation increases direct farm operating loan authority by $100 million, and restores $150 million of loan authority for the 2008 farm bill's new conservation guaranteed loan program. The conservation loan program, new in the 2008 farm bill, was defunded for one year in FY2011.

Following the global financial crisis that began in 2008, demand for FSA farm loans and guarantees increased dramatically as bank lending standards became more strict.[68] In FY2009 and FY2010, supplemental appropriations increased the FSA loan authority by nearly $1 billion each year in order to meet demand. Thus, although the FY2012 loan authority is fairly consistent with the loan authority in recent regular annual appropriations, it is $1.2 billion less than the loan authority available in FY2010 including supplementals. Loan demand remained fairly high in FY2011 and some programs in some states at times exhausted their loan availability.[69]

[66] More information about the FSA's implementation of MIDAS is available at http://www.fsa.usda.gov/FSA/midas?area=about&subject=landing&topic=landing.

[67] USDA Budget Explanatory Notes, p. 22-18, at http://www.obpa.usda.gov/22fsa2012notes.pdf.

[68] For more background, see CRS Report RS21977, *Agricultural Credit: Institutions and Issues*.

[69] Updates on unused FSA loan availability are available at http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=fun.

Table 12. USDA Farm Loans: Budget and Loan Authority, FY2010-FY2012

(dollars in millions)

	FY2010			FY2011		FY2012		Change		
	P.L. 111-80		Total, w/ Supp.	P.L. 112-10		P.L. 112-55		From FY2011 to FY2012		From FY2010, incl. supp.
Type of authority	**Budget**	**Loan**	**Loan**	**Budget**	**Loan**	**Budget**	**Loan**	**Budget**	**Loan**	**Loan**
Farm ownership loans										
Direct	27	650	650	33	475	23	475	-10.0	0	-175
Guaranteed	6	1,500	1,800	6	1,500	0	1,500	-5.7	0	-300
Farm operating loans										
Direct	47	1,000	1,350	57	950	59	1,050	+1.7	+100	-300
Guaranteed (unsubsidized)	35	1,500	1,750	35	1,500	26	1,500	-8.8	0	-250
Guaranteed (interest assistance)	24	170	220	17	122	0	0	-16.9	-122	-220
Conservation loans										
Direct	1.1	75	75	0	0	0	0	0.0	0	-75
Guaranteed	0.3	75	75	0	0	0	150	0.0	+150	75
Indian tribe land acquisition	0	4	4	0	4	0	2	+0.2	-2	-2
Indian highly fractured land loans	0.8	10	10	0	0	0	10	0.0	+10	0
Boll weevil eradication loans	0	100	100	0	100	0	100	0.0	0	0
Subtotal, FSA Farm Loan Program	**141**	**5,084**	**6,034**	**148**	**4,651**	**108**	**4,787**	**-39.5**	**136**	**-1,247**
Salaries and expenses	313	—	—	305	—	290	—	-15.2	—	—
Administrative expenses	8	—	—	8	—	8	—	0.0	—	—
Total, FSA Farm Loan Program	**462**	**5,084**	**9,618**	**461**	**4,651**	**406**	**4,787**	**-54.7**	**136**	**-1,247**

Source: CRS, compiled from P.L. 112-55, P.L. 112-10, P.L. 111-80, and P.L. 111-212.

Notes: *Budget authority* reflects the cost of making loans, such as interest subsidies and default. *Loan authority* reflects the amount of loans that FSA may make or guarantee.

Commodity Credit Corporation

The Commodity Credit Corporation (CCC) is the funding mechanism for the mandatory subsidy payments that farmers receive. Farm Service Agency salaries and expenses (a discretionary appropriation) pays for administration of the programs. Most spending for USDA's mandatory agriculture and conservation programs was authorized by the 2008 farm bill (P.L. 110-246).[70]

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 (15 U.S.C. 714 *et seq*.). These borrowed funds finance spending for programs such as farm commodity subsidies and various conservation, trade, food aid, 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 it does not reach its $30 billion debt limit. Congress generally provides this infusion through the annual Agriculture 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, which is a primary reason that the programs are mandatory rather than discretionary. 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, or may repay more than was spent. For these reasons, the appropriation to the CCC may not reflect outlays.[71]

To replenish CCC's borrowing authority with the Treasury, the enacted FY2012 Agriculture appropriation concurs with the Administration request and House and Senate bills for an indefinite appropriation ("such sums as necessary") for CCC. The amount is estimated in all cases to be $14.1 billion for FY2012, up 1% from FY2011. Such amounts in prior years ranged from $13.0 billion in FY2008, to $15.1 billion in FY2010.

Several amendments were raised during the appropriations process that affected CCC programs.

Adjusted Gross Income (AGI) Limits

The enacted appropriation includes a new $1 million Adjusted Gross Income (AGI) limit for the direct payment portion of the farm commodity program (§745). This is a tighter AGI limit and is

[70] For more information on the provisions of the farm bill, see CRS Report RL34696, *The 2008 Farm Bill: Major Provisions and Legislative Action*.

[71] For an accounting of CCC's line of credit, appropriations and expenditures, see USDA, *Commodity Estimates Book: FY2012 President's Budget*, "Output 07-CCC Financing Status," at http://www.fsa.usda.gov/Internet/FSA_File/pb12_table_07.pdf.

in addition to the separate limits in the 2008 farm bill: the $750,000 limit on farm-related AGI and the $500,000 limit on non-farm AGI (for an implied total of $1.25 million AGI). The new $1 million AGI limit apples to only FY2012 and does not change the underlying statute. It was a floor amendment by Senator Coburn, adopted by a vote of 84-15 (S.Amdt. 791).

Because the provision states, "None of the funds made available by this Act may be used" to provide payments to persons with AGI exceeding $1 million, rather than the stronger terminology "made available by this Act *or any other Act*," it does not have an effect on the score of the bill under CBO scoring conventions.

Despite the lack of CBO scoring and any implication that the provision might have lacked strength because of the language, the Department did in fact issue a notice that it is implementing the provision.[72] With implementation occurring, one might expect the provision to have some effect and therefore reduce the amount of government payments to farmers—albeit by an unknown and probably small amount compared to total payments.[73]

Regardless of the scoring effect or implementation question, the successful Senate vote on the Coburn amendment is an important indicator of congressional support for payment limits in advance of the next farm bill. In the House, tighter limits on AGI were unsuccessful. The House committee-reported version contained an amendment (§744) by Representative Flake with a $250,000 AGI limit. The amendment was left unprotected in the rule for floor consideration. Because the amendment contained the stronger language "or any other Act," Chairman Lucas from the Agriculture Committee successfully challenged the provision by a point of order (against legislating in an appropriations bill) and the provision was removed from the bill. Representative Flake offered a floor amendment to the same effect, but without the stronger language, and it was rejected by a vote of 186-228 (H.Amdt. 478). Representative Blumenauer also offered a different payment limits amendment—to prevent payments in excess of $125,000 per year to any individual (not an AGI limit); it was rejected by a vote of 154-262 (H.Amdt. 460).

In terms of the next farm bill and support for payment limits, the Coburn amendment is a relatively small reduction in the limit compared to larger reductions that were proposed and failed in the House, or that have been proposed by the Administration.[74] It is unknown whether the success of the Coburn amendment and the failure of the Flake and Blumenauer amendments reflect differences in attitudes between the House and Senate, or a tolerance for the magnitude of the reductions in payment limits.[75]

---

[72] USDA Farm Service Agency, Notice PL-230, "Additional Average AGI Limitation," December 7, 2011, at http://www.fsa.usda.gov/Internet/FSA_Notice/pl_230.pdf.

[73] The FSA notice gives five examples on p. 3 that imply the range of incomes that would be affected by the new AGI limit: combinations of farm AGI <$750,000 plus non-farm AGI <$500,000 making a total AGI between $1 million and $1.25 million. Example 1 in FSA's scenarios is the only case in which the new $1 million AGI limit makes a farmer ineligible for direct payments who otherwise would have been eligible. Other scenarios listing ineligibility for direct payments would have been the case already under the existing $750,000 farm AGI or $500,000 non-farm AGI rules (Example 3 and Example 4 because of high non-farm AGI, and Example 5 because of high farm AGI).

[74] The Bush and Obama Administrations also have proposed tighter payment limits, most recently in the FY2012 budget. The Administration's proposal was a $250,000 reduction in both the $750,000 farm AGI limit and the $500,000 nonfarm AGI limit, for an estimated 10-year savings of $979 million; plus a reduction in the maximum direct payment from $40,000 to $30,000, for an estimated 10-year savings of $1.5 billion. See pp. 112-113 of the *FY2012 Budget Appendix*, at http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/agr.pdf.

[75] For more on payment limits and other votes since 2002 on the issue, see CRS Report RL34594, *Farm Commodity Programs in the 2008 Farm Bill*.

Mohair Marketing Assistance Loans

The FY2012 appropriation incorporates a House amendment (H.Amdt. 456, adopted by voice vote) that limits the ability of USDA to provide marketing assistance loans for mohair. The provision (§742) is identical to a provision in the FY2011 appropriation (§1291 of P.L. 112-10; H.Amdt. 141 to H.R. 1). Like the AGI provision, it lacks the stronger "or any other Act" language, and thus did not affect the CBO score of the bill. Despite the lack of CBO scoring, the Department suspended the MAL and LDP program for mohair in both FY2011[76] and FY2012.[77]

Brazil Cotton Institute

The enacted appropriation does not contain any provisions related to the cotton program, or to a payment to the Brazil Cotton Institute as part of an agreement under a WTO settlement, stemming from a case that Brazil won against the U.S. farm subsidy program.[78] The Brazil Cotton Institute payment was an issue adopted during House committee and floor consideration, but did not survive conference negotiations.

CCC funding for a payment to the Brazil Cotton Institute was used as a budgetary offset in a committee-adopted amendment to increase funding for the Women, Infants, and Children (WIC) program. An amendment by Representative DeLauro was adopted in the committee-reported version of the bill that increased the funding for WIC by $147 million (relative to the subcommittee draft) by prohibiting USDA from making the Brazil Cotton Institute payment. The DeLauro amendment had two parts. The increased money for WIC was built into the $6.048 billion for WIC in the committee-reported version of the bill. The offset portion of the DeLauro amendment—the payment to Brazil—was to come from mandatory funds under the jurisdiction of the Agriculture authorizing committee (§743 of the committee-reported bill). This offset provision was left unprotected from points of order by the rule for floor consideration (H.Res. 300). Subsequently, on the floor, Representative Lucas successfully raised a point of order against the offset portion on the grounds that it violated a rule against legislating in an appropriations bill, and the provision was removed.[79]

A Brazil Cotton Institute amendment did survive in the House-passed bill, however. A floor amendment (H.Amdt. 454) by Representative Kind to prohibit payment to the Brazil Cotton Institute was adopted by a vote of 223-197 (§751 of the House-passed bill). The Kind amendment

[76] USDA Farm Service Agency, Notice LP-2157, "Suspension of MAL's and LDP's for Mohair," April 15, 2011, at http://www.fsa.usda.gov/Internet/FSA_Notice/lp_2157.pdf.

[77] USDA Farm Service Agency, Notice LP-2165, "Suspension of MAL's and LDP's for Mohair," December 1, 2011, at http://www.fsa.usda.gov/Internet/FSA_Notice/lp_2165.pdf

[78] In 2009, Brazil announced that it was authorized by the WTO to impose trade retaliation against U.S. goods. Among the countermeasures was $147.3 million for adverse effects from U.S. price-contingent subsidies. The United States agreed to pay $147.3 million annually into a Brazilian fund known as the Brazilian Cotton Institute for technical assistance and capacity building for Brazil's cotton sector. For more background, see CRS Report RL32571, *Brazil's WTO Case Against the U.S. Cotton Program*.

[79] But only the prohibition against making the payment to Brazil was removed; the increase to WIC was retained since it was embedded in a separate portion of the bill. Then, in order to preserve the increased funding for WIC but keep the bill at the same funding level so that it did not exceed the House's discretionary limit for the whole agriculture appropriations bill (since the $147 million of savings from §743 was removed), Rep. Kingston offered an amendment—adopted by voice vote—for an across-the-board 0.78% rescission to discretionary accounts in the bill (a new §743 of the House-passed bill) that was scored to save $147 million.

had essentially the same language as the DeLauro offset provision, except it states, "None of the funds made available by this Act," rather than the more strict "None of the funds made available by this Act *or any other Act* ... " The difference was significant enough not to prompt a point of order. Moreover, the Congressional Budget Office did not assign any budgetary savings to the provision because it lacked the language "or any other Act." Thus, while the House-passed provision appeared to prevent the payment to the Brazil Cotton Institute, CBO's budget scoring did not suggest that it had the same effect as the original DeLauro language. Nonetheless, the provision did not appear in the conference agreement.

A related, and possibly conflicting, committee-adopted amendment (§741 of the committee-reported bill) would have required USDA to reduce the payment rate for upland cotton—part of the direct payment program in the 2008 farm bill—by an amount to offset the costs of the $147 million payment to the Brazil Cotton Institute. Like the DeLauro amendment, it was unprotected in the rule for floor consideration, and was stripped by a point of order for legislating in an appropriations bill.

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 (about 60% subsidy, on average). 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.[80]

The annual Agriculture appropriations bill traditionally makes two separate appropriations for the federal crop insurance program. First, it provides discretionary funding for the salaries and expenses of the RMA. Second, it 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 in FY2012, the enacted FY2012 appropriation provides $75 million, down $4 million (or 5%) from FY2011. For FY2012, the Administration requested a 4% increase from FY2011 to cover additional information technology costs.

The enacted FY2012 appropriation also provides $3.1 billion for the Federal Crop Insurance Fund, or $4.5 billion less than estimated for FY2011.[81] The FY2012 amount is substantially lower than for FY2011, largely because of a one-time shift in the timing of cash flows specified in the 2008 farm bill to generate budgetary savings within the five-year horizon of the bill. The farm bill provisions allow USDA to collect two crop years of premiums from farmers during FY2012 (by moving forward the premium billing date beginning with 2012), and delay the 2012 payment of reimbursements and underwriting gains to insurance companies into the next fiscal year. Therefore, the reduction in the FY2012 appropriation mostly reflects an accounting change, rather than a reduction in program benefits to farmers.

[80] For more information on crop insurance, see CRS Report R40532, *Federal Crop Insurance: Background and Issues*.

[81] The actual amount required to cover program losses and other subsidies is subject to change based on actual crop losses and farmer participation rates in the program.

As in FY2011, the FY2012 appropriation prohibits use of funds under the Federal Crop Insurance Act for performance-based premium discounts to farmers (§726(12)). By stopping the discount program, the provision is scored as saving $25 million in each of FY2011 and FY2011 (**Table 8**). In early 2011, RMA had proposed a program to reward farmers participating in the federal crop insurance program for good performance. It would have been funded by savings derived from USDA's renegotiation of the Standard Reinsurance Agreement with insurance companies in 2010. As designed by USDA, the program would have made payments based on each qualified producer's history in the program. Members of Congress were concerned about program design, including the possibility of sending payments to producers who were no longer in the program and how such payments would constitute a discount on current crop insurance purchases.

