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Agriculture and Related Agencies: FY2017 Appropriations

(name redacted), Coordinator
Specialist in Agricultural Policy

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Summary

The Agriculture appropriations bill funds the U.S. Department of Agriculture (USDA) except for the Forest Service. It also funds the Food and Drug Administration (FDA) and—in even-numbered fiscal years—the Commodity Futures Trading Commission (CFTC). (For CFTC, the Agriculture appropriations subcommittee has jurisdiction in the House but not in the Senate.)

Agriculture appropriations include both mandatory and discretionary spending. Discretionary amounts, though, are the primary focus during the bill's development, since mandatory amounts are generally set by authorizing laws such as the farm bill.

The largest discretionary spending items are the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); agricultural research; FDA; rural development; foreign food aid and trade; farm assistance programs; food safety inspection; conservation; and animal and plant health programs. The main mandatory spending items are the Supplemental Nutrition Assistance Program (SNAP), child nutrition, crop insurance, and the farm commodity and conservation programs paid by the Commodity Credit Corporation.

FY2017 has started under two continuing resolutions that last until April 28, 2017 (P.L. 114-254, Division A). Both the House and the Senate Appropriations Committees had reported their Agriculture appropriations bills (H.R. 5054, S. 2956), but no further action on them occurred.

The discretionary total of the FY2017 House-reported bill is $21.299 billion, which would be $451 million less than enacted in FY2016. The discretionary total of the Senate-reported bill is $21.250 billion. Although it appears less than the House bill, the Senate bill is $201 million more than the House bill on a comparable basis after adjusting for CFTC jurisdiction. Both bills also carry $126.4 billion of mandatory spending, bringing the overall total in excess of $147 billion.

In addition to setting budgetary amounts, the Agriculture appropriations bill is also a vehicle for policy-related provisions that direct how the executive branch should carry out the appropriation. Notable policy provisions in the FY2017 bills include:

- **GIPSA rule.** The House-reported bill would prohibit the Grain Inspection, Packers and Stockyards Administration (GIPSA) from finalizing and implementing a livestock and poultry marketing rule—the "GIPSA rule."
- **Horse slaughter.** Both the House- and Senate-reported bills would prohibit the Food Safety Inspection Service (FSIS) from inspecting horse slaughter facilities.
- **Checkoff programs.** The House report calls for USDA to recognize that checkoff boards are not subject to the Freedom of Information Act (FOIA).
- **Tobacco products.** The House-reported bill would grandfather all e-cigarettes and other newly deemed tobacco products currently on the market so that manufacturers would not have to file premarket applications.
- **SNAP-authorized retailers.** Both bills would limit the scope of rules about inventory requirements for SNAP-authorized retailers.
- **SNAP households reporting requirements.** Both bills would require SNAP households to report a move out of the state to the state agency.
- **School meals nutrition standards.** The House-reported bill again would require exemptions from a 100% whole grain requirement, and prevent USDA from implementing a sodium requirement without scientific evidence.
- **Export promotion office in Cuba**. The Senate committee report recommends funding a request to open a Foreign Agricultural Service (FAS) office in Cuba.

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Scope of the Agriculture Appropriations Bill

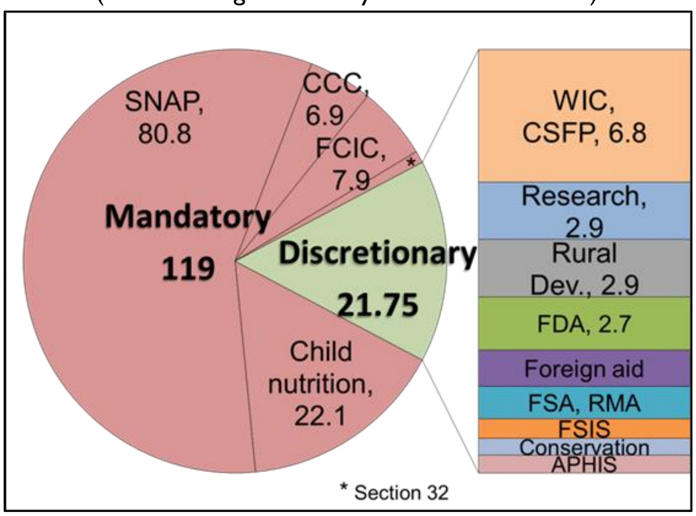
The Agriculture appropriations bill—formally known as the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act—provides funding for:

- All of the U.S. Department of Agriculture (USDA) except the Forest Service, which is funded in the Interior appropriations bill.
- The Food and Drug Administration (FDA; Department of Health and Human Services).
- In the House, the Commodity Futures Trading Commission (CFTC). In the Senate, the Financial Services bill contains CFTC appropriations. In even-numbered fiscal years, CFTC appears in the enacted Agriculture appropriation.

Jurisdiction is with the House and Senate Committees on Appropriations and their respective Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. The bill includes mandatory and discretionary spending, but the discretionary amounts are the primary focus during the bill's development. The scope of the bill is shown in **Figure 1**.

Figure 1. Scope of Agriculture and Related Agencies Appropriations

(FY2016 budget authority in billions of dollars)



Source: CRS. Does not show some agencies under $0.5 billion or reductions that offset appropriations.

Notes: SNAP = Supplemental Nutrition Assistance Program; CCC = Commodity Credit Corporation; FCIC = Federal Crop Insurance Corporation; Section 32 = Funds for Strengthening Markets, Income and Supply; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children; CSFP = Commodity Supplemental Food Program; FDA = Food and Drug Administration; FSA = Farm Service Agency; RMA = Risk Management Agency; FSIS = Food Safety and Inspection Service; APHIS = Animal and Plant Health Inspection Service.

The federal budget process treats discretionary and mandatory spending differently.[1]

- **Discretionary spending** is controlled by annual appropriations acts and receives most of the attention during the appropriations process. The annual budget resolution[2] process sets spending limits for discretionary appropriations. Agency operations (salaries and expenses) and many grant programs are discretionary.

[1] See CRS Report R44582, *Overview of Funding Mechanisms in the Federal Budget Process, and Selected Examples*.

[2] See CRS Report R42388, *The Congressional Appropriations Process: An Introduction*.

- **Mandatory spending**[3]—though carried in the appropriation and usually advanced unchanged—is controlled by budget rules (e.g., PAYGO) during the authorization process.[4] Spending for so-called entitlement programs is set in laws such as the farm bill[5] and child nutrition reauthorizations.[6]

In FY2016, discretionary appropriations totaled 15% ($21.75 billion) of the Agriculture appropriations bill (P.L. 114-113). Mandatory spending carried in the bill comprised $119 billion, about 85% of the $141 billion total.

Within the discretionary total, the largest discretionary spending items are for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); agricultural research; rural development; FDA; foreign food aid and trade; farm assistance program salaries and loans; food safety inspection; conservation; and animal and plant health programs (**Figure 1**).

The main mandatory spending items are the Supplemental Nutrition Assistance Program (SNAP, and other food and nutrition act programs), child nutrition (school lunch and related programs), crop insurance, and farm commodity and conservation programs paid through USDA's Commodity Credit Corporation (CCC). SNAP is referred to as an "appropriated entitlement" and requires an annual appropriation.[7] The nutrition program amounts are based on projected spending needs. In contrast, the CCC operates on a line of credit. The annual appropriation provides funding to reimburse the Treasury for using the line of credit.

Action on FY2017 Appropriations[8]

FY2017 started on October 1, 2016, under a continuing resolution (CR) that lasted until December 9, 2016 (P.L. 114-223, Division C) and a second CR that lasts until April 28, 2017 (P.L. 114-254, Division A). The CRs basically continue FY2016 funding with few exceptions.

In regular action earlier in the year, the House and the Senate Appropriations Committees had reported their FY2017 Agriculture appropriations bills (H.R. 5054, S. 2956) with some of the earliest action on Agriculture appropriations in two decades. But after the bills were reported, no further action on them occurred.

Table 1 summarizes actions since FY1995 for the subcommittees, the full committees, the House and Senate chambers, and presidential enactment. **Figure 2** is a visual timeline of **Table 1**.

The last time an Agriculture appropriations bill was enacted as a stand-alone measure was for FY2010 (in calendar 2009). An Agriculture appropriations bill has not cleared a floor vote in either chamber since the FY2012 bill, when it was the vehicle for a three-bill "minibus" measure.[9] Committee action for FY2017 was somewhat earlier than in recent years.

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[3] Mandatory spending creates funding stability and consistency compared to appropriations. In agriculture, it originally was reserved for the farm commodity programs that had uncertain outlays because of weather and market conditions.

[4] CRS Report 98-560, *Baselines and Scorekeeping in the Federal Budget Process*.

[5] See CRS Report R42484, *Budget Issues That Shaped the 2014 Farm Bill*.

[6] See CRS Report R44373, *Tracking the Next Child Nutrition Reauthorization: An Overview*.

[7] CRS Report RS20129, *Entitlements and Appropriated Entitlements in the Federal Budget Process*.

[8] A short version is in CRS Report R44441, *FY2017 Agriculture and Related Agencies Appropriations: In Brief*.

[9] CRS Report RL32473, *Omnibus Appropriations Acts: Overview of Recent Practices*.

Table 1. Congressional Action on Agriculture Appropriations

	House Action			Senate Action			Final Appropriation			
Fiscal Year	Subcmte.	Cmte.	Floor	Subcmte.	Cmte.	Floor	Enacted[a]		Public Law	CRS Report
1995	5/26/1994	6/9/1994	6/17/1994	6/22/1994	6/23/1994	7/20/1994	9/30/1994	E	P.L. 103-330	IB94011
1996	6/14/1995	6/27/1995	7/21/1995	9/13/1995	9/14/1995	9/20/1995	10/21/1995	E	P.L. 104-37	95-624
1997	5/30/1996	6/6/1996	6/12/1996	7/10/1996	7/11/1996	7/24/1996	8/6/1996	E	P.L. 104-180	IB96015
1998	6/25/1997	7/14/1997	7/24/1997	7/15/1997	7/17/1997	7/24/1997	11/18/1997	E	P.L. 105-86	97-201
1999	6/10/1998	6/16/1998	6/24/1998	6/9/1998	6/11/1998	7/16/1998	10/21/1998	O	P.L. 105-277	98-201
2000	5/13/1999	5/24/1999	6/8/1999	6/15/1999	6/17/1999	8/4/1999	10/22/1999	E	P.L. 106-78	RL30201
2001	5/4/2000	5/16/2000	7/11/2000	5/4/2000	5/10/2000	7/20/2000	10/28/2000	E	P.L. 106-387	RL30501
2002	6/6/2001	6/27/2001	7/11/2001	Polled out[b]	7/18/2001	10/25/2001	11/28/2001	E	P.L. 107-76	RL31001
2003	6/26/2002	7/26/2002	—	7/23/2002	7/25/2002	—	2/20/2003	O	P.L. 108-7	RL31301
2004	6/17/2003	7/9/2003	7/14/2003	7/17/2003	11/6/2003	11/6/2003	1/23/2004	O	P.L. 108-199	RL31801
2005	6/14/2004	7/7/2004	7/13/2004	9/8/2004	9/14/2004	—	12/8/2004	O	P.L. 108-447	RL32301
2006	5/16/2005	6/2/2005	6/8/2005	6/21/2005	6/27/2005	9/22/2005	11/10/2005	E	P.L. 109-97	RL32904
2007	5/3/2006	5/9/2006	5/23/2006	6/20/2006	6/22/2006	—	2/15/2007	Y	P.L. 110-5	RL33412
2008	7/12/2007	7/19/2007	8/2/2007	7/17/2007	7/19/2007	—	12/26/2007	O	P.L. 110-161	RL34132
2009	6/19/2008	—	—	Polled out[b]	7/17/2008	—	3/11/2009	O	P.L. 111-8	R40000
2010	6/11/2009	6/18/2009	7/9/2009	Polled out[b]	7/7/2009	8/4/2009	10/21/2009	E	P.L. 111-80	R40721
2011	6/30/2010	—	—	Polled out[b]	7/15/2010	—	4/15/2011	Y	P.L. 112-10	R41475
2012	5/24/2011	5/31/2011	6/16/2011	Polled out[b]	9/7/2011	11/1/2011	11/18/2011	O	P.L. 112-55	R41964
2013	6/6/2012	6/19/2012	—	Polled out[b]	4/26/2012	—	3/26/2013	O	P.L. 113-6	R43110
2014	6/5/2013	6/13/2013	—	6/18/2013	6/20/2013	—	1/17/2014	O	P.L. 113-76	R43110
2015	5/20/2014	5/29/2014	—	5/20/2014	5/22/2014	—	12/16/2014	O	P.L. 113-235	R43669
2016	6/18/2015	7/8/2015	—	7/14/2015	7/16/2015	—	12/18/2015	O	P.L. 114-113	R44240
2017	4/13/2016 Draft[c] Voice vote	4/19/2016 H.R. 5054 H.Rept. 114-531 Voice vote	—	5/17/2016 Voice vote	5/19/2016 S. 2956 S.Rept. 114-259 30-0	—	—		—	R44441 R44588

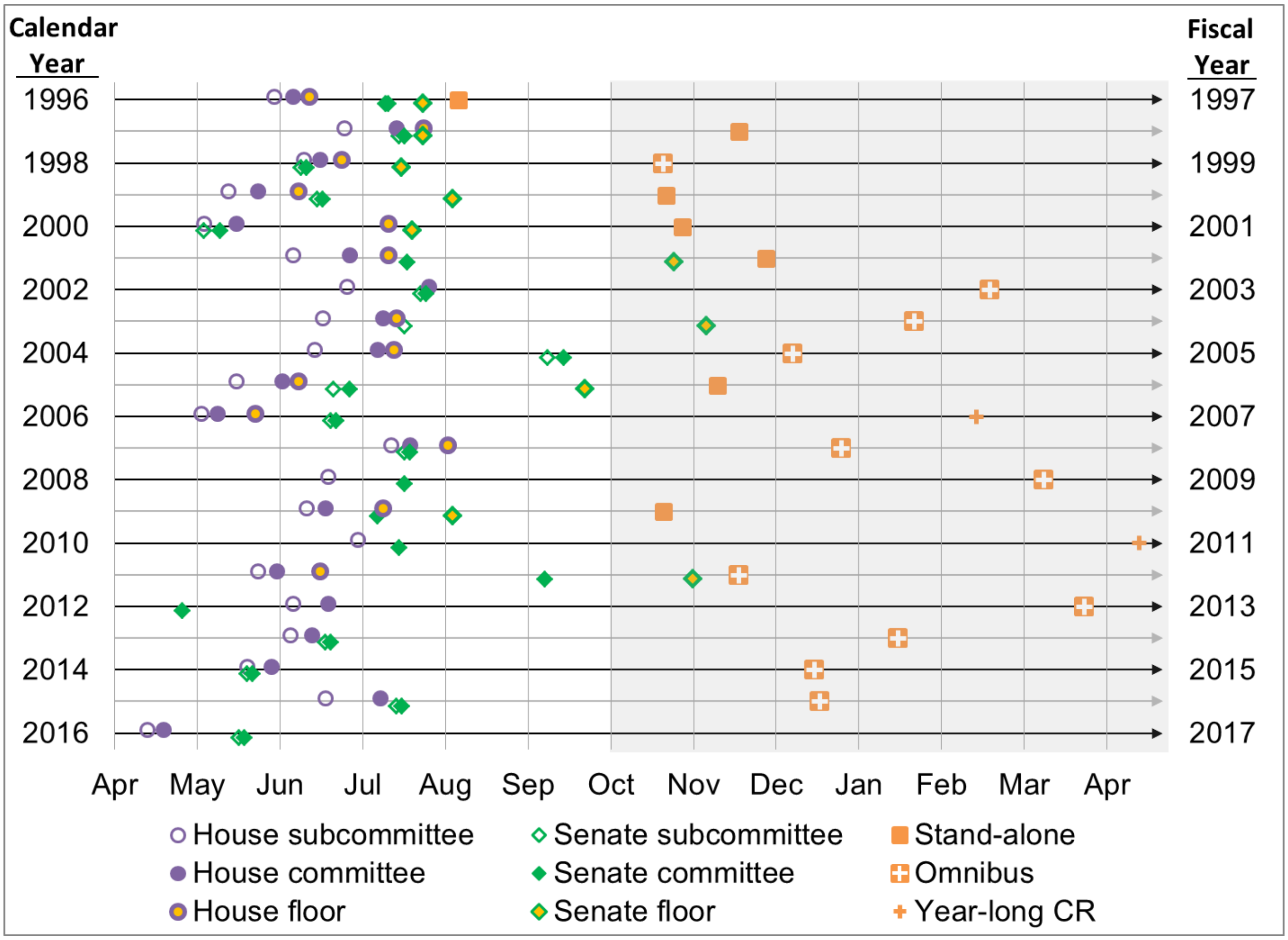
Source: CRS.

a. E = Enacted as standalone appropriation (9 times over 22 years); O = Omnibus appropriation (11 times); Y = Year-long continuing resolution (2 times).

b. A procedure that permits a Senate subcommittee to transmit a bill to its full committee without a formal markup session. See CRS Report RS22952, *Proxy Voting and Polling in Senate Committee*.

c. The House Agriculture appropriations subcommittee draft is available at http://appropriations.house.gov/uploadedfiles/bills-114hr-sc-ap-fy2017-agriculture-subcommitteedraft.pdf.

Figure 2. Timeline of Action on Agriculture Appropriations, FY1997-FY2017



Source: CRS.

Administration's FY2017 Budget Request

The White House released its FY2017 budget request on February 9, 2016.[10] The U.S. Department of Agriculture (USDA) concurrently released its 116-page budget summary[11] and multi-volume budget explanatory notes[12] with more programmatic details. The FDA also released a detailed budget justification,[13] as did the CFTC.[14] From these documents, the congressional appropriations committees evaluated the request, began considering their bills, and decided how much of the request would be followed.

[10] Office of Management and Budget (OMB), *FY2017 Budget of the U.S. Government*, Appendix, http://www.whitehouse.gov/omb/budget/Appendix.

[11] USDA, *FY2017 USDA Budget Summary*, http://www.obpa.usda.gov/budsum/fy17budsum.pdf.

[12] USDA, *2017 Congressional Justification*, http://www.obpa.usda.gov/fy17explan_notes.html.

[13] FDA, *FY2017 FDA Justification of Estimates for Appropriations Committees*, http://www.fda.gov/AboutFDA/ReportsManualsForms/Reports/BudgetReports.

[14] CFTC, *FY2017 CFTC President's Budget*, http://www.cftc.gov/reports/presbudget/2017/index.htm.

House Action

The Agriculture Subcommittee of the House Appropriations Committee held several hearings on FY2017 appropriations with various USDA agencies, FDA, and CFTC during the spring of 2016.

The House Budget Committee developed a FY2017 budget (H.Con.Res. 125) that would have provided less overall discretionary spending than allowed for FY2017 by the Bipartisan Budget Act of 2015 (P.L. 114-74), but the chamber did not adopt that new budget.[15] In the absence of a new budget or affirmation of the limit in the Bipartisan Budget Act of 2015, the House Appropriations committee incrementally made "302(b)" allocations to the subcommittees to facilitate markups.[16]

For Agriculture appropriations, the House Agriculture appropriations subcommittee approved a draft bill on April 13, 2016, by voice vote, the earliest action on agriculture appropriations in two decades.[17] The full House Appropriations Committee reported the bill on April 19, 2016, by voice vote (H.R. 5054, H.Rept. 114-531). It adopted several amendments[18] by recorded votes.[19] The bill has not been considered on the floor.

Senate Action

The Agriculture Subcommittee of the Senate Appropriations Committee held hearings on the FY2017 appropriations request with various USDA agencies and FDA during the spring of 2016.

The Senate Budget Committee did not develop a new budget for FY2017 and chose to follow the limit for FY2017 that was set in the Bipartisan Budget Act of 2015 (P.L. 114-74). The Senate Appropriations Committee divided the total discretionary amount for FY2017 into 302(b) subcommittee allocations on April 18, 2016 (S.Rept. 114-238).

For Agriculture appropriations, the Senate Agriculture appropriations subcommittee approved a draft bill on May 17, 2016, by voice vote. The full committee reported it on May 19, 2016, by a vote of 30-0 (S. 2956, S.Rept. 114-259). It adopted a manager's package and several amendments.[20] The bill has not been considered on the floor.

Continuing Resolution

In the absence of an FY2017 appropriation, the fiscal year started on October 1, 2016, under a CR that lasted until December 9, 2016 (P.L. 114-223, Division C). A second CR lasts until April 28, 2017 (P.L. 114-254, Division A).

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[15] See CRS Report R42388, *The Congressional Appropriations Process: An Introduction*; and CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*, for context on procedures.

[16] For example, for the limit for Agriculture appropriations, see House Appropriations Committee, "Revised Interim Suballocation of Budget Allocations for FY2017," http://appropriations.house.gov/UploadedFiles/05.17.16_Revised_Suballocation_of_Budget_Allocations_for_FY_2017.pdf.

[17] House Agriculture Appropriations Subcommittee, *Draft FY2017 Bill*, http://appropriations.house.gov/uploadedfiles/bills-114hr-sc-ap-fy2017-agriculture-subcommitteedraft.pdf.

[18] House Appropriations Committee, *FY2017 Agriculture Bill—Adopted Amendments*, http://appropriations.house.gov/UploadedFiles/HMTG-114-AP00-20160419-SD004.pdf.

[19] House Appropriations Committee, *FY2017 Agriculture Bill—Roll Call Votes*, at http://appropriations.house.gov/UploadedFiles/04.19.16_-_Agriculture_-_Full_Committee_Roll_Call_Votes.pdf.

[20] Senate Appropriations Committee, *Markup of the FY2017 Agriculture Appropriations Bill*, http://www.appropriations.senate.gov/hearings/markup-of-the-fy17-agriculture-appropriations-bill-and-the-fy17-legislative-branch-appropriations-bill.

Summary of FY2017 Appropriations Amounts

Continuing Resolution

In the absence of an FY2017 appropriation before the beginning of the fiscal year on October 1, 2016, Congress has passed two CR that may last for seven months of the fiscal year. The first lasted until December 9, 2016, and the second lasts until April 28, 2017. In general, a CR continues the funding rate and other provisions of the previous year's appropriation. However, the Office of Management and Budget (OMB) prorates funding to the agencies on an annualized basis for the duration of the CR through a process known as apportionment.[21]

First Continuing Resolution

The first continuing resolution for FY2017 (Division C of P.L. 114-223) lasted until December 9, 2016.[22] It continued FY2016 funding levels and provisions with the following exceptions.

- Not continuing FY2016 supplemental funding for land rehabilitation programs (Section 101(a)(1)).[23]
- A 0.496% across-the-board reduction (Section 101(b)).
- Sufficient funding to maintain mandatory program levels, including for nutrition programs (Section 111).

Four other anomalies affected the agriculture portion individually:

- An increase of about $14 million for the Commodity Supplemental Food Program, a domestic food assistance program that predominantly serves the low-income elderly. Rather than the $222 million FY2016 funding level, the CR provides about $236 million. This anomaly is typically included to maintain current caseload and participation with increased food costs (Section 117).
- An earlier than normal transfer to the Commodity Credit Corporation (CCC). The CR allows CCC to receive its estimated $13 billion appropriation about a month earlier than usual to avoid running out of money. Most farm bill payments to farmers were due in October; without the anomaly, CCC may have exhausted its $30 billion credit line at the Treasury (Section 118).
- A higher than normal rate of apportionment for the Rural Housing Rental Assistance Program. About 40% of rental assistance contract renewal costs occur in the first few months of the fiscal year, requiring a higher rate of spending in the first quarter (Section 119).
- An extension of theFDA's Rare Pediatric Disease Priority Review Voucher Program. After the CR was enacted, the Advancing Hope Act (P.L. 114-229) further extended the program until December 31, 2016, and made other changes to the voucher program (Section 120).

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[21] For example, if a CR lasts for three months, OMB may apportion 3/12 of the previous fiscal year amount during the CR. Specifically, for the first CR, see OMB Bulletin 16-01, "Apportionment of the Continuing Resolution(s) for Fiscal Year 2017," September 29, 2016, https://www.whitehouse.gov/sites/default/files/omb/bulletins/2016/16-01.pdf.

[22] CRS Report R44653, *Overview of Continuing Appropriations for FY2017 (H.R. 5325)*.

[23] Section 728 of the FY2016 Agriculture appropriation (P.L. 114-113, Division A).

Second Continuing Resolution

In the absence of completing the FY2017 appropriation after the 2016 elections, a second CR was enacted that lasts until April 28, 2017 (P.L. 114-254, Division A).[24] This CR extends the provisions and anomalies of the first CR, changes the across-the-board reduction rate, and adds several new anomalies for the agriculture portion:

- A lower across-the-board reduction of 0.1901% (Section 101(2)).
- Flexible apportionment for the Farm Loan Program so that it can fund all loans that are approved. USDA direct and guaranteed farm loans may face higher than normal demand because of low farm income and since the CR extends into the spring planting season. The anomaly does not increase funding but potentially makes available the entire FY2016 amount during the CR (Section 146).
- Flexible apportionment for Summer Electronic Benefits Transfer (EBT) demonstration projects so that the program can fully operate by May 2017. These projects, an alternative to the Summer Food Service Program that has operated in select states since FY2011, provide EBT benefits over the summer months to low-income households with school-age children[25] (Section 147).
- Funding for the National Hunger Clearinghouse. Since FY2010, the Richard B. Russell National School Lunch Act has provided $250,000 annually in mandatory funding. The clearinghouse funding was extended in FY2016 appropriations (P.L. 114-113) and then expired September 30, 2016. Since that time, the USDA-FNS had been funding the clearinghouse using carryover balances (Section 148).
- Transfer authority within the Rural Utilities Service (RUS) to support increased subsidy costs of Treasury direct telecommunication loans. The FY2016 subsidy rate of 0.03% will increase to 0.89% in FY 2017. By permitting a transfer of budget authority from RUS programs with lower subsidy costs, the CR will allow for support of the Treasury direct loan level as needed (Section 149).
- Flexible apportionment for the Guaranteed Multi-Family Housing Loan Program at a higher rate than would normally be permitted to fund approved loans. This program offers loan guarantees for the development of affordable rental housing for low- and moderate-income families in rural areas (Section 150).
- Emergency funding for two USDA land rehabilitation programs—the Emergency Conservation Program (ECP, $103 million) and the Emergency Watershed Protection Program (EWP, $103 million). This funding is not directed to a specific disaster or region, nor is it subject to discretionary budget caps. For more information, see "Disaster Assistance" later in this report (Section 185).
- New funding for the FDA Innovation Account ($20 million for FY2017) that was established by the 21st Century Cures Act (P.L. 114-255). The Innovation Account funds agency activities such as changing FDA drug and device approval pathways (Section 193).[26]

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[24] See a forthcoming CRS Report on the second CR.

[25] CRS Report R43783, *School Meals Programs and Other USDA Child Nutrition Programs: A Primer*.

[26] CRS Report R44071, *H.R. 6: The 21st Century Cures Act*. See also CRS Report R44502, *Senate Medical Innovation Bills: Overview and Comparison with the 21st Century Cures Act (H.R. 6)*.

Amounts Proposed for FY2017

The discretionary total of the House-reported bill and its 302(b) allocation[27] is $21.299 billion, which would be $451 million less than enacted in FY2016 (-2.1%).

The discretionary total of the Senate-reported bill and its 302(b) allocation is $21.250 billion, which appears to be less than the House bill but is comparatively *greater* because the Senate bill does not have jurisdiction for CFTC.[28] On a comparable basis, the Senate bill is $201 million greater than the House bill (+1.0%) if the CFTC appropriation is subtracted from the House bill (or if the CFTC amount is added to the Senate bill).

Both bills also carry mandatory spending totaling about $126.4 billion, bringing the overall total in excess of $147 billion.

The Senate's discretionary caps are set so as not to trigger sequestration under limits established by the Bipartisan Budget Act of 2015 (P.L. 114-74).[29]

The Administration's request was for $21.226 billion of discretionary budget authority for agencies in the Senate Agriculture appropriations jurisdiction—$177 million more than the House-reported bill without CFTC and $24 million less than the Senate-reported bill.

- **Table 2** compares House- and Senate-proposed amounts to other years, by title.
- **Figure 3** illustrates changes in discretionary spending by title over 10-years.
- **Table 3** compares amounts at the agency level, the basis for the rest of the report.
- **Appendix A** offers a 20-year historical perspective on trends from FY1996-2016.

Key Budget Terms

Budget authority is the main purpose of an appropriations act or a law authorizing mandatory spending. It provides the legal basis to obligate funds. It expires at the end of the period and is usually available for one year unless specified otherwise (e.g., two years, or indefinite). Most amounts in this report are budget authority.

Obligations reflect agency activities such as employing personnel or entering contracts. The Antideficiency Act prohibits agencies from obligating more budget authority than is provided in law.

Outlays are payments (cash disbursements) that satisfy a valid obligation. Outlays may differ from budget authority or obligations because payments from an agency may not occur until services are fulfilled, goods are delivered, or construction is completed, even though an obligation occurred.

Program level represents the sum of the activities supported or undertaken by an agency. A program level may be higher than a budget authority if the program (1) receives **user fees** that can be used to pay for activities, (2) makes or guarantees **loans** that are leveraged on the expectation of repayment (more than $1 of loan authority for $1 of budget authority), or (3) receives **transfers** from other agencies.

Rescissions are adjustments that cancel or reduce budget authority after it has been enacted. They score budgetary savings.

CHIMPS (Changes in Mandatory Program Spending) are adjustments to mandatory budget authority. CHIMPS in appropriations usually reduce or limit spending by mandatory programs and score budgetary savings.

For more background, see CRS Report 98-405, *The Spending Pipeline: Stages of Federal Spending*.

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[27] CRS Report R42388, *The Congressional Appropriations Process: An Introduction*.

[28] Jurisdiction for CFTC appropriations differs between the chambers. Since FY2008, CFTC is marked up in the Agriculture subcommittee of the House Appropriations Committee and in the Financial Services and General Government subcommittee of the Senate Appropriations Committee. The enacted CFTC appropriation is carried in the Agriculture bill in even-numbered fiscal years and in the Financial Services bill in odd-numbered fiscal years.

[29] CRS Report R44428, *The Federal Budget: Overview and Issues for FY2017 and Beyond*.

Table 2. Agriculture and Related Agencies Appropriations, by Title, FY2016-FY2017

(budget authority in millions of dollars)

	FY2016	FY2017			Change: FY2016 to…	
Title of Agriculture Appropriations Act	**P.L. 114-113**	**Admin. Request**	**H. Cmte. H.R. 5054**	**S. Cmte. S. 2956**	**House**	**Senate**
I. Agricultural Programs: Discretionary	7,020.3	7,091.1	7,015.7	7,069.7	-4.6	+49.5
Mandatory (M)[a]	*16,032.6*	*23,638.4*	*23,638.4*	*23,648.4*	*+7,605.8*	*+7,615.8*
Subtotal	*23,052.9*	*30,729.5*	*30,654.1*	*30,718.2*	*+7,601.2*	*+7,665.3*
II. Conservation Programs	863.8	861.3	868.2	1,015.4	+4.4	+151.6
III. Rural Development	2,950.0	3,015.9	3,036.4	3,001.7	+85.4	+51.7
IV. Domestic Food Programs: Discretionary	6,838.9	6,932.4	6,880.5	6,890.3	+41.6	+51.4
Mandatory (M)	*102,958.1*	*104,830.9*	*102,803.0*	*102,830.9*	*-155.2*	*-127.3*
Subtotal	*109,797.0*	*111,763.3*	*109,683.4*	*109,721.1*	*-113.6*	*-75.9*
V. Foreign Assistance	1,868.5[b]	1,752.3	1,870.9	2,006.9	+2.4	+138.4
VI. Food and Drug Administration	2,729.6	2,742.7	2,765.6	2,771.8	+36.0	+42.2
Commodity Futures Trading Commission	250.0	330.0	250.0	[250.0][c]	+0.0	+0.0
VII. General Provisions: CHIMPS[d] & rescissions	-865.0	-645.7	-914.7	-998.2	-49.7	-133.2
Disaster/emergency programs	273.0	0.0	5.0	0.0	-268.0	-273.0
Other appropriations	283.1[b]	0.0	45.5	16.6	-236.6	-266.5
Scorekeeping adjustments[e]	-332.0	-524.0	-524.0	-524.0	-192.0	-192.0
Subtract disaster declaration in this bill	-130.0	—	—	—	+130.0	+130.0
Totals						
Discretionary: Senate basis w/o CFTC	[21,500.0]	**21,225.9**	[21,049.0]	**21,250.0**	**-451.0**	**-250.0**
Discretionary: House basis w/ CFTC	**21,750.0**	**21,555.9**	**21,299.0**	[21,500.0]	**-451.0**	**-250.0**
Mandatory (M)	*118,990.7*	*128,469.3*	*126,441.4*	*126,479.3*	+7,450.7	+7,488.6
Total: Senate basis w/o CFTC	*140,490.7*	*149,695.3*	*147,490.4*	*147,729.3*	+6,999.7	+7,238.6

Source: CRS, using referenced appropriations text and report tables, and unpublished Congressional Budget Office (CBO) tables.

