

House Appropriations Committee

Chairman Hal Rogers

Website address: <http://appropriations.house.gov/>

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Summary: Fiscal Year 2012 Agriculture Appropriations Bill

The Fiscal Year 2012 Agriculture Appropriations legislation continues the trend of major discretionary spending reductions sought by the Republican majority. The bill totals \$17.25 billion in discretionary funding – a cut of over \$2.7 billion from last year’s level or over \$5 billion below the President’s budget request for these programs.

Chairman Hal Rogers has made the following statement on the bill:

“While making smart yet significant cuts to save taxpayer dollars, the Agriculture Appropriations bill also funds several important and necessary government programs, including agriculture research, rural development, and safety-net food and nutrition programs. As is the goal of all our Appropriations bills this year, this legislation reflects hard decisions to cut lower priority programs, reduce spending in programs that can be scaled back, and target funds where they are needed most so that our nation continues on the path to fiscal recovery.”

Agriculture Subcommittee Chairman Jack Kingston has also commented on the bill:

“We have taken spending in this bill to below pre-stimulus, pre-bailout levels while ensuring USDA, FDA, CFTC and other agencies are provided the necessary resources to fulfill their duties. Our members have worked to root out waste and duplication and, where they have strayed from their core mission, we rein in agencies so they may better focus on the responsibilities for which they are intended. In doing so, we balance the urgent need for fiscal restraint with the necessity of a safe and abundant supply of food and life-saving medications.”

Bill Highlights:

The agencies and programs in this bill will receive a total of \$125.5 billion in both discretionary and mandatory funding, a reduction of more than \$7 billion from the President’s request. Discretionary funding is reduced by \$2.7 billion from last year’s level – a cut of over \$5 billion from the President’s request. However, mandatory (automatic) funding in the bill increases by \$3 billion over last year to a total of \$108 billion, and equals more than 86% of the total funding in the bill.

Department of Agriculture:

Food and Nutrition Programs: Mandatory food and nutrition programs within the Department of Agriculture – including SNAP (formerly Food Stamps) and child nutrition – are funded at nearly \$90 billion, \$2 billion less than the President’s request. This funding will allow all individuals and families who meet the programs’ criteria for aid to receive all the benefits available to them, and includes \$3 billion in reserve funds in case of unanticipated increases in participation or food price increases.

Child nutrition programs will receive \$18.8 billion in mandatory funding, which is \$1.5 billion over last year's level. This funding will help provide low-income students with free or reduced price breakfasts and lunches at schools in every community in the nation. In addition, the Women, Infants, and Children (WIC) nutrition program is funded at \$6.05 billion. While this is a reduction of \$685.7 million from last year, the bill allows the Secretary to utilize fiscal year 2011 carryover funds, \$125 million in contingency funds, and other funding options currently authorized in law to allow participants to continue to receive the benefits for which they qualify.

Agricultural Research: The bill provides over \$2.2 billion for agriculture research programs, including the Agriculture Research Service and the National Institute for Food and Agriculture. This is a reduction of over \$354 million from last year's level. While trimming spending, this funding level will continue to support important and high-priority research on devastating crop diseases, emerging chemical and biological threats, food safety, and water quality. The funding will also maintain the nation's research investment in land-grant and other agricultural colleges and universities.

Animal and Plant Health: The legislation includes \$790 million – \$73 million below last year's level – for the Animal and Plant Health Inspection Service (APHIS). This funding will continue support for 29 programs to enhance control or eradication of plant and animal pest and diseases. The bill also allows the agency access to emergency funding should an unexpected agricultural threat emerge over the course of the year.

Conservation Programs: The bill provides \$770 million for Conservation Operations through which the Natural Resources Conservation Service (NRCS) helps farmers, ranchers and private forest landowners to conserve, protect and enhance their land. This is a decrease of \$99 million below last year's level. Funding is also provided for two key initiatives that will show how conservation programs help provide clean air and water, abundant wildlife and healthy landscapes, and help NRCS deliver conservation programs in the most cost-effective and farmer-friendly manner. The bill also provides \$15 million for dam rehabilitation to help small communities ensure their small watershed projects meet current safety standards.

Rural Economic Development: The bill provides a total of \$2.1 billion for rural development programs – a decrease of \$337 million from last year's level.

