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Agriculture and Related Agencies: FY2017 Appropriations

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Summary

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

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

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

The FY2017 appropriation for Agriculture and Related Agencies was enacted on May 5, 2017, as part of the Consolidated Appropriations Act (P.L. 115-31, Division A). The fiscal year started on October 1, 2016, under continuing resolutions (CRs) that lasted for seven months. About a year earlier, the House and the Senate Appropriations Committees reported their FY2017 Agriculture appropriations bills (H.R. 5054, S. 2956) in April and May 2016.

The discretionary total of the enacted appropriation is $20.877 billion, which is $623 million less than enacted in FY2016 (-2.9%). It achieves this primarily by increasing budgetary offsets over the FY2016 level through greater rescissions of prior appropriations and greater scorekeeping adjustments.

However, the budget authority for FY2017 provided to agencies in the major titles of the bill actually increases by $462 million compared to FY2016. Increases primarily include $163 million more for discretionary conservation programs than in FY2016, $119 million more for rural development, $65 million more for discretionary domestic nutrition programs, $52 million more for animal and plant health programs, $51 million more for agricultural research programs, $42 million more for the Food and Drug Administration, $29 million more for the Farm Service Agency, $20 million more for USDA administrative facilities, and $17 million more for food safety inspections. Reductions primarily come from a rescission of unused domestic nutrition assistance funding ($850 million rescission), supplemental funding for international food aid ($116 million less than in FY2016), agricultural research facilities ($112 million less), greater use of a disaster designation that does not count against budget caps ($76 million extra offset), and disaster assistance ($38 million less).

The appropriation also carries mandatory spending that totaled about $132.5 billion. The overall total of the FY2017 Agricultural appropriation therefore exceeded $153 billion.

In addition to setting budgetary amounts, the Agriculture appropriations bill is also a vehicle for policy-related provisions that direct how the executive branch should carry out the appropriation. Notable policy provisions in the FY2017 appropriation include provisions prohibiting inspection of horse slaughter facilities, importing processed (cooked) poultry meat from China, rules about inventory requirements for SNAP-authorized retailers, requirements for SNAP households to report moves out of state, and waivers for schools to not meet whole grain and sodium requirements.

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Scope of the Agriculture Appropriations Bill

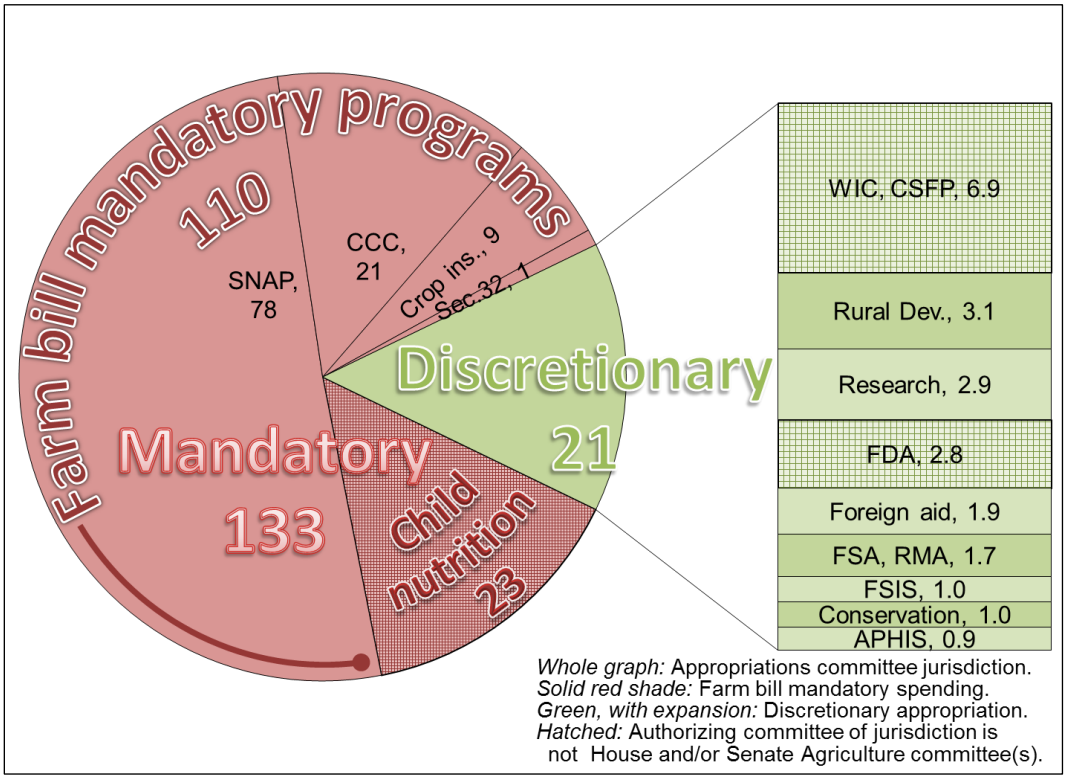
The Agriculture appropriations bill—formally known as the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act—provides funding for

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

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

Figure 1. Scope of Agriculture and Related Agencies Appropriations

(FY2017 budget authority in billions of dollars)



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

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

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

- **Discretionary spending** is controlled by annual appropriations acts and receives most of the attention during the appropriations process. The annual budget resolution[2] process sets spending limits for discretionary appropriations. Agency operations (salaries and expenses) and many grant programs are discretionary.
- **Mandatory spending**[3]—though carried in the appropriation and usually advanced unchanged—is controlled by budget rules (e.g., PAYGO) during the authorization process.[4] Spending for so-called entitlement programs is set in laws such as the farm bill[5] and child nutrition reauthorizations.[6]

In FY2017, discretionary appropriations are 14% ($20.9 billion) in the Agriculture appropriations act (P.L. 115-31). Mandatory spending carried in the bill comprised $133 billion, about 86% of the $153 billion total.

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

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

Action on FY2017 Appropriations[8]

The FY2017 appropriation for Agriculture and Related Agencies was enacted on May 5, 2017, as part of the Consolidated Appropriations Act (P.L. 115-31, Division A). The fiscal year started on October 1, 2016, under continuing resolutions (CRs) that lasted for seven months.

In regular action, the House and the Senate Appropriations Committees reported their FY2017 Agriculture appropriations bills (H.R. 5054, S. 2956) in April and May 2016, with some of the earliest subcommittee action in two decades (**Table 1**, **Figure 2**). No further action on the individual bills occurred until they were incorporated into the omnibus appropriation.[9]

The last time an Agriculture appropriations bill was enacted as a stand-alone measure was for FY2010 (in calendar 2009). An Agriculture appropriations bill has not cleared a floor vote in

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

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

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

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

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

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

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

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

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

either chamber since the FY2012 bill, when it was the vehicle for a three-bill "minibus" measure. Committee action for FY2017 was somewhat earlier than in recent years.

Table 1. Congressional Action on Agriculture Appropriations Since FY1997

	House Action			Senate Action			Final Appropriation			
Fiscal Year	**Subcmte.**	**Cmte.**	**Floor**	**Subcmte.**	**Cmte.**	**Floor**	**Enacted[a]**		**Public Law**	**CRS Report**
1997	5/30/1996	6/6/1996	6/12/1996	7/10/1996	7/11/1996	7/24/1996	8/6/1996	E	P.L. 104-180	IB96015
1998	6/25/1997	7/14/1997	7/24/1997	7/15/1997	7/17/1997	7/24/1997	11/18/1997	E	P.L. 105-86	97-201
1999	6/10/1998	6/16/1998	6/24/1998	6/9/1998	6/11/1998	7/16/1998	10/21/1998	O	P.L. 105-277	98-201
2000	5/13/1999	5/24/1999	6/8/1999	6/15/1999	6/17/1999	8/4/1999	10/22/1999	E	P.L. 106-78	RL30201
2001	5/4/2000	5/16/2000	7/11/2000	5/4/2000	5/10/2000	7/20/2000	10/28/2000	E	P.L. 106-387	RL30501
2002	6/6/2001	6/27/2001	7/11/2001	Polled out[b]	7/18/2001	10/25/2001	11/28/2001	E	P.L. 107-76	RL31001
2003	6/26/2002	7/26/2002	—	7/23/2002	7/25/2002	—	2/20/2003	O	P.L. 108-7	RL31301
2004	6/17/2003	7/9/2003	7/14/2003	7/17/2003	11/6/2003	11/6/2003	1/23/2004	O	P.L. 108-199	RL31801
2005	6/14/2004	7/7/2004	7/13/2004	9/8/2004	9/14/2004	—	12/8/2004	O	P.L. 108-447	RL32301
2006	5/16/2005	6/2/2005	6/8/2005	6/21/2005	6/27/2005	9/22/2005	11/10/2005	E	P.L. 109-97	RL32904
2007	5/3/2006	5/9/2006	5/23/2006	6/20/2006	6/22/2006	—	2/15/2007	Y	P.L. 110-5	RL33412
2008	7/12/2007	7/19/2007	8/2/2007	7/17/2007	7/19/2007	—	12/26/2007	O	P.L. 110-161	RL34132
2009	6/19/2008	—	—	Polled out[b]	7/17/2008	—	3/11/2009	O	P.L. 111-8	R40000
2010	6/11/2009	6/18/2009	7/9/2009	Polled out[b]	7/7/2009	8/4/2009	10/21/2009	E	P.L. 111-80	R40721
2011	6/30/2010	—	—	Polled out[b]	7/15/2010	—	4/15/2011	Y	P.L. 112-10	R41475
2012	5/24/2011	5/31/2011	6/16/2011	Polled out[b]	9/7/2011	11/1/2011	11/18/2011	O	P.L. 112-55	R41964
2013	6/6/2012	6/19/2012	—	Polled out[b]	4/26/2012	—	3/26/2013	O	P.L. 113-6	R43110
2014	6/5/2013	6/13/2013	—	6/18/2013	6/20/2013	—	1/17/2014	O	P.L. 113-76	R43110
2015	5/20/2014	5/29/2014	—	5/20/2014	5/22/2014	—	12/16/2014	O	P.L. 113-235	R43669
2016	6/18/2015	7/8/2015	—	7/14/2015	7/16/2015	—	12/18/2015	O	P.L. 114-113	R44240
2017	4/13/2016 Draft[c] Voice vote	4/19/2016 H.R. 5054 H.Rept. 114-531 Voice vote	—	5/17/2016 Voice vote	5/19/2016 S. 2956 S.Rept. 114-259 30-0	—	5/5/2017 Votes: H: 309-118 S: 79-18	O	P.L. 115-31 Explanatory Statement: *Congressional Record,* May 3, 2017, Part II, H3328-H3364	R44441 R44588

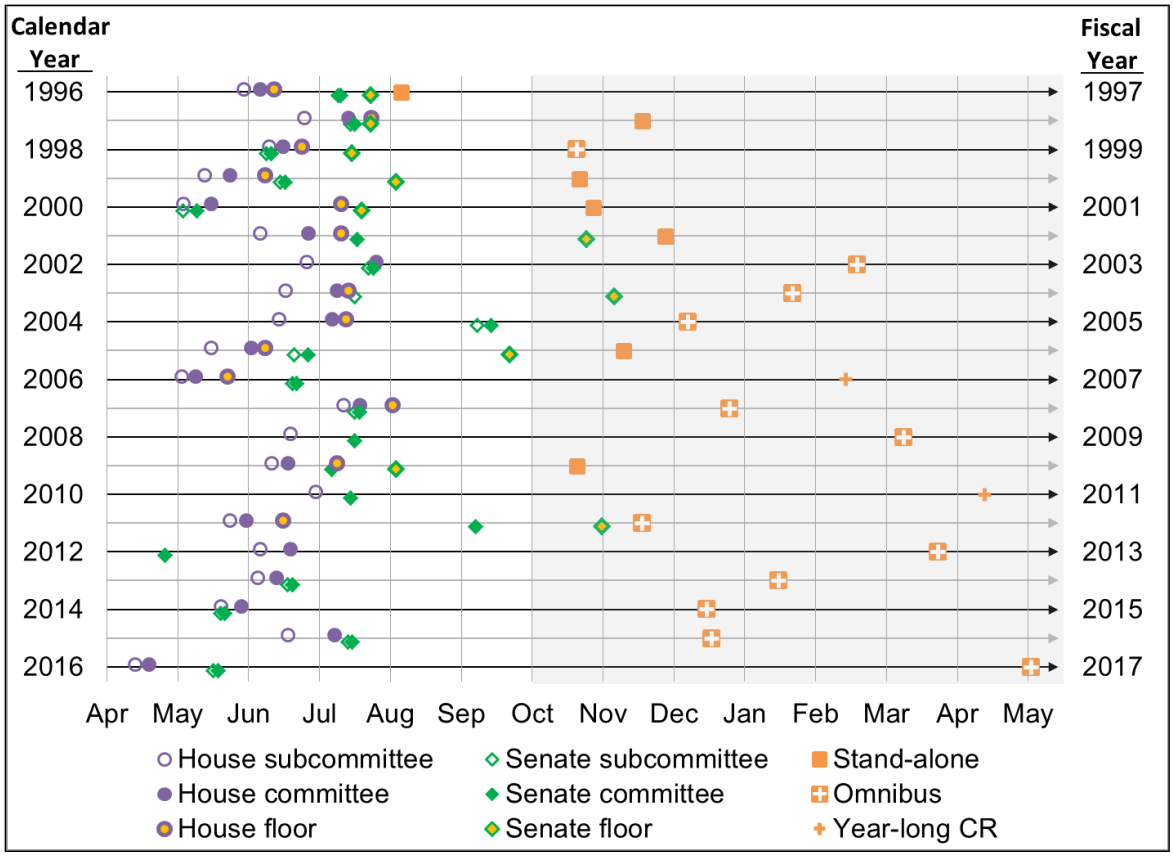
Source: CRS.

a. E = Enacted as standalone appropriation (seven times over 21 years); O = Omnibus appropriation (12 times); Y = Year-long continuing resolution (two times).

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

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

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



Source: CRS.

Administration's Budget Request

FY2017 Budget Request

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

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

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

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

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

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

FY2018 Budget Request

Before the FY2017 appropriation was finalized, the Trump Administration released an outline of its FY2018 budget request on March 16, 2017.[15] The blueprint for FY2018 did not have the detail of a regular budget request and primarily conveyed information at the Cabinet level. Nonetheless it proposed a 21% reduction for USDA, including eliminating funding for some programs.[16]

The FY2017 explanatory statement addressed the direction indicated in the FY2018 request by reminding the Administration of Congress's role in determining future appropriations:

> USDA and FDA should be mindful of Congressional authority to determine and set final funding levels for fiscal year 2018. Therefore, the agencies should not presuppose program funding outcomes and prematurely initiate action to redirect staffing prior to knowing final outcomes on fiscal year 2018 program funding.[17]

House Action

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

The House Budget Committee developed a FY2017 budget (H.Con.Res. 125) that would have provided less overall discretionary spending than allowed for FY2017 by the Bipartisan Budget Act of 2015 (P.L. 114-74), but the chamber did not adopt that new budget. In the absence of a new budget or affirmation of the limit in the Bipartisan Budget Act of 2015, the House Appropriations committee incrementally made "302(b)" allocations[18] to the subcommittees to facilitate markups.[19]

For Agriculture appropriations, the House Agriculture appropriations subcommittee approved a draft bill on April 13, 2016, by voice vote, the earliest action on agriculture appropriations in two decades.[20] The full House Appropriations Committee reported the bill on April 19, 2016, by voice vote (H.R. 5054, H.Rept. 114-531). It adopted several amendments[21] by recorded votes.[22] The bill was not considered on the floor, but parts of it were incorporated into the omnibus appropriation.

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[15] The White House, *America First: A Budget Blueprint to Make America Great Again*, March 16, 2017.

[16] See CRS Insight IN10675, *The President's FY2018 Budget Outline for the U.S. Department of Agriculture*.

[17] *Congressional Record*, May 3, 2017, p. H3328.

[18] Budget enforcement for appropriations has both statutory and procedural elements. The statutory elements impose limits on discretionary spending FY2012-FY2021, and enforcement occurs primarily through sequestration. The procedural elements are normally associated with the budget resolution, and enforcement occurs through points of order. The Appropriations Committee in each chamber, as well as each of their subcommittees, receives procedural limits on the total amount of budget authority (referred to as 302(a) and 302(b) allocations, respectively). See CRS Report R42388, *The Congressional Appropriations Process: An Introduction*; and CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*.

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

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

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

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

Senate Action

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

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

For Agriculture appropriations, the Senate Agriculture appropriations subcommittee approved a draft bill on May 17, 2016, by voice vote. The full committee reported it on May 19, 2016, by a vote of 30-0 (S. 2956, S.Rept. 114-259). It adopted a manager's package and several amendments.[23] The bill was not considered on the floor, but parts of it were incorporated into the omnibus appropriation.

Continuing Resolution

In the absence of an FY2017 appropriation, the fiscal year started on October 1, 2016, under a CR that lasted until December 9, 2016 (P.L. 114-223, Division C). A second CR lasts until April 28, 2017 (P.L. 114-254, Division A). A third CR extended until May 5 (P.L. 115-30). The CRs continued FY2016 funding with a few exceptions explained below.

Summary of FY2017 Appropriations Amounts

The $20.877 billion discretionary total enacted in the FY2017 Agriculture appropriation is officially $623 million smaller than the FY2016 discretionary appropriation (in terms of the amount that counts against the budget limit, the "302(b)" subcommittee allocation; see **Table 2**).

It achieves this primarily by increasing budgetary offsets over the FY2016 level through greater rescissions of prior appropriations and greater scorekeeping adjustments primarily from "negative subsidies" from loan programs that charge fees. Consequently, the budget authority provided to agencies in the major titles of the bill actually *increases* by $462 million (the top of the shaded bars in **Figure 3**).

Mandatory spending carried in the bill—mostly determined in separate authorizing laws—increases $13.5 billion over FY2016. All of this increase is in farm programs, including a $14.4 billion increase in the reimbursement to the Commodity Credit Corporation for higher than expected payments for farm commodity revenue support programs (**Table 3**). This increase is automatic based on farm bill formulas and does not affect discretionary spending limits.

- **Table 2** compares House- and Senate-proposed amounts to other years by title.
- **Figure 3** illustrates changes in discretionary spending by title over 10 years.
- **Table 3** compares amounts at the agency level, the basis for the rest of the report.
- **Appendix A** offers a 20-year historical perspective on trends from FY1996 to FY2016.

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

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

(budget authority in millions of dollars)

	FY2016	FY2017					
Title of Agriculture Appropriations Act	**P.L. 114-113**	**Admin. Request**	**H. Cmte. H.R. 5054**	**S. Cmte. S. 2956**	**P.L. 115-31**	**Change: FY2016 to FY2017 Enacted**	
I. Agricultural Programs: Discretionary	7,020.3	7,091.1	7,015.7	7,069.7	7,107.7	+87.4	+1.2%
Mandatory (M)[a]	*16,032.6*	*23,638.4*	*23,638.4*	*23,648.4*	*31,280.2*	+15,247.6	+95.1%
Subtotal	*23,052.9*	*30,729.5*	*30,654.1*	*30,718.2*	*38,387.9*	+15,335.0	+66.5%
II. Conservation Programs	863.8	861.3	868.2	1,015.4	1,027.4	+163.6	+18.9%
III. Rural Development	2,950.0	3,015.9	3,036.4	3,001.7	3,069.2	+119.2	+4.0%
IV. Domestic Food Programs: Discretionary	6,838.9	6,932.4	6,880.5	6,890.3	6,884.7	+45.8	+0.7%
Mandatory (M)	*102,958.1*	*104,830.9*	*102,803.0*	*102,830.9*	*101,226.7*	-1,731.5	-1.7%
Subtotal	*109,797.0*	*111,763.3*	*109,683.4*	*109,721.1*	*108,111.3*	-1,685.6	-1.5%
V. Foreign Assistance	1,868.5[b]	1,752.3	1,870.9	2,006.9	1,872.9[b]	+4.4	+0.2%
VI. Food and Drug Administration	2,729.6	2,742.7	2,765.6	2,771.8	2,771.2	+41.6	+1.5%
Commodity Futures Trading Commission	250.0	330.0	250.0	[250.0][c]	[250.0]	+0.0	+0.0
VII. General Provisions: CHIMPS[d] and rescissions	-865.0	-645.7	-914.7	-998.2	-1,597.0	-732.0	+84.6%
Disaster/emergency programs	273.0	0.0	5.0	0.0	234.8[e]	-38.2	-14.0%
Other appropriations	283.1[b]	0.0	45.5	16.6	237.4[b]	-45.7	-16.1%
Scorekeeping adjustments[f]	-332.0	-524.0	-524.0	-524.0	-525.0	-193.0	+58.1%
Subtract disaster declaration in this bill	-130.0	—	—	—	-206.1[e]	-76.1	+58.6%
Totals							
Discretionary: Senate basis w/o CFTC	[21,500.0]	21,225.9	[21,049.0]	**21,250.0**	**20,877.0**	**-623.0**	**-2.9%**
Discretionary: House basis w/ CFTC	**21,750.0**	21,555.9	**21,299.0**	[21,500.0]	[21,127.0]	-623.0	-2.9%
Mandatory (M)	*118,990.7*	*128,469.3*	*126,441.4*	*126,479.3*	*132,506.9*	+13,516.2	+11.4%
Total: Senate basis w/o CFTC	*140,490.7*	*149,695.3*	*147,490.4*	*147,729.3*	*153,383.9*	+12,893.2	+9.2%

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

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

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

b. In addition to the regular appropriations for Food for Peace Title II grants in Title V ($1.466 billion), extra appropriations were made under General Provisions in FY2016 ($250 million) and FY2017 ($134 million). The effective total for Food for Peace Title II grants is $1.716 billion in FY2016 and $1.600 billion in FY2017.

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

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

e. Includes $206 million appropriated for the Emergency Conservation Program (ECP) and Emergency Watershed Program (EWP) in the second CR (P.L. 114-254, Section 185) that were offset as emergency spending. Another $29 million for ECP was included in the final appropriation (Section 753).

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

Key Budget Terms

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

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

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

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

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

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

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

Comparison of Amounts in the FY2017 Appropriation

The budget authority provided to agencies in the major titles of the bill *increases* by $462 million (the top of the shaded bars in **Figure 3**), even though the official total *decreases* by $623 million compared with the FY2016 discretionary appropriation. This is achieved primarily by increasing budgetary offsets through greater rescissions and greater scorekeeping adjustments.

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

- **Conservation programs. +$163 million**, mostly for $150 million of watershed and flood prevention programs that have not been funded since FY2010.
- **Rural development. +$119 million**, mostly for rural water and wastewater programs (+$49 million), rural broadband (+$24 million), and rural housing rental assistance (+$15 million).
- **Food and Nutrition Service. +$65 million**, mostly for commodity assistance (+$19 million) and nutrition programs administration (+$20 million) in the regular nutrition title and a $19 million supplemental in the general provisions for commodity assistance. **Offset by an $850 million rescission** in WIC because of lower prior-year participation than expected.
- **Animal and Plant Health Inspection Service. +$52 million**, primarily for increases in emergency preparedness.
- **Food and Drug Administration. +$42 million**, including $36 million more for food safety activities.
- **Farm Service Agency. +$29 million**, including $23 million more to support a 25% increase in farm loan program authority.
- **USDA administration. +$20 million** to modernize headquarters facilities.

- **Food Safety Inspection Service. +$17 million** for inspection improvements.
- **Food for Peace grants. -$116 million** from less supplemental funding ($134 million) to augment constant base funding of $1.466 billion.
- **Disaster assistance. -$114 million**, comprised from $38 million less appropriated for programs than in FY2016 ($206 million in the second CR plus $28 million in the omnibus appropriation) and $76 million more in disaster designation offsets that do not count against budget caps.
- **Agricultural research agencies. -$46 million**, comprised primarily of $25 million more for Agriculture and Food Research Initiative (AFRI) grants, and $26 million more for Agricultural Research Service (ARS) operations, offset by $112 million less for ARS buildings and facilities.