Disaster Assistance

Most agricultural-related disaster assistance is funded on an ad hoc basis and is not typically provided through annual appropriations. The enacted FY2012 appropriation, however, provides $367 million for three watershed and conservation recovery programs, which is $9 million less than the Senate-passed bill. The House bill did not contain such funding. Funding for all three of these programs is designated as disaster funding for the purpose of budget scoring.

The Emergency Conservation Program (ECP) provides financial and technical assistance to rehabilitate farmland and conservation practices destroyed by natural disasters (e.g., flood, fire, drought, etc.). ECP is administered by the Farm Service Agency (FSA) and has not received funding since FY2009. In mid-October the program carried a backlog of unfunded requests totaling more than $127 million. USDA anticipates a need of $155.7 million in FY2012 (including anticipated need in FY2012). The enacted FY2012 appropriation provides $122.7 million to remain available until expended. The Senate-passed bill would have increased funding by $126.7 million.

The enacted FY2012 appropriations also funds the Emergency Forest Restoration Program (EFRP) at $28.4 million, which is $20.6 million less than the Senate-passed bill. EFRP, also administered by FSA, provides assistance to nonindustrial private forestland owners to restore forestland following a natural disaster.

Funding for the Emergency Watershed Protection (EWP) program also is provided. EWP is administered by the Natural Resources Conservation Service and provides financial and technical assistance to relieve imminent hazards to life and property caused by floods, fires, windstorms, and other natural occurrences. EWP has not received funding since FY2009 and carries a backlog of unfunded requests totaling over $200 million. The enacted FY2012 appropriation provides $215.9 million to remain available until expended and repurposes $31 million of previously authorized funding. The Senate-passed bill included $199.2 million.

Under the three recovery programs a national or state emergency does not have to be declared in order to receive assistance. The enacted FY2012 appropriation, however, would require that only areas with a disaster designation[82] be eligible for funding. This could potentially limit the distribution of recovery assistance.

[82] Funds may only be used for expenses resulting from a major disaster designation pursuant to the Stafford Act (42 U.S.C. 5122(2)). For more information on Stafford Act designations, see CRS Report RL33053, *Federal Stafford Act Disaster Assistance: Presidential Declarations, Eligible Activities, and Funding*.

Conservation

More than 20 USDA agricultural conservation programs assist private landowners with natural resource concerns. These include working land programs, land retirement and easement programs, watershed programs, technical assistance, and other programs. The two lead agricultural conservation agencies within USDA are the Natural Resources Conservation Service (NRCS), which provides technical assistance and administers most programs, and the Farm Service Agency (FSA), which administers the largest program, the Conservation Reserve Program (CRP). The majority of conservation program funding is mandatory and funded through the Commodity Credit Corporation (CCC). Other conservation programs, mostly technical assistance, are discretionary and funded through annual appropriations.[83]

The enacted FY2012 appropriation accepts, and in some programs exceeds, many of the Administration's proposed reductions to both mandatory and discretionary conservation programs for FY2012. The enacted appropriation reduces discretionary NRCS funding by $45 million (from $889 million in FY2011 to $843 in FY2012). The Senate-passed bill would have reduced discretionary NRCS funding by $52 million, the House-passed bill would have reduced funding by $106 million, and the Administration's proposal would have increased discretionary funding by $10 million.

Mandatory programs under the 2008 farm bill are authorized to automatically increase by an estimated $880 million in FY2012. The enacted appropriation reduces certain mandatory conservation programs by $929 million in FY2012. This is more of a reduction than the Senate-passed bill but less than the House-passed bill. The Administration request would have made smaller total reductions to fewer programs. Both the Bush and Obama Administrations have proposed reductions in conservation funding in the past, most of which are more substantial than Congress has supported. The FY2012 appropriation reverts to a trend prior to the 2008 farm bill that reduces mandatory funding for multiple conservation programs.

Discretionary Conservation Programs

All of the discretionary conservation programs are administered by NRCS. Most of the reduction in discretionary funding is for Conservation Operations (CO), the largest discretionary program. The enacted FY2012 appropriation provides $828 million for FY2012, the same level proposed in the Senate-passed bill, $64 million more than proposed in the House-passed bill (after rescission), $42 million less than FY2011, and $70 million less than the Administration's request. The conference report (H.Rept. 112-284) directs funding for several Administration initiatives proposed in the budget, including $5 million for the Conservation Effects Assessment Project (the Administration requested a $7 million increase), $5 million for the Conservation Delivery Streamlining Initiative (the Administration requested an $11.3 million increase), and $12.5 million for the Common Computing Environment. Further division of CO was provided in the conference report, with $9.3 million provided for the Snow Survey, $9.4 million for Plant Material Centers, $80 million for the Soil Survey, and $729.5 million for Conservation Technical Assistance. Other Administrative initiatives proposed in the budget were rejected in the conference report, including a $15 million requested increase for the Strategic Watershed Action

[83] For a brief description of the individual USDA agricultural conservation programs, see CRS Report R40763, *Agricultural Conservation: A Guide to Programs*.

Teams and the Administration's proposal to charge a fee for comprehensive conservation planning, a core activity currently provided to producers for free.

The Administration proposed terminating several discretionary conservation programs, including the Watershed and Flood Prevention Operations (WFPO). The WFPO was included in the House-passed bill as an amendment introduced and passed on the floor, but no funding was provided for the program in the enacted FY2012 appropriations or the Senate-passed bill. The Watershed Rehabilitation program was also proposed to be terminated by the Administration. The program rehabilitates aging dams previously built by USDA. The enacted FY2012 appropriations includes the House-passed level of $15 million for the program. Funding was not provided for the Watershed Rehabilitation program in the original Senate-reported bill; however, an amendment was introduced and passed on the Senate floor to include $8 million for the program.

The FY2011 long-term continuing resolution terminated funding for the Resource Conservation and Development (RC&D) program. The termination of funding continues in the enacted FY2012 appropriations, as requested by the Administration. The RC&D program was authorized in 1962 and consists of 375 designated RC&D areas across the country. An RC&D area is a locally defined multi-county area, sponsored and directed by an RC&D council. NRCS assists RC&D councils through an RC&D coordinator, who facilitates the development and implementation of an individualized and locally determined program (i.e., area plan). According to testimony offered by the chief of NRCS, approximately 80% of the RC&D budget is directed toward personnel.[84] The chief also testified that termination of RC&D funding could mean that the 140 healthiest RC&D councils might survive on funds from elsewhere, while the other 235 will likely be dissolved.[85]

Following termination of the RC&D program, as well as other funding reductions in FY2011, the Office of Management and Budget (OMB) approved buyout and early retirement packages for 544 positions at USDA. Over 400 of the 544 buyout offers were made available to NRCS employees.[86] It is unclear how many buyout offers have been accepted at NRCS and whether buyout packages will provide enough budgetary relief from the FY2011 and FY2012 funding reductions.

The enacted FY2012 appropriation also provides $7.5 million to a long-dormant program known as the Water Bank Program (WBP). The WBP was authorized in 1970[87] and operated until funding was eliminated in the FY1995 Agriculture Appropriations Act.[88] According to FY1995 House and Senate appropriations report language, the program was duplicative of the Wetlands Reserve Program (WRP, a current farm bill program) and less effective because of shorter contract lengths.[89] Under the WBP, USDA entered into agreements with landowners and

---

[84] U.S. Congress, House Committee on Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, *Budget Hearing, USDA—Under Secretary for Natural Resources and Environment*, Testimony of Dave White, Chief of NRCS, 112th Cong., 1st sess., April 5, 2011.

[85] "USDA Natural Resources Conservation Service Leadership Testifies at House Appropriations Hearing," *National Sustainable Agriculture Coalition*, April 6, 2011, http://sustainableagriculture.net/blog/nrcs-appropriations-hearing/.

[86] "USDA: Buyouts offered to 400 conservation-service employees," *Greenwire*, June 3, 2011.

[87] Water Bank Act (P.L. 91-559), as amended.

[88] P.L. 103-330.

[89] The WBP agreements were for 10 years with provisions for renewal, while the WRP easements are for 30 years or permanent. See H.Rept. 103-542 and S.Rept. 103-290.

operators in migratory waterfowl nesting, breeding, and feeding areas for the conservation of specified wetlands. The program operated in 12 states, primarily in the northern part of the central flyway, and the northern and southern parts of the Mississippi flyway. The state that received the greatest benefit, in terms of most acres enrolled and payments received, was North Dakota. Although the conference report does not specify location, the Devils Lake and Stump Lake basins in North Dakota have been cited as the potential beneficiaries of the WBP funding.[90] This is further supported by language in the conference report that waives the limitation (15%) on the share of funding that any single state may receive in order "to ensure efficient administration of the program."[91] Additionally, the WBP was originally intended to protect wetlands; however, the conference report allows "flooded agricultural lands" to be enrolled in the program. This could allow additional land into the program that may not have been allowed otherwise, such as land flooded by rising lake levels.[92] Incidentally, the Administration requested that an unobligated balance of $745,000 in the WBP be rescinded and permanently cancelled because the last WBP agreement expired on December 31, 2010, effectively concluding the program. The enacted bill does not rescind the funding.

Mandatory Conservation Programs

Mandatory conservation programs are administered by NRCS and FSA. Funding comes from the CCC and therefore does not require an annual appropriation. The enacted FY2012 appropriation accepts many of the Administration's proposed $585 million of reductions to mandatory conservation programs and makes further cuts below authorized levels. The enacted appropriations reduces these programs by $929 million, which is $234 million more than the FY2011 reduction, $22 million more than the Senate-passed reduction, but not as much as the over $1 billion proposed reduction in the House bill (**Table 13**; see also the discussion in "Changes in Mandatory Program Spending (CHIMPS)" and **Table 8**).

Funding for the largest conservation program, FSA's Conservation Reserve Program (CRP), would not change and was estimated at about $2.2 billion for FY2012. The enacted FY2012 appropriation adopts the House- and Senate-passed limits to EQIP, NRCS's largest working lands program, of $1.4 billion for FY2012—a reduction of $350 million from the authorized level of $1.75 billion in the 2008 farm bill. The enacted reductions for other conservation programs are more extensive than the Senate-passed bill and USDA's proposal, but not as extensive as in the House bill (**Table 13**). The primary differences between the enacted, House, and Senate bills are in the Conservation Stewardship Program (CSP, $76.5 million reduction in the enacted appropriations compared to a $35 million reduction in the Senate bill and $210 million reduction in the House bill) and the Grasslands Reserve Program (GRP, estimated reduction of $30 million in the enacted appropriations and House bill compared to $50 million reduction in the Senate bill).

---

[90] Kevin Bonham, "Fed 'water bank' program would offer annual payments for Devils Lake basin wetlands protection," *Grand Forks Herald*, November 14, 2011.

[91] H.Rept. 112-284, §748.

[92] "The Water Bank Program will provide aid to our state's (North Dakota's) farmers, especially those in the Devils Lake Basin, with flooded farmlands. The shorter agreements available under this program provide greater flexibility for our farms to enroll their flooded farmlands in a conservation program, while working to ultimately return these valuable acres to production." North Dakota Ag Connection, "(Senator John) Hoeven: Water Bank Program to Aid Devils Lake Farmers," press release, November 15, 2011, http://www.northdakotaagconnection.com/story-state.php?Id=1040&yr=2011.

Table 13. Mandatory Conservation Program Reductions, FY2011-FY2012

(dollars in millions)

	FY2011	FY2012					Differences	
Program	Allowed Levels Under P.L. 112-10	Authorized Level Under the 2008 Farm Bill	Admin. Request	House-passed	Senate-passed	Allowed Levels Under P.L. 112-55	Between FY2012 and FY2011	Between FY2012 and Authorized
EQIP	1,238	1,750	1,408	1,400	1,400	1,400	+162	-350
CSP	649	844[a]	842[a]	634	809	768	+118	-77
WRP	425[a]	617[a]	608[a]	417[a]	417[a]	417[a]	-8	-200
Dam Rehab	0	165	0	0	0	0	0	-165
FPP	175	200	200	150	150	150	-25	-50
WHIP	85	85	73	50	50	50	-35	-35
GRP	120[a]	92[a]	42[a]	62[a]	42[a]	62[a]	-58	-30
VPAHIP	21[b]	17	17	0	0	0	-21	-17
AMA	15	15	10	10	10	10	-5	-5
Total	**2,162**	**2,232**	**1,708**	**2,244**	**2,878**	**-1,062**	**+128**	**-929**

Sources: P.L. 112-10, House- and Senate-passed H.R. 2112, P.L. 112-55, and CBO August 2011 Baseline for CCC & FCIC.

Notes: EQIP = Environmental Quality Incentives Program; CSP = Conservation Stewardship Program; WRP = Wetlands Reserve Program; Dam Rehab = Watershed Rehabilitation Program; FPP = Farmland Protection Program; WHIP = Wildlife Habitat Incentives Program; GRP = Grasslands Reserve Program; VPAHIP = Voluntary Public Access and Habitat Incentives Program; and AMA = Agricultural Management Assistance Program.

a. Calculated by CRS based on CBO estimates. CSP, WRP, and GRP are authorized to enroll acres and are not limited by dollar amounts. Estimates are based on the total acres each program is authorized to enroll.

b. VPAHIP is authorized to spend $50 million between FY2009 and FY2012. Annual levels are CBO estimates based on program expenditures.

