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# Agriculture and Related Agencies: FY2015 Appropriations

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# Summary

The Agriculture appropriations bill funds the U.S. Department of Agriculture (USDA), except for the Forest Service. It includes the Food and Drug Administration (FDA) and—in the House and in even-numbered enacted fiscal years—the Commodity Futures Trading Commission (CFTC).

The FY2015 Agriculture and Related Agencies appropriation was enacted as Division A of the FY2015 Consolidated Appropriations Act, P.L. 113-235 (December 16, 2014), an omnibus appropriation that included 11 of the 12 appropriations subcommittee bills. Although the fiscal year began under a continuing resolution, the House and Senate Appropriations Committees reported their Agriculture appropriations bills (H.R. 4800 and S. 2389) in May 2014—the earliest joint action in years. The House considered H.R. 4800 on the floor on June 11, 2014, procedurally read through most of the bill, and adopted several amendments. The bill was left unfinished when floor action was suspended due to House Whip leadership changes. The Senate considered a minibus appropriations bill on June 19, 2014, that included the Agriculture bill. But Senate consideration quickly stopped over a disagreement about procedures for amendments.

The official, enacted discretionary total in the FY2015 Agriculture appropriation is $20.575 billion, which is $90 million less than (-0.4%) the comparable Senate-basis amount for FY2014 that *excludes* CFTC. On a House jurisdiction basis that *includes* CFTC, the FY2015 discretionary appropriation effectively is $20.825 billion, which is $55 million less than (-0.3%) the comparable, official FY2014 amount. Despite the small decrease overall, many agencies receive small increases compared with FY2014.

In addition to these amounts, the FY2015 appropriation includes another $116 million of emergency spending that does not count against the discretionary allocation, including $91 million for agricultural conservation and $25 million for Ebola-related activity at FDA. Thus, if the emergency spending is included in the comparison, the Senate-basis spending level that includes emergency appropriations is $26 million greater than the comparable FY2014 amount.

Mandatory spending in the FY2015 Agriculture appropriation is $126.5 billion, nearly $2 billion more than FY2014, mostly due to costs in child nutrition (school lunch and related programs).

Notable policy riders affecting the Agriculture appropriation this year include a provision to allow white potatoes in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) “food package,” and to require a review of the WIC food package to determine whether white potatoes would remain eligible. Regarding National School Lunch Program and School Breakfast Program, the appropriation requires USDA to allow states to exempt schools that demonstrate a hardship from implementing a whole grain requirement. The appropriation requires scientific evidence before sodium reduction targets can go into effect. And it also prohibits processed chicken cooked in China from being used in the National School Lunch Program and other USDA child nutrition programs. The appropriation prevents the Grain Inspection, Packers, and Stockyards Administration from finalizing proposed rules on livestock and poultry marketing practices, and effectively bans horse slaughter by prohibiting USDA from inspecting horses.

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# Scope of the Agriculture Appropriations Bill

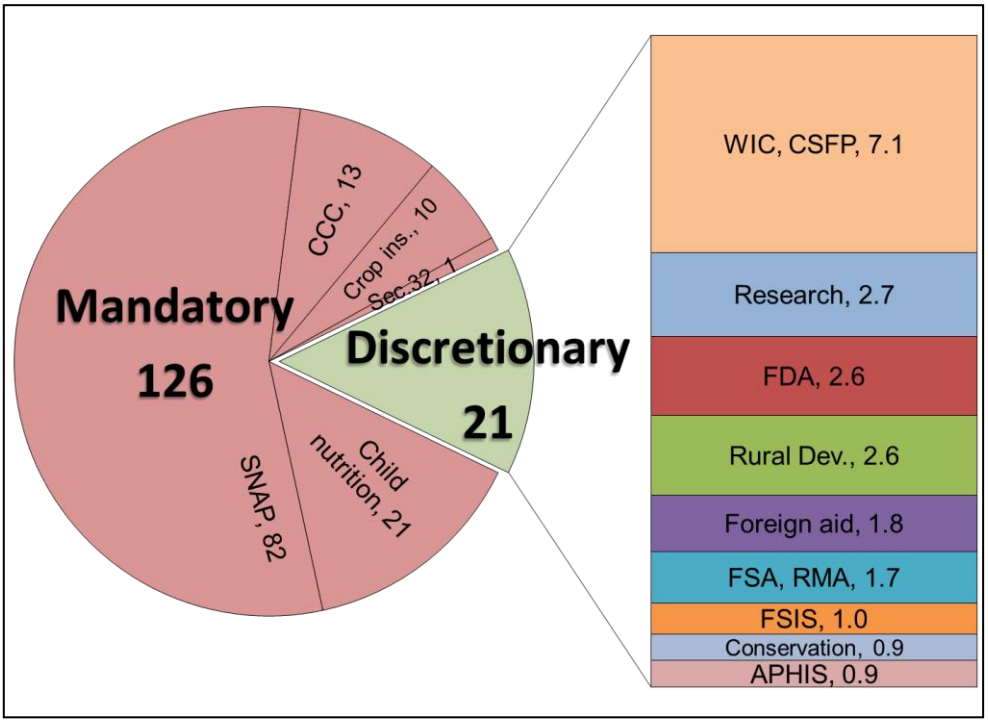
The Agriculture appropriations bill—formally known as the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act—provides funding for:

- 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) in the Department of Health and Human Services, and
- 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 each Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. The bill includes both mandatory and discretionary spending, although most appropriations decision-making concerns the latter. **Figure 1** illustrates the distribution of agriculture appropriations spending among major divisions and agencies in the enacted FY2015 appropriation.

**Figure 1. FY2015 Agriculture and Related Agencies Appropriations**

(budget authority in billions of dollars)




**Source:** CRS, compiled from P.L. 113-235. Does not show some agencies under $0.5 billion, including CFTC, AMS, GIPSA, and department administration that together are essentially offset by other reductions.

**Note:** CCC = Commodity Credit Corp.; SNAP = Supplemental Nutrition Assistance Program; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children; CSFP = Commodity Supplemental Food Program; FDA = Food and Drug Admin.; FSA = Farm Service Agency; RMA = Risk Management Agency; FSIS = Food Safety Inspection Service; APHIS = Animal and Plant Health Inspection Service.

The federal budget process treats discretionary and mandatory spending differently.

- Discretionary spending is controlled by annual appropriations acts and consumes most of the attention during the appropriations process. The annual budget resolution process sets spending limits for discretionary appropriations. Agency operations (salaries and expenses) and many grant programs are discretionary.
- Mandatory spending—though carried in the appropriation and usually advanced unchanged—is controlled by budget enforcement rules (e.g., PAYGO) during the authorization process.[1] Spending for eligibility and benefit formulas in so-called entitlement programs are set in laws such as the farm bill and child nutrition act.[2]

In FY2015, discretionary appropriations totaled 14% ($20.6 billion) of the Agriculture appropriations bill (P.L. 113-235). Mandatory spending carried in the bill comprised $126.5 billion, about 86% of the $147.1 billion total.[3]

Within the discretionary total, the largest discretionary spending items are for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), agricultural research, FDA, rural development, 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).[4] SNAP is referred to as an "appropriated entitlement," and requires an annual appropriation.[5] The nutrition program amounts are based on projected spending needs. In contrast, the Commodity Credit Corporation operates on a line of credit; the annual appropriation provides funding to reimburse the Treasury for using the line of credit.

# Action on FY2015 Appropriations[6]

The FY2015 Agriculture and Related Agencies appropriation was enacted as Division A of the FY2015 Consolidated Appropriations Act, P.L. 113-235—an omnibus appropriation that included 11 of the 12 appropriations subcommittee bills. The omnibus bill was filed on December 11, 2014, passed in each chamber, and signed by the President on December 16, 2014.

**Table 1** summarizes actions on FY2015 Agriculture appropriations—and each annual appropriation since FY1995—for the subcommittees, full committees, House and Senate chambers, and Presidential enactment. **Figure 2** is a visual timeline of the dates in **Table 1**.

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

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

[3] Excludes CFTC appropriations, since the Financial Services bill carried CFTC appropriations for FY2015.

[4] Mandatory spending in agriculture historically was reserved for programs such as the farm commodity programs and crop insurance that had uncertain outlays because of weather and market conditions. Mandatory spending creates funding stability and consistency compared to appropriations.

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

[6] For a *two-page* summary of action and amounts in the House and Senate bills, see CRS In Focus IF10056, *FY2015 Agriculture and Related Agencies Appropriations*.

**Table 1. Congressional Action on Agriculture Appropriations**

| Fiscal Year | House Action | | | Senate Action | | | Final Appropriation | | | CRS Report |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subcom. | Comm. | Chamber | Subcom. | Comm. | Chamber | Enacted[a] | | Public Law | |
| 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 | 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 | 7/17/2008 | — | 3/11/2009 | O | P.L. 111-8 | R40000 |
| 2010 | 6/11/2009 | 6/18/2009 | 7/9/2009 | Polled out | 7/7/2009 | 8/4/2009 | 10/21/2009 | E | P.L. 111-80 | R40721 |
| 2011 | 6/30/2010 | — | — | Polled out | 7/15/2010 | — | 4/15/2011 | Y | P.L. 112-10 | R41475 |
| 2012 | 5/24/2011 | 5/31/2011 | 6/16/2011 | Polled out | 9/7/2011 | 11/1/2011 | 11/18/2011 | O | P.L. 112-55 | R41964 |
| 2013 | 6/6/2012 | 6/19/2012 | — | Polled out | 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**<br>Draft[b]<br>Voice vote | **5/29/2014**<br>H.R. 4800<br>H.Rept. 113-468<br>Vote of 31-18 | —<br>Considered but unfinished<br>6/11/2014 H.R. 4800 | **5/20/2014**<br>Voice vote | **5/22/2014**<br>S. 2389<br>S.Rept. 113-164<br>Vote 30-0[c] | —<br>Considered but unfinished<br>6/19/2014 H.R. 4660 Division C[d] | **12/16/2014**<br>H.R. 83<br>H: 219-206<br>S: 56-40<br>Joint explanatory statemente | **O** | P.L. 113-235 | R43669 |

**Source:** CRS.

a. E=Enacted as stand-alone appropriation; O=Omnibus appropriation; Y=Year-long continuing resolution.

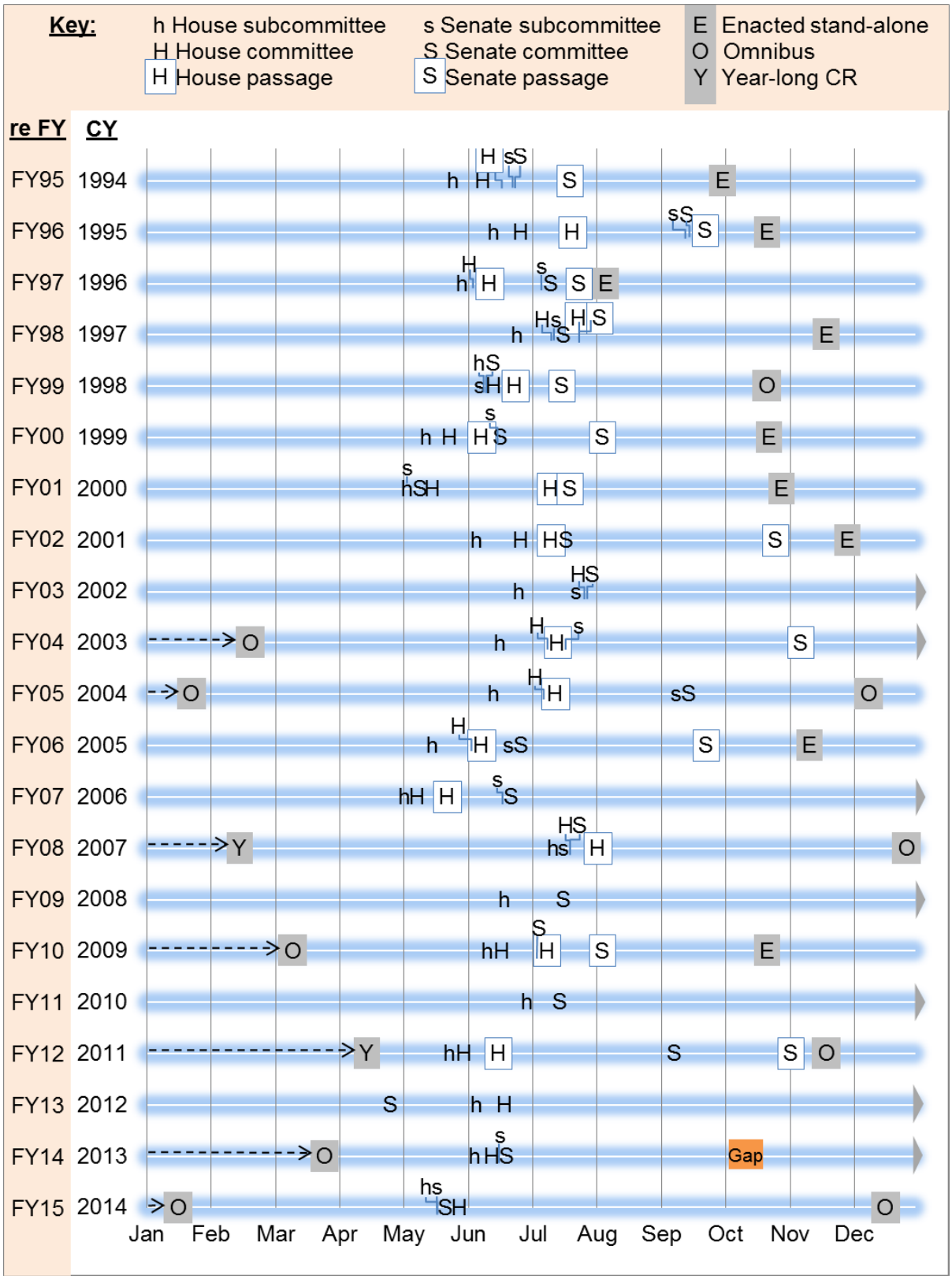
b. The House subcommittee posted a draft of the bill at http://appropriations.house.gov/uploadedfiles/bills-113hr-sc-ap-fy2015-agriculture-subcommitteedraft.pdf. Amendments adopted in the full committee markup were posted at http://appropriations.house.gov/uploadedfiles/hmkp-113-ap00-20140529-sd005.pdf.

c. En bloc vote with the Military Construction-Veterans Affairs bill.

d. The Senate vehicle for Senate floor consideration was "minibus" appropriation that included three committee-reported bills: Commerce-Justice-Science (Division A), Transportation-HUD (Division B), and Agriculture (Division C, of S.Amdt. 3244 to H.R. 4660).

e. The joint explanatory statement was printed in the *Congressional Record*, Book II, December 11, 2014.

**Figure 2. Congressional Action on Agriculture Appropriations, FY1995-FY2015**




**Source:** CRS. Arrows indicate action was completed in a new calendar year. "Gap" is government shutdown.

Because Congress had not completed any of the FY2015 appropriations bills by the beginning of the fiscal year, FY2015 began under a 10-week continuing resolution (P.L. 113-164) that lasted until December 11, 2014.[7] The continuing resolution (CR) generally extended funding under FY2014 levels and conditions, with a small across-the-board reduction (0.0554%). Two additional CRs were enacted to carry funding for several more days during final legislative action, through December 13 and December 17 (P.L. 113-202 and P.L. 113-203, respectively).

## Overview

During the regular FY2015 appropriations cycle, both the House and Senate Committees on Appropriations reported their respective FY2015 Agriculture appropriations bills.[8] In each chamber, floor action began on a stand-alone bill, but proceedings stopped on both the House and Senate floor before either bill was completed or brought to a final vote.

In the House, amendments were debated and some were adopted as the bill was read through Title VI. Procedural reading of the bill stopped before Title VII (General Provisions) and the House did not return to the bill—initially, because of the disruption caused by the defeat in a primary election of Majority Leader Eric Cantor.

In the Senate, a minibus appropriation of three bills—including Agriculture—was brought to the floor, but before debate of individual provisions began, consideration stopped over disagreements about amendment procedures. Thus, the last official version of either stand-alone Agriculture bill is the House committee-reported bill (H.R. 4800) and Senate committee-reported bill (S. 2389).

## Administration Budget Request

The Administration released its FY2015 budget request on March 4, 2014.[9] USDA concurrently released its budget summary[10] and detailed agency budget justifications.[11]

## House Action

The Agriculture Subcommittee of the House Appropriations Committee held ten hearings on FY2015 appropriations with various USDA agencies, FDA, and CFTC from March 5, 2014, through April 8, 2014.

The subcommittee approved its FY2015 appropriations markup by voice vote on May 20, 2013.[12] The full House Appropriations Committee reported the bill (H.R. 4800; H.Rept. 113-468) on May 29, 2014, by a vote of 31-18 and officially reported it on June 4 (**Table 1**).

The rule for House floor consideration of the bill (H.Res. 616) was adopted on June 11, 2014, and House floor debate began later that day. Proceedings followed a modified open rule, with amendments debated under the five-minute rule (10 minutes of debate equally divided). H.R.

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[7] CRS Report R43776, *Congressional Action on FY2015 Appropriations Measures.* See also CRS Report R42647, *Continuing Resolutions: Overview of Components and Recent Practices*.

[8] See CRS Report R42388, *The Congressional Appropriations Process: An Introduction*, for context on procedures.

[9] Office of Management and Budget (OMB), *Budget of the United States Government, Fiscal Year 2015*, at http://www.whitehouse.gov/omb/budget.

[10] USDA, *FY2015 Budget Summary*, April 2014, at http://www.obpa.usda.gov/budsum/FY15budsum.pdf.

[11] USDA, *FY2015 USDA Budget Explanatory Notes for Committee on Appropriations*, at http://www.obpa.usda.gov/FY15explan_notes.html.

[12] House subcommittee draft, http://appropriations.house.gov/uploadedfiles/bills-113hr-sc-ap-fy2015-agriculture-subcommitteedraft.pdf.

4800 was read procedurally through the end of Title VI (FDA and CFTC), and several amendments were adopted. However, the last title of the bill was not read, and the bill was left unfinished due to political changes in House Whip leadership and concern over expected amendments.[13] House appropriations action proceeded to other bills and never returned to the Agriculture bill. Thus, while some amendments to the Agriculture appropriations bill were adopted on the floor, the amended bill was neither completed procedurally nor voted on as a whole, and thus was not a chamber-passed version.

## Senate Action

The Agriculture Subcommittee of the Senate Appropriations Committee held two hearings on the FY2015 appropriation—March 26, 2014, on the USDA budget request, and April 3, 2014, on the FDA budget request.

The subcommittee approved its FY2015 bill on May 20, 2014, by voice vote (**Table 1**). The full committee reported the bill (S. 2389, S.Rept. 113-164) on May 22 by a 30-0 vote.[14]

The Senate adopted cloture on June 17, 2014, to bring a three-bill "minibus" appropriation to the floor that included Commerce-Justice-Science (Division A), Transportation-HUD (Division B), and Agriculture (Division C of S.Amdt. 3244 to H.R. 4660). However, proceedings stopped over disagreements about procedures for amendments, and by late July the Senate's appropriations efforts had shifted to supplemental funding and the continuing resolution.[15]

### Legislative Action Compared With Prior Fiscal Years

The last time an Agriculture appropriations bill was enacted as a stand-alone measure was for FY2010 (in 2009). A final floor vote on an Agriculture appropriations bill has not occurred in the House or Senate since the FY2012 bill. In the 20 years since FY1995, Agriculture appropriations bills were enacted as stand-alone measures nine times. Omnibus appropriations were used ten times, and year-long continuing resolutions were used twice (**Table 1**; see also CRS Report RL32473, *Omnibus Appropriations Acts: Overview of Recent Practices*).

Committee action on the FY2015 Agriculture appropriations bill was among the earliest in the last 20 years. Only for FY2001 did both chambers' committees complete action sooner. The delay in completing floor action in one or both chambers is more typical in recent years, though not with floor action starting but being left unfinished.

At the Agriculture subcommittee level, both the House and Senate have approved draft bills every year since FY1995. The full committees usually report a bill, with the exception for two years in the House (FY2009 and FY2011).

Floor action in each chamber is somewhat less predictable, with House floor action not taking place for FY2003, FY2009, FY2011, FY2013, FY2014, and FY2015. In the Senate, floor action did not occur during those same six years, and also not for FY2005, FY2007, and FY2008 (when the House did pass bills).

[13] Congressional Quarterly, "House Leadership Turmoil Latest Obstacle for Spending Bills," June 12, 2014.
[14] The 30-0 vote was an en bloc vote on the Military Construction-Veterans Affairs bill and the Agriculture bill.
[15] Congressional Quarterly, "With Senate Action Stalled, Continuing Resolution Looks Likely for Fall," July 18, 2014.

# Summary of Amounts in the Appropriation[16]

## Bipartisan Budget Act of 2013

The Bipartisan Budget Act of 2013 (P.L. 113-67, December 26, 2013) set the total government-wide discretionary spending limits for both FY2014 and FY2015. These were upward revisions of amounts that were originally targeted in the Budget Control Act of 2011 (P.L. 112-25). Total FY2015 discretionary spending was capped at $1.014 trillion (the "302(a) allocation").

The congressional intention was to avoid sequestration on discretionary accounts in FY2014 and FY2015.[17] However, budget sequestration on non-exempt mandatory accounts does continue in these fiscal years (see "Sequestration Continues on Mandatory Accounts" and **Appendix B**).

The enactment of the Bipartisan Budget Act substituted for the usual budget resolution process during the spring of 2014 and paved the way for action on FY2015 appropriations bills.[18]

## 302(b) Subcommittee Allocations

Of the $1.014 trillion total government-wide discretionary spending limit for FY2015, the House Appropriations committee set a $20.880 billion discretionary limit for the Agriculture bill (H.Rept. 113-454; the "302(b) allocation"). The total amount for the House bill equaled the enacted amount in FY2014 and included the CFTC.

The Senate allocation for the agriculture bill was $20.575 billion (S.Rept. 113-163). It was lower than the House bill and the FY2014 enacted level by $305 million, in large part due to the absence of CFTC in the Senate bill's jurisdiction, which was $215 million in FY2014.

The final 302(b) Agriculture subcommittee allocation for the omnibus was $20.575 billion, the same as the Senate's subcommittee allocation. The omnibus bill placed CFTC appropriations in the Financial Services appropriation, as is customary in odd-numbered fiscal years.

## Comparison of Amounts for FY2015

The official, enacted discretionary total in the FY2015 Agriculture appropriation (P.L. 113-235) is $20.575 billion, which is $90 million less than (-0.4%) the comparable Senate-basis amount for FY2014 that *excludes* CFTC. On a House jurisdiction basis that *includes* CFTC, the FY2015 discretionary appropriation effectively is $20.825 billion, which is $55 million less than (-0.3%) the comparable, official FY2014 amount.

In addition to these amounts, the FY2015 appropriation includes another $116 million of emergency spending that does not count against the discretionary allocation, including $91 million for agricultural conservation and $25 million for Ebola-related activity at FDA. Thus, if the emergency spending is included in the comparison, the Senate-basis spending level that includes emergency spending is $26 million greater than the comparable FY2014 amount

[16] For a *two-page* summary of action and amounts in the House and Senate bills, see CRS In Focus IF10056, *FY2015 Agriculture and Related Agencies Appropriations.*

[17] OMB, *Final Sequestration Report to the President and Congress for Fiscal Year 2014*, Feb. 7, 2014, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration/sequestration_final_feb2014.pdf.

[18] CRS Report R43535, *Provisions in the Bipartisan Budget Act of 2013 as an Alternative to a Traditional Budget Resolution*.

(+0.1%); the House-basis spending level is $61 million greater than the comparable FY2014 amount (+0.3%).

**Table 2** summarizes amounts in the FY2015 Agriculture appropriation. It compares the enacted amount to appropriations for FY2012-FY2014, and the FY2015 House-reported, Senate-reported, and Administration-requested amounts. The table lists the major agencies or programs in the appropriation and the subtotals for titles in the bill. Although floor consideration began and amendments were adopted on the House floor, this report presents the committee-reported amounts since neither the House nor Senate Agriculture bills were adopted as stand-alone measures at the chamber level.

The House-reported bill's discretionary total (H.R. 4800) was the same as it was for FY2014: $20.880 billion.

The Senate-reported bill total, like the enacted appropriation, is harder to compare because of CFTC jurisdiction and because of disaster designations. The official total of the Senate-reported Agriculture appropriations bill (S. 2389) was $20.575 billion, the same as the FY2015 enacted amount. While this appeared to be less than the House-reported amount, it would have allowed $100 million of emergency appropriations that were not in the House bill. This is a similar case as when the enacted appropriation is compared to the FY2014 levels as explained above.

The Administration's request was scored to be nearly $450 million less than the House- and Senate-reported bills, though that difference was overstated because of sequestration scoring differences discussed later in a text box in the section "Changes in Mandatory Program Spending (CHIMPS)."

**Key Budget Terms**

**Budget authority** is the main output of an appropriations act or a law authorizing mandatory spending. It provides the legal basis for agencies to obligate funds. It expires at the end of the period and usually is available for one year unless specified otherwise (such as two-year or indefinite authority). 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 delivered, or construction 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 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.*

## 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 when spending would exceed statutory

budget goals. Sequestration is required in the Budget Control Act of 2011 (BCA; P.L. 112-25).[19] 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, it did not prevent or reduce sequestration on mandatory accounts.

The text box shows the rates of sequestration and the total amount sequestered from accounts in the Agriculture appropriations bill. In FY2014 and FY2015, over $1 billion has been sequestered each year from mandatory programs in the Agriculture appropriations bill, primarily in the farm commodity and conservation areas. Crop insurance and the nutrition programs are largely exempt. **Appendix B** provides more detail about sequestration at the individual account level.

Sequestration affects some amounts for FY2015 as discussed in the sections "Mandatory Conservation Programs" and "Changes in Mandatory Program Spending (CHIMPS)."

**Sequestration Rates and Amounts Cancelled from Agriculture Accounts**

(budget authority in millions of dollars)

| | Discretionary accounts | | Mandatory accounts | |
|---|---|---|---|---|
| Fiscal Year | Rate | Amount | Rate | Amount |
| 2013[a] | 5.0% | 1,153 | 5.1% | 713 |
| 2014[b] | — | — | 7.2% | 1,052 |
| 2015[c] | — | — | 7.3% | 1,153 |

**Source:** OMB, various *Reports to the Congress on the Joint Committee Sequestration*. Compiled by CRS.

**Notes:** Sequestration rates are for non-exempt, non-defense accounts. Totals were computed by CRS.

a. OMB, *Report to the Congress on the Joint Committee Sequestration for FY2013,* March 1, 2013, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/fy13ombjcsequestrationreport.pdf.

b. OMB, *Reports to the Congress on the Joint Committee Reductions for FY2014,* May 20, 2013, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/fy14_preview_and_joint_committee_reductions_reports_05202013.pdf.

c. OMB, *Report to the Congress on the Joint Committee Reductions for FY2015,* March 10, 2014, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration_order_report_march2014.pdf.

## Funding During the Continuing Resolution

The continuing resolution (P.L. 113-164) that lasted from October 1, 2014 until December 11, 2014—and the subsequent continuations through December 17, 2014—generally continued the FY2014 appropriation but with a 0.0554% across-the-board rescission (Section 101(b)). That is, accounts were funded during the CR at 99.9446% of their FY2014 amounts, as apportioned to the agencies for the duration of the CR by the Office of Management and Budget (OMB).

Furthermore, any conditions or limitations that were in the FY2014 appropriation—such as in the General Provisions title that affected the implementation of programs or that placed limits on mandatory spending—continued to apply during the CR (Section 104).

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

The CR provided for three "anomalies" that affected the Agriculture appropriations bill:

- The SNAP program and other mandatory programs are funded "at the rate to maintain program levels under current law" (Section 111). This is typical language from prior years' CRs regarding mandatory program spending.
- The Commodity Assistance Program in the domestic food assistance portion of the bill received increased funding (Section 116). The CR provided $275.7 million for this account, an increase of $6 million (+2%) above the FY2014 level. All of the increase went to the Commodity Supplemental Food Program, which received $208.7 million. These amounts were requested by the Administration and proposed in both the House-reported and Senate-reported bills.
- The Food and Drug Administration was allowed to incorporate outsourcing facility fees, related to drug compounding (Section 117). These fees, authorized by P.L. 113-54, were scheduled to begin in FY2015 (21 U.S.C. 379j-62).

The Congressional Budget Office (CBO) estimated that the CR provided the Agriculture bill an annual rate of $20.789 billion of discretionary budget authority. This amount was after accounting for the across-the-board reduction (-$12 million) and the additional amount for the Commodity Assistance Program (+$6 million).[20] Thus for Agriculture appropriations accounts, the CR was nearly equal to (within 0.5% of) the total amounts proposed by the House and Senate, but without the reallocations among agencies and instructions that were in the FY2015 reported bills.

## Applicability of House and Senate Report Language

The joint explanatory statement continues long-standing language that makes House and Senate report language applicable to interpretation of and implementation of the enacted appropriation.

> "The explanatory statement is silent on provisions that were in both the House Report and Senate Report that remain unchanged by this agreement;" and "House and Senate report language that is not changed by the explanatory statement is approved and indicates congressional intentions. The explanatory statement, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or the Senate have directed the submission of a report, such report is to be submitted to both the House and Senate Committees on Appropriations no later than 60 days after enactment of this Act, unless otherwise directed."[21]

[20] CBO, H.J.Res. 124, *Continuing Appropriations Resolution, 2015*, Sep. 16, 2014, at http://www.cbo.gov/publication/45727.

[21] Joint Explanatory Statement for H.R. 83 (*Congressional Record*, December 11, 2014), Division A, Congressional Directives.