Notes: Amounts are nominal budget authority in millions of dollars. Amounts are discretionary authority unless labeled otherwise. Bracketed amounts are not in the official totals due to differing House-Senate jurisdiction for CFTC.

a. Includes some mandatory funding from other titles, particularly mandatory conservation programs.

b. In addition to the FY2016 appropriation in Title V, an extra $250 million for Food for Peace Title II grants was appropriated under General Provisions. The effective total for Title V is $2.118 billion for FY2016.

c. See the Senate-reported Financial Services appropriation, S. 3067.

d. Changes in Mandatory Program Spending (CHIMPS) are reductions made to mandatory programs.

e. "Scorekeeping adjustments" are not necessarily appropriated items and may not be shown in appropriations committee tables but are part of the official CBO score (accounting) of the bill. They predominantly include "negative subsidies" in loan program accounts and adjustments for disaster designations in the bill.

Comparison of Amounts Proposed for FY2017

The House-reported bill is officially $451 million smaller—and the Senate-reported bill $250 million smaller—than the enacted FY2016 discretionary appropriation (in terms of the 302(b) allocation). Both bills achieve this primarily by increasing offsets over the FY2016 level through greater rescissions of prior appropriations, changes in mandatory program spending (CHIMPS), and scorekeeping adjustments. However, the budget authority provided for agencies in the major titles of the bill actually increases by $165 million in the House bill and $235 million in the Senate bill over FY2016 (the top of the shaded bars in **Figure 3**).

Discretionary budget changes that are over $10 million within agencies include the following, relative to FY2016 (**Table 3**):

- **Food for Peace grants. House:** -$2.4 million. **Senate:** +$132 million, which would maintain some of the supplemental increase in the FY2016 appropriation.
- **Conservation programs. House:** +4.4 million, for technical assistance. **Senate:** +$147 million, mostly for watershed and flood prevention programs that have not been funded since FY2010, and additional technical assistance.
- **Rural development. House:** +$85 million, mostly for rural broadband grants, rural water and waste disposal programs, rural housing and rental assistance, rural business enterprise grants, and community facilities grants. **Senate:** +$52 million, mostly for rural water and waste disposal programs and rural housing and rental assistance.
- **Food and Nutrition Service. House:** +$42 million, **Senate:** +$51 million, both mostly for commodity assistance and nutrition programs administration.
- **Food and Drug Administration. House:** +$36 million, **Senate:** +$42 million, both largely for food safety activities.
- **Animal and Plant Health Inspection Service. House:** +$36 million, primarily for increases in emergency preparedness, specialty crop pests, and the National Veterinary Stockpile while maintaining recent avian health increases. **Senate:** +$45 million, mostly for emergency preparedness.
- **USDA administration. House:** +$20 million to modernize headquarters facilities. **Senate:** +$30 million, mostly for a more modest increase for facilities and for additional outreach to minority and veteran farmers, cybersecurity, and financial system upgrades.
- **Food Safety Inspection Service**. **House:** +$16 million, **Senate:** +$19 million, both for inspection improvements.
- **Farm Service Agency. House:** +$12 million for greater farm loan program authority. **Senate:** +$26 million, including loan program increases, personnel and security expenses, and beginning and veteran farmers and ranchers.
- **Agricultural research agencies. House:** -$89 million, comprised primarily of $25 million more for Agriculture and Food Research Initiative (AFRI) grants, offset by $112 million less for Agricultural Research Service (ARS) buildings and facilities. **Senate:** -$74 million, comprised of $25 million more for AFRI, $34 million more for ARS research, and $7 more million for other grants, offset by $148 million less for ARS buildings and facilities.

Table 3. Agriculture and Related Agencies Appropriations, by Agency, FY2014-FY2017

(budget authority in millions of dollars)

	FY2014	FY2015	FY2016	FY2017				Change: FY2016 to…	
Agency or Major Program	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	Enacted	House	Senate
Title I. Agricultural Programs									
Departmental Administration	526.1	364.5	373.2	448.7	392.4	403.5	—	+19.2	+30.3
Research, Education and Economics									
Agricultural Research Service	1,122.5	1,177.6	1,355.9	1,255.8	1,251.4	1,242.2	—	-104.5	-113.7
National Institute of Food and Agriculture	1,277.1	1,289.5	1,326.5	1,374.0	1,341.2	1,363.7	—	+14.7	+37.3
National Agricultural Statistics Service	161.2	172.4	168.4	176.6	168.4	169.6	—	+0.0	+1.2
Economic Research Service	78.1	85.4	85.4	91.3	86.0	86.8	—	+0.6	+1.4
Under Secretary, Research, Education, Econ.	0.9	0.9	0.9	0.9	0.9	0.9	—	+0.0	+0.0
Marketing and Regulatory Programs									
Animal and Plant Health Inspection Service	824.9	874.5	897.6	904.4	934.0	942.5	—	+36.4	+44.9
Agricultural Marketing Service	81.3	82.4	82.5	83.2	83.5	84.2	—	+1.0	+1.7
Section 32 (M)	1,107.0	1,284.0	1,303.0	1,322.0	1,322.0	1,322.0	—	+19.0	+19.0
Grain Inspection, Packers, Stockyards Admin.	40.3	43.0	43.1	43.5	43.1	43.5	—	+0.0	+0.4
Under Secretary, Marketing and Regulatory	0.9	0.9	0.9	0.9	0.9	0.9	—	+0.0	+0.0
Food Safety									
Food Safety and Inspection Service	1,010.7	1,016.5	1,014.9	1,030.4	1,030.4	1,033.8	—	+15.5	+18.9
Under Secretary, Food Safety	0.8	0.8	0.8	0.8	0.8	0.8	—	+0.0	+0.0
Farm and Commodity Programs									
Farm Service Agency[a]	1,592.2	1,603.3	1,595.1	1,613.6	1,607.5	1,621.2	—	+12.4	+26.1
FSA Farm Loans: Loan Authority[b]	*5,527.3*	*6,402.1*	*6,402.1*	*6,655.1*	*6,667.1*	*6,655.1*	—	*+265.0*	*+252.9*
Risk Management Agency Salaries and Exp.	71.5	74.8	74.8	66.6	74.8	75.8	—	+0.0	+0.9

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 Enacted	Change: FY2016 to… House	Change: FY2016 to… Senate
Federal Crop Insurance Corporation (M)	9,502.9	8,930.5	7,858.0	8,839.1	8,839.1	8,849.1	—	+981.1	+991.1
Commodity Credit Corporation (M)	12,538.9	13,444.7	6,871.1	13,476.9	13,476.9	13,476.9	—	+6,605.7	+6,605.7
Under Secretary, Farm and Foreign Agr.	0.9	0.9	0.9	0.9	0.9	0.9	—	+0.0	+0.0
Subtotal: Discretionary	**6,789.0**	**6,786.9**	**7,020.3**	**7,091.1**	**7,015.7**	**7,069.7**	—	**-4.6**	**+49.5**
Mandatory (M)	*23,149.1*	*23,659.7*	*16,032.6*	*23,638.4*	*23,638.4*	*23,648.4*	—	*+7,605.8*	*+7,615.8*
Subtotal	*29,938.1*	*30,446.6*	*23,052.9*	*30,729.5*	*30,654.1*	*30,718.2*	—	*+7,601.2*	*+7,665.3*
Title II. Conservation Programs									
Conservation Operations	812.9	846.4	850.9	860.4	855.3	864.5	—	+4.4	+13.6
Watershed and Flood Prevention	—	—	—	—	—	150.0	—	+0.0	+150.0
Watershed Rehabilitation Program	12.0	12.0	12.0	—	12.0	—	—	+0.0	-12.0
Under Secretary, Natural Resources	0.9	0.9	0.9	0.9	0.9	0.9	—	+0.0	+0.0
Subtotal	**825.8**	**859.3**	**863.8**	**861.3**	**868.2**	**1,015.4**	—	**+4.4**	**+151.6**
Title III. Rural Development									
Salaries and Expenses (including transfers)[c]	657.4	678.2	682.9	698.5	672.8	683.3	—	-10.0	+0.4
Rural Housing Service	1,279.6	1,298.4	1,616.4	1,616.9	1,653.5	1,639.4	—	+37.0	+23.0
RHS Loan Authority[b]	*27,408.1*	*27,421.5*	*27,496.8*	*27,433.2*	*27,653.4*	*27,596.4*	—	*+156.6*	*+99.5*
Rural Business-Cooperative Service[d]	130.2	103.2	90.5	149.5	110.4	92.0	—	+18.9	+1.6
RBCS Loan Authority[b]	*1,022.8*	*984.5*	*979.3*	*1,116.0*	*998.7*	*979.3*	—	*+19.3*	*+0.0*
Rural Utilities Service	501.6	501.7	559.3	550.1	598.8	586.0	—	+39.5	+26.7
RUS Loan Authority[b]	*7,514.5*	*7,464.1*	*8,210.6*	*7,993.8*	*8,210.0*	*8,217.0*	—	*-0.6*	*+6.5*
Under Secretary, Rural Development	0.9	0.9	0.9	0.9	0.9	0.9	—	+0.0	+0.0
Subtotal	**2,569.7**	**2,582.4**	**2,950.0**	**3,015.9**	**3,036.4**	**3,001.7**	—	**+85.4**	**+51.7**
Subtotal, RD Loan Authority[b]	***35,945.4***	***35,870.1***	***36,686.7***	***36,543.0***	***36,862.1***	***36,792.7***	—	*+175.4*	*+106.0*

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 Enacted	Change: FY2016 to… House	Change: FY2016 to… Senate
Title IV. Domestic Food Programs									
Child Nutrition Programs (M)	19,288.0	21,300.2	22,149.7	23,230.7	23,175.7	23,201.7	—	+1,025.9	+1,052.0
WIC Program	6,715.8	6,623.0	6,350.0	6,350.0	6,350.0	6,350.0	—	+0.0	+0.0
SNAP, Food and Nutrition Act Programs (M)	82,169.9	81,837.6	80,849.4	81,689.2	79,673.3	79,682.2	—	-1,176.1	-1,167.2
Commodity Assistance Programs	269.7	278.5	296.2	313.1	315.1	313.1	—	+18.9	+16.9
Nutrition Programs Administration	141.3	150.8	150.8	179.4	168.5	173.3	—	+17.7	+22.5
Under Sec., Food, Nutrition and Consumer	0.8	0.8	0.8	0.8	0.8	0.8	—	+0.0	+0.0
Subtotal									
Discretionary	**7,152.7**	**7,094.1**	**6,838.9**	**6,932.4**	**6,880.5**	**6,890.3**	—	**+41.6**	**+51.4**
Mandatory (M)	*101,432.9*	*103,096.7*	*102,958.1*	*104,830.9*	*102,803.0*	102,830.9	—	*-155.2*	*-127.3*
Subtotal	*108,585.6*	*110,190.9*	*109,797.0*	*111,763.3*	*109,683.4*	109,721.1	—	*-113.6*	*-75.9*
Title V. Foreign Assistance									
Foreign Agricultural Service	177.9	181.4	191.6	196.6	194.6	196.6	—	+3.0	+5.0
Food for Peace Title II, and admin. expenses	1,468.7	1,468.5	1,468.5[e]	1,350.1	1,466.1	1,600.1	—	-2.4	+131.6
Local and regional food procurement	—	—	—	15.0	—	—	—	+0.0	+0.0
McGovern-Dole Food for Education	185.1	191.6	201.6	182.0	201.6	201.6	—	+0.0	+0.0
CCC Export Loan Salaries	6.7	6.7	6.7	8.5	8.5	8.5	—	+1.8	+1.8
Subtotal	**1,838.5**	**1,848.3**	**1,868.5**[e]	**1,752.3**	**1,870.9**	**2,006.9**	—	**+2.4**	**+138.4**
Title VI. Related Agencies									
Food and Drug Administration	2,560.7	2,597.3	2,729.6	2,742.7	2,765.6	2,771.8	—	+36.0	+42.2
Commodity Futures Trading Commission[f]	215.0	[250.0]	250.0	330.0	250.0	[250.0][f]	—	+0.0	+0.0
Subtotal	**2,775.7**	**2,597.3**	**2,979.6**	**3,072.7**	**3,015.6**	[3,021.8]	—	**+36.0**	**+42.2**

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 Enacted	Change: FY2016 to… House	Change: FY2016 to… Senate
Title VII. General Provisions									
Reductions in Mandatory Programs[g]									
a. Environmental Quality Incentives Program	-272.0	-136.0	-209.0	—	-209.0	-189.0	—	+0.0	+20.0
b. Watershed Rehabilitation Program	-153.0	-69.0	-68.0	-54.0	-54.0	-63.0	—	+14.0	+5.0
c. Conservation Stewardship Program	—	-7.0	—	—	-5.0	—	—	-5.0	+0.0
d. Fresh Fruit and Vegetable Program	-119.0	-122.0	-125.0	-125.0	-125.0	-125.0	—	+0.0	+0.0
e. Biorefinery Assistance Program	-40.7	-16.0	-19.0	—	-30.0	—	—	-11.0	+19.0
f. Biomass Crop Assistance Program	—	-2.0	-20.0	—	-20.0	-20.0	—	+0.0	+0.0
g. Emergency Food Assistance Program	—	—	—	—	+19.0	—	—	+19.0	+0.0
h. Cushion of Credit (Rural Development)	-172.0	-179.0	-179.0	-151.5	-151.5	-165.0	—	+27.5	+14.0
i. Section 32	-189.0	-121.0	-216.0	-311.0	-231.0	-237.0	—	-15.0	-21.0
j. Other CHIMPS and rescissions	-8.0	-133.0	+5.0	+0.0	-4.0	+5.0	—	-9.0	+0.0
Subtotal, CHIMPS	**-953.7**	**-785.0**	**-831.0**	**-641.5**	**-810.5**	**-794.0**	—	**+20.5**	**+37.0**
Rescissions (discretionary)	-33.3	-17.0	-34.0	-4.2	-104.2	-204.2	—	-70.2	-170.2
Other appropriations								+0.0	+0.0
a. Disaster/emergency programs	—	116.0	273.0	—	5.0	—	—	-268.0	-273.0
b. Other appropriations	106.6	6.6	283.1[e]	—	45.5	16.6	—	-236.6	-266.5
Subtotal, Other appropriations	**106.6**	**122.6**	**556.1**	—	**50.5**	**16.6**	—	**-504.6**	**-539.5**
Total, General Provisions	**-880.4**	**-679.4**	**-308.9**	**-645.7**	**-864.2**	**-981.6**	—	**-554.3**	**-672.7**
Scorekeeping Adjustments[h]									
Disaster declaration in this bill	—	-116.0	-130.0	—	—	—	—	+130.0	+130.0
Other scorekeeping adjustments	-191.0	-398.0	-332.0	-524.0	-524.0	-524.0	—	-192.0	-192.0
Subtotal, Scorekeeping adjustments	**-191.0**	**-514.0**	**-462.0**	**-524.0**	**-524.0**	**-524.0**	—	**-62.0**	**-62.0**

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 Enacted	Change: FY2016 to… House	Change: FY2016 to… Senate
Totals									
Discretionary: Senate basis w/o CFTC	[20,665.0]	**20,575.0**	[21,500.0]	**21,225.9**	[21,049.0]	**21,250.0**	—	**-451.0**	**-250.0**
Discretionary: House basis w/ CFTC	**20,880.0**	[20,825.0]	**21,750.0**	**21,555.9**	**21,299.0**	[21,500.0][f]	—	**-451.0**	**-250.0**
Mandatory (M)	*124,582.0*	*126,756.5*	*118,990.7*	*128,469.3*	*126,441.4*	126,479.3	—	*+7,450.7*	*+7,488.6*
Total: Senate basis w/o CFTC	*145,247.0*	*147,331.5*	*140,490.7*	*149,695.3*	*147,490.4*	147,729.3	—	*+9,204.6*	*+7,238.6*

Source: CRS, using referenced appropriations text and report tables, and unpublished Congressional Budget Office (CBO) tables.

Notes: Amounts are nominal budget authority in millions of dollars. Amounts are discretionary authority unless labeled otherwise. (M) indicates that the account is mandatory authority (or primarily mandatory authority). Bracketed amounts are not in the official totals due to differing House-Senate jurisdiction for CFTC but are shown for comparison.

a. Includes regular FSA salaries and expenses, plus transfers for farm loan program salaries and administrative expenses. Also includes farm loan program loan subsidy, State Mediation Grants, Dairy Indemnity Program (mandatory funding), and Grassroots Source Water Protection Program. Does not include appropriations to the Foreign Agricultural Service for export loans and Food for Peace administration that are transferred to FSA.

b. 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.

c. Includes Rural Development salaries and expenses and transfers from the three rural development agencies for salaries and expenses. Amounts for the agencies thus reflect program funds for loans and grants.

d. Amounts for the Rural Business-Cooperative Service (RBCS) are before the rescission in the Cushion of Credit account, unlike in Appropriations committee tables. The rescission is included with the changes in mandatory program spending (CHIMPS) as classified by CBO, which allows the RBCS subtotal to remain positive.

e. In addition to the FY2016 appropriation for Food for Peace Title II grants in Title V ($1.466 billion), an extra $250 million was appropriated under General Provisions. The combined total for Food for Peace Title II grants is therefore $1.716 billion, and the effective Title V total is $2.118 billion for FY2016.

f. Jurisdiction for CFTC is in the House Agriculture appropriations subcommittee and the Senate Financial Services appropriations subcommittee. After FY2008, CFTC is carried in enacted Agriculture appropriations in even-numbered fiscal years, always in House Agriculture markup and never in Senate Agriculture markup. Bracketed amounts are not in the official totals due to differing House-Senate jurisdiction for CFTC but are shown for comparison. For the FY2017 Senate amount, see the Senate-reported Financial Services appropriation, S. 3067.

g. Includes reductions (limitations and rescissions) to mandatory programs that may also be known as Changes in Mandatory Program Spending (CHIMPS).

h. "Scorekeeping adjustments" are not necessarily appropriated items and may not be shown in appropriations committee tables but are part of the official CBO score (accounting) of the bill. They predominantly include "negative subsidies" in loan program accounts and adjustments for disaster designations in the bill.

Sequestration Continues on Mandatory Accounts

Sequestration is a process of automatic, largely across-the-board reductions that permanently cancel mandatory and/or discretionary budget authority, and is triggered when spending would exceed statutory budget goals. Sequestration is authorized in the Budget Control Act of 2011 (BCA; P.L. 112-25) for discretionary spending through FY2021 and for mandatory spending through FY2025.[30]

Although the Bipartisan Budget Act of 2013 (P.L. 113-67) raised spending limits in the BCA to avoid sequestration of *discretionary* accounts in FY2014 and FY2015—and the Bipartisan Budget Act of 2015 (P.L. 114-74) did it again for FY2016 and FY2017—they do not prevent or reduce sequestration on *mandatory* accounts that arose from the Budget Control Act of 2011.

Thus, sequestration on non-exempt *mandatory* accounts continues in FY2017. **Appendix B** provides more detail about sequestration at the individual account level.

Policy Issues

In addition to setting budgetary amounts, the Agriculture appropriations bill is also a vehicle for policy-related provisions that direct how the executive branch should carry out the appropriation. The list below describes some of the major policy issues, which are discussed in greater detail in relevant sections later in this report.

- **GIPSA rule.** Section 767 of the House-reported bill would prohibit the Grain Inspection, Packers and Stockyards Administration (GIPSA) from finalizing and implementing a livestock and poultry marketing rule—the "GIPSA rule." The Senate-reported bill does not contain this GIPSA provision.
- **Horse slaughter.** The Food Safety Inspection Service (FSIS) is responsible for horse slaughter inspection if the horsemeat is for human consumption. Both the House-reported and Senate-reported bills (§762 and §755, respectively) would prohibit FSIS from inspecting horse slaughter facilities in FY2017.
- **Checkoff programs.** The House report calls for USDA to recognize that checkoff boards are not subject to the Freedom of Information Act (FOIA) because they are funded by industry, and board members are not government employees. The Senate bill and report do not contain a similar provision.
- **Tobacco products.** Section 761 of the House-reported bill would grandfather all e-cigarettes and other newly deemed tobacco products so that manufacturers would not have to file a premarket application. Section 749 would prevent FDA action on a proposed deeming rule "if such rule would apply to traditional large and premium cigars." The Senate bill does not contain any such provisions.
- **SNAP-authorized retailers.** The House-reported bill (§763) and the Senate-reported bill (§752) would limit the scope of an interim final or final rule to the 2014 farm bill's changes to inventory requirements for SNAP-authorized retailers, though each bill's exact language varies.
- **SNAP households reporting requirements.** Section 744 of both the House- and Senate-reported bills would require SNAP households to report to the state agency a move out of the state beginning in FY2017 and each year thereafter.

[30] See CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*.

- **School meals nutrition standards.** The House-reported bill (§731) would again require USDA to provide hardship exemptions from a 100% whole grain requirement and prevent USDA from implementing a sodium requirement without scientific evidence. These provisions are not in the Senate-reported bill.
- **Export promotion office in Cuba**. The Senate committee report recommends fully funding an Administration request to open a Foreign Agricultural Service (FAS) office in Cuba. The House bill and report do not reference the proposal or provide the requested funding increase.

Recent Trends in Agriculture Appropriations

Over the past 10 years, changes by title of the Agriculture appropriations bill have generally been proportionate to changes in the bill's total discretionary limit, though some activities have sustained relative increases and decreases. Agriculture appropriations peaked in FY2010 and declined through FY2013. Since then, total Agriculture appropriations have increased (**Figure 3**). However, whether that increase returns the appropriation to various historical benchmarks depends upon inflation adjustments and other factors.

The stacked bars in **Figure 3** represent the discretionary spending authorized for each title in the 10 years since FY2008. The total of the positive stacked bars is the budget authority contained in Titles I-VI. It is higher than the official 302(b) discretionary spending limit (the line) because of the budgetary offset from negative amounts in Title VII General Provisions and other scorekeeping adjustments. General Provisions are negative mostly because of limits placed on mandatory programs, which are scored as savings (**Table 3**, **Table 15**).

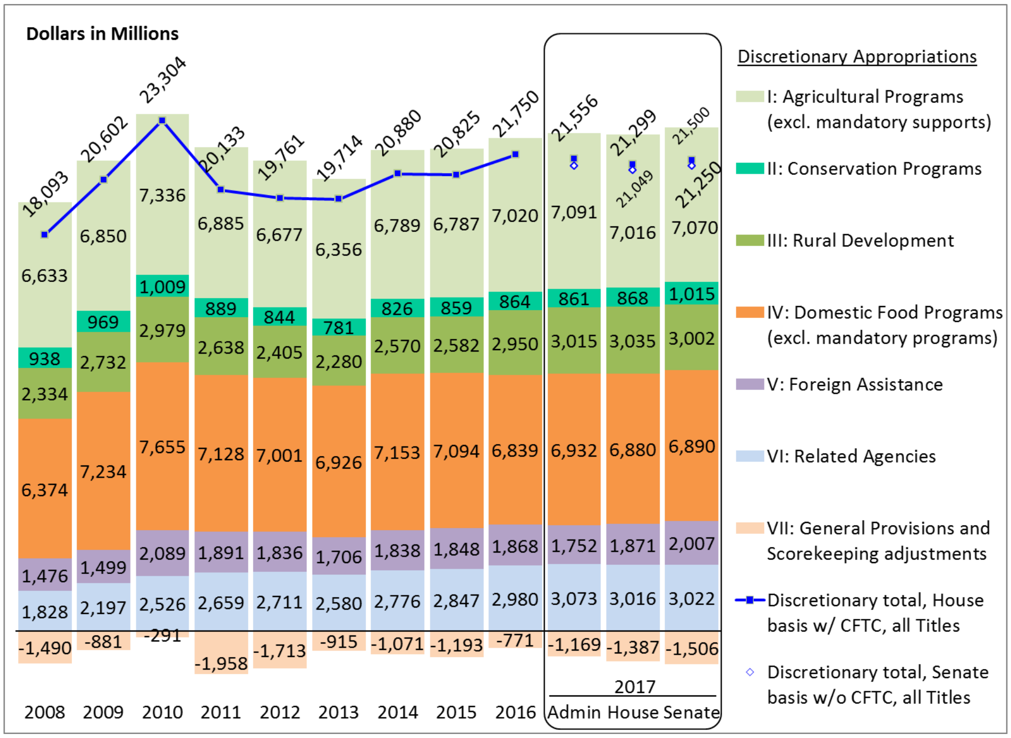
For example, in the FY2017 House-reported bill, budget authority for the primary agencies in the bill (Titles I-VI) increases $166 million (the top of the stacked bars in **Figure 3**) even though the official discretionary spending allocation decreases $451 million (the line and dots in **Figure 3**).

Increases in the use of CHIMPS and other tools to offset discretionary appropriations ameliorated reductions in discretionary budget authority in FY2011 and succeeding years. For example, the official 302(b) discretionary total for the bill was given credit for declining 13.6% in FY2011, while the total of Titles I-VI declined only 6.4% that year (**Figure 3**). The effect is less pronounced in FY2016, since the offset was smaller, in part because of additional spending in General Provisions for foreign food aid and emergency programs.

Some areas have sustained real increases, while others have declined (apart from the peak in 2010). Agencies with sustained real increases (that is, inflation-adjusted; **Figure 4**) since FY2008 include FDA and CFTC (Related Agencies) and, to a lesser extent, foreign food assistance. Areas with real decreases in discretionary spending since 2008 include conservation, general agricultural programs, and domestic nutrition programs. Rural development also had a real decrease over the same period, though FY2016 may have reversed that trend.

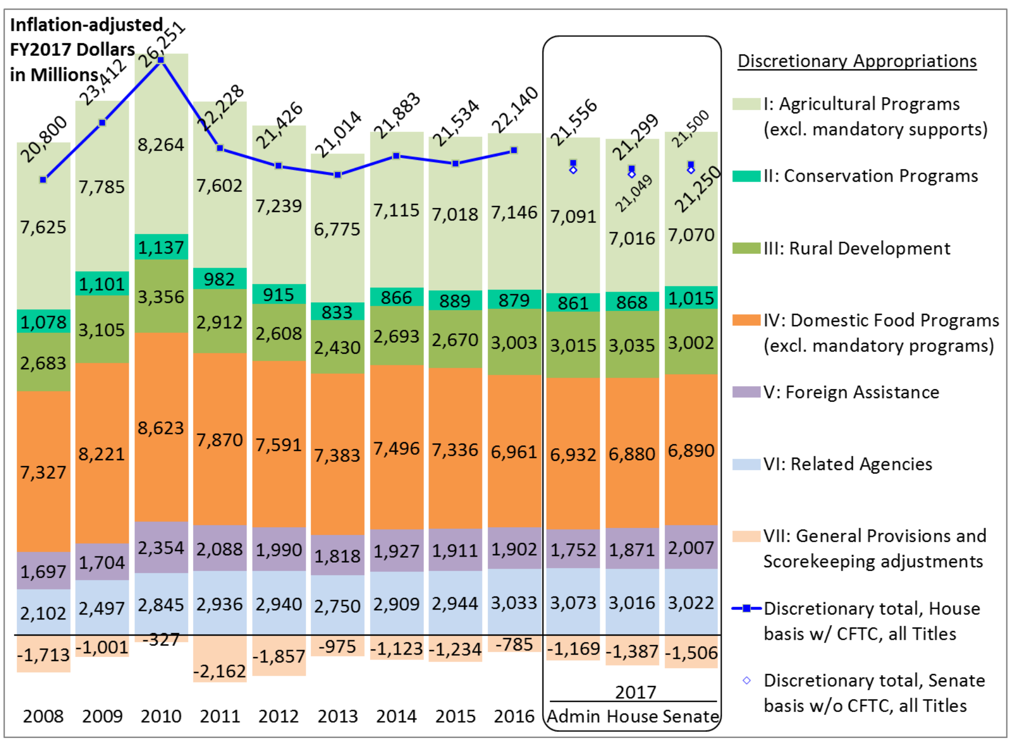
Appendix A offers a 20-year historical perspective on other trends from FY1996 to FY2016, such as mandatory versus discretionary, nutrition versus the rest of the bill, and comparisons against other economic factors such as the share of the federal budget, GDP, and population.

Figure 3. Discretionary Agriculture Appropriations, by Title, Since FY2008



Source: CRS. Includes CFTC in Related Agencies regardless of jurisdiction, except as noted for FY2017.

Figure 4. Inflation-Adjusted Discretionary Agriculture Appropriations Since FY2008



Source: CRS. Includes CFTC in Related Agencies regardless of jurisdiction, except as noted for FY2017.

Notes: Budget authority adjusted for inflation by CRS using the gross domestic product price deflator.

USDA Agencies and Programs

USDA was created in 1862 and carries out a range of activities through about 17 agencies and a dozen administrative offices staffed by nearly 100,000 employees.[31] About 95% of its funding is in the Agriculture appropriation, covering about two-thirds of those employees. The remainder is the Forest Service and is funded by the Interior and Related Agencies Appropriations bill.[32]

This report is organized in the order that the agencies are listed in the appropriations bills.

Organization of USDA Is Different Than the Appropriations Bill

Agriculture appropriations are not perfectly correlated with USDA spending. Agriculture appropriations include the FDA and CFTC (which are outside USDA) and do not fund the Forest Service (which is part of USDA). Similarly, USDA spending is broader than farm program spending.

USDA divides its activities into **mission areas** that are different from **titles** in the appropriation.

- Food and nutrition programs are the largest mission area (three-fourths of the budget) and are Title IV in the bill.
- Farm and Foreign Agricultural Services are the second-largest mission area (one-eighth of the budget) and are split between Title I of the appropriation (for the domestic side) and Title V (for foreign trade and food aid).
- Five other mission areas share one-eighth of USDA's budget, including natural resources (Title II), rural development (Title III), research (Title I), marketing and regulatory programs (Title I), and food safety (Title I).

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

- USDA mission area totals include both mandatory and discretionary spending.
- In the appropriation, conservation (Title II), rural development (Title III), and agricultural research (part of Title I) include only discretionary amounts. Mandatory amounts for these programs are carried within the CCC amount in Title I.

Departmental Administration[33]

The Agriculture appropriations bill contains several accounts for the general administration of the USDA, ranging from the immediate Office of the Secretary to the Office of Inspector General.

For FY2017, the House-reported bill keeps the amount for most accounts constant compared to the enacted FY2016 appropriation, although it would increase the buildings and facilities account by the USDA-requested $20 million (+31%), largely to pay for long-planned renovations to the South Building in the USDA headquarters complex. Overall, the House-reported bill would increase Departmental Administration by $19.2 million (+5.1%).