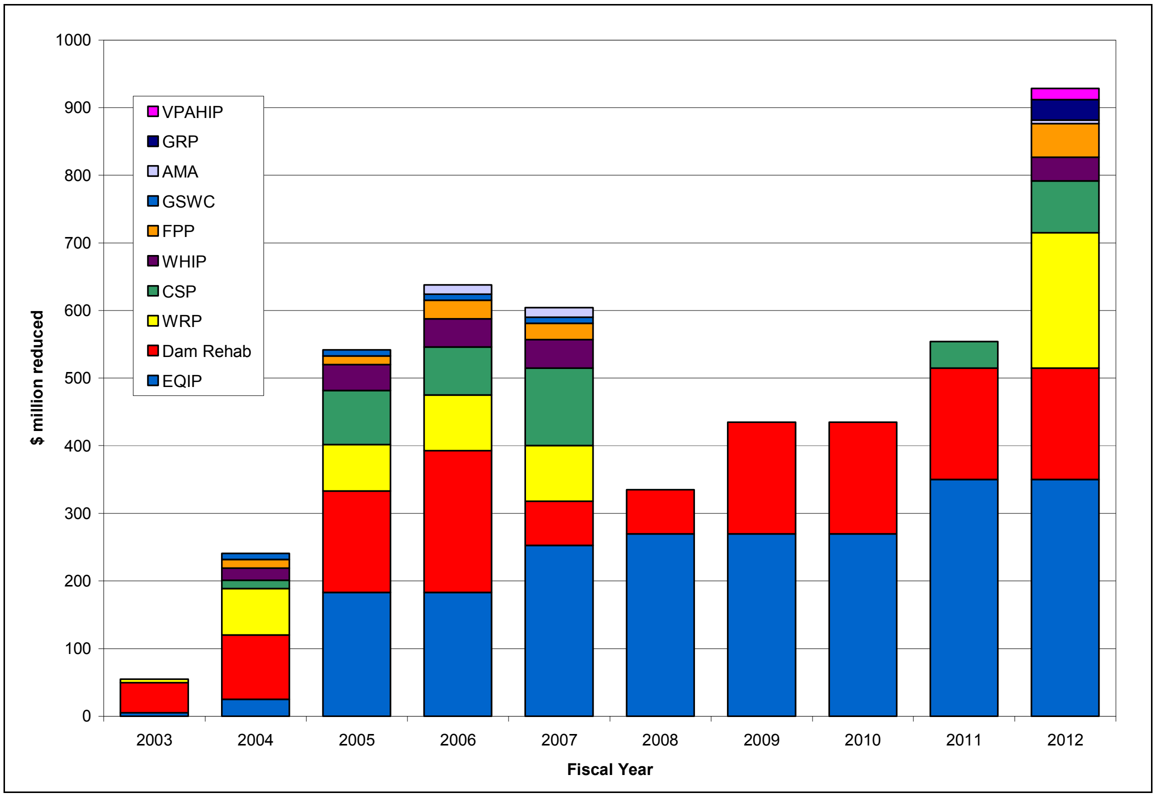
Congress has included reductions in mandatory conservation programs each year since FY2003 in the annual agricultural appropriations law. It usually does not reduce funding as much as requested by the Administration. And because money is fungible, the savings from these reductions are not necessarily applied toward other conservation activities. Prior to the 2008 farm bill, reductions to conservation programs through appropriations law peaked in FY2006 with a reduction totaling $638 million (**Figure 12**). Since the 2008 farm bill, reductions have primarily affected EQIP and the Watershed Rehabilitation Program. The reductions in FY2012 are the largest reductions to mandatory conservation programs to date.

Several conservation, environmental, and farm constituency groups that support conservation programs decry reductions from the funding commitment established in the farm bill. Members of the House Agriculture Committee also have expressed concern over the reductions, which some consider to be an encroachment of the committee's jurisdiction.[93] House appropriators

[93] Letter from Frank Lucus, Chairman of the House Committee on Agriculture, and Collin Peterson, Ranking Majority Member, to Paul Ryan, Chairman of the House Committee on Budget, March 15, 2011, http://agriculture.house.gov/ (continued...)

acknowledged these concerns with the following statement in the House report: "The bill includes over $1.5 billion in limitations on mandatory programs, most of them funded in the 2008 farm bill and most of them in the conservation and bio-energy areas. We expect deep concern about these cuts from the Agriculture Committee, as well as persons supporting these programs."[94]

Figure 12. Mandatory Conservation Program Reductions, FY2003-FY2012



Source: CRS. See also CRS Report R41245, *Reductions in Mandatory Agriculture Program Spending*.

Notes: The figure only reflects reductions to mandatory conservation programs through appropriations and does not include reconciliation actions. The FY2008 appropriations act (P.L. 110-161) limited EQIP by $270 million. The 2008 farm bill (P.L. 110-246) was enacted after the appropriations act and superseded the reduction to restore and increase EQIP funding. The FY2008 farm bill also suspended the Conservation Security Program and created the Conservation Stewardship Program. Therefore, prior to 2008, CSP refers to the Conservation Security Program; after 2008, CSP refers to the Conservation Stewardship Program.

While most conservation advocates criticize reduced conservation funding for any fiscal year, additional emphasis was placed on reductions proposed in FY2012. Most farm bill program authorities will expire at the end of FY2012. Because CBO uses the last year of authorization to determine the 10-year funding baseline for the farm bill reauthorization, a reduction in the last year of a farm bill's authorization could multiply the effect on the 10-year farm bill.

(...continued)

pdf/business-meeting/BudgetviewsestimateletterFY12.pdf; and Letter from Collin Peterson, Ranking Member of the House Committee on Agriculture, to David Dreier, Chairman of the House Committee on Rules, June 13, 2011, http://democrats.agriculture.house.gov/06-13-2011%20Peterson%20to%20Rules%20HR2112.pdf.

[94] H.Rept. 112-101, p. 105.

To address this concern, the enacted FY2012 appropriation extends select farm bill expiration dates to 2014. Authorities for these programs—AMA, EQIP, WHIP, CSP, and FPP—would expire in FY2012. The extension allows appropriators to score savings in FY2012, but not affect the overall farm bill baseline. CBO could score the amended conservation programs based on their authorized funding level in 2014, which is higher than their reduced level in the enacted FY2012 appropriations. Thus the reductions could have less of an effect on the Agriculture Committee's overall farm bill baseline. Just as the savings from conservation reductions in the enacted 2012 appropriations are not always redirected toward other conservation activities, the reestablishment of the farm bill baseline through expiring conservation programs does not guarantee that future farm bills will extend the same level of support for conservation.[95]

Programs that are reduced in the FY2012 act but do not have a baseline beyond 2012—when most farm bill program authority expires—are not extended. Programs such as WRP and GRP lack a budget baseline beyond 2012 and therefore reductions in 2012 would not affect the overall farm bill baseline. For this reason, some see these programs as more vulnerable to reductions in appropriations. For example, the Voluntary Public Access and Habitat Incentives Program has authority to spend $50 million until September 30, 2012, and no baseline funding beyond 2012.[96] Under enacted FY2012 appropriations, no funds are to be expended in FY2012, effectively terminating the program before its authorized expiration. Extending these programs' authority would require an offset or reduction elsewhere under current budget law and procedures.

Rural Development

Three agencies are responsible for USDA's rural development mission area: the Rural Housing Service (RHS), the Rural Business-Cooperative Service (RBS), and the Rural Utilities Service (RUS). An Office of Community Development provides community development support through field offices. This mission area also administers Rural Economic Area Partnerships and the National Rural Development Partnership.[97]

For FY2012, P.L. 112-55 provides $2.41 billion in discretionary budget authority, which is $233 million below FY2011 (-8.8%). If a rescission to the Cushion of Credit account (-$155 million) is incorporated, as in the table in H.Rept. 112-284, the net budget authority for rural development is $2.25 billion.[98] This level of budget authority supports a program level of $36.15 billion in USDA rural development loans and grants (**Table 14**).

Salaries and expenses within Rural Development are funded from a direct appropriation and from transfers from each of the agencies. The combined salaries and expenses total in P.L. 112-55 is

[95] For additional discussion about conservation in the next farm bill, see CRS Report R42093, *Agricultural Conservation and the Next Farm Bill*, by (name redacted).

[96] For more information about programs without a baseline, see CRS Report R41433, *Previewing the Next Farm Bill: Unfunded and Early-Expiring Provisions*.

[97] For more about rural development programs generally, see CRS Report RL31837, *An Overview of USDA Rural Development Programs*.

[98] The rescission to the Cushion of Credit account causes the net appropriation for the Rural Business Cooperative Service printed in H.Rept. 112-284 to be negative (-$41 million). Rescissions are generally accounted in the General Provisions section of the appropriation, and this CRS report accounts for the rescission with General Provisions to keep the Rural Business Cooperative Service appropriation positive. Therefore, a $155 million difference exists between the amount reported for Title III Rural Development in this report and in H.Rept. 112-284, as shown in **Table 14**.

$653.9 million, $34.4 million less than FY2011 (-5%). This is the same as recommended by the Senate-passed bill, and $64 million more than recommended in the House-passed bill (+10%).

The conference report permits the Secretary to provide up to 5% of the funds available for certain rural development programs for projects in rural areas that are engaged in strategic regional development planning (§725).[99] It also permits the Secretary to charge a one-time fee of no more than 3% of the loan principal for a Business and Industry Guaranteed Loan (§731), and prohibits spending to carry out the Rural Microentrepreneur Assistance Program (§744, **Table 8**).

Table 14. Rural Development Appropriations, by Agency, FY2010-FY2012

(budget authority in millions of dollars)

	FY2010	FY2011	FY2012				Change FY2011-FY2012	
Program	**P.L. 111-80**	**P.L. 112-10**	**Admin. Request**	**House-passed**	**Senate-passed**	**P.L. 112-55**	**$**	**%**
Salaries and expenses (direct)	202.0	191.6	234.3	159.8	182.0	182.0	-9.6	-5.0%
Transfers from RHS, RBCS, RUS	513.5	496.7	456.7	430.1	471.9	471.9	-24.8	-5.0%
Subtotal, salaries and expenses	**715.5**	**688.3**	**691.0**	**589.9**	**653.9**	**653.9**	**-34.4**	**-5.0%**
Rural Housing Service	1,424.2	1,224.0	1,034.3	1,037.3	1,090.2	1,090.3	-133.7	-10.9%
Rural Business-Cooperative Service[a]	184.8	127.8	180.5	93.6	119.1	109.3	-18.6	-14.5%
Rural Utilities Service	653.4	596.7	537.0	516.9	556.8	551.0	-45.8	-7.7%
Undersecretary for Rural Development	0.9	0.9	0.9	0.8	0.8	0.8	0.0	-5.0%
Total, Rural Development	**2,978.8**	**2,637.8**	**2,443.6**	**2,238.5**	**2,420.8**	**2,405.2**	**-232.5**	**-8.8%**
Alternate total (including rescission)[a]								
Less rescission of Cushion of Credit	*-44.5*	*-207.0*	*-241.8*	*-155.0*	*-155.0*	*-155.0*	*+52.0*	*-25.1%*
Net, Rural Development (H.Rept. 112-284)	*2,934.3*	*2,430.8*	*2,201.8*	*2,083.5*	*2,265.8*	*2,250.2*	*-180.5*	*-7.4%*

Source: CRS, complied from P.L. 112-55, P.L. 112-10, P.L. 111-80, and unpublished appropriations tables.

a. Amounts for the Rural Business Cooperative Service in this report are before the rescission from the Cushion of Credit account. This approach allows the total appropriation for RBS to remain positive. In H.Rept. 112-284, S.Rept. 112-73 and H.Rept. 112-101, tables show the rescission in the RBS section, causing the agency total to be less than zero. This CRS report includes the Cushion of Credit rescission in the General Provisions section with other rescissions (**Table 9**).

Rural Housing Service (RHS)

P.L. 112-55 provides $1.52 billion in budget authority for RHS, $156 million less than in FY2011 (-9%). This is the same as recommended by the Senate bill, and $87 million (+6%) more than the House bill (**Table 15**). After transferring $431 million of salaries and expenses (which are down

[99] The eligible programs are Business and Industry Guaranteed loans; Rural Development Loan Fund (Intermediary Relending Program); Rural Business Enterprise Grants; Rural Business Opportunity Grants; Rural Economic Development Program (Cushion of Credit loan program); Rural Microenterprise Assistance Program; Biorefinery Assistance Program; Rural Energy for America Program (REAP); Value-Added Producer Grants; Broadband program; Water and Waste Water Program; and Rural Community Facilities Program.

5% from FY2011), the enacted appropriation provides RHS a net $1.09 billion for loans and grants, $134 million less than FY2011 (-11%). This level of budget authority will support $26.5 billion in housing loans in FY2012, $796 million (+3%) more than in FY2011.

Table 15. Rural Housing Service Appropriations, FY2010-FY2012
(budget authority in millions of dollars)

	FY2010	FY2011	FY2012				Change FY2011-FY2012	
Program	P.L. 111-80	P.L. 112-10	Admin. Request	House-passed	Senate-passed	P.L. 112-55	$	%
Rural Housing Insurance Fund (RHIF) programs								
Administrative expenses (transfer)	468.6	453.5	411.8	396.9	430.8	430.8	-22.7	-5.0%
Single family direct loans (sec. 502)	40.7	70.1	10.0	39.7	42.6	42.6	-27.5	-39.2%
Loan authority	*1,121.5*	*1,121.4*	*211.4*	*839.1*	*900.0*	*900.0*	*-221.4*	*-19.7%*
Single family guaranteed loans[a]	172.8	0.0	0.0	0.0	0.0	0.0	0.0	na
Loan authority	*12,000.0*	*24,000.0*	*24,000.0*	*24,000.0*	*24,000.0*	*24,000.0*	*0.0*	*0.0%*
Other RHIF programs[b]	45.1	51.6	51.7	32.2	39.4	37.6	-14.0	-27.2%
Loan authority[b]	*281.8*	*171.0*	*122.5*	*76.3*	*242.9*	*240.3*	*+69.2*	*+40.5%*
Subtotal, RHIF	727.2	575.2	473.5	468.8	512.8	511.0	-64.2	-11.2%
Loan authority	*13,403.3*	*25,292.4*	*24,333.9*	*24,915.4*	*25,142.9*	*25,140.3*	*-152.2*	*-0.6%*
Other housing programs								
Rental assistance (Sec. 521)	968.6	948.7	900.7	879.1	900.7	900.7	-48.1	-5.1%
Other rental assistance[c]	11.4	5.0	6.0	4.0	4.0	4.0	-1.0	-20.3%
Multifamily housing revitalization	43.2	29.9	16.0	10.9	13.0	13.0	-16.9	-56.6%
Mutual & self-help housing grants	41.9	36.9	0.0	21.8	30.0	30.0	-6.9	-18.8%
Rural housing assistance grants	45.5	40.3	11.5	31.8	34.3	33.1	-7.2	-17.8%
Rural Community Facilities Program								
Community Facilities: Grants	20.4	15.0	30.0	9.9	12.7	11.4	-3.6	-24.1%
Community Facilities: Direct loans	3.9	3.9	0.0	0.0	0.0	0.0	-3.9	-100%
Loan authority	*295.0*	*290.5*	*1,000.0*	*1,000.0*	*1,300.0*	*1,300.0*	*+1,009*	*+347%*
Community Facilities: Guarantees	6.6	6.6	0.0	5.0	0.0	5.0	-1.6	-24.4%
Loan authority	*206.4*	*167.7*	*0.0*	*104.9*	*0.0*	*105.7*	*-62.0*	*-37.0%*
Rural community dev. Initiative	6.3	5.0	8.4	3.0	4.2	3.6	-1.4	-27.4%
Economic impact initiative grants	13.9	7.0	0.0	0.0	5.9	5.9	-1.0	-15.0%
Tribal college grants	4.0	4.0	0.0	0.0	3.4	3.4	-0.6	-15.0%
Subtotal, Rural Community Facility	55.0	41.4	38.4	17.9	26.3	29.3	-12.1	-29.2%
Loan authority	*501.4*	*458.3*	*1,000.0*	*1,104.9*	*1,300.0*	*1,405.7*	*+947.4*	*+207%*
Total, Rural Housing Service								
Budget authority	1,892.8	1,677.5	1,446.0	1,434.2	1,521.0	1,521.1	-156.4	-9.3%
Less transfer salaries & exp.	-468.6	-453.5	-411.8	-396.9	-430.8	-430.8	+22.7	-5.0%

Program	FY2010 P.L. 111-80	FY2011 P.L. 112-10	FY2012 Admin. Request	FY2012 House-passed	FY2012 Senate-passed	FY2012 P.L. 112-55	Change FY2011-FY2012 $	Change FY2011-FY2012 %
Total, Rural Housing Service	**1,424.2**	**1,224.0**	**1,034.3**	**1,037.3**	**1,090.2**	**1,090.3**	**-133.7**	**-10.9%**
Loan authority	***13,904.7***	***25,750.7***	***25,333.9***	***26,020.3***	***26,442.9***	***26,546.0***	***+795.3***	***+3.1%***

Source: CRS, complied from P.L. 112-55, P.L. 112-10, P.L. 111-80, and unpublished appropriations tables.