## Table 2. Agriculture and Related Agencies Appropriations, by Agency and Program

(budget authority in millions of dollars)

| Agency or Major Program | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-seq. | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| **SUMMARY by TITLE** | | | | | | | | | |
| I: Agricultural Programs | 24,970.2 | 27,938.8 | 29,938.1 | 25,527.4 | 25,707.3 | 25,627.3 | 30,182.1 | +244.0 | +0.8% |
| *Mandatory (M)* | *18,293.5* | *21,582.7* | *23,149.1* | *18,857.8* | *18,855.8* | *18,857.8* | *23,395.3* | +246.2 | +1.1% |
| *Discretionary* | *6,676.7* | *6,356.2* | *6,789.0* | *6,669.6* | *6,851.5* | *6,769.5* | *6,786.9* | -2.2 | -0.0% |
| II: Conservation Programs | 844.0 | 781.2 | 825.8 | 815.7 | 869.0 | 850.2 | 859.3 | +33.5 | +4.1% |
| III: Rural Development | 2,405.2 | 2,279.9 | 2,569.7 | 2,385.9 | 2,590.8 | 2,606.9 | 2,582.4 | +12.7 | +0.5% |
| IV: Domestic Food Programs | 105,553.0 | 104,098.0 | 108,585.6 | 112,047.9 | 109,825.3 | 109,802.9 | 110,190.9 | +1,605.3 | +1.5% |
| *Mandatory (M)* | *98,551.9* | *97,171.9* | *101,432.9* | *104,723.4* | *102,722.9* | *102,723.0* | *103,096.7* | +1,663.8 | +1.6% |
| *Discretionary* | *7,001.1* | *6,926.1* | *7,152.7* | *7,324.5* | *7,102.3* | *7,079.9* | *7,094.1* | -58.6 | -0.8% |
| V: Foreign Assistance | 1,835.7 | 1,705.9 | 1,838.5 | 1,777.0 | 1,856.0 | 1,843.2 | 1,848.3 | +9.9 | +0.5% |
| VI: Food and Drug Administration | 2,505.8 | 2,386.0 | 2,560.7 | 2,584.2 | 2,582.9 | 2,597.3 | 2,597.3 | +36.6 | +1.4% |
| Commodity Futures Trading Commission[a] | 205.3 | [194.0] | 215.0 | 280.0 | 217.6 | [280.0] | [250.0] | +35.0 | +16.3% |
| VII: General Provisions: CHIMPS & rescissions | -1,650.7 | -918.4 | -987.0 | -1,021.0 | -792.0 | -817.0 | -802.0 | +185.0 | -18.7% |
| General Provisions: Other appropriations | 377.1 | 132.5 | 106.6 | 2.0 | 0.0 | 143.3 | 122.6 | +16.0 | +15.0% |
| Scorekeeping adjustments[b] | -72.0 | -129.0 | -191.0 | -398.0 | -398.0 | -398.0 | -398.0 | -207.0 | +108.4% |
| Subtract disaster declaration in this bill | -367.0 | — | — | — | — | -100.0 | -116.0 | na | na |
| **Discretionary: Senate basis w/o CFTC** | [19,556.0] | **19,520.4** | [20,665.0] | **20,139.8** | [20,662.4] | **20,575.4** | **20,575.0** | **-90.0** | **-0.4%** |
| **Discretionary: House basis w/ CFTC** | **19,761.3** | [19,714.4] | **20,880.0** | **20,419.8** | **20,880.0** | [20,855.4] | [20,825.0] | **-55.0** | **-0.3%** |
| **Subtotal Mandatory (M)** | **116,845.4** | **118,754.6** | **124,582.0** | **123,581.2** | **121,578.7** | **121,580.8** | **126,492.0** | **+1,910.0** | **+1.5%** |
| **Total: Senate basis, w/o CFTC** | **136,401.4** | **138,275.0** | **145,247.0** | **143,720.9** | **142,241.2** | **142,156.1** | **147,067.0** | **+1,820.0** | **+1.3%** |

| Agency or Major Program | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-seq. | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| **Title I: Agricultural Programs** | | | | | | | | | |
| Departmental Administration | 507.6 | 531.3 | 526.1 | 380.9 | 360.1 | 379.6 | 364.5 | -161.7 | -30.7% |
| **Research, Education and Economics** | | | | | | | | | |
| Agricultural Research Service | 1,094.6 | 1,016.9 | 1,122.5 | 1,104.4 | 1,275.3 | 1,139.7 | 1,177.6 | +55.1 | +4.9% |
| National Institute of Food & Agriculture | 1,202.3 | 1,142.0 | 1,277.1 | 1,335.5 | 1,273.8 | 1,292.4 | 1,289.5 | +12.4 | +1.0% |
| National Agricultural Statistics Service | 158.6 | 166.6 | 161.2 | 179.0 | 169.4 | 178.2 | 172.4 | +11.2 | +6.9% |
| Economic Research Service | 77.7 | 71.4 | 78.1 | 83.4 | 85.8 | 85.4 | 85.4 | +7.3 | +9.4% |
| Under Secretary, Research, Education, Econ. | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | +0.0 | +0.6% |
| **Marketing and Regulatory Programs** | | | | | | | | | |
| Animal & Plant Health Inspection Service | 819.7 | 761.4 | 824.9 | 837.5 | 870.7 | 875.6 | 874.5 | +49.6 | +6.0% |
| Agricultural Marketing Service | 83.4 | 75.7 | 81.3 | 84.2 | 82.4 | 83.0 | 82.4 | +1.1 | +1.4% |
| Section 32 (M) | 1,080.0 | 1,049.6 | 1,107.0 | 1,122.0 | 1,122.0 | 1,122.0 | 1,284.0 | +177.0 | +16.0% |
| Grain Inspection, Packers & Stockyards | 37.8 | 37.3 | 40.3 | 44.0 | 43.7 | 44.0 | 43.0 | +2.8 | +6.9% |
| Under Secretary, Marketing and Regulatory | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | +0.0 | +0.6% |
| **Food Safety** | | | | | | | | | |
| Food Safety & Inspection Service | 1,004.4 | 977.3 | 1,010.7 | 1,001.4 | 1,005.2 | 1,022.8 | 1,016.5 | +5.8 | +0.6% |
| Under Secretary, Food Safety | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | +0.0 | +0.6% |
| **Farm and Commodity Programs** | | | | | | | | | |
| Farm Service Agency[c] | 1,612.5 | 1,503.9 | 1,592.2 | 1,539.4 | 1,605.1 | 1,589.1 | 1,603.3 | +11.0 | +0.7% |
| *FSA Farm Loans: Loan Authority*[d] | *4,787.1* | *4,575.7* | *5,527.3* | *6,402.1* | *6,402.1* | *6,402.1* | *6,402.1* | +874.8 | +15.8% |
| Risk Management Agency Salaries & Exp. | 74.9 | 69.1 | 71.5 | 76.8 | 77.1 | 76.8 | 74.8 | +3.3 | +4.7% |
| Federal Crop Insurance Corporation (M)[e] | 3,142.4 | 9,514.5 | 9,502.9 | 8,668.0 | 8,666.0 | 8,668.0 | 8,666.0 | -836.9 | -8.8% |

| Agency or Major Program | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-seq. | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| Commodity Credit Corporation (M)[e] | 14,071.0 | 11,018.5 | 12,538.9 | 9,067.3 | 9,067.3 | 9,067.3 | 13,444.7 | +905.8 | +7.2% |
| Under Secretary, Farm and Foreign Agr. | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | +0.0 | +0.6% |
| **Subtotal** | | | | | | | | | |
| **Mandatory (M)** | **18,293.5** | **21,582.7** | **23,149.1** | **18,857.8** | **18,855.8** | **18,857.8** | **23,395.3** | +246.2 | +1.1% |
| **Discretionary** | **6,676.7** | **6,356.2** | **6,789.0** | **6,669.6** | **6,851.5** | **6,769.5** | **6,786.9** | -2.2 | -0.0% |
| **Subtotal** | **24,970.2** | **27,938.8** | **29,938.1** | **25,527.4** | **25,707.3** | **25,627.3** | **30,182.1** | +244.0 | +0.8% |
| **Title II: Conservation Programs** | | | | | | | | | |
| Conservation Operations | 828.2 | 766.8 | 812.9 | 814.8 | 843.1 | 849.3 | 846.4 | +33.5 | +4.1% |
| Watershed Rehabilitation Program | 15.0 | 13.6 | 12.0 | — | 25.0 | — | 12.0 | +0.0 | +0.0% |
| Under Secretary, Natural Resources | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | +0.0 | +0.6% |
| **Subtotal** | **844.0** | **781.2** | **825.8** | **815.7** | **869.0** | **850.2** | **859.3** | +33.5 | +4.1% |
| **Title III: Rural Development** | | | | | | | | | |
| Salaries and Expenses (including transfers) | 653.9 | 613.0 | 657.4 | 659.6 | 678.2 | 682.9 | 678.2 | +20.8 | +3.2% |
| Rural Housing Service | 1,090.3 | 1,031.1 | 1,279.6 | 1,228.6 | 1,310.4 | 1,307.0 | 1,298.4 | +18.7 | +1.5% |
| *RHS Loan Authority*[d] | *26,546.0* | *27,335.1* | *27,408.1* | *26,803.6* | *27,563.9* | *27,423.6* | *27,421.5* | +13.4 | +0.0% |
| Rural Business-Cooperative Service[f] | 109.3 | 114.2 | 130.2 | 139.2 | 99.6 | 111.7 | 103.2 | -27.0 | -20.7% |
| *RBCS Loan Authority*[d] | *869.8* | *953.7* | *1,022.8* | *772.5* | *1,028.7* | *1,022.8* | *984.5* | -38.3 | -3.7% |
| Rural Utilities Service | 551.0 | 520.8 | 501.6 | 357.6 | 501.8 | 504.4 | 501.7 | +0.2 | +0.0% |
| *RUS Loan Authority*[d] | *8,676.9* | *8,849.4* | *7,514.5* | *6,589.2* | *7,498.8* | *7,474.4* | *7,464.1* | -50.4 | -0.7% |
| Under Secretary, Rural Development | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | +0.0 | +0.6% |
| **Subtotal**[f] | **2,405.2** | **2,279.9** | **2,569.7** | **2,385.9** | **2,590.8** | **2,606.9** | **2,582.4** | +12.7 | +0.5% |
| ***Subtotal, RD Loan Authority***[d] | ***36,092.7*** | ***37,138.2*** | ***35,945.4*** | ***34,165.3*** | ***36,091.3*** | ***35,920.8*** | ***35,870.1*** | -75.3 | -0.2% |

| Agency or Major Program | FY2012 P.L. 112-55 | FY2013 P.L. 113-6 post-seq. | FY2014 P.L. 113-76 | FY2015 Admin. Request | FY2015 House H.R. 4800 | FY2015 Senate S. 2389 | FY2015 P.L. 113-235 | Change from FY2014 to FY2015 (P.L. 113-235) $ | Change from FY2014 to FY2015 (P.L. 113-235) % |
|---|---|---|---|---|---|---|---|---|---|
| **Title IV: Domestic Food Programs** | | | | | | | | | |
| Child Nutrition Programs (M) | 18,151.2 | 19,913.2 | 19,288.0 | 20,537.0 | 20,523.8 | 20,497.0 | 21,300.2 | +2,012.2 | +10.4% |
| WIC Program | 6,618.5 | 6,522.2 | 6,715.8 | 6,823.0 | 6,623.0 | 6,623.0 | 6,623.0 | -92.8 | -1.4% |
| SNAP, Food & Nutrition Act Programs (M) | 80,401.7 | 77,285.4 | 82,169.9 | 84,256.4 | 82,251.1 | 82,251.4 | 81,837.6 | -332.4 | -0.4% |
| Commodity Assistance Programs | 242.3 | 243.7 | 269.7 | 275.7 | 275.7 | 275.7 | 278.5 | +8.8 | +3.3% |
| Nutrition Programs Administration | 138.5 | 132.7 | 141.3 | 155.0 | 150.8 | 155.0 | 150.8 | +9.5 | +6.7% |
| Office of Under Secretary | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | +0.0 | +0.6% |
| **Subtotal** | | | | | | | | | |
| **Mandatory (M)** | **98,551.9** | **97,171.9** | **101,432.9** | **104,723.4** | **102,722.9** | **102,723.0** | **103,096.7** | +1,663.8 | +1.6% |
| **Discretionary** | **7,001.1** | **6,926.1** | **7,152.7** | **7,324.5** | **7,102.3** | **7,079.9** | **7,094.1** | -58.6 | -0.8% |
| **Subtotal** | **105,553.0** | **104,098.0** | **108,585.6** | **112,047.9** | **109,825.3** | **109,802.9** | **110,190.9** | +1,605.3 | +1.5% |
| **Title V: Foreign Assistance** | | | | | | | | | |
| Foreign Agricultural Service | 176.3 | 163.1 | 177.9 | 182.6 | 182.6 | 182.8 | 181.4 | +3.6 | +2.0% |
| Public Law 480 and admin. expenses | 1,468.5 | 1,362.0 | 1,468.7 | 1,402.5 | 1,468.5 | 1,468.5 | 1,468.5 | -0.2 | -0.0% |
| McGovern-Dole Food for Education | 184.0 | 174.5 | 185.1 | 185.1 | 198.1 | 185.1 | 191.6 | +6.5 | +3.5% |
| CCC Export Loan Salaries | 6.8 | 6.3 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | +0.0 | +0.0% |
| **Subtotal** | **1,835.7** | **1,705.9** | **1,838.5** | **1,777.0** | **1,856.0** | **1,843.2** | **1,848.3** | +9.9 | +0.5% |
| **Title VI: Related Agencies** | | | | | | | | | |
| Food and Drug Administration | 2,505.8 | 2,386.0 | 2,560.7 | 2,584.2 | 2,582.9 | 2,597.3 | 2,597.3 | +36.6 | +1.4% |
| Commodity Futures Trading Commission[a] | 205.3 | [194.0] | 215.0 | 280.0 | 217.6 | [280.0] | [250.0] | +35.0 | +16.3% |
| **Subtotal** | **2,711.1** | **2,386.0** | **2,775.7** | **2,864.2** | **2,800.4** | **2,597.3** | **2,597.3** | na | na |

| Agency or Major Program | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-seq. | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| **Title VII: General Provisions** | | | | | | | | | |
| Changes in Mandatory Program Spending[f] | -1,631.8 | -893.0 | -953.7 | -1,008.0 | -779.0 | -804.0 | -785.0 | +168.7 | -17.7% |
| Rescissions | -18.9 | -25.3 | -33.3 | -13.0 | -13.0 | -13.0 | -17.0 | +16.3 | -49.0% |
| Other appropriations | 377.1 | 132.5 | 106.6 | 2.0 | 0.0 | 143.3 | 122.6 | +16.0 | +15.0% |
| **Subtotal** | **-1,273.6** | **-785.9** | **-880.4** | **-1,019.0** | **-792.0** | **-673.7** | **-679.4** | +201.0 | -22.8% |
| **Scorekeeping adjustments**[b] | | | | | | | | | |
| Disaster declaration in this bill | -367.0 | — | — | — | — | -100.0 | -116.0 | -116.0 | na |
| Other scorekeeping adjustments | -72.0 | -129.0 | -191.0 | -398.0 | -398.0 | -398.0 | -398.0 | -207.0 | +108.4% |
| **Subtotal** | **-439.0** | **-129.0** | **-191.0** | **-398.0** | **-398.0** | **-498.0** | **-514.0** | -323.0 | +169.1% |

**Source:** CRS, compiled from the joint explanatory statements or committee reports for P.L. 113-235, S. 2389, H.R. 4800, P.L. 113-76, and P.L. 112-55. Amounts for FY2013 in P.L. 113-6 are at the post-sequestration level from the USDA FY2013 Operating Plan. Scorekeeping adjustments are from unpublished CBO tables.

**Notes:**.[Bracketed amounts] are not in the official totals due to differing House-Senate jurisdiction for CFTC, but are shown for comparison. Amounts are in nominal dollars, and are budget authority in millions of dollars. Amounts do not include supplemental appropriations outside the annual appropriation.

a. 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.

b. "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 predominately include "negative subsidies" in loan program accounts, and adjustments for disaster designations in the bill.

c. Includes regular FSA salaries and expenses, plus transfers for farm loan program salaries and expenses and farm loan program 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 amounts appropriated to the Foreign Agricultural Service for export loans and P.L. 480 administration and transferred to FSA.

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

e. Commodity Credit Corporation and Federal Crop Insurance Corporation each receive an indefinite appropriation ("such sums as necessary"). Estimates are used in the appropriations bill reports and may not reflect actual outlays or reimbursements.

f. Amounts for the Rural Business Cooperative Service are before the rescission from the Cushion of Credit account. This allows the RBS total to remain positive, unlike in Appropriations committee tables. The rescission is included with the changes in mandatory program spending (CHIMPS) in the General Provisions section.

# USDA Agencies and Programs

About 95% of the total appropriation for the U.S. Department of Agriculture (USDA) is funded through the Agriculture appropriations bill. The department was created in 1862 and carries out widely varied responsibilities through about 30 separate internal agencies and offices staffed by nearly 100,000 employees.[22] Funding for about two-thirds of those employees is provided in the Agriculture appropriation. The remaining one-third of the employees, about 33,000 staff years, are in the Forest Service, funded by the Interior and Related Agencies Appropriations bill.[23]

This report is organized in the order that the agencies are listed in the Agriculture appropriations bill (except for the portion of FDA appropriations for food safety, which is discussed in a comprehensive section on food safety). See **Table 2** and tables in some of the following sections for more details on the amounts for specific agencies.

### USDA Compared to the Appropriations Bill

Agriculture appropriations are not perfectly correlated with USDA spending. Agriculture appropriations include the FDA and CFTC (that are outside USDA), and do not fund the Forest Service (that is part of USDA). The Forest Service is funded in the Interior and Related Agencies appropriations bill.

Similarly, USDA spending is not synonymous with farm program spending. It includes programs that may not be considered agricultural, such as nutrition assistance and rural development.

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

- Food and nutrition programs—with more than three-fourths of USDA's budget—comprise USDA's largest mission area. This is Title IV of the appropriation.
- The second-largest mission area, with about one-eighth of USDA's budget, is farm and foreign agricultural services. This mission area is split between appropriations Title I (domestic) and Title V (foreign trade and aid).
- Five other mission areas share one-eighth of USDA's budget, including natural resources, rural development, research, marketing and regulatory programs, and food safety. In appropriations bills, rural development is Title III, and conservation is Title II (the part of the natural resources mission area without the Forest Service). The other three mission areas others are combined into Title I of the appropriation.

The type of funding (mandatory or discretionary) also is 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 contained within the Commodity Credit Corporation amount in Title I.

[22] USDA, *FY2015 Budget Summary*, April 2014, p. 112, at http://www.obpa.usda.gov/budsum/FY15budsum.pdf.

[23] See CRS Report R43142, *Interior, Environment, and Related Agencies: FY2013 and FY2014 Appropriations*.

## Departmental Administration[24]

The Agriculture appropriations bill has several accounts that provide for the general administration of the USDA, ranging from the immediate Office of the Secretary, to the Office of Inspector General, to facilities rental payments.

One notable administrative change for FY2015 is that the enacted appropriation follows both the House- and Senate-reported bills in changing the long-standing practice of paying for rental expenses from a central account for all agencies throughout the department. Although the federal government owns many of the facilities in which agencies are housed, USDA rents some buildings and facilities from private vendors. In the past, all of USDA's rental obligations ($178 million in FY2014) were paid from a separate account at the Department level. For FY2015, Congress concurred with the Administration's request that such payments be paid by the individual agencies. Thus, despite savings at the Departmental Administration level, many agency budgets were increased to compensate for the additional obligation of rental expenses. If agencies' budgets were not increased by at least the amount of rental payments being shifted, their net appropriation may reflect an effective decrease from prior years. The effect of shifting these costs into agency budgets is noted for many agencies later in this report. Therefore, the $162 million decrease in Departmental Administration is largely due to the accounting change in rental payments (-$178 million) and is offset by diffuse and usually corresponding increases in individual agency budgets throughout the rest of the appropriation.

For FY2015, the enacted appropriation provides $364 million for Departmental Administration (**Table 3**). Some of the increases for administrative agencies and offices within this heading are, in part, to pay for the addition of rental payments in their budgets. Beyond the $178 million reduction because of the shift in rental expense responsibilities, amounts for other offices in Departmental Administration generally are unchanged from FY2014 or share a combined $15 million increase (about +4% overall).

The House-reported bill would have provided $4 million less than the final amount, and the Senate bill would have provided $15 million more than the final amount. The differences between the House and Senate bills were that the Office of Communications, General Counsel, and Departmental Administration would have received the President's requested amount, rather than a smaller House-reported amount. The Senate bill also would have provided $10 million more than the House bill and FY2014 for building operations and maintenance, the level requested by the Administration.

[24] This section was written by Jim Monke.

**Table 3. USDA Departmental Administration Appropriations**

(budget authority in millions of dollars)

| Administrative Office | FY2012 P.L. 112-55 | FY2013 P.L. 113-6 post-seq. | FY2014 P.L. 113-76 | FY2015 Admin. Request | FY2015 House H.R. 4800 | FY2015 Senate S. 2389 | FY2015 P.L. 113-235 | Change from FY2014 to FY2015 (P.L. 113-235) $ | Change from FY2014 to FY2015 (P.L. 113-235) % |
|---|---|---|---|---|---|---|---|---|---|
| **Office of the Secretary** | | | | | | | | | |
| Office of the Secretary | 4.55 | 4.69 | 5.05 | 5.09 | 5.05 | 5.09 | 5.05 | +0.00 | +0.0% |
| Office of Tribal Relations | 0.45 | 0.46 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | +0.004 | +0.8% |
| Office of Homeland Security | 1.32 | 1.39 | 1.50 | 1.51 | 1.51 | 1.51 | 1.50 | +0.00 | +0.0% |
| Advocacy and Outreach | 1.21 | 1.32 | 1.21 | 1.22 | 1.21 | 1.22 | 1.21 | +0.00 | +0.0% |
| Assistant Secretary for Admin. | 0.76 | 0.75 | 0.80 | 0.81 | 0.80 | 0.81 | 0.80 | +0.00 | +0.0% |
| Departmental Administration | 24.17 | 22.50 | 22.79 | 25.66 | 22.81 | 25.31 | 25.12 | +2.34 | +10.3% |
| Asst. Sec. Congressional Relations | 3.58 | 3.59 | 3.87 | 3.90 | 3.87 | 3.90 | 3.87 | +0.00 | +0.0% |
| Office of Communications | 8.07 | 8.36 | 8.07 | 8.14 | 5.54 | 8.14 | 7.75 | -0.32 | -3.9% |
| **Subtotal** | **44.10** | **43.06** | **43.78** | **46.82** | **41.28** | **46.47** | **45.81** | **+2.03** | **+4.6%** |
| **Executive Operations** | | | | | | | | | |
| Office of Chief Economist | 11.18 | 15.01 | 16.78 | 16.85 | 16.78 | 16.85 | 17.38 | +0.60 | +3.6% |
| National Appeals Division | 12.84 | 13.19 | 12.84 | 13.43 | 13.32 | 13.43 | 13.32 | +0.48 | +3.7% |
| Office of Budget, Program Analysis | 8.95 | 8.35 | 9.06 | 10.29 | 9.39 | 9.31 | 9.39 | +0.33 | +3.6% |
| **Subtotal** | **32.96** | **36.56** | **38.68** | **40.58** | **39.49** | **39.59** | **40.09** | **+1.40** | **+3.6%** |
| **Other Administration** | | | | | | | | | |
| Chief Information Officer | 44.03 | 40.65 | 44.03 | 45.20 | 45.03 | 45.20 | 45.05 | +1.01 | +2.3% |
| Chief Financial Officer | 5.65 | 5.77 | 6.21 | 6.08 | 6.03 | 6.08 | 6.03 | -0.19 | -3.0% |

| Administrative Office | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-seq. | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| Assistant Secretary for Civil Rights | 0.85 | 0.83 | 0.89 | 0.90 | 0.90 | 0.90 | 0.90 | +0.01 | +0.6% |
| Office of Civil Rights | 21.00 | 21.02 | 21.40 | 24.24 | 24.07 | 24.24 | 24.07 | +2.67 | +12.5% |
| Buildings, facilities, rental payments | 230.42 | 252.40 | 233.00 | 64.83 | 54.83 | 64.84 | 55.87 | -177.13 | -76.0% |
| Hazardous materials management | 3.59 | 3.70 | 3.59 | 3.60 | 3.60 | 3.60 | 3.60 | +0.01 | +0.2% |
| Office of Inspector General | 85.62 | 82.30 | 89.90 | 97.24 | 97.02 | 97.24 | 95.03 | +5.12 | +5.7% |
| General Counsel | 39.35 | 41.87 | 41.20 | 47.57 | 44.38 | 47.57 | 44.38 | +3.18 | +7.7% |
| Office of Ethics | — | 3.14 | 3.44 | 3.87 | 3.44 | 3.87 | 3.65 | +0.21 | +6.2% |
| **Subtotal** | **430.50** | **451.68** | **443.67** | **293.51** | **279.29** | **293.53** | **278.57** | **-165.10** | **-37.2%** |
| **Total, Departmental Administration** | **507.57** | **531.30** | **526.13** | **380.90** | **360.06** | **379.59** | **364.46** | **-161.67** | **-30.7%** |

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for P.L. 113-235, S. 2389, H.R. 4800, P.L. 113-76, and P.L. 112-55. Amounts for FY2013 in P.L. 113-6 are at the post-sequestration level and are from the USDA FY2013 Operating Plan.

## Agricultural Research, Education, and Extension[25]

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

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

For FY2015, the appropriation provides $2.725 billion to the USDA REE mission area, which is $86 million more than in FY2014 (+3%). After FY2010, none of the annual appropriations have included any earmarks or congressionally designated spending items for REE-related activities.

Across REE, about half of the overall increase is for ARS buildings and facilities (+$45 million), an account that has not received any appropriation in recent years (**Table 4**). Furthermore, after adjusting for the additional cost of building rental payments at the agency level (rather than the former practice of being paid from a central account at the department level), most programs in REE remain at effectively the same levels as in FY2014.

The increases in the FY2014 and FY2015 funding levels come after three years of reductions. Appropriations to the REE mission area declined nearly 16% from FY2010 to FY2013. ARS appropriations declined nearly 19% and NIFA by 15% from FY2010 to FY2013. The increases for the mission area in FY2014 and FY2015 restore some of those reductions since FY2010 in absolute terms, but less so in inflation-adjusted terms. The FY2015 enacted amount (including buildings and facilities) for ARS remains 6% below the FY2010 level ($1.25 billion), and the FY2015 amount for NIFA is 4% below the FY2010 level ($1.34 billion). Thus, agricultural research stakeholders continue to express concern for research funding over the long term.

### Agricultural Research Service

For FY2015, the enacted appropriation provides $1.133 billion for ARS salaries and expenses, plus $45 million for ARS buildings and facilities construction. The salaries and expenses portion is $10 million more than FY2014 (+1%) and in between the House- and Senate- proposed amounts. Much of the increase (about $7 million) will pay for building rental payments that ARS must now pay rather than being paid from a central departmental account.

[25] This section was written by Jim Monke.

## Table 4. USDA Research, Extension, and Economics (REE) Appropriations

(budget authority in millions of dollars)

| Agency or Major Program | FY2010 | FY2012 | FY2013 | FY2014 | FY2015 | | | | | Change from FY2014 to P.L. 113-235 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Admin. Request | | House | | | | |
| | P.L. 111-80 | P.L. 112-55 | P.L. 113-6 | P.L. 113-76 | Base | Initiative | H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| **Agricultural Research Service** | **1,250.5** | **1,094.6** | **1,016.9** | **1,122.5** | **1,104.4** | **42.2** | **1,120.3** | **1,139.7** | **1,132.6** | **+10.1** | **+0.9 %** |
| **Buildings and Facilities** | — | — | — | — | — | **155.0** | **155.0** | — | **45.0** | **+45.0** | **na** |
| **National Institute of Food and Agriculture** | **1,343.2** | **1,202.3** | **1,142.0** | **1,277.1** | **1,335.5** | **80.0** | **1,273.8** | **1,292.4** | **1,289.5** | **+12.4** | **+1.0 %** |
| Research and Education | 788.2 | 705.6 | 683.2 | 772.6 | 837.7 | 80.0 | 774.5 | 787.5 | 786.9 | +14.3 | +1.9% |
| *AFRI (competitive grants)* | *262.5* | *264.5* | *275.6* | *316.4* | *325.0* | *60.0* | *325.0* | *325.0* | *325.0* | +8.6 | +2.7% |
| *Hatch Act (1862 institutions)* | *215.0* | *236.3* | *218.6* | *243.7* | *243.7* | *15.0* | *243.7* | *243.7* | *243.7* | +0.0 | +0.0% |
| *Evans-Allen (1890s institutions)* | *48.5* | *50.9* | *47.1* | *52.5* | *52.5* | *5.0* | *52.5* | *52.5* | *52.5* | +0.0 | +0.0% |
| *McIntire-Stennis (forestry)* | *29.0* | *32.9* | *30.5* | *34.0* | *34.0* | — | *34.0* | *34.0* | *34.0* | +0.0 | +0.0% |
| *Innovation Institutes* | — | — | — | — | *75.0* | — | — | — | — | — | — |
| *Other* | *233.2* | *121.0* | *111.5* | *126.0* | *107.6* | — | *119.3* | *132.4* | *131.7* | +5.7 | +4.5% |
| Extension | 494.9 | 475.2 | 439.1 | 469.2 | 469.0 | — | 467.3 | 472.7 | 471.7 | +2.5 | +0.5% |
| *Smith-Lever (b) & (c)* | *297.5* | *294.0* | *271.3* | *300.0* | *300.0* | — | *300.0* | *300.0* | *300.0* | +0.0 | +0.0% |
| *Smith-Lever (d)* | *101.3* | *99.3* | *91.7* | *85.5* | *85.7* | — | *85.7* | *85.5* | *85.5* | +0.0 | +0.0% |
| *Other* | *96.1* | *81.8* | *76.1* | *83.7* | *83.2* | — | *81.6* | *87.2* | *86.2* | +2.5 | +3.0% |
| Integrated Activities | 60.0 | 21.5 | 19.8 | 35.3 | 28.8 | — | 32.0 | 32.2 | 30.9 | -4.4 | -12.5% |
| **National Agricultural Statistics Service** | **161.8** | **158.6** | **166.6** | **161.2** | **179.0** | — | **169.4** | **178.2** | **172.4** | **+11.2** | **+6.9 %** |
| **Economic Research Service** | **82.5** | **77.7** | **71.4** | **78.1** | **83.4** | — | **85.8** | **85.4** | **85.4** | **+7.3** | **+9.4 %** |

| Agency or Major Program | FY2010 | FY2012 | FY2013 | FY2014 | FY2015 | | | | | Change from FY2014 to P.L. 113-235 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Admin. Request | | House | | | | |
| | P.L. 111-80 | P.L. 112-55 | P.L. 113-6 | P.L. 113-76 | Base | Initiative | H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| **Total, REE appropriation** | **2,838.0** | **2,533.3** | **2,397.0** | **2,638.8** | **2,702.4** | **277.2** | **2,804.2** | **2,695.6** | **2,724.9** | **+86.1** | **+3.3 %** |

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for P.L. 113-235, S. 2389, H.R. 4800, P.L. 113-76, P.L. 112-55, and P.L. 111-80. Amounts for FY2013 in P.L. 113-6 are at the post-sequestration level and are from the USDA FY2013 Operating Plan.

The $45 million for buildings and facilities construction is the first time in several years that this account has received appropriations. The joint explanatory statement directs it for "priorities identified in the USDA ARS Capital Investment Strategy."[26] This amount is less than the $155 million proposed in the House bill and the Administration's Opportunity, Growth, and Security (OGS) Initiative and is not specific to a facility, unlike the OGS request that was for a new bio-containment facility at the Poultry Research Facility in Athens, GA. The Senate-reported bill did not contain any amount for buildings and facilities. (The OGS Initiative is not included in the request column of Appropriations committee tables, but is shown in **Table 4**.)