Sequestration Continues on Mandatory Accounts

Sequestration is a process of automatic, largely across-the-board reductions that permanently cancel mandatory and/or discretionary budget authority and is triggered when spending would exceed statutory budget goals. Sequestration is authorized in the Budget Control Act of 2011 (BCA; P.L. 112-25) for discretionary spending through FY2021 and for mandatory spending through FY2025.[24]

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

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

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

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

(budget authority in millions of dollars)

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Title I. Agricultural Programs									
Departmental Administration	526.1	364.5	373.2	448.7	392.4	403.5	403.9	+30.8	+8.2%
Research, Education and Economics									
Agricultural Research Service	1,122.5	1,177.6	1,355.9	1,255.8	1,251.4	1,242.2	1,269.8	-86.1	-6.3%
National Institute of Food and Agriculture	1,277.1	1,289.5	1,326.5	1,374.0	1,341.2	1,363.7	1,362.9	+36.4	+2.7%
National Agricultural Statistics Service	161.2	172.4	168.4	176.6	168.4	169.6	171.2	+2.8	+1.7%
Economic Research Service	78.1	85.4	85.4	91.3	86.0	86.8	86.8	+1.4	+1.6%
Under Secretary, Research, Education, Econ.	0.9	0.9	0.9	0.9	0.9	0.9	0.9	+0.0	+0.0%
Marketing and Regulatory Programs									
Animal and Plant Health Inspection Service	824.9	874.5	897.6	904.4	934.0	942.5	949.4	+51.8	+5.8%
Agricultural Marketing Service	81.3	82.4	82.5	83.2	83.5	84.2	86.2	+3.7	+4.5%
Section 32 (M)	1,107.0	1,284.0	1,303.0	1,322.0	1,322.0	1,322.0	1,322.0	+19.0	+1.5%
Grain Inspection, Packers, Stockyards Admin.	40.3	43.0	43.1	43.5	43.1	43.5	43.5	+0.4	+1.0%
Under Secretary, Marketing and Regulatory	0.9	0.9	0.9	0.9	0.9	0.9	0.9	+0.0	+0.9%
Food Safety									
Food Safety and Inspection Service	1,010.7	1,016.5	1,014.9	1,030.4	1,030.4	1,033.8	1,032.1	+17.2	+1.7%
Under Secretary, Food Safety	0.8	0.8	0.8	0.8	0.8	0.8	0.8	+0.0	+0.4%
Farm and Commodity Programs									
Farm Service Agency[a]	1,592.2	1,603.3	1,595.1	1,613.6	1,607.5	1,621.2	1,624.0	+29.0	+1.8%
FSA Farm Loans: Loan Authority[b]	*5,527.3*	*6,402.1*	*6,402.1*	*6,655.1*	*6,667.1*	*6,655.1*	*8,002.6*	*+1,600.5*	*+25.0%*

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Risk Management Agency Salaries and Exp.	71.5	74.8	74.8	66.6	74.8	75.8	74.8	+0.0	+0.0%
Federal Crop Insurance Corporation (M)	9,502.9	8,930.5	7,858.0	8,839.1	8,839.1	8,849.1	8,667.0	+809.0	+10.3%
Commodity Credit Corporation (M)	12,538.9	13,444.7	6,871.1	13,476.9	13,476.9	13,476.9	21,290.7	+14,419.6	+209.9%
Under Secretary, Farm and Foreign Agr.	0.9	0.9	0.9	0.9	0.9	0.9	0.9	+0.0	+0.3%
Subtotal: Discretionary	**6,789.0**	**6,786.9**	**7,020.3**	**7,091.1**	**7,015.7**	**7,069.7**	**7,107.7**	**+87.4**	**+1.2%**
Mandatory (M)	*23,149.1*	*23,659.7*	*16,032.6*	*23,638.4*	*23,638.4*	*23,648.4*	*31,280.2*	*+15,247.6*	*+95.1%*
Subtotal	*29,938.1*	*30,446.6*	*23,052.9*	*30,729.5*	*30,654.1*	*30,718.2*	*38,387.9*	*+15,335.0*	*+66.5%*
Title II. Conservation Programs									
Conservation Operations	812.9	846.4	850.9	860.4	855.3	864.5	864.5	+13.6	+1.6%
Watershed and Flood Prevention	—	—	—	—	—	150.0	150.0	+150.0	—
Watershed Rehabilitation Program	12.0	12.0	12.0	—	12.0	—	12.0	+0.0	+0.0%
Under Secretary, Natural Resources	0.9	0.9	0.9	0.9	0.9	0.9	0.9	+0.0	+0.3%
Subtotal	**825.8**	**859.3**	**863.8**	**861.3**	**868.2**	**1,015.4**	**1,027.4**	**+163.6**	**+18.9%**
Title III. Rural Development									
Salaries and Expenses (including transfers)[c]	657.4	678.2	682.9	698.5	672.8	683.3	675.8	-7.0	-1.0%
Rural Housing Service	1,279.6	1,298.4	1,616.4	1,616.9	1,653.5	1,639.4	1,654.9	+38.4	+2.4%
RHS Loan Authority[b]	*27,408.1*	*27,421.5*	*27,496.8*	*27,433.2*	*27,653.4*	*27,596.4*	*28,083.4*	*+586.6*	*+2.1%*
Rural Business-Cooperative Service[d]	130.2	103.2	90.5	149.5	110.4	92.0	97.7	+7.2	+8.0%
RBCS Loan Authority[b]	*1,022.8*	*984.5*	*979.3*	*1,116.0*	*998.7*	*979.3*	*988.4*	*+9.1*	*+0.9%*
Rural Utilities Service	501.6	501.7	559.3	550.1	598.8	586.0	639.9	+80.5	+14.4%
RUS Loan Authority[b]	*7,514.5*	*7,464.1*	*8,210.6*	*7,993.8*	*8,210.0*	*8,217.0*	*8,217.0*	*+6.5*	*+0.1%*
Under Secretary, Rural Development	0.9	0.9	0.9	0.9	0.9	0.9	0.9	+0.0	+0.3%
Subtotal, Discretionary	**2,569.7**	**2,582.4**	**2,950.0**	**3,015.9**	**3,036.4**	**3,001.7**	**3,069.2**	**+119.2**	**+4.0%**

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Subtotal, RD Loan Authority[b]	***35,945.4***	***35,870.1***	***36,686.7***	***36,543.0***	***36,862.1***	***36,792.7***	***37,288.9***	***+602.2***	***+1.6%***
Title IV. Domestic Food Programs									
Child Nutrition Programs (M)	19,288.0	21,300.2	22,149.7	23,230.7	23,175.7	23,201.7	22,794.0	+644.2	+2.9%
WIC Program	6,715.8	6,623.0	6,350.0	6,350.0	6,350.0	6,350.0	6,350.0	+0.0	+0.0%
SNAP, Food and Nutrition Act Programs (M)	82,169.9	81,837.6	80,849.4	81,689.2	79,673.3	79,682.2	78,480.7	-2,368.7	-2.9%
Commodity Assistance Programs	269.7	278.5	296.2	313.1	315.1	313.1	315.1	+18.9	+6.4%
Nutrition Programs Administration	141.3	150.8	150.8	179.4	168.5	173.3	170.7	+19.9	+13.2%
Under Sec., Food, Nutrition and Consumer	0.8	0.8	0.8	0.8	0.8	0.8	0.8	+0.0	+0.4%
Subtotal									
Discretionary	**7,152.7**	**7,094.1**	**6,838.9**	**6,932.4**	**6,880.5**	**6,890.3**	**6,884.7**	**+45.8**	**+0.7%**
Mandatory (M)	***101,432.9***	***103,096.7***	***102,958.1***	***104,830.9***	***102,803.0***	**102,830.9**	**101,226.7**	**-1,731.5**	**-1.7%**
Subtotal	***108,585.6***	***110,190.9***	***109,797.0***	***111,763.3***	***109,683.4***	**109,721.1**	**108,111.3**	**-1,685.6**	**-1.5%**
Title V. Foreign Assistance									
Foreign Agricultural Service	177.9	181.4	191.6	196.6	194.6	196.6	196.6	+5.0	+2.6%
Food for Peace Title II, and admin. expenses	1,468.7	1,468.5	1,468.5[e]	1,350.1	1,466.1	1,600.1	1,466.1[e]	-2.4	-0.2%
Local and regional food procurement	—	—	—	15.0	—	—	—	—	—
McGovern-Dole Food for Education	185.1	191.6	201.6	182.0	201.6	201.6	201.6	+0.0	+0.0%
CCC Export Loan Salaries	6.7	6.7	6.7	8.5	8.5	8.5	8.5	+1.8	+26.5%
Subtotal	**1,838.5**	**1,848.3**	**1,868.5[e]**	**1,752.3**	**1,870.9**	**2,006.9**	**1,872.9**	**+4.4**	**+0.2%**
Title VI. Related Agencies									
Food and Drug Administration	2,560.7	2,597.3	2,729.6	2,742.7	2,765.6	2,771.8	2,771.2	+41.6	+1.5%
Commodity Futures Trading Commission[f]	215.0	[250.0]	250.0	330.0	250.0	[250.0][f]	[250.0]	+0.0%	+0.0%

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Subtotal	**2,775.7**	**2,597.3**	**2,979.6**	**3,072.7**	**3,015.6**	**[3,021.8]**	**[3,021.2]**	**+41.6**	**+1.4%**
Title VII. General Provisions									
Reductions in Mandatory Programs[g]									
a. Environmental Quality Incentives Program	-272.0	-136.0	-209.0	—	-209.0	-189.0	-179.0	+30.0	-14.4%
b. Watershed Rehabilitation Program	-153.0	-69.0	-68.0	-54.0	-54.0	-63.0	-54.0	+14.0	-20.6%
c. Conservation Stewardship Program	—	-7.0	—	—	-5.0	—	—	+0.0	+0.0%
d. Fresh Fruit and Vegetable Program	-119.0	-122.0	-125.0	-125.0	-125.0	-125.0	-125.0	+0.0	+0.0%
e. Biorefinery Assistance Program	-40.7	-16.0	-19.0	—	-30.0	—	-20.0	-1.0	+5.3%
f. Biomass Crop Assistance Program	—	-2.0	-20.0	—	-20.0	-20.0	-20.0	+0.0	+0.0%
g. The Emergency Food Assistance Program	—	—	—	—	+19.0	—	+19.0	+19.0	—
h. Cushion of Credit (Rural Development)	-172.0	-179.0	-179.0	-151.5	-151.5	-165.0	-132.0	+47.0	-26.3%
i. Section 32	-189.0	-121.0	-216.0	-311.0	-231.0	-237.0	-231.0	-15.0	+6.9%
j. Other CHIMPS and rescissions	-8.0	-133.0	+5.0	+0.0	-4.0	+5.0	-1.0	-6.0	-120.0%
Subtotal, CHIMPS	**-953.7**	**-785.0**	**-831.0**	**-641.5**	**-810.5**	**-794.0**	**-743.0**	**+88.0**	**-10.6%**
Rescissions (discretionary)	-33.3	-17.0	-34.0	-4.2	-104.2	-204.2	-854.0	-820.0	—
Other appropriations									
a. Disaster/emergency programs	—	116.0	273.0	—	5.0	—	234.8[h]	-38.2	-14.0%
b. Other appropriations	106.6	6.6	283.1[e]	—	45.5	16.6	237.4[e]	-45.7	-16.1%
Subtotal, Other appropriations	**106.6**	**122.6**	**556.1**	**—**	**50.5**	**16.6**	**472.2**	**-83.9**	**-15.1%**
Total, General Provisions	**-880.4**	**-679.4**	**-308.9**	**-645.7**	**-864.2**	**-981.6**	**-1,124.8**	**-815.9**	**—**
Scorekeeping Adjustments[i]									
Disaster declaration in this bill	—	-116.0	-130.0	—	—	—	-206.1[h]	-76.1	+58.6%
Other scorekeeping adjustments	-191.0	-398.0	-332.0	-524.0	-524.0	-524.0	-525.0	-193.0	+58.1%

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Subtotal, Scorekeeping adjustments	**-191.0**	**-514.0**	**-462.0**	**-524.0**	**-524.0**	**-524.0**	**-731.1**	**-269.1**	**+58.3%**
Totals									
Discretionary: Senate basis w/o CFTC	[20,665.0]	**20,575.0**	[21,500.0]	**21,225.9**	[21,049.0]	**21,250.0**	**20,877.0**	**-623.0**	**-2.9%**
Discretionary: House basis w/ CFTC	**20,880.0**	[20,825.0]	**21,750.0**	**21,555.9**	**21,299.0**	[21,500.0][f]	[21,127.0]	**-623.0**	**-2.9%**
Mandatory (M)	*124,582.0*	*126,756.5*	*118,990.7*	*128,469.3*	*126,441.4*	*126,479.3*	*132,506.9*	*+13,516.2*	*+11.4%*
Total: Senate basis w/o CFTC	*145,247.0*	*147,331.5*	*140,490.7*	*149,695.3*	*147,490.4*	*147,729.3*	*153,383.9*	*+12,893.2*	*+9.2%*

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

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

a. Includes regular FSA salaries and expenses plus transfers for farm loan program salaries and administrative expenses. Also includes farm loan program loan subsidy, State Mediation Grants, Dairy Indemnity Program (mandatory funding), and Grassroots Source Water Protection Program. Does not include appropriations to the Foreign Agricultural Service for export loans and P.L. 480 administration that are transferred to FSA.

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

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

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

e. In addition to the regular appropriations for Food for Peace Title II grants in Title V ($1.466 billion), extra appropriations were made under General Provisions in FY2016 ($250 million) and FY2017 ($134 million). The effective total for Food for Peace Title II grants is $1.716 billion in FY2016 and $1.600 billion in FY2017.

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

g. Includes reductions (limitations and rescissions) to mandatory programs that may also be known as CHIMPS.

h. Includes $206 million appropriated for the Emergency Conservation Program (ECP) and Emergency Watershed Program (EWP) in the second continuing resolution (P.L. 114-254, Section 185) that were offset as emergency spending. Another $29 million for ECP was included in the final appropriation (Section 753).

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

Continuing Resolutions

In the absence of an FY2017 appropriation before the beginning of the fiscal year on October 1, 2016, Congress passed three CRs that lasted for seven months of the fiscal year. In general, a CR continues the funding rate and other provisions of the previous year's appropriation. However, the Office of Management and Budget (OMB) prorates funding to the agencies on an annualized basis for the duration of the CR through a process known as apportionment.[25] CRs may also provide a different amount through anomalies or make specific administrative changes.

First Continuing Resolution

The first continuing resolution for FY2017 (Division C of P.L. 114-223) lasted until December 9, 2016.[26] It continued FY2016 funding levels and provisions with the following exceptions:

- Not continuing FY2016 supplemental funding for land rehabilitation programs (Section 101(a)(1)).[27]
- A 0.496% across-the-board reduction (Section 101(b)).
- Sufficient funding to maintain mandatory program levels, including for nutrition programs (Section 111).

Four other anomalies affected the agriculture portion individually:

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

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

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

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

Second Continuing Resolution

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

- A lower across-the-board reduction of 0.1901% (Section 101(2)).
- Flexible apportionment for the Farm Loan Program so that it can fund all loans that are approved. USDA direct and guaranteed farm loans may face higher than normal demand because of low farm income and since the CR extends into the spring planting season. The anomaly does not increase funding but potentially makes available the entire FY2016 amount during the CR (Section 146).
- Flexible apportionment for Summer Electronic Benefits Transfer (EBT) demonstration projects so that the program can fully operate by May 2017. These projects, an alternative to the Summer Food Service Program that has operated in select states since FY2011, provide EBT benefits over the summer months to low-income households with school-age children[29] (Section 147).
- Funding for the National Hunger Clearinghouse. Since FY2010, the Richard B. Russell National School Lunch Act has provided $250,000 annually in mandatory funding. The clearinghouse funding was extended in FY2016 appropriations (P.L. 114-113) and then expired September 30, 2016. Since that time, the USDA-FNS had been funding the clearinghouse using carryover balances (Section 148).
- Transfer authority within the Rural Utilities Service (RUS) to support increased subsidy costs of Treasury direct telecommunication loans. The FY2016 subsidy rate of 0.03% will increase to 0.89% in FY 2017. By permitting a transfer of budget authority from RUS programs with lower subsidy costs, the CR will allow for support of the Treasury direct loan level as needed (Section 149).
- Flexible apportionment for the Guaranteed Multi-Family Housing Loan Program at a higher rate than would normally be permitted to fund approved loans. This program offers loan guarantees for the development of affordable rental housing for low- and moderate-income families in rural areas (Section 150).
- Emergency funding for two USDA land rehabilitation programs—the Emergency Conservation Program (ECP, $103 million) and the Emergency Watershed Protection Program (EWP, $103 million). This funding is not directed to a specific disaster or region, nor is it subject to discretionary budget caps. For more information, see "Disaster Assistance" later in this report (Section 185).
- New funding for the FDA Innovation Account ($20 million for FY2017) that was established by the 21st Century Cures Act (P.L. 114-255). The Innovation Account funds agency activities such as changing FDA drug and device approval pathways (Section 193).[30]

[28] See CRS Report R44723, *Overview of Further Continuing Appropriations for FY2017 (H.R. 2028)*.

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

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

Policy Issues

In addition to setting budgetary amounts, the Agriculture appropriations bill is also a vehicle for policy-related provisions that direct how the executive branch should carry out the appropriation. These provisions may have the force of law if they are included in the text of the appropriation, usually in the General Provisions, but their effect is generally limited to the current fiscal year.

The explanatory statement that accompanies the appropriation, and the House and Senate report language that accompanies the committee-reported bills, may also provide policy instructions. These documents do not have the force of law but often explain congressional intent and are expected to be followed by the agencies. Indeed, the committee reports and explanatory statement may need to be read together to capture all of the congressional intent for the fiscal year:

> **Congressional Directives.** The explanatory statement is silent on provisions that were in both the House Report (H. Rpt. 114-531) and Senate Report (S. Rpt. 114-259) that remain unchanged by this agreement, except as noted in this explanatory statement.... The 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.[31]

The list below describes some of the major policy issues. These and other policy-related issues are discussed in greater detail in relevant sections later in this report.

- **GIPSA rule.** The enacted appropriation does *not* include language that would prohibit the Grain Inspection, Packers, and Stockyards Administration (GIPSA) from finalizing and implementing a livestock and poultry marketing rule—the "GIPSA rule," as was proposed in the House bill.
- **Horse slaughter.** The Food Safety Inspection Service (FSIS) is responsible for horse slaughter inspection if the meat is for human consumption. The FY2017 appropriation prohibits FSIS from inspecting horse slaughter facilities.
- **Poultry imports from China.** The FY2017 appropriation prohibits the purchase of processed (cooked) poultry meat imported from China for use in various domestic feeding programs.
- **SNAP-authorized retailers.** The enacted appropriation limits the scope of rules for the 2014 farm bill's changes to inventory requirements for SNAP-authorized retailers.
- **SNAP households reporting requirements.** The enacted appropriation requires SNAP households to report to the state agency a move out of the state beginning in FY2017 and each year thereafter.
- **School meals nutrition standards.** The enacted appropriation requires USDA to provide hardship exemptions from a 100% whole grain requirement and prevent USDA from implementing a sodium requirement without scientific evidence.

[31] Explanatory Statement regarding the Consolidated Appropriations Act, *Congressional Record*, May 3, 2017, p. H3327.

Recent Trends in Agriculture Appropriations

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

The stacked bars in **Figure 3** represent the discretionary spending authorized for each title in the 10 years since FY2007. The total of the positive stacked bars is the budget authority contained in Titles I-VI. It is higher than the official 302(b) discretionary spending limit (the line) because of the budgetary offset from negative amounts in Title VII General Provisions and other scorekeeping adjustments. General Provisions are negative mostly because of limits placed on mandatory programs, which are scored as savings (**Table 3**, **Table 15**).

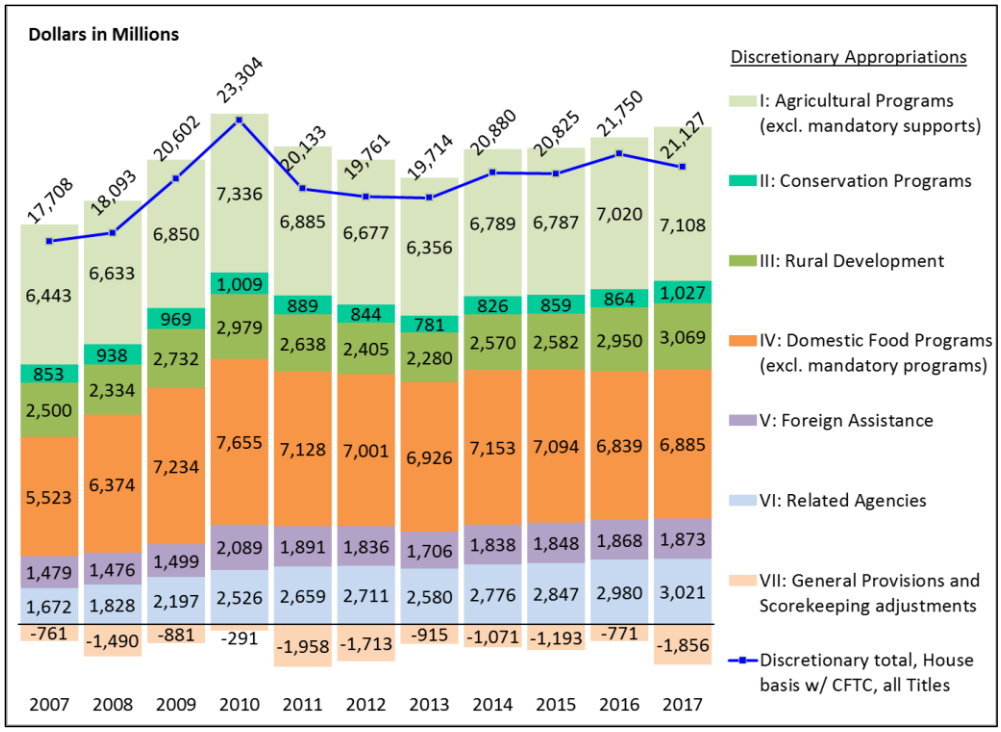
For example, in the FY2017 appropriation, budget authority for the primary agencies in the bill (Titles I-VI) increased $462 million (the top of the stacked bars in **Figure 3**) even though the official discretionary spending allocation decreased $623 million (the line in **Figure 3**).

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

Some areas have sustained real increases, while others have declined (apart from the peak in 2010). Agencies with sustained real increases (that is, inflation-adjusted; **Figure 4**) since FY2007 include FDA and CFTC (Related Agencies) and, to a lesser extent, foreign food assistance. Areas with real decreases in discretionary spending since 2007 include general agricultural programs and domestic nutrition programs. Rural development and conservation also had a real decrease over the same period, though FY2016 reversed that trend for rural development, and FY2017 reversed it for conservation.

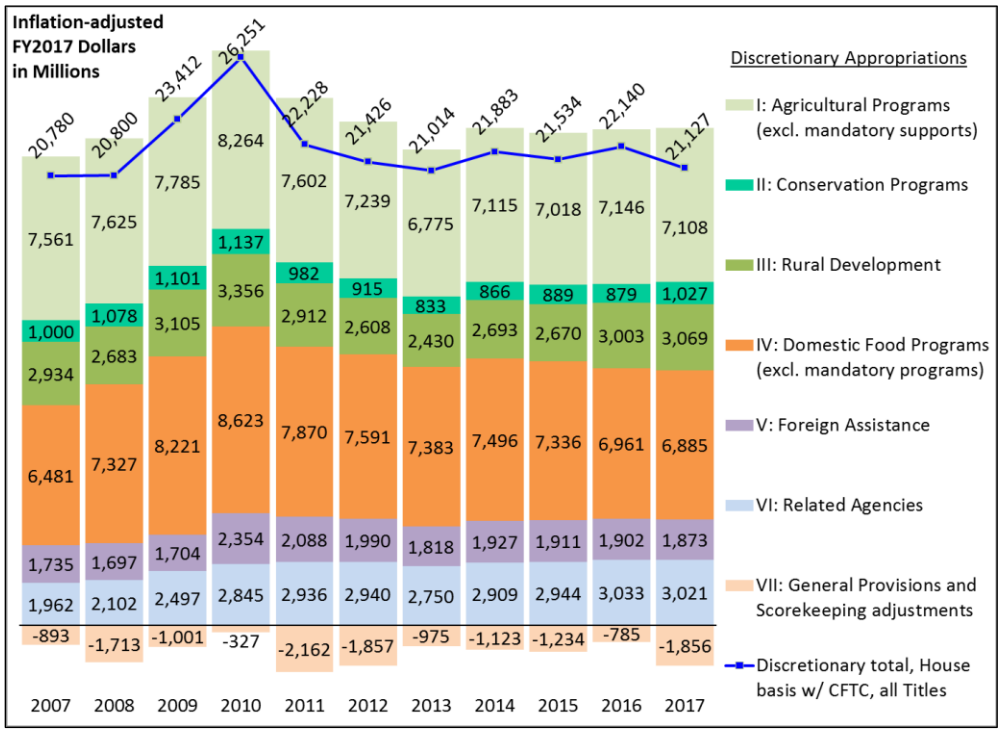
Appendix A offers a 20-year historical perspective on other trends from FY1998 to FY2017, such as mandatory versus discretionary, nutrition versus the rest of the bill, and comparisons against other economic factors such as the share of the federal budget, GDP, and population.

Figure 3. Discretionary Agriculture Appropriations, by Title, Since FY2007



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

Figure 4. Inflation-Adjusted Discretionary Agriculture Appropriations Since FY2007



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

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

USDA Agencies and Programs

USDA was created in 1862 and carries out a range of activities through about 17 agencies and a dozen administrative offices staffed by nearly 100,000 employees.[32] About 95% of its funding is in the Agriculture appropriation, covering about two-thirds of those employees. The remainder is the Forest Service and is funded by the Interior and Related Agencies Appropriations bill.[33]

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

Organization of USDA Is Different Than the Appropriations Bill

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

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

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

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

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

Departmental Administration[34]

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

For FY2017, the enacted appropriation keeps the amount for most accounts in departmental administration constant compared to the enacted FY2016 appropriation, with a few notable exceptions. Overall, the FY2017 appropriation increases departmental administration by $30.8 million (+8.2%) over FY2016 (**Table 4**).

