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CRS Report for Congress

Appropriations for FY2000: U.S. Department of Agriculture and Related Agencies

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress passes each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Agriculture Appropriations. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

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Appropriations for FY2000: U.S. Department of Agriculture and Related Agencies

Summary

The FY2000 appropriations bill (P.L. 106-78, H.R. 1906) for the U.S. Department of Agriculture (USDA) and related agencies was signed into law on October 22, 1999. P.L. 106-78 contains regular (non-emergency) appropriations of $60.559 billion, which is $2 billion below the Administration request, but nearly $6 billion above the FY1999 level. Just over three-fourths ($46.57 billion) of the total amount in the act is classified as mandatory spending (primarily food stamps and farm programs funded through USDA's Commodity Credit Corporation), which in essence is governed by authorizing statutes and is out of the direct control of appropriators. The remaining spending of $13.988 billion is for discretionary programs, which require an annual appropriation.

In addition to the regular appropriations, P.L. 106-78 provides $8.7 billion in emergency spending for farm income and disaster assistance, including $5.5 billion in direct payments to grain and cotton farmers and $1.2 billion in natural disaster assistance. An additional $576 million in farm disaster assistance, primarily in response to damage caused by Hurricane Floyd, is included in the FY2000 consolidated appropriations act (P.L. 106-113, H.R. 3194) signed into law on November 29, 1999. Controversial dairy policy provisions that were considered but not included in P.L. 106-78 are part of P.L. 106-113, including a 2-year extension of the Northeast dairy compact and a mandate that USDA adopt a milk pricing scheme for fluid farm milk that is close to current price levels. P.L. 106-113 also includes a 0.38% across-the-board cut in total discretionary budget authority for FY2000, which will require a $49 million cut within USDA and a $4 million cut in FDA programs, with specific cuts to be determined by the Administration.

Exclusive of the FY2000 emergency spending provisions, most of the difference between the FY1999 and FY2000 enacted levels in P.L. 106-78 is explained by a $5.9 billion increase in the requested appropriation for the Commodity Credit Corporation (CCC). The CCC is the funding mechanism for the commodity support programs and farm disaster assistance. It borrows directly from the Treasury and subsequently requests an appropriation for a reimbursement of its net losses. CCC spending was at a 12-year high in FY1999, because of a weak farm economy and regional natural disasters, and some $6 billion in supplemental spending approved by the Congress in FY1999 for emergency assistance to farmers.

To stay within the measure's allocation for discretionary spending, P.L. 106-78 contains spending restrictions for several mandatory programs, including a new research program, certain conservation programs, and the Fund for Rural America. Separately, conferees deleted a provision in the House bill that would have prevented FDA from using any FY2000 funds for the approval of RU-486, or any other drug to induce abortion. P.L. 106-78 also does not include a Senate-passed provision that would have exempted the export of agricultural and medical products from current and future unilateral trade sanctions on Cuba and other countries.

Key Policy Staff

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USDA Budget/Farm Spending and Coordinator	(name redacted)	RSI	7-....
Conservation	(name redacted)	RSI	7-....
Trade and Food Aid	(name redacted)	RSI	7-....
Trade Sanctions	(name redacted)	RSI	7-....
Rural Development	Eugene P. Boyd	G&F	7-....
Domestic Food Assistance	Jean Yavis Jones	RSI	7-....
Research, Food Safety and Marketing	(name redacted)	RSI	7-....
Food and Drug Administration	(name redacted)	DSP	7-....

Division abbreviations: RSI = Resources, Science and Industry; G&F = Government and Finance; DSP= Domestic Social Policy.

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Most Recent Developments

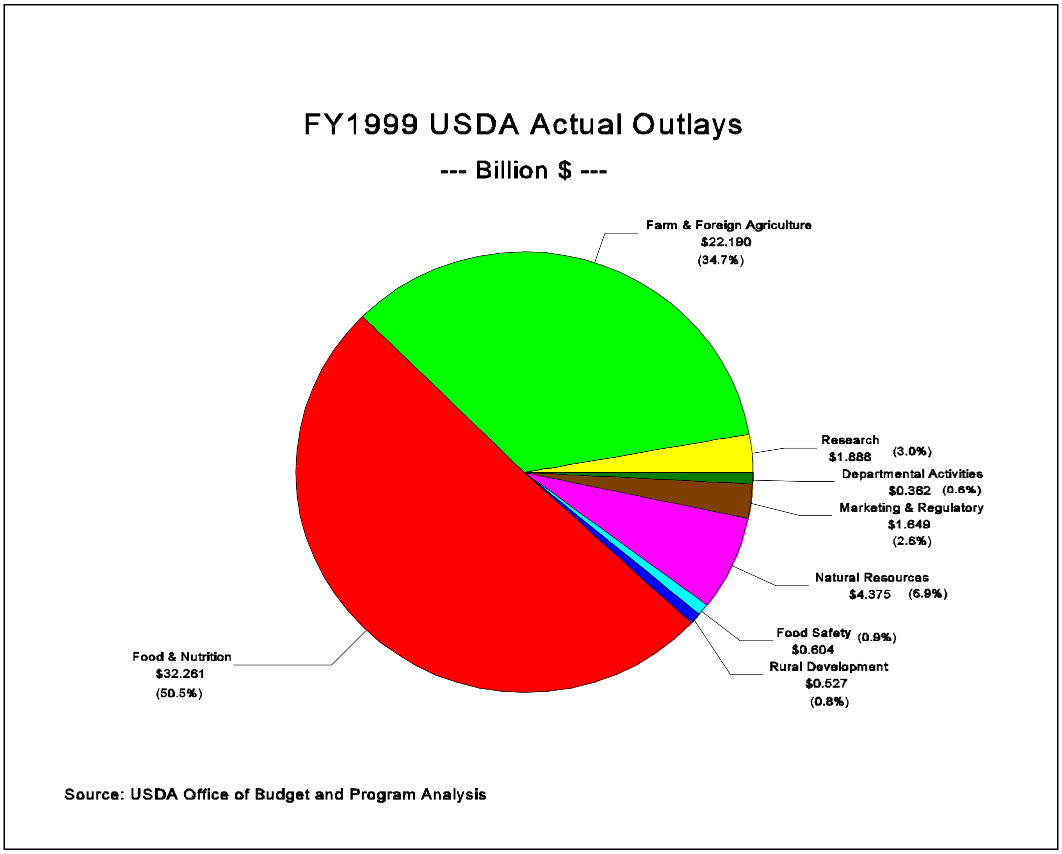
On October 22, 1999, the President signed into law the FY2000 appropriations act for the U.S. Department of Agriculture and related agencies (P.L. 106-78, H.R. 1906). P.L. 106-78 contains $60.56 billion in regular (non-emergency) appropriations and $8.7 billion in emergency spending for farm income and disaster assistance.

On November 29, 1999, the President signed into law a consolidated appropriations act for FY2000 (P.L. 106-113) which contains several provisions affecting agricultural programs, including: 1) an additional $576 million in emergency farm assistance; 2) a two-year extension of the Northeast dairy compact until September 30, 2001 and 3) a requirement that USDA adopt a fluid farm milk pricing option (1A) supported by Eastern and Southern milk producers that is close to current pricing policy. The measure also includes a 0.38% across-the-board cut in total discretionary budget authority for FY2000. This will require a $49 million cut within USDA and a $4 million cut in FDA programs funded by P.L. 106-78, with specific cuts to be determined by the Administration.

USDA Spending at a Glance

The U.S. Department of Agriculture (USDA) carries out its widely varied responsibilities through approximately 30 separate internal agencies staffed by some 100,000 employees. USDA is responsible for many activities outside of the agriculture budget function. Hence, spending for USDA is not synonymous with spending for farmers, nor with the agriculture appropriations bill, which includes funds for non-USDA programs, notably the Food and Drug Administration (FDA).