The joint explanatory statement, as well as the House and Senate report language, rejects the Administration's request to close six ARS research centers and to redirect research programs at other laboratories. This is a continuation of the instructions in recent years' appropriations.

In addition to the base request for ARS and the OGS Initiative for buildings and facilities, the Administration proposed an additional $42 million in the Opportunity, Growth, and Security (OGS) Initiative to support five high-priority research areas across the agency. The enacted appropriation, like the House and Senate bills, does not address this request.

## National Institute of Food and Agriculture

For FY2015, the enacted appropriation provides $1.290 billion for NIFA, $12 million more than the FY2014 appropriation (+1%). Much of the increase will pay for a new category of building rental payments that are being transferred to agencies rather than being paid from a central departmental account. Within the NIFA total:

- **Research and Education Activities** receive $787 million for FY2015, $14 million more than in FY2014 (+2%) and nearly the more generous amount recommended by the Senate bill.
  - USDA's flagship competitive grants program—the Agriculture and Food Research Initiative (AFRI), with about one-fourth of NIFA's total budget—receives a $9 million increase to $325 million. This concurs with the Administration's request and was recommended by both the House and Senate bills.
  - Funding remains constant for Hatch Act activities that fund 1862 land-grant universities ($244 million), as well as Evans-Allen activities that fund 1890 land-grant universities ($52 million).
  - The Administration had requested $75 million for "Innovation Institutes," that would focus on emerging agricultural research challenges. Startup funding of $25 million per year for each of three institutes, for five years, would leverage public-private partnerships. Proposed research areas were pollinator health, bio-manufacturing and bioproducts development, and antimicrobial resistance. The enacted appropriation does not fund this initiative, nor did either the House or Senate bill recommend it (although the research topics are addressed in other program funding).
- **Extension Activities** receive $472 million for FY2015, 0.5% more than FY2014, and in between the amounts recommended by the House and Senate bills.

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

- **Integrated Activities**—which had declined by about two-thirds from FY2010 through FY2013 (from $60 million to $20 million) but was raised to $35 million in FY2014—are reduced again in FY2015. The enacted amount is $30.9 million, which is $4.4 million less than FY2014 (-12%). This is more than the Administration requested, but less than either of the House or Senate bills.

Finally, in addition to the base request for NIFA, the Administration proposed an additional $80 million through the OGS Initiative. Most of this extra amount would provide increased support for additional AFRI competitive research grants ($60 million). The rest would establish a new competitive research grant program to complement formula-funded NIFA grants. The enacted appropriation, like the House and Senate bills, does not address this request.

### National Agricultural Statistics Service

For FY2015, the enacted appropriation provides $172 million for NASS, an increase of $11 million over FY2014 (+7%). Most of this increase ($9 million) will pay for the additional cost of rental payments that agencies are paying instead of through a central account in the department.

The Administration's requested level ($6.6 million more than the enacted amount) was to restore selected surveys that were reduced or eliminated in recent years for budgetary reasons (including a variety of fruit and vegetable surveys and a chemical use survey).

### Economic Research Service

For FY2015, the enacted appropriation provides $85 million for ERS, an increase of $7 million over FY2014 (+9%). This amount is effectively equal to the FY2014 amount after adjusting for the addition of rental payments.

## 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[27]

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

The enacted FY2015 appropriation provides $874.5 million for APHIS, of which $871.3 million is for salaries and expenses and $3.2 million is for building and facilities. The amount for salaries and expenses is well above the Administration's request of $834.3 million and the FY2014 appropriation of $821.7 million (+$50 million; +6%). In part, the higher amounts will pay for

[27] This section was written by Renée Johnson.

rental obligations that previously were funded through a central departmental account. The enacted law also authorizes APHIS to collect fees to cover the total costs of providing technical assistance, goods, or services in certain cases.

Within APHIS, the following enacted appropriations are provided across each of the program-level budget categories: [28] plant health ($305.4 million); animal health ($287.6 million); wildlife services ($108.9 million); regulatory services ($35.1 million); safe trade and international technical assistance ($36.2 million); animal welfare ($28.7 million); emergency management ($17.4 million); and administrative funds ($54.9 million, which includes payments to GSA and DHA mentioned previously).

As in previous years, the enacted law highlights that appropriators expect USDA to continue to use the authority provided in the appropriation and in statute to transfer funds from other appropriations or funds available to USDA for activities related to the arrest and eradication of animal and plant pests and diseases.[29] The Office of Management and Budget (OMB) and congressional appropriators have sparred for years over whether APHIS should—as appropriators have preferred—reach as needed into USDA's Commodity Credit Corporation (CCC) account for mandatory funds to deal with emerging plant pests and other plant and animal health problems on an emergency basis, or be provided the funds primarily through the annual USDA appropriation, as OMB has argued. In particular, both appropriations subcommittees highlight the need for USDA to use its authority to transfer CCC funds to address emerging plant pests. Both bills recommended that funds be made available until expended for a "contingency fund" to control outbreaks of insects, plant diseases, animal diseases, and for control of pest animals and birds to the extent necessary to meet emergency conditions. The enacted appropriation provides $470,000 for this contingency fund.

The enacted appropriation also provides funding to address specialty crop pests ($156.0 million), tree and wood pests ($54.0 million), avian health ($52.3 million), Animal Health Technical Services ($35.4 million), and field crop and rangeland ecosystems services pests ($8.8 million). In addition, the enacted law provides funding to address cotton pests ($11.5 million) and screw worm ($5.0 million); to support the scrapie program ($1.5 million) and National Veterinary Stockpile ($4.0 million with an increase to assist in critical veterinary countermeasures); and to support wildlife damage management ($1.5), wildlife services methods development ($1.0 million), and activities under the Horse Protection Act ($0.7 million). The enacted law further specifies that no funds be used to formulate or administer a brucellosis eradication program.

The committee report further specifies funding for national rabies management, surveillance, and eradication efforts ($26.0 million with an increase for related priority activities); the National Animal Health Laboratory Network ($6.7 million); Citrus Health Response Program ($4.5 million) Overseas and Technical and Trade Operations (an increase of $2.0 million); and Swine Health program (an increase of $2.0 million). It also specifies funding for cervid health activities ("no less than" $3.0 million) and encourages the agency to improve its enforcement activities under the Horse Protection Act. The committee report also expresses concern about APHIS' regulatory backlog to review biotechnology product petitions and provides an increase in funding ($0.74 million) to address these backlogs.

[28] Sub-account levels follow the APHIS budget structure that was implemented in the FY2012 appropriations process that reorganized and consolidated APHIS programs across 29 budgetary line items. For more information, see CRS Report R41964, *Agriculture and Related Agencies: FY2012 Appropriations*. See also USDA, "2012 Budget and Explanatory Notes, APHIS," pp. 18-47 through 18-50, http://www.obpa.usda.gov/18aphis2012notes.pdf.

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

## Agricultural Marketing Service and "Section 32"

The Agricultural Marketing Service (AMS) administers numerous programs that facilitate the marketing of U.S. agricultural products in domestic and international markets. AMS each year receives appropriations in two different ways. A discretionary appropriation of about $80 million funds a variety of marketing activities. A larger mandatory spending amount of about $1.2 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 direct subsidy programs for the primary field crops (corn, soybeans, wheat, rice, and peanuts) and dairy. User fees also support some AMS activities.

### *Marketing Activities*[30]

The discretionary appropriation funds four main areas: 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 a wide number of 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 (NOP), the seed program, country-of-origin labeling (COOL), and 22 commodity research and promotion (checkoff) programs. AMS monitors the agriculture transportation system and conducts market analysis that supports the transport of agriculture products domestically and internationally.

In addition, user fees and reimbursements finance other AMS-administered activities, such as product quality and process verification programs, commodity grading, and Perishable Agricultural Commodities Act licensing. 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.[31]

For FY2015, the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235, Division A) provides $81.2 million for marketing activities. The AMS discretionary appropriation is $1.3 million more than (+1.6%) that enacted for FY2014 but is $1.8 million less than the Administration's request. Also, the act provides $1.2 million for AMS payments to states and possessions for cooperative marketing agreements and grants, for a total discretionary appropriation of $82.4 million.

The joint explanatory statement directs USDA, in consultation with the U.S. Trade Representative, to submit a report to the House and Senate Appropriations Committees with recommendations on how to change the country-of-origin labeling (COOL) law. The recommendations are to make the law "not conflict with or in any manner inconsistent with" U.S. World Trade Organization (WTO) obligations. The report is due to the committees within 15 days of final resolution (i.e., the WTO issuing an appellate ruling on the COOL compliance report) or May 1, 2015, whichever comes first. The WTO is in the process of hearing appeals of the COOL compliance report that was issued in October 2014. The Canada and Mexico challenge of U.S.

[30] This section was written by Joel L. Greene.

[31] Separate from the appropriations process, the 2014 farm bill (P.L. 113-79) authorizes 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 FY2015) for AMS share of costs to support organic certification. For FY2015, AMS expects to administer an estimated $115 million of these mandatory farm bill initiatives.

COOL regulations has been progressing through the WTO dispute settlement process since 2009 and is expected to reach a conclusion in 2015. If the current appellate hearing again determines that COOL is inconsistent with U.S. obligations, U.S. exports to Canada and Mexico could face about $2 billion in retaliatory measures in the form of increased tariffs.[32]

The explanatory statement also directs USDA "not to implement a second duplicative beef checkoff program." In November 2014, USDA issued a *Federal Register* notice requesting public comment on creating a second beef checkoff under that authority of the 1996 Commodity Promotion, Research, and Information Act.[33] USDA moved to implement a second checkoff after the beef industry stakeholders were unable to agree on reforms for the current checkoff, which was established in 1985.[34]

### *Section 32 (Funds for Strengthening Markets, Income, and Supply)* [35]

AMS's mandatory appropriation reflects a transfer from the so-called Section 32, 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 ($9.7 billion in FY2015), less certain mandatory transfers to child nutrition and other programs ($8.5 billion in FY2015).[36]

Section 32 monies available for obligation by AMS 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. These commodities are diverted to school lunch and other domestic food and nutrition programs. Section 32 has also been used to fund surplus removal and farm economic and disaster relief activities.

The 2008 farm bill (§14222) capped the annual amount of Section 32 funds available for obligation by AMS in FY2015 at $1.284 billion. Also, to increase the amount of fruits and vegetables purchased under Section 32, Congress limited USDA's discretion in two ways: (1) §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) §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). Section 4214 of the 2014 farm bill expanded the school snack program to include frozen, canned, and dried fruits and vegetables on a pilot basis for the 2014-15 school year.

The enacted FY2015 appropriation provides $1.284 billion of Section 32 funds for AMS, which compares with $1.107 billion enacted in FY2014. The FY2015 amount is reduced by $121 million (rescission) and $82 million (sequestration), and is considered mandatory spending.

The enacted appropriation also includes a provision (§717) that has appeared since FY2012 that effectively prohibits the use of Section 32 for emergency disaster payments to farmers:

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[32] For information on COOL and background on the dispute brought by Canada and Mexico challenging the implementation of this law, see CRS Report RS22955, *Country-of-Origin Labeling for Foods and the WTO Trade Dispute on Meat Labeling*.

[33] P.L. 104-127; 7 U.S.C. 7401, 7411-7425.

[34] P.L. 99-198; 7 U.S.C. 2901-2918.

[35] This section was written by Dennis A. Shields.

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

> [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.[37]

## Grain Inspection, Packers and Stockyards Administration[38]

USDA's Grain Inspection, Packers and Stockyards Administration (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 FY2015, enacted appropriation provides $43.0 million for GIPSA salaries and expenses, $2.8 million (+6.9%) more than enacted for FY2014. The FY2015 appropriation is about $1 million less than the Administration's request. The appropriations act authorizes GIPSA to collect up to $50 million in user fees for inspection and weighing services.

Section 731 (P.L. 113-235, Division A) restricts USDA from finalizing or implementing parts of GIPSA's proposed rule on livestock and poultry marketing practices (75 *Federal Register* 35338, June 22, 2010; amends 9 C.F.R. Part 201) that were required in the 2008 farm bill (P.L. 110-246).[39] The proposed rule addresses how competitive injury (or harm to competition) is treated under the Packers and Stockyard Act (P&S Act; 7 U.S.C. §181 et seq.); sets criteria for determining unfair, unjustly discriminatory and deceptive practices, and undue or unreasonable preference or advantages; and includes arbitration provisions that give contract growers opportunities to participate in meaningful arbitration. The proposed rule was contentious, with proponents arguing that it would bring fairness to marketing transactions, while opponents argued it would disrupt markets and lead to increased litigation. USDA finalized parts of the proposed rule in December 2011, but much of the rule was not finalized because implementing prohibitions have been enacted in appropriations acts since FY2012.

Section 731 allows USDA to publish a final or interim final GIPSA rule only if the annual cost to the economy is less than $100 million. In addition, it prohibits USDA from using any funds to implement specific provisions in the proposed rule—the definitions of the tournament system §201.2(l); competitive injury §201.2(t); and the likelihood of injury §201.2(u). Other prohibited parts include the applicability of the regulations on violations of the P&S Act §201.3(c); unfair, unjust discriminatory and deceptive practices §201.210; undue or unreasonable preferences §201.211; livestock and poultry contracts §201.213; and the tournament system §201.214. Also, the section rescinds funding for the enforcement of three provisions that USDA finalized in 2011—the definition of suspension of delivery of birds §201.2(o), the applicability to live poultry §201.3(a), and the 90-day notification for suspension of delivery of birds §210.215(a).

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

[38] This section was written by Joel L. Greene.

[39] For more, see CRS Report R41673, *USDA's "GIPSA Rule" on Livestock and Poultry Marketing Practices*.

## Food Safety[40]

Numerous federal, state, and local agencies share responsibilities for regulating the safety of the U.S. food supply.[41] Federal responsibility for food safety rests primarily with the Food and Drug Administration (FDA) and the USDA. FDA, an agency of the Department of Health and Human Services, is responsible for ensuring the safety of the majority of all domestic and imported food products (except for meat and poultry products).[42] USDA's Food Safety and Inspection Service (FSIS) regulates most meat, poultry, and processed egg products.[43] The agriculture appropriations subcommittees oversee both the FDA and FSIS budgets.

Federal funding and staffing levels between FDA and FSIS are disproportionate to their respective responsibilities for addressing food safety activities. FSIS is responsible for roughly 10-20% of the U.S. food supply, and it receives about 53% of the two agencies' combined food safety appropriation (56% if including user fees). Correspondingly, FDA is responsible for 80-90% of the U.S. food supply, and it has received about 47% of the combined appropriation for federal food safety activities (44% if including user fees; **Table 5**). Staffing levels also are considerably different between the two agencies: FSIS staff number around 9,000 FTEs, while FDA's food-related staff number about 3,800 FTEs.

In recent years, however, the balance of overall funding for food safety between FDA and USDA has shifted. Appropriators have increased funding for FDA food activities, more than doubling it from $435.5 million in FY2005 to $903.4 million in FY2015 (**Table 5**). The FDA Food Safety Modernization Act (FSMA, P.L. 111-353) also provided limited additional funding through industry-paid user fees. Funding for FSIS has remained mostly unchanged or slightly lower.

FSMA—comprehensive food safety legislation enacted in the 111th Congress—authorized additional appropriations and staff for FDA's food safety activities.[44] FSMA was the largest expansion of FDA's food safety authorities since the 1930s. Among its many provisions, FSMA authorized increasing frequency of inspections at food facilities, tightening record-keeping requirements, extending oversight to certain farms, and also mandated product recalls. It requires food processing, manufacturing, shipping, and other facilities to conduct a food safety plan of the most likely safety hazards, and design and implement risk-based controls. It also mandates improvements to foodborne illness surveillance systems and increased scrutiny of food imports. FSMA did not directly address meat and poultry products under USDA's jurisdiction.

Although Congress authorized appropriations when it enacted FSMA, it did not provide the funding needed for FDA to perform these activities. After FSMA was signed into law in January 2011, concerns were voiced about whether there would be enough money to overhaul the U.S. food safety system and also whether expanded investment in this area was appropriate in the current budgetary climate.[45] Prior to enactment, the Congressional Budget Office (CBO)

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[40] This section was written by Renée Johnson, with contributions from Joel Greene (FSIS) and Susan Thaul (FDA Foods Program).

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

[42] FDA's food safety authorities rest primarily with the Federal Food, Drug, and Cosmetic Act (FFDCA, 21 U.S.C. §§301, *et seq*.).

[43] Laws governing FSIS include the Federal Meat Inspection Act (FMIA, 21 U.S.C. §§601, *et seq*.), the Poultry Products Inspection Act (PPIA, 21 U.S.C. §§451, *et seq*.), and the Egg Products Inspection Act (EPIA, 21 U.S.C. §§1031, *et seq*.).

[44] P.L. 111-353 amended the Federal Food, Drug, and Cosmetic Act (FFDCA).

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

estimated that implementing FSMA could increase net federal spending subject to appropriation by about $1.4 billion over a five-year period (FY2011-FY2015).[46] This cost estimate covers activities at FDA and other federal agencies, and does not include offsetting revenue from the collection of new user fees authorized under FSMA.[47] FSMA did not impose any new facility registration fees. Prior to enactment, CBO estimated that about $240 million in new fees would be collected over the five-year period (FY2011-FY2015).[48] Taking into account these new fees, CBO estimated that covering the five-year cost of new requirements within FDA, including more frequent inspections, would require additional outlays of $1.1 billion. FSMA also authorized an increase in FDA staff, which was expected to reach 5,000 by FY2014.[49] Instead, FDA reports actual staffing levels at 3,800 FTEs in FY2014 (**Table 5**).

FDA continues to implement regulations under FSMA. Although Congress has increased the FDA Foods Program budget in the past few years, agency officials claim that an additional $400 million-450 million per year above the FY2012 base is needed to fully implement FSMA.[50]

**Table 5. Food Safety Appropriations**

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

| Agency/Year | FTEs[a] | Appropriation[b] | Program Level, Including Fees[c] |
|---|---|---|---|
| **HHS Food and Drug Administration (FDA), "Foods" Subtotal** | | | |
| FY2009 Actual | 2,995 | 712.8 | 712.8 |
| FY2010 Actual | 3,387 | 783.2 | 783.2 |
| FY2011 Actual | 3,605 | 836.2 | 836.2 |
| FY2012 Actual | 3,546 | 866.1 | 882.7 |
| FY2013 Operating Plan (post-sequestration) | 3,626 | 796.6[d] | 813.2 |
| FY2014, Appropriation (P.L. 113-76) | 3,805 | 882.8 | 900.3 |
| FY2015: Administration Request | 4,236 | 903.4 | 1,124.3[e] |
| **Enacted (**P.L. 113-235**)** | **NA** | **903.4** | **913.8** |
| **USDA Food Safety and Inspection Service (FSIS)** | | | |
| FY2009 Actual | 9,343 | 971.6 | 1,105.7 |
| FY2010 Actual | 9,401 | 1,018.5 | 1,172.4 |
| FY2011 Actual | 9,465 | 1,008.5 | 1,187.2 |

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

[47] FSMA authorized additional appropriations and staff for FDA's future food safety activities and authorized new user fees. New fees authorized under FSMA include an annual fee for participants in the voluntary qualified importer program (VQIP) and three fees for certain periodic activities involving reinspection, recall, and export certification. FSMA, P.L. 111-353, §§107 and 401. Details of these annual and periodic fees are presented in CRS Report R40443, *The FDA Food Safety Modernization Act (P.L. 111-353)*.

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

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

[50] FDA, *Building Domestic Capacity to Implement the FDA Food Safety Modernization Act (FSMA)*, May 2013.

| Agency/Year | FTEs[a] | Appropriation[b] | Program Level, Including Fees[c] |
|---|---|---|---|
| FY2012 Actual | 9,351 | 1,004.4 | 1,169.1 |
| FY2013 Operating Plan (post-sequestration) | 9,158 | 977.3[f] | 1,163.7 |
| FY2014, Appropriation (P.L. 113-76) | 9,360 | 1,010.7 | 1,183.2 |
| FY2015: Administration Request | 9,098 | 1,001.4 | 1,174.9 |
| **Enacted** (P.L. 113-235) | **NA** | **1,016.4** | **1,176.6** |

**Sources:** CRS, from P.L. 113-235 (Division A), FDA FY2013 Sequestration Operating Plan, FDA FY2014 Operating Plan, and annual agency budget justifications for FDA (http://www.fda.gov/AboutFDA/ReportsManualsForms/Reports/BudgetReports/default.htm) and FSIS (http://www.obpa.usda.gov/explan_notes.html).

**Notes:**

a. Staffing in full time equivalents (FTEs).

b. Does not include existing or proposed user fees or other 'non-federal' payments.

c. Includes user fees. For FDA, reflects actual or planned fees through FY2014, and for FY2015, enacted, CR, and requested fee amounts. For FSIS, includes existing fees and trust fund for overtime, holiday, and voluntary inspection.

d. FDA's "FY2013 Sequestration Operating Plan." and "FY2014 Operating Plan."

e. The Administration's requested Foods program level total includes $10.4 million in authorized fees relating to food reinspection, food and feed recall, and the voluntary qualified importer program; and other proposed fees covering food facility registration and inspection, food import, international courier, and food contact notification fees. The "Appropriation" amount excludes fees (both authorized and proposed) from the requested "Program Level" amount.

f. Reported by USDA for FSIS in its "Fiscal Year 2013 Operating Plan" and reflects "2013 Enacted w/ Sequester and Rescissions."

## Food and Drug Administration (FDA)

FDA's foods program accounts for about one-third ($903.4 million in FY2015) of the agency's total appropriation (**Table 5**).[51] These congressional appropriations are expected to be augmented by existing (currently authorized) user fees. Total program level, including appropriations and fees, is expected to be $913.8 million. These fees, as authorized under FSMA, include food and feed recall fees, food reinspection fees, and voluntary qualified importer program fees.

Total program level funding (enacted appropriations plus user fees) is $210.5 million below the Administration's request, which proposed several new user fees not authorized by congressional appropriators (**Table 5**). In addition to FSMA-authorized user fees, the Administration's budget also requested approval of other new user fees. These proposed fees included a food facility registration and inspection, food import, international courier, and food contact notification fees. The enacted appropriation does not include the Administration's proposed fees. The House committee report (H.Rept. 113-468) broadly addresses FDA user fees, requesting a report on user fees collected for each user fee program.

Both the House and Senate appropriators make a number of recommendations regarding FSMA and FDA's ongoing efforts to develop regulations and guidance pertaining to the various provisions of the law. Both address FSMA's re-proposal of certain key regulations regarding food safety preventive controls for both human and animal food, and also produce standards.[52] The

[51] The entirety of FDA appropriations is discussed later in "Food and Drug Administration (FDA)."

[52] For more information on FSMA regulations, see CRS Report R42885, *Food Safety Issues for the 114th Congress.*

House committee report expresses concern that FDA is taking an "overly prescriptive regulatory approach" with many of the regulations including the monitoring of preventive controls and verification testing activities, and urges FDA to "ensure all FSMA regulations are risk-based, flexible, and science-based, and embrace the well-established and recognized standards for food safety already employed through much of the industry" (H.Rept. 113-468). The Senate committee report further expresses concern that FDA "only intends to address discrete portions of these proposed rules" and reminds the agency that the activities covered by FSMA's rules are "complex and interrelated" and any regulations need to be "science-based, risk-based, and flexible, taking into account the different risks posed by different commodities" (S.Rept. 113-164). The example provided includes the need to consider the "secondary market for spent grains and byproduct from human food manufacturing and agricultural practices" that is often used for animal feed. The House committee report also directs FDA to ensure that all FDA centers (including the Foods Program) maintain a "firm commitment to science-based, data-driven decision making, facilitating the free flow of scientific and technical information, and requiring a fair and transparent approach to resolving scientific disputes."

For FY2015, the joint explanatory statement states that $27.5 million is available for food safety activities (p. H9314), which is more than FY2014 funding levels of $25 million. Food safety activities include "development of guidance, providing technical assistance to industry and technical support to FDA inspectors, as well as training for FDA and state inspectors" (H.Rept. 113-468). The House report encourages FDA to consider "funding research that would provide portable and technologically advanced testing platforms needed to effectively monitor and protect against intentional adulteration of the food supply," as part of the National Agriculture and Food Defense Strategy Plan, as required by FSMA. The House also urges FDA to consider exempting tree nut producers from the produce standards rule, if the tree nuts meet the criteria for ''rarely consumed raw'' and the buyer of the tree nuts takes the necessary steps to reduce pathogens as described in the proposed FSMA rule.

Both the House and Senate committees encourage FDA to form partnerships under FSMA. House appropriators encourage FDA to "work in partnership with existing government food safety programs through Memorandum of Understandings to verify compliance with FSMA" and to "eliminate duplication of activities under the law" (H.Rept. 113-468). Senate appropriators emphasize the need for FDA to work with USDA to "perform outreach and technical assistance to farmers and small businesses" and recommend $2.5 million in funding for USDA's National Institute of Food and Agriculture (NIFA) to conduct extension activities related to FSMA (S.Rept. 113-164). Appropriators also emphasize the importance of ensuring adequate public review and comment on all proposed requirements and supporting analyses. The House report expresses concern that FDA is not providing stakeholders with "adequate input or economic consideration on an expanding list of highly technical regulatory proposals" and wants the agency to better manage its priorities, given certain gaps in the regulatory process involving some FSMA rules.

Both the House and Senate committee reports contain provisions related to seafood safety and direct FDA to publish updated advice to pregnant women on seafood consumption.[53] The Senate report further encourages FDA to "work with States and the Department of Commerce to more aggressively combat fraud in parts of the seafood industry."[54] FDA is also encouraged to work with the U.S. Trade Representative (USTR) to resolve a dispute between the United States and the European Union over sanitation protocols on U.S. shellfish, and to report to Congress on this

[53] FDA recently published draft updated advice on fish consumption. See FDA, "FDA and EPA issue draft updated advice for fish consumption," FDA News Release, June 10, 2014.

[54] For more information on food fraud, see CRS Report R43358, *Food Fraud and "Economically Motivated Adulteration" of Food and Food Ingredients*.

issue. The Senate bill also proposed that FDA spend "not less than $150,000" to "implement a labeling requirement for genetically engineered salmon."

Both House and Senate appropriators broadly encourage FDA to expedite the import clearance process, and report statistics to Congress that measure the effectiveness of targeting resources and to clear trusted/compliant shipments. The House report requires FDA to report to Congress on its investigation involving imported pet food, including providing a summary of recent activities, as well as an annual report on the status of the investigation.

Finally, both House and Senate appropriators urge FDA to address the use of medically important antibiotics in food animals. The House report further encourages FDA to maintain appropriate funding levels for both FSMA-related activities and the base work performed by its food and veterinary medicine programs and through research with their Centers of Excellence.

Outside of agricultural appropriations, $47.993 million of funding is provided for foodborne disease surveillance by the Centers for Disease Control and Prevention (CDC) National Center for Emerging and Zoonotic Infectious Diseases. This reflects an $8 million increase for "advanced DNA technology to improve and modernize our diagnostic capabilities; and enhance surveillance, detection, and prevention efforts at the state and local level."[55]

## Food Safety and Inspection Service (FSIS)

For USDA's FSIS, the enacted appropriation provides $1.016 billion in federal appropriations for FY2015 (**Table 5**). This is $5.8 million more than enacted for FY2014 and $15.1 million more than the Administration requested. Appropriations are augmented by existing (currently authorized) user fees that FSIS estimates to be $160.2 million.[56] FSIS appropriations are divided between various sub-accounts for federal ($900.6 million), state ($60.9 million), and international inspection ($16.6 million); Codex Alimentarius ($3.8 million); and the Public Health Data Communications Infrastructure System ($34.6 million, which is available until expended). Also, FSIS may collect fees of $1 million for the cost of national laboratory accreditation programs.[57] The Administration proposed a user fee of $4 million to cover additional inspection costs associated with performance issues at inspected facilities, but the enacted appropriations did not include the user fee proposal.

In addition, the enacted appropriation requires that FSIS have no fewer than 148 FTEs dedicated to the inspection and enforcement of the Humane Methods of Slaughter Act (HMSA) during FY2015. FSIS is also required to implement catfish inspection as required under the 2008 and 2014 farm bills.[58] USDA has not begun to inspect catfish, because the agency has not yet issued a final rule.

Section 750 of the enacted appropriation prohibits FSIS from paying salaries and expenses to inspect horses for slaughter or to provide voluntary, fee-for-service inspection of horses. Previous FY2006 and FY2007 enacted appropriations prohibited FSIS from paying salaries and expenses for horse slaughter inspections. In addition, from FY2008 to FY2011 and FY2014, enacted appropriations also banned voluntary, fee-based horse slaughter inspections. Horse slaughter inspection bans were not in force during FY2012 and FY2013, but no horse slaughter facilities opened before the ban was reinstated in FY2014.

[55] CDC funding is provided in P.L. 113-235, Division G, Title II.

[56] FSIS FY2015 congressional budget justification (http://www.obpa.usda.gov/23fsis2015notes.pdf).

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

[58] P.L. 110-246, §11016, clarified in P.L. 113-79, §12106.

Lastly, the joint explanatory statement expresses concern about countering economic fraud and improving the safety of the U.S. seafood supply. The appropriating committees encourage USDA and FDA to support developing technologies that will provide rapid, portable, and easy-to-use screening of seafood at ports and at wholesale and retail locations.

## Farm Service Agency[59]

USDA's Farm Service Agency (FSA) is probably best known for administering the farm commodity subsidy programs and the disaster assistance programs. It makes these payments to farmers through a network of county offices. In addition, FSA also administers USDA's direct and guaranteed farm loan programs, certain mandatory conservation programs (in cooperation with the Natural Resources Conservation Service), and supports certain international food assistance and export credit programs administered by the Foreign Agricultural Service and the U.S. Agency for International Development.

### FSA Salaries and Expenses

For FY2015, the enacted appropriation provides $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; **Table 6**).[60] This is $22.1 million more than the amount for FY2014, and the increase approximately equals the amount needed for the change in building rental payments. Thus, after adjusting for the new rental expenses, the FY2015 appropriation is essentially level with FY2014.

Regarding information technology, the enacted appropriation and the joint explanatory statement impose strong, new requirements about FSA's implementation of information technology (IT) plans. These statements go further than the House and Senate report language that criticized FSA for delays and costs in implementing MIDAS (Modernize and Innovate the Delivery of Agricultural Systems). MIDAS was flagged for concern by the IT Dashboard in December 2012. It has struggled with the scope and schedule of work and has yet to achieve the expected results.[61] The Government Accountability Office (GAO) also observed management and schedule problems in 2011.[62]

The statutory language requires that FSA—before it can spend 50% of the $132 million available for IT—submit to Congress and GAO a detailed information technology plan that meets several specific criteria, and submit a subsequent assessment report at the end of FY2015. The joint explanatory statement further explains that the controls are "in response to USDA's mismanagement of funds and IT projects, including the use of funds intended for salaries and expenses, ...unknown to and never endorsed by the Congress," and that "the Department's mismanagement of the MIDAS program is of greatest concern." The statement observes that "after spending over $400 million [over 10 years], USDA ended the MIDAS project by redefining the scope of the project and failing to deliver what USDA had promised." The Department is instructed to continue monthly briefings to Congress regarding IT projects in the agency.