The Senate-reported bill would increase Departmental Administration by $30.3 million (+8.1%), although the increase for buildings and facilities is less than in the House—a $10 million increase compared to FY2016. Other administrative accounts with notable increases in the Senate-reported bill include the Office of the Secretary, Advocacy and Outreach, the Chief Information Officer, Chief Financial Officer, and Office of Inspector General (**Table 4**).

The Administration had requested even more sizeable increases for Advocacy and Outreach, the Chief Information Officer, and several other offices.

[31] USDA, *FY2017 USDA Budget Summary*, http://www.obpa.usda.gov/budsum/fy17budsum.pdf.

[32] See CRS Report R44470, *Interior, Environment, and Related Agencies: FY2017 Appropriations*.

[33] This section was written by (name redacted).(7 [redacted]@crs.loc.gov

Table 4. USDA Departmental Administration Appropriations

(budget authority in millions of dollars)

	FY2014	FY2015	FY2016	FY2017				Change: FY2016 to…	
Agency or Major Program	**P.L. 113-76**	**P.L. 113-235**	**P.L. 114-113**	**Admin. Request**	**H. Cmte. H.R. 5054**	**S. Cmte. S. 2956**	**Enacted**	**House**	**Senate**
Office of the Secretary									
Office of the Secretary	5.05	5.05	5.05	10.18	5.05	10.18	___	+0.0	+5.1
Office of Tribal Relations	0.50	0.50	0.50	0.76	0.50	0.51	___	+0.0	+0.0
Military Veterans Agricultural Liaison	—	—	—				___		
Office of Homeland Security	1.50	1.50	1.50	1.59	1.50	1.59	___	+0.0	+0.1
Advocacy and Outreach	1.21	1.21	1.21	11.22	1.21	4.22	___	+0.0	+3.0
Assistant Secretary for Administration	0.80	0.80	0.80	0.81	0.80	0.81	___	+0.0	+0.0
Departmental Administration	22.79	25.12	25.12	27.42	24.12	25.40	___	-1.0	+0.3
Asst. Sec. Congressional Relations	3.87	3.87	3.87	3.92	3.87	3.92	___	+0.0	+0.0
Office of Communications	8.07	7.75	7.50	8.51	7.50	7.53	___	+0.0	+0.0
Subtotal	**43.78**	**45.81**	**45.56**	**64.40**	**44.56**	**54.15**	___	**-1.0**	**+8.6**
Executive Operations									
Office of Chief Economist	16.78	17.38	17.78	17.59	16.78	16.92	___	-1.0	-0.9
National Appeals Division	12.84	13.32	13.32	13.48	13.32	13.48	___	+0.0	+0.2
Office of Budget and Program Analysis	9.06	9.39	9.39	9.53	9.39	9.53	___	+0.0	+0.1
Subtotal	**38.68**	**40.09**	**40.49**	**40.60**	**39.49**	**39.92**	___	**-1.0**	**-0.6**
Other Administration									
Chief Information Officer	44.03	45.05	44.54	65.72	44.54	49.92	___	+0.0	+5.4
Chief Financial Officer	6.21	6.03	6.03	9.12	6.03	8.12	___	+0.0	+2.1
Assistant Secretary for Civil Rights	0.89	0.90	0.90	0.90	0.90	0.90	___	+0.0	+0.0
Office of Civil Rights	21.40	24.07	24.07	24.75	24.07	24.34	___	+0.0	+0.3

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 Enacted	Change: FY2016 to… House	Change: FY2016 to… Senate
Buildings and facilities[a]	233.00	55.87	64.19	84.37	84.19	74.37	__	+20.0	+10.2
Hazardous materials management	3.59	3.60	3.62	3.63	3.62	3.63	__	+0.0	+0.0
Office of Inspector General	89.90	95.03	95.74	101.00	96.04	99.38	__	+0.3	+3.6
General Counsel	41.20	44.38	44.38	49.60	44.38	45.01	__	+0.0	+0.6
Office of Ethics	3.44	3.65	3.65	4.62	4.56	3.72	__	+0.9	+0.1
Subtotal	**443.67**	**278.57**	**287.12**	**343.70**	**308.32**	**309.38**	__	**+21.2**	**+22.3**
Total, Departmental Administration	**526.13**	**364.46**	**373.16**	**448.70**	**392.36**	**403.45**	__	**+19.2**	**+30.3**

Source: CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

a. Beginning in FY2015, the amount for buildings and facilities no longer includes rental payments to the General Services Administration (GSA) or Department of Homeland Security, which amounted to $178 million in FY2014. Although the federal government owns many of the facilities in which agencies are housed, USDA rents some buildings and facilities from private vendors, which are contracted through GSA. Rather than paying rental obligations from a central account, rental expenses now are paid by the individual agencies and have been absorbed into their budgets. Therefore, amounts for buildings and facilities in this account now refer to operations, maintenance, and improvements of primarily the USDA-owned headquarters complex (the Whitten Building and the South Building).

Agricultural Research, Education, and Extension[34]

Agricultural research was one of the founding purposes when USDA was created in 1862. Contemporary research spans traditional, organic, and sustainable agricultural production; bioenergy; nutrition; food safety; pests and diseases of plants and animals; and economics.

Four agencies carry out USDA's research, education, and economics 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 competitive grants and formula-based funding to land grant colleges of agriculture to provide partial support for state-level research, education, and extension.
- The **National Agricultural Statistics Service (NASS)** collects and publishes national, state, and county statistics. NASS is also responsible for the five-year cycle of the Census of Agriculture.
- The **Economic Research Service (ERS)** provides economic analysis of issues regarding public and private interests in agriculture, natural resources, and food.

For FY2017, the House-reported bill would provide $2.847 billion for agricultural research, down $89 million from the enacted FY2016 total (-3.0%), while the Senate-reported bill would provide $2.862 billion, down $74 million from FY2016 (-2.5%). The Administration had requested $2.898 billion for the USDA research mission area, a decrease of $38 million (-1.3%). The House bill would provide more for ARS buildings and facilities than the Senate—though both are reductions from FY2016—while the Senate would provide more for ARS salaries and expenses than the House bill—though both are increases from FY2016.

In addition to discretionary appropriations, agricultural research is also funded by state matching contributions and private donations or grants, as well as mandatory funding from the farm bill. These issues and amounts are discussed in greater context in CRS Report R40819, *Agricultural Research: Background and Issues*.

Agricultural Research Service

The ARS is USDA's in-house basic and applied research agency. It operates approximately 90 laboratories nationwide with about 7,400 employees. ARS also operates the National Agricultural Library, one of USDA's primary information repositories for food, agriculture, and natural resource sciences. ARS laboratories focus on efficient food and fiber production, development of new products and uses for agricultural commodities, development of effective controls for pest management, and support of USDA regulatory and technical assistance programs.

For FY2017, the House-reported bill would provide $1.152 billion for ARS salaries and expenses, an increase of $8 million over FY2016 (+0.7%; **Table 5**). The Senate-reported bill would provide more than the House, $1.178 billion (+3.0%). The President had requested a 1.5% increase for salaries and expenses.

[34] This section was written by (name redacted).(7 [redacted]@crs.loc.gov

ARS had proposed increases across several programmatic areas for prioritized research projects, coupled with reductions in funding for several existing programs. Both the House and Senate committees expressly rejected most, if not all, of those specific reductions and reprogramming.

For the ARS buildings and facilities account, the House-reported bill would provide $99.6 million in FY2017, a decrease from the $212 million appropriated in FY2016, while the Senate-reported bill would provide even less at $64.3 million. USDA had requested $94.5 million for FY2017. Like in FY2015 and FY2016, the House report language directs that funding be used for priorities identified in the "USDA ARS Capital Investment Strategy."[35] ARS's top facilities priorities for FY2017 would be completion of the Foreign Disease and Weed Science Research Unit in Fort Detrick, MD, to research foreign plant pathogens that could threaten U.S. agriculture ($30.2 million) and Phase I of the Agricultural Research Technology Center in Salinas, CA, to research alternatives to methyl bromide and organic crop practices for weed, insect, and disease control ($64.3 million).[36]

National Institute of Food and Agriculture

NIFA provides federal funding for research, education, and extension projects conducted in partnership with the State Agricultural Experiment Stations, the State Cooperative Extension System, land grant universities, colleges, and other research and education institutions, as well as individual researchers. These partnerships include the 1862 land-grant institutions, 1890 historically black colleges and universities, 1994 tribal land-grant colleges, and Hispanic-serving institutions. Federal funds enhance capacity at universities and institutions by statutory formula funding, competitive awards, and grants.

For FY2017, the House-reported bill would provide $1.341 billion for NIFA, an increase of $15 million over FY2016 (+1.1%; **Table 5**). The Senate-reported bill would provide $1.364 billion, an increase of $37 million (+2.8%). The President had requested slightly more discretionary funding for NIFA plus an increase in mandatory funding as described below.

USDA had again proposed to merge NIFA's three primary accounts (Research and Education, Extension, and Integrated Activities) into a single NIFA-wide account. Congress effectively rejected that proposal by continuing to fund each of the accounts separately as in past years.

The Agriculture and Food Research Initiative (AFRI)—USDA's flagship competitive grants program with 25% of NIFA's total budget—would receive $375 million in both the House and Senate bills (an increase of $25 million over FY2016) as requested by the Administration. The Administration had also requested an additional $325 million of new mandatory money to "fully fund" AFRI at its farm-bill authorized level of $700 million. New mandatory funding is generally more germane to the authorization process (such as the farm bill) rather than the annual appropriations, and the House and Senate did not include this request in their bills.

Formula-funded programs in both research and extension would be held constant under both the House-reported and Senate-reported bills, though the Administration had requested an increase for the Evans-Allen program that supports historically black colleges of agriculture.

[35] USDA-ARS, *The USDA Agricultural Research Service Capital Investment Strategy*, April 2012, http://www.ars.usda.gov/sp2UserFiles/Subsite/ARSLegisAffrs/USDA_ARS_Capital_Investment_Strategy_FINAL_eeo.pdf.

[36] In FY2016, ARS buildings and facilities funding went to construction of a biocontainment laboratory at the ARS poultry research facility in Athens, GA ($145 million); a foreign disease-weed science facility in Frederick, MD ($70 million); and an animal science, human nutrition, and bee research center in Beltsville, MD ($33 million).

For the Integrated Activities account, the House-reported bill would hold FY2017 funding constant at FY2016 levels, while the Senate bill would increase funding by $5.1 million (+16%) for Crop Protection/Pest Management (+$2.8 million), the Food and Agriculture Defense Initiative (+$1.3 million), and Rural Regional Development Centers (+$1 million).

The President's request again proposed to consolidate federal science, technology, engineering, and mathematics (STEM) education funding so that USDA would no longer fund Higher Education Challenge Grants, Graduate and Post-graduate Fellowship Grants, the Higher Education Multicultural Scholars Program, the Women and Minorities in STEM Program, Agriculture in the Classroom, and Secondary/Postsecondary Challenge Grants. As in prior years, both the House and Senate bills do not include that proposal and continue to fund these STEM programs in USDA at FY2016 levels.[37]

National Agricultural Statistics Service

NASS conducts the Census of Agriculture and provides official statistics on agricultural production and indicators of the economic and environmental status of the farm sector.

For FY2017, the House-reported bill would provide NASS $168 million, the same as the enacted FY2016 amount. The Senate-reported bill would provide slightly more at $169.6 million (+1.2 million). Both are below the Administration's request for an additional $8 million. The House report language directs NASS to restart surveys and reports for pecans. The Senate report language directs continuing coverage of chemical use and integrated pest management, especially for fruits and vegetables, and additional organic production surveys.

Economic Research Service

ERS supports economic and social science information analysis on agriculture, rural development, food, commodity markets, and the environment. It collects and disseminates data concerning USDA programs and policies to various stakeholders.

For FY2017, the House-reported bill would provide ERS $86.0 million, a slight increase over FY2016 (+0.7%). The Senate-reported bill would provide $86.8 million (+1.6%). USDA had requested a larger increase to $91 million. The House report language notes support for cooperative agreements on drought resilience and groundwater modeling. The Senate report language directs ERS to expand its organic data analysis.

[37] For additional information on the President's efforts to reorganize and consolidate federal STEM education programs, see CRS In Focus IF10229, *The Changing Federal STEM Education Effort*.

Table 5. USDA Research, Extension, and Economics (REE) Appropriations

Budget authority in millions of dollars	FY2014	FY2015	FY2016	FY2017				Change: FY2016 to…	
Agency or Major Program	**P.L. 113-76**	**P.L. 113-235**	**P.L. 114-113**	**Admin. Request**	**H. Cmte. H.R. 5054**	**S. Cmte. S. 2956**	**Enacted**	**House**	**Senate**
Agricultural Research Service	1,122.5	1,132.6	1,143.8	1,161.3	1,151.8	1,177.9	—	+8.0	+34.1
Buildings and Facilities	—	45.0	212.1	94.5	99.6	64.3	—	-112.5	-147.8
Subtotal, ARS	**1,122.5**	**1,177.6**	**1,355.9**	**1,255.8**	**1,251.4**	**1,242.2**	—	**-104.5**	**-113.7**
National Inst. of Food and Agriculture									
Research and Education									
AFRI (competitive grants)	316.4	325.0	*350.0*	*375.0*	*375.0*	*375.0*	—	*+25.0*	+25.0
Hatch Act (1862 institutions)	243.7	243.7	*243.7*	*243.7*	*243.7*	*243.7*	—	*+0.0*	+0.0
Evans-Allen (1890s institutions)	52.5	52.5	*54.2*	*58.0*	*54.2*	*54.2*	—	*+0.0*	+0.0
McIntire-Stennis (forestry)	34.0	34.0	*34.0*	*34.0*	*34.0*	*34.0*	—	*+0.0*	+0.0
Other	126.0	131.7	*137.8*	*126.3*	*126.0*	*144.6*	—	*-11.8*	+6.8
Subtotal	**772.6**	**786.9**	**819.7**	**836.9**	**832.9**	**851.5**	—	**+13.2**	**+31.8**
Extension									
Smith-Lever (b) & (c)	300.0	300.0	*300.0*	*300.0*	*300.0*	*300.0*	—	*+0.0*	+0.0
Smith-Lever (d)	85.5	85.5	*85.5*	*106.9*	*85.5*	*85.5*	—	*+0.0*	+0.0
Other	83.7	86.2	*90.4*	*95.0*	*91.9*	*90.7*	—	*+1.5*	+0.3
Subtotal	**469.2**	**471.7**	**475.9**	**501.9**	**477.4**	**476.2**	—	**+1.5**	**+0.3**
Integrated Activities	35.3	30.9	30.9	28.9	30.9	36.0	—	+0.0	+5.1
Subtotal, NIFA	**1,277.1**	**1,289.5**	**1,326.5**	**1,374.0**	**1,341.2**	**1,363.7**	—	**+14.7**	**+37.3**
National Agricultural Statistics Service	161.2	172.4	168.4	176.6	168.4	169.6	—	+0.0	+1.2
Economic Research Service	78.1	85.4	85.4	91.3	86.0	86.8	—	+0.6	+1.4
Total, REE appropriation	**2,638.8**	**2,724.9**	**2,936.2**	**2,897.7**	**2,847.0**	**2,862.4**	—	**-89.2**	**-73.9**

Source: CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

Marketing and Regulatory Programs

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

Animal and Plant Health Inspection Service[38]

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. Prominent concerns include avian influenza (AI), bovine spongiform encephalopathy (BSE or "mad cow disease"), foot-and-mouth disease (FMD), invasive plant pests (e.g., emerald ash borer, the Asian long-horned beetle, glassy-winged sharpshooter), and animal disease and traceability. APHIS also administers the Animal Welfare Act, which protects animals used in research and public exhibitions, and the Horse Protection Act, which supports inspections at horse shows and sales to prohibit the practice of soring. APHIS also administers the Wildlife Services Program to resolve human/wildlife conflicts and to protect against wildlife damage (e.g., predator control, feral swine control).

For FY2017, the House-reported bill would provide $930.8 million for APHIS, plus $3.2 million for building and facilities (**Table 6**). This is $36.4 million more than FY2016 (+3.9%), and $29.6 million more than requested by the Administration. The Senate-reported bill would provide $939.3 million for FY2017, plus $3.2 million for buildings and facilities, with most of the increase over the House bill in the Emergency Preparedness and Wildlife Services subaccounts.

Table 6. Animal and Plant Health Inspection Service (APHIS) Appropriations

(budget authority in millions of dollars)

	FY2016	FY2017		
	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S.Cmte. S. 2956
Animal Health	295.2	305.3	309.9	307.1
Plant Health	308.4	287.5	309.8	310.9
Wildlife Services	120.0	105.0	119.2	121.2
Regulatory Services	35.1	35.4	35.1	35.5
Emergency Preparedness, Contingency	17.4	44.6	38.4	44.6
Safe Trade, International Tech. Assist.	37.2	42.0	37.2	38.5
Animal Welfare	29.1	29.4	29.2	29.4
Administrative Funds	52.0	52.0	52.0	52.0
Subtotal, salaries and expenses	**894.4**	**901.2**	**930.8**	**939.3**
Buildings and facilities	3.2	3.2	3.2	3.2
Total, APHIS	**897.6**	**904.4**	**934.0**	**942.5**

Source: CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

[38] This section was written by (name redacted) (7-...., [redacted]@crs.loc.gov

The House and Senate bills provide $55.3 million and $55.6 million respectively for APHIS avian health. The Senate bill includes an increase of $27.2 million to implement lessons learned from the recent highly pathogenic avian influenza outbreak.

Section 738 of the House bill directs APHIS to prioritize audits and reviews for countries that have been granted animal health status. APHIS would provide the appropriations and agriculture committees a description of its prioritization process within four months after enactment. APHIS is required to conduct audits based on factors as defined in regulations for determinations of animal health status, and APHIS is to promptly make audit reports publicly available. The section also requires that the audits be conducted in a manner consistent with U.S. international trade agreements. This provision is not included in the Senate bill. The House bill provision was originally included in the FY2016 appropriations act (P.L. 114-113) in response to APHIS rulemaking to allow imports of beef from Brazil and Argentina.

Agricultural Marketing Service and "Section 32"[39]

AMS administers numerous programs to facilitate marketing U.S. agricultural products in domestic and international markets. AMS each year receives two different appropriations. A discretionary appropriation of about $80 million funds a variety of marketing activities. A larger mandatory spending amount of about $1.3 billion (funds for strengthening markets, income, and supply; or "Section 32") finances various types of ad hoc decisions that support agricultural commodities (such as meat, poultry, fruits, and vegetables) that are not supported through the commodity support programs for the primary field crops (corn, soybeans, wheat, rice, and peanuts) and dairy. User fees also support some AMS activities.

Marketing Activities

For FY2017, the House-reported bill would provide $83.5 million for AMS salaries and expenses, including $1.2 million for payments to states and possessions for marketing activities. This is $1.0 million higher than enacted in FY2016. The Senate-reported bill would provide $84.2 million, including payments to states and possessions, $1.7 million higher than in FY2016. The Administration requested $82.3 million in FY2017. Both bills place a $61.2 million limit on the amount of user fees that AMS may collect for grading and classifying cotton and tobacco.[40]

The AMS discretionary appropriation funds four main marketing activities: market news service, shell egg surveillance and standardization, market protection and promotion, and transportation and marketing. The market news program collects, analyzes, and disseminates market information on many commodities. The shell egg program ensures egg quality and reviews and maintains egg standards. As part of market protection and promotion programs, AMS administers the pesticide data program, the National Organic Program, the seed program, the country-of-origin labeling (COOL) program, and 22 commodity research and promotion programs (known as checkoffs). AMS monitors the agriculture transportation system and conducts market analysis that supports the transport of agricultural products domestically and internationally.

The appropriation for payments to states and possessions is for the Federal-State Marketing Improvement Program, which provides matching grants to state marketing agencies to explore new market opportunities for U.S. food and agricultural products and to encourage research and innovation to improve marketing efficiency and performance.

[39] This section was written by (name redacted) (7...., [redacted]@crs.loc.gov)

[40] Authorized by the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35).

In addition to the cotton and tobacco inspection and classification fees, AMS collects user fees and reimbursements to cover product quality and process verification programs, commodity grading, and Perishable Agricultural Commodities Act licensing. AMS expects to collect about $175 million in FY2017 for these activities. AMS also administers several 2014 farm bill programs that have mandatory funding and are designed to support specialty crops, farmers' markets, local foods, and organic certification.[41]

Both the House report (H.Rept. 114-531) and Senate report (S.Rept. 114-259) express concern about the organic livestock rule and its effect on existing organic producers and the use of scientific information in the AMS sunset review of substances prohibited in organic production. The Senate report also directs USDA to use its full authority to administer the National Organic Certification Cost-Share Program with the states and encourages AMS and the National Agricultural Statistics Service to coordinate and expand organic data collection and price reporting.

The House report also contains a provision about research and promotion programs (commonly referred to as checkoffs) that urges USDA to recognize that checkoff boards are *not* subject to the Freedom of Information Act (FOIA; 5 U.S.C. 552) because checkoffs are funded by the industry, and the checkoff boards and employees are not federal employees. AMS oversees 22 commodity checkoff programs that are authorized by Congress but are requested and funded by industry. They develop new markets, strengthen existing markets, and conduct research and promotion activities. USDA considers the checkoff boards to be subject to FOIA, excluding exempt information under FOIA such as proprietary data. Checkoff groups supporting the provision believe that FOIA requests divert time and funds away from research and promotion. Opponents believe that commodity groups are attempting to limit transparency of checkoff activities.

Section 32 (Funds for Strengthening Markets, Income, and Supply)

AMS's mandatory appropriation reflects a transfer from the so-called Section 32 account, which is a program created in 1935 to assist agricultural producers of non-price-supported commodities. The Section 32 account is funded by a permanent appropriation of 30% of the previous calendar year's customs receipts (estimated at $10.9 billion in FY2017). This amount is reduced by various mandatory transfers to child nutrition and other programs ($9.8 billion in FY2017).[42]

Section 32 monies have been used at the Secretary's discretion to purchase agricultural commodities like meat, poultry, fruits, vegetables, and fish—which are not typically covered by mandatory farm programs—when market conditions indicate a need for support. These commodities are diverted to school lunch and other domestic food and nutrition programs. Section 32 has also been used for surplus removal and farm economic and disaster relief.

The 2008 farm bill (§14222) capped the annual amount of Section 32 funds available for obligation by AMS in FY2017 at $1.322 billion. Also, to increase the amount of fruits and vegetables purchased under Section 32, Congress limited USDA's discretion in two ways: (1)

[41] Separate from the appropriations process, the 2014 farm bill (P.L. 113-79) authorized mandatory funding for four AMS-administered programs as follows: $72.5 million (annually, FY2014-2017) and $85 million (annually, FY2018 and thereafter) for specialty crop block grants; $15 million (annually, FY2014-2018) for farmers' market promotion; $15 million (annually, FY2014-2018) for local food promotion; and a set-aside (estimated at $12.5 million in FY2017) for the AMS share of costs to support organic certification. For FY2016, AMS expects to administer an estimated $107.2 million ($115 million, less 6.8% sequestration) for these mandatory farm bill initiatives. The FY2017 authorized amount of $115 million will also be subject to sequestration.

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

Section 4304 of the 2008 farm bill established a fresh fruit and vegetable school snack program funded by carving out Section 32 funds (set at $40 million in 2008, rising to $150 million in 2011, and adjusted for inflation for each year thereafter), and (2) Section 4404 of the 2008 farm bill required additional purchases of fruits, vegetables, and nuts (set at $190 million in FY2008, rising to $206 million in FY2012, and remaining at that level each year thereafter).

For FY2017, both the House and Senate appropriations bills authorize $1.322 billion of Section 32 funds for AMS, as provided in the 2008 farm bill. After a rescission of $311 million and required transfers for fresh fruit and vegetable programs, $842 million is available to AMS.

Moreover, Section 715 of the House-reported bill and Section 714 of the Senate-reported bill include a provision that has appeared since FY2012 that effectively prohibits the use of Section 32 funds for emergency disaster payments:

> [N]one of the funds appropriated 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 1935 (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.[43]

Grain Inspection, Packers and Stockyards Administration[44]

GIPSA oversees the marketing of U.S. grain, oilseeds, livestock, poultry, meat, and other commodities. The 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.

For FY2017, the House-reported bill would provide GIPSA $43.1 million for salaries and expenses, the same as enacted for FY2016. The Senate-reported bill would provide $43.5 million, $400,000 more than the previous fiscal year and the same as the Administration requested for FY2017. The House bill authorizes GIPSA to collect up to $55 million in user fees for inspection and weighing services, but the Senate bill authorizes $57.5 million. In both bills, if grain export activity requires additional services, the user fee limit may be exceeded by up to 10% upon notification to the House and Senate appropriations committees.

In policy matters, Section 767 of the House-reported bill would prohibit USDA from finalizing and implementing the livestock and poultry marketing rule—commonly referred to as the "GIPSA rule"—that was proposed in June 2010 (75 *Federal Register* 35338).[45] The provision is not in the Senate-reported bill. USDA said in March 2016 that it would finalize the rule later in the year. The rule was contentious, with proponents arguing that it would bring fairness to marketing transactions, while opponents argued that it would disrupt markets and lead to increased litigation. From FY2012 to FY2015, appropriations riders prohibited USDA from finalizing most parts of the GIPSA rule. The FY2016 appropriations act did not include such a provision.

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[43] Clause 3 of Section 32 provides that funds shall be used to reestablish farmers' purchasing power by making payments in connections with the normal production of any agricultural commodity for domestic consumption (7.U.S.C 612c). Section 5 of the Commodity Credit Corporation Charter Act authorizes the CCC to support the prices of agricultural commodities through loans, purchases, payments, and other operations (15 U.S.C. 714c).

[44] This section was written by (name redacted) (7...., [redacted]@crs.loc.gov)

[45] See CRS Insight IN10499, *GIPSA Rule Revived*.

Food Safety and Inspection Service[46]

FSIS regulates U.S. supplies of meat, poultry, and processed egg products to ensure that they are safe, wholesome, and properly labeled.[47] The FSIS Meat and Poultry Inspection Program conducts continuous inspections at federal meat and poultry plants and ensures that state inspection programs have standards that are at least equivalent to federal standards. The Egg Products Inspection Program ensures that liquid, frozen, and dried egg products are also safe, wholesome, and correctly labeled. In addition, FSIS inspects U.S. imports of meat, poultry, and egg products and ensures that they are produced under standards equivalent to U.S. inspection standards.

For FY2017, the House-reported bill would provide FSIS $1.030 billion, $15.5 million more than enacted for FY2016, and the same as the Administration requested. The Senate-reported bill would provide $1.034 billion, $3.4 million more than the House and the Administration request.

FSIS appropriations are divided between five subaccounts: federal inspection, state inspection, international inspection, Codex Alimentarius, and the Public Health Data Communications Infrastructure System. The higher Senate allocation to the federal inspection subaccount is $3.4 million, the difference between the House and Senate bills. According to report language, the Senate bill increases FSIS appropriations for federal inspection activities that FSIS plans. Both the House and Senate bills authorize FSIS to collect $1.0 million in laboratory accreditation fees.

The Administration again proposed a user fee of $4 million to cover additional inspection costs associated with performance issues at inspected facilities, but as in previous appropriations, it was not included in either the House or Senate appropriations bills.

FSIS also administers the Humane Methods of Slaughter Act (HMSA). Both the House-reported and Senate-reported bills require that FSIS have no fewer than 148 full-time equivalents dedicated to the inspection and enforcement of the HMSA in FY2017.

Both bills also direct FSIS to continue to implement catfish inspection that was transferred from the FDA to USDA in the 2008 farm bill (P.L. 110-246, §11016) and 2014 farm bill (P.L. 113-79, §12106). FSIS issued the final rule on catfish inspection on December 2, 2015, to go into effect on March 1, 2016, with a phase-in period continuing until September 1, 2017.[48]

In policy matters, Section 762 of the House-reported bill and Section 755 of the Senate-reported bill prohibit FSIS from using funds to inspect horse slaughter facilities, as well as the use of voluntary inspection fees. This effectively bans horse slaughter. Horses are an amenable species under the Federal Meat Inspection Act (21 U.S.C. §601 et seq.), and FSIS is responsible for horse slaughter inspection if the horsemeat is for human consumption. However, the FY2006 and FY2007 appropriations acts prohibited FSIS from funding horse slaughter inspections. In subsequent appropriations (FY2008-FY2011 and FY2014-FY2016), the inspection bans were expanded to include a prohibition on voluntary, fee-based horse slaughter inspections. Inspection bans were not in force during FY2012 and FY2013, but no horse slaughter facilities opened before the appropriations ban was reinstated.

[46] This section was written by (name redacted) (7...., [redacted]@crs.loc.gov)

[47] FSIS authorities include the Federal Meat Inspection Act (21 U.S.C. §601 et seq.), the Poultry Products Inspection Act (PPIA, 21 U.S.C. §451 et seq.), the Egg Products Inspection Act (21 U.S.C. §1031 et seq.), and the Humane Methods of Slaughter Act (HMSA, 7 U.S.C. §1901 et seq.).

[48] 80 *Federal Register* 75590 (December 2, 2015).

Farm Service Agency[49]

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 and 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

For FY2017, the House-reported bill would provide $1.507 billion to FSA for salaries and expenses (including $1.200 billion for regular FSA salaries and expenses, plus the transfer within FSA of $307 million for farm loan program salaries and expenses), the same as for FY2016 (**Table 7**).[50] The Senate-reported bill would provide slightly more, with an additional $10 million that would make the FSA salaries and expenses $1.210 billion (+1.0% compared to FY2016). The latter is consistent with the Administration's request.

Regarding information technology (IT), both the House and Senate bills and report language continue strong requirements that began in FY2015 about FSA's implementation of IT plans. The intention is to address the Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) plan that was flagged for concern by the Federal IT Dashboard in December 2012 but has shown progress in 2015 and 2016.[51] FSA has struggled with the scope and schedule of work on MIDAS and did not deliver the expected results. The Government Accountability Office (GAO)[52] and the USDA Office of Inspector General continue to observe management and schedule problems in recent reports.[53]

Specifically, the statutory language continues a requirement begun in FY2015 that FSA—before it can spend more than 50% of the $101 million for IT in the House bill or of the $130 million in the Senate bill—submit to Congress and GAO a detailed IT plan that meets several specific criteria.

Regarding office closures and staff reductions, both the House and Senate bills for FY2017 would prohibit FSA from closing any county offices, and they would also prohibit FSA from permanently relocating any county employees if it results in two or fewer employees, unless the Appropriations Committees approve. The FY2015 and FY2016 appropriations similarly prohibited county office closure and contained the relocation provision, but this was the first time that FSA office closure had been mentioned in appropriations since FY2006-FY2008. The 2008 farm bill enacted a permanent provision (7 U.S.C. 6932a; P.L. 110-246, §14212) that accomplished the same thing—setting conditions and requiring congressional notification and local hearings before FSA can close or consolidate a county office. The recent one-year moratoriums in appropriations act surpass the permanent provision.

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[49] This section was written by (name redacted) (7 [redacted]@crs.loc.gov).

[50] Excludes transfers to FSA from FAS for administrative support (about $3 million).

[51] IT Dashboard, "Farm Program Modernization (MIDAS) #097," https://itdashboard.gov/drupal/summary/005/225.

[52] GAO, "Farm Service Agency Needs to Demonstrate the Capacity to Manage IT Initiatives," GAO-15-506, June 18, 2015, http://gao.gov/products/GAO-15-506.

[53] USDA, Office of Inspector General, "Review of Farm Service Agency's Initiative to Modernize and Innovate the Delivery of Agricultural Systems (MIDAS)," 03501-0001-12, May 2015, http://www.usda.gov/oig/webdocs/03501-0001-12.pdf.

FSA Farm Loan Programs

FSA makes and guarantees loans to farmers and is a lender of last resort for family farmers who are unable to obtain credit from commercial lenders. 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.[54]

An appropriation is made to FSA each year to cover the federal cost of making direct and guaranteed loans, referred to as a loan subsidy. Loan subsidy is directly related to any interest rate subsidy provided by the government, as well as a projection of anticipated loan losses from farmer non-repayment of the loans. The amount of loans that can be made—the loan authority—is several times larger than the subsidy level.