Within this funding, \$40 million is provided to support \$846 million in loan authority for "502" direct loans – a program the President proposed slash by 85% – and \$24 billion in loan authority for guaranteed single family loans. Without these loans, low-income rural families would have few loan options for purchasing a home, simply because of their geographical location. In addition, \$890 million – \$63 million below last year's level – is provided for rural rental assistance to provide affordable housing for low-income families and the elderly.

To support rural economies, \$64 million (\$20 million below last year) is provided for the Business and Industry program to support \$626 million in loans for rural businesses, and \$500 million (\$27 million below last year) is provided for rural water and waste programs. The bill helps to address the educational and health challenges of rural America, providing \$15 million (\$17 million below last year) for the Distance Learning and Telemedicine Program. In addition, the legislation provides for \$7.3 billion in loan authority (\$500 million below last year) for electric and telephone loans to help rural communities maintain these basic utilities.

Food Safety and Inspection Service: The legislation includes \$973 million for food safety and inspection programs – a decrease of \$35 million below last year's level. This funding level will continue critical meat, poultry, and egg product inspection and testing activities, and supports an expansion of a poultry inspection pilot project that will lead to improving food safety.

Food and Drug Administration (FDA): The FDA receives a total of almost \$2.2 billion in discretionary funding in the bill, a cut of \$285 million or -11.5% below last year’s level – which is less than the overall cut to the bill of 13.4%. Total funding for the FDA, including user fees, is \$3.7 billion.

Committee Amendments: Several amendments to the bill were adopted in Full Committee. Some of the significant amendments include:

- An amendment by **Rep. Moran (D-VA)** prohibiting funding for USDA inspections at U.S. horse slaughter facilities. This amendment would essentially prevent horse slaughtering at these facilities.
- An amendment by **Rep. Rehberg (R-MT)** to prohibit funds to the FDA for rule-making activities or guidance unless the Secretary of Agriculture bases decisions on “hard science” and determines that the benefit of the rule or guidance justifies the action.
- An amendment by **Rep. Flake (R-AZ)** allowing the Secretary of Agriculture to take \$147 million in payments to U.S. cotton producers to offset the payment to the Brazilian Cotton Institute program.
- An amendment by **Rep. DeLauro (D-CT)** to increase WIC funding by \$147 million, offset by a reduction to the Brazilian Cotton Institute program.
- An amendment by **Rep. Flake (R-AZ)** to prohibit funds for certain direct farm bill payments for applicants with incomes exceeding \$250,000.
- An amendment by **Rep. Rehberg (R-MT)** encouraging the Secretary of Agriculture to work with producers who could not file the necessary paper within the designated time period for the Crop Insurance program due to flooding and other natural disasters in Presidentially declared disaster areas.
- An amendment by **Rep. McCollum (D-MN)** to prohibit funds for contracts or agreements with entities with unpaid Federal tax liabilities that have not entered into payment agreements to remedy the liability.
- An amendment by **Rep. McCollum (D-MN)** prohibiting the government from entering into contracts or agreements with any corporation that was convicted of a felony criminal violation under any Federal or State law within the preceding 24 months.

Agriculture Subcommittee Mark Up Summary Table*
(Numbers in \$000)

<u>Agency</u>	<u>FY 11 CR</u>	<u>FY 12 Request</u>	<u>FY 12 Subcommittee</u>	<u>Subcommittee Comparison</u>	
				<u>v. FY 11 CR</u>	<u>v. FY 12 Request</u>
USDA:					
Research	2,587,182	2,594,762	2,233,605	(353,577)	(361,157)
ARS	1,133,230	1,137,690	993,345	(139,885)	(144,345)
NIFA	1,214,798	1,204,769	1,020,000	(194,798)	(184,769)
Research and Education	(698,740)	(708,107)	(600,800)	97,940	107,307
Extension	(479,132)	(466,788)	(411,200)	67,932	55,588
Integrated	(36,926)	(29,874)	(8,000)	28,926	21,874