Regarding proposed office closures and staff reductions, the FY2015 appropriations act and the joint explanatory statement reject USDA's proposal to close 250 FSA county offices and reduce

[59] This section was written by Jim Monke.

[60] Excludes transfers to FSA from the Foreign Agricultural Service for administrative support (about $3 million).

[61] IT Dashboard, "Farm Program Modernization (MIDAS) #097," at https://itdashboard.gov/investment?buscid=225.

[62] GAO, "USDA Systems Modernization: Management and Oversight Improvements Are Needed," GAO-11-586, July 20, 2011, at http://www.gao.gov/assets/330/321447.pdf.

staffing. The act directly prohibits FSA from closing any county office. It also prohibits FSA from permanently relocating any county employees if it results in two or fewer employees, unless the Appropriations Committees approve. The joint explanatory statement cites insufficient information, justification, and/or poor timing regarding implementing the 2014 farm bill. It requires FSA to conduct a comprehensive workload assessment by August 1, 2015, and to subsequently contract with the National Academy of Public Administration for an independent third-party review. The third-party assessment is due September 1, 2016. The workload evaluation was in the House-proposed 2014 farm bill, but was not part of the enacted farm bill.

This is the first time that FSA office closure has been mentioned in appropriations since FY2006-FY2008, which limited FSA's ability to close offices. The 2008 farm bill enacted a permanent provision (7 USC 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 appropriation's temporary moratorium surpasses this provision.

## Table 6. Farm Service Agency Appropriations

(budget authority in millions of dollars)

| | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-sequ. | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| **Salaries and expenses** | | | | | | | | | |
| Farm Service Agency (S&E base) | 1,199.0 | 1,115.3 | 1,177.9 | 1,139.3 | 1,205.1 | 1,182.5 | 1,200.2 | +22.3 | +1.9% |
| FSA farm loan program S&E transfer | 289.7 | 281.6 | 307.0 | 307.0 | 307.0 | 307.0 | 307.0 | +0.0 | +0.0% |
| **Subtotal, appropriated to FSA** | **1,488.7** | **1,396.8** | **1,484.9** | **1,446.3** | **1,512.1** | **1,489.5** | **1,507.2** | **+22.3** | **+1.5%** |
| **Programs** | | | | | | | | | |
| Farm loan program (loan subsidy) | 108.2 | 90.5 | 90.0 | 81.2 | 78.7 | 81.2 | 78.7 | -11.3 | -12.5% |
| Farm loan program admin. expenses | 7.9 | 7.3 | 7.7 | 7.9 | 7.9 | 7.9 | 7.9 | +0.2 | +2.6% |
| State mediation grants | 3.8 | 4.1 | 3.8 | 3.4 | 3.4 | 3.4 | 3.4 | -0.4 | -10.0% |
| Grassroots source water protection | 3.8 | 5.2 | 5.5 | 0.0 | 2.5 | 6.5 | 5.5 | +0.0 | +0.0% |
| Dairy indemnity program (M) | 0.1 | 0.1 | 0.3 | 0.5 | 0.5 | 0.5 | 0.5 | +0.3 | +100.0% |
| **Total: Appropriation to FSA** | **1,612.5** | **1,503.9** | **1,592.2** | **1,539.4** | **1,605.1** | **1,589.1** | **1,603.3** | **+11.0** | **+0.7%** |

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for P.L. 113-235, S. 2389, H.R. 4800, P.L. 113-76, and P.L. 112-55. Amounts for FY2013 in P.L. 113-6 are at the post-sequestration level and are from the USDA FY2013 Operating Plan.

**Notes:** Does not include about $3 million of salaries and expenses that are appropriated to the Foreign Agricultural Service to administer P.L. 480 and export loans and transferred to FSA.

## FSA Farm Loan Programs

The USDA Farm Service Agency makes and guarantees loans to farmers, and is a lender of last resort for family farmers unable to obtain credit from a commercial lender. USDA provides direct farm loans (loans made directly from USDA to farmers), and it also guarantees the timely repayment of principal and interest on qualified loans to farmers from commercial lenders. FSA loans are used to finance farm real estate, operating expenses, and recovery from natural disasters. Some loans are made at a low interest rate.[63]

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 FY2015, the enacted appropriation concurs with the Administration's request—and the House-reported bill—for loan subsidy and loan authority. It does not, however, provide any funding for the Individual Development Account program that the Administration and Senate bill would have funded.[64]

The FSA farm loan program receives $79 million of loan subsidy to support $6.402 billion of direct and guaranteed loans in FY2015 (**Table 7**). Though the loan subsidy is about 12% smaller than in FY2014, the loan authority is $875 million greater than FY2014 (+16%). Both of these changes are largely explained by the direct farm ownership program, which becomes self-supporting (through fees) and more than doubles in size. Reductions in the guaranteed operating loan program make up most of the rest of the difference.

Following the global financial crisis that began in 2008, FSA farm loan authority generally has risen, reflecting the borrowing needs of many farmers. Broad financial system pressures dramatically increased the demand for FSA farm loans and guarantees when commercial bank lending standards became stricter and loans sometimes were less available. In FY2009 and FY2010, supplemental appropriations increased regular FSA loan authority by nearly $1 billion each year in order to meet demand, up from pre-crisis levels of about $3.5 billion in 2008 to post-supplemental levels of $6.0 billion in FY2010. From FY2011 to FY2013, loan authority decreased both due to federal budget pressures and somewhat lessened demand as the financial system stabilized. Nonetheless, in some years, continued high farm loan demand for certain programs has caused the loan authority to be exhausted.[65] The FY2014 loan authority restored the total closer to the supplemental levels of FY2009 and FY2010, and the FY2015 appropriation increases total loan authority to a new high level, particularly in the direct farm ownership loan program.

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

[64] The Individual Development Account program was authorized in the 2008 farm bill but has never received appropriations. It is not a loan program, but rather a savings program (7 U.S.C. 1983b). USDA grants to private entities that would deliver the program would match farmer deposits at a rate up to 2:1. Withdrawals would be allowed for various capital expenses.

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

## Table 7. Farm Service Agency: Farm Loan Program

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

| | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-sequ. | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| **1. Budget Authority (loan subsidy)** | | | | | | | | | |
| **Farm ownership loans** | | | | | | | | | |
| Direct | 22.8 | 18.6 | 4.4 | — | — | — | — | -4.4 | -100.0% |
| **Farm operating loans** | | | | | | | | | |
| Direct | 59.1 | 54.0 | 65.5 | 63.1 | 63.1 | 63.1 | 63.1 | -2.4 | -3.7% |
| Guaranteed (unsubsidized) | 26.1 | 16.5 | 18.3 | 14.8 | 14.8 | 14.8 | 14.8 | -3.5 | -19.3% |
| **Other direct loans** | | | | | | | | | |
| Emergency loans | — | 1.2 | 1.7 | 0.9 | 0.9 | 0.9 | 0.9 | -0.8 | -49.6% |
| Indian highly fractionated land loans | 0.2 | 0.2 | 0.1 | — | — | — | — | -0.1 | -100.0% |
| **Individual Development Accounts** | — | — | — | 2.5 | — | 2.5 | — | +0.0 | na |
| **Subtotal, loan subsidy** | **108.2** | **90.5** | **90.0** | **81.2** | **78.7** | **81.2** | **78.7** | **-11.3** | **-12.5%** |
| FLP salaries and expenses | 289.7 | 281.6 | 307.0 | 307.0 | 307.0 | 307.0 | 307.0 | +0.0 | +0.0% |
| FLP administrative expenses | 7.9 | 7.3 | 7.7 | 7.9 | 7.9 | 7.9 | 7.9 | +0.2 | +2.6% |
| **Total, FLP budget authority** | **405.8** | **379.3** | **404.7** | **396.1** | **393.6** | **396.1** | **393.6** | **-11.1** | **-2.7%** |

| | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-sequ. | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| **2. Loan Authority (loan level)** | | | | | | | | | |
| **Farm ownership loans** | | | | | | | | | |
| Direct | *475.0* | *438.5* | *575.0* | *1,500.0* | *1,500.0* | *1,500.0* | *1,500.0* | *+925.0* | *+160.9%* |
| Guaranteed | *1,500.0* | *1,500.0* | *2,000.0* | *2,000.0* | *2,000.0* | *2,000.0* | *2,000.0* | *+0.0* | *+0.0%* |
| **Farm operating loans** | | | | | | | | | |
| Direct | *1,050.1* | *969.5* | *1,195.6* | *1,252.0* | *1,252.0* | *1,252.0* | *1,252.0* | *+56.4* | *+4.7%* |
| Guaranteed (unsubsidized) | *1,500.0* | *1,384.8* | *1,500.0* | *1,393.4* | *1,393.4* | *1,393.4* | *1,393.4* | *-106.6* | *-7.1%* |
| **Conservation loans** | | | | | | | | | |
| Guaranteed | *150.0* | *150.0* | *150.0* | *150.0* | *150.0* | *150.0* | *150.0* | *+0.0* | *+0.0%* |
| **Other direct loans** | | | | | | | | | |
| Emergency loans | — | *21.6* | *34.7* | *34.7* | *34.7* | *34.7* | *34.7* | *+0.0* | *+0.0%* |
| Indian tribe land acquisition loans | *2.0* | *2.0* | *2.0* | *2.0* | *2.0* | *2.0* | *2.0* | *+0.0* | *+0.0%* |
| Indian highly fractionated land loans | *10.0* | *9.2* | *10.0* | *10.0* | *10.0* | *10.0* | *10.0* | *+0.0* | *+0.0%* |
| Boll weevil eradication loans | *100.0* | *100.0* | *60.0* | *60.0* | *60.0* | *60.0* | *60.0* | *+0.0* | *+0.0%* |
| **Total, loan authority** | ***4,787.1*** | ***4,575.7*** | ***5,527.3*** | ***6,402.1*** | ***6,402.1*** | ***6,402.1*** | ***6,402.1*** | ***+874.8*** | ***+15.8%*** |

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for P.L. 113-235, S. 2389, H.R. 4800, P.L. 113-76, and P.L. 112-55. Amounts for FY2013 in P.L. 113-6 are at the post-sequestration level and are from the USDA FY2013 Operating Plan.

**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.

## Commodity Credit Corporation[66]

The Commodity Credit Corporation (CCC) is the funding mechanism for most mandatory programs in the 2014 farm bill (P.L. 113-79, the Agricultural Act of 2014).[67] 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 than the CCC include crop insurance, SNAP, child nutrition, and Section 32.) Emergency supplemental spending also has been paid from the CCC over the years, particularly for *ad hoc* farm disaster payments, for direct market loss payments to growers of various commodities in response to low farm commodity prices, and for animal and plant disease eradication efforts. Farm Service Agency salaries and expenses (a discretionary appropriation) pays for administration of 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 (15 U.S.C. 714, *et seq*.). These borrowed funds finance program spending, and CCC eventually must repay the funds. It may earn a small amount of money from activities such as buying and selling commodities and receiving interest payments on loans. But because the CCC never earns more than it spends, its borrowing authority must be replenished periodically through a congressional appropriation so that it does not reach its $30 billion debt limit. Congress generally provides this infusion through the annual Agriculture appropriations act. The congressional appropriation may not always restore the line of credit to the previous year's level, or may repay more than was spent. For these reasons, the appropriation to the CCC may not reflect outlays. Also, the appropriation for CCC is several billion dollars greater than the amount of farm commodity subsidies because many conservation and other mandatory programs are paid using CCC funds.[68]

To replenish CCC's borrowing authority with the Treasury, the enacted FY2015 appropriation concurred with the Administration request for an indefinite appropriation ("such sums as necessary") for CCC. The amount is $13.4 billion for FY2015, up 7% from FY2014. The change reflects higher disaster payments and the delayed timing of 2014-crop farm program payments, which are scheduled to be issued in FY2016.

Mandatory outlays for the commodity programs rise and fall based on economic 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.

Regarding authority for ad-hoc disaster assistance, the enacted appropriation includes a provision (§717) that has appeared since FY2012 that effectively prohibits the use of CCC funds 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

[66] This section was written by Dennis A. Shields.

[67] For more background on the farm bill, see CRS In Focus IF10187, *The 2014 Farm Bill (Agricultural Act of 2014, P.L. 113-79)*, and CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*.

[68] For an example of the accounting of CCC's line of credit, appropriations and expenditures, see USDA, *Commodity Estimates Book: FY2014 President's Budget*, "Output 07-CCC Financing Status," at http://www.fsa.usda.gov/Internet/FSA_File/pb14_table_07a.pdf.

activities or price support activities under section 5 of the Commodity Credit Corporation Charter Act.[69]

Separately, the act also continues a provision (§724) that has been enacted since FY2011 that limits the ability of USDA to provide marketing assistance loans for mohair.

## Crop Insurance[70]

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.

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

For the discretionary salaries and expenses of the RMA, the enacted FY2015 appropriation provides $75 million, up $3 million from the enacted FY2014 amount. The Administration had requested additional funding for RMA's ability to improve program compliance, including efforts to reduce improper payments.

For the Federal Crop Insurance Fund mandatory appropriation, the FY2015 enacted appropriation provides $8.7 billion, down 9% from the estimated level in FY2014. (The actual amount required to cover program losses and other subsidies is subject to change based on actual crop losses and farmer participation rates in the program.) The year-over-year decline is driven by expected lower commodity prices, which results in a reduced level of premium subsidies. The estimate also incorporates expected funds needed in FY2015 for crop insurance changes made by the 2014 farm bill, including additional coverage provided by the Supplemental Coverage Option (SCO) and the Stacked Income Protection Plan (STAX) for upland cotton.

## Disaster Assistance[71]

Agricultural-related disaster assistance usually has been funded on a supplemental basis or through various mandatory spending programs, and typically has not been provided through annual appropriations. The enacted FY2015 appropriation, however, provides $91 million for three watershed and conservation recovery programs. This is $45.7 million less than the Senate-reported bill, while the House-reported bill did not contain any such funding. Funding for all three of these programs is designated as disaster funding for the purpose of budget scoring (not

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

[70] This section was written by Dennis A. Shields. For more information on crop insurance, see CRS Report R40532, *Federal Crop Insurance: Background.*

[71] This section was written by Megan Stubbs.

counted against the discretionary spending cap). The appropriation in the General Provisions (**Table 15**) and the disaster designation is an offset in scorekeeping adjustments (**Table 16**).

- The Emergency Conservation Program (ECP) receives $9.2 million, to remain available until expended. ECP provides financial and technical assistance to rehabilitate farmland and conservation practices destroyed by natural disasters (e.g., flood, fire, drought, etc.). ECP is administered by the Farm Service Agency (FSA) and has not received funding since FY2013.
- The Emergency Forest Restoration Program (EFRP) receives $3.2 million. EFRP also is administered by FSA and provides assistance to nonindustrial private forestland owners to restore forestland following a natural disaster.
- The Emergency Watershed Protection (EWP) program receives $78.6 million, to remain available until expended. EWP is administered by the Natural Resources Conservation Service (NRCS) and provides financial and technical assistance to relieve imminent hazards to life and property caused by floods, fires, windstorms, and other natural occurrences. EWP has not received funding since FY2013.

Under the three recovery programs, a national or state emergency does not have to be declared in order to receive assistance. The enacted appropriation, however, does require that funds be used for necessary expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121, *et seq.*). This requirement potentially could limit the distribution of recovery assistance.[72]

## Conservation[73]

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 largest program, the Conservation Reserve Program (CRP).

Most conservation program funding is mandatory, funded through the Commodity Credit Corporation (CCC) and authorized in omnibus farm bills (about $5.2 billion of CCC funds in FY2015). Other conservation programs—mostly technical assistance—are discretionary and funded through annual appropriations (about $856 million in the enacted FY2015 appropriation).

As discussed in more detail below, the enacted FY2015 appropriation accepts some of the Administration's proposed reductions to mandatory conservation programs and provides more than the Administration's request for discretionary programs.

### Discretionary Conservation Programs

All of the discretionary conservation programs are administered by NRCS. The largest discretionary conservation program that funds most NRCS operations is the Conservation Operations (CO) account. P.L. 113-235 increased funding for CO above the FY2014 level of

[72] For additional information on the disaster assistance programs in this section and the Stafford Act limitation, see CRS Report R42854, *Emergency Assistance for Agricultural Land Rehabilitation*.

[73] This section was written by Megan Stubbs.

$812.9 million to $846 million—halfway between the House- and Senate reported bills and $31.7 million more than requested by the Administration.

The enacted FY2015 appropriation further directs CO funding for a number of existing conservation programs (**Table 8**). The committee reports (H.Rept. 113-468 and S.Rept. 113-164) include a number of congressionally directed actions for NRCS, including program administration, invasive species, wetland mitigation, herbicide resistance, conservation practices and standard direction, species protection, and partner agreements. While these actions do not include a specific funding level, they ultimately can direct funding to congressionally identified projects, similar to earmarks.[74]

The Administration proposed renaming the Conservation Operations account as "Private Lands Conservation Operations" and consolidating the technical assistance funding for the mandatory conservation programs with CO. The enacted FY12015 appropriation did not adopt this proposed change.

Funding also is provided in P.L. 113-235 (and in the House-reported bill, enacted FY2014 appropriation, and the 2014 farm bill) for the Watershed Rehabilitation program, which rehabilitates aging dams previously built by USDA.[75] The Administration proposed terminating this program, contending that the maintenance, repair, and operation of dams are the responsibility of the local project sponsor. The enacted FY2014 appropriation included $12 million for the program, and the 2014 farm bill (P.L. 113-79) added an additional $250 million in mandatory funding for FY2014.[76] The enacted FY2015 appropriation provides $12 million for FY2015, less than H.R. 4800 ($25 million) but more than S. 2389 ($0).

**Table 8. Conservation Operations Funding**

(budget authority in millions of dollars)

| | FY2014 | FY2015 | | | |
|---|---|---|---|---|---|
| **Program** | **P.L. 113-76** | **Admin. Request** | **House H.R. 4800** | **Senate S. 2389** | **P.L. 113-235** |
| **Conservation Operations[a]** | **813** | **815** | **843** | **849** | **846** |
| Conservation Technical Assistance | 711 | 717 | 747 | 0 | 748 |
| Soil Survey | 80 | 80 | 78 | 0 | 80 |
| Snow Survey | 9.3 | 8.9 | 9.1 | 0 | 9.3 |
| Plant Material Center | 9.4 | 9.2 | 9.2 | 0 | 9.4 |
| Watershed Projects (Watershed Operations) | 3.0 | 0 | 0 | 5.6 | 5.6 |
| Conservation Delivery Streamlining Initiative | 0 | 3.7 | 1.5 | 0 | 1.5[e] |

[74] Language in the joint explanatory statement accompanying the enacted appropriation suggests that House and Senate committee report language not changed by the explanatory statement still expresses congressional intentions (see *Congressional Record*, vol. 160, part 151, book 11 [December 11, 2014], p. H9308).

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

[76] Mandatory funding for the program was restricted in the FY2014 appropriation, but because the 2014 farm bill was enacted after the enactment of the FY2014 appropriation, the CHIMPS in appropriations did not apply to the new funding; therefore NRCS received the full $250 million from the farm bill for the Watershed Rehabilitation Program. According to NRCS, the agency will be able to obligate all of the new funding and still have a backlog of requested funding close to $336 million that will remain unfunded.

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for P.L. 113-235, S. 2389, H.R. 4800, and P.L. 113-76.

**Notes:** The lack of a specified funding level does not necessarily indicate a committee's lack of support for a particular sub-program, only that the bill and report language did not specify an amount for FY2015.

a. Total CO includes GSA and DHS rental payments of $28.6 million in the Administration's request and Senate-reported bill. The House-reported bill does not include similar language, but funding levels are consistent with these payments inclusion.

b. Funding level is not specifically identified in P.L. 113-235 or associated explanatory statement; however the amount identified in H.Rept. 113-468 suggests congressional intent.

## Mandatory Conservation Programs

Mandatory conservation programs generally are authorized in omnibus farm bills and receive funding from the CCC, thus not requiring an annual appropriation. But Congress has reduced mandatory conservation programs through changes in mandatory program spending (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. Prior to the 2008 farm bill, reductions to conservation programs through appropriations law peaked in FY2006, with a reduction totaling $638 million. Following the 2008 farm bill, conservation CHIMPS peaked again in FY2012 at $929 million. The 2014 farm bill authorized a number of conservation programs with mandatory funding (over $5 billion in FY2015). The FY2015 appropriation continues to CHIMP farm bill conservation programs (at $212 million).

The FY2015 enacted CHIMPS are less than the Administration and Senate-reported bill, but more than the House-reported bill. The Administration's request historically has included annual proposed reductions to conservation funding, usually more substantial than Congress has supported. Both the Administration's request and Senate-reported bill would have CHIMPed conservation by $278 million in FY2015,[77] while the House-reported reduction was slightly less at $206 million. Sequestration further reduced these programs in FY2015, resulting in a total effective reduction to CHIMPed conservation programs of $430 million.

The number of conservation programs reduced through appropriations varies from year to year; however, some programs are continuously reduced, while others almost never receive a reduction. Programs such as the Environmental Quality Incentives Program (EQIP) have been reduced annually since FY2003, while others, such as the Conservation Reserve Program (CRP), have not been reduced in over a decade. In FY2015, P.L. 113-235 allows EQIP to spend no more than $1.35 billion (authorized at $1.6 billion), no more than $73 million for the Watershed Rehabilitation Program (authorized at $153 million),[78] and no more than 7.7 million acres for the Conservation Stewardship Program (CSP, authorized to enroll up to 10 million acres).

[77] For discussion purposes, since the Senate bill and Administration's request would reduce these programs to the same level, this paragraph refers to them having the same $278 million conservation CHIMP total. However, CBO was not consistent and gave the Administration credit for a level of CHIMPS that was not available to the Senate because of sequestration. Therefore the Administration actually is credited in **Table 13** with $403 million from two conservation program CHIMPS. See the text box in the later section "Changes in Mandatory Program Spending (CHIMPS)."

[78] Mandatory funding for Watershed Rehabilitation originally was provided in the 2002 farm bill to remain available until expended. Since that time, annual appropriations have restricted this no-year funding to generate annual savings. In FY2014, this restriction resulted in savings of $153 million. Sequestration reduced this by $11 million, leaving $142 million available in FY2015. P.L. 113-235 further reduced the amount to $73 million, creating a $69 million CHIMP.

For more information on reductions to mandatory conservation programs through appropriations, see CRS In Focus IF10041, *Reductions to Mandatory Agricultural Conservation Programs in Appropriations Law*.

## Rural Development[79]

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

The FY2015 enacted appropriation provides a total of $2.4 billion in discretionary budget authority for rural development programs in FY2015 (after rescission), essentially level with the FY2014 amount and $172.5 million more than requested by the Administration. If the rescission to the Cushion of Credit account (-$179 million) is not incorporated in the rural development section but included with CHIMPS as in the CBO score, then the net budget authority for rural development would be $2.58 billion (**Table 9**). The bill supports $36 billion in loan authority.

Salaries and expenses within Rural Development are funded from a direct appropriation plus transfers from each of the agencies. The enacted appropriation provides a combined salaries and expenses total of $678.2 million for FY2015, $21 million more than in FY2014 (+3.2%),.

### Rural Housing Service (RHS)

For FY2015, the enacted bill provides $1.71 billion in budget authority for RHS programs (before transfers of salary and expenses). This is approximately $19 million (+1.1%) more than FY2014. With this budget authority, the enacted bill authorizes $27.4 billion in loan authority, essentially equal to the FY2014 total loan authority.

The single-family housing loan program (Section 502 of the Housing Act of 1949) is the largest loan account, representing over 90% of RHS's total loan authority. The enacted bill provides $900 million for direct loans and $24 billion for loan guarantees. This is the same as FY2014 and recent years, despite an Administration request for less direct loan authority.

For other housing loan programs, the FY2015 appropriation provides $3.7 million in budget authority to support $26.3 million in loans for the Section 504 Very Low-Income Housing Repair loan program. This is approximately the same loan authorization level as FY2014 and about $1.5 million more in budget authority than for FY2014 ($2.2 million). The Administration requested no funding for the Section 504 program. For the Multi-Family Housing loan guarantee program (Section 538), the enacted bill provides loan authority of $150 million for FY2015, the same as for FY2014. For the Section 515 Rental Housing Program, the enacted bill provides loan authority of $28.4 million and $9.8 million in subsidies, $3.1 million (47%) more than FY2014.

Rental Assistance Program grants (Section 521) are the largest budget authority line item in RHS, accounting for 63% of the total RHS budget authority appropriation in FY2015 (**Table 9**). The enacted bill provides $1.09 billion in new budget authority, the same as the request and a decrease of $22 million from FY2014 (-1.9%).

The Rural Housing Service also administers the Rural Community Facilities program. The program provides direct loans, loan guarantees, and grants for "essential community facilities" in

[79] This section was written by Tadlock Cowan.

rural areas with less than 20,000 in population. The enacted bill provides a total of $30.3 million in new budget authority for the program to support a loan authorization level of $2.27 billion and $13 million in grants. This budget authority is $2.2 million (-6.9%) less than for FY2014; the guaranteed loan authority is $13.7 million (+5.2%) more than FY2014.

## Rural Business-Cooperative Service (RBS)

The FY2015 appropriation provides $108 million to the RBS before the Cushion of Credit rescission and transfers of salaries and expenses. This is about $27 million less than in the enacted FY2014 amount (-20%). If the Cushion of Credit rescission is incorporated as in the Appropriations committee tables (-$179 million), the net RBS budget authority is -$71.3 million. The FY2015 bill provides about $985 million in loan authority for the various RBS loan programs, $38.2 million less than FY2014 (-3.7%).

For the Rural Business Program account, the enacted bill provides $74.0 million in new budget authority, $22.5 million less than FY2014 (-23.3%). The Rural Business Program account includes the Business and Industry (B&I) Loan Guarantee program ($47 million), the Rural Business Development Grant program ($24 million), and the Delta Regional Authority grant program ($3.0 million).[80] The appropriation bill reduces the B&I Loan Guarantee program's budget and loan authority from FY2014 levels (**Table 9**).

For the Rural Energy for America Program (REAP), the enacted bill provides $1.4 million for loan subsidies to support $12.8 million in loans. Like FY2014, there is no appropriation for REAP grants (the Administration had requested $5 million).

The Administration requested, but did not receive, funding for two new business programs: the Rural Business Investment Program ($6 million) and the Health Food Financing Initiative (HFFI, $13 million). The former was authorized in the 2002 farm bill (P.L. 107-171, §6029) but was not implemented. The HFFI was authorized in the 2014 farm bill (P.L. 113-79, §4206). The Administration also requested $3.3 million for the Rural Microenterprise Assistance Program.

## Rural Utilities Service (RUS)

The FY0215 appropriation provides $536.2 million in new budget authority for the Rural Utilities Service before transferring salaries and expenses, essentially the same as FY2014. This is approximately about $145 million (+27.2%) more than the Administration requested. After transferring an unchanged amount for rural electric and telecommunication administrative expenses ($34.5 million), the program balance is $501 million for FY2015 (**Table 9**).

Loan subsidies and grants under the Rural Water and Waste Disposal Program account represent the largest share of FY2015 recommended budget authority under RUS programs (approximately 87% of total RUS budget authority). The enacted bill provides $465 million in budget authority, $2.5 million more than FY2014 and $160.8 more than the Administration requested. This appropriation would support $1.25 billion in direct and guaranteed loans. Along with the direct and guaranteed loans, the appropriation is divided among the following grant accounts

- Water/Waste Water grants ($347.1 million);
- Solid Waste Management grants ($4.0 million);
- Individual Well Water grants ($993,000);

[80] The Business Development grants program combines the Rural Business Enterprise grants and the Rural Business Opportunity grants programs.

- Water and Waste Water revolving fund ($1.0 million);
- Circuit Rider program ($15.9 million);
- Technical Assistance ($19 million);
- Grants for Colonias and Alaska and Hawaii Natives ($66.5 million);
- High Energy Cost grants ($10 million).

The enacted bill provides for $5.5 billion in rural electric loans and $690 million in Treasury rate telecommunication loans, both the same as FY2014. Most of the recommended loan authority is for direct Federal Finance Bank electric loans ($5.0 billion).

For the combined distance learning, telemedicine, and broadband account, the appropriation provides $36.8 million in budget authority. The FY2014 appropriation was $39.2 million.

- For distance learning/telemedicine, the FY2015 amount is $22.0 million in grant support, which is $2.3 million less than FY2014 (-9.6%).
- For rural broadband, the FY2015 amounts are $10.4 million for grants and $4.5 million for direct loan subsidies, each the same as FY2014. The associated loan authority, however, would decrease by $10 million from FY2014 to $24.1 million. The Administration had requested $20 million in grants, $8.3 million in loan subsidy, and $44 million in loan authority.