For FY2017, the House-reported and Senate-reported bills are identical to each other and to the Administration's request in both loan subsidy and loan authority, with three small exceptions: (1) the House bill would continue constant funding for the emergency loan program, while the Administration's request and the Senate bill would reduce its loan authority by $12 million, (2) the House bill does not provide anything for Individual Development Accounts,[55] while the Administration's request and the Senate bill would provide $1.5 million, and (3) the House bill provides constant funding for administration expenses, while the Administration's request and Senate bill would provide a $2 million increase.

The FSA farm loan program would receive about $82 million of loan subsidy in either bill to support about $6.66 billion of direct and guaranteed loans in FY2017 (**Table 8**). The total loan authority would increase about $250 million over FY2016 (+4%), mostly for direct operating loans and to a lesser extent guaranteed operating loans and Indian tribe land acquisition loans, all as requested by the Administration.

Although the House bill would provide the same amounts for the farm ownership and farm operating loans as in the Senate bill and the Administration's request, the House report language does not concur with the Administration request to waive application fees for veteran farmers, which is a group that the Administration wants to target for extra support. The Senate report language supports the Administration's request to waive fees for veteran farmers.

Both bills continue a general provision (§726 in both bills) that allows USDA to increase the loan authority of programs that are self-funding (from loan application fees such as the farm ownership loan program) by 25% with prior notification to the appropriations committees. USDA used this authority in July 2016 to increase the FY2016 guaranteed farm ownership program loan authority by $500 million to $2.5 billion.[56]

Following the global financial crisis that began in 2008, the farm loan program has grown in size, reflecting farmers' borrowing needs. Supplemental appropriations in FY2009 and FY2010 raised loan authority by $2 billion, and, with the exception of fiscal pressures in FY2011-FY2013, recent appropriations have sustained and increased loan authorities. Low default rates and interest rates have allowed this increase at lower budgetary costs compared to a decade ago.

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

[55] The Individual Development Account program was authorized in the 2008 farm bill but has not been funded. It is a subsidized savings program (7 U.S.C. 1983b). USDA would make grants to private entities to deliver the program, which would match farmer deposits at a rate up to 2:1. Withdrawals would be allowed for various capital expenses.

[56] Updates on unused FSA loan availability are available at http://www.fsa.usda.gov/programs-and-services/farm-loan-programs/funding/index.

Table 7. Farm Service Agency (FSA) Appropriations

(budget authority in millions of dollars)

	FY2014	FY2015	FY2016	FY2017				Change: FY2016 to...	
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	Enacted	House	Senate
Salaries and expenses									
Farm Service Agency (S&E base)	1,177.9	1,200.2	1,200.2	1,209.8	1,200.2	1,210.4	—	+0.0	+10.2
FSA farm loan program S&E transfer	307.0	307.0	307.0	307.0	307.0	307.0	—	+0.0	+0.0
Subtotal, appropriated to FSA	**1,484.9**	**1,507.2**	**1,507.2**	**1,516.7**	**1,507.2**	**1,517.4**	—	**+0.0**	**+10.2**
Programs									
Farm loan program (loan subsidy)	90.0	78.7	69.6	82.8	82.0	82.8	—	+12.4	+13.3
Farm loan program admin. expenses	7.7	7.9	7.9	10.1	7.9	10.1	—	+0.0	+2.2
State mediation grants	3.8	3.4	3.4	3.4	3.4	3.9	—	+0.0	+0.5
Grassroots source water protection	5.5	5.5	6.5	0.0	6.5	6.5	—	+0.0	+0.0
Dairy indemnity program (M)	0.3	0.5	0.5	0.5	0.5	0.5	—	+0.0	+0.0
Total: Appropriation to FSA	**1,592.2**	**1,603.3**	**1,595.1**	**1,613.6**	**1,607.5**	**1,621.2**	—	**+12.4**	**+26.1**

Source: CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

Notes: Does not include about $3 million of salaries and expenses that are appropriated to the Foreign Agricultural Service and transferred to FSA to administer Food for Peace and export loans. Discretionary budget authority unless labeled "(M)" to indicate mandatory authority.

Table 8. Farm Service Agency: Farm Loan Program

(budget authority and loan authority, as specified, in millions of dollars)

	FY2014	FY2015	FY2016	FY2017				Change: FY2016 to…	
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	Enacted	House	Senate
<u>1. Budget Authority (loan subsidy)</u>									
Farm ownership loans									
Direct	4.4	—	—	—	—	—	—	+0.0	+0.0
Farm operating loans									
Direct	65.5	63.1	54.0	62.2	62.2	62.2	—	+8.2	+8.2
Guaranteed (unsubsidized)	18.3	14.8	14.4	15.3	15.3	15.3	—	+1.0	+1.0
Other direct loans									
Emergency loans	1.7	0.9	1.3	1.3	1.9	1.3	—	+0.7	+0.0
Indian highly fractionated land loans	0.1	—	—	2.6	2.6	2.6	—	+2.6	+2.6
Individual Development Accounts	—	—	—	1.5	—	1.5	—	+0.0	+1.5
Subtotal, loan subsidy	**90.0**	**78.7**	**69.6**	**82.8**	**82.0**	**82.8**	—	**+12.4**	**+13.3**
FLP salaries and expenses	307.0	307.0	307.0	307.0	307.0	307.0	—	+0.0	+0.0
FLP administrative expenses	7.7	7.9	7.9	10.1	7.9	10.1	—	+0.0	+2.2
Total, FLP budget authority	**404.7**	**393.6**	**384.5**	**399.9**	**396.9**	**399.9**	—	**+12.4**	**+15.4**

	FY2014	FY2015	FY2016	FY2017				Change: FY2016 to…	
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	Enacted	House	Senate
2. Loan Authority (loan level)									
Farm ownership loans									
Direct	575.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	—	+0.0	+0.0
Guaranteed	2,000.0	2,000.0	2,000.0[a]	2,000.0	2,000.0	2,000.0	—	+0.0	+0.0
Farm operating loans									
Direct	1,195.6	1,252.0	1,252.0	1,460.0	1,460.0	1,460.0	—	+208.0	+208.0
Guaranteed (unsubsidized)	1,500.0	1,393.4	1,393.4	1,432.4	1,432.4	1,432.4	—	+39.0	+39.0
Conservation loans									
Guaranteed	150.0	150.0	150.0	150.0	150.0	150.0	—	+0.0	+0.0
Other direct loans									
Emergency loans	34.7	34.7	34.7	22.6	34.7	22.6	—	+0.0	-12.1
Indian tribe land acquisition loans	2.0	2.0	2.0	20.0	20.0	20.0	—	+18.0	+18.0
Indian highly fractionated land loans	10.0	10.0	10.0	10.0	10.0	10.0	—	+0.0	+0.0
Boll weevil eradication loans	60.0	60.0	60.0	60.0	60.0	60.0	—	+0.0	+0.0
Total, loan authority	**5,527.3**	**6,402.1**	**6,402.1**	**6,655.1**	**6,667.1**	**6,655.1**	—	**+265.0**	**+252.9**

Source: CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

Note: *Budget authority* reflects the cost of making loans, such as interest rate subsidies and default. Some programs are self-funding because of fees charged. *Loan authority* reflects the amount of loans that FSA may make or guarantee.

a. In July 2016, USDA increased this amount by $500 million, to $2,500 million, by using the authority provided in the FY2016 appropriation (P.L. 114-113, §727) to increase by 25% the loan authority for programs that are self-funding such as the farm ownership loans.

Commodity Credit Corporation[57]

The CCC is the funding mechanism for most of the agriculture-related mandatory spending programs in the 2014 farm bill (P.L. 113-79, the Agricultural Act of 2014). These include farm subsidy and disaster payments, as well as a host of other programs that receive mandatory funding, such as conservation, trade, food aid, research, rural development, and bioenergy. (Programs with different mandatory funding sources other than the CCC include crop insurance, SNAP, child nutrition, and Section 32.) Supplemental spending has also been paid from the CCC, particularly for ad hoc farm disaster payments, direct market loss payments because of low farm commodity prices, and disease eradication efforts. Separate discretionary appropriations to various agencies pay for salaries to administer the programs.

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 to finance program spending (15 U.S.C. 714, *et seq*.). The CCC 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 is replenished through a congressional appropriation.[58]

Mandatory outlays for the commodity programs rise and fall based on market or weather conditions (e.g., crop prices below program trigger levels generate farm payments). Funding needs are difficult to estimate, which is a primary reason that the programs are mandatory rather than discretionary and that the program operates under a Treasury line of credit.

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 current year outlays. Moreover, the CCC appropriation is several billion dollars greater than the amount of farm commodity subsidies because other programs (e.g., certain conservation and biofuels programs) are also paid from CCC.[59]

To replenish CCC's borrowing authority, both the House and Senate bills for FY2017 continue to provide an indefinite appropriation ("such sums as necessary"). The amount estimated for FY2017 is $13.477 billion, up 96% from FY2016. The increase does not indicate any action by Congress to raise spending but rather follows market conditions and the payment timelines.

In policy matters, the Senate-reported bill (§751) would create a pilot program within one of the new farm commodity support programs under the 2014 farm bill. Concerns have been raised that the Agricultural Risk Coverage (ARC) county-level payments[60] have not been equitable across certain adjacent counties. The issue is the accuracy of yields calculated at the county level under methods allowed by the farm bill (primarily, the availability of sufficient data in standard sources). The pilot would allow USDA state offices to use alternative calculations for the 2016 crop year if they believe that there are inaccuracies, especially compared to adjacent counties. The Senate bill would provide $5 million for the pilot program and allows the Secretary to choose

[57] This section was written by (name redacted).(7 [redacted]@crs.loc.gov

[58] For more background on the origins and structure of CCC, see CRS Report R44606, *The Commodity Credit Corporation: In Brief*.

[59] For an example of CCC's accounting, see USDA, *Commodity Estimates Book*, "Output 07-CCC Financing Status," http://www.fsa.usda.gov/about-fsa/budget-and-performance-management/budget/ccc-budget-essentials/index.

[60] The county ARC program is a revenue guarantee, triggered by crop revenue losses at the county level. Payments are made when actual county crop revenue drops below the county revenue guarantee per acre, which equals the average historical county yield for the most recent five crop years (excluding the highest and lowest yields) times the national average market price. See CRS Report R43448, *Farm Commodity Provisions in the 2014 Farm Bill (P.L. 113-79)*.

participating states. This one-year pilot (and last year's permanent change that allows commodity certificates to again be used)[61] is a way of adjusting the farm bill without "reopening" it.

Regarding the dispute over the Administration not using its authority to declare cottonseed as an eligible oilseed under the farm bill to receive farm commodity support,[62] the report language that accompanies both the House bill and Senate bill includes statements expressing disappointment that the Secretary has not used his authority to provide such assistance and encourages him to do so. Neither bill compels any change, however, to USDA's February 2016 decision.[63]

Regarding ad hoc disaster assistance allowed under the CCC Charter Act, both the House-reported and Senate-reported bills continue a provision (§715) that has appeared since FY2012 that effectively prohibits the use of the CCC for emergency disaster payments to farmers:

> [N]one of the funds appropriated 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 1935 (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.[64]

Finally, for the first time since FY2011, neither the House-reported nor Senate-reported bills contain a provision that prevents USDA from providing marketing assistance loans for mohair.

Crop Insurance[65]

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 (ranging between 38% and 80%). Policies are sold and 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.[66]

Two separate appropriations support the federal crop insurance program. The first provides discretionary funding for the salaries and expenses of the RMA. The second provides mandatory funding for the Federal Crop Insurance Fund (FCIC), which finances other program expenses, including premium subsidies, indemnities, and reimbursements to the insurance companies.

For the discretionary salaries and expenses of the RMA, the FY2017 appropriation would be the same as FY2016 in the House-reported bill ($74.8 million) and 1% higher in the Senate-reported bill ($75.8 million). The Administration had requested a smaller discretionary appropriation ($66.6 million) plus $20 million of mandatory funding from the crop insurance fund. Congress did not concur with the requested change for this use of mandatory funding.

For the mandatory appropriation to the Federal Crop Insurance Fund, the House and Senate bills would provide an indefinite amount ("such sums as necessary"), estimated at $8.84 billion. This

[61] P.L. 114-113, §740; see CRS Report R44240, *Agriculture and Related Agencies: FY2016 Appropriations*.

[62] See CRS Insight IN10451, *Cottonseed as a Potential Farm Program Crop: What Are the Issues?*

[63] USDA Secretary Tom Vilsack, letter to House Agriculture Committee on the decision whether to name cottonseed as an eligible oilseed, February 3, 2016, http://www.agri-pulse.com/Uploaded/Conaway-Feb-3-2016%20.pdf.

[64] For an explanation of the statutory references, see footnote 43.

[65] This section was written by (name redacted).(7 [redacted]@crs.loc.gov

[66] For more information, see CRS Report R40532, *Federal Crop Insurance: Background*.

is nearly $1 billion more than FY2016 (+13%) but does not reflect any change by Congress to increase program benefits. The actual amount required is subject to change and is based on actual crop losses and farmer participation rates in the program.

Disaster Assistance[67]

USDA offers several programs to help producers recover from natural disasters. Most of these programs are permanently authorized and do not require a federal disaster designation. Most receive mandatory funding ("such sums as necessary") and are not subject to annual appropriations.[68] However, agricultural land rehabilitation programs receive discretionary funding on an ad hoc basis. In recent years, funding has been incorporated into annual appropriations bills, even though it remains supplemental in nature and amounts vary over time.[69]

For FY2017, the second CR (P.L. 114-254, Division A, Section 185) provides new emergency funding for two USDA land rehabilitation programs—the Emergency Conservation Program (ECP, $103 million) and the Emergency Watershed Protection Program (EWP, $103 million).[70] Funding is not directed to a specific disaster, event, or geographic region.

Under ECP and EWP, a national or state emergency does not have to be declared in order to receive assistance. Recent years' funding, however, for these programs have required that all or a portion of the funds be used for activities carried out pursuant to the Robert T. Stafford Disaster Relief and Emergency Act (Stafford Act).[71] The Stafford Act requirement limits the type of eligible disaster to those with a national or state declared emergency. This FY2017 funding does not include the Stafford Act requirement; therefore the funds may be used according to the authorities of the program.

Conservation[72]

USDA administers a number of agricultural conservation programs that 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 Conservation Reserve Program (CRP).[73]

Most conservation program funding is mandatory, funded through the CCC and authorized in omnibus farm bills (about $5.6 billion of CCC funds for conservation in FY2017). Other conservation programs—mostly technical assistance—are discretionary and funded through annual appropriations.

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[67] This section was written by (name redacted) (7..., [redacted]@crs.loc.gov)

[68] For additional information on these programs, see CRS Report RS21212, *Agricultural Disaster Assistance*.

[69] For example, the FY2016 omnibus appropriation provided such funding. However, the first continuing resolution for FY2017 expressly did not continue the FY2016 disaster funding for agriculture.

[70] For additional information about ECP and EWP, see CRS Report R42854, *Emergency Assistance for Agricultural Land Rehabilitation*.

[71] 42 U.S.C. 5121 et seq.

[72] This section was written by (name redacted) (7..., [redacted]@crs.loc.gov)

[73] For more information, see CRS Report R40763, *Agricultural Conservation: A Guide to Programs*.

The House- and Senate-reported bills include reductions to mandatory conservation programs and provide a slight increase from FY2016 levels for discretionary programs.

Discretionary Conservation Programs

All discretionary conservation programs are administered by NRCS. The largest program and the account that funds most NRCS activities is Conservation Operations (CO). The Administration requested $860 million for CO, $9 million more than the FY2016 enacted amount. The House-reported bill would provide some of that increase ($855 million) but less than the Senate-reported bill ($864 million). The House- and Senate-reported bills direct CO funding for a number of conservation programs (**Table 9**).

Table 9. Conservation Operations Funding

(budget authority in millions of dollars)

	FY2016	FY2017		
Program	**P.L. 114-113**	**Admin. Request**	**H. Cmte. H.R. 5054**	**S. Cmte. S. 2956**
Conservation Operations	**851**	**860**	**855**	**864**
Conservation Technical Assistance	752	761	757	759
Soil Survey	80	81	80	81
Snow Survey	9.3	9.4	9.3	9.4
Plant Material Center	9.4	9.5	9.4	9.5
Watershed Projects (Watershed Operations)	10.6	0	0	5.6

Source: CRS, from H.R. 5054, S. 2956, H.Rept. 114-531, S.Rept. 114-259, and P.L. 114-113.

Notes: Lack of a specific funding level may mean only an absence of being mentioned in FY2017 report language.

The House and Senate committee reports include a number of congressionally directed actions, many repeated from FY2016. New actions include floodplain buyouts, irrigation history requirements, milkweed and pollinator health activities, organic program participation, wetland mitigation, soil salinity management, and agency activities and reporting requirements. While these do not include specific funding, they can ultimately direct funding similar to earmarks.

The House- and Senate-reported bills also contain funding for watershed activities. The Senate-reported bill includes $150 million for Watershed and Flood Prevention Operations (WFPO)—a program that assists state and local organizations to plan and install measures to prevent erosion, sedimentation, and flood damage.[74] Congress has not appropriated funding for the WFPO program since FY2010. Beginning in FY2006, the Administration requested no funding for WFPO, citing program inflexibility and a backlog of congressionally designated projects that were frequently not merited. The FY2016 request marked the first time in a decade that an Administration requested funding for the program ($200 million), citing the need for climate resilience. The FY2017 request, however, proposed no funding for the program, purportedly preferring fully funding other mandatory conservation programs (discussed further below).[75] In

[74] See CRS Report RL30478, *Federally Supported Water Supply and Wastewater Treatment Programs*.

[75] U.S. Congress, House Committee on Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, *Budget Hearing—Department of Agriculture, Natural Resources and Environment*, 114th Cong., 2nd sess., February 26, 2016.

FY2016, no funding was appropriated. However, Congress directed $10.6 million of CO to WFPO activities. Similar directive language ($5.6 million) is in S. 2956, while H.R. 5054 includes no appropriation or carve-out of CO (see **Table 9**).

The House-reported bill does include funding for the Watershed Rehabilitation program, which repairs aging dams previously built by USDA under WFPO. The Administration has proposed no funding, contending that the maintenance, repair, and operation of dams are local responsibilities. H.R. 5054 includes $12 million for the program in FY2017—the same level enacted in FY2016—while S. 2956 includes no funding. The 2014 farm bill (P.L. 113-79) provided additional mandatory funding for the program to remain available until expended.[76]

Mandatory Conservation Programs

Mandatory conservation programs are generally authorized in omnibus farm bills and receive funding from the CCC, thus not requiring an annual appropriation.[77] But Congress has reduced mandatory conservation programs through CHIMPS in the annual agricultural appropriations law every year since FY2003. Because money is fungible, the savings from these reductions are not necessarily applied toward other conservation activities.

The Administration proposed CHIMPS to only one conservation program in FY2017 (Watershed Rehabilitation for $54 million)—significantly fewer than previous years. The House-reported bill proposes CHIMPS to four farm bill conservation programs totaling $272 million, including a $98 million permanent rescission of FY2016 funding in the Environmental Quality Incentives Program (EQIP). The Senate-reported bill includes CHIMPS to two conservation programs totaling $252 million and proposes no rescissions.[78] Sequestration further reduces available funding for these and other mandatory conservation programs in FY2017. Estimated sequestration combined with the House- and Senate-reported bills' proposed CHIMPS would result in an estimated total reduction of $539 million and $520 million respectively, or roughly 9% of all mandatory conservation funding.[79]

Continued funding reductions to certain conservation programs may be one cause for the increasing number of unfunded applications. For example, the annual funding authority for EQIP increases incrementally from $1.35 billion in FY2014 to $1.75 billion in FY2018. Despite this increase in authority, annual sequestration and CHIMPS continue to reduce the amount available to an average of $1.34 billion annually over the past three fiscal years. In FY2015, 23% of all eligible EQIP applications were funded, down from 37% in FY2014 and 46% in FY2013. While the FY2017 budget request marks the first time in over a decade that the Administration did not request CHIMPS to EQIP, the House- and Senate-reported bills do. The stagnant EQIP funding levels may be only one reason for the decline in funded applications; however, further funding reductions appear unlikely to reverse the decline. For more discussion, see CRS In Focus IF10041, *Reductions to Mandatory Agricultural Conservation Programs in Appropriations Law*.

[76] A series of reductions in program funding has resulted in mandatory funding for the Watershed Rehabilitation program to go unspent and carry forward into FY2017. This is discussed in greater detail in CRS In Focus IF10041, *Reductions to Mandatory Agricultural Conservation Programs in Appropriations Law*.

[77] For authorized funding and background, see CRS Report R40763, *Agricultural Conservation: A Guide to Programs*.

[78] For a list of proposed CHIMPS, see **Table 15**.

[79] OMB estimates a 6.9% level of sequestration for non-exempt, non-defense mandatory accounts. See **Appendix B**.

Rural Development[80]

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). This mission area also administers Rural Economic Area Partnerships and the National Rural Development Partnership.

Overall, the House-reported and Senate-reported bills would provide a total of $3.04 billion and $3.00 billion, respectively, in discretionary FY2017 budget authority for rural development programs.[81] For the House bill, this is about $85 million more than enacted for FY2016. The Senate-reported bill would provide slightly less, $52 million more than enacted in FY2016 (**Table 10**). Both bills would support approximately the same loan authorization level of $36.8 billion.[82] House committee report language directs USDA to provide at least 10% of the appropriation to "persistent poverty areas," which are rural areas with 20% poverty rates over the past 30 years.

Salaries and expenses within Rural Development are funded from a direct appropriation plus transfers from each of the agencies. The House bill would provide a combined salaries and expenses total of $672.8 million for FY2017, $10 million less than in FY2016. The Senate bill would provide $683.3 million in salaries and expenses.

Rural Housing Service

For FY2017, the House bill would provide $2.1 billion in budget authority for RHS programs (before transfers of salary and expenses). This is approximately $29 million (+1.4%) more than FY2016 and $20 million more than requested. The Senate bill would also provide about $2.1 billion. With this budget authority, the two bills would provide approximately $27.6 billion in loan authority, approximately $100 million more than FY2016.

The single-family housing loan program (Housing Act of 1949, §502) is the largest housing loan account, representing 90% of RHS's total loan authority. The Senate and House bills would provide authority for $24 billion in Section 502 loan guarantees, the same as requested. For Section 502 direct loans, the House bill would provide $1 billion in loan authority, $100 million more than requested, and the Senate would provide $900 million. Subsidies for the direct loan program would total $67.7 million under the House bill and $60.9 million under the Senate bill.

Rental Assistance Program grants (§521) are the largest budget authority line item in RHS, accounting for approximately 68% of the total RHS budget authority appropriation in FY2017 (**Table 10**). The House and Senate bills would provide $1.40 billion in new budget authority, an increase of $15.3 million over FY2016 (+1.1%) and the same as requested. Senate report language noted the committee's concern with RHS's ability to accurately estimate the needs to renew expiring rental assistance agreements that support very low and low-income rural households. The committee also noted its concern with the large number of multi-family housing mortgages scheduled to mature in the next five years. As mortgages mature, housing units will be removed from RHS's affordable housing program. This will put low-income residents in jeopardy

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[80] This section was written by (name redacted) (7-...., [redacted]@crs.loc.gov

[81] If the Cushion of Credit rescission (-$151.5 million in the House bill and -$165 in the Senate bill) is incorporated in the rural development section as in the committee reports tables (rather than with CHIMPS as in the CBO score), then the net budget authority would be $2.88 billion and $2.84 billion in the House and Senate bills, respectively.

[82] An appropriation covers the federal cost of making direct and guaranteed loans. This loan subsidy is related to any interest rate subsidy provided by the government, as well as a projection of anticipated loan losses from non-repayment of loans. The amount of loans that can be made—the loan authority—is several times larger than the subsidy level.

of facing unaffordable rent increases. The committee noted that RHS has not developed solutions to this approaching affordability crisis.

RHS also administers the Rural Community Facilities program, which provides direct loans, loan guarantees, and grants for "essential community facilities" in rural areas with less than 20,000 in population. The House and Senate bills would provide $30.3 million in new budget authority for the program to support a loan authorization level of $2.34 billion in direct and guaranteed loans, the same as for FY2016. The Senate bill would also provide $25 million in grant support, the same as for FY2016 and the same as requested. The House bill would provide $30 million in grants. House report language encourages USDA to consider Community Facility investments in coal communities for the Administration's Partnerships for Opportunity and Workforce and Economic Revitalization program.

Rural Business-Cooperative Service

The FY2017 House-reported and Senate-reported bills would provide $112.9 million and $96.5 million, respectively, to the RBS before the Cushion of Credit[83] rescission and transfers of salaries and expenses. This is about $18 million and $1.6 million, respectively, more than in the enacted FY2016 amount. If the Cushion of Credit rescission is incorporated as in the Appropriations committee tables, the net RBS budget authority provided would be -$38.6 million in the House bill and -$68.5 million in the Senate bill. For loan authority, the House bill would provide $999 million and the Senate bill $979 million for the various RBS loan programs.

For Rural Cooperative Development Grants, the House bill would provide $26.5 million for FY2017, $4.5 million more than FY2016, with the increase focused on Value Added Product Development grants. Overall, this includes cooperative development grants ($5.8 million), Appropriate Technology Transfer for Rural Areas ($2.7 million), Value-Added Product Development grants ($15 million), and grants to assist minority producers ($3 million). The Senate bill would provide the same level of funding for all but the Value-Added Product Development Grant program ($10.7 million).

The Administration requested funding for two business programs: the Rural Business Investment Program ($6.5 million in loan subsidies and grants) and the Healthy Food Financing Initiative (HFFI, $1.0 million). The Administration also requested $4.9 million for the Rural Microenterprise Assistance Program. The HFFI was authorized in the 2014 farm bill (P.L. 113-79, §4206) and would receive $1 million in both the House and Senate bills (in the General Provisions title). Neither the House nor the Senate bill would fund the other two programs.

Rural Utilities Service

For FY2017, the House-reported bill would provide $599 million in budget authority for RUS (after transferring salaries and expenses), about $40 million more than FY2016. This level would support $8.2 billion in loan authorization, the same as in FY2016. The Senate bill would provide $586 million in budget authority and essentially the same loan authority.

Loan subsidies and grants under the Rural Water and Waste Disposal Program account represent the largest share of FY2017 recommended budget authority under RUS programs (approximately

[83] The cushion of credit is part of the Rural Economic Development Loan program that does not receive appropriated budget authority, but rather operates from a cushion of credit account in the U.S. Treasury. Borrowers forward pay on their loans into a Treasury account that earns a 5% interest rate. Appropriators authorize a loan level that is funded by the cushion of credit account. Unused or extra funds in the cushion of credit account are periodically rescinded.

84-88% of total RUS budget authority in the House and Senate bills). The House bill would provide $533 million in budget authority, $10.8 million more than FY2016 and $71.6 million more than the Administration requested. The Senate bill would provide $546.1 million, $23.7 million more than FY2016. Both bills would support $1.25 billion in direct and guaranteed loans. Besides loans, the appropriation is divided among several grant accounts:

- Water/Waste Water grants ($375.0 million House; $364.4 million Senate);
- Direct Loan Subsidies ($52.1 million in both bills);
- Solid Waste Management grants ($4.0 million in both bills);
- Individual Well Water grants ($993,000 in both bills);
- Water and Waste Water revolving fund ($1.0 million in both bills);
- Circuit Rider program ($16.9 million in both bills);
- Technical Assistance ($20 million in both bills);
- Grants to Colonias, AK & HI Natives ($53 million House; $66.5 million Senate); and
- High Energy Cost grants ($0 House; $10 million Senate).

House report language noted the committee's concern that RUS's water program may not provide adequate assistance to help small, disadvantaged, and severely disadvantaged communities to access the funding and expertise necessary to develop adequate water supplies. The committee directs RUS to focus its efforts to assist these communities. The committee also noted the significant carryover balances of unobligated funds in prior years for water and wastewater grants to Alaskan villages, Native American tribes, colonias, and Hawaiian Homelands and directs RUS to work with local jurisdictions to provide water and wastewater assistance when requested within the year that the funds were appropriated.

For the combined distance learning, telemedicine, and broadband account, the House bill would provide $62.5 million in budget authority, $25.7 million more (70%) than FY2016. The Senate bill would provide $36.8 million, the same as for FY2016. Within that account, the House bill would provide $33 million for rural broadband grants, $22.6 million more than FY2016.