The FY2017 appropriation increases the buildings and facilities account by the USDA-requested $20 million (+31%), largely to pay for long-planned renovations to the South Building in the USDA headquarters complex. It increases the amounts for the Chief Information Officer (+$5 million) and Chief Financial Officer (+$2 million) to increase cybersecurity and meet new digital accountability standards. The Office of Inspector General receives an increase of $2.5 million, including $1.1 million for additional oversight of the department's information technology upgrades. And it increases the amount for the Office of the Chief Economist by $1.1 million to acquire data and support to prepare for the 2018 farm bill.

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

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

[34] This section was written by Jim Monke.

Table 4. USDA Departmental Administration Appropriations

(budget authority in millions of dollars)

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Office of the Secretary									
Office of the Secretary	5.05	5.05	5.05	10.18	5.05	10.18	5.05	+0.0	+0.0%
Office of Tribal Relations	0.50	0.50	0.50	0.76	0.50	0.51	0.50	+0.0	+0.0%
Office of Homeland Security	1.50	1.50	1.50	1.59	1.50	1.59	1.50	+0.0	+0.0%
Advocacy and Outreach	1.21	1.21	1.21	11.22	1.21	4.22	1.21	+0.0	+0.0%
Assistant Secretary for Administration	0.80	0.80	0.80	0.81	0.80	0.81	0.80	+0.0	+0.0%
Departmental Administration	22.79	25.12	25.12	27.42	24.12	25.40	24.12	-1.0	-4.0%
Asst. Sec. Congressional Relations	3.87	3.87	3.87	3.92	3.87	3.92	3.87	+0.0	+0.0%
Office of Communications	8.07	7.75	7.50	8.51	7.50	7.53	7.50	+0.0	+0.0%
Subtotal	**43.78**	**45.81**	**45.56**	**64.40**	**44.56**	**54.15**	**44.56**	**-1.0**	**-2.2%**
Executive Operations									
Office of Chief Economist	16.78	17.38	17.78	17.59	16.78	16.92	18.92	+1.1	+6.4%
National Appeals Division	12.84	13.32	13.32	13.48	13.32	13.48	13.40	+0.1	+0.6%
Office of Budget and Program Analysis	9.06	9.39	9.39	9.53	9.39	9.53	9.53	+0.1	+1.4%
Subtotal	**38.68**	**40.09**	**40.49**	**40.60**	**39.49**	**39.92**	**41.84**	**+1.4**	**+3.3%**
Other Administration									
Chief Information Officer	44.03	45.05	44.54	65.72	44.54	49.92	49.54	+5.0	+11.2%
Chief Financial Officer	6.21	6.03	6.03	9.12	6.03	8.12	8.03	+2.0	+33.2%
Assistant Secretary for Civil Rights	0.89	0.90	0.90	0.90	0.90	0.90	0.90	+0.0	+0.3%
Office of Civil Rights	21.40	24.07	24.07	24.75	24.07	24.34	24.21	+0.1	+0.6%

Agency or Major Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Buildings and facilities [a]	233.00	55.87	64.19	84.37	84.19	74.37	84.19	+20.0	+31.2%
Hazardous materials management	3.59	3.60	3.62	3.63	3.62	3.63	3.63	+0.0	+0.4%
Office of Inspector General	89.90	95.03	95.74	101.00	96.04	99.38	98.21	+2.5	+2.6%
General Counsel	41.20	44.38	44.38	49.60	44.38	45.01	44.70	+0.3	+0.7%
Office of Ethics	3.44	3.65	3.65	4.62	4.56	3.72	4.14	+0.5	+13.2%
Subtotal	**443.67**	**278.57**	**287.12**	**343.70**	**308.32**	**309.38**	**317.54**	**+30.4**	**+10.6%**
Total, Departmental Administration	**526.13**	**364.46**	**373.16**	**448.70**	**392.36**	**403.45**	**403.93**	**+30.8**	**+8.2%**

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

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

Agricultural Research, Education, and Extension[35]

Agricultural research was one of the founding purposes when USDA was created in 1862. USDA conducts intramural research at federal facilities with government-employed scientists and supports external research at universities and other facilities through competitive grants and formula-based funding. Contemporary research spans traditional, organic, and sustainable agricultural production; bioenergy; nutrition; food safety; pests and diseases of plants and animals; and economics.

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

- The **Agricultural Research Service (ARS)**, USDA's intramural science agency, conducts long-term, high-risk, basic and applied research on food and agriculture issues of national and regional importance.
- The **National Institute of Food and Agriculture (NIFA)** distributes competitive grants and formula-based funding to land grant colleges of agriculture to provide partial support for state-level research, education, and extension.
- The **National Agricultural Statistics Service (NASS)** collects and publishes national, state, and county statistics. NASS is also responsible for the five-year cycle of the Census of Agriculture.
- The **Economic Research Service (ERS)** provides economic analysis of issues regarding public and private interests in agriculture, natural resources, and food.

The enacted FY2017 appropriation provides $2.891 billion for agricultural research, down $45 million from the enacted FY2016 total (-1.5%; **Table 5**). This overall change is comprised of $67 million more for research programming across the four agencies and $112 million less for buildings and facilities than in FY2016. The enacted bill is less of a reduction than either the House or Senate bills, generally providing more to research programs than the House bill proposed and reducing building and facilities by less than the Senate bill proposed.

In addition to discretionary appropriations, agricultural research is also funded by state matching contributions and private donations or grants, as well as mandatory funding from the farm bill.[36]

Agricultural Research Service

The ARS is USDA's in-house basic and applied research agency. It operates approximately 90 laboratories nationwide with about 6,600 employees. ARS also operates the National Agricultural Library, one of USDA's primary information repositories for food, agriculture, and natural resource sciences. ARS laboratories focus on efficient food and fiber production, development of new products and uses for agricultural commodities, development of effective controls for pest management, and support of USDA regulatory and technical assistance programs.

For FY2017, the enacted appropriation provides $1.170 billion for ARS salaries and expenses, $26 million more than FY2016 (+2.3%; **Table 5**). The House-reported bill would have increased the FY2016 amount by $8 million and the Senate-reported bill by $34 million.

[35] This section was written by Jim Monke.

[36] See CRS Report R40819, *Agricultural Research: Background and Issues*

ARS had proposed increases across several programmatic areas for prioritized research projects, coupled with reductions in funding for several existing programs. The enacted appropriation, via the explanatory statement, expressly rejects those specific reductions and reprogramming.

The enacted appropriation does not include concerns that were mentioned in the FY2016 appropriation about animal care at ARS research facilities. However, the Animal and Plant Health Inspection Service (APHIS) is instructed in the explanatory statement to continue its inspections of ARS facilities and post the results online.

For the ARS buildings and facilities account, the enacted appropriation provides $99.6 million in FY2017, a decrease from the $212 million appropriated in FY2016. USDA had requested $94.5 million for FY2017. The appropriation directs that funding be used for priorities identified in the "USDA ARS Capital Investment Strategy."[37] ARS's priorities include completion of the Foreign Disease and Weed Science Research Unit in Fort Detrick, MD ($30.2 million), and Phase I of the Agricultural Research Technology Center in Salinas, CA ($64.3 million).[38]

National Institute of Food and Agriculture

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

For FY2017, the enacted appropriation provides $1.363 billion for NIFA, an increase of $36 million over FY2016 (+2.7%; **Table 5**). The President had requested slightly more discretionary funding for NIFA plus an increase in mandatory funding as described below.

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

Formula-funded programs in both research and extension are held constant under the FY2017 appropriation, though the Administration had requested an increase for the Evans-Allen program that supports historically black colleges of agriculture.

The FY2017 appropriation continues to direct that at least 15% of NIFA's competitive grant funding be available for research enhancement awards such as USDA-EPSCoR.

The President's request again proposed to consolidate federal science, technology, engineering, and mathematics (STEM) education funding so that USDA would no longer fund Higher Education Challenge Grants, Graduate and Post-graduate Fellowship Grants, the Higher

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

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

Education Multicultural Scholars Program, the Women and Minorities in STEM Program, Agriculture in the Classroom, and Secondary/Postsecondary Challenge Grants. As in prior years, the enacted appropriation rejected that proposal and continues to fund these STEM programs in USDA. In fact, an additional $500,000 was appropriated to Rural Development to develop a plan to increase access to STEM education in rural areas via the Distance Learning and Telemedicine program.

National Agricultural Statistics Service

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

For FY2017, the enacted appropriation provides NASS $171 million, an increase of $2.8 million over FY2016 (+2.7%). Most of that increase ($1.6 million) is targeted to expand a feed cost survey at the national level.

The House report language directs NASS to restart surveys and reports for pecans. The Senate report language directs continuing coverage of chemical use and integrated pest management, especially for fruits and vegetables, and additional organic production surveys.

Economic Research Service

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

For FY2017, the enacted appropriation provides ERS $86.8 million, a $1.4 million increase over FY2016 (+1.6%). USDA had requested a larger increase to $91 million. The enacted increase is supposed to support additional research on groundwater modeling and drought resilience, as indicated in both the joint explanatory statement and in the House report language. The Senate report language directs ERS to expand its organic data analysis.

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

Budget authority in millions of dollars	FY2014	FY2015	FY2016	FY2017					
Agency or Major Program	**P.L. 113-76**	**P.L. 113-235**	**P.L. 114-113**	**Admin. Request**	**H. Cmte. H.R. 5054**	**S. Cmte. S. 2956**	**P.L. 115-31**	**Change: FY2016 to FY2017 Enacted**	
Agricultural Research Service	1,122.5	1,132.6	1,143.8	1,161.3	1,151.8	1,177.9	1,170.2	+26.4	+2.3%
Buildings and Facilities	—	45.0	212.1	94.5	99.6	64.3	99.6	-112.5	-53.0%
Subtotal, ARS	**1,122.5**	**1,177.6**	**1,355.9**	**1,255.8**	**1,251.4**	**1,242.2**	**1,269.8**	**-86.1**	**-6.3%**
National Inst. of Food and Agriculture									
Research and Education									
AFRI (competitive grants)	316.4	325.0	350.0	375.0	375.0	375.0	375.0	+25.0	+7.1%
Hatch Act (1862 institutions)	243.7	243.7	243.7	243.7	243.7	243.7	243.7	+0.0	+0.0%
Evans-Allen (1890s institutions)	52.5	52.5	54.2	58.0	54.2	54.2	54.2	+0.0	+0.0%
McIntire-Stennis (forestry)	34.0	34.0	34.0	34.0	34.0	34.0	34.0	+0.0	+0.0%
Other	126.0	131.7	137.8	126.3	126.0	144.6	142.7	+4.8	+3.5%
Subtotal	**772.6**	**786.9**	**819.7**	**836.9**	**832.9**	**851.5**	**849.5**	**+29.8**	**+3.6%**
Extension									
Smith-Lever (b) & (c)	300.0	300.0	300.0	300.0	300.0	300.0	300.0	+0.0	+0.0%
Smith-Lever (d)	85.5	85.5	85.5	106.9	85.5	85.5	85.5	+0.0	+0.0%
Other	83.7	86.2	90.4	95.0	91.9	90.7	91.9	+1.5	+1.7%
Subtotal	**469.2**	**471.7**	**475.9**	**501.9**	**477.4**	**476.2**	**477.4**	**+1.5**	**+0.3%**
Integrated Activities	35.3	30.9	30.9	28.9	30.9	36.0	36.0	+5.1	+16.5%
Subtotal, NIFA	**1,277.1**	**1,289.5**	**1,326.5**	**1,374.0**	**1,341.2**	**1,363.7**	**1,362.9**	**+36.4**	**+2.7%**
National Agricultural Statistics Service	161.2	172.4	168.4	176.6	168.4	169.6	171.2	+2.8	+1.7%
Economic Research Service	78.1	85.4	85.4	91.3	86.0	86.8	86.8	+1.4	+1.6%
Total, REE appropriation	**2,638.8**	**2,724.9**	**2,936.2**	**2,897.7**	**2,847.0**	**2,862.4**	**2,890.7**	**-45.5**	**-1.5%**

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

Marketing and Regulatory Programs

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

Animal and Plant Health Inspection Service[39]

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

For FY2017, the enacted appropriation would provide $946.2 million for APHIS, plus $3.2 million for building and facilities (**Table 6**). This is $51.8 million more than FY2016 (+5.8%), and $45.0 million more than requested by the Administration.

From the Animal Health budget line, the bill provides $55.3 million for avian health. The Animal Welfare appropriation includes an increase over FY2016 of $400,000 to provide oversight of animal research at ARS facilities. In addition, a general provision (Section 739) prohibits any funding supporting licensing for Class B dealers who sell dogs and cats for use in research, experiments, teaching, or testing. In addition to the Specialty Crop Pests budget line, Section 757 of the enacted appropriation provides an additional $5.5 million to address citrus greening.

Section 738 of the enacted appropriations requires APHIS to conduct international animal health status audits based on seven factors as defined in regulations for determinations of animal health status (9 C.F.R. 92.2), and APHIS is to promptly make audit reports publicly available. The section also requires that the audits be conducted in a manner consistent with U.S. international trade agreements.

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

(budget authority in millions of dollars)

	FY2016	FY2017			
	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
Animal Health	295.2	305.3	309.9	307.1	309.9
Plant Health	308.4[a]	287.5	309.8[a]	310.9	318.3[a]
Wildlife Services	120.0	105.0	119.2	121.2	122.2
Regulatory Services	35.1	35.4	35.1	35.5	35.1

[39] This section was written by Tadlock Cowan.

	FY2016	FY2017			
	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
Emergency Management, Contingency	17.4	44.6	38.4	44.6	41.4
Safe Trade, International Tech. Assist.	37.2	42.0	37.2	38.5	37.7
Animal Welfare	29.1	29.4	29.2	29.4	29.5
Administrative Funds	52.0	52.0	52.0	52.0	52.0
Subtotal, salaries and expenses	**894.4**	**901.2**	**930.8**	**939.3**	**946.2**
Buildings and facilities	3.2	3.2	3.2[b]	3.2	3.2[c]
Total, APHIS	**897.6**	**904.4**	**934.0**	**942.5**	**949.2**

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

a. In addition to this amount, the General Provisions section of the appropriation provides $5.5 million for citrus greening.

b. In addition to this amount, the General Provisions section of the House-reported bill would have provided $30 million for fruit fly eradication facilities.

c. In addition to this amount, the General Provisions section of the enacted appropriation provides $47 million for fruit fly eradication facilities.

Agricultural Marketing Service and "Section 32"[40]

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 $1.3 billion (funds for strengthening markets, income, and supply; or "Section 32") finances various types of ad hoc decisions that support agricultural commodities (such as meat, poultry, fruits, and vegetables) that are not supported through the commodity support programs for the primary field crops (corn, soybeans, wheat, rice, and peanuts) and dairy. User fees also support some AMS activities.

Marketing Activities

For FY2017, the enacted appropriation provides $86.2 million for AMS salaries and expenses, including $1.2 million for payments to states and possessions for marketing activities. This is $3.7 million higher than enacted in FY2016. The enacted legislation places a $61.2 million limit on the amount of user fees that AMS may collect for grading and classifying cotton and tobacco.[41]

The AMS discretionary appropriation funds four main marketing activities: market news service, shell egg surveillance and standardization, market protection and promotion, and transportation and marketing. The market news program collects, analyzes, and disseminates market information on 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,

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

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

the country-of-origin labeling (COOL) program, and 22 commodity research and promotion programs (checkoffs). AMS monitors the agriculture transportation system and conducts market analysis that supports the transport of agricultural products domestically and internationally.

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

In addition to the cotton and tobacco inspection and classification fees (limited to $61.2 million), AMS collects user fees and reimbursements to cover product quality and process verification programs, commodity grading, and Perishable Agricultural Commodities Act (PACA; 7 U.S.C. 499a) licensing. AMS expects to collect about $175 million in FY2017 for these activities. AMS also administers several 2014 farm bill programs that have mandatory funding and are designed to support specialty crops, farmers markets, local foods, and organic certification.[42]

The National Organic Standards Board (NOSB) has completed its sunset review of the National List of substances and ingredients allowed and prohibited in organic production. In the enacted legislation's explanatory statement, Congress directs USDA to fully consider available scientific information and stakeholder comments as it reviews the NOSB sunset review recommendations in the rulemaking process. Congress also directs USDA to "stay within the parameters of the required study" included in the National Bioengineered Food Disclosure Standard (P.L. 114-216).

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

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 (estimated at $10.9 billion in FY2017). This amount is reduced by various mandatory transfers ($9.6 billion in FY2017) to child nutrition and other programs.[43]

The remaining 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 (Section 14222) capped the annual amount of Section 32 funds available for obligation by AMS in FY2017 at $1.322 billion. Also, to increase the amount of fruits and vegetables purchased under Section 32, Congress limited USDA's discretion in two ways: (1) Section 4304 of the 2008 farm bill established a fresh fruit and vegetable school snack program funded by carving out Section 32 funds (set at $40 million in 2008, rising to $150 million in 2011, and adjusted for inflation for each year thereafter), and (2) Section 4404 of the 2008 farm bill required additional purchases of fruits, vegetables, and nuts (set at $190 million in FY2008, rising to $206 million in FY2012, and remaining at that level each year thereafter).

[42] Separate from the appropriations process, the 2014 farm bill (P.L. 113-79) authorized mandatory funding for four AMS-administered programs as follows: $72.5 million (annually, FY2014-2017) and $85 million (annually, FY2018 and thereafter) for specialty crop block grants; $15 million (annually, FY2014-2018) for farmers' market promotion; $15 million (annually, FY2014-2018) for local food promotion; and a set-aside (estimated at $12.5 million in FY2017) for the AMS share of costs to support organic certification. For FY2017, AMS expects to administer an estimated $107.1 million ($115 million, less 6.9% for sequestration) for these mandatory farm bill initiatives.

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

For FY2017, P.L. 115-31 authorizes $1.322 billion of Section 32 funds for AMS, as provided in the 2008 farm bill. After a rescission of $231 million, a sequestration cut of $80 million, and required transfers for fresh fruit and vegetable programs, $886 million is available for AMS activities.

Section 715 of the enacted legislation, a provision that has been in enacted agricultural appropriations since FY2012, effectively prohibits the use of Section 32 funds for emergency disaster payments:

> [N]one of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries or expenses of any employee of the Department of Agriculture or officer of the Commodity Credit Corporation to carry out clause 3 of Section 32 of the Agricultural Adjustment Act of 1935 (P.L. 74-320, 7 U.S.C. 612c, as amended), or for any surplus removal activities or price support activities under section 5 of the Commodity Credit Corporation Charter Act.[44]

Grain Inspection, Packers and Stockyards Administration[45]

The 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 FY2017, the enacted appropriation provides GIPSA $43.5 million for salaries and expenses, $425,000 more than enacted for FY2016. The enacted legislation authorizes GIPSA to collect up to $55 million in user fees for inspection and weighing services. If grain export activity requires additional services, the user fee limit may be exceeded by up to 10% upon notification to the Committee on Appropriations in both the House and Senate.

The general provisions of the enacted appropriation do not include language regarding the GIPSA rule[46] that was proposed in 2010 nor the Farmer Fair Practices Rules[47] that were issued in December 2016. From FY2012 to FY2015, enacted appropriations riders prohibited USDA from finalizing and implementing most parts of the GIPSA rule. The FY2016 appropriations act did not include such a provision. Subsequently, USDA reissued parts of the original rule in three separate rules:

- The first was an interim final rule that holds that harm to an individual could be a violation of the Packers and Stockyards Act (7 U.S.C. §181 et seq.) without a finding of harm to competition.
- The other two proposed rules addressed (1) criteria for determining unfair practices and undue preferences and (2) criteria that could be used to determine if

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

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

[46] 75 *Federal Register* 35338. See CRS Report R41673, *USDA's "GIPSA Rule" on Livestock and Poultry Marketing Practices*.

[47] 81 *Federal Register* 92566, 81 *Federal Register* 92703, and 81 *Federal Register* 92723. See CRS Insight IN10638, *USDA Releases GIPSA Rules*.

the poultry tournament system was in violation of the Packers and Stockyards Act.

In January 2017, the Trump Administration delayed the effective dates and extended the comment periods of the Farmers Fair Practices Rules.[48] In April 2017, USDA further delayed the effective date of the interim final rule to October 19, 2017. USDA also asked for comments on whether or not the interim final rule should (1) become effective, (2) be suspended indefinitely, (3) delay the effective date further, or (4) be withdrawn.

Food Safety and Inspection Service (FSIS)[49]

The Food Safety and Inspection Service (FSIS) is responsible for inspecting U.S. supplies of meat, poultry, and processed egg products to ensure that they are safe, wholesome, and properly labeled.[50] The FSIS Meat and Poultry Inspection Program conducts continuous inspections at federal meat and poultry plants and ensures that state inspection programs have standards that are at least equivalent to federal standards. The Egg Products Inspection Program ensures that liquid, frozen, and dried egg products are also safe, wholesome, and correctly labeled. In addition, FSIS inspects U.S. imports of meat, poultry, and egg products, and ensures that they are produced under standards equivalent to U.S. inspection standards.

For FY2017, the enacted appropriations act provides FSIS $1.03 billion, $17.2 million more than enacted for FY2016. The FSIS appropriations are divided between five subaccounts: federal inspection ($915.8 million), state inspection ($61.6 million), international inspection ($16.5 million), Codex Alimentarius ($3.7 million), and the Public Health Data Communications Infrastructure System ($34.6 million). The appropriation authorizes FSIS to collect $1.0 million in laboratory accreditation fees. It requires that FSIS have no fewer than 148 full-time equivalents dedicated to the inspection and enforcement of the Humane Methods of Slaughter Act in FY2017.

The appropriation directs FSIS to continue to implement catfish inspection that was transferred from the Food and Drug Administration to USDA in the 2008 farm bill (P.L. 110-246, §11016) and 2014 farm bill (P.L. 114-79, §12106). FSIS issued the final rule on catfish inspection in December 2015, and it went into effect on March 1, 2016, with a phase-in period continuing until September 1, 2017.[51] In the explanatory statement of the enacted appropriation, Congress directs FSIS to re-inspect all imported catfish and to complete equivalency determinations for foreign countries exporting catfish to the United States no later than 180 days following the end of the phase-in period of September 1, 2017.

For FY2017, Section 762 of the enacted appropriations prohibit FSIS from using funds to inspect horse slaughter facilities, as well as the use of voluntary inspection fees. Horses are an amenable species under the Federal Meat Inspection Act and FSIS is responsible for horse slaughter inspection if the horsemeat is for human consumption. However, the FY2006 and FY2007 appropriations acts prohibited FSIS from funding horse slaughter inspections. In subsequent appropriations (FY2008-FY2011 and FY2014-FY2016), the inspection bans were expanded to include a prohibition on voluntary, fee-based horse slaughter inspections. Inspection bans were

[48] See CRS Insight IN10638, *USDA Releases GIPSA Rules*.

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

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

[51] 80 *Federal Register* 75590 (December 2, 2015).

not in force during FY2012 and FY2013, but no horse slaughter facilities opened before the appropriations ban was reinstated.

Section 728 of the FY2017 appropriation prohibits the purchase of processed (cooked) poultry meat imported from China for use in the school lunch program under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), the Child and Adult Food Care Program under Section 17 of such act (42 U.S.C. 1766), the Summer Food Service Program for Children under Section 13 of such act (42 U.S.C. 1761), or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.). This provision has been included in appropriations acts since FY2015 after FSIS concluded that China could export processed poultry to the United States. This raised concern among some Members of Congress because of China's poor food safety record. In August 2013, FSIS determined that China's processed poultry system is equivalent[52] to the U.S. system. This determination allows China to source raw poultry slaughtered in the United States or countries eligible to export raw poultry to the United States, process the raw product, and then export the processed poultry.

In November 2014, China provided FSIS a list of four processing plants that meet processing equivalency requirements and thus could send processed poultry to the United States. To date, no Chinese processed product has been exported to the United States. But FSIS is in the process of writing a proposed rule that recognizes the equivalency of China's poultry slaughter system and would allow China to export processed poultry that is domestically raised. A positive equivalency determination for China's slaughter system would likely result in U.S. imports of poultry from China.

Farm Service Agency[53]

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

FSA Salaries and Expenses

For FY2017, the enacted appropriation provides $1.513 billion to FSA for salaries and expenses (including $1.206 billion for regular FSA salaries and expenses, plus the transfer within FSA of $307 million for farm loan program salaries and expenses), an increase of $5.9 million over FY2016 (**Table 7**).[54]

The joint explanatory statement indicates that the increase in the appropriation is for $5 million to improve security at county offices, $500,000 to support youth-serving organizations, $250,000 to establish a pilot network to mentor beginning farmers, and $90,000 to train veteran farmers to be prequalified for direct farm ownership loans.