## Table 9. USDA Rural Development Appropriations

(budget authority in millions of dollars)

| | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| **Summary** | **P.L. 112-55** | **P.L. 113-6 post-sequ.** | **P.L. 113-76** | **Admin. Request** | **House H.R. 4800** | **Senate S. 2389** | **P.L. 113-235** | **$** | **%** |
| Salaries and expenses (direct) | 182.0 | 192.1 | 203.4 | 225.1 | 224.2 | 228.9 | 224.2 | +20.8 | +10.2% |
| Transfers from RHS, RBCS, RUS | 471.9 | 420.9 | 454.0 | 434.5 | 454.0 | 454.0 | 454.0 | +0.0 | +0.0% |
| **Subtotal, salaries and exp.** | **653.9** | **613.0** | **657.4** | **659.6** | **678.2** | **682.9** | **678.2** | **+20.8** | **+3.2%** |
| 1. Rural Housing Service | 1,090.3 | 1,031.1 | 1,279.6 | 1,228.6 | 1,310.4 | 1,307.0 | 1,298.4 | +18.7 | +1.5% |
| 2. Rural Business-Cooperative Service | 109.3 | 114.2 | 130.2 | 139.2 | 99.6 | 111.7 | 103.2 | -27.0 | -20.7% |
| 3. Rural Utilities Service | 551.0 | 520.8 | 501.6 | 357.6 | 501.8 | 504.4 | 501.7 | +0.2 | +0.0% |
| Office of the Under Secretary | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | +0.0 | +0.6% |
| **Total, Rural Development** | **2,405.2** | **2,279.9** | **2,569.7** | **2,385.9** | **2,590.8** | **2,606.9** | **2,582.4** | **+12.7** | **+0.5%** |
| *Alternate total (including rescissions)*[a] | | | | | | | | | |
| *Less rescission of Cushion of Credit* | *-155.0* | *-180.0* | *-172.0* | *-155.0* | *-155.0* | *-158.0* | *-179.0* | -7.0 | +4.1% |
| ***Net, Rural Development (in comm. rept.)*** | ***2,250.2*** | ***2,099.9*** | ***2,397.7*** | ***2,230.9*** | ***2,435.8*** | ***2,448.9*** | ***2,403.4*** | **+5.7** | **+0.2%** |
| **1. Rural Housing Service** | | | | | | | | | |
| Administrative expenses (transfer) | 430.8 | 383.3 | 415.1 | 397.3 | 415.1 | 415.1 | 415.1 | +0.0 | +0.0% |
| Single family direct loans (sec. 502) | 42.6 | 50.2 | 24.5 | 26.6 | 76.9 | 66.4 | 66.4 | +41.9 | +171.3% |
| *Loan authority*[b] | *900.0* | *840.1* | *900.0* | *360.0* | *1,042.3* | *900.0* | *900.0* | +0.0 | +0.0% |
| Single family guaranteed loans: *Loan authority* | *24,000.0* | 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] | 37.6 | 29.3 | 22.8 | 29.5 | 29.4 | 29.5 | 29.4 | +6.6 | +28.9% |
| *Loan authority* | *240.3* | *241.7* | *248.6* | *243.6* | *248.4* | *248.6* | 248.3 | -0.3 | -0.1% |
| **Subtotal, RHIF** | **511.0** | **462.7** | **462.4** | **453.4** | **521.5** | **511.0** | **510.9** | **+48.5** | **+10.5%** |
| ***Loan authority*** | ***25,140.3*** | ***25,081.8*** | ***25,148.6*** | ***24,603.6*** | ***25,290.6*** | ***25,148.6*** | ***25,148.3*** | **-0.3** | **-0.0%** |

| Summary | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-sequ. | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| **Other housing programs** | | | | | | | | | |
| Rental assistance (sec. 521) | 900.7 | 834.3 | 1,110.0 | 1,088.5 | 1,088.5 | 1,093.5 | 1,088.5 | -21.5 | -1.9% |
| Other rental assistance[d] | 4.0 | 2.8 | — | — | — | — | — | — | — |
| Multifamily housing revitalization | 13.0 | 26.4 | 32.6 | 28.0 | 28.0 | 28.0 | 24.0 | -8.6 | -26.3% |
| Mutual & self-help housing grants | 30.0 | 27.7 | 25.0 | 10.0 | 30.0 | 25.0 | 27.5 | +2.5 | +10.0% |
| Rural housing assistance grants | 33.1 | 30.6 | 32.2 | 25.0 | 27.0 | 32.2 | 32.2 | +0.0 | +0.0% |
| **Rural Community Facilities Program** | | | | | | | | | |
| Community Facilities: Grants | 11.4 | 12.1 | 13.0 | 17.0 | 13.0 | 13.0 | 13.0 | +0.0 | +0.0% |
| *Loan authority* | *1,300.0* | *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 | 5.0 | 3.6 | 3.8 | — | 3.5 | 3.6 | 3.5 | -0.3 | -7.3% |
| *Loan authority* | *105.7* | 53.3 | *59.5* | — | *73.2* | *75.0* | *73.2* | +13.7 | +23.0% |
| Rural community dev. initiative | 3.6 | 5.7 | 6.0 | — | 5.0 | 6.0 | 4.0 | -2.0 | -33.0% |
| Economic impact initiative grants | 5.9 | 5.5 | 5.8 | — | 5.0 | 5.8 | 5.8 | +0.0 | +0.0% |
| Tribal college grants | 3.4 | 3.1 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | +0.0 | +0.0% |
| **Subtotal, Rural Community Facilities** | **29.3** | **30.0** | **32.5** | **21.0** | **30.5** | **32.3** | **30.3** | **-2.2** | **-6.9%** |
| ***Loan authority*** | ***1,405.7*** | ***2,253.3*** | ***2,259.5*** | ***2,200.0*** | ***2,273.2*** | ***2,275.0*** | ***2,273.2*** | **+13.7** | **+0.6%** |
| **Total, Rural Housing Service** | 1,521.1 | 1,414.3 | 1,694.7 | 1,625.9 | 1,725.5 | 1,722.1 | 1,713.5 | +18.7 | +1.1% |
| Less transfer salaries & expenses | -430.8 | -383.3 | -415.1 | -397.3 | -415.1 | -415.1 | -415.1 | +0.0 | +0.0% |
| **Rural Housing Service (programs)** | **1,090.3** | **1,031.1** | **1,279.6** | **1,228.6** | **1,310.4** | **1,307.0** | **1,298.4** | **+18.7** | **+1.5%** |
| *Loan authority* | *26,546.0* | *27,335.1* | *27,408.1* | *26,803.6* | *27,563.9* | *27,423.6* | *27,421.5* | +13.4 | +0.0% |

| Summary | FY2012 P.L. 112-55 | FY2013 P.L. 113-6 post-sequ. | FY2014 P.L. 113-76 | FY2015 Admin. Request | FY2015 House H.R. 4800 | FY2015 Senate S. 2389 | FY2015 P.L. 113-235 | Change from FY2014 to FY2015 (P.L. 113-235) $ | Change from FY2014 to FY2015 (P.L. 113-235) % |
|---|---|---|---|---|---|---|---|---|---|
| **2. Rural Business Cooperative Service** | | | | | | | | | |
| **Rural Business Program Account** | | | | | | | | | |
| Guar. Bus. & Ind. (B&I) Loans | 45.3 | 52.3 | 67.0 | 30.2 | 45.0 | 49.0 | 47.0 | -20.0 | -29.8% |
| *Loan authority* | *812.6* | *890.2* | *958.1* | *590.8* | *880.6* | *958.1* | *919.8* | -38.3 | -4.0% |
| Rural bus. enterprise grants | 24.3 | 22.6 | 24.3 | — | 20.0 | — | 24.0 | -0.3 | -1.3% |
| Rural bus. opportunity grants | 2.3 | 2.1 | 2.3 | — | — | — | 0.0 | -2.3 | -100.0% |
| Delta regional authority grants | 2.9 | 2.8 | 3.0 | — | — | 3.0 | 3.0 | +0.0 | +0.0% |
| Rural business development | — | — | — | 57.5 | — | 26.6 | — | — | — |
| **Rural Development Loan Fund Program** | | | | | | | | | |
| Admin. expenses (transfer) | 4.7 | 4.1 | 4.4 | 4.2 | 4.4 | 4.4 | 4.4 | +0.0 | +0.0% |
| Loan subsidy | 6.0 | 5.6 | 4.1 | 3.1 | 5.0 | 5.8 | 5.8 | +1.7 | +42.5% |
| *Loan authority* | *17.7* | *17.4* | *18.9* | *10.0* | *16.2* | *18.9* | *18.9* | +0.0 | +0.0% |
| Rural Econ. Dev.: *Loan authority* | *33.1* | *33.1* | *33.1* | *59.5* | *59.5* | *33.1* | *33.1* | +0.0 | +0.0% |
| Rural coop. development grants | 25.1 | 25.7 | 26.1 | 16.1 | 22.1 | 26.1 | 22.1 | -4.0 | -15.4% |
| Rural Microenterprise: Loan subsidy | — | — | — | 3.3 | — | — | — | — | — |
| *Loan authority* | — | — | — | *25.7* | — | — | — | — | — |
| **Rural Business Invest. Program: Grants** | — | — | — | 2.0 | — | — | — | — | — |
| Loan subsidy | — | — | — | 4.0 | 4.0 | — | — | — | — |
| *Loan authority* | — | — | — | *39.3* | *39.3* | — | — | — | — |
| Rural Energy for America: Grants | 1.7 | — | — | 5.0 | — | — | — | — | — |
| Loan subsidy | 1.7 | 3.1 | 3.5 | 5.0 | 3.5 | 1.4 | 1.4 | -2.2 | -61.4% |
| *Loan authority* | *6.5* | *13.1* | *12.8* | *47.3* | *33.1* | *12.8* | *12.8* | +0.0 | +0.0% |

| Summary | FY2012 P.L. 112-55 | FY2013 P.L. 113-6 post-sequ. | FY2014 P.L. 113-76 | FY2015 Admin. Request | FY2015 House H.R. 4800 | FY2015 Senate S. 2389 | FY2015 P.L. 113-235 | Change from FY2014 to FY2015 (P.L. 113-235) $ | Change from FY2014 to FY2015 (P.L. 113-235) % |
|---|---|---|---|---|---|---|---|---|---|
| Healthy Foods, Healthy Neighborhoods Initiative | — | — | — | 13.0 | — | — | — | — | — |
| **Total, Rural Business-Cooperative Service** | **113.9** | **118.3** | **134.6** | **143.4** | **104.0** | **116.2** | **107.7** | **-27.0** | **-20.0%** |
| Less transfer salaries & exp. | -4.7 | -4.1 | -4.4 | -4.2 | -4.4 | -4.4 | -4.4 | +0.0 | +0.0% |
| **Rural Bus.-Cooperative Service (programs)** | **109.3** | **114.2** | **130.2** | **139.2** | **99.6** | **111.7** | **103.2** | **-27.0** | **-20.7%** |
| *Loan authority* | *869.8* | *953.7* | *1,022.8* | *772.5* | *1,028.7* | *1,022.8* | *984.5* | -38.3 | -3.7% |
| Alternate total (including rescission) | | | | | | | | | |
| Budget authority | 113.9 | 118.3 | 134.6 | 143.4 | 104.0 | 116.2 | 107.7 | -27.0 | -20.0% |
| Less rescission of Cushion of Credit | -155.0 | -180.0 | -172.0 | -155.0 | -155.0 | -158.0 | -179.0 | -7.0 | +4.1% |
| **Net, Rural Bus.-Coop. Svc. (in cmte. report)** | **-41.1** | **-61.7** | **-37.4** | **-11.6** | **-51.0** | **-41.8** | **-71.3** | **-34.0** | **+90.8%** |
| **3. Rural Utilities Service** | | | | | | | | | |
| **Rural Water and Waste Disposal Program** | | | | | | | | | |
| Loan subsidy and grants | 513.0 | 484.5 | 462.4 | 304.0 | 466.9 | 463.2 | 464.9 | +2.5 | +0.5% |
| *Direct loan authority* | *730.7* | *923.7* | *1,200.0* | *1,200.0* | *1,200.0* | *1,200.0* | *1,200.0* | +0.0 | +0.0% |
| *P.L. 83-566 loans* | *0.0* | *40.0* | *40.0* | — | — | — | — | -40.0 | -100.0% |
| *Guaranteed loan authority* | *62.9* | *56.6* | *50.0* | — | *84.7* | *50.0* | *50.0* | +0.0 | +0.0% |
| Rural Electric and Telecommunication Loans | | | | | | | | | |
| Admin. expenses (transfer) | 36.4 | 33.5 | 34.5 | 33.0 | 34.5 | 34.5 | 34.5 | +0.0 | +0.0% |
| *Telecommunication loan authority* | *690.0* | *690.0* | *690.0* | *345.0* | *690.0* | *690.0* | *690.0* | +0.0 | +0.0% |
| Guar. underwriting loan subsidy | 0.6 | — | — | — | — | — | — | — | — |
| *Electricity loan authority* | *7,024.3* | *7,100.0* | *5,500.0* | *5,000.0* | *5,500.0* | *5,500.0* | *5,500.0* | +0.0 | +0.0% |
| **Distance learning, telemedicine, broadband** | | | | | | | | | |
| Distance learning & telemedicine | 21.0 | 23.1 | 24.3 | 25.0 | 20.0 | 24.3 | 22.0 | -2.3 | -9.6% |

| Summary | FY2012 | FY2013 | FY2014 | FY2015 | | | | Change from FY2014 to FY2015 (P.L. 113-235) | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-sequ. | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 | $ | % |
| Broadband: Grants | 10.4 | 9.6 | 10.4 | 20.4 | 10.4 | 10.4 | 10.4 | +0.0 | +0.0% |
| Broadband: Direct loan subsidy | 6.0 | 3.7 | 4.5 | 8.3 | 4.5 | 6.4 | 4.5 | +0.0 | +0.0% |
| *Direct loan authority* | *169.0* | *39.1* | *34.5* | *44.2* | *24.1* | *34.4* | *24.1* | -10.4 | -30.2% |
| **Subtotal, Rural Utilities Service** | **587.3** | **554.3** | **536.0** | **390.6** | **536.2** | **538.8** | **536.2** | **+0.2** | **+0.0%** |
| Less transfer salaries & expenses | -36.4 | -33.5 | -34.5 | -33.0 | -34.5 | -34.5 | -34.5 | +0.0 | +0.0% |
| **Total, Rural Utilities Service** | **551.0** | **520.8** | **501.6** | **357.6** | **501.8** | **504.4** | **501.7** | **+0.2** | **+0.0%** |
| *Loan authority* | *8,676.9* | *8,849.4* | *7,514.5* | *6,589.2* | *7,498.8* | *7,474.4* | *7,464.1* | -50.4 | -0.7% |

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for P.L. 113-235, S. 2389, H.R. 4800, P.L. 113-76, and P.L. 112-55. Amounts for FY2013 in P.L. 113-6 are at the post-sequestration level and are from the USDA FY2013 Operating Plan.

**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 13**).

b. This program became self-funding after enactment of higher loan guarantee fees being charged to banks.

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.

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

## Domestic Food Assistance[81]

Domestic food assistance represents over two-thirds of USDA's budget. This funding is largely for open-ended appropriated mandatory programs; that is, funding that varies with participation and in some cases inflation. The biggest mandatory programs include the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp program) and the child nutrition programs (including the National School Lunch Program and School Breakfast Program).

The three main discretionary budget items are the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Commodity Supplemental Food Program (CSFP); and federal nutrition program administration. For background on the major programs discussed in this section, see CRS Report R42353, *Domestic Food Assistance: Summary of Programs*.

For FY2015, the enacted appropriation provides approximately $110.2 billion for domestic food assistance (**Table 10**). House and Senate bills had recommended total funding levels of about $109.8 billion. The approximately $400 million difference is largely explained by updated estimates of open-ended mandatory program needs for FY2015, an increase of more than $800 million for child nutrition programs and a more than $400 million reduction in the SNAP account.

### 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 the 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.

The enacted appropriation would provide approximately $81.8 billion for programs under the Food and Nutrition Act. This funding amount is less than a 1% decrease from the total amount appropriated in FY2014; this is due largely to an estimated reduction in spending on SNAP benefits.[82] 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 Administration has requested fewer funds for SNAP benefits than in FY2014 due to a forecast of a slight decrease in participation.[83]

FY2015 appropriations in the SNAP account also reflect the funding increases authorized by the 2014 farm bill for TEFAP, Community Food Projects, and certain SNAP-related funds such as an

[81] This section was written by Randy Alison Aussenberg.

[82] 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.

[83] USDA-FNS FY2015 Congressional Budget Justification, page "32-82." It is also worth noting that SNAP benefit *spending* will decrease from FY2014 due in part to the October 31, 2013 sunset of the American Recovery and Reinvestment Act's benefit increase; however, these funds were preappropriated and did not require funding from annual appropriations bills. See CRS Report R43257, *Background on the Scheduled Reduction to Supplemental Nutrition Assistance Program (SNAP) Benefits*, by Randy Alison Aussenberg and Gene Falk.

Employment and Training pilot program. These changes and related funding are discussed in CRS Report R43332, *SNAP and Related Nutrition Provisions of the 2014 Farm Bill (P.L. 113-79)*.

## Child Nutrition Programs[84]

Appropriations under the child nutrition account fund a number of programs and activities covered by the Richard B. Russell National School Lunch Act and the Child Nutrition Act. These include the 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 (SAE), 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. (In addition, child nutrition efforts are supported by mandatory permanent appropriations and other funding sources discussed below in "Other Nutrition Funding Support.")

The FY2015 enacted appropriation provides approximately $21.3 billion for child nutrition programs, 10% more than the amount provided in FY2014. This total includes transfers from the Section 32 account. The enacted appropriation is approximately $800 million higher than the House and Senate proposals, due largely to updated estimates of open-ended mandatory program needs for FY2015.

For FY2015, the Administration requested funds for certain child nutrition discretionary grants. The enacted appropriation includes funding for these grants at a level that presents a compromise between House and Senate bills and a change from FY2014 funding levels:

- **School Meals Equipment and Breakfast Expansion grants.** P.L. 113-235, like in FY2014 and the House and Senate proposals, continues to provide $25 million. The Administration had requested $35 million for FY2015.
- **Summer EBT Demonstration Projects.** These programs provide food benefits to households with children over summer months 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 last authorized and funded in the FY2010 appropriation (P.L. 111-80). The Administration requested $30 million to continue these projects in FY2015, citing the positive results of these demonstrations.[85] The enacted appropriation provides $16 million for Summer EBT. The House committee's proposal would have provided $27 million; the Senate committee's would not have funded these projects.

### *Child Nutrition Policies in General Provisions*

Throughout the FY2015 appropriations process, Congress debated the implementation of updated nutrition guidelines in the school meals programs. Ultimately, the enacted appropriations law included provisions that related to the sodium and whole grain provisions of the updated

[84] 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*.

[85] See USDA-FNS Congressional Budget Justification, p. "32-24" for more details on this request. For the FY2010 funding and evaluation, see also USDA-FNS website, "Summer Electronic Benefit Transfer for Children (SEBTC)"http://www.fns.usda.gov/ops/summer-electronic-benefit-transfer-children-sebtc.

regulations. Below is a discussion of the background on these regulations as well as discussion of what was included in the House and Senate proposals, and enacted law.

Since the enactment of the 2010 reauthorization of the child nutrition and WIC programs (P.L. 111-296, "Healthy, Hunger-free Kids Act of 2010"), USDA-FNS has promulgated multiple regulations, formulated various program guidance, and published many other policy documents and reports. One of the major new rules to implement the law updates nutrition standards for the school meals programs.[86] Although the rule was finalized in January 2012, all aspects of the rule were not to be implemented immediately; for instance, some aspects of the new guidelines go into effect July 1, 2014, for the 2014-2015 school year. Three aspects of the new regulations that go into effect for 2014-2015 are: all grains served must be whole-grain-rich, new fruit requirements for breakfast, and the first of three weekly sodium targets ("Target 1").[87] On May 20, 2014, USDA-FNS announced flexibility on whole grain pasta, in response to feedback.[88]

First, both the House and Senate committees' proposals included general provisions that would have affected schools' implementation of these rules in school year 2014-2015:

- The House bill (Sec. 739) would have required USDA to issue waivers from the nutrition standards for 2014-2015 for school nutrition programs demonstrating a financial loss.[89]
- The Senate bill (Sec. 747) would have required scientific research before imposing sodium limits lower than "Target 1," a USDA report on the availability of whole grain products, and a USDA technical assistance plan to help schools meet nutrition guidelines.

Ultimately, the language in P.L. 113-235 included general provisions that were not as broad as the House's waiver proposal and that related to but are different from the Senate's language.

- **Exemptions from whole grain rules (Section 751).** USDA is required to allow states to exempt school food authorities (typically school districts) from the 100% whole grain requirements, if they "demonstrate hardship, including financial hardship, in procuring specific whole grain products which are acceptable to the students and compliant with the whole grain-rich requirements." The provision, however, requires such exempted school food authorities to maintain a 50% whole grain minimum, the requirement in place prior to school year 2014-2015. The law requires the availability of the whole grain exemptions from the date of the law's enactment through school year 2015-2016.
- **Scientific basis for sodium limits (Section 752).** This policy rider seeks to prevent USDA from implementing regulations that would require the reduction of sodium in "federally reimbursed meals, foods, and snacks sold in schools" below the "Target 1" limits until "the latest scientific research establishes the reduction is beneficial for children." (Note: According to the school meals regulations published in January 2012, a

[86] The final rule for these guidelines was promulgated on January 26, 2012. For the rule and related resources, see USDA-FNS website at http://www.fns.usda.gov/school-meals/nutrition-standards-school-meals.

[87] See USDA-FNS Implementation Timeline, http://www.fns.usda.gov/sites/default/files/implementation_timeline.pdf, based on regulations.

[88] USDA-FNS, *Flexibility for Whole Grain-Rich Pasta in School Years 2014-2015 and 2015-2016*, Memo Code: SP 47-2014, May 20, 2014, http://www.fns.usda.gov/sites/default/files/SP47-2014os.pdf.

[89] A similar provision was included in the FY2014 appropriation law's report language "Joint Explanatory Statement." See CRS Report R43110, *Agriculture and Related Agencies: FY2014 and FY2013 (Post-Sequestration) Appropriations*, coordinated by Jim Monke, pages 62-63.

lower "Target 2" is to take effect during school year 2017-2018, and a still lower "Target 3" in school year 2022-2023.[90])

In addition to the general provisions pertaining to school meals discussed above, the enacted appropriation also includes a policy rider (Section 736) seeking to prevent any processed chicken 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 provision had been included in the House's proposal but not the Senate's.

The full impact and scope of these child nutrition provisions are subject to USDA's (and perhaps states') interpretation and implementation.

## WIC Program

While SNAP and the child nutrition programs are appropriated mandatory programs, WIC is a discretionary program with funding entirely at Congress's annual discretion. Unlike the appropriated entitlements, an inadequate appropriation for the WIC program could reduce the number of pregnant and postpartum women, infants, and children served. The appropriations committees' practice has been to provide enough funds for WIC to serve all who are eligible.

The enacted appropriation provides approximately $6.62 billion for WIC, a decrease of $93 million (-1.4%) from FY2014 appropriations. The same amount was proposed under the House- and Senate-reported bills. The Senate proposal would have increased WIC's contingency funding to $150 million (up from the FY2014 law's provision of up to $125 million), but this change was included in neither the enacted appropriation nor the House's proposal.

Like the House and Senate proposals, the enacted appropriation includes set-asides for WIC breastfeeding peer counselors and related activities ("not less than $60 million"), infrastructure ($14 million), and management information systems ($30 million). The enacted appropriation includes a $25 million set-aside for transitioning WIC programs to electronic benefit transfer (EBT); $30 million for this purpose had been included in the House proposal.[91]

### *New WIC Program Policies in the General Provisions*

The enacted appropriation includes a general provision (Section 753) that is expected to impact the foods eligible for purchase with WIC benefits, in particular, white potatoes. The House and Senate proposals each had contained general provisions on this issue, although their approaches differed.

USDA-FNS promulgated a WIC regulation, published as final in March 2014, that—among many other changes—prevents WIC benefit redemption for white potatoes.[92] WIC benefits, unlike cash assistance or SNAP benefits, are redeemable for particular foods tailored to whether a WIC participant is a woman who is pregnant, post-partum, or breastfeeding; an infant or child; as well as particular nutritional needs of the individual. The lists of foods are known as the "WIC Food Packages." States have some leeway to determine the specific foods that are eligible for WIC redemption in their state, but they must do so within federal regulatory requirements. Since 1973

[90] See 7 C.F.R. 210.10(f)(3), 220.8(f)(3).

[91] The Healthy, Hunger-free Kids Act of 2010 (P.L. 111-296) requires states to transition WIC vouchers to EBT by the end of FY2020. See CRS Report R41354, *Child Nutrition and WIC Reauthorization: P.L. 111-296*.

[92] USDA-FNS final rule and related resources available on agency website at http://www.fns.usda.gov/wic/final-rule-revisions-wic-food-packages.

(shortly after the program's establishment), the federal government has had regulations defining the WIC food packages. But before USDA embarked on the process that culminated in the final 2014 regulation, they had not had a major revision since the 1970s. One of the changes in the new food package is the inclusion of a Fruit and Vegetable Voucher (FVV) for fresh fruits and vegetables. Based on 2005 recommendations made by the Institute of Medicine (IOM), the 2009 interim final and 2014 final food package regulation did not allow participants to purchase white potatoes with their cash value voucher.[93]

The House proposal would have barred USDA from excluding any vegetable (without added sugar, salt, fat) from the WIC "food package," presumably allowing white potatoes. The Senate's proposal included vegetable language identical to the House proposal, presumably allowing white potatoes, but it also included additional provisos to allow USDA to change this based on further updated scientific recommendations.

This Senate language was adopted in the appropriation. This enacted language (like the Senate's proposal) requires USDA to conduct another review of the WIC food package, and, based on the results of that review, white potatoes (or other vegetables) would either continue to be included or would return to being excluded. Since the appropriation law's enactment, FNS has begun to implement allowing WIC purchase of white potatoes, and the Institute of Medicine (IOM) also released a report recommending that white potato purchase be allowed.[94]

## Commodity Assistance Program

Funding under the Commodity Assistance Program budget account supports several discretionary programs and activities: (1) the Commodity Supplemental Food Program (CSFP), (2) funding for TEFAP administrative and distribution costs, (3) the WIC Farmers Market Nutrition Program (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.

P.L. 113-235 provides approximately $279 million for this account, an increase of $9 million (+3%) from the FY2014 appropriation. Both the House and Senate proposals would have provided $276 million. The account's increase is due to CSFP, with the enacted appropriation providing approximately $212 million for CSFP, an increase of +4% from CSFP's FY2014 level. All other programs in the account receive funding equal to the FY2014 appropriation.

## Nutrition Programs Administration

This budget account covers spending for federal administration of all the USDA domestic food assistance program areas noted above; special projects for improving the integrity and quality of

[93] For more background, see CRS Insight IN10060, *Following the Debate on White Potatoes in the WIC Program*, Following the Debate on White Potatoes in the WIC Program.

[94] In a December 30, 2014 policy memorandum to state agencies, FNS implemented P.L. 113-235's change, requiring that state agencies must provide their timelines for implementation by January 30, 2015. FNS also stated, "Although Section 753 directs the U.S. Department of Agriculture to allow any variety of fresh vegetables (except those with added sugars, fats, or oils), FNS will also allow State agencies the option of providing processed white potatoes (frozen, canned or dried), without added sugars, fats, or oils. This option allows for consistent treatment of all vegetables in Federal WIC regulations" (the FNS memo is available at http://www.fns.usda.gov/eligibility-white-potatoes-purchase-cash-value-voucher). On February 3, 2015, the IOM, which was working on a multi-phase review of the WIC food package, completed the first phase of their work by releasing a "letter report" on white potatoes. The IOM committee recommends in the report allowing WIC participants to purchase white potatoes, pending new information in the 2015 Dietary Guidelines for Americans (the IOM report is available at http://www.iom.edu/Reports/2015/Review-WIC-Food-Packages-Letter-Report.aspx).

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

The enacted appropriation provides approximately $151 million for this account (+7% from FY2014). This equals the House proposal and is $4 million less than the Senate proposal.

## 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 the use of permanent appropriations under Section 32.[95] For example, out of a total of about $1.1 billion in commodity support provided in FY2008, about $480 million worth came from outside the Child Nutrition account. Historically, about half the value of commodities distributed to child nutrition programs has come from the Section 32 account.
- The Fresh Fruit and Vegetable program offers fresh fruits and vegetables in selected elementary schools nationwide. It is financed with permanent, mandatory funding. The underlying law (Section 4304 of the 2008 farm bill) provides funds at the beginning of every school year (July). However, the enacted appropriation, similar to past years' appropriations laws, includes a general provision (Section 717) that delays until October 2015 the availability of a portion of the funds ($122 million) that were scheduled for July 2015. As a result, these proposals would allocate the total annual spending for the Fresh Fruit and Vegetable program mandated by the authorizing language by fiscal year rather than school year, with no reduction in overall support (savings scored in **Table 13**). This language was also included in the House and Senate proposals.
- The Food Service Management Institute (technical assistance to child nutrition providers) is funded through a permanent annual appropriation of $4 million.
- The Seniors Farmers' Market Nutrition program receives $21 million of mandatory funding per year (FY2002-FY2018) outside the regular appropriations process. See Section 4402 of the 2002 farm bill (P.L. 107-171) as amended by Section 4203 the 2014 farm bill (P.L. 113-79).

[95] For more background on the Section 32 account, see CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*.