Notes: Loan authority is the amount of loans that can be made and is not added to budget authority totals.

a. The defunding of appropriations for this loan guarantee program does not reflect a reduction in loan authority. It became self-funding in 2010 after enactment of higher loan guarantee fees being charged to banks (§102 of P.L. 111-212) and therefore no longer needs an appropriation.

b. Includes Section 504 housing repair, Section 515 rental housing, Section524 site loans, Section 538 multi-family housing guarantees, single and multi-family housing credit sales, Section 523 self-help housing land development, and farm labor housing,

c. Section 502(c)(5)(D) eligible households, Section 515 new construction, and farm labor housing new construction.

The largest loan account, representing 95% of RHS's total loan authority, is the single-family housing loan program (Section 502 of the Housing Act of 1949). P.L. 112-55 provides $24.9 billion in loan authorization for Section 502 direct and guaranteed loans, $221 million less than FY2011. The guaranteed loan program is far larger than the direct loan program, with $24 billion. The appropriation permits the Secretary to charge up to 4% for the loan guarantee fee. Most of the budget authority in this area is for salaries and expenses rather than loan subsidy or grants. Section 504 Housing Repair loan programs receive $1.4 million to support $10 million in loans. The Multi-Family Housing loan guarantee program grew by $100 million over FY2011 (+320%). The House bill had recommended eliminating funding for the housing repair loans and multi-family loan guarantees. The enacted appropriation provides $64.5 million in loan authority for the Section 515 rental housing program, $5 million less than FY2011.

For the rental assistance program (Section 521), the conference agreement provides $904.6 million, a decrease of $48 million from FY2011 (-5%), the same as recommended by the Senate and $22 million more than the House bill. This is by far the largest budget authority line item in RHS. For mutual and self-help housing grants, the conference agreement provides $30 million, -19% from FY2011; for rural housing assistance grants, $33.1 million, -18% from FY2011.

The enacted appropriation provides $29.3 million in budget authority for the Rural Community Facilities account, providing loans and grants for "essential community facilities" in areas with less than 20,000 population. This amount is $12.1 million less than enacted for FY2011 (-29%). The Community Facilities budget includes $11.4 million in grants, $3.6 million less than FY2011 (-24%). The conference report also provides an appropriation for the Rural Community Development Initiative ($3.6 million), the Economic Impact Initiative Grants ($5.9 million), and grants to tribal colleges ($3.4 million). The House bill had proposed eliminating funding for the Economic Impact Initiative grants and grants to tribal colleges. It also includes $1.3 billion in direct loans, and $105.7 million for guaranteed loans.

Rural Business-Cooperative Service (RBS)

The conference agreement provides $113.9 million in FY2012 budget authority to the RBS before the Cushion of Credit rescission (**Table 16**). After transferring salaries and expenses, a net $109.3

million of budget authority supports the loan and grant program (-$18.6 million, or -14%, from FY2011). If the Cushion of Credit rescission is incorporated, the RBS net budget authority is $-41.1 million.[100] The enacted appropriation provides $880.2 million in loan authority for the various RBS loan programs (7.6% less than FY2011).

Table 16. Rural Business-Cooperative Service Appropriations, FY2010-FY2012

(budget authority in millions of dollars)

	FY2010	FY2011	FY2012				Change FY2011-FY2012	
Program	**P.L. 111-80**	**P.L. 112-10**	**Admin. Request**	**House-passed**	**Senate-passed**	**P.L. 112-55**	**$**	**%**
Rural Business Program Account								
Guar. Bus. & Ind. (B&I) Loans	52.9	44.9	52.5	39.7	45.3	45.3	+0.4	+1.0%
Loan authority	*993.0*	*889.1*	*822.9*	*622.1*	*822.9*	*822.9*	*-66.2*	*-7.4%*
Rural bus. enterprise grants	38.7	34.9	29.9	19.8	29.3	24.3	-10.6	-30.4%
Rural bus. opportunity grants	2.5	2.5	7.5	2.2	2.1	2.3	-0.2	-9.2%
Delta regional authority grants	3.0	3.0	0.0	2.2	2.9	2.9	-0.1	-2.5%
Rural Development Loan Fund Program								
Admin. expenses (transfer)	4.9	4.9	4.9	3.5	4.7	4.7	-0.2	-5.0%
Loan subsidy	8.5	7.4	12.3	5.0	7.0	6.0	-1.4	-18.8%
Loan authority	*33.5*	*19.2*	*36.4*	*14.6*	*20.7*	*17.7*	*-1.5*	*-7.7%*
Rural Econ. Dev.: Loan authority	*33.1*	*33.1*	*33.1*	*33.1*	*33.1*	*33.1*	*0.0*	*0.0%*
Rural coop. development grants	34.9	30.2	35.9	22.3	27.9	25.1	-5.1	-17.0%
Rural Microenterprise Inv.: Grants	2.5	0.0	2.2	0.0	0.0	0.0	0.0	na
Loan subsidy	2.5	0.0	3.5	0.0	0.0	0.0	0.0	na
Loan authority	*11.8*	*0.0*	*22.5*	*0.0*	*0.0*	*0.0*	*0.0*	*na*
Rural Energy for America: Grants	19.7	2.5	34.0	1.1	2.3	1.7	-0.8	-31.9%
Loan subsidy	19.7	2.5	2.8	1.1	2.3	1.7	-0.8	-31.9%
Loan authority	*144.2*	*10.8*	*10.6*	*4.4*	*8.6*	*6.5*	*-4.3*	*-39.7%*
Biorefinery Assist.: Loan subsidy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	na
Loan authority	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*na*
Total, Rural Business-Cooperative Service								
Budget authority[a]	189.7	132.8	185.5	97.0	123.8	113.9	-18.8	-14.2%
Less transfer salaries & exp.	-4.9	-4.9	-4.9	-3.5	-4.7	-4.7	+0.2	-5.0%
Total, Rural Bus.-Coop. Svc.[a]	**184.8**	**127.8**	**180.5**	**93.6**	**119.1**	**109.3**	**-18.6**	**-14.5%**
Loan authority	***1,215.7***	***952.1***	***925.4***	***674.1***	***885.2***	***880.2***	***-72.0***	***-7.6%***

[100] Amounts for the RBS in this report are before the rescission from the Cushion of Credit account. This approach allows the total appropriation for RBS to remain positive. Appropriations committee tables include the rescission in the RBS section, causing the agency total to be less than zero. This CRS report includes the Cushion of Credit rescission in the General Provisions section with other rescissions (**Table 9**).

	FY2010	FY2011	FY2012				Change FY2011-FY2012	
Program	P.L. 111-80	P.L. 112-10	Admin. Request	House-passed	Senate-passed	P.L. 112-55	$	%
Alternate total (incl. rescission)								
Budget authority	*189.7*	*132.8*	*185.5*	*97.0*	*123.8*	*113.9*	*-18.8*	*-14.2%*
Less rescission of Cushion of Credit	*-44.5*	*-207.0*	*-241.8*	*-155.0*	*-155.0*	*-155.0*	*+52.0*	*-25.1%*
Net, in H.Rept. tables	*145.3*	*-74.2*	*-56.3*	*-58.0*	*-31.2*	*-41.1*	*+33.2*	*-44.7%*

Source: CRS, complied from P.L. 112-55, P.L. 112-10, P.L. 111-80, and unpublished appropriations tables.

Notes: Loan authority is the amount of loans that can be made and is not added to budget authority totals.

a. Amounts in this report are before the Cushion of Credit rescission. This allows the total RBS appropriation to remain positive. The rescission is included in the General Provisions section (**Table 9**).

For the Rural Business Program account, the conference agreement provides $74.8 million in budget authority, $10.5 million less than FY2011 (-12.3%). The Rural Business Program account includes the Business and Industry Loan Guarantee program ($45.3 in budget authority), the Rural Business Enterprise Grant program ($24.3 million), the Rural Business Opportunity Grant program ($2.2 million), and Delta Regional Authority grants ($2.9 million). With the exception of the Rural Business Enterprise Grant program, which is $10.6 million less than FY2011 (-30.4%), the other accounts are close to their FY2011 enacted levels.

The conference agreement provides $6 million in budget authority to support $17.7 million in loans for the Intermediary Relending Program. This loan level is $1.4 million less (-7.6%) in loan authority than FY2011 and $1.4 million less in budget authority. For Rural Cooperative Grants, a total of $25.0 million ($5.1 million less than FY2011) is available, divided among Cooperative Development Grants ($5.8 million), Appropriate Technology Transfer for Rural Areas ($2.2 million), Value-Added Product Grants ($14.0 million), and grants to assist minority producers ($3.0 million). No funds were appropriated for the Appropriate Technology Transfer for Rural Areas in FY2011.

For the Rural Energy for America Program (REAP), the conference report provides $3.4 million of discretionary funds for loan subsidies and grants, $1.6 million less than FY2011 and $33.4 million less (90.7%) than the budget request. The recommended loan subsidies would support $6.5 million in loans for FY2012, approximately $4.3 million less than in FY2011 (-39.8%). The enacted appropriation blocks $3 million of mandatory spending for the Rural Microentrepreneur Assistance Program (**Table 8**) and provides no discretionary appropriation for the program.

Rural Utilities Service (RUS)

The conference agreement provides $587 million in budget authority for the Rural Utilities Service. After transferring salaries and expenses, the net appropriation for loans and grant programs is $551.0 million, $46 million (-8%) less than FY2011 (**Table 17**).

Loan subsidies and grants under the Rural Water and Waste Disposal Program account represent the largest share of FY2012 budget authority under RUS programs (approximately 93% of the total). The conference agreement provides $513.0 million in budget authority, $15.0 million less than FY2011 (-3%). This budget authority will support $793.6 million in direct and guaranteed loans, $180 million less than FY2011 (-18%). The budget authority is divided among the following programs: (1) Water/Waste Water direct loan subsidies ($70 million) and grants ($327 million); (2) Solid Waste Management grant program ($3.4 million); Individual Well Water grants ($993,000); and Water and Waste Water revolving fund ($497,000). The bill also recommends $9.5 million for High Energy Cost grants ($12.0 million in FY2011).

The enacted appropriation authorizes $7.0 billion in electric loans, $75 million (-1%) less than FY2011. Most of the recommended loan authority is for direct Federal Finance Bank electric loans ($6.5 billion).

Table 17. Rural Utilities Service Appropriations, FY2010-FY2012

(budget authority in millions of dollars)

	FY2010	FY2011	FY2012				Change FY2011-FY2012	
Program	**P.L. 111-80**	**P.L. 112-10**	**Admin. Request**	**House-passed**	**Senate -passed**	**P.L. 112-55**	**$**	**%**
Rural Water and Waste Disposal Program								
Loan subsidy and grants	568.7	527.9	489.0	496.1	509.3	513.0	-14.9	-2.8%
Direct loan authority	*1,022.2*	*898.3*	*770.2*	*725.0*	*730.7*	*730.7*	*-167.6*	*-18.7%*
Guaranteed loan authority	*75.0*	*75.0*	*12.0*	*0.0*	*75.0*	*62.9*	*-12.1*	*-16.1%*
Rural Electric and Telecommunication Loans								
Admin. expenses (transfer)	40.0	38.3	40.0	29.8	36.4	36.4	-1.9	-5.0%
Telecommunication loan authority	*690.0*	*690.0*	*690.0*	*690.0*	*690.0*	*690.0*	*0.0*	*0.0%*
Guar. Underwriting loan subsidy		0.7	0.0	0.0	0.6	0.6	-0.1	-15.0%
Electricity loan authority	*7,100.0*	*7,100.0*	*6,100.0*	*6,600.0*	*7,024.3*	*7,024.3*	*-75.7*	*-1.1%*
Distance Learning, Telemedicine, Broadband								
Distance learning & telemedicine	37.8	32.4	30.0	14.9	28.6	21.0	-11.4	-35.3%
Broadband: Grants	18.0	13.4	18.0	0.0	10.4	10.4	-3.0	-22.5%
Broadband: Direct loan subsidy	29.0	22.3	0.0	6.0	8.0	6.0	-16.3	-73.1%
Direct loan authority	*400.0*	*400.0*	*0.0*	*210.4*	*282.7*	*212.0*	*-188.0*	*-47.0%*
Subtotal, Rural Utilities Service								
Budget authority	693.4	635.0	576.9	546.7	593.2	587.3	-47.7	-7.5%
Less transfer salaries & exp.	-40.0	-38.3	-40.0	-29.8	-36.4	-36.4	+1.9	-5.0%
Total, Rural Utilities Service	**653.4**	**596.7**	**537.0**	**516.9**	**556.8**	**551.0**	**-45.8**	**-7.7%**
Loan authority	***9,287.2***	***9,163.3***	***7,572.2***	***8,225.4***	***8,802.7***	***8,719.9***	***-443.4***	***-4.8%***

Source: CRS, complied from P.L. 112-55, P.L. 112-10, P.L. 111-80, and unpublished appropriations tables.

Notes: Loan authority is the amount of loans that can be made and is not added to budget authority totals.

Under the Distance Learning/Telemedicine program, the conference agreement provides $21.0 million in grant support, $11.4 million less than FY2011 (-35.2%). For the rural broadband program, the FY2012 appropriation is $6 million for direct loan subsidies and $10.4 million for grants. Together, these three distance learning, telemedicine, and broadband accounts are $30.7

million below FY2011 (-45%). Loan subsidies would support $212.0 million in broadband loans, $188.0 million below FY2011 (-47.0%). The House committee recommendation would have eliminated funding for rural broadband, although a floor amendment restored $6 million of loan subsidy, the amount adopted in the conference agreement.

Domestic Food Assistance

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

The enacted FY2012 appropriation provides a total of $105.6 billion for domestic food assistance programs, approximately equal to that proposed in the Senate-passed bill, while the House-passed bill would have provided a total of $96.3 billion.[101] The appropriated amount is approximately $6 billion more than requested by the Administration in February ($99.8 billion); this relative increase is primarily a result of more recently updated estimates to SNAP. Whereas the House bill reduced funding to the WIC program and to TEFAP, P.L. 112-55 adopted the Senate bill's proposal to provide comparatively higher funding for WIC and TEFAP (**Table 18**).