Table 10. USDA Rural Development Appropriations

(budget authority in millions of dollars)

Rural Development	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 Enacted	Change: FY2016 to… House	Change: FY2016 to… Senate
Salaries and expenses (direct)	203.4	224.2	225.8	230.7	225.8	226.3	—	+0.0	+0.4
Transfers from RHS, RBCS, RUS	454.0	454.0	457.0	467.8	447.0	457.0	—	-10.0	+0.0
Subtotal, salaries and expenses	**657.4**	**678.2**	**682.9**	**698.5**	**672.8**	**683.3**	—	**-10.0**	**+0.4**
Programs									
1. Rural Housing Service	1,279.6	1,298.4	1,616.4	1,616.9	1,653.5	1,639.4	—	+37.0	+23.0
2. Rural Business-Cooperative Service[a]	130.2	103.2	90.5	148.5	109.4	92.0	—	+18.9	+1.6
3. Rural Utilities Service	501.6	501.7	559.3	550.1	598.8	586.0	—	+39.5	+26.7
Office of the Under Secretary	0.9	0.9	0.9	0.9	0.9	0.9	—	+0.0	+0.0
Total, Rural Development	**2,569.7**	**2,582.4**	**2,950.0**	**3,014.9**	**3,035.4**	**3,001.7**	—	**+85.4**	**+51.7**
Subtotal, RD Loan Authority	***35,945.4***	***35,870.1***	***36,686.7***	***36,543.0***	***36,862.1***	***36,792.7***	—	***+175.4***	***+106.0***
Alternate total (including rescissions)[a]									
Less rescission of Cushion of Credit	*-172.0*	*-179.0*	*-179.0*	*-151.5*	*-151.5*	*-165.0*	—	+27.5	+14.0
Net, Rural Development (in cmte. rept.)	***2,397.7***	***2,403.4***	***2,771.0***	***2,863.4***	***2,883.9***	***2,836.7***	—	***+112.9***	***+65.7***
1. Rural Housing Service									
Administrative expenses (transfer)	415.1	415.1	417.9	426.8	410.1	417.9	—	-7.8	+0.0
Single family direct loans (§502)	24.5	66.4	60.8	60.9	67.7	60.9	—	+7.0	+0.2
Loan authority	*900.0*	*900.0*	*900.0*	*900.0*	*1,000.0*	*900.0*	—	*+100.0*	*+0.0*
Single family guaranteed loans: *Loan authority*[b]	*24,000.0*	*24,000.0*	*24,000.0*	*24,000.0*	*24,000.0*	*24,000.0*	—	*+0.0*	*+0.0*
Other RHIF programs[c]	22.8	29.4	27.0	29.4	29.9	31.4	—	+3.0	+4.5
Loan authority	*248.6*	*248.3*	248.5	*333.2*	*305.1*	*340.1*	—	+56.6	*+91.6*

Rural Development	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 Enacted	Change: FY2016 to… House	Change: FY2016 to… Senate
Subtotal, RHIF	**462.4**	**510.9**	**505.6**	**517.1**	**507.7**	**510.2**	—	**+2.2**	**+4.6**
Loan authority	***25,148.6***	***25,148.3***	***25,148.5***	***25,233.2***	***25,305.1***	***25,240.1***	—	***+156.6***	***+91.6***
Other housing programs									
Rental assistance (§521)	1,110.0	1,088.5	1,389.7	1,405.0	1,405.0	1,405.0	—	+15.3	+15.3
Multifamily housing revitalization	32.6	24.0	37.0	37.4	40.0	40.0	—	+3.0	+3.0
Mutual and self-help housing grants	25.0	27.5	27.5	18.5	30.0	27.5	—	+2.5	+0.0
Rural housing assistance grants	32.2	32.2	32.2	28.7	33.7	32.2	—	+1.5	+0.0
Rural Community Facilities Program									
Community Facilities: Grants	13.0	13.0	25.0	25.0	30.0	25.0	—	+5.0	+0.0
Community Facilities: *Direct loan authority*	*2,200.0*	*2,200.0*	*2,200.0*	*2,200.0*	*2,200.0*	*2,200.0*	—	*+0.0*	*+0.0*
Community Facilities: Guarantees	3.8	3.5	3.5	0.0	3.3	3.5	—	-0.2	+0.0
Loan authority	*59.5*	*73.2*	*148.3*	*0.0*	*148.3*	*156.3*	—	*+0.0*	*+7.9*
Rural community development initiative	6.0	4.0	4.0	4.0	4.0	4.0	—	+0.0	+0.0
Economic impact initiative grants	5.8	5.8	5.8	0.0	5.8	5.8	—	+0.0	+0.0
Tribal college grants	4.0	4.0	4.0	8.0	4.0	4.0	—	+0.0	+0.0
Subtotal, Rural Community Facilities	**32.5**	**30.3**	**42.3**	**37.0**	**47.1**	**42.3**	—	**+4.8**	**+0.0**
Loan authority	***2,259.5***	***2,273.2***	***2,348.3***	***2,200.0***	***2,348.3***	***2,356.3***	—	***+0.0***	***+7.9***
Total, Rural Housing Service	1,694.7	1,713.5	**2,034.3**	**2,043.7**	**2,063.6**	**2,057.3**	—	**+29.3**	**+23.0**
Less transfer salaries and expenses	-415.1	-415.1	-417.9	-426.8	-410.1	-417.9	—	+7.8	+0.0
Rural Housing Service (programs)	**1,279.6**	**1,298.4**	**1,616.4**	**1,616.9**	**1,653.5**	**1,639.4**	—	**+37.0**	**+23.0**
Loan authority	***27,408.1***	***27,421.5***	***27,496.8***	***27,433.2***	***27,653.4***	***27,596.4***	—	***+156.6***	***+99.5***

Rural Development	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 Enacted	Change: FY2016 to… House	Change: FY2016 to… Senate
<u>2. Rural Business Cooperative Service</u>									
Rural Business Program Account									
Guaranteed Business and Industry Loans	67.0	47.0	35.7	35.8	36.9	36.9	—	+1.2	+1.2
Loan authority	*958.1*	*919.8*	*919.8*	*892.2*	*919.8*	*919.8*	—	*+0.0*	*+0.0*
Rural business enterprise grants	24.3	24.0	24.0	30.0	35.0	24.0	—	+11.0	+0.0
Rural business opportunity grants	2.3	—	—	—	—	—	—	+0.0	+0.0
Delta regional authority grants	3.0	3.0	3.0	—	5.0	3.0	—	+2.0	+0.0
Rural child poverty	—	—	—	25.0	—	—	—	+0.0	+0.0
Rural Development Loan Fund Program									+0.0
Administrative expenses (transfer)	4.4	4.4	4.5	4.6	3.5	4.5	—	-1.0	+0.0
Loan subsidy	4.1	5.8	5.2	5.5	5.5	5.5	—	+0.3	+0.3
Loan authority	*18.9*	*18.9*	*18.9*	*18.9*	*18.9*	*18.9*	—	*+0.0*	*+0.0*
Rural Economic Development: *Loan authority*	*33.1*	*33.1*	*33.1*	*85.0*	*50.0*	*33.1*	—	*+16.9*	*+0.0*
Rural Cooperative Development grants	26.1	22.1	22.1	22.3	26.6	22.3	—	+4.5	+0.3
Rural Microenterprise Investment: Grants	—	—	—	2.0	—	—	—	+0.0	+0.0
Rural Microenterprise: Loan subsidy	—	—	—	2.9	—	—	—	+0.0	+0.0
Loan authority	—	—	—	*23.4*	—	—	—	*+0.0*	*+0.0*
Rural Business Investment Program: Grants	—	—	—	4.0	—	—	—	+0.0	+0.0
Loan subsidy	—	—	—	2.6	—	—	—	+0.0	+0.0
Loan authority	—	—	—	*20.6*	—	—	—	*+0.0*	*+0.0*
Rural Energy for America: Grants	—	—	—	15.0	—	—	—	+0.0	+0.0
Loan subsidy	3.5	1.4	0.5	3.5	0.5	0.4	—	-0.0	-0.1
Loan authority	*12.8*	*12.8*	*7.6*	*75.8*	*10.0*	*7.6*	—	*+2.4*	*+0.0*

Rural Development	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 Enacted	Change: FY2016 to… House	Change: FY2016 to… Senate
Total, Rural Business-Cooperative Service	134.6	107.7	**94.9**	**153.1**	**112.9**	**96.5**	—	**+17.9**	**+1.6**
Less transfer salaries and expenses	-4.4	-4.4	-4.5	-4.6	-3.5	-4.5	—	+1.0	+0.0
Rural Bus.-Coop. Service (programs)[a]	**130.2**	**103.2**	**90.5**	**148.5**	**109.4**	**92.0**	—	**+18.9**	**+1.6**
Loan authority	***1,022.8***	***984.5***	***979.3***	***1,116.0***	***998.7***	***979.3***	—	***+19.3***	***+0.0***
Alternate total (including rescission)[a]									
Total, Rural Business-Cooperative Service	*134.6*	*107.7*	*94.9*	*153.1*	*112.9*	*96.5*	—	*+17.9*	*+1.6*
Less rescission of Cushion of Credit	*-172.0*	*-179.0*	*-179.0*	*-151.5*	*-151.5*	*-165.0*	—	*+27.5*	*+14.0*
Net, Rural Bus.-Coop. Svc. (cmte. report)	***-37.4***	***-71.3***	***-84.1***	***1.6***	***-38.6***	***-68.5***	—	***+45.5***	***+15.6***
3. Rural Utilities Service									
Rural Water and Waste Disposal Program									
Loan subsidy and grants	462.4	464.9	522.4	461.6	533.2	546.1	—	+10.8	+23.7
Direct loan authority	*1,200.0*	*1,200.0*	*1,200.0*	*803.8*	*1,200.0*	*1,200.0*	—	*+0.0*	*+0.0*
P.L. 83-566 loans	*40.0*	—	—	—	—	—	—	*+0.0*	*+0.0*
Guaranteed loan authority	*50.0*	*50.0*	*50.0*	—	*50.0*	*50.0*	—	*+0.0*	*+0.0*
Rural Electric and Telecom. Loans									
Administrative expenses (transfer)	34.5	34.5	34.7	36.5	33.4	34.7	—	-1.3	+0.0
Telecommunication loan subsidy	—	—	0.1	14.1	3.1	3.1	—	+3.0	+3.0
Telecommunication loan authority	*690.0*	*690.0*	*690.0*	*690.0*	*690.0*	*690.0*	—	*+0.0*	*+0.0*
Electricity loan authority	*5,500.0*	*5,500.0*	*6,250.0*	*6,500.0*	*6,250.0*	*6,250.0*	—	*+0.0*	*+0.0*
Distance Learning, Telemed., Broadband									
Distance learning and telemedicine	24.3	22.0	22.0	35.0	25.0	22.0	—	+3.0	+0.0
Broadband: Grants	10.4	10.4	10.4	39.5	33.0	10.4	—	+22.6	+0.0

Rural Development	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 Enacted	Change: FY2016 to… House	Change: FY2016 to… Senate
Broadband: Direct loan subsidy	4.5	4.5	4.5	—	4.6	4.5	—	+0.1	+0.0
Direct loan authority	*34.5*	*24.1*	*20.6*	—	*20.0*	*27.0*	—	*-0.6*	*+6.5*
Subtotal, Rural Utilities Service	**536.0**	**536.2**	**594.0**	**586.6**	**632.3**	**620.7**	—	**+38.2**	**+26.7**
Less transfer salaries and expenses	-34.5	-34.5	-34.7	-36.5	-33.4	-34.7	—	+1.3	+0.0
Total, Rural Utilities Service	**501.6**	**501.7**	**559.3**	**550.1**	**598.8**	**586.0**	—	**+39.5**	**+26.7**
Loan authority	***7,514.5***	***7,464.1***	***8,210.6***	***7,993.8***	***8,210.0***	***8,217.0***	—	***-0.6***	**+6.5**

Source: CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

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

a. Amounts for the Rural Business Cooperative Service in this report are before the rescission from the Cushion of Credit account. This allows the agency total to remain positive. Appropriations Committee report tables show the rescission in the agency 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 changes in mandatory spending, as it is scored by CBO (**Table 15**).

b. This program became self-funding after enactment of loan guarantee fees being charged to banks that are sufficient to cover the loan subsidy.

c. Includes Section 504 housing repair, Section 515 rental housing, Section 524 site loans, Section 518 multi-family housing guarantees, single and multi-family housing credit sales, Section 523 self-help housing land development, and farm labor housing.

Domestic Food Assistance[84]

Domestic food assistance represents over two-thirds of USDA's budget. Funding is largely for open-ended appropriated mandatory programs—that is, it varies with program participation (and in some cases inflation) under the terms of the underlying authorization law. The largest mandatory programs include the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamps Program) and the child nutrition programs (including the National School Lunch Program and School Breakfast Program).

The three largest 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.[85]

Both House- and Senate-reported FY2017 bills would provide nearly $110 billion for domestic food assistance (**Table 11**). The Senate-reported bill would provide approximately $38 million more than the House-reported bill.

In addition to the accounts' appropriations language, the bills' general provisions include additional funding, rescissions, and/or policy changes. These general provisions are summarized in the sections to follow. Each bill also includes committee concerns or directives for USDA.

Office of the Under Secretary for Food, Nutrition, and Consumer Services

For the Under Secretary's office, both reported bills would provide approximately $0.8 million. This office received approximately equal funding in FY2016.

Both bills include report language regarding this account.[86]

SNAP and Other Programs under the Food and Nutrition Act

Appropriations under the Food and Nutrition Act (formerly the Food Stamp Act) support (1) SNAP (and related grants), (2) a Nutrition Assistance Block Grant for Puerto Rico and nutrition assistance block grants to American Samoa and the Commonwealth of the Northern Mariana Islands (all in lieu of SNAP), (3) the cost of food commodities as well as administrative and distribution expenses under the Food Distribution Program on Indian Reservations (FDPIR), (4) the cost of commodities for the Emergency Food Assistance Program (TEFAP)—but not administrative/distribution expenses, which are covered under the Commodity Assistance Program budget account—and (5) Community Food Projects.

Both the House- and the Senate-reported bills would provide approximately $79.7 billion for programs under the Food and Nutrition Act, with the House-reported bill providing approximately $9 million more than the Senate-reported bill. These funding amounts are approximately $1.1 billion less than FY2016 appropriations. This reduction is largely due to a

[84] This section was written by (name redacted) (7 -...., [redacted]@crs.loc.gov).

[85] For background about the programs, see CRS Report R42353, *Domestic Food Assistance: Summary of Programs*.

[86] The House committee's report language emphasizes Food Nutrition Service (FNS) communication with the committee and committee interest in all forms of fruits, vegetables, and beans. House report language also directs FNS to continue to make WIC policies publicly available and to work with states to assure compliance with SNAP and WIC eligibility rules. The Senate committee's report language encourages USDA to fund, using existing resources, the Food and Agriculture Service Learning Program (authorized in P.L. 113-79). Senate report language also commends USDA's interagency partnership, encourages using certain grants for public-private partnerships, and encourages USDA to provide guidance to schools on providing potable water.

forecasted reduction in SNAP participation.[87] The enacted appropriation provides $3 billion for the SNAP contingency reserve fund, equal to past appropriations but less than the $5 billion requested by the Administration.

The SNAP account also includes mandatory funding for TEFAP commodities. The House-reported bill would provide $299 million for TEFAP commodities and would then provide an additional $19 million via a general provision (§748). The Senate-reported bill's report does not display a breakdown of the funding for the programs that make up the SNAP account—bill language does not include additional TEFAP funding in a general provision. (TEFAP also receives discretionary funding for storage and distribution costs, as discussed later under the heading "Commodity Assistance Program.")

SNAP Account: Other General Provisions and Committee Report Language

SNAP-Authorized Retailers. Only SNAP-authorized retailers may accept SNAP benefits.[88] On February 17, 2016, FNS published a proposed rule that would change retailer requirements for authorization.[89] The proposed rule would implement the 2014 farm bill's changes to inventory requirements for SNAP-authorized retailers (P.L. 113-79, §4002). Namely, the farm bill increased the varieties of "staple foods" and perishable varieties that SNAP retailers must stock. In addition to codifying the farm bill's changes, the proposed rule would change how staple foods are defined, create limitations on retailers' sale of hot foods, and add a minimum number of stocking units.[90] The House-reported bill (§763) and the Senate-reported bill (§752) would limit the scope of an interim final or final rule to the 2014 farm bill's specific changes, though each bill's exact language varies.

SNAP Households Reporting Requirements. Under current household reporting requirements for the commonly selected state option of "simplified reporting," participants do not have to report to the SNAP state agency when they move out of the state.[91] USDA's FY2017 budget justification proposed to amend SNAP's authorizing law to allow state agencies to require this household reporting.[92] In both the House- and the Senate-reported bills (both §744), beginning in FY2017 and each year thereafter, SNAP households would be required to report to the state agency a move out of the state.

House and Senate committee reports each discuss the SNAP account and related policies.[93]

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[87] See also USDA-FNS Congressional Budget Justification, p. 32-87, http://www.obpa.usda.gov/32fns2016notes.pdf. As an appropriated, open-ended mandatory program, SNAP funding is not the same as SNAP spending. SNAP regularly receives annual appropriations that are greater than the amount that the program spends. Better measures for SNAP program spending are from USDA-FNS's costs data, available at http://www.fns.usda.gov/pd/SNAPmain.htm.

[88] See CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*.

[89] 81 *Federal Register* 8015-8021 (February 17, 2016). See also 81 *Federal Register* 19500-19502 (April 5, 2016). For further information on this rulemaking, see CRS Report R44650, *Proposed Rule to Update Standards for SNAP-Authorized Retailers: In Brief*.

[90] The proposed rule's preamble states that, aside from the farm bill change, FNS is "using existing authority in [SNAP's authorizing statute] and feedback from a Request for Information that included five listening sessions in urban and rural locations across the nation and generated 233 public comments."

[91] As of October 1, 2015, all state agencies have opted to use simplified reporting for some or all households. SNAP State Options Report (April 2016), http://www.fns.usda.gov/sites/default/files/snap/12-State_Options.pdf.

[92] FNS, FY2017 congressional budget justification, p. 32-110, http://www.obpa.usda.gov/32fns2017notes.pdf.

[93] House committee report language indicates that additional funding for "Nutrition Education and Program Information" is for SNAP Employment and Training and not for Nutrition Education Center of Excellence. House committee language directs FNS to release a report describing SNAP recipient's purchases. The report also "continues (continued...)

Child Nutrition Programs[94]

Appropriations under the child nutrition account fund a number of programs and activities authorized by the Richard B. Russell National School Lunch Act and the Child Nutrition Act. These include the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program (CACFP), Summer Food Service Program, Special Milk Program, assistance for child-nutrition-related state administrative expenses, procurement of commodities for child nutrition programs (in addition to transfers from separate budget accounts within USDA), 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. (Child nutrition efforts are also supported by mandatory permanent appropriations and other funding sources discussed in the section "Other Nutrition Funding Support.")

The House- and Senate-reported bills would each provide approximately $23.2 billion for child nutrition programs. This proposed level is approximately $1 billion greater (+5%) than the amount provided in FY2016 and would include transfers from the Section 32 account. The Senate-reported bill would provide $26 million more than the House-reported bill. This difference is in part due to the discretionary grants discussed below.

The reported bills both would fund certain child nutrition discretionary grants, though both at levels below the Administration's request. These grants include:

- **School Meals Equipment Grants.**[95] The House-reported bill would provide $25 million, and the Senate-reported bill would provide $30 million; $30 million was provided in FY2016. The Administration requested $35 million for FY2017.
- **Summer EBT (Electronic Benefit Transfer) Demonstration Projects.** These projects provide electronic food benefits over summer months to households with children in order to make up for school meals that children miss when school is out of session and as an alternative to the Summer Food Service Program meals. These projects were originally authorized and funded in the FY2010 appropriations law (P.L. 111-80). The House-reported bill would provide $21 million for these projects, while the Senate-reported bill would provide $23 million. They received $23 million in FY2016 (including $7 million in Section 741(b) of P.L. 114-113). The Administration had requested $23 million to continue these projects in FY2017 while also requesting a change in the authorizing law to make Summer EBT permanent and nationwide.[96]

(...continued)

to direct" FNS to enforce prohibitions on recruitment activities and to work with states to issue SNAP benefits at least twice per month. The report encourages FNS to assist farmers' markets and other direct-to-consumer outlets in obtaining EBT equipment. The committee expects by June 1, 2016, a school meals improper payment rate report that was directed by the P.L. 114-113 explanatory statement. Senate committee report language encourages USDA to work closely with states that are failing to meet application processing deadlines.

[94] Further background on these programs and related funding is provided in CRS Report R43783, *School Meals Programs and Other USDA Child Nutrition Programs: A Primer*.

[95] For more information about these grants, see USDA-FNS's resources for the FY2015 grants: http://www.fns.usda.gov/fy2015-nslp-equipment-assistance-grants-sfas.

[96] See FNS FY2017 Congressional Budget Justification, pp. 32-25, 32-24, 32-25 for more details on these funding and legislative proposals. For more background on Summer EBT, see also "Selected Current Issues in the USDA Child Nutrition Programs" in CRS Report R43783, *School Meals Programs and Other USDA Child Nutrition Programs: A*
(continued...)

The child nutrition programs and WIC are currently up for reauthorization. Many provisions of the operating law nominally expired at the end of FY2015, but nearly all operations continue via the FY2016 appropriation law's funding. For the most part, neither the House- nor the Senate-reported bill would extend the authorities in the authorizing law. However, both bills would extend the mandatory funding for an Information Clearinghouse through the end of FY2017. (Current operations and tracking of 114th Congress legislative activity are discussed in CRS Report R44373, *Tracking the Next Child Nutrition Reauthorization: An Overview*.)

Child Nutrition Programs: General Provisions and Committee Report Language

School Meals Nutrition Standards. Implementing the Healthy, Hunger-free Kids Act of 2010, FNS updated the nutrition standards for the school meals programs (National School Lunch Program and School Breakfast Program).[97] FY2015 and FY2016 appropriations laws (1) required USDA to allow states to exempt school food authorities that meet hardship requirements from the 100% whole grain requirements,[98] and (2) prevented USDA from implementing a reduction in sodium scheduled to take effect in school year 2017-2018 until "the latest scientific research establishes the reduction is beneficial for children." The House-reported bill (§731) would include these provisions again in FY2017 appropriations (making whole grain waivers available in school year 2017-2018). The Senate-reported bill does not include these provisions.

In addition, the House-reported bill includes a policy rider (§728) to prevent any processed poultry imported from China from being included in the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program (CACFP), and Summer Food Service Program. This policy has been included in FY2015 and FY2016 enacted appropriations laws.

The House and Senate reports each had additional language related to this account.[99]

WIC Program[100]

Although WIC is a discretionary program, since the late 1990s, the appropriations committees' practice has been to provide enough funds for WIC to serve all eligible participants.[101]

Both House- and Senate-reported bills would provide $6.35 billion for the WIC program funding. However, each bill would also rescind available carryover funding from past years (discussed further in the next section). The same amount, $6.35 billion, had also been provided in the FY2016 appropriations law. Both bills would include set-asides for WIC breastfeeding peer

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(...continued)

Primer.

[97] The final rule is dated January 2012, and the updated nutrition standards phased in beginning in school year 2013-2014. For further background, see "Selected Current Issues in the USDA Child Nutrition Programs" in CRS Report R43783, *School Meals Programs and Other USDA Child Nutrition Programs: A Primer*.

[98] Exempted schools are to maintain a 50% whole grain minimum, the requirement before school year 2014-2015.

[99] The House committee report expresses concerns about the school meals' whole grain and sodium requirements, restates interest in a school meals report on improper payments that was required by the FY2016 law's explanatory statement, directs USDA to report on potable water in schools and child care centers, and directs USDA to communicate clearly regarding technology funding. The Senate committee would direct USDA to review how foods are credited in the school meal programs and report to authorizing and appropriating committees.

[100] Further background on this program and related funding is provided in CRS Report R44115, *A Primer on WIC: The Special Supplemental Nutrition Program for Women, Infants, and Children*.

[101] ERS, "Anecdotal Evidence Suggest That WIC Became Fully Funded Sometime in the Late 1990s," in *The WIC Program: Background, Trends, and Economic Issues, 2015 Edition*, EIB-134, January 2015, p. 19.

counselors and related activities ("not less than $60 million" in both bills) and infrastructure ($14 million in House-reported, $13.6 million in Senate-reported). These set-asides are approximately equal to FY2016 levels.

WIC: General Provisions and Committee Report Language

In each bill's general provisions, some WIC carryover funding would be rescinded. The House-reported bill (§745) would rescind $100 million of the unobligated balances from funds provided to WIC in FY2016. The Senate-reported bill (§745) would rescind $200 million from the same source (**Table 16**).

The House committee's report language describes that WIC participation has dropped over recent years, that "USDA is estimating recovery and carryover funds to be much higher than average at more than $600 [million]," and that "the Secretary has a sufficient WIC contingency reserve fund." The House's report language further states that "the Committee provides funding that will ensure all eligible participants will be served."

The House and Senate committee reports each included additional WIC-related language.[102]

Commodity Assistance Program

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 (FMNP), 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 House-reported bill would provide $315 million for this account, while the Senate-reported bill would provide $313 million. Compared to FY2016, this is an approximate increase of $19 million and $17 million (respectively). The increase is mostly for CSFP (+$14 million in both bills). Each bill would also increase TEFAP administrative costs by $5 million. The House-reported bill would increase WIC FMNP $2 million above FY2016 funding, while the Senate-reported bill would keep funding at the FY2016 level. In addition to this discretionary TEFAP funding, states may convert up to 10% of their TEFAP entitlement commodity funding (included in the SNAP account) for administrative and distribution costs.

The House and Senate committee reports each include language related to this account.[103]

Nutrition Programs Administration

This budget account funds federal administration of all the USDA domestic food assistance program areas noted previously, special projects for improving the integrity and quality of these

[102] The House committee report directs USDA to report on the results of the agency's ongoing Certification and Eligibility Management Evaluations in all states and directs FNS to provide a report on the WIC Program Integrity and Monitoring Branch's efforts and results. The Senate report included the committee's interest that the next update on WIC-eligible foods (the WIC "food package") include more fish that are low in mercury.

[103] The House committee report expects states to communicate with emergency feeding organizations on the need for converting up to 10% of entitlement commodities funds to administrative costs. The Senate committee report urges the Secretary to use the 10% TEFAP conversion authority, encourages the Secretary to increase the supply of TEFAP commodities through bonus and specialty crop purchases, and would require USDA to make domestically produced catfish fillets available to the states for distribution.

programs, and the Center for Nutrition Policy and Promotion, which provides nutrition education and information to consumers (including various dietary guides).

The House-reported bill would provide nearly $169 million for this account, and the Senate-reported bill would provide over $173 million. These levels are an $18 million or $23 million increase (respectively) above the FY2016 level of $151 million.

The House-reported bill (and accompanying report language) sets aside $1 million for an independent study to consolidate and coordinate reporting requirements under the child nutrition programs. As in FY2016, both bills would set aside $2 million for the fellowship programs administered by the Congressional Hunger Center.

Committee report language includes additional details on the use of these funds.[104]

Other Nutrition Funding Support

Domestic food assistance programs also receive funds from sources other than appropriations:

- USDA provides commodity foods to the child nutrition programs using funds other than those in the Child Nutrition account. These purchases are financed through permanent appropriations under "Section 32."[105] For example, about $480 million out of a total of $1.1 billion in commodity support in FY2008 came from outside the Child Nutrition account. Historically, about half the value of commodities distributed to child nutrition programs has come from Section 32.
- The Fresh Fruit and Vegetable Program for selected elementary schools nationwide is financed with permanent, mandatory funding. The underlying law (Section 4304 of the 2008 farm bill) provides funds at the beginning of every school year (July). However, Section 715 of both reported FY2017 bills would delay until October 2017 the availability of a portion of the funds ($125 million) that were scheduled for July 2017, similar to past years' appropriations. This delay allocates the total annual spending for the Fresh Fruit and Vegetable program by fiscal year rather than school year with no reduction in overall support (though budgetary savings are scored in **Table 15**).
- The Food Service Management Institute (technical assistance to child nutrition providers) is funded through a permanent annual appropriation of $4 million.
- The Senior Farmers' Market Nutrition program receives nearly $21 million of mandatory funding per year (FY2002-FY2018) outside the regular appropriations process.[106]

[104] Senate committee report language specifies that the over $173 million that the bill would provide includes $1 million for Phase II of dietary guidance for birth to 24 months, $17.7 million for headquarters renovation or office relocation, and nearly $1.2 million for certain rent and security payments.

[105] For further background, see CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*.

[106] Authorizing language at Section 4402 of the 2002 farm bill (P.L. 107-171), most recently amended by Section 4203 the 2014 farm bill (P.L. 113-79), codified at 7 U.S.C. §3007.

Table 11. Domestic Food Assistance Appropriations

(budget authority in millions of dollars)

Program	FY2014	FY2015	FY2016	FY2017			Change: FY2016 to …	
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request[a]	H. Cmte. H.R. 5054	S. Cmte. S. 2956	House	Senate
Child Nutrition Programs [b]								
Account Total[c] (including transfers)	**19,288.0**	**21,300.2**	**22,149.7**	**23,230.7**	**23,175.7**	**23,201.7**	**1,026.0**	**1,052.0**
National School Lunch Program	*10,576.3*	*11,996.1*	*12,154.7*	*12.756.6*	*12,756.6*	*12,756.6*	*+601.9*	*+601.9*
School Breakfast Program	*3,728.6*	*3,960.0*	*4,338.6*	*4.486.3*	*4,486.3*	*4,486.3*	*+147.7*	*+147.7*
Child and Adult Care Food Program	*3,080.0*	*3,195.9*	*3,340.1*	*3,446.3*	*3,446.3*	*3,446.3*	*+106.2*	*+106.2*
Special Milk Program	*10.6*	*11.2*	*9.4*	*9.2*	*9.2*	*9.2*	*-0.2*	*-0.2*
Summer Food Service Program	*461.6*	*495.5*	*555.7*	*628.5*	*628.5*	*628.5*	*+72.8*	*+72.8*
State Administrative Expenses	*247.2*	*263.7*	*270.9*	*279.1*	*279.1*	*279.1*	*+8.2*	*+8.2*
Commodity Procurement for Child Nutrition	*1,078.7*	*1,255.5*	*1,350.7*	*1,428.1*	*1,428.1*	*1,428.1*	*+77.4*	*+77.4*
School Meals Equipment, Breakfast Grants	*25.0*	*25.0*	*30.0*[d]	*35.0*	*25.0*	*30.0*	*-5.0*	*0.0*
Summer EBT Demonstration	—	*16.0*	*23.0*[d]	*26.0*	*21.0*	*23.0*	*-2.0*	*0.0*
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	**6,715.8**	**6,623.0**	**6,350.0**[e]	**6,350.0**	**6,350.0**[f]	**6,350.0**[f]	**0.0**	**0.0**
Supplemental Nutrition Assistance Program (SNAP)[b]								
Account Total[c]	**82,169.9**	**81,837.6**	**80,849.4**	**81,689.2**[g]	**79,673.3**	**79,682.2**	**-1,176.1**	**-1,167.2**
SNAP benefits	*71,885.0*[h]	*71,035.8*	*70,124.3*	*68,801.1*	*68,801.1*	*n/a*	*-1,323.2*	*n/a*
Contingency Reserve Fund	*3,000.0*	*3,000.0*	*3,000.0*	*5,000.0*	*3,000.0*	*3,000.0*	*0.0*	*0.0*
State Administrative Costs	*3,999.0*	*4,123.0*	*4,222.0*	*4,348.6*	*4,348.6*	*n/a*	*+126.6*	*n/a*
Employment and Training (E&T)	*426.4*	*447.2*[i]	*455.7*	*465.7*	*465.7*	*n/a*	*+10.0*	*n/a*
TEFAP Commodities	*268.8*	*327.0*	*318.0*	*299.0*	*299.0*[j]	*n/a*	*-19.0*	*n/a*

Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request[a]	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	Change: FY2016 to … House	Change: FY2016 to … Senate
Food Distribution Program Indian Reservations	*104.0*	*145.2*	*145.2*	*151.0*	*151.0*	*n/a*	*+5.8*	*n/a*
Commonwealth of Northern Mariana Islands	*12.1*	*12.2*	*12.2*	*12.2*	*12.2*	*n/a*	*+0.0*	*n/a*
Puerto Rico and American Samoa	*1,901.5*	*2,030.3*	*1,967.0*	*1,973.3*	*1,973.3*	*n/a*	*+6.3*	*n/a*
Commodity Assistance Program								
Account Total[c]	**269.7**	**278.5**	**296.2**	**313.1**	**315.1**	**313.1**	**+18.9**	**+16.9**
Commodity Supplemental Food Program	*202.7*	*211.5*	*222.2*	*236.1*	*236.1*	*236.1*	*+13.9*	*+13.9*
WIC Farmers' Market Nutrition Program	*16.5*	*16.5*	*18.5*	*16.5*	*18.5*	*16.5*	*0.0*	*-2.0*
TEFAP Administrative Costs	*49.4*	*49.4*	*54.4*	*59.4*	*59.4*	*59.4*	*+5.0*	*+5.0*
Nutrition Program Administration	**141.3**	**150.8**	**150.8**	**179.4**	**168.5**	**173.3**	**+17.7**	**+22.5**
Office of the Under Secretary	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.0**	**0.0**
Total, Domestic Food Assistance	**108,585.8**	**110,190.9**	**109,797.0**	**111,762.5**	**109,682.6**	**109,720.3**	**-114.4**	**-76.7**

Source: CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

a. The FY2017 Administration request reflected in this column is from the FNS budget request submitted to Congress in February 2016.

b. For FNS programs that are open-ended mandatory programs (e.g., SNAP and the Child Nutrition Programs), the programs do not necessarily have the authority to spend all of the appropriated funds. For such programs' historical spending, see also FNS expenditure data at http://www.fns.usda.gov/data-and-statistics.

c. "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.

d. These figures include additional funds from the general provisions (§741) of the enacted law: $5 million for equipment/breakfast grants; $7 million for summer EBT.

e. In addition, Section 751 provided $220 million for management information systems and WIC EBT by rescinding FY2015 carryover and recovery funding.

f. Both reported bills would also rescind WIC carryover funds: Section 745 of H.R. 5054 would rescind $100 million; Section 745 of S. 2956 rescinds $200 million.

g. The Administration's request for FY2017 also included an advance appropriation for the first quarter of FY2018 of approximately $19.6 billion. Neither the House nor the Senate proposals included an advance appropriation.

h. Appropriations do not include the pre-appropriated funds provided by American Recovery and Reinvestment Act of 2009 to increase SNAP benefits from April 2009 to October 31, 2013. See CRS Report R43257, *Background on the Scheduled Reduction to Supplemental Nutrition Assistance Program (SNAP) Benefits*.

i. In addition to this E&T funding, P.L. 113-235 (and the other proposals) also appropriates $190 million for E&T pilots. The 2014 farm bill provided the authorization for this mandatory funding. For further information, see CRS Report R43332, *SNAP and Related Nutrition Provisions of the 2014 Farm Bill (P.L. 113-79)*.

j. In addition, the House-reported bill would also provide an additional $19 million for TEFAP commodities via a general provision (§748).