USDA outlays for the most recently completed fiscal year (FY1999) were $63.9 billion. By far the largest outlay within the Department, $32.3 billion, or one-half of total outlays in FY1999, was for its food and nutrition programs, primarily the food stamp program (the costliest of all USDA programs), various child nutrition programs, and the Women, Infants and Children (WIC) program. Total FY1999 outlays also include $22.2 billion, or just over one-third of total outlays, for farm and foreign agricultural services. Within this mission area of USDA are the programs funded through the Commodity Credit Corporation (e.g., commodity support payments, the conservation reserve program, and certain trade programs), crop insurance, farm loans, and foreign food aid programs. Another $4.4 billion (7%) was spent in FY1999 on an array of natural resource and environment programs, nearly three-fourths of which funded the Forest Service (which is funded through the Interior appropriations bill, not the agriculture appropriations bill), and the balance for a number of conservation programs for farm producers. USDA programs for research and education ($1.89 billion in outlays for FY1999), rural development ($527 million), marketing and regulatory activities, ($1.645 billion), and meat and poultry inspection ($604 million) account for most of the balance of USDA spending.



Mandatory vs. Discretionary Spending

Approximately three-fourths of total USDA spending is classified as mandatory, which by definition occurs outside the control of annual appropriations. Eligibility for mandatory programs is usually written into authorizing law, and any individual or entity that meets the eligibility requirements is entitled to the benefits authorized by the law. Currently accounting for the vast majority of USDA mandatory spending are the food stamp program (which accounts for nearly one-half of total USDA mandatory spending); child nutrition programs; the farm commodity price and income support programs; the federal crop insurance program; and the conservation reserve program (CRP).

Although they have mandatory status, the food and nutrition programs are funded by an annual appropriation based on projected spending needs. Supplemental appropriations generally are made if and when these estimates fall short of required spending. An annual appropriation is also made to reimburse the Commodity Credit Corporation for losses it incurs in financing the commodity support programs and the various other programs it finances. Historically, the farm commodity support programs were a larger portion of the USDA budget than they are currently. Spending levels among these programs were erratic and unpredictable, making total USDA spending highly variable. Some of this unpredictability was lessened by the enactment of the 1996 farm bill, which fixes the level of spending on direct payments to program crop producers, and no longer ties these payments to market conditions. However, emergency provisions in both the FY1999 omnibus appropriations act(P.L. 105-277) and the FY2000 agriculture appropriations act (P.L. 106-78) made available a total of $14.6 billion in additional funding to farmers to help them recover from low commodity price and natural disasters.

Table 1. U.S. Department of Agriculture and Related Agencies Appropriations, FY1993 to FY2000
(budget authority in billions of dollars)

	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00
Discretionary	$13.88	$14.59	$13.29	$13.31	$13.05	$13.75	$13.69	$13.99
Mandatory	$46.88	$56.25	$54.61	$49.78	$40.08	$35.80	$42.25	$46.57
Total Budget Authority	$60.75	$70.84	$67.90	$63.09	$53.12	$49.55	$55.94	$60.56

Note: Includes funding for all of USDA except the Forest Service. Also includes the Food and Drug Administration, and the Commodity Futures Trading Commission. Emergency or supplemental spending is not included.
Source: House Appropriations Committee.

The other 25% of the USDA budget is for discretionary programs, which are determined by funding in annual appropriations acts. Among the major discretionary programs within USDA that are funded by the annual agriculture appropriations act are its rural development programs, research and education programs, agricultural credit, the supplemental nutrition program for women, infants, and children (WIC), the Public Law (P.L.) 480 international food aid program, meat and poultry inspection, and food marketing and regulatory programs. FY2000 funding levels for all USDA discretionary programs (except for the Forest Service) is provided by the FY2000 appropriations act (P.L. 106-78).

FY2000 Appropriations for USDA and Related Agencies

Chronology of Congressional Action

The President's budget for FY2000 submitted to Congress on February 1, 1999 requested appropriations of $62.5 billion for all programs funded through the FY2000 agriculture and related agencies appropriations bill. The total request included $61.2

billion for all of USDA (excluding the Forest Service), and $1.2 billion for the Food and Drug Administration and other agencies. The $62.4 billion request was $7.8 billion below the regular FY1999 appropriation, mainly because the reimbursement for the realized losses of the Commodity Credit Corporation is significantly higher than what was made available in FY1999.[1]

Table 2. Congressional Action on FY2000 Appropriations for the U.S. Department of Agriculture and Related Agencies

Subcommittee Markup Completed		House Report	House Passage	Senate Report	Senate Passage	Conference Report	Conference Report Approval		Public Law**
House	Senate						House	Senate	
5/13/99	6/15/99	H.R. 1906 H.Rept. 106-157 5/24/99	Vote of 246-183 6/8/99	S. 1233 S.Rept. 106-80 6/17/99	Voice Vote * 8/4/99	H.Rept. 106-354 9/30/99	Vote of 240-175 10/1/99	Vote of 74-26 10/13/99	P.L. 106-78 10/22/99

* The Senate passed S. 1233, as amended, on 8/4/99. Subsequently, the Senate passed H.R. 1906 (the House version of FY2000 appropriations) after striking all of the House text and inserting the complete text of S. 1233, as passed..

** Subsequent to enactment of P.L. 106-78, a consolidated appropriations act for FY2000 (P.L. 106-113) was enacted on November 29, 1999, which provided an additional $576 million in emergency funding to USDA programs.

The full House approved its version of the FY2000 agriculture appropriations bill (H.R. 1906) on June 8, 1999 by a vote of 246-183. The House-passed measure provided a total of $60.96 billion in budget authority to USDA and related agencies, which was $1.5 billion below the Administration request and $6.3 billion above the FY1999 regular (non-emergency) appropriations. Of the $60.96 billion provided in H.R. 1906, $13.88 billion was for discretionary programs, a level that was $637 million below the Administration request, $190 million above the FY1999 annual appropriation, and $106 million below the $13.988 billion allocation given to the House agriculture subcommittee for its FY2000 appropriations bill.

H.R. 1906 was first debated on the House floor on May 25 and 26, 1999. Two amendments were adopted — a Sanders amendment that increased funding for elderly nutrition programs by $10 million, offset by a $13 million reduction in Agricultural Research Service programs, and a Coburn amendment to reduce funding for USDA's Chief Information Officer by $500,000. More than 100 other amendments were offered which would have reduced funding below the level in H.R. 1906 for numerous programs and agencies within USDA, which caused House leadership to suspend further consideration of the measure. A compromise was reached leading to the approval on June 8 of a floor amendment sponsored by the chairman of the Appropriations Committee which trimmed $102.5 million from discretionary

[1]The total FY1999 appropriation does not include emergency supplemental funding of $5.9 billion for farmer assistance provided in the omnibus FY1999 appropriations act, nor the $723 million in supplemental USDA funding and $1.25 billion in food stamp program rescissions contained in the Kosovo supplemental in May 1999.

accounts. Of this amount, $70.5 million was taken from USDA buildings and facilities accounts and $20 million from FDA salaries and expenses. A separate Coburn amendment also was agreed to by a 217-214 vote which prevents FDA from using any FY2000 funds for the approval of RU-486, or any other drug to induce abortion.

The Senate version was first approved on June 15, 1999, by the Appropriations Committee's Subcommittee on Agriculture, Rural Development, and Related Agencies. The full committee then marked up and reported the bill (S. 1233; S.Rept. 106-80) on June 17, 1999. The bill contained new budget authority of $61.04 billion. Of this amount, $13.98 billion was for discretionary programs, a level that was equal to the allocation given to the subcommittee. This level was about $535 million below the President's request for such programs, but $292 million above the FY1999 level. Floor debate on S. 1233 began during the week of June 21, when most of the debate focused on proposed health care amendments that were not related to the USDA funding measure. Debate resumed in early August, when the Senate adopted a Republican leadership-sponsored amendment providing $7.4 billion in emergency funding to help farmers recover from low farm commodity prices. The Senate-passed bill also included an amendment that would have exempted agricultural and medical products from current unilateral sanctions and required congressional approval for future sanction on these products. A proposed amendment to require certain changes in federal milk pricing policy supported by Eastern and Southern dairy farmers was withdrawn because of a filibuster threat by Upper Midwest senators opposed to the amendment.