SNAP and Other Programs under the Food and Nutrition Act

Appropriations under the Food and Nutrition Act (formerly the Food Stamp Act) support (1) the Supplemental Nutrition Assistance Program (SNAP), (2) a Nutrition Assistance Block Grant for Puerto Rico and nutrition assistance grants to American Samoa and the Commonwealth of the Northern Mariana Islands (all in lieu of the SNAP), (3) the cost of food commodities and administrative/distribution expenses under the Food Distribution Program on Indian Reservations (FDPIR), (4) the cost of commodities for TEFAP (but not administrative/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.

The enacted FY2012 appropriation provides a total of $80.4 billion for programs under the Food and Nutrition Act, more than the House's $71.1 billion[102] and equal to the Senate's amount. Funding in the law represents a $9.8 billion increase (+14%) over the total amount available for FY2011[103] (primarily because of forecasted increases in SNAP participation and food costs) and

[101] See later section headed "Other Funding Support" for domestic food assistance funding from non-appropriations bill sources.

[102] This total takes into account that §730 of the House-passed bill would effect a $50 million reduction to TEFAP.

[103] In Section 1109 of P.L. 112-5, the FY2011 continuing resolution, activities in the Food and Nutrition Act of 2008 were provided "amounts necessary to maintain current program levels under current law." For SNAP, this means that the program will provide costs and benefits for all that are eligible. Committee reports provide conflicting information as to the appropriations amounts for this account in FY2011. As a result, CRS calculations in the text and table of the report refer to (1) USDA's agency apportionment amounts in line with program levels, as well as (2) congressional reference to a $3 billion contingency reserve fund.

is more than the amount requested by the Administration or included in the House-passed bill, due partially to updates in SNAP participation estimates. The law appropriated $3 billion for the SNAP contingency reserve fund, as requested by both House and Senate bills, but less than the $5 billion requested by the Administration.[104]

P.L. 112-55 provides for Food and Nutrition Act appropriations:

- $78.3 billion for SNAP, including a $3 billion contingency reserve and $5.5 million set aside for certain administrative costs,
- $1.84 billion for grants for Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands,
- $260 million for TEFAP commodities (with permission to use up to 10% of this amount for distribution costs),
- $5 million each for Community Food Projects and SNAP program access grants, and
- $103 million for FDPIR (**Table 18**).

The total House-passed appropriation for TEFAP commodities had been $200 million, $50 million below the approximately $250 million that is included in the Food and Nutrition Act and was appropriated for FY2008, FY2009, FY2010, and FY2011. The House-passed bill achieved this reduction by including a cap in Section 730 of the bill (included in **Table 8**).

In addition to the FY2012 regular appropriation, the American Recovery and Reinvestment Act (ARRA, P.L. 111-5) is scheduled to continue to provide added SNAP benefits through October 31, 2013.[105] A proposed Senate amendment to terminate the ARRA benefit upon enactment of an FY2012 appropriation was ruled non-germane and fell by point of order (S.Amdt. 764).

The enacted FY2012 appropriation, as well as the House- and Senate- passed bills, also include savings through a "change in mandatory spending." The law rescinds SNAP employment and training funds that would have been carried over from FY2011 into FY2012; CBO has scored a savings of $11 million for this change (**Table 8**).

Child Nutrition Programs

Appropriations under the child nutrition budget 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 (CACFP), the Summer Food Service program, the Special Milk program, assistance for child-nutrition-related state administrative expenses (SAE), procurement of commodities for child nutrition programs (in addition to those funded from separate budget accounts within USDA),

[104] From a Statement of Administration Policy on the Senate bill, dated October 17, 2011, "The Administration encourages the Senate to fund the contingency fund for the [SNAP] at the President's FY 2011 Budget level of $5 billion. The SNAP contingency fund typically holds in reserve about three to four weeks' worth of benefits to cover unforeseen events, such as disasters and fluctuations in food prices." See http://www.whitehouse.gov/sites/default/files/omb/legislative/sap/112/saphr2112s_20111017.pdf.

[105] See CRS Report R41374, *Reducing SNAP (Food Stamp) Benefits Provided by the ARRA: P.L. 111-226 and P.L. 111-296*.

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, and support activities such as technical assistance to providers and studies/evaluations. (In addition to these appropriations, child nutrition efforts are supported by mandatory permanent appropriations and other funding sources discussed below in "Other Funding Support.")

The enacted appropriation for FY2012 provides a total of $18.2 billion for child nutrition programs, 5% above the amount provided in FY2011 and $40 million below the Administration's request. Increases from FY2011 are primarily the result of added funding for school meal programs (based on estimates of increased participation). The enacted law does not provide the Administration-requested funding for "Hunger-Free Community" grants (-$25 million) or State Childhood Hunger Challenge grants (-$10 million). P.L. 112-55 and the Senate-passed bill appropriate $620 million less than the House-reported bill would have.

Report language in H.Rept. 112-284 breaks out the enacted FY2012 funding as follows (significant House differences are noted where applicable):

- $10.2 billion for the School Lunch program,
- $3.3 billion for the School Breakfast program,
- $2.8 billion for the CACFP,
- $1.1 billion for procurement of commodities for child nutrition programs,[106]
- $400 million for the Summer Food Service program, and
- $279 million for SAE (**Table 18**).

P.L. 112-55 and USDA's Proposed Rule on Nutrition Standards

In P.L. 112-55, several provisions respond to USDA's proposed rule on nutrition standards in the school lunch and breakfast program. The enacted law makes FY2012 funding contingent on the content of USDA's interim final or final rule. Specifically, P.L. 112-55 seeks to use appropriations language to influence USDA's rulemaking with regard to the crediting of tomato paste, sodium reduction, whole grain requirements, and starchy vegetables.[107]

The requirement that USDA propose a rule updating the nutrition guidelines for the school lunch and school breakfast programs, and the timeline for doing so, was included in the most recent child nutrition reauthorization, P.L. 111-296, or the Healthy, Hunger-Free Kids Act of 2010.[108] This rule was to be based upon recommendations of the National Research Council, of which the Institute of Medicine (IOM) is a part.[109] On January 13, 2011, USDA published in the *Federal*

[106] This represents approximately half of the expected value of commodities to be provided to child nutrition programs. Commodities will also be procured using Section 32 funds described elsewhere in this report.

[107] For a media discussion of these provisions, please see Nirvi Shah, "Rewrite of School Lunch Rules Falls Short of Goals," *Education Week*, November 30, 2011, http://www.edweek.org/ew/articles/2011/11/30/13lunch.h31.html.

[108] For a summary of P.L. 111-296, see also CRS Report R41354, *Child Nutrition and WIC Reauthorization: Issues and Legislation in the 111th Congress*.

[109] The Institute on Medicine is an entity of the National Research Council.

Register the proposed rule and an explanatory preamble.[110] The rule, which largely follows the Institute of Medicine's recommendations, includes a number of changes to the meal pattern, such as more fresh fruits and vegetables and more whole grains, in addition to reductions in fat, calories, and sodium.

Among the other requirements, the proposed rule also included a change to the way tomato paste would be counted or "credited" in the school lunch and breakfast programs. Under the implementation of the current regulation, tomato paste and puree are credited as a calculated volume based on the number of tomatoes involved in their processing.[111] The proposed rule specifies that all fruits, with the exception of dried fruits, and all vegetables, with the exception of leafy greens are, to be credited based on their volume served.[112] In Section 743 of P.L. 112-55, the law states, "None of the funds made available by this Act may be used to implement an interim final or final rule ... that (1) requires crediting of tomato paste and puree based on volume." Much of the media discussion of the tomato paste issue has been phrased in terms of pizza.[113] Neither USDA policy nor P.L. 112-55 explicitly make a change to pizza; rather the tomato paste change would have an impact on the nutritional crediting of cheese pizza without added vegetables. Under current USDA policy, the amount of sauce on an individual serving of pizza could be credited as one serving of vegetables in the meals program, whereas volume-for-volume (USDA's proposed change) the sauce alone on a typical individual cheese pizza could not be credited as a serving of vegetables.

Section 743 also contains language to influence the sodium reduction and whole grain aspects of the proposed rule. The proposed rule had created a tiered timeline that would phase in reductions in sodium as well as a number of requirements related to whole grains. Section 743 includes language on those aspects of the rule, conditioning FY2012 appropriations on the Secretary's certification "that the Department has reviewed and evaluated relevant scientific studies and data relevant to the relationship of sodium reductions to human health" before moving beyond Target I reductions and also conditioning them on a definition of "whole grain."

The proposed rule also includes a limit of 1 cup per week of starchy vegetables—white potatoes, corn, lima beans, and green peas—at lunch and no starchy vegetables at breakfast. USDA and IOM cite interest in promoting vegetables in the other subgroups over the familiar starchy ones.[114] Senator Susan Collins introduced an amendment, S.Amdt. 757, and later an amended version, S.Amdt. 804, which passed by unanimous consent on October 18, 2011. Per floor statement, the passed language was negotiated with USDA.[115] This language was in the Senate-passed bill, and

[110] U.S. Department of Agriculture, "Nutrition Standards in the National School Lunch and School Breakfast Programs; Proposed Rule," 76 *Federal Register* 2494-2570, January 13, 2011, at http://www.fns.usda.gov/cnd/Governance/regulations/2011-01-13.pdf.

[111] 7 C.F.R. §§210.10; U.S. Department of Agriculture, Food and Nutrition Service, Food Buying Guide for Child Nutrition Programs, pp. 2-3, http://www.fns.usda.gov/tn/resources/FBG_Section_2-VegFruits.pdf ("Vegetable and fruit concentrates are allowed to be credited on an 'as if single-strength reconstituted basis' rather than on the actual volume as served").

[112] U.S. Department of Agriculture, "Nutrition Standards in the National School Lunch and School Breakfast Programs; Proposed Rule," 76 *Federal Register* 2554, January 13, 2011, at http://www.fns.usda.gov/cnd/Governance/regulations/2011-01-13.pdf.

[113] See Bill Tomson, "Lawmakers Step Into Food Fight Over Pizza," *The Wall Street Journal*, November 18, 2011, p. A5., http://online.wsj.com/article/SB10001424052970204517204577044533506200916.html.

[114] IOM (Institute on Medicine), *School Meals: Building Blocks for Healthy Children*, Washington , DC, 2010.

[115] Sen. Susan Collins, "Agriculture, Rural Development, Food And Drug Administration, And Related Agencies Appropriations Act Of 2012," Senate debate, *Congressional Record*, October 18, 2011, pp. S6635-36.

then was also included in the conference agreement, Section 746. Based on floor statements and media appearances, while the language would implicate all of the starchy vegetables, the white potato has been a particular focus.[116]

While Sections 743 and 746 appear to withhold FY2012 funds for implementation of certain regulatory content, it is uncertain to what extent the appropriation will affect the substance and timing of USDA's next version of the rule.

Food Donation Program

Section 734 of P.L. 112-55, unlike the House- and Senate-passed bills, includes authorizing language that specifies that schools and local education agencies that participate in the National School Lunch Program may donate their unused food to food banks and other charities and would be exempt from liability as specified under the Bill Emerson Good Samaritan Food Donation Act (P.L. 104-210).

The WIC Program

The enacted FY2012 appropriation provides $6.619 billion for WIC in FY2012, approximately $35 million more than proposed in the Senate-passed bill (+0.5%). This is about $582 million more than the House-passed bill would have provided (+9.7%), $150 million below the FY2011 appropriation (-2%) , and roughly $800 million less than the $7.390 billion requested by the Administration in February (-10.8%). A minimum of $60 million of the appropriation is to fund breast-feeding peer counselors and related activities. The House-passed WIC appropriation also would have allocated some $139 million of the total for specific WIC support activities: at least $64 million for program infrastructure development and state management information systems and $75 million for breastfeeding peer counseling. The Senate proposed $60 million for breastfeeding programs.

While SNAP (and other Food and Nutrition Act programs) and child nutrition programs are appropriated entitlements, meaning that the money appropriated is to be enough to provide services to all that are entitled according to underlying law's program requirements, WIC is a discretionarily funded program. Nonetheless, historically, appropriators have treated WIC as though it was an entitlement, appropriating enough to serve all eligible. This change in tenor is newly significant in light of the discretionary caps in the Budget Control Act (P.L. 112-25). There were questions as to whether the rising cost of food is accounted for in the Senate WIC amount; although Administration forecasts have incorporated a 2% rise in food inflation, critics contend that this does not adequately capture the current growth of costs in the program.[117] Unlike the appropriated entitlements, an inadequate appropriation for the WIC program may reduce the number of pregnant and postpartum women, infants, and children that the program can serve.

[116] Robert Pear, "Senate Saves the Potato on School Lunch Menus," *The New York Times*, October 18, 2011, pp. http://www.nytimes.com/2011/10/19/us/politics/potatoes-get-senate-protection-on-school-lunch-menus.html.

[117] Zoë Neuberger, *Will WIC Turn Away Eligible Low-income Women and Children Next Year?*, Center on Budget and Policy Priorities, September 19, 2011, http://www.cbpp.org/files/9-19-11fa.pdf.

WIC Amendments in House-Passed H.R. 2112

For the House-passed bill, the funding level for WIC was subject to amendments in subcommittee and on the floor, and a topic for extensive floor debate over the direction of and/or need for cuts in the bill. An amendment by Representative Rosa DeLauro was adopted in the committee-reported version of the bill that increased the funding for WIC by $147 million (relative to the subcommittee draft) by prohibiting USDA from making a payment to the Brazil Cotton Institute.[118] The DeLauro amendment was in two parts: (1) an increase to the WIC appropriation section in the subcommittee draft from $5.901 billion to the $6.048 billion in the committee-reported version of the bill, and (2) the offset from mandatory funds under the jurisdiction of the Agriculture authorizing committee (§743 of the committee-reported bill). The rule for floor consideration (H.Res. 300) of H.R. 2112 did not protect the offset from points of order. On the floor, Representative Lucas successfully raised a point of order against the offset that it violated a rule against legislating in an appropriations bill, and the offset provision was removed.

With the offset struck, the increase to WIC was retained and unpaid for. In order to preserve the increased funding for WIC but keep the bill at the same funding level so that it did not exceed the House's discretionary limit for the whole agriculture appropriations, Chairman Kingston offered an amendment, adopted by voice vote, for an across-the-board 0.78% rescission to discretionary accounts in the bill (a new Section 743 of the House-passed bill). The amendment was scored to save $147 million. This rescission affects the WIC section as well, so that WIC funding in H.R. 2112 is $6.001 billion rather than the $6.048 billion figure in legislation.

Additional WIC Issues in House Subcommittee Report and Floor Debate

In addition to the WIC appropriation itself, Chairman Kingston's subcommittee report language and the floor debate included discussion of several WIC issues.[119] Some of the issues discussed include adjunctive eligibility,[120] administrative costs,[121] and carryover funds.[122]

---

[118] The payment to the Brazil Cotton Institute is discussed in the "
Commodity Credit Corporation" section of this report.