[52] Under equivalency, foreign inspection measures do not have to be the same as in the United States, but they must provide the same level of sanitary and public health protection as U.S. measures. Equivalency for poultry is authorized in 21 U.S.C. §466 of the PPIA.

[53] This section was written by Jim Monke.

[54] Excludes transfers to FSA from FAS for administrative support (about $2.6 million).

Regarding information technology (IT), the enacted appropriation continues strong requirements that began in FY2015 about FSA's implementation of IT plans. The intention is to address the Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) plan that was flagged for concern by the Federal IT Dashboard in December 2012 but has shown progress in 2015 and 2016.[55] FSA has struggled with the scope and schedule of work on MIDAS and did not deliver the expected results. The Government Accountability Office (GAO)[56] and the USDA Office of Inspector General continue to observe management and schedule problems in recent reports.[57]

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

Regarding office closures and staff reductions, the enacted FY2017 appropriation prohibits FSA from closing any county offices and prohibits FSA from permanently relocating any county employees if it results in two or fewer employees, unless the Appropriations Committees approve. The FY2015 and FY2016 appropriations similarly prohibited county office closure and contained the relocation provision, but these were the first time that FSA office closure had been mentioned in appropriations since FY2006-FY2008. The recent one-year moratoriums in appropriations act surpass a permanent provision in statute from the 2008 farm bill (7 U.S.C. 6932a; P.L. 110-246, §14212) that sets conditions and requires congressional notification and local hearings before FSA can close or consolidate a county office.

FSA Farm Loan Programs

FSA makes and guarantees loans to farmers and is a lender of last resort for family farmers who are unable to obtain credit from commercial lenders. USDA provides direct farm loans (loans made directly from USDA to farmers), and it also guarantees the timely repayment of principal and interest on qualified loans to farmers from commercial lenders. FSA loans are used to finance farm real estate, operating expenses, and recovery from natural disasters.[58]

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 many times larger than the subsidy level.

For FY2017, the enacted appropriation exceeds the Administration's request and the House and Senate proposals, likely due to the delay in enactment and new information about higher demand for farm loans. Overall, the FY2017 appropriation provides $90 million of loan subsidy to support $8.0 billion of loan authority. The loan subsidy is increasing 29% over FY2016, and the loan authority is increasing 25% over the FY2016 appropriation (**Table 8**).

Following the global financial crisis that began in 2008, the farm loan program has grown in size, reflecting farmers' borrowing needs. Supplemental appropriations in FY2009 and FY2010 raised

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

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

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

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

loan authority by $2 billion to the $6 billion level, and, with the exception of fiscal pressures in FY2011-FY2013, recent appropriations have sustained and increased loan authorities to about $6.4 billion. Low default rates and interest rates have allowed this increase at lower budgetary costs compared to a decade ago.

As an indicator of the rapid demand for USDA farm loans, in FY2016 USDA used supplemental authority that was provided in the appropriation to increase the **guaranteed farm ownership program** loan authority by $500 million to $2.5 billion.[59] An appropriations provision allows USDA to increase the loan authority of programs that are self-funding (from loan application fees such as the farm ownership loan program) by 25% with prior notification to the Appropriations Committees. The FY2017 appropriation increases the base amount for this loan program to $2.75 billion (+37%) and retains the provision that would allow USDA to increase it by another 25% if needed (§726).

The FY2017 appropriation also increases the loan authority for the **direct farm operating loan program** to $1.53 billion (+22%) and the **guaranteed farm operating loan program** to $1.96 billion (+41%).

The enacted appropriation continues to not fund the Individual Development Accounts program,[60] though the Administration's request and the Senate bill would have provided $1.5 million.

The enacted appropriation increases funding for administrative expenses in the loan program by $2.2 million, largely to support service to veteran farmers. Veteran farmers would also benefit from the Administration's plan to waive certain loan fees.

[59] USDA used this authority in July 2016. Updates on the year-to-date use of FSA loan authority are available at http://www.fsa.usda.gov/programs-and-services/farm-loan-programs/funding/index.

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

Table 7. Farm Service Agency (FSA) Appropriations

(budget authority in millions of dollars)

	FY2014	FY2015	FY2016	FY2017					
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Salaries and expenses									
Farm Service Agency (S&E base)	1,177.9	1,200.2	1,200.2	1,209.8	1,200.2	1,210.4	1,206.1	+5.9	+0.5%
FSA farm loan program S&E transfer	307.0	307.0	307.0	307.0	307.0	307.0	307.0	+0.0	+0.0%
Subtotal, appropriated to FSA	**1,484.9**	**1,507.2**	**1,507.2**	**1,516.7**	**1,507.2**	**1,517.4**	**1,513.1**	**+5.9**	**+0.4%**
Programs									
Farm loan program (loan subsidy)	90.0	78.7	69.6	82.8	82.0	82.8	90.0	+20.4	+29.3%
Farm loan program admin. expenses	7.7	7.9	7.9	10.1	7.9	10.1	10.1	+2.2	+27.1%
State mediation grants	3.8	3.4	3.4	3.4	3.4	3.9	3.9	+0.5	+14.7%
Grassroots source water protection	5.5	5.5	6.5	0.0	6.5	6.5	6.5	+0.0	+0.0%
Dairy indemnity program (M)	0.3	0.5	0.5	0.5	0.5	0.5	0.5	+0.0	+0.0%
Total: Appropriation to FSA	**1,592.2**	**1,603.3**	**1,595.1**	**1,613.6**	**1,607.5**	**1,621.2**	**1,624.0**	**+29.0**	**+1.8%**

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

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

Table 8. Farm Service Agency: Farm Loan Program

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

	FY2014	FY2015	FY2016	FY2017					
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31	Change: FY2016 to FY2017 Enacted	
1. Budget Authority (loan subsidy)									
Farm ownership loans									
Direct	4.4	—	—	—	—	—	—	+0.0	+0.0
Farm operating loans									
Direct	65.5	63.1	54.0	62.2	62.2	62.2	65.2	+11.2	+20.8%
Guaranteed (unsubsidized)	18.3	14.8	14.4	15.3	15.3	15.3	21.0	+6.6	+46.1%
Other direct loans									
Emergency loans	1.7	0.9	1.3	1.3	1.9	1.3	1.3	+0.0	+0.0%
Indian highly fractionated land loans	0.1	—	—	2.6	2.6	2.6	2.6	+2.6	—
Individual Development Accounts	—	—	—	1.5	—	1.5	0.0	+0.0	—
Subtotal, loan subsidy	**90.0**	**78.7**	**69.6**	**82.8**	**82.0**	**82.8**	**90.0**	**+20.4**	**+29.3%**
FLP salaries and expenses	307.0	307.0	307.0	307.0	307.0	307.0	307.0	+0.0	+0.0%
FLP administrative expenses	7.7	7.9	7.9	10.1	7.9	10.1	10.1	+2.2	+27.1%
Total, FLP budget authority	**404.7**	**393.6**	**384.5**	**399.9**	**396.9**	**399.9**	**407.0**	**+22.5**	**+5.9%**

	FY2014	FY2015	FY2016	FY2017					
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31	Change: FY2016 to FY2017 Enacted	
2. Loan Authority (loan level)									
Farm ownership loans									
Direct	575.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	+0.0	+0.0%
Guaranteed	2,000.0	2,000.0	2,000.0 [a]	2,000.0	2,000.0	2,000.0	2,750.0	+750.0	+37.5%
Farm operating loans									
Direct	1,195.6	1,252.0	1,252.0	1,460.0	1,460.0	1,460.0	1,530.0	+278.0	+22.2%
Guaranteed (unsubsidized)	1,500.0	1,393.4	1,393.4	1,432.4	1,432.4	1,432.4	1,960.0	+566.6	+40.7%
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	34.7	34.7	34.7	22.6	34.7	22.6	22.6	-12.1	-34.9%
Indian tribe land acquisition loans	2.0	2.0	2.0	20.0	20.0	20.0	20.0	+18.0	+900.0%
Indian highly fractionated land loans	10.0	10.0	10.0	10.0	10.0	10.0	10.0	+0.0	+0.0%
Boll weevil eradication loans	60.0	60.0	60.0	60.0	60.0	60.0	60.0	+0.0	+0.0%
Total, loan authority	**5,527.3**	**6,402.1**	**6,402.1**	**6,655.1**	**6,667.1**	**6,655.1**	**8,002.6**	**+1,600.5**	**+25.0%**

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

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

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

Commodity Credit Corporation[61]

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

The CCC is a wholly owned government corporation that has the legal authority to borrow up to $30 billion at any one time from the U.S. Treasury to finance program spending (15 U.S.C. 714, *et seq*.). The CCC may earn a small amount of money from activities such as buying and selling commodities and receiving interest payments on loans. But because the CCC never earns more than it spends, its borrowing authority is replenished through a congressional appropriation.[62]

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

The congressional appropriation may not always restore the line of credit to the previous year's level or may repay more than was spent. For these reasons, the appropriation to the CCC may not reflect current year outlays. Moreover, the CCC appropriation is several billion dollars greater than the amount of farm commodity subsidies because other programs (e.g., certain conservation and biofuels programs) are also paid from CCC.[63]

To replenish CCC's borrowing authority, the enacted FY2017 appropriation continues to provide an indefinite appropriation ("such sums as necessary"). The amount estimated for FY2017 is $21.291 billion (triple the amount provided in FY2016 and higher than estimates in 2016 that were in the Administration's request and the House and Senate markups). The increase does not indicate any action by Congress to raise spending but rather follows market conditions and the payment timelines.

In policy matters, the enacted appropriation creates a pilot program (Section 772), to be available during FY2017, within one of the new farm commodity support programs under the 2014 farm bill. Concerns have been raised that the Agricultural Risk Coverage (ARC) county-level payments[64] have not been equitable across certain adjacent counties. The issue is the accuracy of yields calculated at the county level under methods allowed by the farm bill (primarily, the

[61] This section was written by Randy Schnepf and Jim Monke.

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

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

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

availability of sufficient data in standard sources). The pilot would allow USDA state offices to use alternative calculations for the 2016 crop year if they believe that the current formula results in discrepancies among adjacent counties. A supplementary payment would make up any difference between the alternative calculation (if higher) and the original yield estimate. The appropriation provides $5 million for the pilot program and allows the Secretary to choose participating states.

This one-year pilot (and last year's permanent change that allows commodity certificates to again be used)[65] is a way of adjusting the farm bill without "reopening" it.

The enacted appropriation does not make any changes to add cottonseed as an eligible oilseed for the farm commodity program. In February 2016, USDA said that it did not have the authority to make that declaration administratively.[66] In the House and Senate markups of the appropriation, report language included statements expressing disappointment that the Secretary had not used his authority to provide such assistance and encouraged him to do so, but neither bill would have compelled any change. The joint explanatory statement directs the Secretary to issue a report within 60 days that describes administrative options and recommends legislative actions for the cotton industry.

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

> [N]one of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries or expenses of any employee of the Department of Agriculture or officer of the Commodity Credit Corporation to carry out clause 3 of Section 32 of the Agricultural Adjustment Act of 1935 (P.L. 74-320, 7 U.S.C. 612c, as amended), or for any surplus removal activities or price support activities under section 5 of the Commodity Credit Corporation Charter Act.[67]

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

Crop Insurance[68]

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.[69]

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

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

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

[67] For an explanation of the statutory references, see footnote 44.

[68] This section was written by Randy Schnepf and Jim Monke.

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

For the discretionary salaries and expenses of the RMA, the enacted FY2017 appropriation is the same as FY2016, $74.8 million. The Administration had requested a smaller discretionary appropriation ($66.6 million) plus $20 million of mandatory funding from the crop insurance fund. Congress did not concur with the requested change for this use of mandatory funding.

For the mandatory appropriation to the Federal Crop Insurance Fund, the enacted appropriation provides an indefinite amount ("such sums as necessary"), estimated at $8.667 billion. This is about $800 million more than FY2016 (+10%) but does not reflect any change by Congress to increase program benefits. The actual amount required is subject to change and is based on actual crop losses and farmer participation rates in the program.

The explanatory statement for the enacted appropriation identifies "livestock products" as separate and distinct from "livestock" for purposes of developing new insurance products. This distinction supports the development of new insurance products. The authorizing statute refers only to livestock and lists types of livestock in the definition (7 U.S.C. 1523(b)) but lists no livestock products. There is no indication that Congress intended for livestock products to fall under the limitation of livestock insurance policies, and this restriction has hindered the availability of policies for livestock products like milk. The act encourages the Risk Management Agency (RMA) to present this reinterpretation to the Federal Crop Insurance Corporation board at the next scheduled meeting and develop additional policies for milk to provide dairy farmers with more robust risk management options before the end of the year.

Disaster Assistance[70]

USDA offers several programs to help producers recover from natural disasters. Most of these programs are permanently authorized and do not require a federal disaster designation. Most receive mandatory funding ("such sums as necessary") and are not subject to annual appropriations.[71] However, agricultural land rehabilitation programs receive discretionary funding on an ad hoc basis. In recent years, funding has been incorporated into annual appropriations bills, even though it remains supplemental in nature and amounts vary over time.

For FY2017, the second CR (P.L. 114-254, Division A, Section 185) provided new emergency funding for two USDA land rehabilitation programs—the Emergency Conservation Program (ECP, $103 million) and the Emergency Watershed Protection Program (EWP, $103 million).[72] Funding was not directed to a specific disaster, event, or geographic region. The final, enacted FY2017 appropriation (P.L. 115-31, Division A, Section 714) provides an additional $28.7 million for ECP for emergencies not declared a major disaster.

Under ECP and EWP, a national or state emergency does not have to be declared in order to receive assistance. Recent years' funding, however, have required that all or a portion of the funds be used for activities carried out pursuant to the Robert T. Stafford Disaster Relief and Emergency Act (Stafford Act).[73] The Stafford Act requirement limits the type of eligible disaster to those with a national or state declared emergency. The enacted FY2017 funding does not include the Stafford Act requirement; instead it requires that the funds be used for non-Stafford Act emergencies.

[70] This section was written by Megan Stubbs.

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

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

[73] 42 U.S.C. 5121 et seq.

Conservation[74]

USDA administers a number of agricultural conservation programs that assist private landowners with natural resource concerns. These include working land programs, land retirement and easement programs, watershed programs, technical assistance, and other programs. The two lead agricultural conservation agencies within USDA are the Natural Resources Conservation Service (NRCS), which provides technical assistance and administers most programs, and the Farm Service Agency (FSA)—which administers the Conservation Reserve Program (CRP).[75]

Most conservation program funding is mandatory, funded through the CCC and authorized in omnibus farm bills (about $5.2 billion of CCC funds for conservation in FY2017). Other conservation programs—mostly technical assistance—are discretionary and funded through annual appropriations.

The enacted appropriation includes reductions to mandatory conservation programs and provides an increase from FY2016 levels for discretionary programs.

Discretionary Conservation Programs

All discretionary conservation programs are administered by NRCS. The largest program and the account that funds most NRCS activities is Conservation Operations (CO). The enacted FY2017 appropriation provides $864 million—more than the FY2016 enacted amount and the Obama Administration's request and House-reported bill and the same as the Senate-reported bill. The enacted appropriation directs CO funding for a number of conservation programs (**Table 9**).

Table 9. Conservation Operations Funding

(budget authority in millions of dollars)

	FY2016	FY2017			
Program	**P.L. 114-113**	**Admin. Request**	**H. Cmte. H.R. 5054**	**S. Cmte. S. 2956**	**P.L. 115-31**
Conservation Operations	**851**	**860**	**855**	**864**	**864**
Conservation Technical Assistance	752	761	757	759	759
Soil Survey	80	81	80	81	81
Snow Survey	9.3	9.4	9.3	9.4	9.4
Plant Material Center	9.4	9.5	9.4	9.5	9.5
Watershed Projects (Watershed Operations)	10.6	0	0	5.6	5.6

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

Notes: Watershed projects are generally funded under a separate authority (Watershed Operations). In recent years, including FY2017, Congress has required a portion of CO funds to be used for select watershed projects.

The enacted FY2017 appropriation also contains funding for watershed activities, including $150 million for Watershed and Flood Prevention Operations (WFPO)—a program that assists state and local organizations to plan and install measures to prevent erosion, sedimentation, and flood

[74] This section was written by Megan Stubbs.

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

damage.[76] This is the first appropriated funding for the WFPO program since FY2010. Beginning in FY2006, the Administration requested no funding for WFPO, citing program inflexibility and a backlog of congressionally designated projects that were frequently not merited. The Administration's FY2017 request proposed no funding for the program, purportedly preferring fully funding other mandatory conservation programs.[77] Since FY2014 Congress has directed a portion of CO funds to select WFPO activities. Similar directive language ($5.6 million, see **Table 9**) is in the FY2017 appropriations, in addition to the $150 million made available for the program as a whole.

The enacted FY2017 appropriation includes $12 million for the Watershed Rehabilitation program—the same level enacted in FY2016. The Watershed Rehabilitation program repairs aging dams previously built by USDA under WFPO. The Obama Administration proposed no funding, contending that the maintenance, repair, and operation of dams are local responsibilities. The 2014 farm bill (P.L. 113-79) provided additional mandatory funding for the program to remain available until expended.[78]

Mandatory Conservation Programs

Mandatory conservation programs are generally authorized in omnibus farm bills and receive funding from the CCC, thus not requiring an annual appropriation.[79] But Congress has reduced mandatory conservation programs through CHIMPS in the annual agricultural appropriations law every year since FY2003. Because money is fungible, the savings from these reductions are not necessarily applied toward other conservation activities.

The enacted FY2017 appropriation includes $235 million in CHIMPS to conservation programs—less than both the House- and Senate-reported bills but more than the Obama Administration's proposal.[80] The CHIMPS for FY2017 include $179 million from the Environmental Quality Incentives Program (EQIP), $54 million from the Watershed Rehabilitation program, and $2 million from the Agricultural Management Assistance (AMA) program.[81] Sequestration further reduces available funding for these and other mandatory conservation programs in FY2017. Estimated sequestration combined with proposed CHIMPS would result in an estimated total reduction of over $500 million, or roughly 9% of all mandatory conservation funding.[82]

Continued funding reductions to certain conservation programs may be one cause for the increasing number of unfunded applications. For example, the annual funding authority for EQIP increases incrementally from $1.35 billion in FY2014 to $1.75 billion in FY2018. Despite this increase in authority, annual sequestration and CHIMPS continue to reduce the amount available to an average of $1.34 billion annually over the past three fiscal years. In FY2015, 23% of all

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

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

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

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

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

[81] The reduction to AMA applies only to conservation and risk management activities.

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

eligible EQIP applications were funded, down from 37% in FY2014 and 46% in FY2013. The FY2017 budget request marked the first time in over a decade that the Administration (under both G. W. Bush and Obama) did not request CHIMPS to EQIP. The enacted FY2017 appropriation, however, contains CHIMPS to EQIP by limiting funding to $1.357 billion—$293 million less than its authorized level of $1.65 billion. The stagnant EQIP funding levels may be only one reason for the decline in funded applications; however, further funding reductions appear unlikely to reverse the decline. For more discussion, see CRS In Focus IF10041, *Reductions to Mandatory Agricultural Conservation Programs in Appropriations Law*.

Rural Development[83]

Three agencies are responsible for USDA's rural development mission area: the Rural Housing Service (RHS), the Rural Business-Cooperative Service (RBS), and the Rural Utilities Service (RUS). This mission area also administers Rural Economic Area Partnerships and the National Rural Development Partnership.

Overall, the enacted FY2017 appropriation provides a total of $2.94 billion in discretionary budget authority for rural development programs.[84] This is $166.2 million more than enacted for FY2016 (**Table 10**). The bill will support approximately $37.3 billion in loan authorization, $602.2 million more than FY2016.[85]

Salaries and expenses within Rural Development are funded from a direct appropriation plus transfers from each of the agencies. The enacted appropriation House bill provides a combined salaries and expenses total of $675.8 million for FY2017, $7.0 million less than in FY2016.

The bill also includes a general provision (Section 768) directing $500,000 from the salaries and expenses account to develop an implementation plan for increasing access to education in the fields of science, technology, engineering, and mathematics in rural communities through the Distance Learning and Telemedicine program. Another general provision (Section 750) requires that 10% of the funding for various loan and grant programs administered by RHS, RBS, and RUS be used to support programs in counties designated as "persistent poverty counties."

Rural Housing Service

The enacted appropriation provides $2.1 billion in budget authority for RHS programs (before transfers of salary and expenses). This is approximately $32 million (+1.6%) more than FY2016 and $23 million more than requested. With this budget authority, the bill will provide approximately $28.1 billion in loan authority, $586.6 million more than FY2016.

The single-family housing loan program (Housing Act of 1949, §502) is the largest housing loan account, representing 89% of RHS's total loan authority. The bill provides loan authority of $25 billion for Section 502 loan guarantees, $100 million more than for FY2016. For Section 502 direct loans, the enacted appropriation provides $1 billion in loan authority, $100 million more than FY2016, and $67.7 million for loan subsidies. Section 725 also directs RHS to establish an

[83] This section was written by Tadlock Cowan.

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

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

intermediary loan packaging program based on the pilot program in effect for FY2013 for packaging and reviewing section 502 single family direct loans.

Rental Assistance Program grants (Housing Act of 1949, §521) are the largest budget authority line item in RHS, accounting for approximately 68% of the total RHS budget authority appropriation in FY2017 (**Table 10**). The enacted appropriation provides $1.40 billion in new budget authority, an increase of $15.3 million over FY2016 (+1.1%) and the same as requested. Section 771 addresses concerns by Congress that, as mortgages mature, housing units will be removed from RHS's affordable housing program. This will put low-income residents in jeopardy of facing unaffordable rent increases. The provision directs RHS to modify the pilot program initiated March 1, 2017, designed to preserve affordable rental housing through nonprofit transfer or acquisition of Section 515 properties with expiring mortgages.

RHS also administers the Rural Community Facilities program, which provides direct loans, loan guarantees, and grants for "essential community facilities" in rural areas with less than 20,000 in population. The enacted appropriation provides $47.1 million in new budget authority for the program to support a loan authorization level of $2.75 billion in direct and guaranteed loans, $400 million more than FY2016. Several other programs are supported through the Community Facilities appropriation: the Rural Community Development Initiative ($4.0 million), Economic Impact Initiative Grants ($5.8 million), and Tribal College grants ($4.0 million). These programs are funded at the same level as FY2016.

Rural Business-Cooperative Service

The enacted appropriation provides $102 million to the RBS before the Cushion of Credit[86] rescission and transfers of salaries and expenses. If the Cushion of Credit rescission is incorporated as in the Appropriations committee tables, the net RBS budget authority provided would be -$30 million. For loan authority, the enacted appropriation provides $988 million for the various RBS loan programs.

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

For the Rural Business Program account, the enacted appropriation provides $65.3 million in loan subsidies and grants to support Business and Industry loan guarantees ($35.3 million), Rural Business Enterprise grants ($24 million), and the Delta Regional Authority ($6.0 million). The subsidies for the Business and Industry Loan Guarantee program will support $919.8 million in loan authority.

The enacted appropriation provides of $5.5 million in budget authority to support loans of nearly $19.0 million under the Intermediary Relending Program. The bill also provides $8.0 million for the Rural Energy Savings Program authorized in the 2014 farm bill.

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

For the first time, the appropriation provides funding for the Healthy Food Financing Initiative (HFFI, $1 million in Section 767). The HFFI was authorized in the 2014 farm bill (P.L. 113-79, §4206).

Rural Utilities Service

The enacted appropriation provides $673 million in budget authority for RUS (before transferring salaries and expenses), about $79 million more than FY2016. This level would support $8.2 billion in loan authorization, the same as in FY2016.

Loan subsidies and grants under the Rural Water and Waste Disposal Program account represent the largest share of FY2017 enacted budget authority under RUS programs, approximately 85%. The enacted appropriation provides $571 million in loan subsidies and grants, $49 million more than FY2016 and $110 million more than the Administration requested. Most of the increase goes to loan subsidies and water and waste disposal grants. The bill will support $1.25 billion in direct and guaranteed loans, the same as FY2016.

Besides loan support, the appropriation is divided among several grant accounts:

- Water/Waste Disposal grants ($392.0 million),
- Direct Loan Subsidies ($52.1 million),
- Solid Waste Management grants ($4.0 million),
- Individual Well Water grants ($993,000),
- Water and Waste Water revolving fund ($1.0 million),
- Circuit Rider program ($16.9 million),
- Technical Assistance ($20 million),
- Grants to Colonias and Alaska and Hawaii Natives ($64 million), and
- High Energy Cost grants ($10 million).

The appropriation authorizes loan levels of $6.25 billion for the electrification program, the same level as FY2016. For the combined distance learning, telemedicine, and broadband account, the enacted appropriation provides $65.6 million in budget authority, $28.7 million more (78%) than FY2016. Within the account, the bill provides $34.5 million for rural broadband grants, $24.1 million more than FY2016, and loan authority of $27.0 million, an increase of $6.5 million.