## Table 10. Domestic Food Assistance (USDA-FNS) Appropriations

(budget authority in millions of dollars)

| Program | FY2011 P.L. 112-10 | FY2012 P.L. 112-55 | FY2013 P.L. 113-6 post-sequ. | FY2014 P.L. 113-76 | FY2015 Admin. Request[a] | FY2015 House H.R. 4800 | FY2015 Senate S. 2389 | FY2015 P.L. 113-235 | Change from FY2014 to FY2015 (P.L. 113-235) $ | Change from FY2014 to FY2015 (P.L. 113-235) % |
|---|---|---|---|---|---|---|---|---|---|---|
| **Child Nutrition Programs[b]** | | | | | | | | | | |
| **Account Total[c] (incl. transfers)** | **17,319.9** | **18,151.2** | **19,913.2** | **19,288.0** | **20,537.0** | **20,523.8** | **20,497.0** | **21,300.2** | **+2,012.2** | **+10.4%** |
| *National School Lunch Program* | *9,981.1* | *10,169.6* | *11,278.6* | *10,576.3* | *11,369.1* | *11,369.1* | *11,369.1* | *11,996.1* | +1,419.8 | +13.4% |
| *School Breakfast Program* | *3,094.0* | *3,313.8* | *3,659.3* | *3,728.6* | *3,905.0* | *3,905.0* | *3,905.0* | *3,960.0* | +231.4 | +6.2% |
| *Child and Adult Care Food Program (CACFP)* | *2,686.3* | *2,831.5* | *2,949.5* | *3,080.0* | *3,149.7* | *3,149.7* | *3,149.7* | *3,195.9* | +115.9 | +3.8% |
| *Special Milk Program* | *12.5* | *13.2* | *11.9* | *10.6* | *10.4* | *10.4* | *10.4* | *11.2* | +0.6 | +5.7% |
| *Summer Food Service Program* | *392.7* | *402.0* | *434.7* | *461.6* | *492.7* | *492.7* | *492.7* | *495.5* | +33.9 | +7.3% |
| *State Administrative Expenses* | *206.9* | *279.0* | *289.7* | *247.2* | *264.0* | *264.0* | *264.0* | *263.7* | +16.5 | +6.7% |
| *Commodity Procurement for Child Nutrition* | *907.9* | *1,075.7* | *1,646.7* | *1,078.7* | *1,200.0* | *1,200.0* | *1,200.0* | *1,255.5* | +176.8 | +16.4% |
| *School Meals Equip., Breakfast Expan. Grants[d]* | — | *1.0* | *9.8* | *25.0* | *35.0* | *25.0* | *25.0* | *25.0* | +0.0 | +0.0% |
| *Summer EBT Demonstration* | — | — | — | — | *30.0* | *27.0* | — | *16.0* | +16.0 | n/a |
| **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)** | | | | | | | | | | |
| **Account Total** | **6,734.0** | **6,618.5** | **6,522.2** | **6,715.8** | **6,823.0** | **6,623.0[e]** | **6,623.0** | **6,623.0** | **-92.8** | **-1.4%** |
| **Supplemental Nutrition Assistance Program (SNAP)[b]** | | | | | | | | | | |
| **Account Total[c]** | **70,613.4[f]** | **80,401.7** | **77,285.4** | **82,169.9** | **84,256.4[g]** | **82,251.1** | **82,251.4** | **81,837.6** | **-332.3** | **-0.4%** |
| *SNAP benefits[h]* | *61,001.00[h]* | *70,524.6[h]* | *67,313.1[h]* | *71,885.0[h]* | *71,503.4* | *71,503.4* | *n/a* | *71,035.8* | -849.2 | -1.2% |
| *Contingency Reserve Fund* | *3,000.0[c]* | *3,000.0* | *3,000.0* | *3,000.0* | *5,000.0* | *3,000.0* | *3,000.0* | *3,000.0* | +0.0 | +0.0% |
| *Advance Appropriations for FY2016* | — | — | — | — | *21,064.1* | — | — | — | — | — |
| *State Administrative Costs* | *3,618.00* | *3,742.0* | *3,866.5* | *3,999.0* | *4,119.0* | *4,119.0* | *n/a* | *4,123.0* | +124.0 | +3.1% |

| Program | FY2011 P.L. 112-10 | FY2012 P.L. 112-55 | FY2013 P.L. 113-6 post-sequ. | FY2014 P.L. 113-76 | FY2015 Admin. Request[a] | FY2015 House H.R. 4800 | FY2015 Senate S. 2389 | FY2015 P.L. 113-235 | Change from FY2014 to FY2015 (P.L. 113-235) $ | Change from FY2014 to FY2015 (P.L. 113-235) % |
|---|---|---|---|---|---|---|---|---|---|---|
| *Employment and Training (E&T)* | *387.9* | *397.1* | *415.9* | *426.4* | *447.2*[e] | *447.2*[e] | *n/a* | *447.2*[i] | +20.8 | +4.9% |
| *TEFAP Commodities* | *247.5* | *260.3* | *265.8* | *268.8* | *324.0* | *324.0* | *n/a* | *327.0* | +58.2 | +21.7% |
| *Food Distribution Program Indian Reservations* | *97* | *102.7* | *100.2* | *104.0* | *119.7* | *119.7* | *n/a* | *145.2* | +41.2 | +39.6% |
| *Commonwealth of Northern Mariana Islands* | *12.1* | *13.1* | *12.1* | *12.1* | *12.2* | *12.2* | *n/a* | *12.2* | +0.1 | +0.8% |
| *Puerto Rico and American Samoa* | *1,751.60* | *1,842.8* | *1,880.4* | *1,901.5* | *1,937.9* | *1,937.9* | *n/a* | *2,030.3* | +128.8 | +6.8% |
| **Commodity Assistance Program** | | | | | | | | | | |
| **Account Total**[c] | **246.6** | **242.3** | **243.7** | **269.7** | **275.7** | **275.7** | **275.7** | **278.5** | **+8.8** | **+3.3%** |
| *Commodity Supplemental Food Program* | *175.7* | *176.8* | *181.8* | *202.7* | *208.7* | *208.7* | *208.7* | *211.5* | +8.8 | +4.3% |
| *WIC Farmers Market Nutrition Program* | *20* | *16.5* | *15.3* | *16.5* | *16.5* | *16.5* | *16.5* | *16.5* | +0.0 | +0.0% |
| *TEFAP Administrative Costs* | *49.4* | *48* | *45.6* | *49.4* | *49.4* | *49.4* | *49.4* | *49.4* | +0.0 | +0.0% |
| **Nutrition Program Administration** | | | | | | | | | | |
| **Account Total** | **147.5** | **138.5** | **132.6** | **141.3** | **155.0** | **150.8** | **152.2** | **150.8** | **+9.5** | **+6.7%** |
| **Domestic Food Assistance Total** | **82,782.60** | **105,553.0** | **104,098.0** | **108,585.8** | **112,047.1** | **109,824.5** | **109,802.1** | **110,190.9** | **+1,605.1** | **+1.5%** |

**Source:** CRS, compiled from appropriations committee tables in the joint explanatory statements or committee reports for P.L. 113-235, H.R. 4800, S. 2389, P.L. 113-76, P.L. 113-6, P.L. 112-55, and P.L. 112-10. Post-sequestration amounts for FY2013 were obtained from the USDA FY2013 Operating Plan (at http://www.dm.usda.gov/foia/docs/USDA_Operating_Plan.pdf) and USDA Office of Budget and Program Analysis unpublished tables, July 2013.

a. The FY2015 Administration Request reflected in this column is from the USDA-FNS budget request submitted to Congress in March 2014.

b. For the USDA-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 funds that have been appropriated. For such programs' historical spending, see also USDA-FNS expenditure data available on the agency website 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. In FY2012, the funds were appropriated only as School Breakfast Expansion grants. In FY2013, FY2014, and in FY2015 proposals, the grant purposes were consolidated into one appropriation with both School Breakfast Expansion and Meals Equipment purposes.

e. According to H.Rept. 113-468, p. 48, this appropriation level reflects USDA's revision of their estimate.

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

g. This is the Administration's request for FY2015 funding, but their request also included an advance appropriation for the first quarter of FY2016. The FY2016 amount requested was approximately $21.1 billion. Neither House nor Senate proposals include an advance appropriation.

h. Appropriations laws do not include the pre-appropriated funds provided by American Recovery and Reinvestment Act of 2009 (ARRA) for increasing SNAP benefits from April 2009 through 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)*.

## Agricultural Trade and Food Aid[96]

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.[97]

Each year's agricultural appropriations measure provides more than three-quarters of the financial resources made available to FAS. Budget authority for other agricultural export and food aid programs is mandatory and not subject to annual appropriations.[98] Funding for these mandatory programs is provided directly by the Commodity Credit Corporation under other statutes.

To provide for FAS/USAID programs that are funded on a discretionary basis for FY2015, P.L. 113-235 provides $1.848 billion, which is $10 million more than the FY2014 (before rescissions; **Table 2**). Of note in this portion of the FY2015 appropriation was an increase of $6.5 million, or 3.5%, compared with FY2014, in the level of funding for the McGovern-Dole International Food for Education and Child Nutrition Program.

### Foreign Agricultural Service

The FY2015 appropriation provides $181.4 million for salaries and expenses of the Foreign Agricultural Service (FAS), an increase of $3.6 million, or 2%, above that appropriated for FY2014. This appropriation funds FAS efforts to address trade policy issues on behalf of U.S. agricultural exporters, to support trade promotion activities, and to engage in institutional capacity building and food security activities in developing countries with promising market potential. The final appropriated amount is marginally below the $182.6 million the Administration had requested, and which the House-reported in its bill (H.R. 4800), and is shy of the $182.8 million the Senate Committee on Appropriations reported in its bill (S. 2389).

P.L. 113-235 provides FAS with an additional $6.7 million to cover the salaries and expenses associated with implementing the export credit guarantee program, a level of funding that is unchanged from FY2014, and which is on par with the House- and Senate-passed bills. This is the largest export assistance program administered by FAS and operates to facilitate the direct export of U.S. agricultural commodities and food products. Authorized by the 2014 farm bill at a $5.5 billion program level each year, this program guarantees the repayment of commercial loans extended by private banks in case a borrower defaults on making payments when due. There are no budgetary outlays associated with credit guarantees unless a default occurs.

The FY2015 Act also provides $600,000 to USDA's Office of the Chief Economist to undertake a report on reorganization the international trade functions of the USDA in tandem with the establishment of an Under Secretary of Agriculture for Trade and Foreign Affairs, as mandated by the 2014 farm bill (P.L. 113-79). Language in FY2015 Joint Explanatory Statement provides

[96] The agricultural trade section was written by Mark McMinimy and the food aid section by Randy Schnepf.

[97] For background on USDA's international programs, see CRS Report R41072, *U.S. International Food Aid Programs: Background and Issues*.

[98] 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. Annual funding levels are set at $200 million for the Market Access Program, $34.5 million for the Foreign Market Development Program, $10 million for the Emerging Markets Program, and $9 million for the Technical Assistance for Specialty Crops Program. Mandatory funding authorized for other foreign food aid programs under the 2014 farm bill will total about $250 million each year—all for the Food for Progress Program.

directions for carrying out the report and sets a new deadline of 270 days from enactment (December 16, 2015).

House report language directs FAS to include performance goals in its future budget justifications for proposed changes to spending, and to present its budget submission in a way similar to that done by other USDA agencies to show the percentage of spending by major budget object class for each program and funding source. Senate report language recommends $1.5 million for the Borlaug Fellows Program to provide training for international scientists and policy makers from developing countries and $5.3 million for the Cochran Fellowship Program to provide short-term technical training for international participants in the United States. The Senate report also states appropriators' expectation that FAS fund the Foreign Market Development Cooperator Program and continue full mandatory funding for the Market Access Program (MAP) (see footnote 98). Senate appropriators expect FAS to administer MAP as authorized in law without changing the eligibility requirements for participation by cooperative organizations, small businesses, trade associations, and other entities.

## Food for Peace Program (P.L. 480)

The Food for Peace Program includes four separate program 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. No funding for new Title I (long-term concessional credits) or Title III (food for development) activities has been requested since 2002, while the last Title I concessional commodity shipment occurred in 2006. Title V (farmer-to-farmer program) 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 carry out the Food for Peace Act during any fiscal year (FY2014-FY2018) shall be used to carry out the farmer-to-farmer program.

In contrast, the Food for Peace Title II program—which provides donations of U.S. commodities and cash to meet humanitarian and development needs abroad—relies on each year's agriculture appropriations measure for funding. Title II programs are both the largest and most active component of international agriculture food aid expenditures. Despite their funding origins in agricultural appropriations, Title II programs are administered by the U.S. Agency for International Development (USAID).

Food for Peace 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 argues that, to effectively serve as international food aid, a greater share of Title II funds should be available as either cash transfers, food vouchers, or for local and regional procurement of commodities in the proximity of a food crises, thus providing a more immediate (and lower-cost) response to international emergencies. In contrast, Congress favors using 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 2014 farm bill (P.L. 113-79; §3012), which states that the minimum funding requirement for nonemergency food aid shall not be less than $350 million.

In FY2014, Food for Peace Title II humanitarian food aid was appropriated $1.469 billion. The Administration had requested to zero out the FY2014 Food for Peace Title II appropriations and shift all of the funding for food aid to the State Department's Foreign Operations Appropriations, where it would be available as cash-based food assistance for emergencies; however, Congress rejected the Administration's request.

In its FY2015 budget request, the Administration proposed that $1.4 billion be appropriated for Title II programs, of which 25% ($350 million) would be exempt from any U.S. purchase requirement and instead would be available as cash-based food assistance for emergencies. In addition, the Administration's budget request specified that $270 million of Title II funds be combined with an additional $80 million requested in the Development Assistance account under USAID's Community Development Fund and used to support development food assistance programs that address chronic food insecurity in areas of recurrent crises, thus achieving the mandatory $350 million for nonemergency programs. The enacted FY2015 appropriation provides $1.466 billion for Title II programs, [99] down slightly from FY2014 but slightly above the Administration's request. No funding carve-out for cash-based food assistance was provided despite the Administration's request for such a carve-out (see the discussion below).

### Local and Regional Procurement (LRP) Projects

The 2008 farm bill authorized a total of $60 million of CCC funds (mandatory funds, not Title II appropriations), spread over four years, for a pilot project to assess local and regional purchases of food aid for emergency relief. The 2014 farm bill changed the LRP pilot program into a permanent program with discretionary funding of $80 million per fiscal year for each of FY2014-FY2018. However, the final FY2015 appropriations act does not include any funding for the newly authorized permanent LRP program, while the Administration had requested that 25% ($350 million) of Title II funds be available as cash-based food assistance for emergencies. An amendment (H.Amdt. 856) to H.R. 4800 was adopted on the House floor on June 11, 2014, to provide $10 million for the LRP program by reducing funding for the Agricultural Marketing Service; however, this provision was not included in the final House-passed appropriations act.

An additional provision affecting the Food for Peace program was included in the enacted FY2015 appropriations act. As has been done in previous appropriations bills, Section 728 states that Title II funds "may only be used to provide assistance to recipient nations if adequate monitoring and controls, as determined by the Administrator of the U.S. Agency for International Development, are in place to ensure that emergency food aid is received by the intended beneficiaries in areas affected by food shortages and not diverted for unauthorized or inappropriate purpose."

### McGovern-Dole 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. For FY2015, the President's budget request recommended funding of $185.1 million—equal to the FY2014 level—whereas the enacted appropriation includes a higher $191.626 million funding allocation.

## *Note:* Appropriations Provision on Industrial Hemp[100]

The production of industrial hemp in the United States is receiving appropriations attention—not in the Agriculture appropriation, but in the Commerce-Justice-Science (CJS) appropriation (H.R.

[99] In addition, the appropriation provides an amount for administrative expenses ($2.5 million in FY2015).

[100] This section was written by Renée Johnson.

4660 and S. 2437). Although hemp is an agricultural commodity used in a range of goods, hemp is a variety of *Cannabis sativa* and is of the same plant species as marijuana (see text box).[101]

The enacted appropriation blocks federal law enforcement authorities from interfering with state agencies, hemp growers, and agricultural research.[102] The provision states that "none of the funds made available" to the U.S. Department of Justice (DOJ) and the Drug Enforcement Agency (DEA) "may be used in contravention" of the 2014 farm bill (P.L. 113-79, §7606, "Legitimacy of Industrial Hemp Research"). In part this provision is in response to the seizure of 250 pounds of imported hemp seeds by federal authorities at the Louisville airport in May 2014. The seeds were intended to be used by the state of Kentucky in a pilot project authorized in the 2014 farm bill. Although the seeds were released, the circumstances resulted in uncertainty for hemp growers.[103]

The House bill had further provided that no funds be used to prevent a state from implementing its own state laws that "authorize the use, distribution, possession, or cultivation of industrial hemp" as defined in the 2014 farm bill, but this provision was not adopted.

**Industrial Hemp: U.S. Laws and Policy**

Industrial hemp is an agricultural commodity that is cultivated for use in the production of a range of hemp-based goods, including foods and beverages, cosmetics and personal care products, and nutritional supplements, as well as fabrics and textiles, yarns and spun fibers, paper, construction/insulation materials, and other manufactured goods.

Hemp, however, is a variety of *Cannabis sativa*, is of the same plant species as marijuana, and is subject to U.S. drug laws. Under current U.S. drug policy all cannabis varieties, including hemp, are considered Schedule I controlled substances under the Controlled Substances Act (CSA, 21 U.S.C. §§801, et seq.; Title 21 CFR Part 1308.11). Despite these legitimate uses, hemp production and usage are controlled and regulated by the U.S. Drug Enforcement Administration (DEA). Strictly speaking, the CSA does not make growing hemp illegal; rather, it places strict controls on its production and enforces standards governing the security conditions under which the crop must be grown, making it illegal to grow without a DEA permit. Currently, cannabis varieties may be legitimately grown for research purposes only. No known active federal licenses allow for hemp cultivation at this time.

Until recently industrial hemp was not grown commercially in the United States. Changes to state laws in Colorado in November 2012 now allow for hemp cultivation in that state, which reported its first commercial hemp harvest in May 2013. Several other states have passed laws that allow for growing hemp under certain conditions, including California, Connecticut, Delaware, Hawaii, Illinois, Indiana, Kentucky, Maine, Montana, Nebraska, New Hampshire, New York, North Dakota, Oregon, South Carolina, Tennessee, Utah, Vermont, and West Virginia, with certain other allowances in other states. However, federal permitting requirements and other restrictions still apply and likely limit commercial cultivation and market expansion.

Given the absence of large-scale commercial industrial hemp production in the United States, the U.S. market is largely dependent on imports, both as finished hemp-containing products and as ingredients for processing.

The Agricultural Act of 2014 ("farm bill," P.L. 113-79, §7606) provides 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 where the institution or state department of agriculture is located. The farm bill also established 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 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis."

# Related Agencies

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

[101] For more information, see CRS Report RL32725, *Hemp as an Agricultural Commodity*.

[102] P.L. 113-235, Division B, § 539 (Commerce, Justice, Science, and Related Agencies Appropriations Act, 2015).

[103] Also see CRS Insight IN10087, *Congressional Efforts to Reduce Restrictions on Growing Industrial Hemp*.

- The Food and Drug Administration (FDA) of the Department of Health and Human Services (HHS), and
- The Commodity Futures Trading Commission (CFTC)—in the House Agriculture Appropriations subcommittee only.

**Agricultural Relationship to 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 appropriations, or about 2% of the total.

These agencies are included in the Agriculture appropriations bill because of their historical connection to agricultural markets. However, the number and scope of non-agricultural issues has grown in recent decades. Some may argue that these agencies no longer belong in the Agriculture appropriations bill. Others say that despite the growing importance of non-agricultural issues, agriculture and food issues are still an important component of each agency. At FDA, food safety responsibilities that are shared 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 the enacted version 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 (FDA)[104]

The Food and Drug Administration (FDA) regulates the safety of foods and cosmetics; the safety and effectiveness of drugs, biologics (e.g., vaccines), and medical devices; and public health aspects of tobacco products.[105] Although FDA has been a part of the Department of Health and Human Services (HHS) since 1940, the Committee on Appropriations does not consider FDA within HHS under its Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies. Jurisdiction over FDA's budget remains with the Subcommittee 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 (also referred to as budget authority) and user fees.[106] Title VI of P.L. 113-235, the FY2015 appropriation, provides an FDA *total program level* of $4.5 billion. The President had requested $4.485 billion, 2.3% more than the appropriated amount for FY2014.[107] The House-reported bill, H.R. 4800, put the total at $4.485 billion and the Senate-reported bill, S. 2389, put the total at $4.5 billion. The enacted appropriation includes, in Title VIII, an additional $25 million for FDA

[104] This section was written by Susan Thaul.

[105] 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*.

[106] 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.

[107] The Consolidated Appropriations Act, 2014 (P.L. 113-76).

activities regarding Ebola virus disease response and preparedness.[108] With that one-time appropriation, designated as emergency, the FDA total for FY2015 is $4.525 billion (**Table 1**).

The enacted FY2015 FDA appropriation includes $2.597 billion in *direct appropriations*. The President's request was for $2.584 billion. The House bill would have included $2.583 billion, and the Senate bill would have included $2.597 billion. The additional $25 million for Ebola activities brings the FDA total direct FY2015 appropriations to $2.622 billion.

*User fees* totaling $1.902 billion are allowed in the enacted FY2015 FDA appropriation. The President had requested $1.901 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, and the voluntary qualified importer program.[109] In addition to the $1.901 billion in user fees from currently authorized programs, the President had requested $260 million in as yet unauthorized fees for medical product reinspection, international courier, food establishment registration, food imports, cosmetics, and food contact notification. With those proposed fees, the President's total user fee request was $2.161 billion, bringing the total program level request to $4.745 billion. The House and Senate bills, as reported by the committees, would have provided the total fee amount requested for authorized programs ($1.901 billion) plus $1 million for fees authorized by this Congress related to the regulation of drug compounding[110] for a total of $1.902 billion. The enacted appropriations included this $1 million in fees. The enacted appropriations bill includes a provision from the House-reported bill to make $20 million not available until FDA finalizes its January 2013 draft guidance on the evaluation and labeling of abuse-deterrent opioids (§734), and further directs that the $20 million go to FDA's Office of Criminal Investigation if FDA has not finalized the guidance by June 30, 2015.

The enacted appropriations bill requires that $1.5 million of the budget authority provided for other activities (e.g., Office of the Commissioner) be transferred to the HHS Office of Inspector General for FDA oversight; this provision had appeared in the Senate-reported bill.

[108] The enacted appropriations statute directs the $25 million for Ebola response and preparedness to be used as follows: $4.8 million for the Center for Biologics Evaluation and Research, $2.4 million to the Center for Devices and Radiological Health, $400,000 for the Office of the Commissioner, $1.9 million for the Center for Drug Evaluation and Research, $500,000 for the Office of Regulatory Affairs, and $15 million for the Medical Countermeasures Initiative.

[109] Those who speak of FDA policy often use acronyms for the various user fee authorizing acts: Prescription Drug User Fee Act or Amendments (PDUFA), Medical Device User Fee Act or Amendments (MDUFA), Animal Drug User Fee Program (ADUFA), Animal Generic Drug User Fee Program (AGDUFA), Generic Drug User Fee Amendments (GDUFA), Biosimilar User Fee Act (BSUFA), and the Mammography Quality Standards Act (MQSA). Acronyms for others have not caught on: color certification, export certification, tobacco (from the Family Smoking Prevention and Tobacco Control Act), and food reinspection and food recall (both authorized by the FDA Food Safety Modernization Act (FMSA)). 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*.

[110] See Title I, the Compounding Quality Act, of P.L. 113-54, the Drug Quality and Security Act.

**Table 11. Food and Drug Administration (FDA) Appropriations**

(dollars in millions)

| Program area | FY2012 | FY2013 | FY2014 | FY2015 | | | |
|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-sequ. | P.L. 113-76 | Admin. request[a] | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 |
| **Foods** | **883** | **814** | **900** | **914** | **914** | **914** | **914** |
| BA | 866 | 797 | 883 | 903 | 913 | 903 | 903 |
| Fees | 17 | 17 | 17 | 10 | 10 | 10 | 10 |
| **Human drugs** | **979** | **1,187** | **1,289** | **1,335** | **1,326** | **1,340** | **1,338** |
| BA | 478 | 439 | 466 | 480 | 471 | 484 | 482 |
| Fees | 501 | 748 | 823 | 856 | 856 | 856 | 856 |
| **Biologics** | **329** | **308** | **338** | **343** | **344** | **343** | **344** |
| BA | 212 | 195 | 211 | 210 | 211 | 210 | 211 |
| Fees | 117 | 113 | 127 | 133 | 133 | 133 | 133 |
| **Animal drugs and feeds** | **166** | **155** | **173** | **172** | **172** | **176** | **175** |
| BA | 138 | 126 | 142 | 145 | 145 | 149 | 148 |
| Fees | 28 | 29 | 32 | 27 | 27 | 27 | 27 |
| **Devices and radiological health** | **376** | **384** | **428** | **437** | **440** | **437** | **440** |
| BA | 323 | 296 | 321 | 318 | 321 | 318 | 321 |
| Fees | 53 | 88 | 107 | 119 | 119 | 119 | 119 |
| **Tobacco products** | **455** | **459** | **501** | **532** | **532** | **532** | **532** |
| Fees | 455 | 459 | 501 | 532 | 532 | 532 | 532 |
| **Toxicological research** | **60** | **55** | **62** | **59** | **62** | **63** | **63** |
| BA | 60 | 55 | 62 | 59 | 62 | 63 | 63 |
| **Other (e.g., Commissioner Office)** | **223** | **251** | **275** | **279** | **279** | **279** | **279** |
| BA | 154 | 160 | 172 | 175 | 175 | 176 | 175 |
| Fees | 69 | 91 | 103 | 104 | 104 | 104 | 104 |
| **GSA rent** | **205** | **199** | **220** | **229** | **229** | **229** | **228** |
| BA | 161 | 150 | 162 | 169 | 169 | 169 | 169 |
| Fees | 45 | 49 | 58 | 60 | 60 | 60 | 60 |
| **Other rent, rent-related activities[b]** | **132** | **157** | **178** | **164** | **163** | **164** | **163** |
| BA | 106 | 118 | 133 | 116 | 116 | 116 | 116 |
| Fees | 26 | 40 | 46 | 48 | 48 | 48 | 48 |
| Export, color certification fees | 11 | 12 | 12 | 14 | 14 | 14 | 14 |
| Priority review voucher (fees) | 0 | 5 | 0 | 0 | 0 | 0 | 0 |
| Food and drug safety[c] (BA) | — | 46 | 0 | 0 | 0 | 0 | 0 |
| Pharmacy compounding (fees) | — | — | — | — | 1 | 1 | 1 |

| Program area | FY2012 | FY2013 | FY2014 | FY2015 | | | |
|---|---|---|---|---|---|---|---|
| | P.L. 112-55 | P.L. 113-6 post-sequ. | P.L. 113-76 | Admin. request[a] | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 |
| Buildings & Facilities (BA) | 9 | 5 | 9 | 9 | 9 | 9 | 9 |
| **Total Budget Authority** | **2,506** | **2,386** | **2,561** | **2,584** | **2,583** | **2,597** | **2,597[c]** |
| **Total User Fees** | **1,326** | **1,645** | **1,826** | **1,901[d]** | **1,902[ef]** | **1,902[e]** | **1,902** |
| **Total Program Level** | **3,832** | **4,031** | **4,387** | **4,485[d]** | **4,485** | **4,500** | **4,500** |

**Sources:** Amounts for FY2012 are from the FDA FY2013 Sequestration Operating Plan. FY2013 and FY2014 amounts are from the FDA FY2014 Operating Plan. FY2013 figures reflect sequestration. FY2015 request amounts are taken from the FY2015 congressional justification, issued in March 2014. Appropriations Committees reported amounts come from H.R. 4800, H.Rept. 113-468, S. 2389, and S.Rept. 113-164. The enacted FY2015 appropriations data are from P.L. 113-235 and the explanatory statement.

**Notes:** 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 headquarters and Office of the Commissioner, GSA rent, and other rent and rent-related activities categories).

a. For user fees in the Administration's FY2015 request, this column shows only those that have been authorized. The request included an additional $260 million in proposed fees, allocated across several FDA program areas (foods $210 million; human drugs $0.5 million; animal drugs and feeds $18 million; devices and radiological health $4 million; headquarters and Office of the Commissioner $16 million; GSA rent $7 million; and other rent and rent-related activities $4 million).

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

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

d. The President's FY2015 request includes $1.901 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, and food recall) plus $260 million in proposed user fees (medical product reinspection, international courier, food establishment registration, food imports, cosmetics, and food contact notification) that would require authorizing legislation to implement. With those proposed fees, the President's total user fee request is $2.161 billion, yielding a total program level request of $4.745 billion.

e. The House and Senate committee-reported bills each included $1 million for fees related to pharmacy compounding that the President's request had not included. The President's request noted, "The Drug Quality and Security Act (P.L. 113-54) authorized three new FDA user fees: the outsourcing facility fees; the prescription drug wholesale distributer licensing and inspection; and the third-party logistics provider licensing and inspection fees. It is expected that collections for FY 2015 will be minimal."

f. In addition to mentioning other continuing and newly authorized fees, the House Committee-reported bill authorizes the crediting of fees (without indicating amounts) relating to outsourcing facilities, wholesale distributor licensing and inspection, and third-party logistics provider licensing and inspection as authorized by Title II, the Drug Supply Chain Security Act, of P.L. 113-54, the Drug Quality and Security Act.

g. Title VIII provides an additional, one-time $25 million in direct appropriations to FDA for Ebola response and preparedness activities. Adding this $25 million to the FDA appropriations made in Title VI brings BA to $2.622 billion and the total program level to $4.525 billion for FY2015.

The explanatory statement accompanying the enacted appropriations bill notes that the bill increased budget authority for food safety ($27.5 million), pharmacy compounding ($15 million), counterfeit drugs ($4.82 million), the National Antimicrobial Resistance Monitoring System ($3 million), and foreign drug inspections ($2 million).

Stating that FDA actions have jeopardized a "collaborative working relationship between the Committees and the agency," the explanatory statement directs FDA "to ensure the Committees are notified of major changes to existing policies and any significant developments in its operations prior to providing non-governmental stakeholders such information."

In the explanatory statement, the Committees direct FDA to (1) work with stakeholders in implementing the agency's final rule on nutrition labeling of restaurant menus; (2) notify the Committees before the release of an agency-requested IOM report or FDA press releases regarding mitochondrial manipulation; (3) report to the Committees regarding post-donation blood plasma manufacturing policies; and (4) finalize the Veterinary Feed Directive. They also note their "support" of "a listening meeting between the regulated industries and FDA ... to consider alternative solutions to the proposed rule on safety labeling that will meet all public health goals relating to multisource drugs."

In report language, the House committee notes that the recommended appropriations include the following increases: (1) $25 million for food safety activities and (2) $12 million for pharmacy compounding activities. The committee also states its expectation that FDA fund the National Antimicrobial Response Monitoring System (NARMS) at $7.8 million, urging the agency to increase that funding "if warranted."

S. 2389, as reported, specifies that FDA use at least $150,000 to implement a labeling requirement concerning genetically engineered salmon. In S.Rept. 113-164, the committee notes that the recommended appropriations include the following increases: (1) $4 million for the National Antimicrobial Resistance Monitoring System, (2) $4.82 million for counterfeit drug investigations, and (3) $11.7 million for cosmetics activities.

In addition to comments on specific amounts of funding, the House and Senate Committees on Appropriations lay out in the reports that accompanied their respectively reported bills (H.Rept. 113-468 and S.Rept. 113-164) their concerns with specific FDA activities. The reports include 60 statements that direct or encourage specific action. The directions and encouragements covered most FDA programs, with the majority (37 out of 60) involving foods or human drugs. While directions and suggestions in the committee reports do not have statutory stature, they convey to the agency the concerns of committees that determine future appropriations. The topics the committees raise indicate both the broad range of responsibilities Congress has given FDA and a hint of the level of scientific expertise necessary to regulate items that touch many aspects of U.S. consumers' lives.[111]

[111] Topics addressed in the FY2015 committee reports, by program area, follow. *Foods:* Food Safety Modernization Act implementation (several items), food safety outreach and technical assistance, international regulation of lead in cosmetics, seafood advisory for pregnant women, seafood economic security, shellfish embargo, menu labeling, natural claims, regulation of tree nuts, and calorie display in vending machines. *Human drugs:* abuse deterrent drug development, compounding pharmacies, fixed dose combination drugs, global drug supply chain, prescription drug inserts, special protocol assessment agreement, sunscreen labeling and ingredient review, over-the-counter cold medicines for children, drug shortages, ANDA review prioritization, accelerated approval, Duchenne muscular dystrophy, generic drug labeling, opioid application approvals, and compassionate use. *Biologics:* bioethics committee, and blood plasma products. *Animal drugs and feeds:* use of medically important antibiotics for use in food animals, imported pet food product transparency, National Antimicrobial Response Monitoring System (NARMS), and veterinary feed directive regulation. *Devices and radiological products:* artificial pancreas, comprehensive device

Food safety activities at FDA are discussed earlier in this report in the section on "Food Safety." **Table 11** displays, by program area, the budget authority (direct appropriations), user fees, and total program levels for FDA in previous years: FY2012 (as calculated for the agency's June 2013 operating plan), FY2013 (as calculated by the June 2014 operating plan), and FY2014 (as calculated by the June 2014 operating plan). Regarding appropriations for FY2015, **Table 11** displays the President's FY2015 request, the House Committee on Appropriations-reported H.R. 4800, the Senate Committee on Appropriations-reported S. 2389, and the Consolidated and Further Continuing Appropriations Act, 2015, which the President signed on December 16.

Consistent with the Administration and congressional committee formats, each program area in **Table 11** 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).