[119] For a summary of some of the issues discussed, see Pete Kasperowicz, "House Bogged down in Fight over Women, Infant, and Children Food Program," *The Hill*, June 14, 2011, http://thehill.com/blogs/floor-action/house/166415-house-bogged-down-in-fight-over-women-infant-and-children-food-program.

[120] WIC law allows eligibility for WIC benefits based on enrollment in other low-income programs, including Medicaid. Because certain states have Medicaid income limits as high as 250% of the federal poverty level, some WIC participants in some states have higher incomes than the 185% FPL limit in WIC's authorizing statute. See U.S. Congress, House Committee on Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, 2012*, committee print, 112th Cong., 1st sess., June 3, 2011, H.Rept. 112-101, pp. 43-44.

[121] Because of how cost data are collected, the costs of nutrition counseling are included in the overall administrative costs for the program. This can create a deceptively high percentage of WIC's administrative costs, depending on whether one considers nutrition counseling to be a fundamental service of the WIC program. Kerry Young, "WIC Program Counseling: All Talk or Essential Action?," *CQ Today Online News*, June 13, 2011, http://public.cq.com/docs/news/news-000003887202.html.

[122] In both the subcommittee print and on the floor, Chairman Kingston discussed that $562 million in WIC funding would have been available as carryover funds if it had not been rescinded as an offset for the Claims Resolution Act of 2010, P.L. 111-291, a law that funded, among other provisions, the *Pigford* settlement and an extension to the Temporary Assistance for Needy Families program. For more information on the *Pigford* settlement, see CRS Report RS20430, *The Pigford Cases: USDA Settlement of Discrimination Suits by Black Farmers*.

Commodity Assistance Program

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

The enacted FY2012 appropriation provides $242 million for the Commodity Assistance Program account. This total is $4 million less than was included in FY2011 appropriations for this account and $54 million less than the Administration's request (**Table 18**).

Table 18. Domestic Food Assistance (USDA-FNS) Appropriations

(budget authority in millions of dollars)

	FY2010	FY2011	FY2012				Change from FY2011 to FY2012	
Program	P.L. 111-80	P.L. 112-10	Admin. Request[a]	House-passed	Senate-passed	P.L. 112-55	$	%
Child Nutrition Programs								
Account Total[b] (including transfers of funds)	16,855.8	17,319.9	18,810.6	18,770.4	18,151.2	18,151.2	+831.3	+5%
National School Lunch Program	*9,967.1*	*9,981.1*	10,884.0	10,884.0	*10,169.6*	*10,169.6*	*+188.5*	+2%
School Breakfast Program	*2,920.4*	*3,094.0*	3,337.7	3,337.7	*3,313.8*	*3,313.8*	*+219.8*	+7%
Child and Adult Care Food Program (CACFP)	*2,640.9*	*2,686.3*	2,818.4	2,818.4	*2,831.5*	*2,831.5*	*+145.2*	+5%
Special Milk Program	*12.7*	*12.5*	13.1	13.1	*13.2*	*13.2*	*+0.7*	+6%
Summer Food Service Program	*387.3*	*392.7*	400.5	400.5	*402.0*	*402.0*	*+9.3*	+2%
State Administrative Expenses	*193.3*	*206.9*	279.0	279.0	*279.0*	*279.0*	*+72.1*	+35%
Commodity Procurement for Child Nutrition	*685.9*	*907.9*	972.7	972.7	*1,075.7*	*1,075.7*	*+167.8*	+18%
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)								
Account Total	7,252.0	6,734.0	7,390.1	6,001.1	6,582.5	6,618.5	-115.5	-2%
Supplemental Nutrition Assistance Program (SNAP)								
Account Total[b]	58,278.2	70,613.4[c]	73,183.8	71,173.3	80,402.7	80,401.7	+12,788.3	+14%
SNAP benefits	*49,623.9*	*61,001.0*	*61,816.7*	*61,816.7*	*70,524.6*	*70,524.6*	*+9,523.6*	+16%
Contingency Reserve Fund	*3,000.0*	*3,000.0*[c]	*5,000.0*	*3,000.0*	*3,000.0*	*3,000.0*	*+0.0*	+0%
State Administrative Costs	*3,043.0*	*3,618.0*	*3,332.0*	*3,332.0*	*3,742.0*	*3,742.0*	*+124.0*	+3%
Employment and Training	*380.9*	*387.9*	*396.0*	*396.0*	*397.1*	*397.1*	*+9.2*	+2%
TEFAP Commodities	*248.0*	*247.5*	*248.8*	*200.0*[d]	*260.3*	*260.3*	*+12.8*	+5%
Food Distribution Program on Indian Reservations	*112.8*	*97.0*	*102.7*	*102.7*	*102.7*	*102.7*	*+5.7*	+6%
Commonwealth of Northern Mariana Islands	*12.1*	*12.1*	*12.1*	*12.1*	*13.1*	*13.1*	*+1.0*	+8%
Puerto Rico and American Samoa	*1,753.4*	*1,751.6*	*1,758.6*	*1,758.6*	*1,842.8*	*1,842.8*	*+91.2*	+5%

Program	FY2010	FY2011	FY2012				Change from FY2011 to FY2012	
	P.L. 111-80	P.L. 112-10	Admin. Request[a]	House-passed	Senate-passed	P.L. 112-55	$	%
Commodity Assistance Program								
Account Total[b]	248.0	246.6	249.6	196.0	242.3	242.3	-4.3	-2%
Commodity Supplemental Food Program	*171.4*	*175.7*	*176.8*	*142.0*	*176.8*	*176.8*	*+1.1*	*+1%*
WIC Farmers Market Nutrition Program	*20.0*	*20.0*	*20.0*	*15.0*	*16.5*	*16.5*	*-3.5*	*-18%*
TEFAP Administrative Costs	*49.5*	*49.4*	*50.0*	*38.0*	*48.0*	*48.0*	*-1.4*	*-3%*
Nutrition Program Administration								
Account Total	147.8	147.5	170.5	124.0	140.1	138.5	-9.0	-6%

Source: CRS, complied from P.L. 112-55, P.L. 112-10, P.L. 111-80, and unpublished appropriations and Administration tables.

a. The Administration request reflected in this column is from the USDA-FNS budget request submitted to Congress in February 2011. An updated estimate reflecting changes to some program levels was submitted in the time between House and Senate passage.

b. "Account Total" does not equal the sum of the programs listed below. Programs listed below are a selection of the funding that makes up the account total.

c. Committee and conference reports show conflicting information for FY2011's SNAP (or Food and Nutrition Act) Account Total. The FY2011 continuing resolution (P.L. 112-10) gave USDA-FNS indefinite authority for Food and Nutrition Act programs, allowing for "amounts necessary to maintain current program levels under current law." The amounts for SNAP in S.Rept. 112-73 match the funds apportioned by OMB to USDA-FNS, and this column reflects those numbers rather than the amount in the original request or the conference agreement table. However, all committee reports indicate that a contingency reserve fund of $3 billion was appropriated whereas the agency did not interpret a contingency reserve fund. For these reasons, this total does not match **able 2** or **Table 3**, which utilized the FY2011 numbers contained in the H.Rept. 112-284 conference agreement.

d. TEFAP appropriations in the Food and Nutrition Act account in the House-passed bill reflect a general provision that capped spending at $200 million.

Of the total, approximately $176.8 million will be appropriated for the CSFP, which adopts the Senate-passed level and equals the Administration's request. The FY2012 appropriation is less than 1% above the FY2011's level and 25% above the House-passed bill's $142 million.

The enacted FY2012 appropriation includes $48 million for TEFAP costs other than the value of federally provided commodities (which are funded under the Food and Nutrition Act budget account). The House bill had proposed $10 million less.

The enacted FY2012 appropriation provides approximately $17 million for the FY2012 WIC Farmers' Market Nutrition Program.[123] The Administration had requested $20 million for this program. The House-passed bill would have provided $15 million.

The enacted law provides a total of $1 million for Pacific Island assistance in FY2012; this is the same level as in FY2011.

Nutrition Programs Administration (and the Congressional Hunger Center)

This budget account covers spending for federal administration of all the USDA domestic food assistance program areas noted above, special projects for improving the integrity and quality of these programs, and the Center for Nutrition Policy and Promotion (CNPP), which provides nutrition education and information to consumers (including various dietary guides).

The enacted FY2012 appropriation provides $139 million, compared to $147.5 million in FY2011 (-6%).

Other Funding Support

As in earlier years, domestic food assistance programs will receive FY2012 support from sources other than FY2012 appropriations:

- Food commodities are provided to child nutrition programs in addition to those purchased with appropriations from the Child Nutrition account. They are financed through the use of permanent appropriations under Section 32.[124] For example, out of a total of about $1.1 billion in commodity support provided in FY2008, about $480 million worth came from outside the Child Nutrition account. Historically, about half the value of commodities distributed to child nutrition programs has come from the Section 32 account.
- The Fresh Fruit and Vegetable program offers fresh fruits and vegetables in selected elementary schools nationwide. It is financed with mandatory funding directed by the 2008 farm bill. The underlying law (Section 4304 of the farm bill) provides funds at the beginning of every school year (each July)—$101 million in July 2010, $150 million in July 2011, and $133 million in July 2012. However, as was done for FY2009, FY2010, and FY2011, Section 718 of H.R. 2112 delays

[123] Unlike the WIC Farmers' Market Nutrition Program discussed here, the *Seniors* Farmers' Market Nutrition Program receives $21 million a year from outside the regular appropriations process under the terms of its underlying law.

[124] For more information on Section 32, see CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*.

the availability of much of the $133 million scheduled for July 2012 until October 2012. As a result, H.R. 2112, as with the Agriculture appropriations acts which preceded it, effectively would allocate the total annual spending for the Fresh Fruit and Vegetable program mandated by the farm bill by fiscal year rather than school year, with no reduction in overall support (savings scored in **Table 8**).

- The Food Service Management Institute (technical assistance to child nutrition providers) is funded through a permanent annual appropriation of $4 million/yr.
- The Seniors Farmers' Market Nutrition program receives $21 million of mandatory funding per year (FY2008-FY2012) outside the regular appropriations process under the terms of its underlying authorizing law (Section 4402 of the 2008 farm bill).

Agricultural Trade and Food Aid

The Agriculture appropriations act funds farm bill programs that promote U.S. commercial agricultural exports, provide international food aid, and provide technical assistance to developing countries to improve global agricultural productivity and market development. All programs are administered by the USDA Foreign Agriculture Service, except for the Title II of the Food for Peace Program—the largest of the suite—that is administered by the U.S. Agency for International Development (USAID).[125]

Appropriations for agricultural trade and food aid are made in the following areas:

- The **Foreign Agricultural Service (FAS)** is the main USDA agency responsible for international activities. It works to improve the competitive position of U.S. agriculture and products in the world market, and also administers USDA's export credit guarantee and food aid programs.
- The **Food for Peace Program (P.L. 480)** is administered by the U.S. Agency for International Development (USAID) and aims to combat hunger and malnutrition, and promote equitable and sustainable development and global food security.
- The **Commodity Credit Corporation (CCC) Export Credit Guarantee Program** provides payment guarantees for the commercial financing of U.S. agricultural exports. An appropriation is made for salaries and expenses.
- The **McGovern-Dole International Food for Education and Child Nutrition Program** provides donations of U.S. agricultural products and financial and technical assistance for school feeding and maternal and child nutrition projects in developing countries.

P.L. 112-55 provides $1.836 billion for FY2012, which is $55.7 million (-3%) less than FY2011 levels for foreign assistance and related programs. For FY2012, the Administration requested $2.13 billion for foreign agriculture-related activities. In addition, the FY2012 request allocated

[125] For additional information on USDA's international activities, see CRS Report R41072, *International Food Aid Programs: Background and Issues*.

about $416 million in mandatory spending for programs authorized in the 2008 farm bill, specifically for overseas market development, technical assistance for specialty crops, and for foreign food assistance. The President's request for FY2012, however, did not include funding for dairy export subsidies or trade adjustment assistance for farmers. The enacted FY2012 appropriation was $473 million more than the House-passed bill, H.R. 2112, which would have provided $1.39 billion for foreign agriculture-related activities, and $94 million less than the Senate-passed bill, which would have provided $1.93 billion.

Foreign Agricultural Service

P.L. 112-55 includes $176.3 million for the Foreign Agriculture Service (FAS), which is $9.3 million (-5%) less than appropriated in FY2011. The Administration's FY2012 budget request for FAS was $230 million, and included $20 million in discretionary funding for trade expansion and promotion activities as part of the National Export Initiative (NEI), a government-wide effort to double U.S. exports over the next five years.[126] The FAS budget also included $14.6 million to support the Department's participation in reconstruction and stabilization activities in Afghanistan and Iraq, as well as other food insecure countries. The House-passed bill for FY2012 would have provided $171 million for FAS salaries and expenses, while the Senate bill would have provided $176.4 million.

Food for Peace Program (P.L. 480)

For FY2012, Food for Peace (P.L. 480) Title II humanitarian food aid, which is by far the largest component of international agriculture expenditures, was appropriated $1.466 billion, $31 million (-3%) less than FY2011. The enacted FY2012 funding levels are $224 million (-13.3%) lower than the Administration's FY2012 request of $1.69 billion, which was also similar to FY2010 levels for Title II food aid. The House-passed bill, H.R. 2112, would have provided $1.03 billion for Title II, while the Senate-passed bill would have provided $ 1.56 billion. No funding for new Title I or Title III activities has been requested since 2002.

Three provisions affecting the Food for Peace program were included in the General Provisions of P.L. 112-55. Section 715 states that the minimum funding requirements for nonemergency food aid "may be waived for any amounts higher than those specified under this authority for fiscal year 2010," which is any amount over $400 million. As has been done in previous appropriation bills, Section 718 includes a provision that would limit, up to $20 million, the amount of Food for Peace funds available for reimbursement of the Commodity Credit Corporation for the release of commodities from under the Bill Emerson Humanitarian Trust (7 U.S.C. 1736f-1). The third provision, provided in Section 741, states that Title II funds "may only be used to provide assistance to recipient nations if adequate monitoring and controls, as determined by the Administrator of the U.S. Agency for International Development, are in place to ensure that emergency food aid is received by the intended beneficiaries in areas affected by food shortages and not diverted for unauthorized or inappropriate purpose."

Unlike the Bush Administration, the Obama budget requests have not proposed to allow the Administrator of USAID to use up to 25% of Food for Peace Title II funds for local or regional purchases of commodities (i.e., non-U.S. commodities) to address international food crises. To

[126] See CRS Report R41929, *Boosting U.S. Exports: Selected Issues for Congress*.

date, Congress has not supported this request. Instead, for FY2012, similar to the previous two years, the President requested that $300 million from the International Disaster Assistance (IDA) account within USAID be made available for local and regional procurement of food assistance to address food insecurity in emergency situations.[127] In addition, the 2008 farm bill authorized $60 million of CCC funds (mandatory funds, not Title II appropriations), over four years for a pilot project to assess local and regional purchases of food aid for emergency relief.