Marketing & Regulatory	995,822	979,910	909,791	(86,031)	(70,119)
APHIS	866,799	837,418	793,200	(73,599)	(44,218)
AMS	87,869	97,389	78,831	(9,038)	(18,558)
GIPSA	40,261	44,192	37,000	(3,261)	(7,192)
Food Safety	1,007,314	1,012,221	972,718	(34,596)	(39,503)
Farm Programs	1,757,008	1,916,476	1,629,278	(127,730)	(287,198)
Ag. Credit Loans	(4,651,283)	(4,747,090)	(4,747,090)	(95,807)	-
Ag. Credit Subsidies/Admin.	460,565	431,806	376,847	(83,718)	(54,959)
Risk Management Agency Admin.	78,842	82,325	68,016	(10,826)	(14,309)
Conservation	889,360	899,558	786,716	(102,644)	(112,842)
NRCS-CO	870,503	898,647	770,956	(99,547)	(127,691)
Watershed Rehabilitation	17,964	-	15,000	(2,964)	15,000
Rural Development	2,430,776	2,201,834	2,094,071	(336,705)	(107,763)
Rural Housing Loans	(25,292,428)	(24,333,940)	(24,922,585)	369,843	(588,645)
Rural Housing Subsidies	111,855	51,814	66,250	(45,605)	14,436
Rental Assistance Prog.	953,724	906,653	890,000	(63,724)	(16,653)
Multi-Family Revitalization	29,940	16,000	11,000	(18,940)	(5,000)
Mutual/Self-Help Housing Grants	36,926	-	22,000	(14,926)	22,000
Rural Housing Assistance Grants	40,319	11,520	32,000	(8,319)	20,480
Community Facility Loans	(458,273)	(1,000,000)	(1,105,708)	(647,435)	(105,708)
Comm. Facility Grants/Subsidy	41,379	38,400	18,000	(23,379)	(20,400)
Rural Business Loans	(889,111)	(822,900)	(626,959)	262,152	195,941
Rural Business Grants/Subsidy	85,280	89,857	64,500	(20,780)	(25,357)
Rural Economic Dev. Loans	(19,181)	(36,376)	(14,758)	4,423	21,618
Rural Cooperative Dev. Grants	30,193	35,854	22,500	(7,693)	(13,354)
Rural Water/Waste Loans	(973,263)	(782,000)	(730,689)	242,574	51,311
Rural Water Subsidies/Grants	527,944	488,978	500,000	(27,944)	11,022
Rural Electric/Telecom. Loans	(7,790,000)	(6,790,000)	(7,290,000)	500,000	(500,000)
Distance Learning Grants	68,090	47,976	15,000	(53,090)	(32,976)
Nutrition	7,128,324	7,861,518	6,366,439	(761,885)	(1,495,079)
WIC	6,734,027	7,390,100	6,048,250	(685,777)	(1,341,850)
CAP	246,126	249,619	192,500	(53,626)	(57,119)
International	1,891,341	2,129,862	1,404,403	(486,938)	(725,459)
PL-480 Title II Grants	1,497,000	1,683,500	1,040,198	(456,802)	(643,302)
McGovern-Dole	199,101	200,500	180,000	(19,101)	(20,500)
Departmental Administration	538,101	636,517	462,389	(75,712)	(174,128)
<u>SUBTOTAL, USDA</u>	19,225,228	20,232,658	16,711,758	(2,513,470)	(3,520,900)

Related Agencies:					
FDA (Incl. User Fees)	3,680,501	4,251,325	3,683,866	3,365	(567,459)
FDA	2,457,001	2,743,965	2,172,239	(284,762)	(571,726)
CFTC	(202,270)	308,000	171,930	-	(136,070)
Farm Credit Administration	(59,400)	(62,000)	(62,000)	-	-
<i>SUBTOTAL, Related Agencies</i>	<i>2,457,001</i>	<i>3,051,965</i>	<i>2,344,169</i>	<i>(112,832)</i>	<i>(707,796)</i>
<u>TOTAL, SUBCOMMITTEE (Discretionary)</u>	\$19,918,487	\$22,289,426	\$17,250,000	\$(2,668,487)	\$(5,039,426)

MANDATORY PROGRAMS					
Agricultural Marketing Service	1,065,000	1,080,000	1,080,000	15,000	-
Federal Crop Insurance Corp.	7,613,232	3,142,375	3,142,375	(4,470,857)	-
Commodity Credit Corporation	13,925,575	14,071,000	14,071,000	145,425	-
Child Nutrition Programs	17,319,981	18,770,571	18,770,571	1,450,590	-
SNAP (Food Stamps)	65,206,790	73,173,308	71,173,308	5,966,518	(2,000,000)
<u>TOTAL, SUBCOMMITTEE (Mandatory)</u>	\$105,131,454	\$110,237,354	\$108,237,354	\$3,105,900	\$(2,000,000)
<u>GRAND TOTAL, SUBCOMMITTEE</u>	\$125,049,941	\$132,526,780	\$125,487,354	\$437,413	\$(7,039,426)

*Table is an illustrative summary of program funding and does not include every account funded in the bill. The line items do not total to the final amounts.

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