## Commodity Futures Trading Commission[112]

The Commodity Futures Trading Commission (CFTC) is the independent regulatory agency charged with oversight of derivatives markets. The CFTC's functions include oversight of trading on the futures exchanges, oversight of the swaps markets, 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. 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.[113]

The enacted FY2015 appropriation—in Division E, Financial Services and General Government Appropriations—provides $250 million for CFTC. The House-reported Agriculture appropriations bill would have provide $217.6 million, and the Senate Financial Services subcommittee draft would have provided CFTC with the Administration-requested amount of $280 million.[114] The enacted amount is $35 million above the FY2014 level (+16.3%).

## Farm Credit Administration[115]

The Farm Credit Administration (FCA) is the federal regulator for the Farm Credit System (FCS). Neither the FCS nor the FCA receives a federal appropriation. The FCS is a borrower-owned lender operated as a government sponsored enterprise. The FCA is funded by assessments on the FCS entities that it regulates. As part of its congressional oversight, however, the Agriculture

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review assessment, mammography quality, and pediatric device grants. *Tobacco products:* deeming regulations regarding premium cigars, and tobacco product smuggling. *Toxicological research:* nanotechnology. *FDA-wide:* counterfeit products, import shipments, inclusion in clinical trials, user fee accounting, White Oak consolidation, and scientific integrity.

[112] This section was written by Rena S. Miller and Jim Monke.

[113] A subset of the swaps market, called security-based swaps, which are swaps related to securities such as stocks and bonds, are overseen by the Securities and Exchange Commission (SEC).

[114] Senate Committee on Appropriations, "FY15 FSGG Subcommittee Reported Bill and Draft Report," at http://www.appropriations.senate.gov/news/fy15-fsgg-subcommittee-reported-bill-and-draft-report.

[115] This section was written by Jim Monke.

appropriations bill sets a limitation on administrative expenses (a maximum operating level) for the FCA—a check on the size of the FCA and the amount FCA can collect.

For FY2015, the enacted appropriation allows FCA a maximum operating level of $60.5 million, lower than the amounts allowed since FY2012. FCA requested a $65.1 million limitation on expenses,[116] and the Senate-reported bill concurred. However, the House-reported bill would have provided a much lower level of $54 million, a level last seen in FY2010, noting that it was the average level of obligations over the past five years. FCA's request noted a staffing replacement plan in which obligations for personnel were expected to rise about 20% in FY2014.[117]

The Senate report also required an FCA study on the FCS "providing financial and other forms of support for farms and ranches serving emerging local and regional food markets, including but not limited to beginning farmers and ranchers."

**Table 12. Farm Credit Administration Limitation on Expenses**

(dollars in millions)

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | P.L. 111-80 | P.L. 112-10 | P.L. 112-55 | P.L. 113-6 | P.L. 113-76 | Admin. Request | House H.R. 4800 | Senate S. 2389 | P.L. 113-235 |
| FCA limitation on expenses | 54.5 | 59.4 | 61.0 | 63.3 | 62.6 | 65.1 | 54.0 | 65.1 | 60.5 |

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

[116] Farm Credit Administration, *Fiscal Year 2015 Proposed Budget and Performance Plan*, at http://fca.gov/Download/BudgetFY2015.pdf.

[117] Ibid, at p. 13 and p. 19.

# General Provisions, Scorekeeping Adjustments[118]

The enacted FY2015 Agriculture appropriation contains a total of about $1.2 billion in net offsets that effectively reduce the cost of appropriations in the rest of the bill. These reductions occur in Title VII (General Provisions) and in separate CBO scorekeeping adjustments.

Reductions are made by limitations on mandatory farm bill programs (about -$785 million, **Table 13**), recessions from other appropriated accounts (-$17 million, **Table 14**), and other scorekeeping adjustments that are usually not detailed in the bills (-$514 million, **Table 16**). Some additional spending is authorized in the General Provisions ($123 million in FY2015, including $116 million emergency spending, **Table 15**).

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.[119]

The General Provisions title also contains many important policy-related provisions that affect how the executive branch carries out the appropriation and authorizing laws. Some of these policy-related provisions are discussed earlier in this report under the relevant agency heading.

## Changes in Mandatory Program Spending (CHIMPS)

For more than a decade, appropriators have placed limits on mandatory spending authorized in statutes such as the farm bill (**Table 13**). These limits are also known as CHIMPS, "changes in mandatory program spending." Mandatory programs usually are 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 usually is assumed to be available based on the statute and without appropriations action.[120]

When appropriators limit mandatory spending, they do not change the authorizing law. Rather, limits on mandatory programs come from appropriations language such as: "None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section [ ... ] of Public Law [ ... ] in excess of $[ ... ]." Limits usually appear in Title VII, General Provisions, of the Agriculture appropriations bill.

Historically, expenditure allocations often originate 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—the Commodity Credit Corporation (CCC)—was created to remove the unpredictable funding issue from the appropriations process.

The dynamic changed after the 1996 farm bill when mandatory funds were used for programs that usually were discretionary. [121] Appropriators had not funded some programs as much as

[118] This section was written by Jim Monke.

[119] 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.

[120] 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 9**).

[121] Adapted from Galen Fountain, (former) Majority Clerk of the Senate Agriculture Appropriations Subcommittee,

authorizers had desired, and authorizing committees wrote farm bills using the mandatory funding at their discretion. Tension arose over who should fund certain activities. Some question whether the CCC should be used for programs that are not variable.

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).

The enacted FY2015 appropriation contains $785 million in CHIMPS, similar to the level in each of the chamber-reported bills. This CHIMP amount is smaller than the CHIMP levels that were enacted since FY2011 (**Table 13**).

For more background on CHIMPS, see CRS In Focus IF10041, *Reductions to Mandatory Agricultural Conservation Programs in Appropriations Law*, and CRS Report R41245, *Reductions in Mandatory Agriculture Program Spending*.

### Budget Sequestration and Conservation CHIMPS

A complicating factor in understanding the CHIMP amounts proposed for FY2015 is a methodological difference in how CBO scored the Administration's request compared with the House and Senate bills. Budget sequestration of mandatory accounts occurred in FY2014 and FY2015, reducing the amount available to most mandatory programs regardless of whether reductions were made in appropriations. For example, the complete prohibition on spending for the Watershed Rehabilitation Program resulted in a smaller $153 million CHIMP in FY2014 than the $165 million CHIMP in FY2013, even though the same $165 million program authority was available initially (**Table 13**).

Although the Senate bill and Administration's request both would have reduced two conservation programs (EQIP and WRP) to the same level, CBO was not consistent and gave the Administration credit for a level of CHIMPS that was not available to the Senate because of sequestration. Therefore the Administration was credited in **Table 13** with $403 million for those two conservation CHIMPS, and the Senate was credited with $278 million.

For all of the conservation CHIMP scores in FY2015, sequestration was incorporated into the amounts available for each program *before* the CHIMPS were computed in FY2014 and FY2015—*except* for the accounting of the Administration's FY2015 request. By not incorporating sequestration in the FY2015 estimates of the Administration request, CBO gave the Administration more credit for some CHIMPS than the House or Senate bills. For example, the CBO score of the Administration's CHIMP of EQIP was $250 million, but the score of the Senate bill's CHIMP was $136 million (**Table 13**); the $114 million difference is the implied amount of sequestration on the $1.6 billion farm bill authorization. A similar calculation may be made for WRP in **Table 13**.

This difference is important, for example, in reconciling the $20.9 billion discretionary total of the House bill (and the FY2014 level) with the $20.4 billion total for the Administration's request (**Table 2**). While it may appear that the Administration was proposing an overall reduction in spending from the $20.9 billion level of FY2014 and less than the FY2015 House and Senate bills, some of the difference is because the Administration was given credit for larger CHIMPS than the House and Senate bills.

"Funding Rural Development Programs: Past, Present, and Future," p. 4, at the 2009 USDA Agricultural Outlook Forum, February 22, 2009, at http://ageconsearch.umn.edu/bitstream/50603/2/Fountain-Galen-pdf.pdf.

**Table 13. Changes in Mandatory Program Spending (CHIMPS)**

(dollars in millions)

| | FY2012 | FY2013 | FY2014 | FY2015 | | | |
|---|---|---|---|---|---|---|---|
| **CHIMPS** | **P.L. 112-55** | **P.L. 113-6 post-sequ.** | **P.L. 113-76** | **Admin. Request** | **House** H.R. 4800 | **Senate** S. 2389 | **P.L. 113-235** |
| **Farm Bill CHIMPS** | | | | | | | |
| Environmental Quality Incentives Prog, | -350.0 | -279.0 | -272.0 | -250.0 | -95.0 | -136.0 | -136.0 |
| Watershed Rehabilitation Program | -165.0 | -165.0 | -153.0 | -153.0 | -50.0 | -142.0 | -69.0 |
| Wetlands Reserve Program | -200.0 | — | — | — | — | — | — |
| Conservation Stewardship Program | -76.5 | — | — | — | -31.0 | — | -7.0 |
| Agric. Conservation Easement Prog. | — | — | — | — | -30.0 | — | — |
| Farmland Protection Program | -50.0 | — | — | — | — | — | — |
| Grasslands Reserve Program | -30.0 | — | — | — | — | — | — |
| Wildlife Habitat Incentive Program | -35.0 | -9.0 | — | — | — | — | — |
| Voluntary Public Access Program | -17.0 | — | — | — | — | — | — |
| Agricultural Management Assistance | -5.0 | -5.0 | — | — | — | — | — |
| Fresh Fruit and Vegetable Program[a] | -133.0 | -117.0 | -119.0 | -122.0 | -122.0 | -122.0 | -122.0 |
| SNAP employment and training[b] | -11.0 | — | — | — | — | — | — |
| Biorefinery Assistance Program | — | — | -40.7 | — | -24.0 | — | -16.0 |
| Bioenergy Prog. for Advanced Biofuels | -40.0 | — | -8.0 | — | — | — | — |
| Biomass Crop Assistance Program | -28.0 | — | — | — | -10.0 | — | -2.0 |
| Rural Energy for America Program | -48.0 | — | — | — | -16.0 | — | |
| Repowering Assistance | — | -28.0 | — | — | — | — | -8.0 |
| Crop ins. good performance discount | -25.0 | — | — | — | — | — | — |
| Microenterpreneur Assistance Program | -3.0 | — | — | — | — | — | — |
| Emergency Livestock Assistance Prog. | — | — | — | -125.0 | -125.0 | -125.0 | -125.0 |
| **Subtotal, Farm Bill CHIMPS** | **-1,216.5** | **-603.0** | **-592.7** | **-650.0** | **-503.0** | **-525.0** | **-485.0** |
| **Other CHIMPS (rescissions of mandatory accounts)** | | | | | | | |
| Cushion of Credit (Rural Development) | -155.0 | -180.0 | -172.0 | -155.0 | -155.0 | -158.0 | -179.0 |
| Section 32 | -150.0 | -110.0 | -189.0 | -203.0 | -121.0 | -121.0 | -121.0 |
| Export credit | -20.2 | — | — | — | — | — | — |
| Trade Adjustment Assist. for Farmers | -90.0 | — | — | — | — | — | — |
| **Total CHIMPS** | **-1,631.8** | **-893.0** | **-953.7** | **-1,008.0** | **-779.0** | **-804.0** | **-785.0** |

**Source:** CRS, based on categorization of CHIMPS in unpublished CBO tables and the joint explanatory statements or committee reports for P.L. 113-235, S. 2389, H.R. 4800, P.L. 113-6, P.L. 113-76, and P.L. 112-55.

a. 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 savings being scored.

b. The 2002 and 2008 farm bills authorized $90 million in mandatory funding for SNAP E&T, which was limited by various laws. The FY2014 appropriation continued that reduced level. The enacted 2014 farm bill (P.L. 113-79) restored available E&T funding to $90 million.

## Rescissions

Rescissions are a method of permanently cancelling the availability of funds that were provided by a previous appropriations law, and in doing so achieving or scoring budgetary savings.[122]

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

For FY2015, the enacted appropriation rescinds $17 million from three accounts, $4 million more than requested and each chamber's bill (**Table 14**). These rescissions are small by comparison to recent years. This is especially the case compared to FY2011, when rescissions were unusually large (-$372 million) and helped achieve that year's relatively large spending reduction.

**Table 14. Rescissions from (Prior-Year) Budget Authority**

(dollars in millions)

| | FY2012 | FY2013 | FY2014 | FY2015 | | | |
|---|---|---|---|---|---|---|---|
| **Rescissions** | **P.L. 112-55** | **P.L. 113-6 post-sequ.** | **P.L. 113-76** | **Admin. Request** | **House H.R. 4800** | **Senate S. 2389** | **P.L. 113-235** |
| P.L. 480 Title I | -2.3 | — | — | -13.0 | -13.0 | -13.0 | -13.0 |
| Ocean freight | -3.2 | — | — | — | — | — | -2.0 |
| ARS buildings and facilities | — | — | — | — | — | — | -2.0 |
| Agriculture buildings and facilities | — | — | -30.0 | — | — | — | — |
| Resource Conservation and Development | — | — | -2.0 | — | — | — | — |
| Rural Housing Service | — | — | -1.3 | — | — | — | — |
| Broadband loan balances | — | -25.3 | — | — | — | — | — |
| Forestry incentives | -6.0 | — | — | — | — | — | — |
| Office of Advocacy and Outreach | -4.0 | — | — | — | — | — | — |
| NIFA buildings and facilities | -2.5 | — | — | — | — | — | — |
| Great Plains Conservation | -0.5 | — | — | — | — | — | — |
| Foreign currency program | -0.3 | — | — | — | — | — | — |
| **Total** | **-18.9** | **-25.3** | **-33.3** | **-13.0** | **-13.0** | **-13.0** | **-17.0** |

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for P.L. 113-235, S. 2389, H.R. 4800, P.L. 113-6, P.L. 113-76, and P.L. 112-55.

[122] Rescissions to mandatory programs are counted in the CHIMPS section.

## 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 15** shows that the enacted FY2015appropriation contains emergency funding for conservation ($91 million) [123] and Ebola ($25 million). Some of the conservation funding was in the Senate-reported bill but not in the House-reported bill (see the heading "Disaster Assistance" earlier in this report).

**Table 15. Other Appropriations in General Provisions**

(budget authority in millions of dollars)

| | FY2012 | FY2013 | FY2014 | FY2015 | | | |
|---|---|---|---|---|---|---|---|
| **Other spending provisions** | **P.L. 112-55** | **P.L. 113-6 post-sequ.** | **P.L. 113-76** | **Admin. Request** | **House H.R. 4800** | **Senate S. 2389** | **P.L. 113-235** |
| Water Bank | 7.5 | — | 4.0 | — | — | 4.0 | 4.0 |
| Geographically disadvantaged farmers | 2.0 | 1.8 | 2.0 | — | — | 2.0 | 2.0 |
| Hardwood trees reforestation pilot | 0.6 | 0.6 | 0.6 | — | — | 0.6 | 0.6 |
| FDA salaries and expenses | — | 46.2 | — | — | — | — | — |
| FDA user fees | — | — | 79.0 | — | — | — | — |
| Citrus greening | — | — | 20.0 | — | — | — | — |
| Hunger Commission | — | — | 1.0 | — | — | — | — |
| SW Border Regional Commission | — | — | — | 2.0 | — | — | — |
| Emergency Watershed Protection | — | 60.5 | — | — | — | 25.0 | — |
| Emergency Conservation Program | — | 10.3 | — | — | — | 11.8 | — |
| Emergency Forest Restoration | — | 13.1 | — | — | — | — | — |
| **Total (before disaster provisions)** | **10.1** | **132.5** | **106.6** | **2.0** | **0.0** | **43.3** | **6.6** |
| **Disaster provisions** | | | | | | | |
| *Emergency Watershed Protection* | *215.9* | — | — | — | — | *85.0* | *78.6* |
| *Emergency Conservation Program* | *122.7* | — | — | — | — | — | *9.2* |
| *Emergency Forest Restoration* | *28.4* | — | — | — | — | *15.0* | *3.2* |
| *FDA Salaries and expenses for Ebola* | — | — | — | — | — | — | *25.0* |
| **Subtotal, disaster provisions** | **367.0** | — | — | — | — | **100.0** | **116.0** |
| **Total (including disaster funding)** | **377.1** | **132.5** | **106.6** | **2.0** | **0.0** | **143.3** | **122.6** |

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for P.L. 113-235, S. 2389, H.R. 4800, P.L. 113-6, P.L. 113-76, and P.L. 112-55.

[123] These are in addition to the "permanent agricultural disaster" programs for livestock and fruit trees authorized in the 2014 farm bill and funded with mandatory funds. See CRS Report RS21212, *Agricultural Disaster Assistance.*

## Other Scorekeeping Adjustments

Scorekeeping adjustments are a final part of the accounting of the appropriations bill that is not necessarily shown in the tables published by the appropriations committees.[124] 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 FY2015, the other scorekeeping adjustments in the enacted appropriation total -$514 million (**Table 16**). The scorekeeping amounts in the House and Senate bills were the same as enacted, except for the provision of the disaster designation.

Also noteworthy, the regular FY2015 scorekeeping adjustments are about $200 million greater than in FY2014 and prior years due to an increase in the magnitude of "negative subsidies" in several USDA loan programs. These negative subsidies effectively reflect "income" to the government when loan program operations cost less than appropriated though 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 appropriation.

**Table 16. Scorekeeping Adjustments**

(dollars in millions)

| | FY2012 | FY2013 | FY2014 | FY2015 | | | |
|---|---|---|---|---|---|---|---|
| **Other scorekeeping adjustments** | **P.L. 112-55** | **P.L. 113-6 post-sequ.** | **P.L. 113-76** | **Admin. Request** | **House H.R. 4800** | **Senate S. 2389** | **P.L. 113-235** |
| Denali Commission (permanent) | na | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Interest Native American Fund Endowment | na | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Child nutrition equipment grants | na | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| **Loan program negative subsidies** | | | | | | | |
| *Rural housing negative subsidy* | *-7.0* | *-62.0* | *-62.0* | *-141.0* | *-141.0* | *-141.0* | *-141.0* |
| *Rural community facilities negative subsidy* | *-4.0* | *-14.0* | *-41.0* | *-90.0* | *-90.0* | *-90.0* | *-90.0* |
| *Rural elec. & tele. loan negative subsidy* | *-60.0* | *-60.0* | *-92.0* | *-152.0* | *-152.0* | *-152.0* | *-152.0* |
| *Rural water & waste loan negative subsidy* | — | — | — | *-2.0* | *-2.0* | *-2.0* | *-2.0* |
| *Ag credit loan negative subsidy* | *-1.0* | *-3.0* | *-6.0* | *-23.0* | *-23.0* | *-23.0* | *-23.0* |
| **Subtotal, negative subsidies** | **-72.0** | **-139.0** | **-201.0** | **-408.0** | **-408.0** | **-408.0** | **-408.0** |
| Emergency designations not in 302(b) | -367.0 | — | — | — | — | -100.0 | -116.0 |
| **Total** | **-439.0** | **-129.0** | **-191.0** | **-398.0** | **-398.0** | **-498.0** | **-514.0** |

**Source:** CRS, compiled from unpublished CBO tables.

[124] Although CHIMPS sometimes are 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

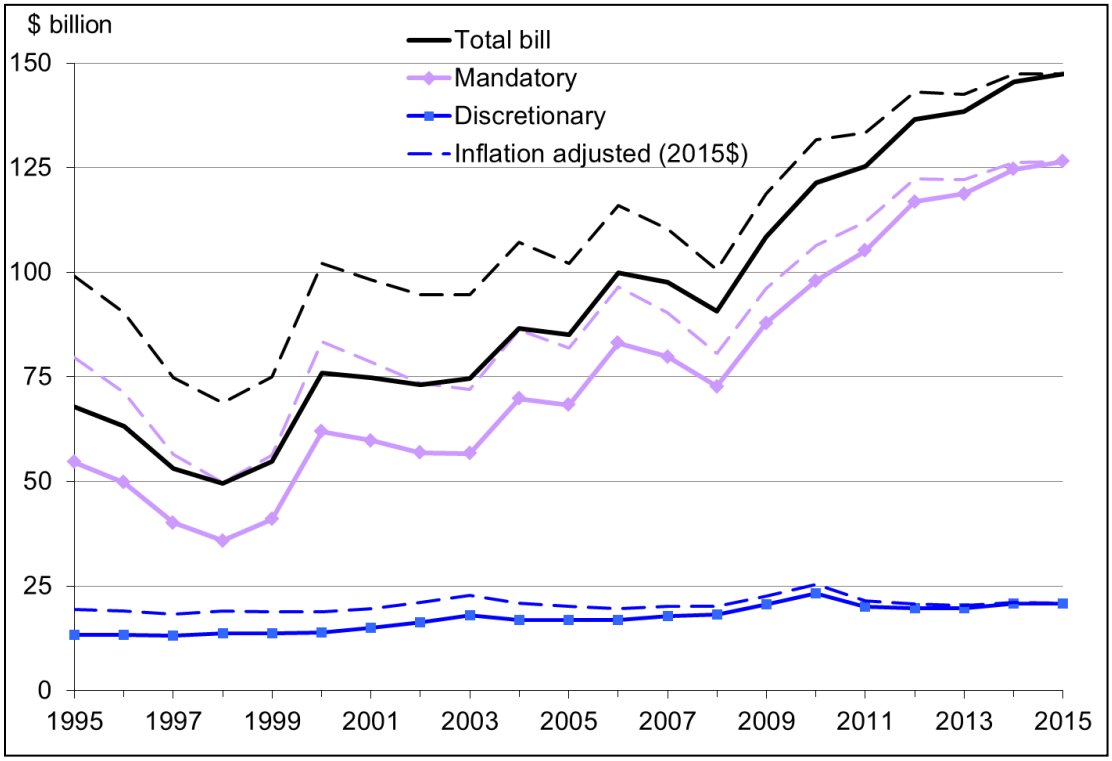
This appendix offers historical perspective on trends in Agricultural appropriations, including mandatory vs. discretionary spending, nutrition spending compared to the rest of the bill, inflation-adjusted amounts, and comparisons to entire federal budget, economy, and population.

Discretionary Agriculture appropriations peaked in FY2010, although mandatory nutrition spending has continued to rise.

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.

- Over the past 10 years (since FY2005), total Agriculture appropriations grew at a compounded annual rate of +5.6% (+3.7% on an inflation-adjusted annual basis).
- The mandatory spending portion of this total shows a +6.4% annual increase over the past 10 years (+4.4% on an inflation-adjusted basis).
- The discretionary portion has an annual increase of +2.2% over 10 years (+0.3% annually on an inflation-adjusted basis).
- In FY2015, 14% 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**



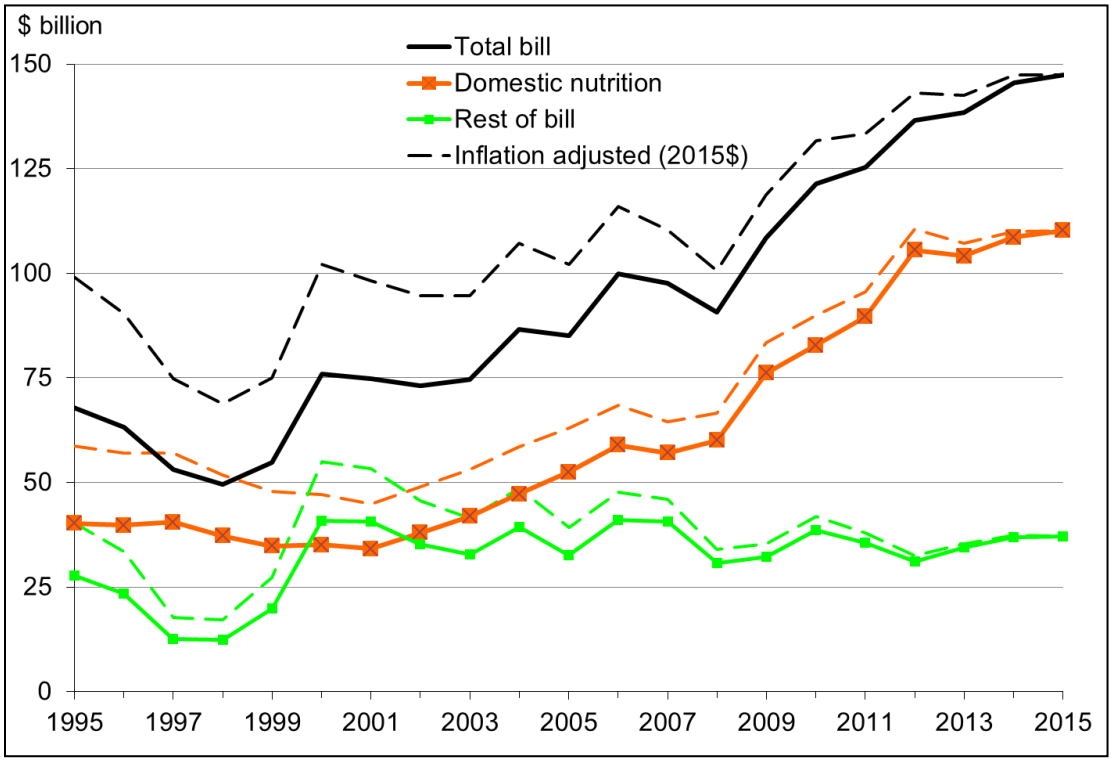

**Source:** CRS. Fiscal year budget authority. Inflation-adjusted amounts are based on the GDP price deflator.
**Notes:** Includes only regular annual appropriations; includes CFTC regardless of jurisdiction.

Another way to divide the total agriculture appropriation is domestic nutrition compared to everything else (**Figure A-2**). Domestic nutrition appropriations include primarily the child

nutrition programs (school lunch and related programs), the Special Supplemental Nutrition Assistance Program (SNAP)—both of which are mandatory—and the Special Supplemental Nutrition Program for Women, Infants, and Children (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 7.7% compounded annual rate over 10 years (+5.8% annually on an inflation-adjusted basis).
- Spending on the rest of the bill (non-nutrition) increased at +1.3% annually over 10 years (-0.5% per year on an inflation-adjusted basis).
- In FY2015, 75% of the total agriculture appropriation was for domestic nutrition, up from 62% in 2005 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 +8.2% annual rate over 10 years (+6.2% annually inflation-adjusted basis).
- Mandatory spending within the rest of the rest of the bill increased at a +0.9% annual rate over 10 years (-0.9% on an inflation-adjusted annual basis).

**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.

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

- As stated before, total discretionary Agriculture appropriations grew at +2.2% per year over the past 10 years (+0.3% annually on an inflation-adjusted basis).

Over a shorter period, the annual change is -2.2% per year over the past five years, or -3.8% per year on an inflation-adjusted basis.

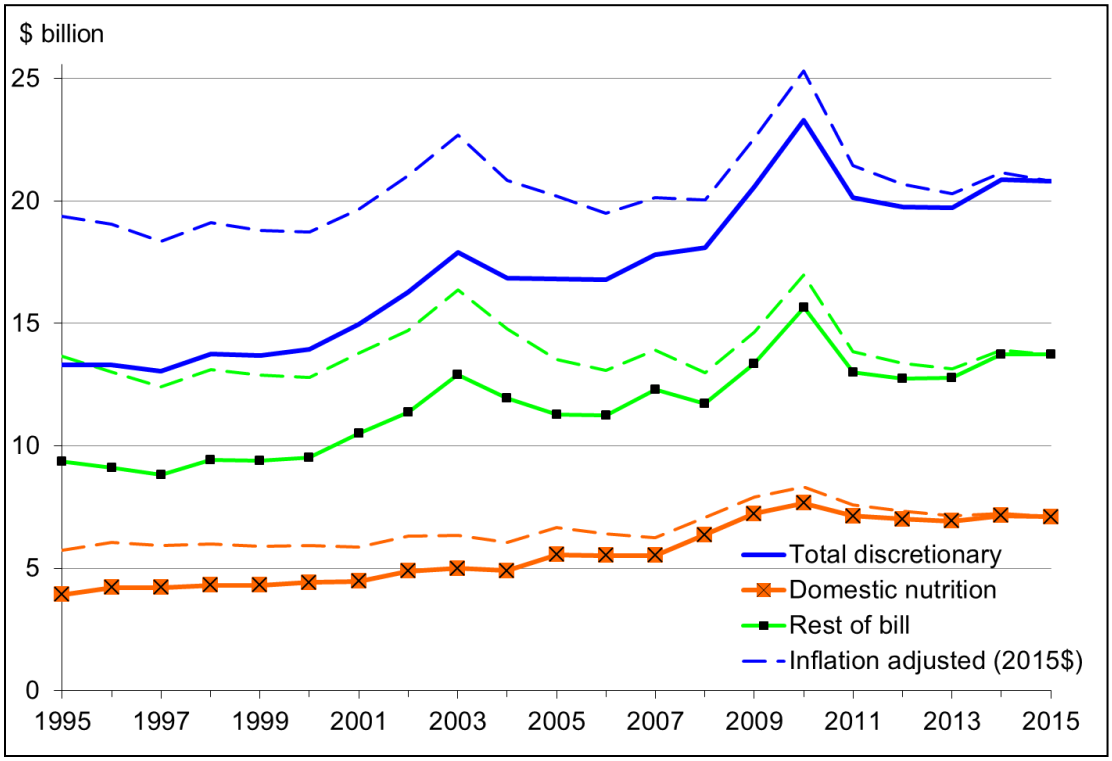
- The domestic nutrition portion of this discretionary subtotal (primarily WIC, commodity assistance programs, and nutrition programs administration) shows a +2.5% annual increase over 10 years (+0.6% per year if adjusted for inflation).

  Over a five-year period, the annual change is -1.5% per year (-3.1% per year if adjusted for inflation).

- The discretionary portion for rest of the bill has risen at +2.0% per year for 10 years (+0.1% per year on an inflation-adjusted basis).