McGovern-Dole Food for Education and Child Nutrition

P.L. 112-55 provides $184.0 million for the McGovern-Dole Program, $15.1 million (-7.6%) less than FY2011 levels. The President's request for FY2012 included $200.5 million for the McGovern-Dole Program. The House-passed bill would have provided $179 million, while the Senate-passed bill would have provided $188 million.

Commodity Credit Corporation—Export Credit Guarantee Programs

The enacted FY2012 appropriation includes $6.8 million of discretionary appropriations for administrative expenses to support an CCC's overall program level of $5.5 billion, which includes $5.4 billion for the Export Credit Guarantee Program, also known as GSM-102, and $100 million for the Facilities Financing Guarantees. This amount is similar to the level requested by the Administration for these activities. The House-passed bill would have provided a little bit less than $6.8 million, while the Senate bill would have provided $6.5 million for administrative expenses. The export credit programs are permanently authorized. Appropriations to this account are used for administrative expenses.

In addition, the 2008 farm bill provides mandatory funding to other programs that promote export market development. These amounts are not directly appropriated, but are included within the CCC amount elsewhere in the bill. These include:

- $200 million for the Market Access Program;
- $34 million for the Foreign Market Development Program;
- $9 million for the Technical Assistance for Specialty Crops (TASC) Program; and
- $10 million for the Emerging Markets Program;.

Mandatory funding levels requested by the Administration for international food assistance programs include:

- $156 million for Food for Progress; and
- $5 million for the Local and Regional Commodity Procurement Pilot Program.

[127] IDA funding is covered in the Foreign Operations appropriations; see CRS Report R41905, *State, Foreign Operations, and Related Programs: FY2012 Budget and Appropriations*.

USDA's "Know Your Farmer, Know Your Food" Initiative

The FY2012 appropriations act does not specifically address the USDA-wide initiative "Know Your Farmer, Know Your Food." However, the joint explanatory statement (H.Rept. 112-284) places a reporting requirement on USDA requiring that USDA post information on its website prior to any travel primarily related to the ''Know Your Farmer, Know Your Food'' initiative, as well as submit a report to the appropriations committees on the impacts of this initiative over the previous two years, and that USDA include justification for this initiative in the Administration's FY2013 budget request.

The House-passed version of H.R. 2112 contained a number of provisions that would have more rigorously restricted funding for activities under "Know Your Farmer, Know Your Food," as well as reduced funding for selected USDA research and rural development programs for local and regional food production. The Senate-passed version did not put funding restrictions on the "Know Your Farmer, Know Your Food" initiative, and the Senate committee report (S.Rept. 112-73) made no other recommendations or clarifications regarding this USDA initiative.

"Know Your Farmer, Know Your Food" is a USDA-wide initiative that was launched by USDA in September 2009 to "begin a national conversation to help develop local and regional food systems and spur economic opportunity."[128] The initiative was designed to eliminate organizational barriers between existing USDA programs and promote enhanced collaboration among staff, leveraging existing USDA activities and programs, and thereby "marshalling resources from across USDA to help create the link between local production and local consumption."[129] It is not a stand-alone program and does not have its own budget;[130] instead, it is a departmental initiative, and not connected to a specific office or subagency. This is done by highlighting various existing programs within USDA that are available to support local farmers; strengthen rural communities; promote healthy eating; protect natural resources; and provide grants, loans and support.[131] Linking local production with local consumption of farm products also is one of the primary goals of USDA's Regional Innovation Initiative.[132]

Among the programs mentioned for leveraging local and regional food production systems are (1) marketing and promotion programs (such as the Specialty Crop Block Grant Program, Farmers Market Promotion Program, and Federal State Marketing Improvement Program); (2) rural and community development programs (such as Value-Added Producer Grants, Community Food Projects Competitive Grants, Beginning Farmer and Rancher Development Program, Rural Business Enterprise Grants, Rural Business Opportunity Grant, Rural

---

128 USDA, "USDA Launches 'Know Your Farmer, Know Your Food' Initiative to Connect Consumers with Local Producers to Create New Economic Opportunities for Communities," September 15, 2009, Release No. 0440.09.

129 USDA, "Our Mission," http://www.usda.gov/wps/portal/usda/knowyourfarmer?navtype=KYF&navid=KYF_MISSION; and AMS, "Regional Food Hubs: Linking Producers to New Markets," May 2011.

130 Letter to Senators McCain, Roberts, and Chambliss from USDA Secretary Vilsack, April 30, 2010.

131 USDA, http://www.usda.gov/wps/portal/usda/knowyourfarmer?navid=KNOWYOURFARMER; see also USDA memos at http://www.usda.gov/wps/portal/usda/knowyourfarmer?navtype=KYF&navid=KYF_GRANTS.

132 The other goals of USDA's Regional Innovation Initiative include rural broadband, biofuels and biobased products, ecosystem markets to pay farmers for storing carbon, and forest restoration and private land conservation. USDA proposed this initiative as part of its FY2011 budget request (USDA, "FY2011 Budget Summary and Annual Performance Plan, at http://www.obpa.usda.gov/budsum/FY11budsum.pdf). Like "Know Your Farmer, Know Your Food," it also spans several mission areas such as Rural Development, Marketing and Regulatory Programs, and Natural Resources and Environment. See the introduction of the "Rural Development"section earlier in this report.

Cooperative Development Grant, Business and Industry (B&I) Guaranteed Loan Program, and Farm Storage Facility Loans); and (3) selected USDA research and cooperative extension programs.[133] In response to demand for farm-to-school activities, certain USDA nutrition and domestic food programs, such as the farm-to-school and some fresh fruit and vegetable programs, also have been associated with the initiative. Since its launch, USDA has announced funding for various projects under these and other programs identified as promoting local-scale sustainable operations.[134]

Some in Congress have challenged USDA's "Know Your Farmer, Know Your Food" initiative. In April 2010, three Senators wrote a letter to USDA Secretary Vilsack expressing concerns about "Know Your Farmer, Know Your Food." The letter stated: "[T]his spending doesn't appear geared toward conventional farmers who produce the vast majority of our nation's food supply, but is instead aimed at small, hobbyist and organic producers whose customers generally consist of affluent patrons at urban farmers markets," among other concerns regarding USDA's promotion and prioritization of local food systems. The letter also requested evidence of USDA's congressional authority to spend money for "Know Your Farmer, Know Your Food" and to provide a full itemized accounting of all spending under the initiative.[135]

In response, USDA clarified that the initiative "does not have any budgetary or programmatic authority.... Rather, it is a communications mechanism to further enable our existing programs to better meet their goals and serve constituents as defined in the respective authorizing legislation and regulations. While there are no programs under the initiative, since September 2009 a number of our program funding announcements have included a reference to 'Know Your Farmer, Know Your Food.'"[136]

USDA also asserts that "none of these programs are providing preference to local and regional food system projects, except as provided for in their existing regulatory rules or legislative authority."[137] Such cases are limited to two statutory cases: (1) a 5% set-aside established in the 2008 farm bill for rural development Business and Industry loans, and (2) an allowance for schools to use $5 million for local purchases under the Department of Defense Fresh Fruit and Vegetable Program (DoD Fresh). The regulatory case (set by administrative notice) is in USDA's Rural Housing and Community Facilities Program that states, "[The] goal that each state must fund at least one project" that supports the initiative in FY2010.[138]

[133] See USDA at http://www.usda.gov/wps/portal/usda/knowyourfarmer?navtype=KYF&navid=KYF_MISSION; also, National Sustainable Agriculture Coalition, "Guide to USDA Funding for Local and Regional Food Systems," at http://sustainableagriculture.net/wp-content/uploads/2010/05/NSAC_FoodSystemsFundingGuide_FirstEdition_4_2010.pdf.

[134] For example, USDA's initial press release announced the following funding under the initiative: Risk Management Agency for collaborative outreach and assistance programs to socially disadvantaged and underserved farmers; Food Safety and Inspection Service to implement a new voluntary cooperative program for state-inspected establishments to ship meat and poultry in interstate commerce; Rural Development grants to help local business cooperatives, and grants to the to the Northwest Food Processors Association under its Rural Business Opportunity Grant.

[135] Letter to USDA Secretary Vilsack from Senators McCain, Roberts, and Chambliss, April 27, 2010.

[136] Letter to Senators McCain, Roberts, and Chambliss from USDA Secretary Vilsack, April 30, 2010.

[137] Ibid.

[138] Letter to State Directors, Rural Development, from Tammye Treviño, Administrator, regarding the Community Facilities Funding for Local and Regional Food Systems Projects and Know Your Farmer Know Your Food Initiative, June 2010.

The FY2012 House-passed bill included a number of provisions restricting funding for selected USDA programs that fund local and regional food production projects, and also for USDA's "Know Your Farmer, Know Your Food" initiative.[139] The Senate bill did not put restrictions on the use of USDA funds to support USDA's initiative.

The House bill said that no funds could support the "Know Your Farmer, Know Your Food" initiative. The House report (H.Rept. 112-101) further included language requiring USDA to "provide an electronic notification to the committee at least 72 hours prior to any travel in support of the 'Know Your Farmer-Know Your Food' initiative, and such notification shall include the agenda for the entire trip along with the cost to U.S. taxpayers." It also directed the USDA to "post media advisories of all such trips on its website, and that such advisories include the same information." In addition, the House report expressed concern that USDA has awarded "more than $23 million in grants to improve regional and local food systems," and directed the agency to focus "its research efforts on only the highest priority, scientifically merited research." The committee also provided that no funding be used "for any work related to the Community Access to Local Food proposal" at USDA's Economic Research Service (ERS).

Building on the House report, Representative Foxx introduced a floor amendment, which was adopted, to prohibit USDA from using funds for USDA's "Know Your Farmer, Know Your Food" initiative. Failed floor amendments from Representatives Pingree, Jackson Lee, and others would have supported local and regional food systems, removed some of the restrictions, and funded USDA's Urban Gardening Program, the Healthy Food Financing Initiative ($5 million) to address so-called "food deserts" in underserved urban and rural communities.[140]

The enacted FY2012 appropriation bill does not specifically address USDA's "Know Your Farmer, Know Your Food" initiative, similar to the Senate-passed but unlike the House-passed bill. However, the joint explanatory statement places a reporting requirement on USDA:[141]

> The conference agreement does not include a provision (House Section 750) regarding the ''Know Your Farmer, Know Your Food'' initiative. The conferees direct the Department to post on its website prior to any travel primarily related to the ''Know Your Farmer, Know Your Food'' initiative, information including the agenda and the cost of such travel. In addition, within 90 days of enactment of this Act the Secretary shall submit to the Committees on Appropriations of the House and Senate a report on the impacts of this initiative over the previous two years, and to include justification for this initiative in the fiscal year 2013 budget explanatory notes.

Separately, both the House and Senate committees recommended no appropriation for USDA's Healthy Food Financing Initiative (HFFI). The Healthy Food Financing Initiative is intended to provide for various types of financing to support businesses that expand the supply of and demand for nutritious foods, including tax credits, grants, loans, and other types of technical assistance. The President's budget proposed that $35 million be appropriated to this USDA initiative. The Senate committee pointed out that elsewhere in its proposed bill, loans and grants and other forms of technical assistance are made available that may be used toward some of the objectives of this USDA initiative. The joint explanatory statement of the conference report reiterates that the enacted agreement does not include an appropriation for HFFI and further points out that the initiative "has yet to prove that any expenditures made for this initiative have

[139] H.R. 2112, House reported version, §750.

[140] See, for example, *Congressional Record*, June 14-15, 2011, pp. H4164-H4165, H4253-H4256, and H4179-H4181.

[141] H.Rept. 112-284, p. 190 (*Congressional Record*, November 14, 2011, pp. H7433-7576).

been effective" in meeting the goal of ensuring that more people have access to nutritious foods, and directs USDA to submit to Congress a system of metrics to measure the effectiveness and expected results for this initiative.

Related Agencies

Food and Drug Administration (FDA)

The Food and Drug Administration (FDA) regulates the safety of foods and cosmetics; the safety and effectiveness of drugs, biologics (e.g., vaccines), and medical devices; and public health aspects of tobacco products. A part of the Department of Health and Human Services (HHS), FDA had been housed in the Department of Agriculture until 1940 and the Agriculture appropriations subcommittees retain jurisdiction over the FDA budget. FDA's program level, the amount that FDA can spend, is composed of direct appropriations (also referred to as budget authority) and user fees. The enacted FY2012 appropriation provides FDA a total program level of $3.899 billion. That total is $209 million (5.7%) more than what the agency received in FY2011 and 9.3% less[142] than what the President requested for FY2012.

The FY2011 appropriation provided the agency with a total *direct appropriation* of $2.457 billion. The President's request for FY2012 was $2.744 billion. The House-passed bill would have provided $2.155 billion and the Senate-passed bill would have provided $2.506. The enacted conference agreement provided $2.506 billion. This amount is 1.99% higher than the FY2011 appropriation and 8.68% lower than the President's request.

For *user fees*, the enacted FY2012 appropriation includes $1.393 billion in user fees. The total includes prescription drug (PDUFA), medical device (MDUFA), animal drug (ADUFA), animal generic drug (AGDUFA), and tobacco product user fees; certification and Mammography Quality Standards Act (MQSA) fees; and newly authorized food and feed recall, food reinspection, and voluntary qualified importer program (VQIP) fees. Not included in that total is $59.6 million in the President's request for as yet unauthorized fees for generic drugs (GDUFA), medical products reinspection, and international couriers. The FY2012 enacted total for fees is 12.96% more than FY2011.

Adding to the suggestions and directives included in the House and Senate committee reports (H.Rept. 112-101 and S.Rept. 112-73), the enacted conference agreement (H.Rept. 112-284) specifically directs FDA to take five actions. These actions are:

1. report to Congress on plans to allocate the funding increases included in the conference agreement: $39 million to begin implementation of the Food Safety Modernization Act; $30 million for advancing medical countermeasures; and $13 million for mandatory rental payments;
2. report to Congress on specified lengths of time during the drug, biologic, and device application processes (e.g., "average number of calendar days that elapsed

[142] The FY2012 President's request included $60 million in user fees that Congress has not yet authorized. The FY2012 enacted total is 10.57% less than the total request including those fees.

from the date that drug applications ... were submitted to the agency ... until the date that the drugs were approved");

3. publish a proposed rule regarding the safety and efficacy of over-the-counter cold and cough products for children;
4. develop a comprehensive program for imported seafood inspections and safety;
5. develop a clear strategy on prioritizing intervention methods to reduce foodborne illness from known and unknown sources.

Consistent with the Administration and congressional committee formats, each program area in **Table 19** includes funding designated for the responsible FDA center (e.g., the Center for Drug Evaluation and Research or the Center for Food Safety and Applied Nutrition) and the portion of effort budgeted for the agency-wide Office of Regulatory Affairs to commit to that area. also apportions user fee revenue across the program areas as indicated in the Administration's request (e.g., 90% of the animal drug user fee revenue is designated for the animal drugs and feeds program, with the rest going to Headquarters and Office of the Commissioner, GSA rent, and other rent and rent-related activities categories).