After contentious debate over whether to include dairy provisions, an exemption of exports on agricultural products from trade sanctions, and additional emergency assistance for farmers, a conference agreement to H.R. 1906 was reported on September 30, 1999. The conference agreement contains $60.559 billion in regular (non-emergency) FY2000 appropriations for USDA and related agencies and $8.7 billion in emergency spending for economic and disaster assistance for farmers. It did not contain an exemption of agricultural products from trade sanctions or any mandated changes in dairy pricing policy. The $8.7 billion in emergency funding includes $1.2 billion in disaster payments, which was added by conferees. The House passed the conference report on H.R. 1906 measure by a vote of 240-175 on October 1. The Senate passed the measure by a vote of 74-26 on October 13. Senate consideration was delayed by a threatened filibuster by Eastern senators who were concerned that the agreement did not include adequate funding for natural disaster assistance or an extension of authority for the Northeast dairy compact. A motion to invoke cloture was adopted on October 12 by a vote of 79-20. The President signed H.R. 1906 into law on October 22, 1999, as P.L. 106-78.

Subsequent to enactment of P.L. 106-78, Congressional leaders and the Administration reached agreement on the five FY2000 appropriations bills that were still pending in November. Within this FY2000 consolidated appropriations act (P.L. 106-113, H.R. 3194) are a number of provisions affecting agricultural programs, including additional emergency USDA funding of $576 million, primarily in response to damage caused by Hurricane Floyd in the Southeast, a two-year extension of the Northeast dairy compact until September 30, 2001, and a requirement that USDA adopt a federal milk pricing option (1A) supported by Eastern and Southern dairy farmers, but opposed by dairy processors and Upper Midwest dairy farmers. P.L. 106-113 also includes a 0.38% across-the-board cut in total discretionary budget authority for FY2000, which will require a $49 million cut within USDA and a $4 million cut in FDA programs funded through P.L. 106-78, with specific cuts to be determined by the Administration. H.R. 3194 was approved by the House on November 18, 1999. The Senate approved the measure on November 19, following a cloture vote that ended a filibuster by Upper Midwest senators who strongly opposed the dairy provisions. The President signed the measure into law on November 29, 1999.

The following is a review of the major provisions of P.L. 106-78 compared with the House- and Senate- passed versions of H.R. 1906, the Administration request, and the FY1999 levels. Also included in the discussion are the agricultural provisions in the consolidated appropriations act for FY2000 (P.L. 106-113).

Emergency Farm Financial Assistance

Much of the debate in the House and Senate appropriations committees focused on whether the FY2000 agriculture appropriations bill adequately responds to the financial needs of the farm sector given the current state of the farm economy (low commodity prices and farm income for major commodities). P.L. 106-78 contains $8.7 billion in emergency farm spending, compared with $7.65 billion in the Senate-passed bill and no emergency funding in the House-passed bill. The main difference between the Senate measure and the final conference agreement was the addition of $1.2 billion in disaster payments. Some members contended that the $1.2 billion was not adequate to compensate farmers for 1999 commodity losses associated with hurricanes, drought, floods, and other disasters. Consequently, the omnibus budget agreement reached between Congressional leaders and the Administration on November 17 provides an additional $576 million in USDA emergency assistance to farmers and rural areas.

Emergency Provisions in P.L. 106-78. Included in the emergency provisions of P.L. 106-78 is: $5.544 billion in direct payments to grain and cotton farmers; $1.2 billion in direct disaster payments, $475 million to soybean and other oilseed crop growers; $400 million for additional premium subsidies to encourage producers to purchase crop insurance in 2000; $328 million in direct payments to tobacco growers; $200 million in livestock assistance, $125 million in dairy income assistance; $201 million in incentive payments for U.S. exporters and processors to purchase domestic cotton; $42 million for peanut growers; and the suspension of a marketing assessment on sugar, which will save the industry $42 million. For more details on the emergency provisions in P.L. 106-78, see CRS Report RS20389, *Emergency Farm Assistance in the FY2000 Agriculture Appropriations Act (P.L. 106-78).*

Emergency Provisions in the FY2000 Consolidated Appropriations Act (P.L. 106-113). The agreement reached by Congressional leaders and the Administration as part of a comprehensive FY2000 spending bill contains a total of $576 million in additional USDA disaster assistance. Although this additional emergency assistance is being provided in response to agricultural damage caused by Hurricane Floyd in the Southeast, most of the assistance is not limited to hurricane victims, but is available to any eligible farmer or rural area. Included in the total is

$186 million in farm disaster payments and $10 million in livestock assistance added to the $1.2 billion in disaster payments and $200 million in livestock assistance provided by P.L. 106-78. It also provides $80 million for the Watershed and Flood Prevention Program and $50 million for the Emergency Conservation Program to help restore flooded farmlands. Also included are an additional $178.6 million to support an additional $2.5 billion in USDA farm loans; $11.2 million to support $70 million in USDA rural housing loans; and $14.5 million in rural housing grants. An additional $20 million is provided to the noninsured assistance program (NAP), a permanent disaster payment program that makes direct disaster payments to farmers who grow a crop not eligible for crop insurance. The agreement waives the statutory requirement that the area in which the farmer operates must experience a 35% crop loss before a farmer can become eligible for a payment. This waiver applies to any county that has been declared a disaster area by the President or the Secretary of Agriculture.

In FY1999, two emergency spending packages were enacted, including $6 billion provided in October 1998 in the FY1999 omnibus appropriations act (P.L. 105-277) and $574 million in a supplemental appropriations act (P.L. 106-31 in May 1999. For more information on these and other past emergency spending bills for agriculture, see CRS Report 98-952, *Emergency Agricultural Provisions in the FY1999 Omnibus Appropriations Act (P.L. 105-277)*; and CRS Report RS20269, *Emergency Funding for Agriculture: A Brief History of Congressional Action, 1988-June 1999.*

Dairy Policy Issues

Three dairy issues have been addressed in this year's appropriations debate -- federal milk marketing order pricing policy, an extension of authority for the Northeast dairy compact, and reauthorization of the dairy price support program.[2] The FY2000 agriculture appropriations act (P.L. 106-78) extends the authority for the dairy price support program by one year through 2000, and also provides $125 million in emergency assistance to dairy farmers, as discussed above. P.L. 106-78 did not include any provisions relating to federal milk marketing orders, nor does it address the extension of authority for the Northeast compact, although these topics were subject to contentious regional debate.

The subsequent consolidated appropriations act for FY2000 (P.L. 106-113) signed into law on November 29, 1999 contains provisions (H.R. 3428) that cause changes to both milk marketing orders and the Northeast dairy compact. Among these provisions, supported by Eastern and Southern dairy farm groups and opposed by dairy processors and Upper Midwest dairy farmers, is the extension of authority for the Northeast dairy compact for 2 years through September 30, 2001 and a

[2] Federal milk marketing orders establish minimum prices in various regions of the country that dairy processors are required to pay dairy farmers for milk that they purchase. The Northeast dairy compact allows states in the Northeast region to establish minimum farm prices for fluid milk that are above federally mandated minimum levels. The dairy price support program is a separate federal tool that supports farm milk prices through federal purchases of surplus dairy products when market milk prices are low.

requirement that USDA adopt an alternative milk pricing policy that would maintain minimum fluid farm milk prices close to current levels (option 1A).

The 1996 farm law (P.L. 104-127) required USDA to implement a final decision for milk marketing order reforms on October 1, 1999, and also temporarily authorized the operation of the Northeast compact until the final rule is implemented. USDA recently issued a final rule for amending milk marketing order pricing policy which, if implemented, would reduce minimum farm prices for fluid milk in many regions of the country, particularly in the East and the South. However, a temporary restraining order issued by a judge in Vermont indefinitely postponed implementation of the final rule, and in effect extended the life of the Northeast compact as well.

Wisconsin and Minnesota Senators strongly opposed the dairy provisions in the consolidated budget agreement. A cloture motion to cut off a filibuster by these members was adopted on November 19, 1999, and was followed by Senate approval of the measure, which the President signed into law on November 29. (For more on dairy issues, see CRS Issue Brief 97011, *Dairy Policy Issues*.)