  Over the five-year period, the annual change is -2.6% per year (-4.2% 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)

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Discretionary total** | **13.31** | **13.04** | **13.75** | **13.69** | **13.95** | **14.97** | **16.28** | **17.91** | **16.84** | **16.83** |
| Domestic nutrition | 4.22 | 4.22 | 4.31 | 4.31 | 4.42 | 4.46 | 4.89 | 5.00 | 4.90 | 5.55 |
| Rest of bill | 9.09 | 8.82 | 9.44 | 9.39 | 9.53 | 10.51 | 11.39 | 12.91 | 11.94 | 11.28 |
| **Mandatory total** | **49.78** | **40.08** | **35.80** | **41.00** | **61.95** | **59.77** | **56.91** | **56.70** | **69.75** | **68.29** |
| Domestic nutrition | 35.54 | 36.27 | 32.91 | 30.51 | 30.63 | 29.66 | 33.06 | 36.89 | 42.36 | 46.94 |

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|
| Rest of bill | 14.23 | 3.81 | 2.89 | 10.48 | 31.33 | 30.12 | 23.86 | 19.82 | 27.38 | 21.36 |
| **Total bill** | **63.09** | **53.12** | **49.55** | **54.69** | **75.90** | **74.74** | **73.19** | **74.61** | **86.59** | **85.13** |
| Domestic nutrition | 39.76 | 40.49 | 37.22 | 34.82 | 35.04 | 34.12 | 37.95 | 41.89 | 47.26 | 52.49 |
| Rest of bill | 23.33 | 12.63 | 12.33 | 19.87 | 40.85 | 40.63 | 35.24 | 32.72 | 39.32 | 32.64 |
| **Percentages of Total** | | | | | | | | | | |
| 1. Mandatory | 79% | 75% | 72% | 75% | 82% | 80% | 78% | 76% | 81% | 80% |
| 2. Discretionary | 21% | 25% | 28% | 25% | 18% | 20% | 22% | 24% | 19% | 20% |
| 1. Domestic nutrition | 63% | 76% | 75% | 64% | 46% | 46% | 52% | 56% | 55% | 62% |
| 2. Rest of bill | 37% | 24% | 25% | 36% | 54% | 54% | 48% | 44% | 45% | 38% |
| | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| **Discretionary total** | **16.78** | **17.81** | **18.09** | **20.60** | **23.30** | **20.13** | **19.76** | **19.71** | **20.88** | **20.83** |
| Domestic nutrition | 5.53 | 5.52 | 6.37 | 7.23 | 7.65 | 7.13 | 7.00 | 6.93 | 7.15 | 7.09 |
| Rest of bill | 11.25 | 12.29 | 11.72 | 13.37 | 15.65 | 13.00 | 12.76 | 12.79 | 13.73 | 13.73 |
| **Mandatory total** | **83.07** | **79.80** | **72.67** | **87.80** | **97.98** | **105.13** | **116.85** | **118.75** | **124.58** | **126.49** |
| Domestic nutrition | 53.37 | 51.51 | 53.68 | 68.92 | 75.13 | 82.53 | 98.55 | 97.17 | 101.43 | 103.10 |
| Rest of bill | 29.70 | 28.29 | 18.99 | 18.88 | 22.86 | 22.60 | 18.29 | 21.58 | 23.15 | 23.40 |
| **Total bill** | **99.85** | **97.61** | **90.76** | **108.40** | **121.29** | **125.26** | **136.61** | **138.47** | **145.46** | **147.32** |
| Domestic nutrition | 58.89 | 57.03 | 60.06 | 76.16 | 82.78 | 89.66 | 105.55 | 104.10 | 108.59 | 110.19 |
| Rest of bill | 40.95 | 40.58 | 30.71 | 32.24 | 38.50 | 35.61 | 31.05 | 34.37 | 36.88 | 37.13 |
| **Percentages of Total** | | | | | | | | | | |
| 1. Mandatory | 83% | 82% | 80% | 81% | 81% | 84% | 86% | 86% | 86% | 86% |
| 2. Discretionary | 17% | 18% | 20% | 19% | 19% | 16% | 14% | 14% | 14% | 14% |
| 1. Domestic nutrition | 59% | 58% | 66% | 70% | 68% | 72% | 77% | 75% | 75% | 75% |
| 2. Rest of bill | 41% | 42% | 34% | 30% | 32% | 28% | 23% | 25% | 25% | 25% |

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

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

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

## Table A-2. Trends in Real Agriculture Appropriations

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

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|
| GDP price index[a] | 0.7651 | 0.7786 | 0.7882 | 0.7982 | 0.8147 | 0.8344 | 0.8478 | 0.8640 | 0.8854 | 0.9132 |
| **Inflation-adjusted 2015 dollars (real dollars)** | | | | | | | | | | |
| **Discretionary total** | **19.06** | **18.35** | **19.11** | **18.79** | **18.75** | **19.65** | **21.03** | **22.70** | **20.83** | **20.19** |
| Domestic nutrition | 6.04 | 5.94 | 6.00 | 5.91 | 5.94 | 5.86 | 6.32 | 6.34 | 6.06 | 6.66 |

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|
| Rest of bill | 13.02 | 12.41 | 13.11 | 12.88 | 12.81 | 13.80 | 14.71 | 16.36 | 14.77 | 13.53 |
| **Mandatory total** | **71.27** | **56.38** | **49.75** | **56.26** | **83.30** | **78.47** | **73.53** | **71.89** | **86.29** | **81.92** |
| Domestic nutrition | 50.89 | 51.03 | 45.73 | 41.87 | 41.18 | 38.93 | 42.71 | 46.77 | 52.41 | 56.30 |
| Rest of bill | 20.38 | 5.35 | 4.02 | 14.39 | 42.12 | 39.54 | 30.82 | 25.12 | 33.88 | 25.62 |
| **Total bill** | **90.32** | **74.73** | **68.86** | **75.05** | **102.05** | **98.12** | **94.56** | **94.59** | **107.12** | **102.11** |
| Domestic nutrition | 56.93 | 56.97 | 51.73 | 47.78 | 47.12 | 44.79 | 49.03 | 53.11 | 58.47 | 62.96 |
| Rest of bill | 33.39 | 17.77 | 17.13 | 27.27 | 54.93 | 53.33 | 45.53 | 41.48 | 48.65 | 39.15 |
| | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| GDP price index[a] | 0.9429 | 0.9684 | 0.9884 | 1.0000 | 1.0087 | 1.0284 | 1.0464 | 1.0646 | 1.0808 | 1.0954 |
| **Inflation-adjusted 2015 dollars (real dollars)** | | | | | | | | | | |
| **Discretionary total** | **19.49** | **20.15** | **20.05** | **22.57** | **25.31** | **21.44** | **20.69** | **20.28** | **21.16** | **20.83** |
| Domestic nutrition | 6.42 | 6.25 | 7.06 | 7.92 | 8.31 | 7.59 | 7.33 | 7.13 | 7.25 | 7.09 |
| Rest of bill | 13.07 | 13.90 | 12.99 | 14.64 | 16.99 | 13.85 | 13.36 | 13.16 | 13.91 | 13.73 |
| **Mandatory total** | **96.50** | **90.27** | **80.54** | **96.17** | **106.41** | **111.98** | **122.32** | **122.19** | **126.26** | **126.49** |
| Domestic nutrition | 62.00 | 58.26 | 59.49 | 75.50 | 81.59 | 87.90 | 103.17 | 99.98 | 102.80 | 103.10 |
| Rest of bill | 34.50 | 32.00 | 21.04 | 20.68 | 24.82 | 24.08 | 19.15 | 22.21 | 23.46 | 23.40 |
| **Total bill** | **116.00** | **110.41** | **100.59** | **118.74** | **131.71** | **133.43** | **143.00** | **142.48** | **147.43** | **147.32** |
| Domestic nutrition | 68.42 | 64.51 | 66.56 | 83.42 | 89.90 | 95.50 | 110.50 | 107.11 | 110.05 | 110.19 |
| Rest of bill | 47.58 | 45.90 | 34.03 | 35.32 | 41.81 | 37.93 | 32.51 | 35.37 | 37.37 | 37.13 |

**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. OMB, Budget of the United States Government, "Historical Tables," Table 10.1, at 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 FY2015 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual Change (Nominal) | | | | Inflation-Adjusted (Real) Change (2015$) | | | |
| | 1 yr. FY2014 | 5 yrs. FY2010 | 10 yrs. FY2005 | 15 yrs. FY2000 | 1 yr. FY2014 | 5 yrs. FY2010 | 10 yrs. FY2005 | 15 yrs. FY2000 |
| **Discretionary total** | **-0.3%** | **-2.2%** | **+2.2%** | **+2.7%** | **-1.6%** | **-3.8%** | **+0.3%** | **+0.7%** |
| Domestic nutrition | -0.8% | -1.5% | +2.5% | +3.2% | -2.1% | -3.1% | +0.6% | +1.2% |
| Rest of bill | +0.0% | -2.6% | +2.0% | +2.5% | -1.3% | -4.2% | +0.1% | +0.5% |
| **Mandatory total** | **+1.5%** | **+5.2%** | **+6.4%** | **+4.9%** | **+0.2%** | **+3.5%** | **+4.4%** | **+2.8%** |
| Domestic nutrition | +1.6% | +6.5% | +8.2% | +8.4% | +0.3% | +4.8% | +6.2% | +6.3% |
| Rest of bill | +1.1% | +0.5% | +0.9% | -1.9% | -0.3% | -1.2% | -0.9% | -3.8% |
| **Total bill** | **+1.3%** | **+4.0%** | **+5.6%** | **+4.5%** | **-0.1%** | **+2.3%** | **+3.7%** | **+2.5%** |
| Domestic nutrition | +1.5% | +5.9% | +7.7% | +7.9% | +0.1% | +4.2% | +5.8% | +5.8% |
| Rest of bill | +0.7% | -0.7% | +1.3% | -0.6% | -0.7% | -2.4% | -0.5% | -2.6% |

**Source:** CRS calculations of the compounded annual rate of change between FY2014 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."

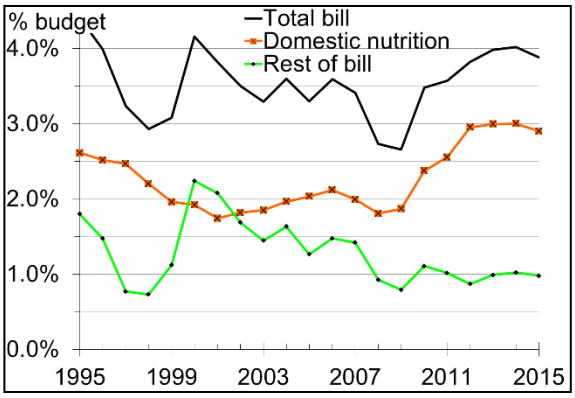
## Comparisons to the Federal Budget, GDP, and Population

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 FY2009, before rising again to 4% in recent years (**Figure A-4**, **Table A-4**). Within that total, the share for nutrition programs had declined from 2.6% in FY1995 to 1.8% in FY2008, but the recent recession has caused that share to rise to about 3%. The share for the rest of the bill has declined from 2.2% in FY2000 to about 1.0% recently.

Those shares of the federal budget also can be subdivided into mandatory and discretionary spending (**Figure A-5**). The mandatory share for nutrition is presently about 2.7% (generally rising, but recently ameliorating), while the discretionary share for nutrition is fairly steady 0.2%. The mandatory share for the rest of the bill (primarily crop insurance, commodity program subsidies, and conservation) is about 0.6%, while the discretionary share for the rest of the bill is about 0.4% (generally declining).

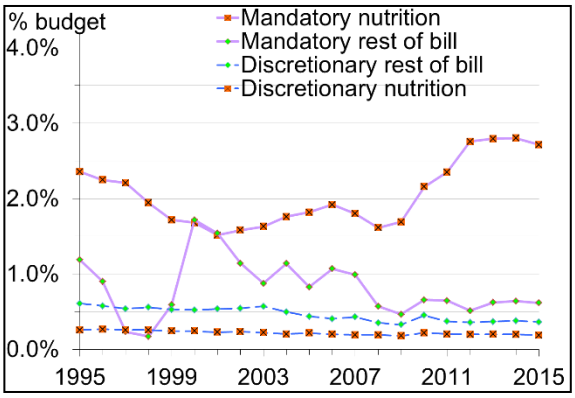
The 0.6% share of the federal budget above for mandatory spending on crop insurance, farm commodity subsidies, and conservation is a good proxy for farm bill spending on agricultural (non-nutrition) programs (**Figure A-5**). It has been variable and generally declining since 2000 (consistent with farm commodity spending), though since 2009 steadier to slightly rising (consistent with steady to declining farm commodity spending but increasing crop insurance and mandatory conservation spending).

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




**Source:** CRS.

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

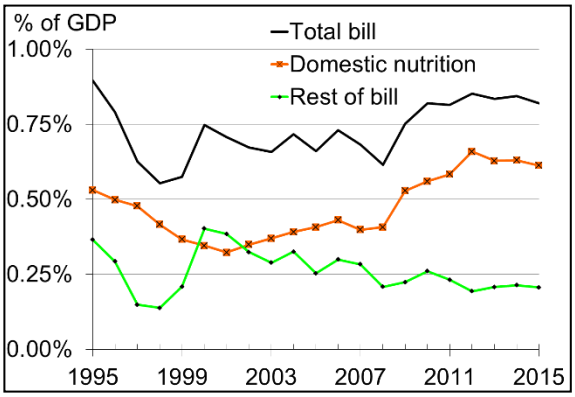



**Source:** CRS.

As a percentage of gross domestic product (GDP),[125] Agriculture appropriations had been fairly steady at under 0.75% of GDP from FY1997-FY2009, but have risen to about 0.8% of GDP since FY2010 due to increases in nutrition program demand (**Figure A-6**, **Table A-4**). Nutrition programs have been rising as a percentage of GDP since FY2000 (0.32% in FY2001 to 0.61% in FY2015), while non-nutrition agricultural programs have declined (0.40% in FY2000 to 0.21% in FY2015).

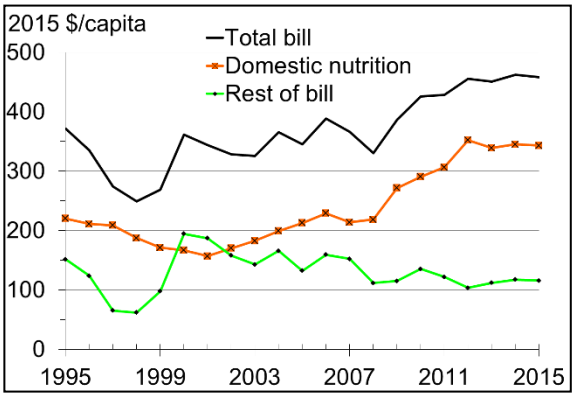
On a per capita basis, inflation-adjusted total Agriculture appropriations have risen slightly over the past 10 to 15 years from about $250 per capita in 1998 (FY2015 dollars) to about $460 per capita in FY2015 (**Figure A-7**). Nutrition programs have risen more steadily on a per capita basis from about $157 per capita in FY2001 to nearly $343 per capita in FY2015. Non-nutrition "other" agricultural programs have been more steady or declining, falling from $195 per capita in FY2000 to about $116 per capita in FY2015.

**Figure A-6. Agriculture Appropriations as Percentages of GDP**




**Source:** CRS.

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




**Source:** CRS.

[125] 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)

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|
| Federal Budget ($ billions) | 1,581 | 1,643 | 1,692 | 1,777 | 1,825 | 1,959 | 2,090 | 2,266 | 2,408 | 2,583 |
| GDP ($ billions) | 7,978 | 8,483 | 8,955 | 9,511 | 10,148 | 10,565 | 10,877 | 11,332 | 12,089 | 12,889 |
| Population (millions) | 269.7 | 272.9 | 276.1 | 279.3 | 282.4 | 285.3 | 288.0 | 290.7 | 293.3 | 296.0 |
| **Pct. of Federal Budget** | **3.99%** | **3.23%** | **2.93%** | **3.08%** | **4.16%** | **3.82%** | **3.50%** | **3.29%** | **3.60%** | **3.30%** |
| Domestic nutrition | 2.52% | 2.46% | 2.20% | 1.96% | 1.92% | 1.74% | 1.82% | 1.85% | 1.96% | 2.03% |
| *Mandatory* | *2.25%* | *2.21%* | *1.94%* | *1.72%* | *1.68%* | *1.51%* | *1.58%* | *1.63%* | *1.76%* | *1.82%* |
| *Discretionary* | *0.27%* | *0.26%* | *0.25%* | *0.24%* | *0.24%* | *0.23%* | *0.23%* | *0.22%* | *0.20%* | *0.21%* |
| Rest of bill | 1.48% | 0.77% | 0.73% | 1.12% | 2.24% | 2.07% | 1.69% | 1.44% | 1.63% | 1.26% |
| *Mandatory* | *0.90%* | *0.23%* | *0.17%* | *0.59%* | *1.72%* | *1.54%* | *1.14%* | *0.87%* | *1.14%* | *0.83%* |
| *Discretionary* | *0.58%* | *0.54%* | *0.56%* | *0.53%* | *0.52%* | *0.54%* | *0.54%* | *0.57%* | *0.50%* | *0.44%* |
| **Pct. of GDP** | **0.79%** | **0.63%** | **0.55%** | **0.58%** | **0.75%** | **0.71%** | **0.67%** | **0.66%** | **0.72%** | **0.66%** |
| Domestic nutrition | 0.50% | 0.48% | 0.42% | 0.37% | 0.35% | 0.32% | 0.35% | 0.37% | 0.39% | 0.41% |
| Rest of bill | 0.29% | 0.15% | 0.14% | 0.21% | 0.40% | 0.38% | 0.32% | 0.29% | 0.33% | 0.25% |
| **Per capita (2015 dollars)** | **335** | **274** | **249** | **269** | **361** | **344** | **328** | **325** | **365** | **345** |
| Domestic nutrition | 211 | 209 | 187 | 171 | 167 | 157 | 170 | 183 | 199 | 213 |
| Rest of bill | 124 | 65 | 62 | 98 | 195 | 187 | 158 | 143 | 166 | 132 |
| | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| Federal Budget ($ billions) | 2,780 | 2,863 | 3,326 | 4,077 | 3,485 | 3,510 | 3,576 | 3,478 | 3,619 | 3,798 |
| GDP ($ billions) | 13,685 | 14,323 | 14,752 | 14,415 | 14,799 | 15,379 | 16,026 | 16,582 | 17,244 | 17,985 |
| Population (millions) | 298.8 | 301.7 | 304.5 | 307.2 | 309.3 | 311.6 | 313.9 | 316.1 | 318.9 | 321.4 |
| **Pct. of Federal Budget** | **3.59%** | **3.41%** | **2.73%** | **2.66%** | **3.48%** | **3.57%** | **3.82%** | **3.98%** | **4.02%** | **3.88%** |
| Domestic nutrition | 2.12% | 1.99% | 1.81% | 1.87% | 2.38% | 2.55% | 2.95% | 2.99% | 3.00% | 2.90% |
| *Mandatory* | *1.92%* | *1.80%* | *1.61%* | *1.69%* | *2.16%* | *2.35%* | *2.76%* | *2.79%* | *2.80%* | *2.71%* |
| *Discretionary* | *0.20%* | *0.19%* | *0.19%* | *0.18%* | *0.22%* | *0.20%* | *0.20%* | *0.20%* | *0.20%* | *0.19%* |
| Rest of bill | 1.47% | 1.42% | 0.92% | 0.79% | 1.10% | 1.01% | 0.87% | 0.99% | 1.02% | 0.98% |
| *Mandatory* | *1.07%* | *0.99%* | *0.57%* | *0.46%* | *0.66%* | *0.64%* | *0.51%* | *0.62%* | *0.64%* | *0.62%* |
| *Discretionary* | *0.40%* | *0.43%* | *0.35%* | *0.33%* | *0.45%* | *0.37%* | *0.36%* | *0.37%* | *0.38%* | *0.36%* |
| **Pct. of GDP** | **0.73%** | **0.68%** | **0.62%** | **0.75%** | **0.82%** | **0.81%** | **0.85%** | **0.84%** | **0.84%** | **0.82%** |
| Domestic nutrition | 0.43% | 0.40% | 0.41% | 0.53% | 0.56% | 0.58% | 0.66% | 0.63% | 0.63% | 0.61% |
| Rest of bill | 0.30% | 0.28% | 0.21% | 0.22% | 0.26% | 0.23% | 0.19% | 0.21% | 0.21% | 0.21% |
| **Per capita (2015 dollars)** | **388** | **366** | **330** | **387** | **426** | **428** | **456** | **451** | **462** | **458** |
| Domestic nutrition | 229 | 214 | 219 | 272 | 291 | 306 | 352 | 339 | 345 | 343 |
| Rest of bill | 159 | 152 | 112 | 115 | 135 | 122 | 104 | 112 | 117 | 116 |

**Source:** CRS. Federal budget and GDP from OMB, 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 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).[126] **Table B-1** shows the rates of sequestration and the amounts of budget authority cancelled from accounts in the Agriculture appropriations bill.

**Table B-1. Sequestration Rates and Amounts Cancelled from Agriculture Appropriations Accounts**

(budget authority in millions of dollars)

| | Discretionary accounts | | Mandatory accounts | |
|---|---|---|---|---|
| **Fiscal year** | **Rate** | **Amount** | **Rate** | **Amount** |
| 2013[a] | 5.0% | 1,153 | 5.1% | 713 |
| 2014[b] | — | — | 7.2% | 1,052 |
| 2015[c] | — | — | 7.3% | 1,153 |

**Source:** OMB, various *Reports to the Congress on the Joint Committee Sequestration*. Compiled by CRS.

**Notes:** Sequestration rates are for non-exempt, non-defense accounts. Amount totals were computed by CRS.

a. OMB, *Report to the Congress on the Joint Committee Sequestration for FY2013,* March 1, 2013, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/fy13ombjcsequestrationreport.pdf.

b. OMB, *Reports to the Congress on the Joint Committee Reductions for FY2014,* May 20, 2013, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/fy14_preview_and_joint_committee_reductions_reports_05202013.pdf.

c. OMB, *Report to the Congress on Joint Committee Reductions for FY2015,* March 10, 2014, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration_order_report_march2014.pdf.

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, it did not prevent or reduce sequestration on mandatory accounts. In fact, to pay for avoiding sequestration in the near term, it extended by two years (until FY2023) the duration for sequestration on mandatory programs.[127]

Some farm bill mandatory programs are exempt from sequestration. The nutrition programs and the Conservation Reserve Program are exempt,[128] and some prior legal obligations in crop insurance and the farm commodity programs may be exempt as determined by OMB.[129]

Since enactment of the BCA, the Office of Management and Budget (OMB) has ordered budget sequestration in FY2013 on non-exempt, non-defense discretionary accounts (**Table B-2**) and on mandatory accounts in FY2013-FY2015 (**Table B-3**).

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

[127] CBO, *Bipartisan Budget Act of 2013,* December 11, 2013, at http://cbo.gov/publication/44964.

[128] Generally speaking, the benefits from these programs are exempt; some administrative expenses in these programs may be subject to sequestration and therefore the programs may appear in the tables in this appendix.

[129] See 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*.

**Table B-2. Sequestration of Discretionary Agriculture Appropriations in FY2013**

(budget authority in millions of dollars)

| | Sequesterable Budget Authority | Amount of Sequestration |
|---|---|---|
| *FY2013 sequestration rate on non-exempt, non-defense discretionary accounts* | | *5.0%* |
| **U.S. Department of Agriculture** | | |
| Office of the Secretary | 16 | 0.8 |
| Buildings, Facilities and Rental Payments | 232 | 11.6 |
| Hazardous Materials Management | 4 | 0.2 |
| Departmental Administration | 86 | 4.3 |
| Office of Communications | 8 | 0.4 |
| Office of Civil Rights | 21 | 1.1 |
| Office of Inspector General | 86 | 4.3 |
| Office of Chief Economist | 11 | 0.6 |
| Office of General Counsel | 40 | 2.0 |
| National Appeals Division | 13 | 0.7 |
| Economic Research Service | 78 | 3.9 |
| National Agricultural Statistics Service | 160 | 8.0 |
| Agricultural Research Service | 1,102 | 55.1 |
| National Institute of Food and Agriculture | | |
| Extension | 478 | 23.9 |
| Research and Education | 714 | 35.7 |
| Integrated Activities | 21 | 1.1 |
| Animal and Plant Health Inspection Service | | |
| Salaries appropriation | 822 | 41.1 |
| Spending authority | 18 | 0.9 |
| Buildings and Facilities | 3 | 0.2 |
| Food Safety Inspection Service | | |
| Salaries appropriation | 1,010 | 50.5 |
| Spending authority | 45 | 2.3 |
| Grain Inspection Packers and Stockyards Admin. | 38 | 1.9 |
| Agricultural Marketing Service | | |
| Marketing Services | 83 | 4.2 |
| Payments to States and Possessions | 1 | 0.1 |
| Risk Management Agency | 75 | 3.8 |
| Farm Service Agency | | |
| State Mediation Grants | 4 | 0.2 |
| Emergency Forest Restoration Program | 23 | 1.2 |
| Salaries appropriation | 1,206 | 60.3 |

| | Sequesterable Budget Authority | Amount of Sequestration |
|---|---|---|
| Agricultural Credit Insurance Corporation | 408 | 20.4 |
| Commodity Credit Corporation Export Loans | 7 | 0.4 |
| USDA Supplemental Assistance | 2 | 0.1 |
| Grassroots Source Water Protection | 4 | 0.2 |
| Reforestation Pilot Program | 1 | 0.1 |
| Emergency Conservation Program | 15 | 0.8 |
| Natural Resources Conservation Service | | |
| Conservation Operations appropriations | 833 | 41.7 |
| Conservation Operations spending authority | 9 | 0.5 |
| Watershed Rehabilitation Program | 15 | 0.8 |
| Watershed and Flood Prevention Operations | 180 | 9.0 |
| Water Bank Program | 8 | 0.4 |
| Rural Development | | |
| Salaries appropriation | 183 | 9.2 |
| Rural Utilities Service | 591 | 29.6 |
| Rural Housing Service | 1,529 | 76.5 |
| Rural Business Cooperative Service | 114 | 5.7 |
| Foreign Agricultural Service | | |
| P.L. 480 Title I | 3 | 0.2 |
| P.L. 480 Title II (Food for Peace) | 1,475 | 73.8 |
| Salaries appropriation | 177 | 8.9 |
| McGovern-Dole Food for Education | 185 | 9.3 |
| Food and Nutrition Service | | |
| Commodity Assistance Program | 73 | 3.7 |
| Nutrition Programs Administration | 140 | 7.0 |
| WIC | 6,659 | 333.0 |
| **Related Agencies** | | |
| Food and Drug Administration | | |
| Salaries appropriation | 2,521 | 126.1 |
| User Fees | 1,328 | 66.4 |
| Commodity Futures Trading Commission | 206 | 10.3 |
| **Total** | **23,064** | **1,153.2** |

**Source:** OMB, *Report to the Congress on the Joint Committee Sequestration for FY2013,* March 1, 2013, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/fy13ombjcsequestrationreport.pdf. Compiled by CRS.

**Notes:** Sequestration rates are for non-exempt, non-defense accounts. Amount totals were computed by CRS.

**Table B-3. Sequestration of Mandatory Agriculture Appropriations in FY2013-2015**

(budget authority in millions of dollars)

| | FY2013[a] | | FY2014[b] | | FY2015[c] | |
|---|---|---|---|---|---|---|
| | Sequester-able Budget Authority | Amount of Sequestra-tion | Sequester-able Budget Authority | Amount of Sequestra-tion | Sequester-able Budget Authority | Amount of Sequestra-tion |
| *Sequestration rate on non-exempt, non-defense mandatory accounts* | | *5.1%* | | *7.2%* | | *7.3%* |
| **U.S. Department of Agriculture** | | | | | | |
| Office of the Secretary | | | | | 13 | 0.9 |
| Office of Chief Economist | | | | | 1 | 0.1 |
| Agricultural Research Service | 2 | 0.1 | 2 | 0.1 | 2 | 0.1 |
| National Institute of Food and Agriculture | | | | | | |
| Extension | 5 | 0.3 | 5 | 0.4 | 25 | 1.8 |
| Research and Education | | | | | 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 |
| Misc. Trust Funds | 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 |
| Grain Insp. Packers, Stockyards Admin. | | | | | | |
| Limitation on Expenses | 41 | 2.1 | 41 | 3.0 | 41 | 3.0 |
| Agricultural Marketing Service | | | | | | |
| Marketing Services | | | | | 30 | 2.2 |
| Payments to States and Possessions | | | | | 73 | 5.3 |
| Perishable Ag Commodities Act | 11 | 0.6 | 11 | 0.8 | 11 | 0.8 |
| Section 32 | 792 | 40.4 | 1,107 | 79.7 | 1,122 | 81.9 |
| Expenses and refunds | 8 | 0.4 | 12 | 0.9 | 12 | 0.9 |
| Milk Market Orders Assessment Fund | 57 | 2.9 | 58 | 4.2 | 57 | 4.2 |
| Federal Crop Insurance Corporation | 58 | 3.0 | 58 | 4.2 | 81 | 5.9 |
| Farm Service Agency | | | | | | |
| Agricultural Credit Insurance Corp. | | | | | 1 | 0.1 |
| Commodity Credit Corporation Fund | 6,460 | 329.5 | 7,968 | 573.7 | 9,737 | 710.8 |
| Agricultural Disaster Relief Fund | 1,372 | 70.0 | | | | |
| Tobacco Trust Fund | 960 | 49.0 | 960 | 69.1 | | |
| Natural Resources Conservation Service | | | | | | |
| Watershed Rehabilitation Program | | | 165 | 11.9 | 153 | 11.2 |

| | FY2013[a] | | FY2014[b] | | FY2015[c] | |
|---|---|---|---|---|---|---|
| | Sequester-able Budget Authority | Amount of Sequestra-tion | Sequester-able Budget Authority | Amount of Sequestra-tion | Sequester-able Budget Authority | Amount of Sequestra-tion |
| Farm Security, Rural Invest. Programs | 3,357 | 171.2 | 3,654 | 263.1 | 3,697 | 269.9 |
| Rural Business Cooperative Service | 87 | 4.4 | 89 | 6.4 | 118 | 8.6 |
| Foreign Agricultural Service | 1 | 0.1 | 2 | 0.1 | 1 | 0.1 |
| Food and Nutrition Service[d] | | | | | | |
| SNAP | 93 | 4.7 | 111 | 8.0 | 115 | 8.4 |
| Commodity Assistance Program | 21 | 1.1 | 21 | 1.5 | 21 | 1.5 |
| WIC | 1 | 0.1 | 1 | 0.1 | 1 | 0.1 |
| Child Nutrition Programs | 49 | 2.5 | 58 | 4.2 | 58 | 4.2 |
| **Related Agencies** | | | | | | |
| Food and Drug Administration | | | | | | |
| Revolving Fund for Certification | 8 | 0.4 | 8 | 0.6 | 8 | 0.6 |
| User Fees | 319 | 16.3 | | | | |
| Commodity Futures Trading Commission | 13 | 0.7 | 12 | 0.9 | 14 | 1.0 |
| **Total** | **13,983** | **713.1** | **14,606** | **1,051.6** | **15,791** | **1,152.7** |

**Source:** OMB, *Reports to the Congress on the Joint Committee Sequestration* (see footnotes). Compiled by CRS.

**Notes:** Sequestration rates are for non-exempt, non-defense accounts. Amount totals were computed by CRS.

a. OMB, *Report to the Congress on the Joint Committee Sequestration for FY2013,* March 1, 2013, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/fy13ombjcsequestrationreport.pdf.

b. OMB, *Reports to the Congress on the Joint Committee Reductions for FY2014,* May 20, 2013, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/fy14_preview_and_joint_committee_reductions_reports_05202013.pdf.

c. OMB, *Report to the Congress on the Joint Committee Reductions for FY2015,* March 10, 2014, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration_order_report_march2014.pdf.

d. Benefits from the nutrition programs generally are 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.

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