Table 19 displays, by program area, the budget authority (direct appropriations), user fees, and total program levels for FDA in FY2011 (as calculated for the agency's June 2011 operating plan), the President's FY2012 request, H.R. 2112 as passed by the House, H.R. 2112 as passed by the Senate, and the conference agreement P.L. 112-55, signed by the President on November 18, 2011. The final two columns show the percentage change from the President's FY2012 request or the June 2011 operating plan, respectively, to the FY2012 conference agreement.

Table 19. FDA Appropriations and User Fees by Program Area

(dollars in millions)

		FY2011	FY2012				Change	
FDA Program Area	Funds	FDA Operating Plan[a]	President's Request[b]	House-passed[c]	Senate-passed	P.L. 112-55	From Request to P.L. 112-55[d]	From FY2011 to P.L. 112-55
Foods	BA	835.7	955.3	746.2	867.1	866.1	-9.34%	3.64%
	Fees [e]	0.0	79.8	48.9	79.1	79.1	—	—[f]
	Total	835.7	1,035.1	795.1	946.2	945.2	—	13.10%
Human drugs	BA	477.0	497.5	413.1	477.3	477.8	-3.96%	0.17%
	Fees [g]	479.1	654.3	614.9	500.9	500.9	—	4.54%
	Total	956.2	1,151.8	1,028.0	978.2	978.7	—	2.36%
Biologics	BA	212.0	224.9	183.4	212.0	212.2	-5.65%	0.10%
	Fees [h]	113.2	143.3	142.8	116.9	116.9	—	3.27%
	Total	325.2	368.3	326.2	328.9	329.1	—	1.20%
Animal drugs and feeds	BA	139.2	147.9	128.5	138.0	138.0	-6.68%	-0.83%
	Fees [i]	22.3	28.6	28.4	28.4	28.4	—	27.63%
	Total	161.5	176.5	156.9	166.4	166.4	—	3.09%

		FY2011	FY2012				Change	
FDA Program Area	Funds	FDA Operating Plan[a]	President's Request[b]	House-passed[c]	Senate-passed	P.L. 112-55	From Request to P.L. 112-55[d]	From FY2011 to P.L. 112-55
Devices and radiological health	BA	322.4	329.1	279.1	322.4	322.7	-1.95%	0.09%
	Fees [j]	55.8	65.8	59.0	53.3	53.3	—	-4.53%
	Total	378.2	394.9	338.1	375.7	376.0	—	-0.59%
Tobacco products	BA	0.0	0.0	0.0	0.0	0.0	—	—
	Fees [k]	421.5	454.8	454.8	454.8	454.8	—	7.90%
	Total	421.5	454.8	454.8	454.8	454.8	—	7.90%
Toxicological research (NCTR)	BA	60.5	60.3	51.1	60.0	60.0	-0.42%	-0.83%
	Fees	0.0	0.0	0.0	0.0	0.0	—	—
	Total	60.5	60.3	51.1	60.0	60.0	—	-0.83%
Headquarters & Office of Commissioner	BA	149.9	197.7	126.4	153.7	153.7	-22.25%	2.54%
	Fees [l]	62.7	91.0	81.6	72.8	72.8	—	16.12%
	Total	212.6	288.6	208.1	226.5	226.5	—	6.54%
GSA rent	BA	150.8	167.8	134.8	160.5	160.5	-4.36%	6.46%
	Fees [m]	32.0	46.5	41.3	48.9	48.9	—	52.85%
	Total	182.7	214.3	176.1	209.4	209.4	—	14.58%
Other rent and rent-related activities	BA	99.6	150.4	84.0	106.0	106.0	-29.51%	6.46%
	Fees [n]	36.5	42.0	39.7	27.9	27.9	—	-23.54%
	Total	136.0	192.3	123.6	133.9	133.9	—	-1.59%
Certification funds	BA	0.0	0.0	0.0	0.0	0.0	—	—
	Fees	10.4	10.4	10.4	10.4	10.4	—	0.00%
	Total	10.4	10.4	10.4	10.4	10.4	—	0.00%
Subtotal: Salaries & Expenses	BA	2,447.0	2,730.9	2,146.6	2,497.0	2,497.0	-8.56%	2.04%
	Fees [o]	1,233.5	1,616.3	1,521.7	1,393.4	1,393.4	—	12.96%
	Total	3,680.5	4,347.2	3,668.3	3,890.4	3,890.4	—	5.70%
Subtotal: Buildings & Facilities	BA	10.0	13.1	8.7	9.0	8.8	-32.68%	-11.94%
	Fees	0.0	0.0	0.0	0.0	0.0	—	—
	Total	10.0	13.1	8.7	9.0	8.8	—	-11.94%
FDA Total								
Budget Authority	**BA**	**2,457.0**	**2,744.0**	**2,155.3**	**2,506.0**	**2,505.8**	**-8.68%**	**1.99%**
Authorized User Fees	**Fees** [p]	**1,233.5**	**1,556.7**	**1,521.7**	**1,393.4**	**1,393.4**	**-10.50%**	**12.96%**
Program Level	**Total**	**3,690.5**	**4,300.7**	**3,677.0**	**3,899.4**	**3,899.2**	**-9.34%**	**5.65%**

Sources: CRS analysis of H.Rept. 112-284, H.Rept. 112-101, S.Rept. 112-73, and Department of Health and Human Services, *Fiscal Year 2012, Food and Drug Administration, Justification of Estimates for Appropriations Committees*, http://www.fda.gov/downloads/AboutFDA/ReportsManualsForms/Reports/BudgetReports/UCM243370.pdf.

Notes: BA=budget authority, also referred to as direct appropriations. Total (program level)=BA+user fees.

a. FY2011 appropriations as revised in June 2011 FDA operating plan.

b. In addition to continuing and newly authorized user fees, the President's request also included $60 million in other user fees that Congress has not yet authorized. Those fees are included in the program-level (e.g., Foods, Human drugs, etc.) rows of this table. For comparison with House-, Senate-, and enacted versions of the FY2012 appropriations bill, only the authorized user fees are included in the subtotal and total rows.

c. H.R. 2112 as passed by the House included a 0.78% rescission on all budget authority amounts specified in the bill text; this table reflects the 0.78% lowered values.

d. This column shows percentage change only in budget authority (BA) from the President's FY2012 request to the FY2012 Conference Agreement. Percentage change is not shown for program-level user fees or program-level totals because the President's request included as-yet unauthorized fees. The Conference Agreement included the authorized fees that the President requested.

e. Foods user fees include food export certification, VQIP, food reinspection, and food recall. The President's request also includes international courier fees.

f. Percentage is undefined (change from $0 to $79.1 million).

g. Human drugs user fees include PDUFA. The President's request also includes GDUFA, medical products reinspection, and international courier fees.

h. Biologics user fees include PDUFA and MDUFA. The President's request also includes medical products reinspection fees.

i. Animal drugs and feeds fees include ADUFA, AGDUFA, food export certification, food reinspection, and food recall. The President's request also includes medical products reinspection fees.

j. Devices and radiological health fees include MDUFA and MQSA. The President's request also includes medical products reinspection and international courier fees.

k. Tobacco products fees are authorized by the Family Smoking Prevention and Tobacco Control Act (FSPTCA).

l. Headquarters and Office of the Commissioner fees include PDUFA, MDUFA, ADUFA, AGDUFA, tobacco, MQSA, VQIP, food inspection, and food recall. The President's request also includes GDUFA, medical products reinspection, and international courier fees.

m. GSA rent fees from PDUFA, MDUFA, ADUFA, AGDUFA, tobacco, VQIP, food reinspection, and food recall. The President's request also includes GDUFA, medical products reinspection, and international courier fees.

n. Other rent and rent-related activities fees from PDUFA, MDUFA, ADUFA, AGDUFA, tobacco, VQIP, food reinspection, and food recall. The President's request also includes GDUFA, medical products reinspection, and international courier fees.

o. S&E subtotal fees include includes authorized fees. The President's request also includes GDUFA, medical products reinspection, and international courier fees.

p. This subtotal of fees includes only authorized fees. As noted in tablenote b, the President's request also includes $60 million in user fees that Congress has not yet authorized. These additional fees are reflected in the program-level rows of the table but not in the subtotals or totals.

Commodity Futures Trading Commission

The Commodity Futures Trading Commission (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. The Dodd-Frank Act (P.L. 111-203) brought previously unregulated swaps markets under CFTC jurisdiction.

Although most derivatives trading is 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. Appropriations for the CFTC are under the jurisdiction of the Agriculture appropriations subcommittee in the House, and the Financial Services and General Government appropriations subcommittee in the Senate.

For FY2011, P.L. 112-10 provided $202 million for the CFTC, up 20% from the $169 million provided for FY2010 before enactment of the Dodd-Frank Act. For FY2012, the President requested $308 million, which would be $105 million more than FY2011 enacted appropriations. The requested increase was intended to ensure that the CFTC can meet its new regulatory responsibilities under the Dodd-Frank Act.

For FY2012, P.L. 112-55 provides $205.3 million for the CFTC, an increase of $3.3 million over FY2011. This amount is $33.3 million more than the House recommended, but $34.7 million less than the Senate Appropriations Committee recommendation, and about $103 million (33%) below the Administration's request.

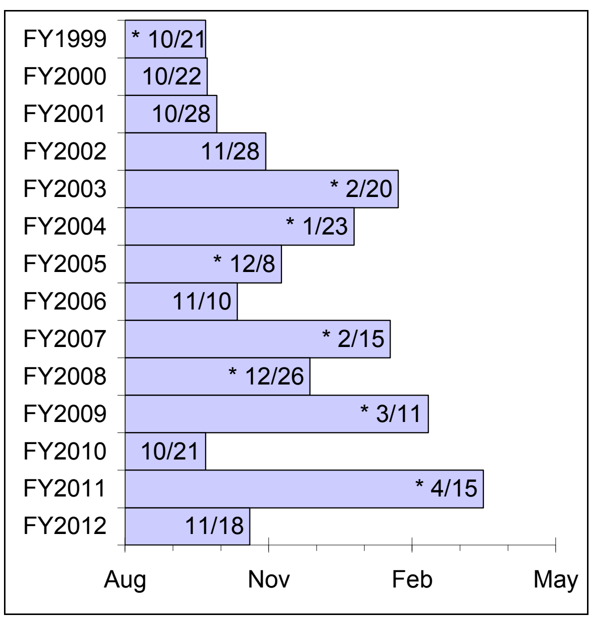
Appendix.

Table A-1. Timeline of Enactment of Agriculture Appropriations, FY1999-FY2012

Fiscal Year	House-passed	Senate-passed	Enacted	Appropriations vehicle	Public Law	CRS Report
1999	6/24/1998	7/16/1998	10/21/1998	Omnibus	P.L. 105-277	98-201
2000	6/8/1999	8/4/1999	10/22/1999	Stand-alone	P.L. 106-78	RL30201
2001	7/11/2000	7/20/2000	10/28/2000	Stand-alone	P.L. 106-387	RL30501
2002	7/11/2001	10/25/2001	11/28/2001	Stand-alone	P.L. 107-76	RL31001
2003	—	—	2/20/2003	Omnibus	P.L. 108-7	RL31301
2004	7/14/2003	11/6/2003	1/23/2004	Omnibus	P.L. 108-199	RL31801
2005	7/13/2004	—	12/8/2004	Omnibus	P.L. 108-447	RL32301
2006	6/8/2005	9/22/2005	11/10/2005	Stand-alone	P.L. 109-97	RL32904
2007	5/23/2006	—	2/15/2007	Year-long CR	P.L. 110-5	RL33412
2008	8/2/2007	—	12/26/2007	Omnibus	P.L. 110-161	RL34132
2009	—	—	3/11/2009	Omnibus	P.L. 111-8	R40000
2010	7/9/2009	8/4/2009	10/21/2009	Stand-alone	P.L. 111-80	R40721
2011	—	—	4/15/2011	Year-long CR	P.L. 112-10	R41475
2012	6/16/2011	11/1/2011	11/18/2011	Minibus	P.L. 112-55	R41964

Source: CRS.

Figure A-1. Timeline of Enactment of Agriculture Appropriations, FY1999-FY2012



Source: CRS.

Notes: An asterisk (*) denotes an omnibus appropriation. A double asterisk (**) denotes a year-long continuing resolution.

Key Policy Staff

Area of Expertise	Name	Phone	E-mail
Agricultural Marketing Service	(name redacted)	7-....	*redacted*@crs.loc.gov
Animal and Plant Health Inspection Service	(name redacted)	7-....	*redacted*@crs.loc.gov
Animal identification	Joel Greene	7-....	*redacted*@crs.loc.gov
Commodity Futures Trading Commission	(name redacted)	7-....	*redacted*@crs.loc.gov
Conservation and related disaster provisions	(name redacted)	7-....	*redacted*@crs.loc.gov
Crop insurance and crop disaster assistance	(name redacted)	7-....	*redacted*@crs.loc.gov
Farm Service Agency and Commodity Credit Corp.	(name redacted)	7-....	*redacted*@crs.loc.gov
Food and Drug Administration	(name redacted)	7-....	*redacted*@crs.loc.gov
Grain Inspection, Packers, and Stockyards Admin.	Joel Greene	7-....	*redacted*@crs.loc.gov
Horticulture	(name redacted)	7-....	*redacted*@crs.loc.gov
Meat and Poultry Inspection	(name redacted)	7-....	*redacted*@crs.loc.gov
Nutrition and domestic food assistance	Randy Aussenberg	7-....	*redacted*@crs.loc.gov
Research and extension	(name redacted)	7-....	*redacted*@crs.loc.gov
Rural Development	(name redacted)	7-....	*redacted*@crs.loc.gov
Section 32	(name redacted)	7-....	*redacted*@crs.loc.gov
Trade and foreign food aid	(name redacted)	7-....	*redacted*@crs.loc.gov
USDA budget generally	(name redacted)	7-....	*redacted*@crs.loc.gov

Author Contact Information

(name redacted), Coordinator
Specialist in Agricultural Policy
[redacted]@crs.loc.gov, 7-....

(name redacted)
Analyst in Agricultural Conservation and Natural Resources Policy
[redacted]@crs.loc.gov, 7-....

(name redacted)
Specialist in Agricultural Policy
[redacted]@crs.loc.gov, 7-....

(name redacted)
Analyst in Natural Resources and Rural Development
[redacted]@crs.loc.gov, 7-....

(name redacted)
Analyst in Nutrition Assistance Policy
[redacted]@crs.loc.gov, 7-....

(name redacted)
Specialist in Drug Safety and Effectiveness
[redacted]@crs.loc.gov, 7-....

(name redacted)
Analyst in Agricultural Policy
[redacted]@crs.loc.gov, 7-....

(name redacted)
Specialist in Agricultural Policy
[redacted]@crs.loc.gov, 7-....