Commodity Credit Corporation

Outlays for the farm commodity programs, farm disaster payments and certain farm export and conservation programs are funded through USDA's Commodity Credit Corporation (CCC). The CCC is a revolving financing mechanism within USDA, through which it supports more than a dozen specified commodities, including grains, cotton, milk, sugar, peanuts, and tobacco. The formulas that determine payments under these programs are determined by statutes, with benefits provided to any qualifying producer.[3]

The CCC receives its annual funding from a $30 billion line of credit with the U.S. Treasury. Therefore, the CCC does not require an annual appropriation, per se, to fund its financing activities. However, because CCC outstanding borrowing cannot exceed $30 billion, the annual appropriations bill usually contains funding for a "reimbursement of CCC net realized losses" so that the CCC can repay its debt to the Treasury and not exhaust its borrowing authority. This reimbursement is categorized as a mandatory expense and is not included toward the discretionary spending allocation given to the appropriations subcommittees.

As a general rule, the annual appropriation request for CCC is not a reflection of how much CCC spending will be in the appropriation year, but rather how much CCC losses were in the most recently completed fiscal year (i.e, the FY2000 appropriation would cover FY1998 losses.) However, USDA requested, and P.L. 106-78 provides $14.368 billion to the CCC for FY2000, an amount that more than

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[3] In addition to the farm commodity programs, the CCC also serves as a funding mechanism for several USDA export subsidy programs, including the export enhancement program, export credit guarantees, and the market assistance program, and for an array of conservation programs, including the conservation reserve program, the wetlands reserve program, and the environmental qualities incentive program. (See "Agricultural Trade and Food Aid" and "Conservation" below for more details on these programs.)

covers previous losses. Of this amount, USDA estimates that $9.3 billion will reimburse the CCC for its actual FY1998 operating losses, and $5 billion is required to partially cover anticipated FY1999 losses, so that the CCC does not deplete its $30 billion line of credit with the Treasury. Without an appropriation in FY2000 to compensate for some of the FY1999 CCC spending, USDA estimates that CCC borrowing authority would be exhausted before the end of FY2000. CCC spending in FY1999 was $18.4 billion, the highest level in 12 years, mainly because farm commodity prices have been depressed, which prompted the authorization of nearly $6 billion in CCC-funded emergency income-support and disaster assistance payments in the FY1999 omnibus appropriations act. (See CRS Report 98-952, *The Emergency Agricultural Provisions in the FY1999 Omnibus Appropriations Act* for more details.) CCC spending in FY2000 could exceed $22 billion since most of the $8.7 billion in emergency spending for farmers contained in P.L. 106-78 initially will be funded through the borrowing authority of the CCC.

Crop Insurance

The federal crop insurance program is administered by USDA's Risk Management Agency (RMA). It offers basically free catastrophic insurance to producers who grow an insurable crop. Producers who opt for this coverage have the opportunity to purchase additional insurance coverage at a subsidized rate. Most policies are sold and completely serviced through approved private insurance companies that have their program losses reinsured by USDA.

There are basically four sources of federal expenditures for the crop insurance program — USDA absorbs a large percentage of the program losses, compensates the reinsured companies for a portion of their delivery expenses, subsidizes the premium paid by participating producers, and pays the salaries and expenses of its administering agency within USDA. The program losses, premium subsidy, and delivery expense reimbursement to the private companies are mandatory expenditures funded through USDA's Federal Crop Insurance Fund, which receives "such sums as are necessary" annually to fund the program. The salaries and expenses of the RMA are a discretionary expense, and are dependent on annual appropriations.

The Administration estimates that the program will cost $1.7 billion in FY2000, compared with an estimated $1.6 billion in FY1999 and actual expenditures of $1.75 billion in FY1998. Of the $1.7 billion estimated for FY2000, an appropriation of $997 million is required for the Crop Insurance Fund (which is provided in the FY2000 agriculture appropriations act (P.L. 106-78) within its mandatory accounts); $640 million of the total will be funded through a carryover of unobligated funds from previous years. A separate appropriation of $70.7 million was requested by the Administration for RMA's salaries and expenses. P.L. 106-78 freezes RMA salaries and expenses at the FY1999 level of $64.0 million. Separate from the regular annual appropriations made to the crop insurance program, the emergency provisions in H.R. 1906 include $400 million for USDA to offer discounts on the premium paid by farmers in the 2000 crop year, which will be funded through the Commodity Credit Corporation.

Despite major legislative reforms to the program in 1994, farmer dissatisfaction with the program, especially among those who have incurred multiple years of disasters, has grown in recent years. The enactment of nearly $6 billion in ad hoc emergency disaster and price relief payments in the omnibus FY1999 appropriations act also spurred the Administration and Congress to seek new ways to enhance the crop insurance program. Several bills for enhancing the crop insurance program have been introduced. The House passed a comprehensive measure (H.R. 2559)in late September. Senate action is pending. For more on the federal crop insurance program, see CRS Issue Brief IB10033, *Federal Crop Insurance: Reform Issues in the 106th Congress*.

Farm Service Agency Farm Loans

Through its Farm Service Agency (FSA), USDA serves as a lender of last resort for family farmers unable to obtain credit from a commercial lender. USDA provides direct farm loans and also guarantees qualified loans from commercial lenders, which are used to finance the purchase of farm real estate, help producers meet their operating expenses, and financially recover from natural disasters. Some of the loans are made at a subsidized interest rate.

Under budget rules adopted in 1990, federal agencies are required to estimate the cost of making a direct or guaranteed loan and record that cost as a budget outlay for the loan. The cost of making a loan is directly related to any interest rate subsidy provided by the government, as well as a projection of anticipated loan losses caused by farmer non-repayment of the loans.

The conference agreement on the FY2000 agriculture appropriations bill (P.L. 106-78) concurs with the Senate-passed bill and provides an appropriation of $82 million to support $3.08 billion in direct and guaranteed FSA farm loans for FY2000. Within the FSA farm loan programs, the only difference between the FY2000 conference agreement and the Administration's request is that the conference agreement provides funding to support $200 million in guaranteed unsubsidized farm operating loans, compared with a request for $97 million.

For all farm loan programs, P.L. 106-78 provides $800 million in loan authority above what was provided in the FY1999 regular appropriation, but $825 million below the FY1999 level when supplementals are included. A three-part appropriation for farm loans was made for FY1999 loan programs— a regular appropriation of $89.7 million to support $2.285 billion in direct and guaranteed loans, and emergency supplemental funding of $140.4 million to support an additional $1.54 billion in loans. The supplementals were provided to remedy the backlog of applications for loans, which occurred because of a shortage of funds and strong demand for subsidized credit caused by the weak farm economy. Total FY1999 appropriations (both regular and supplemental) were $230.1 million to support $3.825 billion in FSA farm loans.

Conservation

Conservation programs are administered by USDA's Natural Resources Conservation Service (NRCS) and Farm Service Agency (FSA). A portion of the NRCS funds are provided through annual appropriations. The remaining NRCS programs and the FSA conservation programs are funded through the borrowing authority of USDA's Commodity Credit Corporation.

The FY2000 agriculture appropriations act (P.L. 106-78) makes minor changes to the amounts in the House and Senate-passed FY2000 appropriations bills, which were similar. P.L. 106-78 provides $813 million for conservation programs, which is more than either the House or the Senate provided, $800 million and $808 million, respectively. It is also an increase from the $793 million provided in FY1999, but less than the $866.1 million that the Administration had requested for FY2000. The Act does not provide the $50 million requested by the Administration for the Farmland Protection Program, and generally rejects the Administration proposals for initiatives including the Clean Water Action Plan and the Lands Legacy Initiative.

NRCS. Within NRCS, the primary source of technical assistance to producers and landowners is Conservation Operations (CO). P.L. 106-78 provides $661 million, which is more than the $656 million approved by the House or $656 million approved by the Senate. Reports accompanying both bills included numerous funding recommendations. Both bills rejected Administration proposals for new or redirected spending, including requests to support its global climate change activities ($15 million)and its Clean Water Action Plan ($34 million). These costs would have been partially offset by a savings of $31 million for combining support services with other USDA agencies at the field level, which Congress also rejected. P.L. 106-78 does identify a number of earmarks; among the larger ones were $17 million for the grazing lands initiative instead of $15 million as approved in both the House and Senate, and $7.9 million for animal feeding operations, instead of $5 million as approved in the Senate.