Table 10. USDA Rural Development Appropriations

(budget authority in millions of dollars)

Rural Development	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Salaries and expenses (direct)	203.4	224.2	225.8	230.7	225.8	226.3	225.8	+0.0	+0.0%
Transfers from RHS, RBCS, RUS	454.0	454.0	457.0	467.8	447.0	457.0	450.0	-7.0	-1.5%
Subtotal, salaries and expenses	**657.4**	**678.2**	**682.9**	**698.5**	**672.8**	**683.3**	**675.8**	**-7.0**	**-1.0%**
Programs									
1. Rural Housing Service	1,279.6	1,298.4	1,616.4	1,616.9	1,653.5	1,639.4	1,654.9	+38.4	+2.4%
2. Rural Business-Cooperative Service[a]	130.2	103.2	90.5	148.5	109.4	92.0	97.7	+7.2	+8.0%
3. Rural Utilities Service	501.6	501.7	559.3	550.1	598.8	586.0	639.9	+80.5	+14.4%
Office of the Under Secretary	0.9	0.9	0.9	0.9	0.9	0.9	0.9	+0.0	+0.3%
Total, Rural Development	**2,569.7**	**2,582.4**	**2,950.0**	**3,014.9**	**3,035.4**	**3,001.7**	**3,069.2**	**+119.2**	**+4.0%**
Subtotal, RD Loan Authority	***35,945.4***	***35,870.1***	***36,686.7***	***36,543.0***	***36,862.1***	***36,792.7***	**37,288.9**	**+602.2**	**+1.6%**
Alternate total (including rescissions)[a]									
Less rescission of Cushion of Credit	*-172.0*	*-179.0*	*-179.0*	*-151.5*	*-151.5*	*-165.0*	*-132.0*	*+47.0*	*-26.3%*
Net, Rural Development (in cmte. rept.)	***2,397.7***	***2,403.4***	***2,771.0***	***2,863.4***	***2,883.9***	***2,836.7***	**2,937.2**	**+166.2**	**+6.0%**
1. Rural Housing Service									
Administrative expenses (transfer)	415.1	415.1	417.9	426.8	410.1	417.9	412.3	-5.6	-1.3%
Single family direct loans (§502)	24.5	66.4	60.8	60.9	67.7	60.9	67.7	+7.0	+11.4%
Loan authority	*900.0*	*900.0*	*900.0*	*900.0*	*1,000.0*	*900.0*	*1,000.0*	*+100.0*	*+11.1%*
Single family guaranteed loans: *Loan authority*[b]	*24,000.0*	*24,000.0*	*24,000.0*	*24,000.0*	*24,000.0*	*24,000.0*	*24,000.0*	*+0.0*	*+0.0%*
Other RHIF programs[c]	22.8	29.4	27.0	29.4	29.9	31.4	29.9	+3.0	+11.0%
Loan authority	*248.6*	*248.3*	248.5	*333.2*	*305.1*	*340.1*	335.1	+86.6	+34.8%

Rural Development	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Subtotal, RHIF	**462.4**	**510.9**	**505.6**	**517.1**	**507.7**	**510.2**	**509.9**	**+4.3**	**+0.9%**
Loan authority	***25,148.6***	***25,148.3***	***25,148.5***	***25,233.2***	***25,305.1***	***25,240.1***	***25,335.1***	***+186.6***	***+0.7%***
Other housing programs									
Rental assistance (§521)	1,110.0	1,088.5	1,389.7	1,405.0	1,405.0	1,405.0	1,405.0	+15.3	+1.1%
Multifamily housing revitalization	32.6	24.0	37.0	37.4	40.0	40.0	41.4	+4.4	+11.9%
Mutual and self-help housing grants	25.0	27.5	27.5	18.5	30.0	27.5	30.0	+2.5	+9.1%
Rural housing assistance grants	32.2	32.2	32.2	28.7	33.7	32.2	33.7	+1.5	+4.5%
Rural Community Facilities Program									
Community Facilities: Grants	13.0	13.0	25.0	25.0	30.0	25.0	30.0	+5.0	+20.0%
Community Facilities: *Direct loan authority*	*2,200.0*	*2,200.0*	*2,200.0*	*2,200.0*	*2,200.0*	*2,200.0*	*2,600.0*	*+400.0*	*+18.2%*
Community Facilities: Guarantees	3.8	3.5	3.5	0.0	3.3	3.5	3.3	-0.2	-5.1%
Loan authority	*59.5*	*73.2*	*148.3*	*0.0*	*148.3*	*156.3*	*148.3*	*+0.0*	*+0.0%*
Rural community development initiative	6.0	4.0	4.0	4.0	4.0	4.0	4.0	+0.0	+0.0%
Economic impact initiative grants	5.8	5.8	5.8	0.0	5.8	5.8	5.8	+0.0	+0.0%
Tribal college grants	4.0	4.0	4.0	8.0	4.0	4.0	4.0	+0.0	+0.0%
Subtotal, Rural Community Facilities	**32.5**	**30.3**	**42.3**	**37.0**	**47.1**	**42.3**	**47.1**	**+4.8**	**+11.4%**
Loan authority	***2,259.5***	***2,273.2***	***2,348.3***	***2,200.0***	***2,348.3***	***2,356.3***	***2,748.3***	***+400.0***	***+17.0%***
Total, Rural Housing Service	1,694.7	1,713.5	**2,034.3**	**2,043.7**	**2,063.6**	**2,057.3**	**2,067.1**	**+32.8**	**+1.6%**
Less transfer salaries and expenses	-415.1	-415.1	-417.9	-426.8	-410.1	-417.9	-412.3	+5.6	-1.3%
Rural Housing Service (programs)	**1,279.6**	**1,298.4**	**1,616.4**	**1,616.9**	**1,653.5**	**1,639.4**	**1,654.9**	**+38.4**	**+2.4%**
Loan authority	***27,408.1***	***27,421.5***	***27,496.8***	***27,433.2***	***27,653.4***	***27,596.4***	***28,083.4***	***+586.6***	***+2.1%***

2. Rural Business Cooperative Service

Rural Business Program Account

Rural Development	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Guaranteed Business and Industry Loans	67.0	47.0	35.7	35.8	36.9	36.9	35.3	-0.4	-1.0%
Loan authority	*958.1*	*919.8*	*919.8*	*892.2*	*919.8*	*919.8*	*919.8*	*+0.0*	*+0.0%*
Rural business enterprise grants	24.3	24.0	24.0	30.0	35.0	24.0	24.0	+0.0	+0.0%
Rural business opportunity grants	2.3	—	—	—	—	—	—	+0.0	+0.0%
Delta regional authority grants	3.0	3.0	3.0	—	5.0	3.0	6.0	+3.0	+100.0%
Rural child poverty	—	—	—	25.0	—	—	—	+0.0	+0.0%
Rural Development Loan Fund Program									
Administrative expenses (transfer)	4.4	4.4	4.5	4.6	3.5	4.5	4.5	+0.0	+0.0%
Loan subsidy	4.1	5.8	5.2	5.5	5.5	5.5	5.5	+0.3	+5.0%
Loan authority	*18.9*	*18.9*	*18.9*	*18.9*	*18.9*	*18.9*	*18.9*	*+0.0*	*+0.0%*
Rural Economic Development: *Loan authority*	*33.1*	*33.1*	*33.1*	*85.0*	*50.0*	*33.1*	*42.2*	+9.1	+27.6%
Rural Cooperative Development grants	26.1	22.1	22.1	22.3	26.6	22.3	26.6	+4.5	+20.4%
Rural Microenterprise Investment: Grants	—	—	—	2.0	—	—	—	+0.0	+0.0%
Rural Microenterprise: Loan subsidy	—	—	—	2.9	—	—	—	+0.0	+0.0%
Loan authority	—	—	—	*23.4*	—	—	—	*+0.0*	*+0.0%*
Rural Business Investment Program: Grants	—	—	—	4.0	—	—	—	+0.0	+0.0%
Loan subsidy	—	—	—	2.6	—	—	—	+0.0	+0.0%
Loan authority	—	—	—	*20.6*	—	—	—	*+0.0*	*+0.0%*
Rural Energy for America: Grants	—	—	—	15.0	—	—	—	+0.0	+0.0%
Loan subsidy	3.5	1.4	0.5	3.5	0.5	0.4	0.4	-0.1	-29.6%
Loan authority	*12.8*	*12.8*	*7.6*	*75.8*	*10.0*	*7.6*	*7.6*	*+0.0*	*+0.0%*

Rural Development	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Total, Rural Business-Cooperative Service	134.6	107.7	**94.9**	**153.1**	**112.9**	**96.5**	**102.2**	**+7.2**	**+7.6%**
Less transfer salaries and expenses	-4.4	-4.4	-4.5	-4.6	-3.5	-4.5	-4.5	+0.0	+0.0%
Rural Bus.-Coop. Service (programs)[a]	**130.2**	**103.2**	**90.5**	**148.5**	**109.4**	**92.0**	**97.7**	**+7.2**	**+8.0%**
Loan authority	***1,022.8***	***984.5***	***979.3***	***1,116.0***	***998.7***	***979.3***	***988.4***	***+9.1***	***+0.9%***
Alternate total (including rescission)[a]									
Total, Rural Business-Cooperative Service	*134.6*	*107.7*	*94.9*	*153.1*	*112.9*	*96.5*	*102.2*	*+7.2*	*+7.6%*
Less rescission of Cushion of Credit	*-172.0*	*-179.0*	*-179.0*	*-151.5*	*-151.5*	*-165.0*	*-132.0*	*+47.0*	*-26.3%*
Net, Rural Bus.-Coop. Svc. (cmte. report)	***-37.4***	***-71.3***	***-84.1***	***1.6***	***-38.6***	***-68.5***	***-29.8***	***+54.2***	***-64.5%***
3. Rural Utilities Service									
Rural Water and Waste Disposal Program									
Loan subsidy and grants	462.4	464.9	522.4	461.6	533.2	546.1	571.2	+48.8	+9.3%
Direct loan authority	*1,200.0*	*1,200.0*	*1,200.0*	*803.8*	*1,200.0*	*1,200.0*	*1,200.0*	*+0.0*	*+0.0%*
P.L. 83-566 loans	*40.0*	—	—	—	—	—	—	*+0.0*	*+0.0%*
Guaranteed loan authority	*50.0*	*50.0*	*50.0*	—	*50.0*	*50.0*	*50.0*	*+0.0*	*+0.0%*
Rural Electric and Telecom. Loans									
Administrative expenses (transfer)	34.5	34.5	34.7	36.5	33.4	34.7	33.3	-1.4	-4.1%
Telecommunication loan subsidy	—	—	0.1	14.1	3.1	3.1	3.1	+3.0	+2852.9%
Telecommunication loan authority	*690.0*	*690.0*	*690.0*	*690.0*	*690.0*	*690.0*	*690.0*	*+0.0*	*+0.0%*
Electricity loan authority	*5,500.0*	*5,500.0*	*6,250.0*	*6,500.0*	*6,250.0*	*6,250.0*	*6,250.0*	*+0.0*	*+0.0%*
Distance Learning, Telemed., Broadband									
Distance learning and telemedicine	24.3	22.0	22.0	35.0	25.0	22.0	26.6	+4.6	+20.9%

Rural Development	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 Enacted	
Broadband: Grants	10.4	10.4	10.4	39.5	33.0	10.4	34.5	+24.1	+232.6%
Broadband: Direct loan subsidy	4.5	4.5	4.5	—	4.6	4.5	4.5	+0.0	+0.0%
Direct loan authority	*34.5*	*24.1*	*20.6*	—	*20.0*	*27.0*	*27.0*	*+6.5*	*+31.4%*
Subtotal, Rural Utilities Service	**536.0**	**536.2**	**594.0**	**586.6**	**632.3**	**620.7**	**673.1**	**+79.1**	**+13.3%**
Less transfer salaries and expenses	-34.5	-34.5	-34.7	-36.5	-33.4	-34.7	-33.3	+1.4	-4.1%
Total, Rural Utilities Service	**501.6**	**501.7**	**559.3**	**550.1**	**598.8**	**586.0**	**639.9**	**+80.5**	**+14.4%**
Loan authority	***7,514.5***	***7,464.1***	***8,210.6***	***7,993.8***	***8,210.0***	***8,217.0***	***8,217.0***	***+6.5***	***+0.1%***

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

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

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

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

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

Domestic Food Assistance[87]

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

The three largest discretionary budget items are the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Commodity Supplemental Food Program (CSFP); and federal nutrition program administration.[88]

The enacted FY2017 appropriation would provide over $108 billion for domestic food assistance (**Table 11**). This is a decrease of approximately $1.7 billion from FY2016. SNAP's declining participation is responsible for most of the difference.

In addition to the accounts' appropriations language, the enacted appropriation's general provisions include additional funding, rescissions, and/or policy changes. These general provisions are summarized in the sections to follow.

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

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

The enacted appropriation (§732) requires the coordination of FNS research efforts with USDA's Research, Education and Economics mission area. This is to include a research and evaluation plan submitted to Congress.

SNAP and Other Programs under the Food and Nutrition Act

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

The enacted appropriation would provide approximately $78.5 billion for programs under the Food and Nutrition Act. This FY2017 level is approximately $2.4 billion less than FY2016 appropriations. This reduction is largely due to a forecasted reduction in SNAP participation.[89]

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

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

[89] See also USDA-FNS Congressional Budget Justification, p. 32-87, http://www.obpa.usda.gov/32fns2016notes.pdf. The enacted appropriation's explanatory statement notes that the funding level for SNAP benefits is based upon the more recent mid-session review of the budget. 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.

The enacted appropriation provides $3 billion for the SNAP contingency reserve fund, equal to past appropriations but less than the $5 billion requested by the Administration.

The SNAP account also includes mandatory funding for TEFAP commodities. The enacted bill provides $297 million for TEFAP commodities as well as an additional $19 million via a general provision (§748). (TEFAP also receives discretionary funding for storage and distribution costs, as discussed later under the heading "Commodity Assistance Program.")

SNAP Account: Other General Provisions and Committee Report Language

SNAP-Authorized Retailers. Only SNAP-authorized retailers may accept SNAP benefits.[90] On December 15, 2016, FNS published a final rule that would change retailer requirements for authorization.[91] The final rule would have implemented the 2014 farm bill's changes to inventory requirements for SNAP-authorized retailers (P.L. 113-79, §4002). Namely, the farm bill increased the varieties of "staple foods" and perishable varieties that SNAP retailers must stock. In addition to codifying the farm bill's changes, the final rule would have changed how staple foods are defined, clarified limitations on retailers' sale of hot foods, and added a minimum number of stocking units.[92]

An enacted appropriation policy provision (§765) requires USDA to change how "variety" is defined in the final rule and requires USDA to implement the "acceptable varieties and breadth of stock" in place prior to P.L. 113-79 until such regulatory amendments are made. As of May 2017, USDA-FNS's website on the final rule reflects that P.L. 115-31 "has delayed implementation of the [final rule] until further notice."[93] (The committee-reported bills had also contained policy provisions about the retailer standards proposed rule.[94])

SNAP Households' Reporting Requirements. Under current household reporting requirements for the commonly selected state option of "simplified reporting," participants do not have to report to the SNAP state agency when they move out of the state.[95] USDA's FY2017 budget justification proposed to amend SNAP's authorizing law to allow state agencies to require this household reporting.[96]

An enacted appropriation policy provision (§744) requires SNAP households to report to the state agency a move out of the state beginning in FY2017 and each year thereafter. This language had also been included in committee-reported bills (§744 in both).

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

[91] USDA-FNS, "Enhancing Retailer Standards in the Supplemental Nutrition Assistance Program (SNAP)," 81 *Federal Register* 90675-90699, December 15, 2016. For further information on this rulemaking, see CRS Report R44650, *Updated Standards for SNAP-Authorized Retailers: Final Rule*.

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

[93] See USDA-FNS, "Enhancing Retailer Standards in the Supplemental Nutrition Assistance Program (SNAP)", https://www.fns.usda.gov/snap/enhancing-retailer-standards-supplemental-nutrition-assistance-program-snap.

[94] The House-reported bill (§763) and the Senate-reported bill (§752) were reported prior to the final rule and would have limited the scope of an interim final or final rule to the 2014 farm bill's specific changes, though each bill's exact language varies.

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

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

Child Nutrition Programs[97]

Appropriations under the child nutrition account fund a number of programs and activities authorized by the Richard B. Russell National School Lunch Act and the Child Nutrition Act. These include the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program (CACFP), Summer Food Service Program, Special Milk Program, assistance for child-nutrition-related state administrative expenses, procurement of commodities for child nutrition programs (in addition to transfers from separate budget accounts within USDA), state-federal reviews of the integrity of school meal operations ("Administrative Reviews"), "Team Nutrition" and food safety education initiatives to improve meal quality and safety in child nutrition programs, and support activities such as technical assistance to providers and studies/evaluations. (Child nutrition efforts are also supported by mandatory permanent appropriations and other funding sources discussed in the section "Other Nutrition Funding Support.")

The enacted appropriation provides approximately $22.8 billion for child nutrition programs. This is approximately $650 million greater (+2.9%) than the amount provided in FY2016 and reflects a transfer of over $9.5 billion from the Section 32 account.

The enacted appropriation funds certain child nutrition discretionary grants. These grants include the following:

- **School Meals Equipment Grants.**[98] The law provides $25 million, $5 million less than was provided in FY2016.
- **Summer EBT (Electronic Benefit Transfer) Demonstration Projects.** These projects provide electronic food benefits over summer months to households with children, in order to make up for school meals that children miss when school is out of session and as an alternative to the Summer Food Service Program meals. These projects were originally authorized and funded in the FY2010 appropriations law (P.L. 111-80). The law provides $23 million for these projects in FY2017, the same level as FY2016. The Obama Administration had requested $23 million to continue these projects in FY2017 while also requesting a change in the authorizing law to make Summer EBT permanent and nationwide.[99]

The child nutrition programs and WIC are currently up for reauthorization. Many provisions of the operating law nominally expired at the end of FY2015, but nearly all operations continued via the FY2016 appropriation law's funding and now continue via the FY2017 law's funding. This enacted appropriations law extends through September 30, 2017, several expiring provisions: mandatory funding for an Information Clearinghouse and USDA's food safety audits. Committees of jurisdiction marked up bills in the 114th Congress, but Congress did not complete reauthorization. Current operations and legislative activity are discussed in CRS Report R44373, *Tracking the Next Child Nutrition Reauthorization: An Overview*.)

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[97] 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*.

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

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

Child Nutrition Programs: General Provisions and Committee Report Language

School Meals Nutrition Standards. Implementing the Healthy, Hunger-free Kids Act of 2010, FNS updated the nutrition standards for the school meals programs (National School Lunch Program and School Breakfast Program).[100] FY2015 and FY2016 appropriations laws (1) required USDA to allow states to exempt school food authorities that meet hardship requirements from the 100% whole grain requirements,[101] and (2) prevented USDA from implementing a reduction in sodium scheduled to take effect in school year 2017-2018 until "the latest scientific research establishes the reduction is beneficial for children."

The enacted appropriation (§747) contains related policy provisions. It extends the prior laws' policy provisions and adds a new policy.[102] It extends the whole grain exemptions through SY2017-2018 and (using different language from past years) limits enforcement of sodium limits to Target 1 levels. A new appropriations provision was added that requires USDA to allow states to grant special exemptions to serve flavored, *low-fat* milk (instead of only fat-free flavored).

Note: Several days before the enactment of P.L. 115-31, Secretary of Agriculture Sonny Perdue announced plans to amend the whole grain, sodium, and dairy aspects of the nutrition standards regulations in ways that are similar to the FY2017 appropriations provision. See CRS Insight IN10700, *USDA Announces Plans to Modify School Meal Nutrition Standards: Background and Context*.

Processed Poultry from China. In addition, the enacted appropriation includes a policy provision (§728) to prevent any processed poultry imported from China from being included in the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program (CACFP), and Summer Food Service Program. This policy has been included in FY2015 and FY2016 enacted appropriations laws. (See "Food Safety and Inspection Service (FSIS)" for information about poultry processing in China.)

WIC Program[103]

Although WIC is a discretionary program, since the late 1990s, the Appropriations Committees' practice has been to provide enough funds for WIC to serve all projected participants.[104]

The enacted appropriation provides $6.35 billion for the WIC program funding. However, the law also rescinds available carryover funding from past years (discussed further in the next section). The same amount, $6.35 billion, had also been provided in the FY2016 appropriations law. The enacted appropriation also includes set-asides for WIC breastfeeding peer counselors and related activities ("not less than $60 million") and infrastructure ($13.6 million). These set-asides are approximately equal to FY2016 levels.

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

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

[102] The House-reported bill (§731) would have extended just the whole grain and sodium provisions again in FY2017 appropriations. The Senate-reported bill did not include these provisions.

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

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

WIC: General Provisions and Committee Report Language

The enacted appropriation (§745) rescinds $850 million in prior-year (or carryover) WIC funds.[105] (Reflected in **Table 16**).

The enacted appropriation's explanatory statement indicates that WIC participation has been decreasing since FY2010. The House committee's report language (dated April 26, 2016) stated that "USDA is estimating recovery and carryover funds to be much higher than average at more than $600 [million]," and that "the Secretary has a sufficient WIC contingency reserve fund." The National WIC Association, an advocacy group, expects that the FY2017 funding, even with the rescission, "will most likely be sufficient to serve all applicants."[106]

Commodity Assistance Program

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

The enacted appropriation provides over $315 million for this account, an increase of approximately $19 million compared to FY2016. The increase is mostly for CSFP (+$14 million). The law also increases TEFAP administrative costs by $5 million. In addition to this discretionary TEFAP funding, states may convert up to 10% of their TEFAP entitlement commodity funding (included in the SNAP account above) for administrative and distribution costs. The law keeps WIC FMNP at the FY2016 level.

Nutrition Programs Administration

This budget account funds federal administration of all the USDA domestic food assistance program areas noted previously, special projects for improving the integrity and quality of these programs, and the Center for Nutrition Policy and Promotion, which provides nutrition education and information to consumers (including various dietary guides). For FY2017, among other requests, the President's budget requested additional funding for relocating the Food and Nutrition Service offices.

The enacted appropriation provides nearly $171 million for this account, an increase of approximately $20 million from FY2016. About $17.7 million is set aside for relocation and related expenses. These funds are available until expended. As in the House-reported bill, the law sets aside $1 million for an independent study to consolidate and coordinate reporting requirements under the child nutrition programs. As in FY2016 and prior years, the law sets aside $2 million for the fellowship programs administered by the Congressional Hunger Center.

[105] Both committee-reported bills would also have rescinded WIC carryover funding. The House-reported bill (§745) would have rescinded $100 million of the unobligated balances from funds provided to WIC in FY2016. The Senate-reported bill (§745) would have rescinded $200 million from the same source.

[106] National WIC Association, *Weekly WIC Policy Update*, May 8, 2017. "Because WIC funding has remained flat while food costs and caseloads have been declining, WIC has accumulated over $850 million in unspent funds. As a result, even with the rescission, the funding provided for the remainder of FY2017 will most likely be sufficient to serve all eligible applicants."