Agricultural Trade and Food Aid[107]

The Foreign Agricultural Service (FAS) administers overseas market promotion and export credit guarantee programs designed to improve the competitive position of U.S. agriculture in the world marketplace and to facilitate export sales. It shares responsibility with the U.S. Agency for International Development (USAID) to administer international food aid programs.[108]

Each year's agricultural appropriation provides nearly $2 billion of discretionary funding to FAS, which is more than three-quarters of the financial resources available to them. Other budget authority for agricultural export and food aid programs is with mandatory spending and is not subject to annual appropriations. About $500 million of funding for these mandatory programs is provided directly by the CCC under other statutes.[109]

Foreign Agricultural Service

The FAS appropriation addresses trade policy issues on behalf of U.S. agricultural exporters to support trade promotion activities and engage in institutional capacity building and food security activities in developing countries with promising market potential. For FY2017, the Senate bill would provide $196.6 million for salaries and expenses of FAS. This amount is equal to the Administration's budget request and would represent an increase of $5 million, or 2.5%, compared with the $191.6 million that Congress appropriated for FY2016. The House bill would provide for a smaller increase of $3 million, or 1.5%, over the FY2016 appropriation.

The Administration is proposing to use $1.5 million of its requested $5 million increase for FAS to open an office in Cuba to promote U.S. agricultural exports. The Senate Appropriations Committee report recommends fully funding the increase and supports the establishment of an office in Cuba. The House-reported bill would provide FAS a $3 million increase, $2 million less than requested, with no reference to the proposal to open an office in Cuba.

The Administration's FY2017 budget request included an additional $8.5 million to cover salaries and expenses for the export credit guarantee programs. This is an increase of $1.8 million over the FY2016 appropriation, which the Administration contends is necessary to offset severe underfunding of the Farm Service Agency for support it has provided to GSM export credit guarantee loan programs in the past. Both the House and the Senate bills would fund the full $8.5 million request. Credit guarantees are the largest FAS export assistance program, operating mainly to facilitate the direct export of U.S. agricultural commodities and products. No budgetary outlays are associated with credit guarantees unless a default occurs. The 2014 farm bill authorized $5.5 billion of credit guarantees each year to guarantee the repayment of commercial loans extended by private banks in the event that a borrower defaults. For FY2017, the Administration proposed to make available $5 billion of credit guarantees under GSM-102 to facilitate U.S. agricultural exports and $500 million under the Facility Guarantee Program to build or expand agricultural facilities in emerging markets that enhance sales of U.S. products.

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[107] The trade portion of this section was written by Mark McMinimy (7-...., [redacted]@crs.loc.gov) and the food aid portion by (name redacted) (7-...., [redacted]@crs.loc.gov).

[108] For background, see CRS Report R41072, *U.S. International Food Aid Programs: Background and Issues*.

[109] Mandatory funding for other agricultural export promotion and market development programs was reauthorized by the 2014 farm bill (P.L. 113-79) at slightly above $250 million each year: $200 million for the Market Access Program, $34.5 million for the Foreign Market Development Program, $9 million for the Technical Assistance for Specialty Crops Program, and $10 million for the Emerging Markets Program. Separately, mandatory funding for other foreign food aid programs under the 2014 farm bill is about $250 million each year for the Food for Progress Program.

Both the House and the Senate bills require the Secretary of Agriculture to outline a plan for reorganizing the international trade functions at USDA. The report is to include the establishment of the position of Under Secretary of Agriculture for Trade and Foreign Affairs within USDA and is to be transmitted to Congress within 180 days of enactment. This directive follows in the wake of a similar directive in the enacted FY2016 appropriation Act that provided $1 million to carry out this task. The directive stems from the 2014 farm bill, which mandated that the Secretary prepare a proposal, in consultation with the House and Senate Agriculture Committees and Appropriations Committees, for reorganizing USDA's international trade functions in tandem with the creation of the position of Under Secretary of Agriculture for Trade and Foreign Affairs. The original deadline for the reorganization plan of 180 days from the enactment of the farm bill on February 7, 2014, has since been pushed forward several times.

The Senate Appropriations Committee in its report recommends that $2.65 million within the FAS budget be allocated to the Borlaug Fellows Program (training for scientists and policymakers from developing countries) and $5.3 million be provided for the Cochran Fellowship Program (short-term technical training in the United States for international participants). These amounts compare with $1.5 million for the Borlaug Fellows Program and $5.3 million for the Cochran Fellowship Program that the Senate report recommended for FY2016.

In a reprise of a directive it provided for FY2016, the Senate committee report for FY2017 states that it expects FAS to fund the Foreign Market Development Cooperator Program and continue full mandatory funding for the Market Access Program (MAP; see footnote 109), including administering MAP as authorized without changing the eligibility requirements of cooperatives, small businesses, trade associations, and other entities.

Food for Peace Program

The Food for Peace Program (formerly known as P.L. 480) includes four areas, each with its own title: Title I—economic assistance and food security, Title II—emergency and private assistance programs, Title III—food for development, and Title V—the farmer-to-farmer program.[110]

No funding for Title I (long-term concessional credits) or Title III activities has been requested since 2002, while the last Title I concessional commodity shipment occurred in 2006. Title V funding is mandatory in nature and linked to the overall pool of funding under the Food for Peace Act—not less than the greater of $15 million or 0.6% of the amounts made available to the Food for Peace Act during any fiscal year (FY2014-FY2018) shall be used for the F2F program.

In contrast, the Title II program relies on annual discretionary appropriations. Title II programs are both the largest and most active component of international agricultural food aid expenditures. They provide primarily in-kind donations of U.S. commodities to meet foreign humanitarian and development needs. Despite being funded in agricultural appropriations, Title II programs are administered by USAID.

Title II funding has been embroiled in a long-running debate between the current (and previous) Administration and Congress over how Title II funds may be used. The Administration wants to increase the share of Title II funds available as cash transfers or food vouchers or for local and regional procurement of commodities in the proximity of the food crises in order to provide a more immediate (and lower-cost) response to emergencies. In contrast, Congress has opted to use Title II funds to purchase U.S. commodities and ship them on U.S.-flag vessels to foreign countries with food deficiencies. Title II funding allocations are also affected by a provision in the

[110] Title IV of the Food for Peace Act involves general authorities and requirements.

2014 farm bill (P.L. 113-79 ; §3012) that states that the minimum funding requirement for nonemergency food aid shall not be less than $350 million.

The Administration's FY2017 budget request proposed $1.35 billion in Title II funding, of which 25% ($337.5 million) would be exempt from any U.S. purchase requirement and would instead be available as cash-based food assistance for emergencies. Both the House and the Senate bills would appropriate larger Title II funding for FY2017—the House bill proposes $1.466 billion, while the Senate bill proposes $1.6 billion—but without the in-kind purchase exemption.

In FY2016, congressional appropriators provided a total of $1.716 billion for Title II program grants, including a one-time supplement of $250 million in response to ongoing food assistance requirements as a result of international conflicts (particularly in Syria, Yemen, Iraq, and South Sudan, where there have been large increases in internally displaced persons) and areas suffering from natural disasters. Of the $1.716 billion, $20 million was specifically to reimburse the Bill Emerson Humanitarian Trust for disbursements made in 2015.

McGovern-Dole International Food for Education and Child Nutrition

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. It is administered by FAS.

For FY2017, the Administration requested $182 million in funding for the McGovern-Dole program with the stipulation that $5 million of this funding again be used for local and regional procurement (LRP, described in the next heading). Both the House and the Senate bills would appropriate $201.626 million in funding to the McGovern-Dole program in FY2017 (same as in FY2016), of which the Senate bill proposes using $10 million for LRP projects. In FY2016, Congress appropriated $201.626 million in funding for the McGovern-Dole program—$5 million of this funding was designated for use by LRP projects.

Local and Regional Procurement Projects

Under an LRP project, USDA (in consultation with USAID) awards cash grants to eligible organizations[111] to carry out field-based projects to purchase eligible commodities from markets close to the target population in response to food crises and disasters. LRP was authorized as a permanent project under the 2014 farm bill (P.L. 113-79).[112] However, its funding became discretionary under the 2008 farm bill.[113]

No discretionary funding was enacted for LRP during FY2014 and FY2015. For FY2016, the Administration requested $20 million for LRP projects. However, the FY2016 appropriation provided $5 million for LRP but sourced from within the McGovern-Dole program funding (as described above). For FY2017, the President's budget proposes $15 million to support LRP with an additional $5 million from McGovern-Dole funding, the combined $20 million total of which is expected to be used within development projects. Both the House and Senate bills would appropriate no direct funding to LRP. However, the Senate bill proposes using $10 million of McGovern-Dole funding for LRP projects.

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[111] Eligible entities include private voluntary organizations or cooperatives that are registered with USAID or an international organization such as the World Food Program.

[112] 7 U.S.C. §1726c.

[113] Under the previous 2008 farm bill (P.L. 110-246, §3206), LRP was implemented as a pilot program but with mandatory funding of $60 million of CCC funds (mandatory funds, not Title II appropriations) spread over four years.

Industrial Hemp: Appropriations Provisions[114]

Industrial hemp is an agricultural commodity that is cultivated for a range of hemp-based goods, including foods and beverages, cosmetics and personal care products, nutritional supplements, fabrics and textiles, yarns and spun fibers, paper, construction/insulation materials, and other manufactured goods. It is, however, a variety of *Cannabis sativa*—the same plant species as marijuana—and is therefore subject to U.S. drug laws. The 2014 farm bill provided that certain research institutions and state departments of agriculture may grow industrial hemp as part of an agricultural pilot program if allowed under state laws.[115]

The production of industrial hemp is addressed in both the Senate FY2017 Agriculture and Commerce-Justice-Science (CJS) appropriations bills. In the Agriculture appropriations, the committee-reported bill states that "none of the funds made available by the Agriculture or any other appropriation" may be used in contravention of the 2014 farm bill provision or "to prohibit the transportation, processing, sale, or use of industrial hemp that is grown or cultivated" in accordance with farm bill provision "within or outside the State in which the industrial hemp is grown or cultivated" (S. 2956, §722). The enacted FY2016 Agriculture appropriation contained similar language.[116]

In addition, the Senate committee report (S.Rept. 114-259) urges USDA "to clarify the Agency's authority to award Federal funds to research projects deemed compliant with Section 7606 of the Agricultural Act of 2014." The latter provision addresses questions by a number of state and private research institutions about the extent to which industrial hemp initiatives might be eligible for U.S. federal grant programs (both USDA and non-USDA program funds). Previously, in November 2015, several Members of Congress sent a letter to USDA requesting clarification of the agency's research funds for industrial hemp.[117]

The FY2017 committee-reported CJS appropriation (S. 2837, §538) states that none of the funds made available "may be used by the Department of Justice to prevent a state from implementing its own laws that authorize the use, distribution, possession, or cultivation of industrial hemp, as defined in section 7606 of the Agricultural Act of 2014 (7 U.S.C. 5940)." The enacted FY2015 and FY2016 CJS appropriation contained similar language to block federal law enforcement from interfering with state agencies, hemp growers, and agricultural research.[118]

Neither the FY2017 House CJS appropriations bill or report (H.R. 5393) nor the House Agriculture appropriations bill or report (H.R. 5054) include language on industrial hemp.

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[114] This section was written by (name redacted) (7....; [redacted]@crs.loc.gov).

[115] P.L. 113-79, §7606, "Legitimacy of Industrial Hemp Research." It also created a statutory definition of "industrial hemp" as "the plant Cannabis sativa L. and any part of such plant, whether growing or not, with a delta-9 tetrahydro-cannabinol concentration of not more than 0.3 percent on a dry weight basis."

[116] P.L. 114-113, Division A, §763.

[117] Letter to USDA Secretary Tom Vilsack signed by 37 Representatives and 12 Senators, November 20, 2015. For more background information, see CRS Report RL32725, *Hemp as an Agricultural Commodity*.

[118] P.L. 113-235, Division B, §539; and P.L. 114-113, Division B, §543.

Related Agencies

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

1. The Food and Drug Administration (FDA) of the Department of Health and Human Services (HHS),
2. The Commodity Futures Trading Commission (CFTC)—in the House Agriculture Appropriations subcommittee only, and
3. The Farm Credit Administration (FCA), which does not receive an appropriation but rather oversight via a limit on its spending from fees paid to the agency.

Agriculture's Relationship to the Related Agencies

The combined share of FDA and CFTC funding (Title VI) in the overall Agriculture and Related Agencies appropriations bill is about 13% of discretionary Agriculture appropriation.

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 dealt with by these agencies has grown in recent decades. Because of this shift, some argue that these agencies no longer belong in the Agriculture appropriations bill. Others say that agriculture and food issues are still an important component of each agency.

Food safety responsibilities that are distributed between USDA and FDA have been in the media during recent years and have been the subject of legislation and hearings. At CFTC, volatility in agricultural commodity markets has been a subject of recent scrutiny at CFTC and in Congress.

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. Placement in enacted appropriations now alternates each year. In even-numbered fiscal years, CFTC has resided in the Agriculture appropriations act. In odd-numbered fiscal years, CFTC has resided in the enacted Financial Services appropriations act.

Food and Drug Administration[119]

The Food and Drug Administration (FDA) regulates the safety of foods, cosmetics, and radiation-emitting products; the safety and effectiveness of drugs, biologics (e.g., vaccines), and medical devices; and public health aspects of tobacco products.[120] Although FDA has been a part of the Department of Health and Human Services (HHS) since 1940, the Appropriations committees do not consider FDA within the rest of HHS under the Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies. Jurisdiction over FDA's budget remains with the Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, reflecting FDA's beginnings as part of the Department of Agriculture.

FDA's program level, the amount that FDA can spend, is composed of direct appropriations and user fees.[121] The FY2017 House-reported bill would provide a *total program level* of $4.824 billion—an increase of $79 million (+2%) over the FY2016 enacted appropriation of $4.745 billion and a decrease of $2 million (-0.04%) below the FY2017 President's request of $4.826

[119] This section was written by (name redacted) (7 -...., [redacted]@crs.loc.gov) and (name redacted) (7-...., [redacted]@crs.loc.gov).

[120] Several CRS reports have information on FDA authority and activities: CRS Report R41983, *How FDA Approves Drugs and Regulates Their Safety and Effectiveness*; and CRS Report R42130, *FDA Regulation of Medical Devices*.

[121] Beginning with the Prescription Drug User Fee Act (PDUFA, P.L. 102-571) in 1992, Congress has authorized FDA to collect fees from industry sponsors of certain FDA-regulated products and to use the revenue to support statutorily defined activities, such as the review of product marketing applications.

billion. The FY2017 Senate-reported bill, S. 2956, would provide a *total program level* of $4.854 billion—an increase of $109 million (+2%) over the FY2016 enacted appropriation and an increase of $29 million (+0.6%) over the FY2017 President's request.

The House-reported bill would include $2.766 billion in *direct appropriations*—an increase of $38 million (+1%) over the enacted FY2016 direct appropriation of $2.728 billion and an increase of $23 million (+0.8%) over the FY2017 President's request of $2.743 billion. The Senate-reported bill would include $2.772 billion in *direct appropriations*—an increase of $44 million (+2%) over the FY2016 enacted direct appropriation and an increase of $29 million (+1%) over the FY2017 President's request.

For *user fees*, the FY2017 President's request was for $2.084 billion in fees to be collected through authorized programs to support specified agency activities regarding prescription drugs, medical devices, animal drugs, animal generic drugs, tobacco products, generic human drugs, biosimilars, mammography quality, color certification, export certification, food reinspection, food recall, the voluntary qualified importer program, outsourcing facilities, priority review vouchers, and third-party auditors.[122] In addition to the $2.084 billion in user fees from currently authorized programs, the President had requested $202 million in as yet unauthorized fees to support international courier, food establishment registration and inspection, export certification, food imports, cosmetics, and food contact notification activities. With those proposed fees, the President's total user fee request was $2.286 billion, bringing the FY2017 total program level request to $5.029 billion. Neither appropriations committee's recommendations included any proposed fees. For authorized fees, the House-reported bill would provide $2.058 billion in fees, and the Senate-reported bill would provide $2.083 billion in fees.

Table 12 displays, by program area, the budget authority (direct appropriations), user fees, and total program levels for FDA in previous years: FY2014 (as calculated by the 2014 operating plan), FY2015 (as calculated by the 2015 operating plan), and FY2016 (as enacted in P.L. 114-113). Regarding appropriations for FY2017, **Table 12** displays the President's FY2017 request, House-reported H.R. 5054, and Senate-reported S. 2956.

Consistent with the Administration and congressional committee formats, each program area in **Table 12** 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. It 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 the categories of headquarters and Office of the Commissioner, General Services Administration [GSA] rent, and other rent and rent-related activities).

[122] Several CRS reports describe FDA user fee programs. See, for example, CRS Report R42366, *Prescription Drug User Fee Act (PDUFA): 2012 Reauthorization as PDUFA V*; and CRS Report R42508, *The FDA Medical Device User Fee Program*.

Table 12. Food and Drug Administration (FDA) Appropriations

(dollars in millions)

Program area	FY2014	FY2015	FY2016	FY2017		
	Final	Final	P.L. 114-113	Admin. request[a]	H. Cmte. H.R. 5054	S. Cmte. S. 2956
Foods	**900**	**914**	**999**	**1,024**	**1,034**	**1,039**
Budget authority	883	903	987	1,013	1,023	1,027
Fees	17	10	12	12	10	12
Human drugs	**1,289**	**1,339**	**1,395**	**1,408**	**1,411**	**1,408**
Budget authority	466	482	492	492	496	493
Fees	823	856	903	916	915	916
Biologics	**338**	**344**	**355**	**360**	**360**	**360**
Budget authority	211	211	215	215	215	215
Fees	127	133	139	145	145	145
Animal drugs and feeds	**173**	**175**	**189**	**193**	**191**	**192**
Budget authority	142	148	159	162	160	161
Fees	32	27	30	31	31	31
Devices and radiological health	**428**	**440**	**450**	**460**	**460**	**463**
Budget authority	321	321	323	326	326	329
Fees	107	119	127	134	134	134
Tobacco products	**501**	**532**	**564**	**596**	**596**	**596**
Fees	501	532	564	596	596	596
Toxicological research	**62**	**63**	**63**	**60**	**63**	**63**
Budget authority	62	63	63	60	63	63
Other (e.g., Commissioner Office)	**275**	**277**	**290**	**286**	**293**[b]	**295**[b]
Budget authority	172	173	182	178	185	186
Fees	103	104	108	108	108	108
GSA rent	**220**	**228**	**239**	**236**	**236**	**236**
Budget authority	162	169	177	170	170	170
Fees	58	60	62	66	66	66
Other rent, rent-related activities[c]	**178**	**163**	**172**	**169**	**169**	**169**
Budget authority	133	116	122	115	115	115
Fees	46	48	50	54	54	54
Export, color certification (Fees)	**12**	**13**	**13**	**15**	**0**[d]	**15**
Priority review voucher (Fees)	**0**	**8**	**8**	**8**	**0**[e]	**8**
Food and drug safety (budget authority)[f]	**0**	**0**	**0**	**0**	**0**	**0**
Buildings & Facilities (budget authority)	**9**	**9**	**9**	**12**	**12**	**12**

Program area	FY2014	FY2015	FY2016	FY2017		
	Final	Final	P.L. 114-113	Admin. request[a]	H. Cmte. H.R. 5054	S. Cmte. S. 2956
Total Budget Authority	**2,561**	**2,596**[g]	**2,728**	**2,743**	**2,766**	**2,772**
Total User Fees	**1,826**	**1,909**	**2,017**[h]	**2,084**	**2,058**	**2,083**
Total Program Level	**4,387**	**4,505**	**4,745**[i]	**4,826**	**4,824**	**4,854**

Sources: FY2014 and FY2015 amounts are from the respective FDA Operating Plans. FY2016 amounts are from the FY2016 enacted appropriations bill (P.L. 114-113). Appropriations committees reported amounts come from H.R. 5054, H.Rept. 114-531, S. 2956, and S.Rept. 114-259.

Notes: Individual amounts may not add to subtotals or totals due to rounding. Consistent with the Administration and congressional committee formats, each program area 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 budgeted for agency-wide Office of Regulatory Affairs in that area. User fee revenue is apportioned 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 other [including Office of the Commissioner], General Services Administration rent, and other rent and rent-related activities categories).

a. The President's FY2017 request includes $2.084 billion in user fees from currently *authorized* programs (prescription drug, medical device, animal drug, animal generic drug, tobacco product, generic drug, biosimilars, mammography quality, color certification, export certification, food reinspection, food recall, pharmacy compounding, and third-party food import auditors). The request included an additional $202.282 million in *proposed fees* (export certification, food facility registration and inspection, food imports, international courier, cosmetics, and food contact substance notification) that would require authorizing legislation to implement. For user fees in the Administration's FY2017 request, this column shows only those that have been authorized. Including the $202.282 million in proposed user fees, the President's total user fee request would have been $2.286 billion, yielding a total program level request of $5.029 billion.

b. The House- and Senate-reported bills would require that $1.5 million of the budget for "other activities" (e.g., Office of the Commissioner) be transferred to the Department of Health and Human Services Office of Inspector General for oversight.

c. Other rent and rent-related activities include White Oak consolidation.

d. Although the House-reported bill states that export certification user fees authorized by 21 U.S.C. 381 "shall be credited to this account," the Title VI "Related Agencies and Food and Drug Administration" table in H. Rept. 114-531 does not list a recommended amount for export and color certification user fees.

e. Although the House-reported bill states that priority review user fees authorized by 21 U.S.C. 360n and 360ff "shall be credited to this account," the Title VI "Related Agencies and Food and Drug Administration" table in H. Rept. 114-531 does not list a recommended amount for priority review user fees.

f. The FY2013 Sequestration Operating Plan notes food safety and drug safety items that had not been included in the program-level appropriations.

g. The FY2015 appropriation (P.L. 113-235) provided an additional, one-time $25 million for Ebola response and preparedness activities, which is not shown in this table. Adding this $25 million to the FDA appropriations brings BA to $2.622 billion and the total program level to $4.525 billion for FY2015.

h. The FY2016 enacted bill included $1 million for fees related to pharmacy compounding (Congressional Budget Office estimate) that the President's request had not included in the FY2016 request submission.

i. This total does not include the $75 million in proposed new mandatory funding for the Vice President's Cancer Moonshot Initiative.

In report language, the House committee notes that the recommended appropriations include the following increases: $33.152 million for the Food Safety and Modernization Act (FSMA) implementation and $9.411 million for medical product safety initiatives (including $2.911 million for the Animal Drug and Medical Device Review, $2.0 million for the precision medicine initiative, $2.5 million for the Pediatric Device Consortia Grant Program, and $2.0 million for Orphan Product Grants). The House committee report also notes an "additional $2.5 million for improved foreign high risk inspections and a total of $7.5 million for the FDA's Office of Global

Regulatory Operations and Policy." While not presenting them as increases, the House committee report directs or notes the following specific spending: $24.6 million for FDA's Medical Countermeasures Initiatives, $10.0 million for emerging public health threat funding, $5.0 million for the Food Safety Outreach Program under the National Institute of Food and Agriculture (NIFA), $3.0 million for coordination with USDA to provide crop biotechnology education and outreach, not less than $11.7 million for cosmetics activities (including not less than $7.2 million for the Office of Cosmetics and Colors), and $700,000 for timely reviews of filed requests regarding sunscreen ingredients.

In report language, the Senate committee report notes the following increases: $40.275 million for the implementation of FSMA, $2.911 million for animal drug and medical device reviews, $2.0 million for precision medicine, $1.0 million to evaluate biomarkers for drug development, $2.0 million for pediatric device review, and $1.0 million for medical device postmarket safety activities. The Senate committee report also notes an "additional $3.0 million for improved foreign high risk inspections and a total of $8.0 million for the FDA's Office of Global Regulatory Operations and Policy." While not presenting them as increases, the Senate committee report directs or notes the following specific spending: $10.8 million for the National Antimicrobial Resistance Monitoring System, at least $2 million within existing funds to provide funding opportunities for existing Centers of Excellence in Regulatory Science and Innovation and the capitalization of ongoing studies and research, not less than $11.7 million for cosmetics activities (including not less than $7.2 million for the Office of Cosmetics and Colors), $5 million for Pediatric Device Consortia Grants, and $1.5 million for the HHS Office of Inspector General for oversight of FDA activities.

In addition to comments on specific amounts of funding, the House and Senate Appropriations committees lay out in the accompanying reports their concerns with specific FDA activities and provide various directives and encouragements to the agency. While directions and suggestions in the committee reports do not have statutory stature, they convey the committee concerns that could determine future appropriations.[123]

[123] Topics addressed in the FY2017 committee reports, by program area, follow. *Foods:* Artisanal Cheese, Center for Safety and Nutrition Centers of Excellence, Cosmetics, Cotton Ginning, Crop Biotechnology and Biotech Ingredients, Date Labels on Food, Donor Milk Supply, FDA Food Mission, FDA Partnerships under FSMA, Food Contact Notification User Fees, Food Packaging, Food Traceability, Funding for Food Safety, Laboratories Near High Volume Ports, Listeriosis, Local Port Cooperation, Medical Foods, Menu Labeling, Nutrient Content Claims, Nutrition Facts Label, Office of Cosmetics and Colors, Olive Oil, Packaged Ice, Private Accredited Laboratories, Proprietary Information, Protecting Proprietary Information, Ready-to-Eat Foods, Seafood Advisory, Shrimp Imports, Sodium Guidance, Spent Grains, State Inspections, Staffing at Land Ports of Entry, and Vibrio. *Human Drugs:* Active Pharmaceutical Ingredients, Antibiotics, Atypical Actives, Compassionate Use, Continued FDA Approval of Drug Safety Labeling, Drug Compounding, Drug Compounding Inspections, Drug Compounding of Allergen Extracts, Drug Shortages, Drug Vial Sizes, Duchenne Muscular Dystrophy, Experimental Drugs for Terminally-Ill Patients, Genomic Editing, Medical Gases, Medical Gas Rulemaking, Opioid Abuse, Opioid Overdose Prevention, Over-the-Counter (OTC) Drugs, OTC Monograph Resources, Patient Focused Drug Development Initiative, Pharmacy Compounding, Prescription Drug Labeling Inserts, Sunscreen Ingredients, and Surrogate Endpoints. *Biologics:* Biological Products, Biosimilars, and Blood Donor Policies. *Animal Drugs and Feeds:* Animal Drug Compounding, National Antimicrobial Resistance Monitoring System, and Pet Food Imports. *Devices:* FDA and CMS Parallel Review Pilot, Indoor Tanning Devices, Mammography Exam Reports, Mammography Quality Standards Act, Laboratory Developed Tests, Medical Devices, Medical Device Facility Inspections, Medical Device Performance, Pediatric Devices, and Pediatric Device Consortia Grants. *Medical Products:* Diabetes, Emerging Public Health Threat Funding, Human Tissue Models Including 3D Models, In Silico Clinical Trials, In Vitro Clinical Trials, Medical Countermeasures, and Medical Product Safety Funding. *Tobacco Products:* Harm Reduction and Premium Cigars. *Toxicological Research:* Nanotechnology. *FDA-wide:* Centers of Excellence in Regulatory Science and Innovation, Federal Employee Conduct, Foreign High Risk Inspections, Late Reports, President's Budget Submission to Congress, Oversight Activities, Public Disclosure, Scientific Integrity, User Fee Collections/Obligations, and White Oak Expansion.

Tobacco regulation received particular attention during markup. The Family Smoking Prevention and Tobacco Control Act (Tobacco Control Act, P.L. 111-31) amended the Federal Food, Drug, and Cosmetic Act (FFDCA) to provide FDA with the authority to regulate cigarettes, cigarette tobacco, roll-your-own tobacco, smokeless tobacco, and other tobacco products deemed by the agency. FDA published a proposed rule in 2014[124] and a final rule in May 2016 ("deeming rule") that extends the agency's tobacco product authorities to "all other categories of products that meet the statutory definition of 'tobacco product' in the [FFDCA] except accessories of such newly deemed tobacco products."[125] The final rule deems electronic cigarettes ("e-cigarettes"), cigars, pipe tobacco, and hookah tobacco, among other products, to meet this statutory definition and, therefore, to be within FDA's regulatory authority. Manufacturers of newly deemed tobacco products that are currently being marketed in the United States will have to file an application for premarket review with FDA. The deeming rule establishes a timeline for manufacturers to submit their applications. A manufacturer that submits an application during this period may continue to market the product until FDA acts on the application. Section 761 of the House-reported bill would grandfather all e-cigarettes and other newly deemed tobacco products currently on the market. Manufacturers would not have to file a premarket application. Section 749 would prohibit the use of appropriated funds for the finalization, implementation, administration, or enforcement of FDA's proposed deeming rule "if such rule would apply to traditional large and premium cigars." The Senate bill does not contain any tobacco-related provisions.

FDA's Food Safety Activities[126]

FDA's Foods program covers the agency's food safety activities as well as certain other food-related programs. The program plays a major food safety role, assuring that the nation's food supply, quality of foods, food ingredients, and dietary supplements (and also cosmetic products) are safe, sanitary, nutritious, wholesome, and properly labeled. In recent years, congressional appropriators have increased funding for FDA Foods program, more than doubling funding over the past decade. Largely, this increase has been in response to comprehensive food safety legislation enacted in the 111th Congress as part of the FDA Food Safety Modernization Act (FSMA, P.L. 111-353). FSMA was the largest expansion of FDA's food safety authorities since the 1930s and amended FFDCA. FDA's Foods program has also had to adapt to the increasing variety and complexity of the U.S. food supply, including rising import demand and other market factors such as emerging microbial pathogens, natural toxins, and technological innovations in production and processing.

FDA's Foods program budget accounts for roughly one-third of FDA's total appropriation. FDA's total budget for food safety programs and activities, however, extends beyond the agency's Foods program, encompassing other food and veterinary medicine programs at FDA. The budget for food safety activities was $1.3 billion in FY2016, an increase of $104.5 million over the previous year.[127] This amount includes most of FDA's Food program funding, along with aspects of other FDA program areas covering food additives, antimicrobial resistance, nutrition labeling and dietary supplements, cosmetics, and all related user fees, as well as administrative expenses.

According to the Administration, the FY2016 increase in budgetary authority enabled FDA to "lay a strong foundation for the success of FSMA, but additional funding is needed in the areas of

[124] 79 *Federal Register* 35711.

[125] 81 *Federal Register* 28973. FDA's "tobacco product" authorities are defined in FFDCA Section 901.

[126] This section was written by (name redacted) (7-....; [redacted]@crs.loc.gov).

[127] See also CRS Report R44309, *FY2016 Appropriations: Selected Federal Food Safety Agencies*.

produce safety and oversight of imported food."[128] For FY2017, the Administration is requesting an additional net increase of $18.4 million.[129] This includes a $25.3 million increase in budget authority to implement FSMA offset by proposed reductions in other programs. The requested increase to implement FSMA would (1) "support state capacity" to implement FDA's "Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption" regulation (or produce standards rule) by "delivering education and technical assistance to farmers and providing ongoing compliance support and oversight" ($11.3 million),[130] and also (2) implement the FDA's "Foreign Supplier Verification Programs for Importers of Food for Humans and Animals" regulation and fund inspections and the agency's overseas presence to ensure that food imports meet U.S. food safety standards.[131]

Both the House and the Senate committees would provide for an additional increase in budgetary authority for FDA's food safety activities: The House would increase FSMA funding by $33.2 million, which would provide $19.2 million for NIFSS and $14.0 million for import safety. Another $5 million would be provided to the National Institute for Food and Agriculture to provide "education and technical assistance for farmers in implementing new requirements resulting from FSMA" (H.Rept. 114-531). The Senate would increase funding for FSMA implementation by $40.3 million, which includes $18.8 million for NIFFS and $21.5 million for import safety (S.Rept. 114-259).