As recommended by both the House and Senate bills, P.L. 106-78 provides $99 million for Watershed and Flood Prevention Operations, which funds small watershed projects. Both bills had rejected the Administration-proposed reduction to $83 million. Conferees concurred with the House and Senate provision to place a limit of $47 million on spending for technical assistance from this account, so that a majority would go to projects. The Senate bill called for a detailed analysis of aging flood control structures, with recommendations for Congress. P.L. 106-78 specifies that $8 million be made available for pilot rehabilitation projects of aging projects in four specified states, and that no more than $1 million can be spent implementing the Endangered Species Act. (These provisions do not affect an additional $95 million provided in the FY1999 emergency supplemental appropriations act (P.L. 106-31) approved in May 1999.)

Regarding several smaller programs, P.L. 106-78 rejects an Administration proposal transferring $50 million from the Land and Water Conservation Fund to the Farmland Protection Program as a part of its Lands Legacy Initiative. The act provides $6.3 million for the Forestry Incentives Program, although the Administration had requested no funding for the program.

Five NRCS programs are funded through the CCC, and are not subject to annual appropriations. The Administration requested in FY2000: $300 million for the Environmental Quality Incentives Program (EQIP) (+$126 million from FY1999); $209 million for the Wetlands Reserve Program (WRP) (+$77 million); $28 million for the Farmland Protection Program (FPP) (up from $0); and $10 million for the Wildlife Habitat Incentives Program (WHIP) (-$14 million). P.L. 106-78 rejected all of the Administration requests for increased funding for mandatory conservation programs, mainly because authorizing legislation would have been required to effect such increases. The Act does limit FY2000 spending on three mandatory conservation programs to levels below their authorized level-- 1) EQIP is limited to $174 million (-$26 million from the FY2000 authorization); 2) WRP acreage is limited to 150,000 acres (instead of the 200,000 acres estimated by the Administration, for savings of $49 million; 3) All funding ($35 million) for the Conservation Farm Option is prohibited, as requested by the Administration to partially offset requested increases in other mandatory conservation programs .

The Administration budget proposals and related changes in NRCS and FSA conservation programs included an anticipated reduction in NRCS staffing of approximately 10%, or an estimated 1,055 positions. In April, NRCS temporarily halted technical assistance in support of new enrollments into the CRP, while it reviewed its funding and staffing situation. The emergency supplemental appropriations act for FY1999 (P.L. 106-31) enacted in May included $28 million for NRCS in FY1999 and $35 million in FY2000, which will allow it to fully support CRP enrollment for these two fiscal years without significant reductions in field staff, according to an agency analysis. This topic was not, therefore, addressed in the FY2000 appropriations act.

FSA Conservation Programs. FSA administers the largest conservation program, the Conservation Reserve Program (CRP). CRP, which is funded through the CCC, offers multi-year rental agreements to producers who retire highly erodible and other environmentally sensitive lands from production. P.L. 106-78 includes three general provisions on the CRP which limit funding for certain components. Neither the House nor the Senate commented on the Administration's CRP proposal, but the House Appropriations Subcommittee did approve an amendment to extend the deadline for thinning pines planted on CRP lands. The Administration had requested in increase of $20 million in FY2000, to $1.596 billion, stating that enrolled acreage would grow from 31.1 million acres in FY1999 to 34.4 million acres in FY2000, and that enrollment of buffers under a continuous enrollment option would grow from 2.4 million acres at the end of FY1999 to 3.5 million acres in FY2000.

Conservation funding could be affected by provisions in the FY2000 Interior Appropriations bill associated with the Administration's Lands Legacy Initiative. Neither the House nor Senate versions of the FY2000 Interior bill provide any funding for this initiative. As proposed, it would provide just over $1 billion for resource protection, including $268 million for USDA programs. Agriculture programs that would receive increased funding include the Forest Legacy Program (to acquire easements on private lands), the Urban and Community Forestry Program (to provides grants to states and localities for urban and community forests and related green spaces), a new smart growth partnership loan program (a revolving loan program to subsidize land acquisition and management), Forest Service land acquisitions, and a portion of the funding for the FPP, mentioned above. (See CRS Report RL30206 for the latest information on the FY2000 Interior bill.)

Congress also rejected an Administration proposal to provide USDA with an increase of $262 million for USDA programs that would be a part of the Clean Water Action Plan. Of this proposed increase, Forest Service programs would receive $89 million while NRCS would receive $169 million, primarily through the proposed increase of $126 million for the EQIP and $34 million for Conservation Operations described above.

Agricultural Trade and Food Aid

The international activities of USDA include programs that provide foreign food aid, guarantee the commercial financing of U.S. agricultural exports, subsidize U.S. agricultural exports, and support the development of overseas markets for U.S. agricultural products. Direct appropriations are required for some or some portion of these programs, while others are carried out with funds from the Commodity Credit Corporation, appropriations for which are handled separately.[4] The programs subject to annual appropriations include P.L. 480 foreign food aid, salaries and expenses incurred in administering export credit guarantees, and the salaries and expenses of USDA's Foreign Agricultural Service, which administers USDA's international activities. Programs funded by the Commodity Credit Corporation include separately authorized foreign food aid programs and USDA's export subsidy and market development programs. [5]

Appropriated Programs. For the international programs requiring direct appropriations, the FY2000 agriculture appropriations act (P.L. 106-78) provides an appropriation of $1.063 billion. Although the Act provides the same amount as the the Senate-passed bill, it is not identical to the Senate bill. P.L. 106-78 increases food aid, but by less than the House-passed bill, and reduces funding available to the Foreign Agricultural Service.

The Administration had requested FY2000 budget authority of $1.057 billion which would support a program level of $5.563 billion. Program level exceeds budget authority because, for federal credit programs, which are a substantial component of USDA's activities, only administrative expenses and loan subsidies, not the value of the loan or guarantee, require an appropriation. The budget authority requested for these programs in FY2000 was $139.9 million below FY1999. The supported program level would be $1.3 billion less than the estimated program level for FY1999 of $6.853 billion. The larger FY1999 program levels derive from the augmentation of P.L. 480 Title I with borrowing from the CCC to help finance expanded food aid to Russia, and larger than usual export credit guarantees to economically depressed Asian markets.

P.L. 480. The usual source of foreign food aid is P.L. 480 or the Food for Peace Program. Food aid is provided through three program authorities. Title I provides

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[4]See the above section of this report on the Commodity Credit Corporation for a discussion on how the CCC is used to fund various USDA programs and how it is reimbursed in appropriations legislation.

[5]For more information on USDA's international activities, see CRS Issue Brief 98006, *Agricultural Export and Food Aid Programs*.

for sales of U.S. agricultural commodities to developing countries through concessional financing, i.e., long-term, low interest loans. Title II provides for commodity donations for feeding programs or in response to extraordinary relief requirements. Title III provides for bilateral grants of food aid to be used for development activities in least-developed countries. Title I is administered by USDA, while Titles II and III are administered by the U.S. Agency for International Development.

P.L. 106-78 provides an appropriation of $951 million for P.L. 480 which supports a program level of $976 million. Title I funding is set at $149 million; Title II donations are funded at $800 million; and no funds are provided for Title III. The President had requested an appropriation of $915 million for P.L. 480 in FY2000, which includes $128 million for Title I, $787 million for Title II, and no funds for Title III.

As originally passed by the House, H.R. 1906 would have provided an FY2000 appropriation for P.L. 480 of $1.015 billion, $100 million more than requested by the President. The bill did not concur with the President's request for Title II, which would have reduced funding for that program by $100 million in FY2000, but instead kept Title II funding at the FY1999 enacted level of $837 million. The House-passed bill did concur with the President's request to eliminate funding for Title III. The House committee report notes the inclusion in its bill of language that would allow transfers of funds, not to exceed 15% among Titles I, II, and III of P.L. 480. The Senate-passed version provides an appropriation of $922.9 million (program level of $946 million) for P.L. 480.