Other Nutrition Funding Support

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

- USDA provides commodity foods to the child nutrition programs using funds other than those in the Child Nutrition account. These purchases are financed through permanent appropriations under "Section 32."[107] For example, about $480 million out of a total of $1.1 billion in commodity support in FY2008 came from outside the Child Nutrition account. Historically, about half the value of commodities distributed to child nutrition programs has come from Section 32.
- The Fresh Fruit and Vegetable Program for selected elementary schools nationwide is financed with permanent, mandatory funding. The underlying law (Section 4304 of the 2008 farm bill) provides funds at the beginning of every school year (July). However, the enacted appropriation (§715) delays until October 2017 the availability of a portion of the funds ($125 million) that were scheduled for July 2017, similar to past years' appropriations. This delay allocates the total annual spending for the Fresh Fruit and Vegetable program by fiscal year rather than school year with no reduction in overall support (though budgetary savings are scored in **Table 15**).
- The Food Service Management Institute (technical assistance to child nutrition providers) is funded through a permanent annual appropriation of $4 million.
- The Senior Farmers' Market Nutrition program receives nearly $21 million of mandatory funding per year (FY2002-FY2018) outside the regular appropriations process.[108]

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

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

Table 11. Domestic Food Assistance Appropriations

(budget authority in millions of dollars)

Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request[a]	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 enacted	
Child Nutrition Programs[b]									
Account Total[c] (including transfers)	**19,288.0**	**21,300.2**	**22,149.7**	**23,230.7**	**23,175.7**	**23,201.7**	**22,794.0**	**+644.3**	**+2.9%**
National School Lunch Program	*10,576.3*	*11,996.1*	*12,154.7*	*12.756.6*	*12,756.6*	*12,756.6*	*12,339.8*	*+185.1*	*+1.5%*
School Breakfast Program	*3,728.6*	*3,960.0*	*4,338.6*	*4.486.3*	*4,486.3*	*4,486.3*	*4,470.2*	*+131.6*	*3.0%*
Child and Adult Care Food Program	*3,080.0*	*3,195.9*	*3,340.1*	*3,446.3*	*3,446.3*	*3,446.3*	*3,490.9*	*+150.8*	*4.5%*
Special Milk Program	*10.6*	*11.2*	*9.4*	*9.2*	*9.2*	*9.2*	*9.2*	*-0.2*	*-2.1%*
Summer Food Service Program	*461.6*	*495.5*	*555.7*	*628.5*	*628.5*	*628.5*	*627.1*	*+71.4*	*12.8%*
State Administrative Expenses	*247.2*	*263.7*	*270.9*	*279.1*	*279.1*	*279.1*	*279.1*	*+8.2*	*3.0%*
Commodity Procurement for Child Nutrition	*1,078.7*	*1,255.5*	*1,350.7*	*1,428.1*	*1,428.1*	*1,428.1*	*1,428.1*	*+77.4*	*5.7%*
School Meals Equipment, Breakfast Grants	*25.0*	*25.0*	*30.0[d]*	*35.0*	*25.0*	*30.0*	*25.0*	*-5.0*	*-16.7%*
Summer EBT Demonstration	*—*	*16.0*	*23.0[d]*	*26.0*	*21.0*	*23.0*	*23.0*	*+0.0*	*0.0%*
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	**6,715.8**	**6,623.0**	**6,350.0[e]**	**6,350.0**	**6,350.0[f]**	**6,350.0[f]**	**6,350.0[f]**	**0.0**	**0.0**
Supplemental Nutrition Assistance Program (SNAP)[b]									
Account Total[c]	**82,169.9**	**81,837.6**	**80,849.4**	**81,689.2[g]**	**79,673.3**	**79,682.2**	**78,480.7**	**-2,368.7**	**-2.9%**
SNAP benefits	*71,885.0[h]*	*71,035.8*	*70,124.3*	*68,801.1*	*68,801.1*	*n/a*	*67,754.4*	*-2,369.9*	*-3.4%*
Contingency Reserve Fund	*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%*
State Administrative Costs	*3,999.0*	*4,123.0*	*4,222.0*	*4,348.6*	*4,348.6*	*n/a*	*4,230.5*	*+8.5*	*+0.2%*
Employment and Training (E&T)	*426.4*	*447.2[i]*	*455.7*	*465.7*	*465.7*	*n/a*	*456.0*	*+0.3*	*+0.1%*
Nutrition Education and Obesity Prevention	*401.0*	*407.0*	*408.0*	*414.0*	*414.0*	*n/a*	*414.0*	*+6.0*	*+1.5%*

Program	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request[a]	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31	Change: FY2016 to FY2017 enacted	
TEFAP Commodities	*268.8*	*327.0*	*318.0*	*299.0*	*318.0*[j]	*n/a*	*316.0*[k]	*-2.0*	*-0.6%*
Food Distribution Program Indian Reservations	*104.0*	*145.2*	*145.2*	*151.0*	*151.0*	*n/a*	*151.0*	*+5.8*	*+4.0%*
Commonwealth of Northern Mariana Islands	*12.1*	*12.2*	*12.2*	*12.2*	*12.2*	*n/a*	*12.2*	*0.0*	*0.0%*
Puerto Rico and American Samoa	*1,901.5*	*2,030.3*	*1,967.0*	*1,973.3*	*1,973.3*	*n/a*	*1,956.9*	*-10.1*	*-0.5%*
Commodity Assistance Program									
Account Total[c]	**269.7**	**278.5**	**296.2**	**313.1**	**315.1**	**313.1**	**315.1**	**+18.9**	**+6.4%**
Commodity Supplemental Food Program	*202.7*	*211.5*	*222.2*	*236.1*	*236.1*	*236.1*	*236.1*	*+13.9*	*+6.3%*
WIC Farmers' Market Nutrition Program	*16.5*	*16.5*	*18.5*	*16.5*	*18.5*	*16.5*	*18.5*	*0.0*	*0.0%*
TEFAP Administrative Costs	*49.4*	*49.4*	*54.4*	*59.4*	*59.4*	*59.4*	*59.4*	*+5.0*	*+9.2%*
Nutrition Program Administration	**141.3**	**150.8**	**150.8**	**179.4**	**168.5**	**173.3**	**170.7**	**+19.9**	**+13.2%**
Office of the Under Secretary	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.0**	**0.0%**
Total, Domestic Food Assistance (Title IV)[k]	**108,585.8**	**110,190.9**	**109,797.0**	**111,762.5**	**109,682.6**	**109,720.3**	**108,111.3**	**-1,685.7**	**-1.5%**

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

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

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

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

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

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

f. The enacted law (§745) also rescinded $850 million in WIC carryover funds. Both reported bills would also have rescinded WIC carryover funds: H.R. 5054(§745) would have rescinded $100 million; S. 2956 (§745) would have rescinded $200 million.

g. The Administration's request for FY2017 also included an advance appropriation for the first quarter of FY2018 of approximately $19.6 billion. Neither the enacted law nor the committee reported bills included an advance appropriation.

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

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

j. The enacted provides $297 million authorized by the Food and Nutrition Act and an additional $19 million for TEFAP commodities provided in general provision (§748). The House-reported bill (§748) would also have provided an additional $19 million for TEFAP commodities.

k. Title IV totals do not include additions and rescissions provided in bills' general provisions.

Agricultural Trade and Food Aid[109]

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.[110]

Each year's agricultural appropriation provides nearly $2 billion of discretionary funding to FAS, which is more than three-quarters of the financial resources available to them. Other budget authority for agricultural export and food aid programs is with mandatory spending and is not subject to annual appropriations. About $500 million of funding for these mandatory programs is provided directly by the CCC under other statutes.[111]

Foreign Agricultural Service

The FAS appropriation addresses trade policy issues on behalf of U.S. agricultural exporters to support trade promotion activities and engage in institutional capacity building and food security activities in developing countries with promising market potential. For FY2017, the enacted appropriation provides $196.6 million for salaries and expenses of FAS. This amount is equal to the Administration's budget request and would represent an increase of $5 million, or 2.5%, compared with the $191.6 million that Congress appropriated for FY2016.[112]

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

Both House and the Senate appropriators required the Secretary of Agriculture to outline a plan for reorganizing the international trade functions at USDA. The report is to include the establishment of the position of Under Secretary of Agriculture for Trade and Foreign Affairs within USDA and is to be transmitted to Congress within 180 days of enactment. This directive follows in the wake of a similar directive in the enacted FY2016 appropriation act that provided $1 million to carry out this task. The directive stems from the 2014 farm bill, which mandated

[109] The trade portion of this section was written by Renée Johnson and the food aid portion by Randy Schnepf.

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

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

[112] *Congressional Record*, May 3, 2017, Book II, p. H3334.

that the Secretary prepare a proposal, in consultation with the House and Senate Agriculture Committees and Appropriations Committees, for reorganizing USDA's international trade functions in tandem with the creation of the position of Under Secretary of Agriculture for Trade and Foreign Affairs. The original deadline for the reorganization plan of 180 days from the enactment of the farm bill on February 7, 2014, has since been pushed forward several times. The enacted appropriation provides $901,000 for the office.[113]

The Senate Appropriations Committee report recommends that $2.65 million within the FAS budget be allocated to the Borlaug Fellows Program (training for scientists and policymakers from developing countries) and $5.3 million be provided for the Cochran Fellowship Program (short-term technical training in the United States for international participants).[114] The enacted appropriation does provide that "funds made available for the Borlaug International Agricultural Science and Technology Fellowship program ... shall remain available until expended" but is silent regarding the Cochran Fellowship Program. The Senate committee report further states that it expects FAS to fund the Foreign Market Development Cooperator Program and to continue full mandatory funding for the Market Access Program (MAP; see footnote 111), including administering MAP as authorized without changing the eligibility requirements of cooperatives, small businesses, trade associations, and other entities.

Food for Peace Program

The Food for Peace Program (formerly known as P.L. 480) includes four areas, each with its own title: Title I—economic assistance and food security, Title II—emergency and private assistance programs, Title III—food for development, and Title V—the farmer-to-farmer (F2F) program.[115]

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

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

Title II funding has been embroiled in a long-running debate between previous Administrations (Bush and Obama) and Congress over how Title II funds may be used. The previous Administrations wanted to increase the share of Title II funds available as cash transfers or food vouchers or for local and regional procurement of commodities in the proximity of the food crises in order to provide a more immediate (and lower-cost) response to emergencies. In contrast, Congress has opted to use Title II funds to purchase U.S. commodities and ship them on U.S.-flag vessels to foreign countries with food deficiencies. Title II funding allocations are also affected by a provision in the 2014 farm bill (P.L. 113-79; §3012) that states that the minimum funding requirement for nonemergency food aid shall not be less than $350 million.

[113] P.L. 115-31; and *Congressional Record*, May 3, 2017, Book II, p. H3331.

[114] S.Rept. 114-259. These amounts compare with $1.5 million for the Borlaug Fellows Program and $5.3 million for the Cochran Fellowship Program that the Senate report recommended for FY2016.

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

The Obama Administration's FY2017 budget request proposed $1.35 billion in Title II funding, of which 25% ($337.5 million) would be exempt from any U.S. purchase requirement and would instead be available as cash-based food assistance for emergencies. The enacted FY2017 appropriation provides $1.466 billion of base funding, plus a one-time supplement of $134 million to address ongoing famine crises. Furthermore, this combined $1.6 billion appropriation is made without any in-kind purchase exemption. The act also includes language requiring the U.S. Agency for International Development to notify Congress and the public when reducing the amount of non-emergency assistance required by the Food for Peace Act.

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

McGovern-Dole International Food for Education and Child Nutrition

The McGovern-Dole International Food for Education and Child Nutrition Program provides donations of U.S. agricultural products and financial and technical assistance for school feeding and maternal and child nutrition projects in developing countries. It is administered by FAS.

For FY2017, the Obama Administration requested $182 million in funding for the McGovern-Dole program with the stipulation that $5 million of this funding again be used for local and regional procurement (LRP, described in the next heading). The enacted 2017 appropriation provides $201.6 million to the McGovern-Dole program (the same as in FY2016), of which $5 million is available for LRP projects.

Local and Regional Procurement Projects

Under an LRP project, USDA (in consultation with USAID) awards cash grants to eligible organizations[116] to carry out field-based projects to purchase eligible commodities from markets close to the target population in response to food crises and disasters. LRP was authorized as a permanent project under the 2014 farm bill (P.L. 113-79).[117] However, its funding became discretionary under the 2008 farm bill.[118]

No discretionary funding was enacted for LRP during FY2014 and FY2015. However, for both FY2016 and FY2017 Congress has appropriated $5 million for LRP but sourced from within the McGovern-Dole program funding (as described above). The Obama Administration had proposed $20 million for FY2016 and $15 million for FY2017 to support LRP in addition to the $5 million from McGovern-Dole funding.

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

[117] 7 U.S.C. §1726c.

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

Industrial Hemp: Appropriations Provisions[119]

Industrial hemp is an agricultural commodity that is cultivated for a range of hemp-based goods, including foods and beverages, cosmetics and personal care products, nutritional supplements, fabrics and textiles, yarns and spun fibers, paper, construction/insulation materials, and other manufactured goods. It is, however, a variety of *Cannabis sativa*, the same plant species as marijuana, and is therefore subject to U.S. drug laws. The 2014 farm bill provided that certain research institutions and state departments of agriculture may grow industrial hemp as part of an agricultural pilot program, if allowed under state laws.[120]

The production of industrial hemp is addressed in both the enacted FY2017 Agriculture appropriation and the Commerce-Justice-Science (CJS) appropriation.

The enacted Agriculture appropriation states that none of the funds made available by the Agriculture or any other appropriation may be used in contravention of the 2014 farm bill provision or "to prohibit the transportation, processing, sale, or use of industrial hemp that is grown or cultivated" in accordance with the farm bill provision "within or outside the State in which the industrial hemp is grown or cultivated" (P.L. 115-31, Division A, §773). The FY2016 Agriculture appropriation contained similar language.[121] In addition, the Senate committee report (S.Rept. 114-259) urges USDA "to clarify the Agency's authority to award Federal funds to research projects deemed compliant with Section 7606 of the Agricultural Act of 2014." The latter provision addresses questions by a number of state and private research institutions about the extent to which industrial hemp initiatives might be eligible for U.S. federal grant programs (both USDA and non-USDA program funds). Previously, in November 2015, several Members of Congress sent a letter to USDA requesting clarification of the agency's research funds for industrial hemp.[122]

The CJS appropriation (Division B of P.L. 115-31) states that "none of the funds made available by this Act may be used in contravention of section 7606 ('Legitimacy of Industrial Hemp Research') of the Agricultural Act of 2014 (Public Law 113-79) by the Department of Justice or the Drug Enforcement Administration."[123] The enacted FY2015 and FY2016 CJS appropriation contained similar language to block federal law enforcement from interfering with state agencies, hemp growers, and agricultural research.[124]

[119] This section was written by Renée Johnson.

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

[121] P.L. 114-113, Division A, §763.

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

[123] P.L. 115-31, §538.

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

Related Agencies

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

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

Agriculture's Relationship to the Related Agencies

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

These agencies are included in the Agriculture appropriations bill because of their historical connection to agricultural markets. However, the number and scope of non-agricultural issues dealt with by these agencies has grown in recent decades. Because of this shift, some argue that these agencies no longer belong in the Agriculture appropriations bill. Others say that agriculture and food issues are still an important component of each agency.

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

Jurisdiction over CFTC appropriations is assigned differently in the House and Senate. Before FY2008, the Agriculture subcommittees in both the House and Senate had jurisdiction over CFTC funding. In FY2008, Senate jurisdiction moved to the Financial Services Appropriations Subcommittee. Placement in enacted appropriations now alternates each year. In even-numbered fiscal years, CFTC has resided in the Agriculture appropriations act. In odd-numbered fiscal years, CFTC has resided in the enacted Financial Services appropriations act.

Food and Drug Administration[125]

The Food and Drug Administration (FDA) regulates the safety of foods, cosmetics, and radiation-emitting products; the safety and effectiveness of drugs, biologics (e.g., vaccines), and medical devices; and public health aspects of tobacco products.[126] Although FDA has been a part of the Department of Health and Human Services (HHS) since 1940, the Appropriations Committees do not consider FDA within the rest of HHS under the Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies. Jurisdiction over FDA's budget remains with the Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, reflecting FDA's beginnings as part of the Department of Agriculture.

FDA's *total program level*, the amount that FDA can spend, is composed of *direct appropriations* (also referred to as budget authority) and user fees.[127] In FDA's annual appropriation, Congress sets both the amount of appropriated funds and the amount of user fees that the agency is

[125] This section was written by Agata Dabrowska.

[126] 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*, FDA Regulation of Medical Devices.

[127] 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.

authorized to collect and obligate for that fiscal year. The enacted FY2017 appropriation provides a *total program level* of $4.725 billion, a decrease of $20 million (-0.4%) compared to the FY2016 enacted appropriation. The enacted appropriation provides $2.771 billion in *direct appropriations*—an increase of $43 million (+1.6%) over the FY2016 enacted level and $1.954 billion in *user fees* to be collected through authorized programs to support specified agency activities—a decrease of $63 million (-3%) compared to the enacted FY2016 amount.

In addition to the amounts above, Section 752 of the enacted appropriation provides an additional $10 million (to the Salaries and Expenses account) for FDA to "prevent, prepare for, and respond to emerging health threats, including the Ebola and Zika viruses, domestically and internationally and to develop necessary medical countermeasures and vaccines, including the review, regulation, and post market surveillance of vaccines and therapies, and for related administrative activities ... to remain available until expended." Also, FDA received $20 million in the second CR (P.L. 114-254), pursuant to Section 1002 of the 21st Century Cures Act (P.L. 114-255).[128] Note that this additional $30 million is not included in the FY2017 total program level shown in **Table 12**.

Consistent with the Administration and congressional committee formats, each program area in **Table 12** includes funding designated for the responsible FDA center and the portion of effort budgeted for the agency-wide Office of Regulatory Affairs to commit to that area.

FDA's Medical Product Activities

The human drugs program comprises the largest portion of FDA's total program level (28% in FY2017). According to the joint explanatory statement, the FY2017 enacted appropriation provides an increase of $10.9 million for medical product safety initiatives, including $2.5 million for efforts to support the Precision Medicine initiative, $4 million for Pediatric Device Consortium Grants and postmarket activities within the Medical Device program, and $4.4 million for animal drug and medical device review activities. The enacted appropriation also provides a $2.5 million increase for foreign high-risk inspections. The enacted appropriation continues to include the FY2016 funding to evaluate over-the-counter sunscreen products. The bill does not make mention of the $75 million in mandatory funding for the Cancer Moonshot Initiative requested by the Obama Administration.

In addition to comments on specific amounts of funding, the House and Senate Appropriations committees lay out in the joint explanatory statement (and in the committee reports) their concerns with specific FDA activities and provide various directives and encouragements to the agency. While directions and suggestions in the explanatory statement and reports do not have statutory or legal authority, they convey the committee concerns that could determine future appropriations.[129] The joint explanatory statement reminds FDA "of its responsibility to ensure

[128] The Cures Act established an FDA Innovation Account, to which a total of $500 million is authorized to be transferred over a nine-year period (FY2017-FY2025) for certain FDA activities. The law specified that amounts in the account are not available until appropriated in subsequent appropriations acts and that once made available, these amounts are available until expended. For each of FY2017 through FY2025, the following amounts are authorized to be transferred to the FDA Innovation Account: $20 million in FY2017, $60 million in FY2018, $70 million in FY2019, $75 million in FY2020, $70 million in FY2021, $50 million in FY2022, $50 million in FY2023, $50 million in FY2024, and $55 million in FY2025.

[129] Topics addressed in the FY2017 committee reports, by program area, follow. *Foods:* Artisanal Cheese, Center for Safety and Nutrition Centers of Excellence, Cosmetics, Cotton Ginning, Crop Biotechnology and Biotech Ingredients, Date Labels on Food, Donor Milk Supply, FDA Food Mission, FDA Partnerships under FSMA, Food Contact Notification User Fees, Food Packaging, Food Traceability, Funding for Food Safety, Laboratories Near High Volume Ports, Listeriosis, Local Port Cooperation, Medical Foods, Menu Labeling, Nutrient Content Claims, Nutrition Facts Label, Office of Cosmetics and Colors, Olive Oil, Packaged Ice, Private Accredited Laboratories, Proprietary

that federal employees handle information, including information received from the employees, offices, or Committees of the Congress, in a professional and confidential manner according to the federal government's code of conduct, standards, regulations, and statutes." It also "strongly urges" FDA to continue its work with Congress on plans to regulate Laboratory Developed Tests.[130] In the explanatory statement, Congress also states concern with FDA's draft memorandum of understanding issued pursuant to FFDCA Section 503A regarding pharmacy compounding, stating that FDA "appears to exceed the authority granted in the statute by redefining 'distribution' in a manner that includes dispensing."

The appropriation contains additional policy riders related to FDA regulation of medical products:

- Section 734 prohibits FDA from using funds to "propose, promulgate, or implement any rule, or take any other action" that would allow or require information intended for the prescriber of a drug or biologic to be provided to the prescriber electronically (instead of on paper) unless a federal law is enacted that would allow it. This language was included in the House and Senate bills. The House report acknowledged FDA proposals that would permit "the distribution of prescription drugs without printed prescribing information on or within the packages from which such drugs are to be dispensed" and that FDA intended to replace printed labels with an electronic labeling system.
- Section 736 prohibits FDA from using funds provided by the enacted appropriation to accept any investigational new drug application for "research in which a human embryo is intentionally created or modified to include a heritable genetic modification." This language was also included in the House and Senate Appropriations Committee bills and was further explained in the House committee report.
- Section 752 provides an additional $10 million for FDA to prevent, prepare for, and respond to emerging health threats, such as the Ebola and Zika viruses.
- Section 756 directs the agency to issue final regulations with respect to medical gases by July 15, 2017. The House bill had a similar provision, as did both the House and Senate committee reports.

Information, Protecting Proprietary Information, Ready-to-Eat Foods, Seafood Advisory, Shrimp Imports, Sodium Guidance, Spent Grains, State Inspections, Staffing at Land Ports of Entry, and Vibrio. *Human Drugs:* Active Pharmaceutical Ingredients, Antibiotics, Atypical Actives, Compassionate Use, Continued FDA Approval of Drug Safety Labeling, Drug Compounding, Drug Compounding Inspections, Drug Compounding of Allergen Extracts, Drug Shortages, Drug Vial Sizes, Duchenne Muscular Dystrophy, Experimental Drugs for Terminally-Ill Patients, Genomic Editing, Medical Gases, Medical Gas Rulemaking, Opioid Abuse, Opioid Overdose Prevention, Over-the-Counter (OTC) Drugs, OTC Monograph Resources, Patient Focused Drug Development Initiative, Pharmacy Compounding, Prescription Drug Labeling Inserts, Sunscreen Ingredients, and Surrogate Endpoints. *Biologics:* Biological Products, Biosimilars, and Blood Donor Policies. *Animal Drugs and Feeds:* Animal Drug Compounding, National Antimicrobial Resistance Monitoring System, and Pet Food Imports. *Devices:* FDA and CMS Parallel Review Pilot, Indoor Tanning Devices, Mammography Exam Reports, Mammography Quality Standards Act, Laboratory Developed Tests, Medical Devices, Medical Device Facility Inspections, Medical Device Performance, Pediatric Devices, and Pediatric Device Consortia Grants. *Medical Products:* Diabetes, Emerging Public Health Threat Funding, Human Tissue Models Including 3D Models, In Silico Clinical Trials, In Vitro Clinical Trials, Medical Countermeasures, and Medical Product Safety Funding. *Tobacco Products:* Harm Reduction and Premium Cigars. *Toxicological Research:* Nanotechnology. *FDA-wide:* Centers of Excellence in Regulatory Science and Innovation, Federal Employee Conduct, Foreign High Risk Inspections, Late Reports, President's Budget Submission to Congress, Oversight Activities, Public Disclosure, Scientific Integrity, User Fee Collections/Obligations, and White Oak Expansion.

[130] See CRS Report R43438, *Regulation of Clinical Tests: In Vitro Diagnostic (IVD) Devices, Laboratory Developed Tests (LDTs), and Genetic Tests*.

Table 12. Food and Drug Administration (FDA) Appropriations

(dollars in millions)

	FY2014	FY2015	FY2016	FY2017			
Program area	**P.L. 113-76**	**P.L. 113-235**	**P.L. 114-113**	**Admin. Request [a]**	**H. Cmte. H.R. 5054**	**S. Cmte. S. 2956**	**P.L. 115-31**
Foods	**900**	**914**	**999**	**1,024**	**1,034**	**1,039**	**1,037**
Budget authority	883	903	987	1,013	1,023	1,027	1,026
Fees	17	10	12	12	10	12	12
Human drugs	**1,289**	**1,339**	**1,395**	**1,408**	**1,411**	**1,408**	**1,330**
Budget authority	466	482	492	492	496	493	492
Fees	823	856	903	916	915	916	838
Biologics	**338**	**344**	**355**	**360**	**360**	**360**	**340**
Budget authority	211	211	215	215	215	215	215
Fees	127	133	139	145	145	145	124
Animal drugs and feeds	**173**	**175**	**189**	**193**	**191**	**192**	**195**
Budget authority	142	148	159	162	160	161	163
Fees	32	27	30	31	31	31	32
Devices and radiological health	**428**	**440**	**450**	**460**	**460**	**463**	**448**
Budget authority	321	321	323	326	326	329	330
Fees	107	119	127	134	134	134	119
Tobacco products	**501**	**532**	**564**	**596**	**596**	**596**	**596**
Fees	501	532	564	596	596	596	596
Toxicological research	**62**	**63**	**63**	**60**	**63**	**63**	**63**
Budget authority	62	63	63	60	63	63	63
Other (e.g., Commissioner Office)	**275**	**277**	**290**	**286**	**293**	**295**	**285[b]**
Budget authority	172	173	182	178	185	186	185
Fees	103	104	108	108	108	108	100
GSA rent	**220**	**228**	**239**	**236**	**236**	**236**	**232**
Budget authority	162	169	177	170	170	170	170
Fees	58	60	62	66	66	66	62
Other rent, rent-related activities[c]	**178**	**163**	**172**	**169**	**169**	**169**	**164**
Budget authority	133	116	122	115	115	115	115
Fees	46	48	50	54	54	54	49
Export, color certification (Fees)	**12**	**13**	**13**	**15**	**0[d]**	**15**	**15**
Priority review voucher (Fees)	**0**	**8**	**8**	**8**	**0[e]**	**8**	**8**

Program area	FY2014 P.L. 113-76	FY2015 P.L. 113-235	FY2016 P.L. 114-113	FY2017 Admin. Request [a]	FY2017 H. Cmte. H.R. 5054	FY2017 S. Cmte. S. 2956	FY2017 P.L. 115-31
Buildings & Facilities (Budget authority)	9	9	9	12	12	12	12
Total Budget Authority	2,561	2,596[f]	2,728	2,743	2,766	2,772	2,771
Total User Fees	1,826	1,909	2,017	2,084	2,058	2,083	1,954
Total Program Level	4,387	4,505	4,745	4,826	4,824	4,854	4,725[g]

Sources: FY2014 and FY2015 amounts are from the respective FDA Operating Plans. FY2016 amounts are from the FY2016 enacted appropriation (P.L. 114-113). Appropriations committees reported amounts come from H.R. 5054, H.Rept. 114-531, S. 2956, and S.Rept. 114-259. FY2017 amounts are from the FY2017 enacted appropriation (P.L. 115-31) and its Explanatory Statement (for H.R. 244 in the May 3, 2017, *Congressional Record*) and the 2017 Further Continuing and Security Assistance Appropriations Act (P.L. 114-254).