Requests by the Administration and amounts provided by appropriators are considerably lower than recommended by the states, industry,[132] and consumer advocacy groups.[133] In particular, the states are concerned about the lack of resources to fully implement FSMA and for state and local authorities to support FDA, conduct inspections and risk analytics, and provide technical assistance to regulated farms and food facilities. The National Association of State Departments of Agriculture (NASDA) recommends that Congress provide $100 million annually.[134]

Congressional appropriations would be augmented by existing (currently authorized) user fees. These include food and feed recall fees, food reinspection fees, and voluntary qualified importer program fees. In recent years these fees have generated less than $18 million per year. The Administration's request includes $193.2 million in user fees, covering existing user fees plus new proposed user fees of $105.3 million in new import fees and $61.3 million in food facility and registration fees.[135] Enacted appropriations since FSMA was enacted have not approved any new user fees. User fees are generally established in authorizing laws and not by appropriations.

[128] FDA, "President's FY 2017 Budget Request: Key Investments for Implementing the FDA Food Safety Modernization Act (FSMA)," press release, February 22, 2016, http://www.fda.gov/downloads/Food/GuidanceRegulation/FSMA/UCM432580.pdf.

[129] FDA, "Fiscal Year 2017: Justification of Estimates for Appropriations Committees," February 2016, p. 6, http://www.fda.gov/Food/GuidanceRegulation/FSMA/ucm432576.htm.

[130] The funding would be used to fund NIFSS.

[131] See footnote 128. For more information on FSMA's regulations, see CRS Report R43724, *Implementation of the FDA Food Safety Modernization Act (FSMA, P.L. 111-353)*.

[132] See, for example, letter to House and Senate Appropriations Committee leadership from leading agricultural and manufacturing groups, February 23, 2016; and letter to the Administration regarding FY2017 funding for food safety from leading farm groups, August 26, 2015.

[133] See, for example, Consumer Federation of America, "CFA Opposes Administration Plans to Short Food Safety Funding at FDA," press release, February 9, 2016.

[134] Letter to House and Senate Appropriations Committee leadership from NASDA, March 10, 2016.

[135] FDA, "Fiscal Year 2017: Justification of Estimates for Appropriations Committees," February 2016, p. 9, http://www.fda.gov/Food/GuidanceRegulation/FSMA/ucm432576.htm.

Moreover, the House Appropriations committee has repeatedly called on the Administration to stop requesting additional user fees but rather to "request the resources [FDA] needs to fully implement [FSMA]."[136] Industry representatives also continue to actively oppose such fees.[137]

The appropriations text, along with statements in the House and Senate committee reports, include a number of provisions that would require FDA to take additional food safety and food-related actions. These include provisions that reflect concerns about FDA's development of FSMA regulations. Section 737 of both the House and the Senate committee-reported bills states that "none of the funds made available by this or any other Act may be used to implement or enforce any provision of the FDA Food Safety Modernization Act (Public Law 111-353), including the amendments made thereby, with respect to the regulation of the distribution, sale, or receipt of dried spent grain byproducts of the alcoholic beverage production process, irrespective of whether such byproducts are solely intended for use as animal feed." The Senate committee report also expresses concerns about FSMA regulations on cotton ginning and cottonseed for use as animal feed. Both committee reports address a number of issues regarding fish and seafood, covering labeling and safety, disease research, and consumer fraud. The Senate bill also includes a provision regarding the "acceptable market name of any salmon that is genetically engineered" (§754) and a provision regarding crab nomenclature (§753).

The committee-reported bills also contain other policy riders for FDA's Foods program that are not necessarily related to the agency's food safety activities. Both committee reports would direct FDA to submit a report to Congress that looks at sampling of off-the-shelf olive oil bottles offered for sale to consumers to determine if the olive oil is adulterated with seed oil. Both bills would also place restrictions on FDA regarding implementation of final regulations regarding restaurant menu labeling (§735 in both bills) and place certain restrictions regarding other FDA activities regarding partially hydrogenated oils (§740 in both bills).

Commodity Futures Trading Commission[138]

The CFTC is the independent regulatory agency charged with oversight of derivatives markets. The CFTC's functions include oversight of trading on the futures exchanges, oversight of the swaps markets,[139] registration and supervision of futures industry personnel, self-regulatory organizations and major participants in the swaps markets, prevention of fraud and price manipulation, and investor protection.[140] The Dodd-Frank Act (P.L. 111-203) brought the bulk of the previously unregulated over-the-counter swaps markets under CFTC jurisdiction as well as the previously regulated futures and options markets. Since the swaps market is much larger than the futures market, a lingering question is whether CFTC has sufficient resources to meet the agency's newly added responsibilities.[141]

136 For example, see letters dated September 2, 2015, from Representatives DeLauro and Farr to HHS and OMB, as well as letters dated August 27, 2014. See also "Representatives DeLauro, Farr Call on OMB and HHS to Nix User Fees and Fully Fund FSMA Implementation," press release, August 2014.

137 Letter to HHS and OMB from 65 trade associations, incl. the Grocery Manufacturers Association (GMA), American Frozen Food Institute, Food Marketing Institute, and National Association of Manufacturers, Aug. 26, 2015.

138 This section was written by (name redacted) (7-...., [redacted]@crs.loc.gov)

139 There is an exception for a narrow slice of the swaps markets, called security-based swaps, which are based on a single security, loan, or narrow group or index of securities. These are overseen by the Securities and Exchange Commission.

140 See CRS Report R43117, *The Commodity Futures Trading Commission: Background and Current Issues*.

141 "The CFTC does not have the resources to fulfill our new responsibilities as well as all the responsibilities it had prior to the passage of Dodd-Frank in a way that most Americans would expect. Our staff, for example, is no larger (continued...)

For FY2017, the House-reported Agriculture appropriations bill (H.R. 5054) would provide $250 million, constant with the FY2016 enacted amount. The Senate-reported Financial Services appropriations bill (S. 3067) would provide this same amount. The President's budget request was $330 million, an increase of 32% above the FY2016 level. The Financial Services Appropriations Act is expected to carry the FY2017 CFTC appropriation, according to the alternating placement with the Agriculture appropriations act in recent years.

Following enactment of the FY2016 appropriation, CFTC chairman Timothy Massad issued a statement criticizing the lack of any increase for the agency despite its expanded oversight over the swaps market: "The failure to provide the CFTC even a modest increase in the fiscal year 2016 budget agreement sends a clear message that meaningful oversight of the derivatives markets, and the very types of products that exacerbated the global financial crisis, is not a priority."[142] He added that the flat appropriation failed to take into account the need for added resources to enforce oversight of the expanded, technologically complex swaps markets.

Farm Credit Administration[143]

The Farm Credit Administration (FCA) is the federal regulator for the Farm Credit System (FCS), which is a borrower-owned cooperative lender operated as a government-sponsored enterprise.[144]

Neither the FCS nor the FCA receives a federal appropriation. The FCA is funded by assessments on the FCS entities that it regulates; FCS is funded by agency bonds sold on Wall Street and loans repaid by its borrowers. As part of its congressional oversight, however, the Agriculture appropriations bill sets a limitation (a maximum operating level) on FCA administrative expenses. This serves as a check on the size of the FCA and the amount that FCA can collect.

For FY2017, both the House- and the Senate-reported bills would allow FCA a maximum assessment of $65.6 million, constant with FY2016 but $4.2 million less than requested.[145]

Table 13. Farm Credit Administration Limitation on Expenses

(dollars in millions)

	FY2014	FY2015	Y2016	FY2017				Change: FY2016 to...	
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	Enacted	House	Senate
FCA limitation on expenses	62.6	60.5	65.6	69.8	65.6	65.6	—	+0.0	+0.0

Source: CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

(...continued)

than it was when Dodd-Frank was enacted in 2010." Testimony of CFTC chairman Timothy G. Massad before the Senate Agriculture Committee, May 14, 2015, http://www.cftc.gov/PressRoom/SpeechesTestimony/opamassad-22.

142 Statement of Chairman Timothy Massad on the Fiscal Year 2016 Budget Agreement, December 21, 2015, http://www.cftc.gov/PressRoom/SpeechesTestimony/massadstatement122115.

143 This section was written by (name redacted).(7., [redacted]@crs.loc.gov)

144 For background, see CRS Report RS21278, *Farm Credit System*.

145 FCA, *Fiscal Year 2017 Proposed Budget and Performance Plan*, http://www.fca.gov/Download/BudgetFY2017.pdf.

General Provisions, Scorekeeping Adjustments[146]

Agriculture appropriations acts in recent years have contained over $1 billion in net offsets that effectively reduce the cost of appropriations in the rest of the bill, though the net offset in FY2016 was somewhat smaller at $770 million because of one-time additional spending. These reductions occur in Title VII General Provisions through rescissions and Changes in Mandatory Program Spending (CHIMPS), and in separate Congressional Budget Office (CBO) scorekeeping adjustments. Other appropriations are also made but are relatively small compared to the reductions.

Limitations and rescissions are used to score budgetary savings that help meet the discretionary budget allocation. By offsetting spending elsewhere in the bill, they help provide relatively more to (or help avoid deeper cuts to) regular discretionary accounts than might otherwise occur.[147]

For FY2017, the House-reported bill would benefit from $1.4 billion of net reductions through general provisions and scorekeeping adjustments, while the Senate-reported bill would make $1.5 billion of such reductions (**Table 14**).

The General Provisions title also contains many important policy-related provisions that affect how the executive branch carries out the appropriation and authorizing laws, many of which have no budgetary effect. Some of these policy-related provisions are discussed earlier in this report under the relevant agency heading.

Table 14. General Provisions and Scorekeeping Adjustments

(dollars in millions)

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	Enacted
CHIMPS and mandatory rescissions (Table 15)	-953.7	-785.0	-831.0	-641.5	-810.5	-794.0	—
Discretionary rescissions (Table 16)	-33.3	-17.0	-34.0	-4.2	-104.2	-204.2	—
Other appropriations (Table 17)	106.6	122.6	556.1	1.0	51.5	16.6	—
Other scorekeeping adjustments (Table 18)	-191.0	-514.0	-462.0	-524.0	-524.0	-524.0	—
Total	**-1,071.4**	**-1,193.4**	**-770.9**	**-1,168.7**	**-1,387.2**	**-1,505.6**	—
Notes to reconcile total to committee reports							
Ebola was Title VIII; P.L. 480 resc. was Title V		*-12.0*					
Cushion of Credit rescission was Title III	*+172.0*	*+179.0*	*+179.0*	*+151.5*	*+151.5*	*+165.0*	—
Scorekeeping adjustments not in cmte. report	*+191.0*	*+514.0*	*+462.0*	*+524.0*	*+524.0*	*+524.0*	—
General Provisions in committee reports	*-708.4*	*-512.4*	*-129.9*	*-493.2*	*-711.7*	*-816.6*	—

Source: CRS, based on the categorization of Changes in Mandatory Program Spending in unpublished CBO tables and from the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

[146] This section was written by (name redacted).(7 [redacted]@crs.loc.gov

[147] For example, in FY2011, 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.

Changes in Mandatory Program Spending

Mandatory programs are usually not part of the appropriations process, since formulas and eligibility rules are set in multi-year authorizing laws (such as the 2014 farm bill). Funding is usually assumed to be available based on the statute and without appropriations action. However, for more than a decade, appropriators have placed limits on mandatory spending authorized in statutes such as the farm bill (**Table 15**). CHIMPS are usually reductions to mandatory spending authority, but they may also be increases in spending authority. Although many CHIMPS have an effect for one year, rescissions may be made to mandatory spending programs to permanently cancel budget authority (also considered a CHIMP here and by CBO).[148]

When appropriators limit mandatory spending, they do not change the authorizing law.[149] However, their action has a similar effect through CHIMPS—but usually only for the one year to which the appropriation applies. Appropriators put limits on mandatory programs by using language such as this: "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 $[...]." Limits usually appear in Title VII, General Provisions, of the Agriculture appropriations bill.

Historically, most allocations to spend budgetary resources originated from the appropriations committees. The division over who should fund certain agriculture programs—appropriators or authorizers—has roots dating to the 1930s. Variable outlays for the farm commodity programs were difficult to budget and resembled entitlements. Mandatory funding—through the CCC—was created to remove the unpredictable funding issue from the appropriations process, and those decisions generally rested with the authorizing committee.

The dynamic further changed after the 1996 farm bill, when mandatory funds were used for programs that had usually been discretionary.[150] Appropriators had not funded some programs as much as authorizers had desired, and authorizing committees wrote farm bills to more broadly use the mandatory funding at their discretion. Tension arose over who should fund certain activities. Some question whether the CCC should be used for outlays that are not uncertain.

The programs affected by CHIMPS typically 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).

For FY2017, the House-reported bill contains $810 million in savings attributable to CHIMPS, of which $428 million are from programs authorized in the 2014 farm bill.[151] The Senate-reported bill would CHIMP a total of $794 million, with $392 million from farm bill programs. These totals are slightly smaller compared with FY2016 (**Table 15**).

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[148] Examples are discussed in the section "Mandatory Conservation Programs." See also CRS In Focus IF10041, *Reductions to Mandatory Agricultural Conservation Programs in Appropriations Law*.

[149] See CRS Report R41634, *Limitations in Appropriations Measures: An Overview of Procedural Issues*.

[150] Adapted from Galen Fountain, then 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, http://ageconsearch.umn.edu/bitstream/50603/2/Fountain-Galen-pdf.pdf.

[151] This report uses the CBO compilation of CHIMPS, which in addition to limits on farm bill programs also includes the rescission from the Cushion of Credit account for the Rural Business and Cooperative Service (RBS). Including the Cushion of Credit rescission in CHIMPS allows the total appropriation for RBS to remain positive and concurs with CBO scoring. However, appropriations committee tables include the Cushion of Credit rescission in the RBS section, causing the net agency appropriations total to be less than zero (the alternative scoring method noted in **Table 10**).

Table 15. CHIMPS and Rescissions to Mandatory Spending Programs

(dollars in millions)

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	Enacted
Changes to farm bill programs (CHIMPS and rescissions)[a]							
Conservation programs							
Environmental Quality Incentives Prog.	-272.0	-136.0	-209.0	—	-209.0	-189.0	—
Watershed Rehabilitation Program	-153.0	-69.0	-68.0	-54.0	-54.0	-63.0	—
Conservation Stewardship Program	—	-7.0	—	—	-5.0	—	—
Agricultural Management Assistance	—	—	—	—	-4.0	—	—
Subtotal, conservation	**-425.0**	**-212.0**	**-277.0**	**-54.0**	**-272.0**	**-252.0**	—
Other farm bill programs							
Fresh Fruit and Vegetable Program[b]	-119.0	-122.0	-125.0	-125.0	-125.0	-125.0	—
Emergency Food Assistance Program	—	—	—	—	+19.0	—	—
Biorefinery Assistance Program	-40.7	-16.0	-19.0	—	-30.0	—	—
Biomass Crop Assistance Program	—	-2.0	-20.0	—	-20.0	-20.0	—
Repowering Assistance	—	-8.0	—	—	—	—	—
Bioenergy Prog. for Advanced Biofuels	-8.0	—	—	—	—	—	—
Emergency Livestock Assistance Prog.	—	-125.0	—	—	—	—	—
ARC pilot	—	—	—	—	—	+5.0	—
Marketing Certificates	—	—	+5.0	—	—	—	—
Subtotal, other from farm bill	**-167.7**	**-273.0**	**-159.0**	**-125.0**	**-156.0**	**-140.0**	—
Subtotal, of farm bill programs	**-592.7**	**-485.0**	**-436.0**	**-179.0**	**-428.0**	**-392.0**	—
Other reductions of mandatory programs[a]							
Cushion of Credit (Rural Develop.)	-172.0	-179.0	-179.0	-151.5	-151.5	-165.0	—
Section 32	-189.0	-121.0	-216.0	-311.0	-231.0	-237.0	—
Total	**-953.7**	**-785.0**	**-831.0**	**-641.5**	**-810.5**	**-794.0**	—

Source: CRS, based on the categorization of Changes in Mandatory Program Spending (CHIMPS) in unpublished Congressional Budget Office tables, and from the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

a. Reductions to mandatory programs in this report include CHIMPS and permanent rescissions of budget authority for mandatory program accounts.

b. This provision delays funding from July until October of the same calendar year, effectively allocating the authorization by fiscal year rather than school year—with no reduction in overall support—and scoring budgetary savings.

Rescissions of Discretionary Accounts

Rescissions are a method of permanently cancelling the availability of funds that were provided by a previous appropriations law. When scoring a bill to determine its budget effect, a rescission results in budgetary savings.

As a budgetary offset, rescissions can allow more spending in an appropriations bill. But unlike a CHIMP, a rescission can prevent an unobligated budget authority from being reallocated or repurposed by future appropriations since the cancellation is permanent. Often rescissions relate to the unobligated balances of funds that were appropriated a year or more ago that still remain available for a specific purpose (e.g., buildings and facilities funding that remains available until expended for specific projects, or disaster response funds for losses due to a specific hurricane).

For FY2017, the House-reported bill would rescind $104.2 million from two discretionary programs, and the Senate-reported bill would rescind $204.2 million from the same two programs (**Table 16**). The rescissions from the WIC account are explained earlier in this report in the section "WIC: General Provisions and Committee Report Language."

Rescissions to mandatory programs are included in the previous section on CHIMPS, according to CBO scoring tables.

Table 16. Rescissions from (Prior-Year) Discretionary Budget Authority

(dollars in millions)

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	Enacted
Agriculture buildings and facilities	-30.0	—	—	—	—	—	—
ARS buildings and facilities	—	-2.0	—	—	—	—	—
Common Computing Environment	—	—	-1.0	—	—	—	—
WIC	—	—	—	—	-100.0	-200.0	—
Rural Development balances	—	—	—	-4.2	-4.2	-4.2	—
Rural Housing Service	-1.3	—	—	—	—	—	—
Water and waste disposal cancellation	—	—	-13.0	—	—	—	—
Ocean freight (food aid)	—	-2.0	—	—	—	—	—
P.L. 480 Title I (food aid)	—	-13.0	—	—	—	—	—
Watershed and Flood Prevention	—	—	-20.0	—	—	—	—
Resource Conservation and Development	-2.0	—	—	—	—	—	—
Total	**-33.3**	**-17.0**	**-34.0**	**-4.2**	**-104.2**	**-204.2**	—

Source: CRS, compiled from tables in the joint explanatory statements or committee reports.

Other Appropriations (Including Emergency Disaster Programs)

The General Provisions title may contain appropriations for activities that are not part of regular agency appropriations. These sometimes include supplemental or disaster appropriations and may be offset in scorekeeping adjustments by emergency spending designations (**Table 17**).

Table 17. Other Appropriations in General Provisions

(budget authority in millions of dollars)

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	Enacted
Disaster/Emergency programs							
Emergency Watershed Protection	—	78.6	159.0	—	5.0	—	—
Emergency Conservation Program	—	9.2	108.0	—	—	—	—
Emergency Forest Restoration	—	3.2	6.0	—	—	—	—
FDA salaries and expenses for Ebola	—	25.0	—	—	—	—	—
Subtotal, disaster programs	—	**116.0**	**273.0**	—	**5.0**	—	—
Note: Disaster designation for budget	—	*-116.0*	*-130.0*	—	—	—	—
Other spending provisions							
FDA user fees	79.0	—	—	—	—	—	—
Zika virus, Ebola funding	—	—	—	—	10.0	—	—
Food for Peace[a]	—	—	250.0	—	—	—	—
Citrus greening	20.0	—	5.5	—	5.5	—	—
APHIS buildings and facilities	—	—	—	—	30.0	—	—
Hardwood trees reforestation pilot	0.6	0.6	0.6	—	—	0.6	—
Geographically disadvantaged farmers	2.0	2.0	2.0	—	—	2.0	—
Water Bank	4.0	4.0	4.0	—	—	4.0	—
Healthy Food Financing Initiative	—	—	—	1.0	1.0	1.0	—
Maturing mortgage pilot	—	—	—	—	—	1.0	—
Rural Energy Savings Program	—	—	8.0	—	—	8.0	—
Dietary Guidelines study	—	—	1.0	—	—	—	—
Summer meals	—	—	7.0	—	—	—	—
School equipment grants	—	—	5.0	—	—	—	—
Hunger Commission	1.0	—	—	—	—	—	—
Subtotal, other spending	**106.6**	**6.6**	**283.1**	**1.0**	**46.5**	**16.6**	
Total	**106.6**	**122.6**	**556.1**	**1.0**	**51.5**	**16.6**	

Source: CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills.

a. This amount for Food for Peace is in addition to the regular appropriation in Title V of $1.466 billion.

Other Scorekeeping Adjustments

Scorekeeping adjustments are a final part of the accounting of the appropriations bill that are not necessarily shown in the tables published by the appropriations committees.[152] These adjustments are critical, however, for the bill to reach the desired total amount that complies with the 302(b) spending limit for the subcommittee. Some of these amounts are not necessarily specified by provisions in the bill but are related to program operations, such as direct and guaranteed loan programs. CBO calculates and reports these scorekeeping adjustments in unpublished tables.

For FY2017, the other scorekeeping adjustments are the same across the Administration's request, the House-reported bill, and the Senate-reported bill at -$524 million (**Table 18**).

The "negative subsidy" from various USDA loan programs has increased in recent years. Negative subsidies effectively reflect "income" to the government when a loan program operates at lower cost than it receives in appropriations via the collection of fees or better-than-expected loan repayment. These negative subsidies have become larger in recent years and are helping to offset more of the regular appropriation. Prior to FY2013, these negative subsidies were cumulatively less than $100 million. In FY2017, these negative subsidies total $534 million.

Table 18. Scorekeeping Adjustments

(dollars in millions)

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	**P.L. 113-235**	**P.L. 114-113**	**Admin. Request**	**H. Cmte. H.R. 5054**	**S. Cmte. S. 2956**	**Enacted**
Denali Commission (permanent)	4.0	4.0	4.0	4.0	4.0	4.0	—
Interest Native American Fund Endowment	5.0	5.0	5.0	5.0	5.0	5.0	—
Child nutrition equipment grants	1.0	1.0	1.0	1.0	1.0	1.0	—
Loan program negative subsidies							
Rural housing negative subsidy	*-62.0*	*-141.0*	*-31.0*	*-146.0*	*-146.0*	*-146.0*	—
Rural community facilities negative subsidy	*-41.0*	*-90.0*	*-135.0*	*-159.0*	*-159.0*	*-159.0*	—
Rural elec. & tele. loan negative subsidy	*-92.0*	*-152.0*	*-154.0*	*-203.0*	*-203.0*	*-203.0*	—
Rural water & waste loan negative subsidy	—	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	—
Ag credit loan negative subsidy	*-6.0*	*-23.0*	*-23.0*	*-24.0*	*-24.0*	*-24.0*	—
Subtotal, negative subsidies	**-201.0**	**-408.0**	**-345.0**	**-534.0**	**-534.0**	**-534.0**	—
Rounding plug	—	—	3.0	—	—	—	—
Emergency designations not in 302(b)	—	-116.0	-130.0	—	—	—	—
Total	**-191.0**	**-514.0**	**-462.0**	**-524.0**	**-524.0**	**-524.0**	—

Source: CRS, compiled from unpublished CBO tables.

[152] Although CHIMPS are sometimes considered to be scorekeeping adjustments and are shown in committee tables, they are discussed elsewhere in this report. This section discusses the unpublished, other scorekeeping adjustments.

Appendix A. Historical Trends

This appendix offers a 20-year historical perspective on trends in Agricultural appropriations from FY1996 to FY2016. Comparisons are made across (1) mandatory versus discretionary spending, (2) nutrition spending compared to the rest of the bill, (3) inflation-adjusted amounts, and (4) agriculture appropriations relative to the entire federal budget, economy, and population.

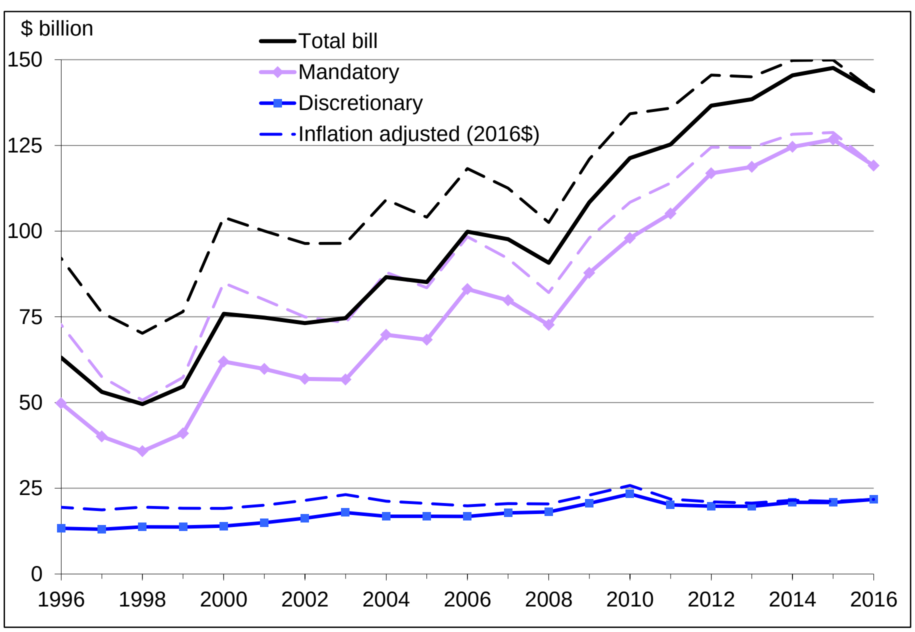
See **Figure A-1** for the mandatory and discretionary breakdown. **Table A-1** contains the nominal data, and **Table A-2** contains the inflation-adjusted data. **Table A-3** shows the compounded annualized percentage changes over various time periods.

Alternatively, discretionary spending by title of the appropriation for a 10-year period is shown in **Figure 3** earlier in the report, and agency-level data are presented for a four-year period in tables throughout the report.

Mandatory and Discretionary Spending

- Discretionary Agriculture appropriations peaked in FY2010, although mandatory nutrition spending continued to rise through FY2015.
- Over the past five years (since FY2011), total Agriculture appropriations grew at a compounded annual rate of +2.4% (+0.7% on an inflation-adjusted basis).
- The mandatory spending portion of this total shows a +2.5% annual increase over the past five years (+0.9% on an inflation-adjusted basis).
- The discretionary portion has an annual increase of +1.6% over five years (basically flat on an inflation-adjusted basis; -0.1% annually).
- In FY2016, 15% of the total agriculture appropriation is discretionary spending, down from 28% of the total appropriation in FY1998.

Figure A-1. Total Agriculture Appropriations: Mandatory and Discretionary



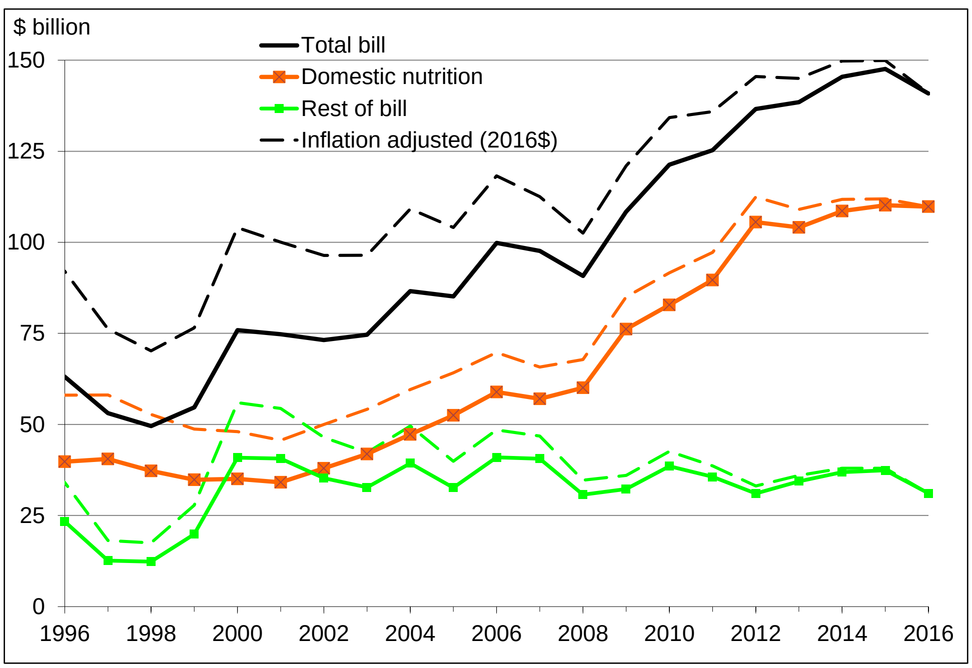
Source: CRS. Fiscal year budget authority. Inflation-adjusted amounts are based on the GDP price deflator.
Notes: Includes only regular annual appropriations; includes CFTC regardless of jurisdiction.

Domestic Nutrition and the Rest of the Bill

Another way to divide the total agriculture appropriation is domestic nutrition compared to the rest of the bill (**Figure A-2**). Domestic nutrition appropriations include primarily the child nutrition programs (school lunch and related programs), SNAP—which are mandatory—and WIC, which is discretionary. The "rest of the bill" includes other USDA programs (except the Forest Service), FDA, and CFTC.

- Total domestic nutrition program spending rose at a +4.1% compounded annual rate over five years (+2.5% annually on an inflation-adjusted basis).
- Spending on the rest of the bill (non-nutrition) decreased at -2.7% annually over five years (-4.3% per year on an inflation-adjusted basis).
- In FY2016, 78% of the total agriculture appropriation was for domestic nutrition, up from 59% in 2006 and 46% in FY2001.
- Most of domestic nutrition is mandatory spending, primarily in SNAP and the child nutrition programs. The mandatory nutrition spending portion rose at a +4.5% annual rate over five years (+2.8% annually inflation-adjusted basis). The discretionary portion decreased -0.8% annually over five years (**Table A-3**).
- The relationship is reversed for the rest of the bill. Mandatory spending within the rest of the bill decreased at a -6.5% annual rate over five years (-8.0% on an inflation-adjusted annual basis). Discretionary spending increased at a +2.5% annual rate.

Figure A-2. Total Agriculture Appropriations: Domestic Nutrition and Rest of Bill



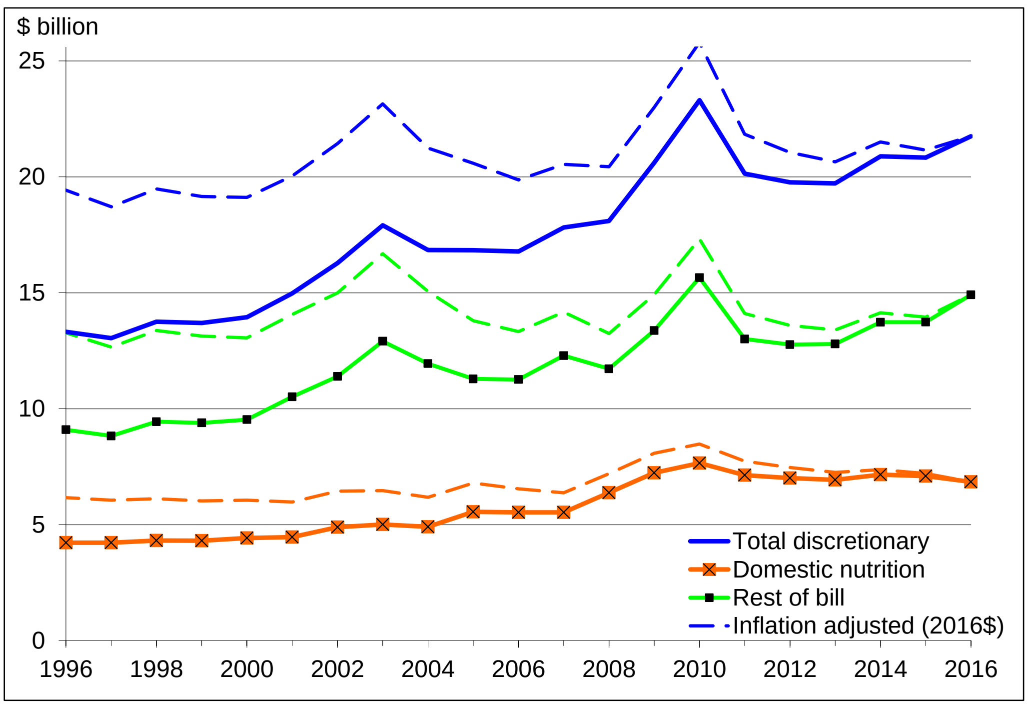
Source: CRS. Fiscal year budget authority. Inflation-adjusted amounts are based on the GDP price deflator.
Notes: The largest domestic nutrition programs are the child nutrition programs, SNAP, and WIC. The "rest of bill" includes USDA (except the Forest Service), FDA, and CFTC.