The Senate-passed bill was $8 million above the President's request for Title I funding, and concurred with the President's request to reduce Title II funding by $50 million. Despite this cut the Senate Appropriations Committee expects that the budget authority recommended, together with carryovers, will enable USDA to maintain P.L. 480 program levels in FY2000 at the FY1999 level. The Senate-passed bill also eliminates funding for Title III commodity grants.

Not included in FY1999 totals is emergency funding of $149 million for Title II commodity donations provided in supplemental appropriations. These funds are designated for humanitarian food relief for Kosovar refugees.

Export Credit Guarantees. The two most important export credit guarantee programs, which guarantee payment for commercial financing of U.S. agricultural exports, are the GSM-102 (short-term guarantees) and GSM-103 (intermediate-term guarantees) programs. The Administration had requested a program level of $4.5 billion for the CCC export credit programs in FY2000. Although the FY2000 estimate is $200 million below the FY1999 estimate, guarantees to finance exports to financially strapped Asian countries would remain at a high level in FY2000. Budget authority of $4.085 million was requested for salaries and expenses of FAS and the Farm Service Agency (FSA), the administering agencies for CCC credit guarantees. P.L. 106-78 concurs with the Senate-passed bill and provides $3.82 million for administrative expenses in FY2000, the same as the FY1999 level. The Senate bill had estimated that this appropriation, although smaller than the request, would still support the requested program level of $4.5 billion for export credit guarantees.

FAS. USDA's Foreign Agricultural Service (FAS) implements the international programs. P.L. 106-78 reduces FAS spending to $109 million in FY2000, which is $27 million below the FY1999 level and the Senate level, and $28.5 million below the Administration request and the House level. The House committee report calls upon FAS to "allocate all resources necessary to advance the interests of American farmers, ranchers and consumers in the next round of trade negotiations under the framework of the World Trade Organization negotiations...(including) the reallocation of current spending, if necessary."

CCC-Funded Programs. International programs for which separate budget authority is not required in appropriations legislation but which also are administered by FAS include: the separately authorized Food for Progress Program and Section 416 (of the Agricultural Act of 1949) commodity donations; two direct subsidy programs, the Export Enhancement Program (EEP) and the Dairy Export Incentive Program (DEIP); and the Market Access Program (MAP) which funds overseas development of export markets. Funding for these programs is from the CCC. For these activities, however, the President's budget includes program level estimates. The estimated program level for these activities in FY2000 is $777 million which is $776 million less than the estimated program level of $1.554 billion for the same set of activities in FY1999, (excluding the costs of approximately $695 million of wheat and wheat products purchased by the CCC under its surplus removal authority and made available for donation under Section 416).

In the past, limits on program levels for CCC-funded programs have been included in general provisions of appropriations legislation. P.L. 106-78 contains no restrictions on CCC-funded international activities. Conferees deleted a Senate provision that would have prohibited any MAP spending on the export of wine or any other alcoholic beverages. An amendment to prohibit all funding for MAP was defeated on the House floor when H.R. 1906 was first passed.

Section 416., a prominent component of the President's Food Aid Initiative in FY1999, would fall from $1.47 billion (commodity value plus ocean freight and overseas distribution costs) to $49 million in FY2000. Food for Progress (FFP), which provides U.S. farm commodities to developing countries that promote free enterprise, would spend an estimated $91 million for commodities and transportation services in FY2000. FFP was estimated at $133 million in FY1999.

Export Enhancement Program. The budget proposes limiting EEP to $494 million, $85 million less than authorized in the FAIR Act. The "savings" would be used to offset increased mandatory spending for other, unspecified agricultural programs. Although EEP spending is estimated at $494 million in FY2000, it is important to note that EEP spending was only $2 million in FY1998 and just over $1 million in EEP bonuses were awarded in FY1999. Moreover, USDA has indicated its reluctance to use EEP in the current economic environment for fear that using it might further depress export prices, especially if used for wheat and feed grains. FY2000 DEIP subsidies are estimated at $99 million, nearly the same level estimated for FY1999.

The Market Access Program. MAP uses CCC funds to help finance overseas marketing activities of various groups, including private companies that qualify as small businesses under the Small Business Act. The budget proposed FY2000 funding at the maximum authorized level, $90 million, the same level as in FY1999. MAP has been a frequent but unsuccessful target of budget cutters in search of funds to offset increased spending for other programs. A Chabot amendment that would have prohibited any MAP funding in FY2000 was defeated on the House floor during debate on the earlier House-passed bill by a vote of 72-355. A Thurmond floor amendment to the Senate-passed bill prohibited the use of MAP funds for the exporting of all alcoholic beverages, including wine, but was deleted by conferees. Approximately $3.6 million of the total MAP funding of $90 million in FY1999 was allocated to alcoholic beverages.

A second export market activity, the Foreign Market Development Program (FMDP), or Cooperator Program, has been funded out of direct appropriations for FAS. FMDP supports market development for generic commodities by nonprofit commodity and agricultural trade associations. The budget proposes a program level of $27.5 million of CCC funds for FMDP in FY2000. Funding FMDP with CCC funds would remove the program from the list of those requiring the enactment of budget authority. The House Appropriations Committee report, noting USDA's proposed funding change for FMDP, directed the Department to notify it before making such a change.

Sanctions Reform. P.L. 106-78 does not include a provision that would have exempted agricultural exports from economic sanctions that the United States imposes on certain countries for foreign policy reasons. The Senate had included an Ashcroft-sponsored floor amendment in its bill to exempt commercial sales of agricultural and medical products from current unilateral sanctions, and require congressional approval for future sanctions announced by the President on these products. Because this provision effectively would have allowed sales to occur to the Cuban government, thus partially breaking the long-standing U.S. trade embargo on that country, strong opposition by some House members to this proposed foreign policy change contributed to the stalemate that developed in conference. The Administration also signaled its opposition, arguing that to require the President to secure congressional approval of a future sanctions' decision which included these products would limit his flexibility to use sanctions as a tool to advance foreign policy and other national security objectives. Both House and Senate leadership agreed to drop the Ashcroft amendment in the final conference report. In reaction, a number of Senators expressed their strong disapproval of the way this issue was finally decided.

Earlier, in House Appropriations Committee markup of the FY2000 agriculture appropriations bill, a Nethercutt amendment was offered to exempt food and medicine from unilaterally imposed U.S. economic sanctions, or trade embargoes. A DeLay amendment to the amendment, later withdrawn, would have precluded Cuba from benefitting from any such exemption. The Nethercutt amendment was defeated in committee, reintroduced during House floor debate on H.R. 1906, but subsequently withdrawn.

For more on this issue, see CRS Report RL30108, *Economic Sanctions and U.S. Agricultural Exports.*

Agricultural Research, Education, and Economics

The FY2000 agriculture appropriations act (P.L.. 106-78) includes just over $2 billion for USDA's four research, education, and economics (REE) agencies, which is approximately $34 million more than the Senate version, $100 million more than the House version, $20 million more than the Administration request, and $70 million more than FY1999. P.L. 106-78 does not provide funds in FY2000 for the Initiative for Future Agriculture and Food Systems that was authorized in the Agricultural Research, Extension, and Education Reform Act of 1998 (P.L. 105-185), or for the Fund for Rural America. The FY1999 omnibus appropriations act (P.L. 105-277) also prohibited expenditures on both the Initiative and the Fund for Rural America.

Four agencies carry out USDA's REE function. The Department's in-house research agency is the Agricultural Research Service (ARS), which provides scientific support to USDA's action and regulatory agencies and conducts long term, high risk, basic and applied research on subjects of national and regional importance. The National Agricultural Library merged with ARS in the 1994 USDA reorganization. The Cooperative State Research, Education, and Extension Service (CSREES) is USDA's liaison with state-level research, education and extension programs at the land grant Colleges of Agriculture. The Economic Research Service (ERS) provides economic analysis of agriculture issues using its databases as well as data collected by the National Agricultural Statistics Service (NASS). ARS, CSREES, ERS, and NASS are under the Undersecretary for Research, Education, and Economics.

Agricultural Research Service (ARS). P.L. 106-78 provides $886.8 million for the Agricultural Research Service. Of that amount, $834.3 million would support ARS's research programs and $52.5 million would pay for the renovation and construction of ARS buildings and facilities. The House-passed bill would have provided $823.4 million for ARS, all of which would support research (zero funding for facilities construction). The Senate-passed version would have provided $862.5 million, of which $53 million would be for buildings and facilities.