Notes: Individual amounts may not add to subtotals or totals due to rounding. Consistent with the Administration and congressional committee formats, each program area includes funding designated for the responsible FDA center (e.g., the Center for Drug Evaluation and Research or the Center for Food Safety and Applied Nutrition) and the portion budgeted for agency-wide Office of Regulatory Affairs in that area. User fee revenue is apportioned as indicated in the Administration's request (e.g., 90% of the animal drug user fee revenue is designated for the animal drugs and feeds program, with the rest going to other [including Office of the Commissioner], General Services Administration rent, and other rent and rent-related activities categories).

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

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

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

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

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

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

g. This total does not include the $20 million provided for FY2017 in the December 2016 "Further Continuing and Security Assistance Appropriations Act" (second CR; P.L. 114-254), pursuant to Section 1002 of the 21st Century Cures Act (P.L. 114-255). It also does not include the $10 million provided by Section 752 of the FY2017 omnibus for FDA to "prevent, prepare for, and respond to emerging health threats, including the Ebola and Zika viruses, domestically and internationally and to develop necessary medical countermeasures and vaccines, including the review, regulation, and post market surveillance of vaccines and therapies, and for related administrative activities ... to remain available until expended."

FDA's Food Safety Activities[131]

FDA's Foods program covers the agency's food safety activities, as well as certain other food-related programs. The program plays a major food safety role, assuring that the nation's food supply, quality of foods, food ingredients, and dietary supplements (and also cosmetic products) are safe, sanitary, nutritious, wholesome, and properly labeled. In recent years, congressional appropriators have increased funding for FDA Foods program, more than doubling funding over the past decade. Largely, this increase has been in response to comprehensive food safety legislation enacted in the 111th Congress, as part of the FDA Food Safety Modernization Act (FSMA, P.L. 111-353). FSMA was the largest expansion of FDA's food safety authorities since the 1930s.[132] FDA's Foods program has also had to adapt to the increasing variety and complexity of the U.S. food supply, including rising import demand for products produced outside the United States, as well as other market factors, including emerging microbial pathogens, natural toxins, and technological innovations in production and processing.

FDA's Foods program budget accounts for roughly one-third of FDA's total appropriation. FDA's total budget for food safety programs and activities, however, extends beyond the agency's Foods program, encompassing other food and veterinary medicine programs at FDA.[133] For FDA's food safety activities, the enacted FY2017 appropriation provides an additional $35.7 million to support FSMA implementation.[134] Of this amount, $18.7 million is to be used for the National Integrated Food Safety System and $16.9 million for the safety of imported foods. The FY2017 agreement notes that "FSMA implementation places additional requirements on State governments and private stakeholders, and therefore urges the FDA to provide sufficient resources to State education and inspection programs to address these needs."[135]

For FY2017, the Obama Administration requested an additional net increase of $18.4 million in budget authority.[136] This included a requested $25.3 million increase in budget authority to implement FSMA, partially offset by proposed reductions in other programs. The requested increase to implement FSMA would (1) "support state capacity" to implement FDA's "Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption" regulation (or produce standards rule) by "delivering education and technical assistance to farmers and providing on-going compliance support and oversight" ($11.3 million)[137] and also (2) implement the FDA's "Foreign Supplier Verification Programs (FSVP) for Importers of Food for Humans and Animals" regulation and fund inspections and the agency's overseas presence to ensure food imports meet U.S. food safety standards.[138]

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[131] This section was written by Renée Johnson.

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

[133] For more background, see CRS Report R44309, *FY2016 Appropriations: Selected Federal Food Safety Agencies*.

[134] *Congressional Record*, May 3, 2017, Book II, H3334.

[135] Ibid.

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

[137] The funding would be used to fund the National Integrated Food Safety System (NIFSS).

[138] FDA, "President's FY 2017 Budget Request: Key Investments for Implementing the FDA Food Safety Modernization Act (FSMA)," press release, February 22, 2016, http://www.fda.gov/downloads/Food/Guidance Regulation/FSMA/UCM432580.pdf. For more information on FSMA's regulations, see CRS Report R43724, *Implementation of the FDA Food Safety Modernization Act (FSMA, P.L. 111-353)*.

Funding amounts requested by the former Administration and amounts provided by congressional appropriators is considerably lower than funding levels recommended by the states, industry,[139] and consumer advocacy groups.[140] In particular, the states are concerned about the lack of resources to fully implement FSMA and for state and local authorities to support FDA and conduct inspections and risk analytics as well as provide technical assistance to regulated farms and food facilities. The National Association of State Departments of Agriculture (NASDA) recommended that Congress provide $100 million annually.[141] Additional funding for FSMA implementation and FDA food safety enforcement was also recommended by many food industry companies and organizations.[142]

Congressional appropriations are augmented by existing (currently authorized) user fees. Existing fees, as authorized under FSMA, include food and feed recall fees, food reinspection fees, and voluntary qualified importer program fees. In recent years these fees have generated less than $18 million per year. The Obama Administration's request included $193.2 million in user fees, covering existing user fees plus new proposed user fees of $105.3 million in new import fees and $61.3 million in food facility and registration fees.[143] Enacted appropriations in the years since FSMA was signed into law have not approved any new user fees. Moreover, members of the House Appropriations Committee have repeatedly called on the Administration to stop requesting additional user fees but rather to "request the resources [FDA] needs to fully implement" FSMA.[144] Industry representatives also continue to actively oppose such fees.[145] User fees are generally established in law by the authorizing committees and not by appropriators.

The appropriation, along with statements in the House and Senate committee reports, include a number of provisions requiring FDA to take additional food safety and food-related actions. These include provisions that reflect concerns about FDA's development of FSMA regulations. The enacted law further states that "none of the funds made available by this or any other Act" may be used to implement FSMA requirements regarding the regulation of the production, distribution, sale, or receipt of dried spent grain byproducts of the alcoholic beverage production process.[146] Such byproducts are often used as animal feed. The Senate committee report also expresses concerns about FSMA regulations on cotton ginning and cottonseed for use as animal feed.[147] Both committees also addressed a number of issues regarding fish and seafood, covering labeling and safety, disease research, and consumer fraud. The enacted law includes a provision

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

[140] For example, see Consumer Federation of America (CFA), "CFA Opposes Administration Plans to Short Food Safety Funding at FDA," press release, February 9, 2016.

[141] Letters to House and Senate Appropriations Committees from NASDA, March 10, 2016, and March 29, 2017.

[142] Letter to House and Senate appropriators from major food companies and trade associations, March 15, 2017.

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

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

[145] See letter dated August 26, 2015, to HHS and OMB from 65 trade associations, including the American Frozen Food Institute, the Grocery Manufacturers Association, the Food Marketing Institute, and the National Association of Manufacturers.

[146] P.L. 115-31, §737.

[147] S.Rept. 114-259.

regarding the "acceptable market name of any salmon that is genetically engineered"[148] and a provision regarding crab nomenclature.[149] Both committees also directed FDA to submit a report to Congress that looks at sampling of off-the-shelf olive oil bottles offered for sale to consumers to determine if they are adulterated with seed oil.[150]

The enacted appropriation and committee bills also contain other policy riders for FDA's Foods program that are not necessarily related to the agency's food safety activities. For example, the appropriation places restrictions regarding partially hydrogenated oils[151] and sodium[152] and also allows states to exempt schools from certain whole grain requirements.[153]

Commodity Futures Trading Commission[154]

The CFTC is the independent regulatory agency charged with oversight of derivatives markets. The CFTC's functions include oversight of trading on the futures exchanges, oversight of the swaps markets,[155] 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.[156] The Dodd-Frank Act (P.L. 111-203) brought the bulk of the previously unregulated over-the-counter swaps markets under CFTC jurisdiction as well as the previously regulated futures and options markets. Since the swaps market is much larger than the futures market, a lingering question is whether CFTC has sufficient resources to meet the agency's newly added responsibilities.[157]

For FY2017, the enacted appropriation provides $250 million (Division E of P.L. 115-31) in the Financial Services portion of the appropriation. (Differing House-Senate appropriations jurisdiction alternates placement in the enacted appropriation.) This amount is the same as in the House-reported Agriculture appropriations bill (H.R. 5054), the Senate-reported Financial Services bill (S. 3067), and the FY2015 and FY2016 enacted amounts. The Administration had requested $330 million.

Following enactment of the FY2016 appropriation, CFTC Chairman Timothy Massad issued a statement criticizing the lack of any increase for the agency despite its expanded oversight over the swaps market: "The failure to provide the CFTC even a modest increase in the fiscal year 2016 budget agreement sends a clear message that meaningful oversight of the derivatives markets, and the very types of products that exacerbated the global financial crisis, is not a

[148] P.L. 115-31, §761.

[149] P.L. 115-31, §774.

[150] H.Rept. 114-531 and S.Rept. 114-259.

[151] P.L. 115-31, §740.

[152] For example, see P.L. 115-31, §747 and §766.

[153] P.L. 115-31, §747.

[154] This section was written by Rena S. Miller.

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

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

[157] "The CFTC does not have the resources to fulfill our new responsibilities as well as all the responsibilities it had prior to the passage of Dodd-Frank in a way that most Americans would expect. Our staff, for example, is no larger than it was when Dodd-Frank was enacted in 2010." Testimony of CFTC Chairman Timothy G. Massad before the Senate Agriculture Committee, May 14, 2015, http://www.cftc.gov/PressRoom/SpeechesTestimony/opamassad-22.

priority."[158] He added that the flat appropriation failed to take into account the need for added resources to enforce oversight of the expanded, technologically complex swaps markets.

Farm Credit Administration[159]

The Farm Credit Administration (FCA) is the federal regulator for the Farm Credit System (FCS), which is a borrower-owned cooperative lender operated as a government-sponsored enterprise.[160]

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

For FY2017, the enacted appropriation limits the FCA budget to $68.6 million, a $3 million increase over FY2016 but $1.2 million less than requested.[161]

Table 13. Farm Credit Administration Limitation on Expenses

(dollars in millions)

	FY2014	FY2015	FY2016	FY2017				Change: FY2016 to FY2017 enacted	
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31		
FCA limitation on expenses	62.6	60.5	65.6	69.8	65.6	65.6	68.6	+3.0	+4.6%

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

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

[159] This section was written by Jim Monke.

[160] For background, see CRS Report RS21278, *Farm Credit System*.

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

General Provisions, Scorekeeping Adjustments[162]

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

Limitations and rescissions are used to score budgetary savings that help meet the discretionary budget allocation. By offsetting spending elsewhere in the bill, they help provide relatively more to regular discretionary accounts (or help avoid deeper cuts) than might otherwise occur.[163]

For FY2017, the enacted appropriation benefits from over $1.8 billion of net reductions through general provisions and scorekeeping adjustments (**Table 14**). This is an increase of nearly $1.1 billion of such reductions, which lets the act show an official reduction in its total spending, even though the amount provided to agencies increases (**Figure 3**)

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

Table 14. General Provisions and Scorekeeping Adjustments

(dollars in millions)

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
CHIMPS and mandatory rescissions (Table 15)	-953.7	-785.0	-831.0	-640.5	-809.5	-798.0	-743.0
Discretionary rescissions (Table 16)	-33.3	-17.0	-34.0	-4.2	-104.2	-204.2	-854.0
Other appropriations (Table 17)	106.6	122.6	556.1	1.0	51.5	21.6	472.2
Other scorekeeping adjustments (Table 18)	-191.0	-514.0	-462.0	-525.0	-525.0	-525.0	-731.1
Total	**-1,071.4**	**-1,193.4**	**-770.9**	**-1,168.7**	**-1,387.2**	**-1,505.6**	**-1,855.9**
Notes to reconcile total to committee reports:							
Ebola was Title VIII; P.L. 480 resc. was Title V		*-12.0*					
Cushion of Credit rescission was Title III	*+172.0*	*+179.0*	*+179.0*	*+151.5*	*+151.5*	*+165.0*	*+132.0*

[162] This section was written by Jim Monke.

[163] 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.

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
Scorekeeping adjustments not in cmte. report	*+191.0*	*+514.0*	*+462.0*	*+525.0*	*+525.0*	*+525.0*	*+525.0*
General Provisions in committee reports	*-708.4*	*-512.4*	*-129.9*	*-492.2*	*-710.7*	*-815.6*	*-1,198.9*

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

Changes in Mandatory Program Spending (CHIMPS)

For FY2017, the enacted appropriation contains $743 million in savings attributable to CHIMPS, of which $380 million are from programs authorized in the 2014 farm bill.[164] These totals are smaller than compared with FY2016 (**Table 15**).

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).

Mandatory programs are usually not part of the appropriations process, since formulas and eligibility rules are set in multi-year authorizing laws (such as the 2014 farm bill). Funding is usually assumed to be available based on the statute and without appropriations action. However, for more than a decade, appropriators have placed limits on mandatory spending authorized in statutes such as the farm bill (**Table 15**). CHIMPS are usually reductions to mandatory spending authority, but they may also be increases in spending authority. Although many CHIMPS have an effect for one year, rescissions may be made to mandatory spending programs to permanently cancel budget authority (also considered a CHIMP here and by CBO).[165]

When appropriators limit mandatory spending, they do not change the authorizing law.[166] However, their action has a similar effect through CHIMPS—but usually only for the one year to which the appropriation applies. Appropriators put limits on mandatory programs by using language such as this: "None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section [...] of Public Law [...] in excess of $[...]." Limits usually appear in Title VII, General Provisions, of the Agriculture appropriations bill.

Historically, most allocations to spend budgetary resources originated from the Appropriations Committees. The division over who should fund certain agriculture programs—appropriators or authorizers—has roots dating to the 1930s. Variable outlays for the farm commodity programs

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

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

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

were difficult to budget and resembled entitlements. Mandatory funding—through the CCC—was created to remove the unpredictable funding issue from the appropriations process, and those decisions generally rested with the authorizing committee.

The dynamic further changed after the 1996 farm bill, when mandatory funds were used for programs that had usually been discretionary.[167] Appropriators had not funded some programs as much as authorizers had desired, and authorizing committees wrote farm bills to more broadly use the mandatory funding at their discretion. Tension arose over who should fund certain activities. Some question whether the CCC should be used for outlays that are not uncertain.

Table 15. CHIMPS and Rescissions to Mandatory Spending Programs

(dollars in millions)

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
Changes to farm bill programs (CHIMPS and rescissions)[a]							
Conservation programs							
Environmental Quality Incentives Prog.	-272.0	-136.0	-209.0	—	-209.0	-189.0	-179.0
Watershed Rehabilitation Program	-153.0	-69.0	-68.0	-54.0	-54.0	-63.0	-54.0
Conservation Stewardship Program	—	-7.0	—	—	-5.0	—	—
Agricultural Management Assistance	—	—	—	—	-4.0	—	-2.0
Subtotal, conservation	**-425.0**	**-212.0**	**-277.0**	**-54.0**	**-272.0**	**-252.0**	**-235.0**
Other farm bill programs							
Fresh Fruit and Vegetable Program[b]	-119.0	-122.0	-125.0	-125.0	-125.0	-125.0	-125.0
Child nutrition equipment grants				+1.0	+1.0	+1.0	+1.0
Emergency Food Assistance Program	—	—	—	—	+19.0	—	+19.0
Biorefinery Assistance Program	-40.7	-16.0	-19.0	—	-30.0	—	-20.0
Biomass Crop Assistance Program	—	-2.0	-20.0	—	-20.0	-20.0	-20.0
Repowering Assistance	—	-8.0	—	—	—	—	—
Bioenergy Prog. for Advanced Biofuels	-8.0	—	—	—	—	—	—
Emergency Livestock Assistance Prog.	—	-125.0	—	—	—	—	—
Marketing Certificates	—	—	+5.0	—	—	—	—
Subtotal, other from farm bill	**-167.7**	**-273.0**	**-159.0**	**-124.0**	**-155.0**	**-144.0**	**-145.0**
Subtotal, of farm bill programs	**-592.7**	**-485.0**	**-436.0**	**-178.0**	**-427.0**	**-396.0**	**-380.0**
Other reductions of mandatory programs[a]							
Cushion of Credit (Rural Develop.)	-172.0	-179.0	-179.0	-151.5	-151.5	-165.0	-132.0
Section 32	-189.0	-121.0	-216.0	-311.0	-231.0	-237.0	-231.0

[167] Adapted from Galen Fountain, then majority clerk of the Senate Agriculture Appropriations Subcommittee, "Funding Rural Development Programs: Past, Present, and Future," p. 4, at the 2009 USDA Agricultural Outlook Forum, February 22, 2009, http://ageconsearch.umn.edu/bitstream/50603/2/Fountain-Galen-pdf.pdf.

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
Total	**-953.7**	**-785.0**	**-831.0**	**-640.5**	**-809.5**	**-798.0**	**-743.0**

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

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

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

Rescissions of Discretionary Accounts

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

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

For FY2017, the enacted appropriation rescinds $854 million from two discretionary programs, primarily the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), as discussed in the section "WIC: General Provisions and Committee Report Language."

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

(dollars in millions)

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
Agriculture buildings and facilities	-30.0	—	—	—	—	—	—
ARS buildings and facilities	—	-2.0	—	—	—	—	—
Common Computing Environment	—	—	-1.0	—	—	—	—
WIC	—	—	—	—	-100.0	-200.0	-850.0
Rural Development balances	—	—	—	-4.2	-4.2	-4.2	-4.0
Rural Housing Service	-1.3	—	—	—	—	—	—
Water and waste disposal cancellation	—	—	-13.0	—	—	—	—
Ocean freight (food aid)	—	-2.0	—	—	—	—	—
P.L. 480 Title I (food aid)	—	-13.0	—	—	—	—	—
Watershed and Flood Prevention	—	—	-20.0	—	—	—	—
Resource Conservation and Development	-2.0	—	—	—	—	—	—

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
Total	**-33.3**	**-17.0**	**-34.0**	**-4.2**	**-104.2**	**-204.2**	**-854.0**

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

Other Appropriations (Including Emergency Disaster Programs)

The General Provisions title contains 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. The appropriations for FY2017 contain $206 million for disaster programs from the continuing resolutions (further offset by a disaster designation), as well as $29 million of disaster programming through the regular appropriation. The regular appropriation also contains $237 million of other appropriations for various accounts (**Table 17**).

Table 17. Other Appropriations in General Provisions

(budget authority in millions of dollars)

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
Disaster/Emergency programs							
Emergency Watershed Protection	—	78.6	159.0	—	5.0	—	103.1[a]
Emergency Conservation Program	—	9.2	108.0	—	—	—	131.6[a]
Emergency Forest Restoration	—	3.2	6.0	—	—	—	—
FDA salaries and expenses for Ebola	—	25.0	—	—	—	—	—
Subtotal, disaster programs	—	**116.0**	**273.0**	—	**5.0**	—	**234.8**[a]
Note: Disaster designation for budget	—	*-116.0*	*-130.0*	—	—	—	*-206.1*[a]
Other spending provisions							
FDA user fees	79.0	—	—	—	—	—	—
Zika virus, Ebola funding	—	—	—	—	10.0	—	10.0
Food for Peace[b]	—	—	250.0	—	—	—	134.0
Citrus greening	20.0	—	5.5	—	5.5	—	5.5
APHIS buildings and facilities	—	—	—	—	30.0	—	47.0

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
Hardwood trees reforestation pilot	0.6	0.6	0.6	—	—	0.6	0.6
Geographically disadvantaged farmers	2.0	2.0	2.0	—	—	2.0	2.0
ARC pilot	—	—	—	—	—	5.0	5.0
Water Bank	4.0	4.0	4.0	—	—	4.0	4.0
Healthy Food Financing Initiative	—	—	—	1.0	1.0	1.0	1.0
Maturing mortgage pilot	—	—	—	—	—	1.0	1.0
Electric loan refinancing	—	—	—	—	—	—	13.8
Rural Energy Savings Program	—	—	8.0	—	—	8.0	8.0
NIFA military veteran grants	—	—	—	—	—	—	5.0
RD STEM programs	—	—	—	—	—	—	0.5
Dietary Guidelines study	—	—	1.0	—	—	—	—
Summer meals	—	—	7.0	—	—	—	—
School equipment grants	—	—	5.0	—	—	—	—
Hunger Commission	1.0	—	—	—	—	—	—
Subtotal, other spending	**106.6**	**6.6**	**283.1**	**1.0**	**46.5**	**21.6**	**237.4**
Total	**106.6**	**122.6**	**556.1**	**1.0**	**51.5**	**21.6**	**472.2**

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

a. Includes $206 million appropriated for the Emergency Conservation Program (ECP) and Emergency Watershed Program in the second continuing resolution (P.L. 114-254, Section 185) that were offset as emergency spending. Another $29 million for ECP was included in the final appropriation (Section 753).

b. This amount for Food for Peace is in addition to the regular appropriation in Title V.

Other Scorekeeping Adjustments

Scorekeeping adjustments are a final part of the accounting of the appropriations bill that are not necessarily shown in the tables published by the Appropriations Committees.[168] These adjustments are critical, however, for the bill to reach the desired total amount that complies with the 302(b) spending limit for each 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.

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

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

Table 18. Scorekeeping Adjustments

(dollars in millions)

	FY2014	FY2015	FY2016	FY2017			
	P.L. 113-76	P.L. 113-235	P.L. 114-113	Admin. Request	H. Cmte. H.R. 5054	S. Cmte. S. 2956	P.L. 115-31
Denali Commission (permanent)	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Interest Native American Fund Endowment	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Child nutrition equipment grants	1.0	1.0	1.0	—	—	—	—
Loan program negative subsidies							
Rural housing negative subsidy	*-62.0*	*-141.0*	*-31.0*	*-146.0*	*-146.0*	*-146.0*	*-146.0*
Rural community facilities negative subsidy	*-41.0*	*-90.0*	*-135.0*	*-159.0*	*-159.0*	*-159.0*	*-159.0*
Rural elec. & tele. loan negative subsidy	*-92.0*	*-152.0*	*-154.0*	*-203.0*	*-203.0*	*-203.0*	*-203.0*
Rural water & waste loan negative subsidy	—	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*
Ag credit loan negative subsidy	*-6.0*	*-23.0*	*-23.0*	*-24.0*	*-24.0*	*-24.0*	*-24.0*
Subtotal, negative subsidies	**-201.0**	**-408.0**	**-345.0**	**-534.0**	**-534.0**	**-534.0**	**-534.0**
Rounding plug	—	—	3.0	—	—	—	—
Emergency designations not in 302(b)	—	-116.0	-130.0	—	—	—	-206.1[a]
Total	**-191.0**	**-514.0**	**-462.0**	**-525.0**	**-525.0**	**-525.0**	**-731.1**[b]

Source: CRS, compiled from unpublished CBO tables.

a. From the second continuing resolution (P.L. 114-254, Section 185) that was designated as emergency spending.

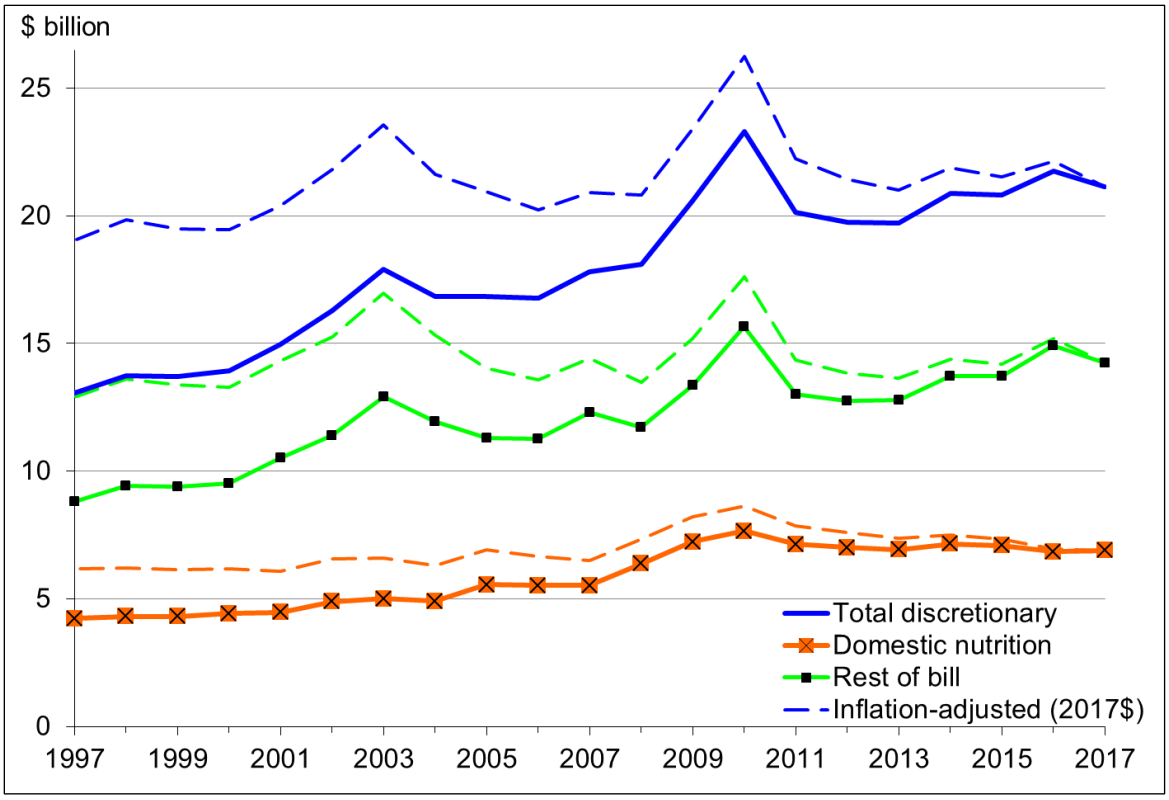
b. For purposes of reconciling to the explanatory statement, this amount should not include the emergency designation offset that was part of the second continuing resolution rather than the omnibus.