Discretionary Appropriations

Appropriators arguably have the most control over discretionary appropriations. Within the discretionary subtotal of **Figure A-1**, a similar domestic nutrition versus rest of the bill comparison can be made as was done for the total appropriation (see **Figure A-3**).

- In FY2016, discretionary budget authority rose +4.4%. For the nutrition portion of the bill, it decreased -3.6%. For the rest of the bill, it rose +8.6%.
- Total discretionary Agriculture appropriations grew at +1.6% per year over the past five years (basically flat on an inflation-adjusted basis; -0.1% annually).
- Over a longer period, the annual change is +2.6% per year over the past 10 years, or +0.9% per year on an inflation-adjusted basis.
- The domestic nutrition portion of this discretionary subtotal (primarily WIC, commodity assistance programs, and nutrition programs administration) shows a -0.8% annual decrease over five years (-2.4% per year if adjusted for inflation).
- The discretionary portion for rest of the bill has risen at +2.8% per year for five years (+1.1% per year on an inflation-adjusted basis).

Figure A-3. Discretionary Agriculture Appropriations



Source: CRS. Fiscal year budget authority. Inflation-adjusted amounts are based on the GDP price deflator.
Notes: Includes only regular annual appropriations; includes CFTC regardless of jurisdiction. The label "Domestic nutrition" includes WIC, commodity assistance programs, and nutrition programs administration.

Table A-1. Trends in Nominal Agriculture Appropriations

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Discretionary total	**13.04**	**13.75**	**13.69**	**13.95**	**14.97**	**16.28**	**17.91**	**16.84**	**16.83**	**16.78**
Domestic nutrition[a]	4.22	4.31	4.31	4.42	4.46	4.89	5.00	4.90	5.55	5.53
Rest of bill[b]	8.82	9.44	9.39	9.53	10.51	11.39	12.91	11.94	11.28	11.25
Mandatory total	**40.08**	**35.80**	**41.00**	**61.95**	**59.77**	**56.91**	**56.70**	**69.75**	**68.29**	**83.07**
Domestic nutrition	36.27	32.91	30.51	30.63	29.66	33.06	36.89	42.36	46.94	53.37
Rest of bill	3.81	2.89	10.48	31.33	30.12	23.86	19.82	27.38	21.36	29.70
Total bill	**53.12**	**49.55**	**54.69**	**75.90**	**74.74**	**73.19**	**74.61**	**86.59**	**85.13**	**99.85**
Domestic nutrition	40.49	37.22	34.82	35.04	34.12	37.95	41.89	47.26	52.49	58.89
Rest of bill	12.63	12.33	19.87	40.85	40.63	35.24	32.72	39.32	32.64	40.95
Percentages of Total										
1. Mandatory	75%	72%	75%	82%	80%	78%	76%	81%	80%	83%
2. Discretionary	25%	28%	25%	18%	20%	22%	24%	19%	20%	17%
1. Domestic nutrition	76%	75%	64%	46%	46%	52%	56%	55%	62%	59%
2. Rest of bill	24%	25%	36%	54%	54%	48%	44%	45%	38%	41%
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Discretionary total	**17.81**	**18.09**	**20.60**	**23.30**	**20.13**	**19.76**	**19.71**	**20.88**	**20.83**	**21.75**
Domestic nutrition	5.52	6.37	7.23	7.65	7.13	7.00	6.93	7.15	7.09	6.84
Rest of bill	12.29	11.72	13.37	15.65	13.00	12.76	12.79	13.73	13.73	14.91
Mandatory total	**79.80**	**72.67**	**87.80**	**97.98**	**105.13**	**116.85**	**118.75**	**124.58**	**126.49**	**119.11**
Domestic nutrition	51.51	53.68	68.92	75.13	82.53	98.55	97.17	101.43	103.10	102.96
Rest of bill	28.29	18.99	18.88	22.86	22.60	18.29	21.58	23.15	23.40	16.15
Total bill	**97.61**	**90.76**	**108.40**	**121.29**	**125.26**	**136.61**	**138.47**	**145.46**	**147.32**	**140.86**
Domestic nutrition	57.03	60.06	76.16	82.78	89.66	105.55	104.10	108.59	110.19	109.80
Rest of bill	40.58	30.71	32.24	38.50	35.61	31.05	34.37	36.88	37.13	31.07
Percentages of Total										
1. Mandatory	82%	80%	81%	81%	84%	86%	86%	86%	86%	85%
2. Discretionary	18%	20%	19%	19%	16%	14%	14%	14%	14%	15%
1. Domestic nutrition	58%	66%	70%	68%	72%	77%	75%	75%	75%	78%
2. Rest of bill	42%	34%	30%	32%	28%	23%	25%	25%	25%	22%

Source: CRS. Regular appropriations only. All years include Commodity Futures Trading Commission (CFTC).

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 A-2. Trends in Real Agriculture Appropriations

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GDP price index[a]	0.7785	0.7881	0.7981	0.8147	0.8342	0.8477	0.8639	0.8853	0.9131	0.9428
Inflation-adjusted 2016 dollars (real dollars)										
Discretionary total	**18.70**	**19.48**	**19.15**	**19.11**	**20.04**	**21.44**	**23.14**	**21.23**	**20.58**	**19.87**
Domestic nutrition	6.05	6.11	6.02	6.05	5.97	6.44	6.46	6.18	6.79	6.54
Rest of bill	12.65	13.37	13.13	13.05	14.07	14.99	16.68	15.06	13.79	13.33
Mandatory total	**57.47**	**50.71**	**57.35**	**84.90**	**79.99**	**74.95**	**73.28**	**87.95**	**83.50**	**98.36**
Domestic nutrition	52.01	46.62	42.68	41.97	39.69	43.53	47.67	53.42	57.39	63.20
Rest of bill	5.46	4.10	14.67	42.93	40.30	31.42	25.61	34.53	26.11	35.17
Total bill	**76.18**	**70.19**	**76.50**	**104.01**	**100.03**	**96.39**	**96.42**	**109.19**	**104.08**	**118.23**
Domestic nutrition	58.07	52.73	48.70	48.02	45.66	49.97	54.13	59.60	64.17	69.74
Rest of bill	18.11	17.46	27.80	55.98	54.37	46.41	42.28	49.59	39.90	48.49
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
GDP price index[a]	0.9684	0.9885	1.0000	1.0088	1.0293	1.0481	1.0661	1.0843	1.0990	1.1164
Inflation-adjusted 2016 dollars (real dollars)										
Discretionary total	**20.53**	**20.43**	**23.00**	**25.79**	**21.84**	**21.05**	**20.64**	**21.50**	**21.15**	**21.75**
Domestic nutrition	6.37	7.20	8.08	8.47	7.73	7.46	7.25	7.36	7.21	6.84
Rest of bill	14.17	13.24	14.92	17.32	14.11	13.59	13.39	14.13	13.95	14.91
Mandatory total	**92.00**	**82.07**	**98.02**	**108.43**	**114.03**	**124.46**	**124.36**	**128.27**	**128.76**	**119.11**
Domestic nutrition	59.38	60.63	76.94	83.14	89.51	104.97	101.76	104.44	104.73	102.96
Rest of bill	32.62	21.44	21.07	25.29	24.52	19.49	22.60	23.83	24.03	16.15
Total bill	**112.53**	**102.51**	**121.02**	**134.22**	**135.86**	**145.51**	**145.00**	**149.77**	**149.92**	**140.86**
Domestic nutrition	65.75	67.83	85.02	91.61	97.24	112.43	109.01	111.80	111.94	109.80
Rest of bill	46.78	34.68	36.00	42.61	38.62	33.08	35.99	37.97	37.98	31.07

Source: CRS. Regular appropriations only; all years include Commodity Futures Trading Commission. See footnotes in **Table A-1** for definitions of "domestic nutrition" and "rest of bill."

a. Office of Management and Budget, *Budget of the U.S. Government*, "Historical Tables," Table 10.1, http://www.whitehouse.gov/omb/budget/Historicals.

Table A-3. Percentage Changes in Agriculture Appropriations

	Compounded Annual Rate of Change from Years in the Past to FY2016							
	Actual Change (Nominal)				Inflation-Adjusted (Real) Change (2016$)			
	1 yr. FY2015	5 yrs. FY2011	10 yrs. FY2006	15 yrs. FY2001	1 yr. FY2015	5 yrs. FY2011	10 yrs. FY2006	15 yrs. FY2001
GDP price index	+1.6%	+1.6%	+1.7%	+2.0%	—	—	—	—
Discretionary total	**+4.4%**	**+1.6%**	**+2.6%**	**+2.5%**	**+2.8%**	**-0.1%**	**+0.9%**	**+0.5%**
Domestic nutrition	-3.6%	-0.8%	+2.2%	+2.9%	-5.1%	-2.4%	+0.4%	+0.9%
Rest of bill	+8.6%	+2.8%	+2.9%	+2.4%	+6.9%	+1.1%	+1.1%	+0.4%
Mandatory total	**-6.0%**	**+2.5%**	**+3.7%**	**+4.7%**	**-7.5%**	**+0.9%**	**+1.9%**	**+2.7%**
Domestic nutrition	-0.1%	+4.5%	+6.8%	+8.7%	-1.7%	+2.8%	+5.0%	+6.6%
Rest of bill	-31.7%	-6.5%	-5.9%	-4.1%	-32.8%	-8.0%	-7.5%	-5.9%
Total bill	**-4.6%**	**+2.4%**	**+3.5%**	**+4.3%**	**-6.0%**	**+0.7%**	**+1.8%**	**+2.3%**
Domestic nutrition	-0.4%	+4.1%	+6.4%	+8.1%	-1.9%	+2.5%	+4.6%	+6.0%
Rest of bill	-16.9%	-2.7%	-2.7%	-1.8%	-18.2%	-4.3%	-4.4%	-3.7%

Source: CRS calculations of the compounded annual rate of change between FY2016 and the stated prior year. Regular appropriations only; all years include Commodity Futures Trading Commission. See footnotes in **Table A-1** for definitions of "domestic nutrition" and "rest of bill."

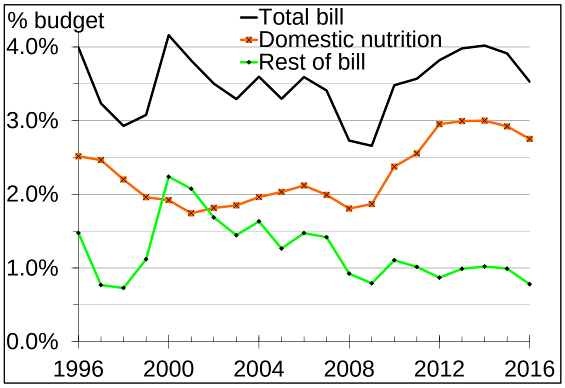
Comparisons to the Federal Budget, GDP, and Population

Relative to the entire federal budget, the Agriculture bill's share has declined from over 4% of the total federal budget in FY1995 and FY2000 to 2.7% in FY2008 before rising again to about 4% from FY2013-FY2015 (**Figure A-4**, **Table A-4**). Within that total, the share for nutrition programs had declined from 2.5% in FY1995 to 1.8% in FY2008, but the recent recession has caused that share to rise to about 3% through FY2014 before falling again. The share for the rest of the bill has declined from 2.2% in FY2000 to about 1.0% since FY2011 and 0.8% in FY2016.

Those shares of the federal budget can also be subdivided into mandatory and discretionary spending (**Figure A-5**). The mandatory share for nutrition is presently about 2.6% (decreasing since FY2014), while the discretionary share for nutrition is fairly steady at about 0.2%. The mandatory share for the rest of the bill (primarily crop insurance, commodity program subsidies, and conservation) fell from about 0.63% to 0.40% in FY2016, while the discretionary share for the rest of the bill remains steady at about 0.37%.

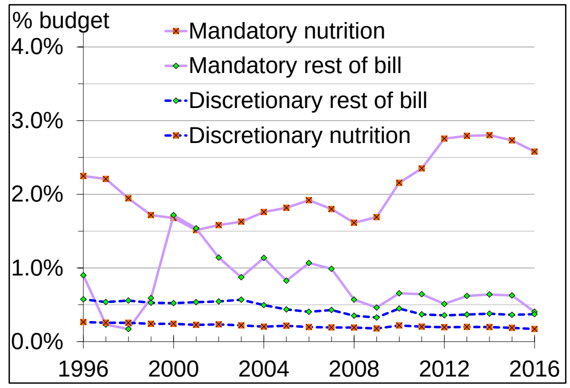
The 0.4% share of the federal budget above for mandatory spending on crop insurance, farm commodity subsidies, and conservation is a good proxy for farm bill spending on agricultural (non-nutrition) programs (**Figure A-5**). It has been variable and generally declining since 2000 (consistent with farm commodity spending until recently) and steadier since 2009 (consistent with the recent inverse relationship between the farm commodity programs and crop insurance).

Figure A-4. Agriculture Appropriations as Percentages of Total Federal Budget



Source: CRS.

Figure A-5. More Components as Percentages of Total Federal Budget

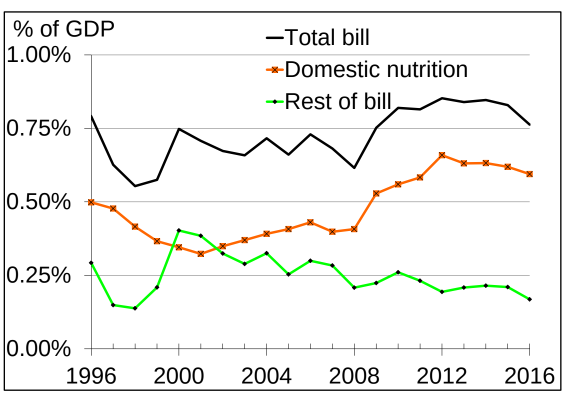


Source: CRS.

As a percentage of gross domestic product (GDP),[153] Agriculture appropriations had been fairly steady at under 0.75% of GDP from FY1997 to FY2009 but have risen to over 0.8% of GDP from FY2010 to FY2015 before falling again to 0.76% in FY2016 (**Figure A-6**, **Table A-4**). Nutrition programs have risen as a percentage of GDP since FY2000 (0.32% in FY2001 to 0.66% in FY2012), though they have declined to 0.59% in FY2016. The share relative to GDP for non-nutrition agricultural programs has declined (0.40% in FY2000 to 0.17% in FY2015).

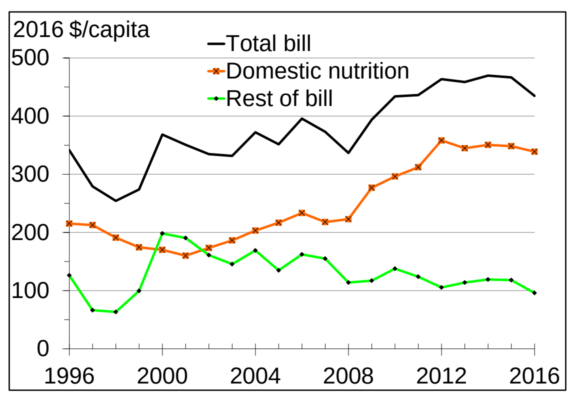
On a per capita basis, inflation-adjusted total Agriculture appropriations have risen over the past 10 to 15 years from about $250 per capita in 1998 (FY2016 dollars) to about $435 per capita in FY2016 (**Figure A-7**). Nutrition programs have risen more steadily on a per capita basis from about $160 per capita in FY2001 to nearly $340 per capita in FY2016. Non-nutrition "other" agricultural programs have been more steady or declining, falling from about $200 per capita in FY2000 to slightly under $100 per capita in FY2016.

Figure A-6. Agriculture Appropriations as Percentages of GDP



Source: CRS.

Figure A-7. Agriculture Appropriations per Capita of U.S. Population



Source: CRS.

153 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, *The Budget Control Act and Trends in Discretionary Spending*.

Table A-4. Trends in Agriculture Appropriations Measured Against Benchmarks

Fiscal year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Federal budget ($ billions)	1,643	1,692	1,777	1,825	1,959	2,090	2,266	2,408	2,583	2,780
GDP ($ billions)	8,483	8,955	9,511	10,148	10,565	10,877	11,332	12,089	12,889	13,685
Population (millions)	272.9	276.1	279.3	282.4	285.3	288.0	290.7	293.3	296.0	298.8
Pct. of Federal Budget	**3.23%**	**2.93%**	**3.08%**	**4.16%**	**3.82%**	**3.50%**	**3.29%**	**3.60%**	**3.30%**	**3.59%**
Domestic nutrition	2.46%	2.20%	1.96%	1.92%	1.74%	1.82%	1.85%	1.96%	2.03%	2.12%
Mandatory	*2.21%*	*1.94%*	*1.72%*	*1.68%*	*1.51%*	*1.58%*	*1.63%*	*1.76%*	*1.82%*	*1.92%*
Discretionary	*0.26%*	*0.25%*	*0.24%*	*0.24%*	*0.23%*	*0.23%*	*0.22%*	*0.20%*	*0.21%*	*0.20%*
Rest of bill	0.77%	0.73%	1.12%	2.24%	2.07%	1.69%	1.44%	1.63%	1.26%	1.47%
Mandatory	*0.23%*	*0.17%*	*0.59%*	*1.72%*	*1.54%*	*1.14%*	*0.87%*	*1.14%*	*0.83%*	*1.07%*
Discretionary	*0.54%*	*0.56%*	*0.53%*	*0.52%*	*0.54%*	*0.54%*	*0.57%*	*0.50%*	*0.44%*	*0.40%*
Pct. of GDP	**0.63%**	**0.55%**	**0.58%**	**0.75%**	**0.71%**	**0.67%**	**0.66%**	**0.72%**	**0.66%**	**0.73%**
Domestic nutrition	0.48%	0.42%	0.37%	0.35%	0.32%	0.35%	0.37%	0.39%	0.41%	0.43%
Rest of bill	0.15%	0.14%	0.21%	0.40%	0.38%	0.32%	0.29%	0.33%	0.25%	0.30%
Per capita (2015 dollars)	**279**	**254**	**274**	**368**	**351**	**335**	**332**	**372**	**352**	**396**
Domestic nutrition	213	191	174	170	160	174	186	203	217	233
Rest of bill	66	63	100	198	191	161	145	169	135	162

Fiscal year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Federal budget ($ billions)	2,863	3,326	4,077	3,485	3,510	3,576	3,478	3,619	3,773	3,991
GDP ($ billions)	14,323	14,752	14,415	14,799	15,379	16,027	16,498	17,184	17,803	18,472
Population (millions)	301.7	304.5	307.2	309.3	311.6	313.9	316.1	318.9	321.4	324.0
Pct. of Federal Budget	**3.41%**	**2.73%**	**2.66%**	**3.48%**	**3.57%**	**3.82%**	**3.98%**	**4.02%**	**3.91%**	**3.53%**
Domestic nutrition	1.99%	1.81%	1.87%	2.38%	2.55%	2.95%	2.99%	3.00%	2.92%	2.75%
Mandatory	*1.80%*	*1.61%*	*1.69%*	*2.16%*	*2.35%*	*2.76%*	*2.79%*	*2.80%*	*2.73%*	*2.58%*
Discretionary	*0.19%*	*0.19%*	*0.18%*	*0.22%*	*0.20%*	*0.20%*	*0.20%*	*0.20%*	*0.19%*	*0.17%*
Rest of bill	1.42%	0.92%	0.79%	1.10%	1.01%	0.87%	0.99%	1.02%	0.99%	0.78%
Mandatory	*0.99%*	*0.57%*	*0.46%*	*0.66%*	*0.64%*	*0.51%*	*0.62%*	*0.64%*	*0.63%*	*0.40%*
Discretionary	*0.43%*	*0.35%*	*0.33%*	*0.45%*	*0.37%*	*0.36%*	*0.37%*	*0.38%*	*0.36%*	*0.37%*
Pct. of GDP	**0.68%**	**0.62%**	**0.75%**	**0.82%**	**0.81%**	**0.85%**	**0.84%**	**0.85%**	**0.83%**	**0.76%**
Domestic nutrition	0.40%	0.41%	0.53%	0.56%	0.58%	0.66%	0.63%	0.63%	0.62%	0.59%
Rest of bill	0.28%	0.21%	0.22%	0.26%	0.23%	0.19%	0.21%	0.21%	0.21%	0.17%
Per capita (2015 dollars)	**373**	**337**	**394**	**434**	**436**	**464**	**459**	**470**	**466**	**435**
Domestic nutrition	218	223	277	296	312	358	345	351	348	339
Rest of bill	155	114	117	138	124	105	114	119	118	96

Source: CRS. Federal budget and GDP from Office of Management and Budget, *Budget of the United States*, "Historical Tables," Table 5.1 (total budget authority), and Table 10.1, respectively. Populations from Census Bureau Population Projections and *Statistical Abstract of the United States*. See **Table A-1** for definitions of "domestic nutrition" and "rest of bill."

Appendix B. Budget Sequestration

Sequestration is a process of automatic, largely across-the-board reductions that permanently cancel mandatory and/or discretionary budget authority and is triggered when spending would exceed statutory budget goals. The current requirement for sequestration is in the Budget Control Act of 2011 (BCA; P.L. 112-25).[154] **Table B-1** shows the rates of sequestration that have been announced so far and the amounts of budget authority that have been cancelled from accounts in the Agriculture appropriations bill.

Table B-1. Sequestration from Accounts in the Agriculture Appropriation

(budget authority in millions of dollars)

	Discretionary Accounts		Mandatory Accounts	
Fiscal year	**Rate**	**Amount**	**Rate**	**Amount**
2013	5.0%	1,153	5.1%	713
2014	—	—	7.2%	1,052
2015	—	—	7.3%	1,153
2016	—	—	6.8%	1,819
2017	—	—	6.9%	1,686

Source: Office of Management and Budget, various *Reports to the Congress on the Joint Committee Reductions (Sequestration),* https://www.whitehouse.gov/omb/legislative_reports/sequestration. Compiled by CRS.

Notes: Sequestration rates listed here are for non-exempt, non-defense accounts. Amount totals were computed by CRS, as compiled in **Table -2**.

Although the Bipartisan Budget Act of 2013 (P.L. 113-67) raised spending limits in the BCA to avoid sequestration of *discretionary* accounts in FY2014 and FY2015—and the Bipartisan Budget Act of 2015 (P.L. 114-74) did it again for FY2016 and FY2017—they do not prevent or reduce sequestration on *mandatory* accounts that originated in the BCA.

In fact, the original FY2021 sunset on the sequestration of *mandatory* accounts has been extended three times to pay for avoiding sequestration of *discretionary* spending in the near term or as a general budgetary offset for other bills.

1. First, Congress extended the duration of mandatory sequestration by two years (until FY2023) as an offset in the Bipartisan Budget Act of 2013.[155]
2. Second, Congress extended it by another year (until FY2024) to maintain retirement benefits for certain military personnel (P.L. 113-82).
3. Third, Congress extended sequestration on non-exempt mandatory accounts another year (until FY205) as an offset in the Bipartisan Budget Act of 2015.[156]

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[154] See CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*.

[155] CBO, *Bipartisan Budget Act of 2013,* December 11, 2013, https://www.cbo.gov/publication/44964.

[156] CBO, *Bipartisan Budget Act of 2015,* October 28, 2015, https://www.cbo.gov/publication/50938. In addition to extending the duration of sequestration, Congress used crop insurance as a budgetary offset in the Bipartisan Budget Act of 2015. The effect was temporary, however, and the crop insurance reduction was restored. For more background, see the section on crop insurance and the Standard Reinsurance Agreement in CRS Report R44240, *Agriculture and Related Agencies: FY2016 Appropriations*.

Table -2. Sequestration of Mandatory Accounts for Agencies in Agriculture Appropriations, FY2013-2017

(budget authority in millions of dollars)

	FY2013		FY2014		FY2015		FY2016		FY2017	
	Seq. BA	**Amount**	**Seq. BA**	**Amount**	**Seq. BA**	**Amount**	**Seq. BA**	**Amount**	**Seq. BA**	**Amount**
Sequestration rate on non-exempt, non-defense mandatory accounts		**5.1%**		**7.2%**		**7.3%**		**6.8%**		**6.9%**
U.S. Department of Agriculture										
Office of the Secretary	—	—	—	—	13	0.9	13	0.9	13	0.9
Office of Chief Economist	—	—	—	—	1	0.1	1	0.1	1	0.1
Agricultural Research Service	2	0.1	2	0.1	2	0.1	2	0.1	2	0.1
National Institute of Food, Agriculture							145	9.9	145	10.0
Extension	5	0.3	5	0.4	25	1.8	—	—	—	—
Biomass R&D	—	—	—	—	3	0.2	3	0.2	3	0.2
Integrated Activities	—	—	—	—	100	7.3	—	—	—	—
Animal and Plant Health Inspection Service										
Salaries appropriation	266	13.6	261	18.8	294	21.5	295	20.1	282	19.5
Misc. Trust Funds	1	0.1	1	0.1	1	0.1	1	0.1	1	0.1
Food Safety Inspection Service										
Expenses and refunds	1	0.1	1	0.1	1	0.1	1	0.1	1	0.1
Grain Insp. Packers, Stockyards Admin.										
Limitation on Expenses	41	2.1	41	3.0	41	3.0	46	3.1	45	3.1
Agricultural Marketing Service										
Section 32	792	40.4	1,107	79.7	1,122	81.9	1,137	77.3	1,153	79.6
Milk Market Orders Assess. Fund	57	2.9	58	4.2	57	4.2	59	4.0	60	4.1
Perishable Ag Commodities Act	11	0.6	11	0.8	11	0.8	12	0.8	12	0.8
Expenses and refunds	8	0.4	12	0.9	12	0.9	19	1.3	19	1.3

	FY2013		FY2014		FY2015		FY2016		FY2017	
	Seq. BA	Amount	Seq. BA	Amount	Seq. BA	Amount	Seq. BA	Amount	Seq. BA	Amount
Payments to States and Possessions	—	—	—	—	73	5.3	73	5.0	73	5.0
Marketing Services	—	—	—	—	30	2.2	30	2.0	30	2.1
Federal Crop Insurance Corporation	58	3.0	58	4.2	81	5.9	51	3.5	56	3.9
Farm Service Agency										
Commodity Credit Corporation	6,460	329.5	7,968	573.7	9,737	710.8	20,420	1,388.6	17,951	1,238.6
Agricultural Disaster Relief Fund	1,372	70.0	—	—	—	—	—	—	—	—
Tobacco Trust Fund	960	49.0	960	69.1	—	—	—	—	—	—
Ag. Credit Insurance Corp.	—	—	—	—	1	0.1	1	0.1	1	0.1
CCC Export Loans	—	—	—	—	—	—	6	0.4	6	0.4
Pima Cotton Trust Fund	—	—	—	—	—	—	16	1.1	16	1.1
Wool Apparel Trust Fund	—	—	—	—	—	—	30	2.0	30	2.1
Natural Resources Conservation Service										
Farm Security, Rural Invest. Prog.	3,357	171.2	3,654	263.1	3,697	269.9	3,907	265.7	4,080	281.5
Watershed Rehabilitation Program	—	—	165	11.9	153	11.2	69	4.7	68	4.7
Rural Business Cooperative Service	87	4.4	89	6.4	118	8.6	141	9.6	88	6.1
Foreign Agricultural Service	1	0.1	2	0.1	1	0.1	1	0.1	1	0.1
Food and Nutrition Service[a]										
SNAP	93	4.7	111	8.0	115	8.4	144	9.8	153	10.6
Child Nutrition Programs	49	2.5	58	4.2	58	4.2	58	3.9	63	4.3
Commodity Assistance Program	21	1.1	21	1.5	21	1.5	21	1.4	21	1.4
WIC	1	0.1	1	0.1	1	0.1	1	0.1	1	0.1

	FY2013		FY2014		FY2015		FY2016		FY2017	
	Seq. BA	**Amount**	**Seq. BA**	**Amount**	**Seq. BA**	**Amount**	**Seq. BA**	**Amount**	**Seq. BA**	**Amount**
Related Agencies										
Food and Drug Administration										
User Fees	319	16.3	—	—	—	—	—	—	—	—
Revolving Fund for Certification	8	0.4	8	0.6	8	0.6	9	0.6	9	0.6
Farm Credit System Insurance Corporation	4	0.2	4	0.3	4	0.3	4	0.3	4	0.3
Commodity Futures Trading Comm.	13	0.7	12	0.9	14	1.0	32	2.2	32	2.2
Total	**13,987**	**713.3**	**14,610**	**1,051.9**	**15,795**	**1,153.0**	**26,748**	**1,818.9**	**24,429**	**1,685.6**

Source: Office of Management and Budget, various *Reports to the Congress on the Joint Committee Reductions (Sequestration),* https://www.whitehouse.gov/omb/legislative_reports/sequestration. Compiled by CRS.

Notes: "Seq. BA" = Sequesterable budget authority; "Amount" = Amount of sequestration. Sequestration rates are for non-exempt, non-defense accounts. Column totals were computed by CRS.

a. Benefits from the nutrition programs are generally exempt from sequestration by statute, but some administrative expenses in these programs may be subject to sequestration, and therefore a relatively small portion of the total budget authority may be sequesterable.

Some farm bill mandatory programs are exempt from sequestration. The nutrition programs and the Conservation Reserve Program are statutorily exempt,[157] and some prior legal obligations in crop insurance and the farm commodity programs may be exempt as determined by the Office of Management and Budget (OMB).[158] Generally speaking, the experience since FY2013 is that OMB has ruled most of crop insurance as exempt from sequestration, while the farm commodity programs have been subject to it.

Regarding the 2014 farm bill, the first farm commodity program payments from the 2014 farm bill began in October 2015, and USDA indicated that they would be subject to the 6.8% reduction applicable to FY2016.[159]

Since enactment of the BCA, OMB has ordered budget sequestration on non-exempt, non-defense *discretionary* accounts only once, in FY2013 (**Table B-1**),[160] and on mandatory accounts annually in FY2013-FY2017 (**Table -2**).

Author Contact Information

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

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

(name redacted)
Specialist in Nutrition Assistance Policy
[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-....

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

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

(name redacted)
Acting Section Research Manager
[redacted]@crs.loc.gov, 7-....

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

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

[157] Generally speaking, the benefits from these programs are exempt from sequestration. However, some administrative expenses in these programs may be subject to sequestration, and therefore the programs may appear in the tables in this appendix with a relatively small sequesterable amount compared to their total budget authority.

[158] 2 U.S.C. 905 (g)(1)(A), and 2 U.S.C. 906 (j). See also CRS Report R42050, *Budget "Sequestration" and Selected Program Exemptions and Special Rules*.

[159] Southwest Farm Press, "Vilsack Announces 6.8% ARC/PLC Cuts Forthcoming," October 8, 2015, at http://southwestfarmpress.com/government/vilsack-announces-68-arcplc-cuts-forthcoming-2014-2016-payments-farmers.

[160] For a list of the effect on individual accounts, CRS Report R43669, *Agriculture and Related Agencies: FY2015 Appropriations*, Agriculture and Related Agencies: FY2015 Appropriations.