The Administration had proposed several research projects for termination in order to target a $76 million increase to certain high-priority research areas, including human nutrition, food safety, global climate change, and others. P.L. 106-78 continues the FY1999 level of funding for all research projects targeted for termination in the President's budget, as did the House-passed measure. The Senate-passed bill would have redirected $7.3 million from terminated projects to the priority projects that the Administration requested, and specifically allocated $10 million of increased ARS funds to projects in support of the President's Initiative on Food Safety. (Conferees designated $11 million in increased ARS funds to be used for the initiative; a total of nearly $52 million in food safety initiative increases are allocated among various USDA agencies plus the Food and Drug Administration.)

Cooperative State Research, Education, and Extension Service (CSREES). P.L. 106-78 provides $950.1 million for CSREES. Of the total, $485.6 million would support the agency's research and education program in the states, $424.9 million would support the education and outreach programs of the Cooperative Extension System, and $39.5 million would support a program of integrated research and extension programs authorized under the Agricultural Research, Education, and

Extension Reform Act of 1998. The Senate-passed bill would have provided $931.5 million for CSREES, including $473.4 million to support state research and education programs, $422.6 to support Extension activities, and $35.5 million to support the integrated programs authorized in 1998. The House bill would have appropriated $906.3 million for CSREES. Of that amount, the House measure would have provided $467.3 million for research and education program in the states and $439 million for Extension programs, with no funds for integrated activities.

Economic Research Service (ERS) and National Agricultural Statistics Service (NASS). P.L. 106-78 provides $65.4 million for ERS. This amount is just below the FY1999 appropriation of $65.8 million. The Senate-passed bill would have provided $63.4 million in funding for ERS for FY2000; the House-passed bill would have provided $70.3 million. Of the total provided, the P.L. 106-78 earmarks $12.2 million for studies and evaluations of the child nutrition, WIC, and food stamp programs. Conferees agreed on $99.4 million for NASS, which includes up to $16.5 million for the Census of Agriculture. The House-passed bill contained $100.6 million for NASS, and the Senate bill $99.4 million.

Marketing and Regulatory Programs

The mission of USDA's marketing and regulatory programs — administered by three agencies, the Agricultural Marketing Service (AMS), the Animal and Plant Health Inspection Service (APHIS), and the Grain Inspection, Packers, and Stockyards Administration (GIPSA) — is to "facilitate the domestic and international marketing of U.S. agricultural products and to ensure the health and care of animals and plants while improving market competitiveness and the economy for the overall benefit of both consumers and American agriculture," according to USDA. APHIS spending accounts for most of the marketing and regulatory program budget.

Animal and Plant Health Inspection Service. The FY2000 agriculture appropriations act (P.L. 106-78) provides a total of $446.5 million for APHIS, of which $441.3 million would support the agency's programs to protect U.S. agriculture from foreign diseases and pests, and $5.2 million would be used to renovate APHIS facilities. User fees would provide another $87 million for APHIS activities. (The Administration proposal to increase certain other APHIS user fees was not endorsed.)

The Senate-passed version would have provided a total of $444.6 million for APHIS, including $439.4 million to support the agency's programs, and $5.2 million for renovation of APHIS facilities, and would have permitted another $90 million in user fees. The House bill would have appropriated $444 million for salaries and expenses, $7.2 million for facilities, and permit an additional $87 million in user fees to support agency activities. APHIS's FY1999 appropriation is $425.8 for programs, $7.7 million for facilities, and provides for the expenditure of $88 million in user fees.

Agricultural Marketing Service. P.L. 106-78 increases AMS's total funding for FY2000 by more than $4 million (compared with FY1999), to $65.3 million. The Senate-passed bill also would have increased AMS's total funding by about $4 million, to $64.9 million, while the House-passed version called for a $1.8 million increase, to $62.8 million. Of these totals, $51.6 million in P.L. 106-78 are annually appropriated funds for AMS's programs, while $12.4 million is to be transferred to

AMS for strengthening markets, income, and supply (Section 32 funds). P.L. 106-78 earmarks $2.4 million of the AMS appropriation to support the agency's Pesticide Data Program, which samples food products for residues at or near the point of purchase, plus $321,000 for enhancing market opportunities for small farmers.

Grain Inspection, Packers, and Stockyards Administration. P.L. 106-78 funds GIPSA programs at the House-passed and Administration-requested level of $26.4 million, compared with the Senate bill level of $26.3 million. FY1999 funding was $26.8 million. GIPSA has been working to improve monitoring of the livestock markets, where concentration over the past several years has raised concerns about decreasing competition, inadequate price information, and other market access issues for farmers and ranchers. The final measure assumes that GIPSA will collect $42.6 million in user fees for its grain weighing and inspection services, resulting in a program level of approximately $69 million.

Mandatory Reporting of Livestock Prices. P.L. 106-78 includes the price reporting legislation (S. 1672; S.Rept. 106-168) approved July 29, 1999, by the Senate Agriculture Committee. That measure, effective for 5 years, imposes new daily reporting requirements on the largest 10% of cattle and hog packing plants (representing 94% of market transactions), subjects those who violate the requirements to civil financial penalties, and requires USDA (either AMS or GIPSA) to collect and publish the data on a frequent basis, among other things. A specific appropriation for the price reporting program is not included in P.L. 106-78. Some lawmakers are urging the Secretary to fund the program with existing funds. The Secretary contends that a separate appropriation is required.

Prior to P.L. 106-78, packers and processors are not required to report the prices they pay for animals, although AMS does collect and report this data under an extensive voluntary system. Some farm organizations have backed proposals for mandatory price reporting, arguing that meat industry consolidation, and the less public marketing arrangements that have resulted, make it difficult for producers to determine a "fair" market price. Opponents argue that such proposals will be costly for government and industry, raise privacy concerns, and not cure the low livestock prices that have helped fuel interest in the idea. (For more information, see CRS Report RS20079, *Livestock Price Reporting Issues*.)

Food Safety

Food safety is among the three goals that USDA Secretary Dan Glickman has set forth for the Department under the Government Performance and Results Act. In addition, USDA is a key agency in the President's Food Safety Initiative, which was launched in 1997. In order to elevate the Department's role in this mission area, the Administration in 1995 established an Office of the Under Secretary for Food Safety. The Food Safety and Inspection Service (FSIS) is the only agency in USDA's food safety mission area. FSIS is responsible for the mandatory inspection of meat, poultry and processed egg products to ensure their safety, wholesomeness, and proper labeling.

FSIS and the industry are now implementing a comprehensive new system to reduce pathogens in meat and poultry products through a preventive approach known as hazard analysis critical control point, or HACCP. This system is to supplement, not replace, existing inspection procedures. Some observers are concerned about FSIS's ability to properly implement and enforce HACCP, arguing that the agency's budget already is under pressure to meet its traditional inspection obligations with the annual appropriation it receives from Congress.

Food Safety and Inspection Service. P.L. 106-78 provides $649.4 million for FSIS in FY2000, an increase over the FY1999 appropriation, which was $617 million. The Senate-passed bill would have provided $638.4 million for FSIS in FY2000. The House-passed version had concurred with the Administration's request of $653 million. P.L. 106-78 reflects the House and Senate assumption that the agency will collect an estimated $89 million in user fees for overtime and holiday inspection services. The conference bill includes the $2.9 million that was in both the Senate- and House-passed bills to support FSIS's activities under the President's Food Safety Initiative. House report language requests FSIS to deliver a report on the authority and operations of the agency's meat product recall coordinator by the end of January 2000. The conference report asks FSIS to provide the Appropriations Committees with an analysis, by February 15, 2000, of agency staffing needs and recruitment activities.

Rural Development

USDA makes available rural development assistance to states, local governments, businesses, cooperatives, and individuals through programs administered by three agencies: Rural Utilities Service (telecommunications, water quality, electricity, and solid and waste water disposal), Rural Housing Service (housing and community facilities), and the Rural Business-Cooperative Service (rural business loans and grants).