Appendix A. Historical Trends

This appendix offers a 20-year historical perspective on trends in Agricultural appropriations from FY1997 to FY2017. Comparisons are made using nominal and real data across (1) mandatory versus discretionary spending, (2) nutrition spending compared to the rest of the bill,[169] and (3) agriculture appropriations relative to the entire federal budget, economy, and population (**Figure A-1** through **Figure A-7**, **Table A-2** through **Table A-4**). Historical trends in the appropriations are also summarized as compounded annualized percentage changes over various time periods (**Table A-1**).

A shorter, 10-year comparison across the major titles in the agriculture appropriation is shown in **Figure 3** earlier in the report, and agency-level data are presented for a four-year period in tables throughout the report.

Figure A-1. Discretionary Agriculture Appropriations

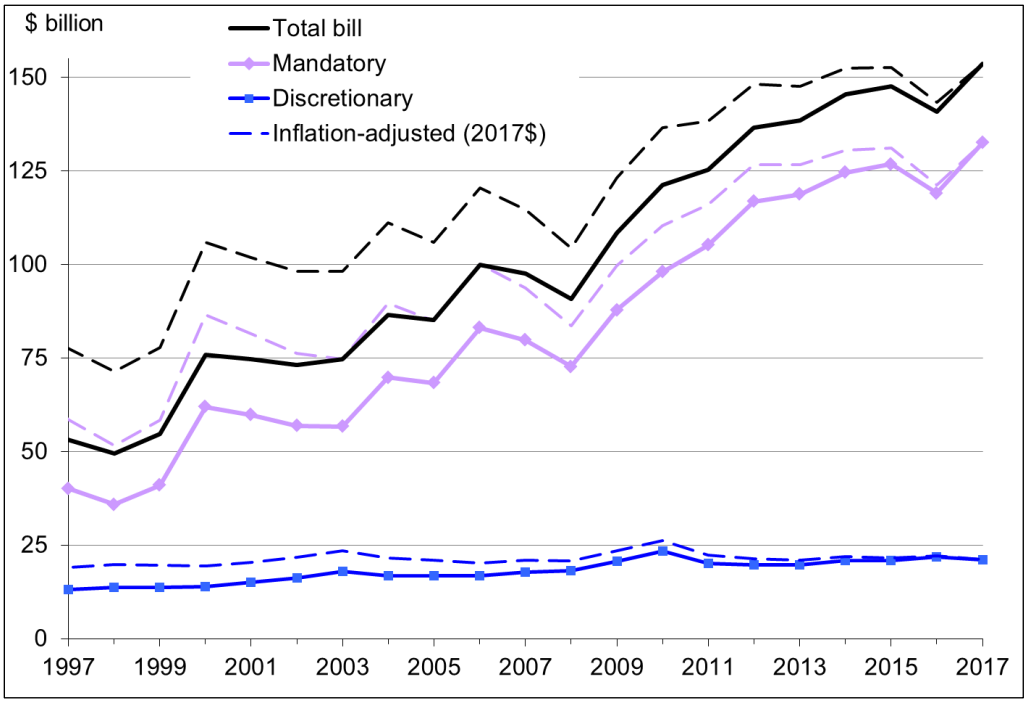


Source: CRS. Fiscal year budget authority. Inflation-adjusted amounts are based on the GDP price deflator.

Notes: Includes only regular annual appropriations; includes CFTC regardless of jurisdiction. The label "Domestic nutrition" includes WIC, commodity assistance programs, and nutrition programs administration.

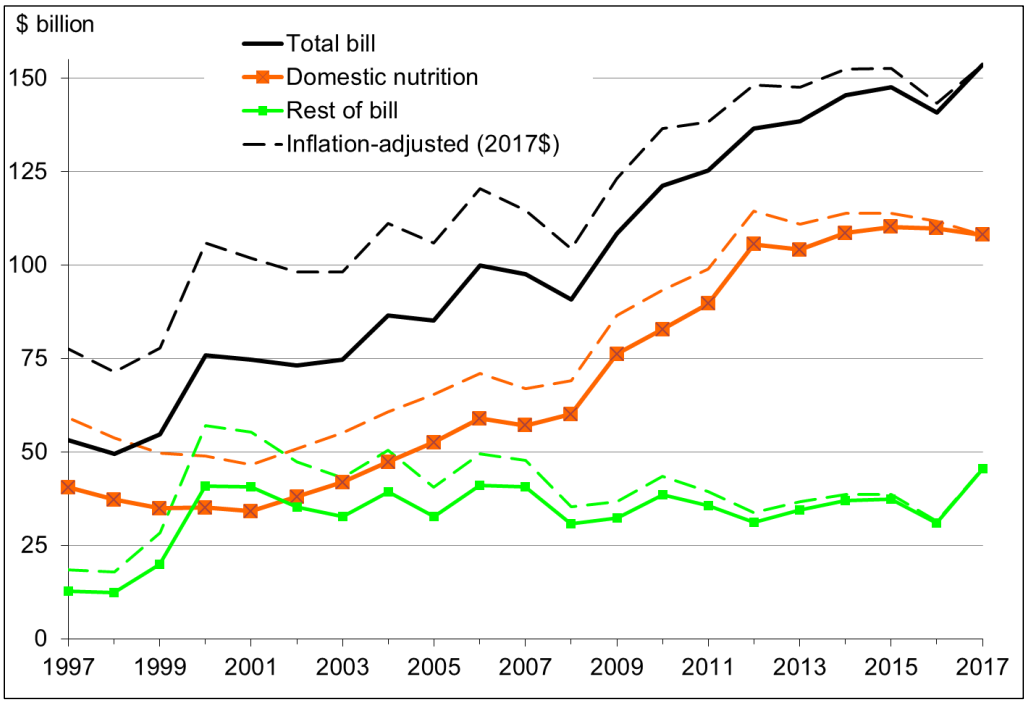
[169] Domestic nutrition appropriations include primarily the child nutrition programs (school lunch and related programs) and SNAP—which are mandatory—and WIC, which is discretionary. The "rest of the bill" includes other USDA programs (except the Forest Service), FDA, and CFTC.

Figure A-2. Total Agriculture Appropriations: Mandatory and Discretionary



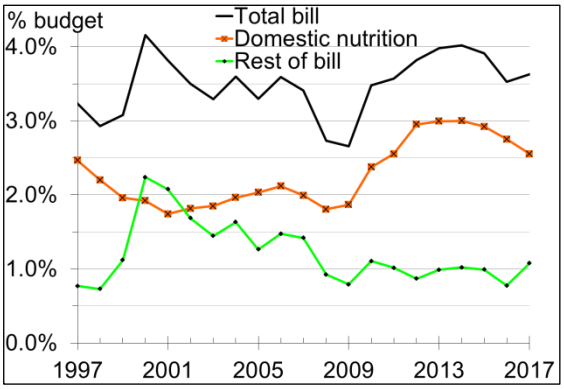
Source: CRS. Fiscal year budget authority. Inflation-adjusted amounts are based on the GDP price deflator.
Notes: Includes only regular annual appropriations; includes CFTC regardless of jurisdiction.

Figure A-3. Total Agriculture Appropriations: Domestic Nutrition and Rest of Bill



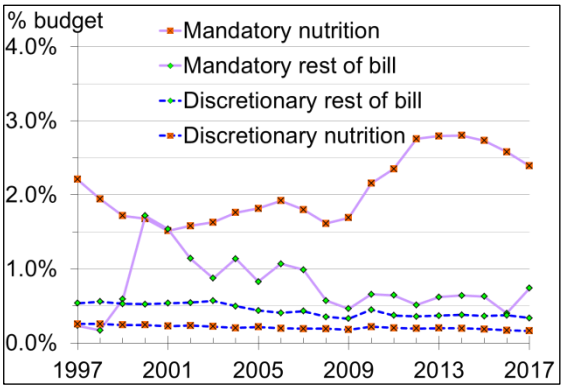
Source: CRS. Fiscal year budget authority. Inflation-adjusted amounts are based on the GDP price deflator.
Notes: The largest domestic nutrition programs are the child nutrition programs, SNAP, and WIC. The "rest of bill" includes USDA (except the Forest Service), FDA, and CFTC.

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



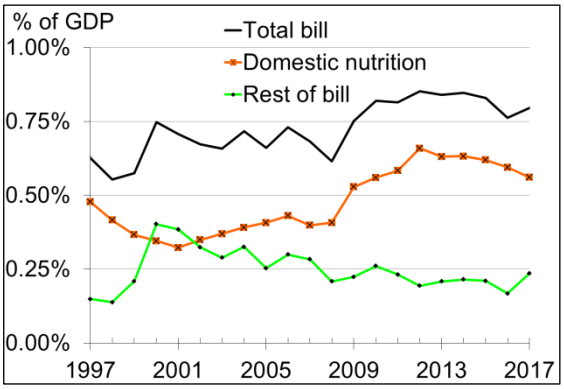
Source: CRS.

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



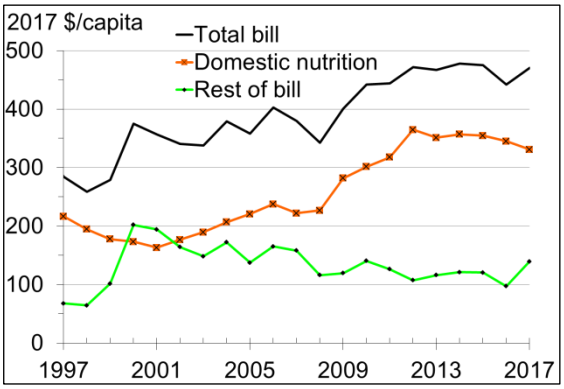
Source: CRS.

Figure A-6. Agriculture Appropriations as Percentages of GDP



Source: CRS.

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



Source: CRS.

Table A-1. Percentage Changes in Agriculture Appropriations

compounded annual rate of change from years in the past to FY2017

	Actual Change (Nominal)				Inflation-Adjusted (Real) Change (2017$)			
	1 yr. FY2016	**5 yrs. FY2012**	**10 yrs. FY2007**	**15 yrs. FY2002**	**1 yr. FY2016**	**5 yrs. FY2012**	**10 yrs. FY2007**	**15 yrs. FY2002**
GDP price index	+1.8%	+1.6%	+1.6%	+2.0%	—	—	—	—
Discretionary total	**-2.9%**	**+1.3%**	**+1.7%**	**+1.8%**	**-4.6%**	**-0.3%**	**+0.1%**	**-0.2%**
Domestic nutrition	+0.7%	-0.3%	+2.2%	+2.3%	-1.1%	-1.9%	+0.6%	+0.3%
Rest of bill	-4.5%	+2.2%	+1.5%	+1.5%	-6.2%	+0.6%	-0.1%	-0.5%
Mandatory total	**+11.4%**	**+2.5%**	**+5.2%**	**+5.8%**	**+9.4%**	**+0.9%**	**+3.5%**	**+3.7%**
Domestic nutrition	-1.7%	+0.5%	+7.0%	+7.7%	-3.4%	-1.1%	+5.3%	+5.7%
Rest of bill	+95.1%	+11.3%	+1.0%	+1.8%	+91.7%	+9.5%	-0.6%	-0.1%

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

Table A-2. Trends in Nominal Agriculture Appropriations

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Discretionary total	**13.75**	**13.69**	**13.95**	**14.97**	**16.28**	**17.91**	**16.84**	**16.83**	**16.78**	**17.81**
Domestic nutrition[a]	4.31	4.31	4.42	4.46	4.89	5.00	4.90	5.55	5.53	5.52
Rest of bill[b]	9.44	9.39	9.53	10.51	11.39	12.91	11.94	11.28	11.25	12.29
Mandatory total	**35.80**	**41.00**	**61.95**	**59.77**	**56.91**	**56.70**	**69.75**	**68.29**	**83.07**	**79.80**
Domestic nutrition	32.91	30.51	30.63	29.66	33.06	36.89	42.36	46.94	53.37	51.51
Rest of bill	2.89	10.48	31.33	30.12	23.86	19.82	27.38	21.36	29.70	28.29
Total bill	**49.55**	**54.69**	**75.90**	**74.74**	**73.19**	**74.61**	**86.59**	**85.13**	**99.85**	**97.61**
Domestic nutrition	37.22	34.82	35.04	34.12	37.95	41.89	47.26	52.49	58.89	57.03
Rest of bill	12.33	19.87	40.85	40.63	35.24	32.72	39.32	32.64	40.95	40.58
Percentages of Total										
1. Mandatory	72%	75%	82%	80%	78%	76%	81%	80%	83%	82%
2. Discretionary	28%	25%	18%	20%	22%	24%	19%	20%	17%	18%
1. Domestic nutrition	75%	64%	46%	46%	52%	56%	55%	62%	59%	58%
2. Rest of bill	25%	36%	54%	54%	48%	44%	45%	38%	41%	42%
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Discretionary total	**18.09**	**20.60**	**23.30**	**20.13**	**19.76**	**19.71**	**20.88**	**20.83**	**21.75**	**21.13**
Domestic nutrition	6.37	7.23	7.65	7.13	7.00	6.93	7.15	7.09	6.84	6.88
Rest of bill	11.72	13.37	15.65	13.00	12.76	12.79	13.73	13.73	14.91	14.24
Mandatory total	**72.67**	**87.80**	**97.98**	**105.13**	**116.85**	**118.75**	**124.58**	**126.76**	**118.99**	**132.51**
Domestic nutrition	53.68	68.92	75.13	82.53	98.55	97.17	101.43	103.10	102.96	101.23
Rest of bill	18.99	18.88	22.86	22.60	18.29	21.58	23.15	23.66	16.03	31.28
Total bill	**90.76**	**108.40**	**121.29**	**125.26**	**136.61**	**138.47**	**145.46**	**147.58**	**140.74**	**153.63**
Domestic nutrition	60.06	76.16	82.78	89.66	105.55	104.10	108.59	110.19	109.80	108.11
Rest of bill	30.71	32.24	38.50	35.61	31.05	34.37	36.88	37.39	30.94	45.52
Percentages of Total										
1. Mandatory	80%	81%	81%	84%	86%	86%	86%	86%	85%	86%
2. Discretionary	20%	19%	19%	16%	14%	14%	14%	14%	15%	14%
1. Domestic nutrition	66%	70%	68%	72%	77%	75%	75%	75%	78%	70%
2. Rest of bill	34%	30%	32%	28%	23%	25%	25%	25%	22%	30%

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

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

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

Table A-3. Trends in Real Agriculture Appropriations

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
GDP price index[a]	0.7881	0.7981	0.8147	0.8342	0.8477	0.8639	0.8853	0.9131	0.9428	0.9684
Inflation-adjusted 2016 dollars (real dollars)										
Discretionary total	19.83	19.50	19.45	20.39	21.82	23.56	21.62	20.95	20.23	20.90
Domestic nutrition	6.22	6.13	6.16	6.08	6.56	6.58	6.29	6.91	6.66	6.48
Rest of bill	13.61	13.37	13.29	14.32	15.26	16.98	15.33	14.04	13.57	14.42
Mandatory total	51.62	58.37	86.42	81.42	76.29	74.59	89.53	85.00	100.13	93.64
Domestic nutrition	47.45	43.45	42.72	40.40	44.31	48.53	54.38	58.41	64.33	60.44
Rest of bill	4.17	14.93	43.70	41.02	31.98	26.07	35.15	26.58	35.80	33.20
Total bill	71.45	77.87	105.87	101.82	98.11	98.15	111.14	105.94	120.35	114.55
Domestic nutrition	53.67	49.58	48.88	46.48	50.87	55.10	60.67	65.32	70.99	66.92
Rest of bill	17.78	28.29	56.99	55.34	47.24	43.04	50.48	40.62	49.36	47.62
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
GDP price index[a]	0.9885	1.0000	1.0088	1.0293	1.0481	1.0661	1.0843	1.0990	1.1164	1.1364
Inflation-adjusted 2016 dollars (real dollars)										
Discretionary total	20.80	23.41	26.25	22.23	21.43	21.01	21.88	21.53	22.14	21.13
Domestic nutrition	7.33	8.22	8.62	7.87	7.59	7.38	7.50	7.34	6.96	6.88
Rest of bill	13.47	15.19	17.63	14.36	13.84	13.63	14.39	14.20	15.18	14.24
Mandatory total	83.54	99.77	110.38	116.07	126.69	126.59	130.57	131.07	121.12	132.51
Domestic nutrition	61.72	78.32	84.63	91.11	106.85	103.58	106.31	106.61	104.80	101.23
Rest of bill	21.83	21.45	25.75	24.96	19.83	23.01	24.26	24.46	16.32	31.28
Total bill	104.34	123.19	136.63	138.30	148.12	147.60	152.45	152.60	143.26	153.63
Domestic nutrition	69.04	86.54	93.25	98.98	114.45	110.96	113.80	113.94	111.76	108.11
Rest of bill	35.30	36.64	43.37	39.31	33.67	36.64	38.65	38.66	31.50	45.52

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

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

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

Fiscal year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Federal budget ($ billions)	1,692	1,777	1,825	1,959	2,090	2,266	2,408	2,583	2,780	2,863
GDP ($ billions)	8,955	9,511	10,148	10,565	10,877	11,332	12,089	12,889	13,685	14,323
Population (millions)	276.1	279.3	282.4	285.3	288.0	290.7	293.3	296.0	298.8	301.7
Pct. of federal budget	**2.93%**	**3.08%**	**4.16%**	**3.82%**	**3.50%**	**3.29%**	**3.60%**	**3.30%**	**3.59%**	**3.41%**
Domestic nutrition	2.20%	1.96%	1.92%	1.74%	1.82%	1.85%	1.96%	2.03%	2.12%	1.99%
Mandatory	*1.94%*	*1.72%*	*1.68%*	*1.51%*	*1.58%*	*1.63%*	*1.76%*	*1.82%*	*1.92%*	*1.80%*
Discretionary	*0.25%*	*0.24%*	*0.24%*	*0.23%*	*0.23%*	*0.22%*	*0.20%*	*0.21%*	*0.20%*	*0.19%*
Rest of bill	0.73%	1.12%	2.24%	2.07%	1.69%	1.44%	1.63%	1.26%	1.47%	1.42%
Mandatory	*0.17%*	*0.59%*	*1.72%*	*1.54%*	*1.14%*	*0.87%*	*1.14%*	*0.83%*	*1.07%*	*0.99%*
Discretionary	*0.56%*	*0.53%*	*0.52%*	*0.54%*	*0.54%*	*0.57%*	*0.50%*	*0.44%*	*0.40%*	*0.43%*
Pct. of GDP	**0.55%**	**0.58%**	**0.75%**	**0.71%**	**0.67%**	**0.66%**	**0.72%**	**0.66%**	**0.73%**	**0.68%**
Domestic nutrition	0.42%	0.37%	0.35%	0.32%	0.35%	0.37%	0.39%	0.41%	0.43%	0.40%
Rest of bill	0.14%	0.21%	0.40%	0.38%	0.32%	0.29%	0.33%	0.25%	0.30%	0.28%
Per capita (2015 dollars)	**259**	**279**	**375**	**357**	**341**	**338**	**379**	**358**	**403**	**380**
Domestic nutrition	194	178	173	163	177	190	207	221	238	222
Rest of bill	64	101	202	194	164	148	172	137	165	158
Fiscal year	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Federal budget ($ billions)	3,326	4,077	3,485	3,510	3,576	3,478	3,619	3,773	3,991	4,235
GDP ($ billions)	14,752	14,415	14,799	15,379	16,027	16,498	17,184	17,803	18,472	19,303
Population (millions)	304.5	307.2	309.3	311.6	313.9	316.1	318.9	321.4	324.0	326.6
Pct. of federal budget	**2.73%**	**2.66%**	**3.48%**	**3.57%**	**3.82%**	**3.98%**	**4.02%**	**3.91%**	**3.53%**	**3.63%**
Domestic nutrition	1.81%	1.87%	2.38%	2.55%	2.95%	2.99%	3.00%	2.92%	2.75%	2.55%
Mandatory	*1.61%*	*1.69%*	*2.16%*	*2.35%*	*2.76%*	*2.79%*	*2.80%*	*2.73%*	*2.58%*	*2.39%*
Discretionary	*0.19%*	*0.18%*	*0.22%*	*0.20%*	*0.20%*	*0.20%*	*0.20%*	*0.19%*	*0.17%*	*0.16%*
Rest of bill	0.92%	0.79%	1.10%	1.01%	0.87%	0.99%	1.02%	0.99%	0.78%	1.07%
Mandatory	*0.57%*	*0.46%*	*0.66%*	*0.64%*	*0.51%*	*0.62%*	*0.64%*	*0.63%*	*0.40%*	*0.74%*
Discretionary	*0.35%*	*0.33%*	*0.45%*	*0.37%*	*0.36%*	*0.37%*	*0.38%*	*0.36%*	*0.37%*	*0.34%*
Pct. of GDP	**0.62%**	**0.75%**	**0.82%**	**0.81%**	**0.85%**	**0.84%**	**0.85%**	**0.83%**	**0.76%**	**0.80%**
Domestic nutrition	0.41%	0.53%	0.56%	0.58%	0.66%	0.63%	0.63%	0.62%	0.59%	0.56%
Rest of bill	0.21%	0.22%	0.26%	0.23%	0.19%	0.21%	0.21%	0.21%	0.17%	0.24%
Per capita (2015 dollars)	**343**	**401**	**442**	**444**	**472**	**467**	**478**	**475**	**442**	**470**
Domestic nutrition	227	282	301	318	365	351	357	355	345	331
Rest of bill	116	119	140	126	107	116	121	120	97	139

Source: CRS. Federal budget and GDP from Office of Management and Budget, *Budget of the United States*, "Historical Tables," Table 5.1 (total budget authority), and Table 10.1, respectively. Populations from Census Bureau Population Projections and *Statistical Abstract of the United States.*

Appendix B. Budget Sequestration

Sequestration is a process of automatic, largely across-the-board reductions that permanently cancel mandatory and/or discretionary budget authority and is triggered when spending would exceed statutory budget goals. The current requirement for sequestration is in the Budget Control Act of 2011 (BCA; P.L. 112-25).[170] **Table B-1** shows the rates of sequestration that have been announced so far and the amounts of budget authority that have been cancelled from accounts in the Agriculture appropriations bill.

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

(budget authority in millions of dollars)

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

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

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

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

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

1. First, Congress extended the duration of mandatory sequestration by two years (until FY2023) as an offset in the Bipartisan Budget Act of 2013.[171]
2. Second, Congress extended it by another year (until FY2024) to maintain retirement benefits for certain military personnel (P.L. 113-82).
3. Third, Congress extended sequestration on non-exempt mandatory accounts another year (until FY2025) as an offset in the Bipartisan Budget Act of 2015.[172]

[170] See CRS Report R43411, *The Budget Control Act of 2011: Legislative Changes to the Law and Their Budgetary Effects*; and CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*.

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

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

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

(budget authority in millions of dollars)

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

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

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

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

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

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

Some farm bill mandatory programs are exempt from sequestration. The nutrition programs and the Conservation Reserve Program are statutorily exempt,[173] and some prior legal obligations in crop insurance and the farm commodity programs may be exempt as determined by the Office of Management and Budget (OMB).[174] Generally speaking, the experience since FY2013 is that OMB has ruled most of crop insurance as exempt from sequestration, while the farm commodity programs have been subject to it.

Regarding the 2014 farm bill, the first farm commodity program payments from the 2014 farm bill began in October 2015, and USDA indicated that they would be subject to the 6.8% reduction applicable to FY2016.[175]

Since enactment of the BCA, OMB has ordered budget sequestration on non-exempt, non-defense *discretionary* accounts only once, in FY2013 (**Table B-1**),[176] and on mandatory accounts annually in FY2013-FY2017 (**Table B-2**).

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

[174] 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.

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

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

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