For all rural development programs, the FY2000 agriculture appropriations act (P.L. 106-78) provides a total appropriation of $2.213 billion, a 1.7% increase above the FY1999 appropriation of $2.175 billion. P.L. 106-78 provides slightly higher funding than proposed by the Administration ($2.194 billion), or what was provided initially in the Senate-passed ($2.184 billion) or the House-passed ($2.134 billion) bills. The agreement provides approximately $217 million in subsidies to support estimated direct and guaranteed loan amounts of $7.629 billion. The Administration's budget request included $215 million in subsidies in support of $6.087 billion in direct and guaranteed loans.

For FY2000, P.L. 106-78 provides $1.332 billion for activities administered by the Rural Housing Service. This, in part, would support RHS loan authority of $4.589 billion. The Administration's proposal included $1.146 billion in funds for RHS activities and expenses in support of $4.575 billion in loan authority.

P.L. 106-78 provides $107.3 million in Rural Utilities Service assistance, which includes $19.1 million in loan subsidies in support of $2.896 billion in loan authority. The FY2000 loan subsidy level of $19.1 million is substantially below the $47.6 million subsidy level provided in FY1999. P.L. 106-78 provides no funding for FY2000 for the Alternative Agriculture Research and Commercialization Corporation (AARCC) revolving fund. An earlier version of the bill passed by the House recommended transferring AARCC from the Rural Business-Cooperative Service to RUS, but would provide no new funding for FY2000. The Senate bill would have provided the Corporation with $3.5 million for FY2000 activities, the same amount as FY1999, but below the Administration request of $10 million. P.L. 106-78 also prohibits the expenditure of $60 million in mandatory funding for the Fund for Rural America.

P.L. 106-78 provides $54 million in budget authority for the Rural Business-Cooperative Service. This is a marginal increase above the amount appropriated in FY1999 ($52.6 million). In addition, conferees provided $53 million in loan authority in support of business and job creation and retention efforts in rural America. P.L. 106-78 also appropriates $20 million in loan subsidy to support businesses in rural areas.

A portion of the funds allocated to the three rural development agencies are made available under USDA's Rural Community Advancement Program (RCAP). This program gives USDA the flexibility of reallocating up to 25% of each state's rural development funding among certain RCAP-linked programs. P.L. 106-78 provides $718 million for RCAP, which is the same amount recommended by the Senate. The House bill recommended $669.1 million for RCAP activities. RCAP's FY1999 allocation totaled $722.7 million. RCAP includes water and waste disposal loans, loan guarantees, and grants; solid waste management grants; community facilities grants, direct loans, and loan guarantees; business and industry loans and loan guarantees; rural business opportunity grants; and rural business enterprise grants.

Food and Nutrition Service

The President's budget for FY2000 requested budget authority of $41.382 billion for USDA domestic food assistance programs, an increase of $6.6. billion over the FY1999 amount. This included funding for the food stamp program, the largest of all food assistance programs, for meal programs in schools and child caring facilities (e.g. school lunch and breakfast, child care food and summer food, and special milk programs), and for supplemental feeding programs for low-income women, infants, and children (WIC). It also covered spending for commodity assistance programs serving the elderly, needy, and homeless, and the costs of federal salaries and expenses and program administration. The FY2000 agriculture appropriations act (P.L. 106-78) provides $35.04 billion for food and nutrition programs, or $6.3 billion less than the Administration request. This is $227 million more than the $34.8 appropriated for these programs for FY1999. The amount in P.L. 106-78 is lower than both the House and Senate level primarily because of a "downward re-estimate" of required funding for the food stamp program.

Most of the $6.3 billion differences between the Administration request and what is provided in P.L. 106-78 is related to the congressional rejection of the $4.8 billion in advance funds requested by the Administration for the food stamp program for FY2001 (in case appropriations are not enacted prior to the beginning of that year), and a $100 million contingency reserve fund for food stamps in P.L. 106-78, instead of the $1 billion reserve fund requested by the Administration.

For the *food stamp and related programs*, the Administration budget proposed $27.3 billion; the House- and Senate-passed bills recommended $21.6 billion. P.L. 106-78 provides: (1) $19.6 billion for food stamp expenses, which is $500 million below the original request, and reflects a re-estimate of the needs of the program; (2) $100 million for the food stamp contingency reserve, instead of the $1 billion proposed by the Administration; (3) no advance funding for FY2001 (compared with $4.8 billion proposed by the Administration); and (4) $1.27 billion, the same as the Administration and the House and Senate bills for Nutrition Assistance for Puerto Rico. P.L. 106-78 allows $98 million to be spent on Emergency Food Assistance Program mandatory commodities, splitting the difference between the $97 million in the House bill and $99 million in the Senate bill. Conferees deleted Senate language that would have required the Economic Research Service to conduct a study within 6 months of enactment on the reasons for the decline in food stamp participation, and to identify any obstacles that households with eligible children have experienced in obtaining food stamps.

No major policy changes were proposed by the Administration for *child nutrition programs* (including the school lunch, breakfast, child and adult care, summer and special milk programs). P.L. 106-78 provides $9.554 billion for these programs, close to the Administration request for $9.565 billion. Over 90% of the appropriated funds are expected to be used to fund the school lunch program ($5.48 billion), the school breakfast program ($1.42 billion) and the child and adult care food program ($1.76 billion). The level in P.L. 106-78 for child nutrition programs ($9.56 billion) is about $377 million more than projected FY1999 spending for these programs, and is $6 million less than was recommended by the Senate appropriations bill and $7 million more than the House appropriation measure. The difference is the result of the decision to provide $7 million for the school breakfast pilot project, instead of nothing proposed by the House, and $13 million proposed by the Senate.

P.L. 106-78 also continues language (originally added in FY1999 appropriations) requiring the USDA to use so-called "bonus commodities"[6] to help make up the difference between the per meal commodity assistance rate mandated for school lunches, and the requirement that not less than 12% of federal school lunch assistance be in the form of commodities. For several years, the per lunch commodity reimbursement did not total to an amount equal to 12% of federal school lunch aid, and the USDA had to use child nutrition funds to buy commodities to make up the difference. Last year, the Congress added a provision to FY1999 agriculture appropriations law requiring the Secretary to use "bonus commodities" when necessary to meet the 12% requirement. This resulted in savings for the USDA (projected at $40 million) because they could use commodities already acquired for farm support or surplus removal reasons to meet this obligation.[7] House and Senate negotiators trying to forge an acceptable budget package that merges the several remaining FY2000 appropriations bills reportedly have agreed to make permanent the

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[6] These are commodities acquired for farm support or surplus removal reasons rather than explicitly for domestic food program use.

[7] This provision originated in the Senate, and was intended to cover the cost of a Senate proposed $24 million increase in spending for the WIC program. The bonus provision was included in the conference agreement, but not the WIC increase.

"12% solution" so they can use the $55 million in savings to offset some of the new spending in the consolidated budget package.

The Administration proposed $4.105 billion for the *special supplemental nutrition program for women, infants and children (WIC)* in FY2000. P.L. 106-78 funds WIC at $ 4.032 billion, which is $108 million more than the amount provided in FY1999, and $73.5 million less than the Administration request. The Senate-passed bill would have funded WIC at $4.038 billion, or about $33 million more than the House bill. Responding to renewed pressure to permit natural sugar contained in fruits to be exempted from the sugar limits established for cereals approved for WIC program use, the conference report to P.L. 106-78 contains language directing that USDA make no exception to the current sugar limit. Neither the House nor Senate bills approved the Administration request to fund the *Farmers' Market Nutrition Program (FMNP)* from Commodity Assistance Program (CAP) funds instead of WIC funds, and continue to require that $10 million of WIC funding be used within 45 days of enactment for the FMNP. The FMNP provides WIC participants in some areas with vouchers to buy fresh foods at farmers markets. The House and Senate bills assumed that there will be $125 million in unexpended, or carryover funds from FY1999 available for the program in FY2000, and that this, together with the appropriated funds will be sufficient to maintain a monthly average WIC caseload of 7.4 million participants.

The Administration proposed to fund *Commodity Assistance Programs (CAPs)* at a total of $155.2 million for FY2000, $20 million of which was to go for the FMNP (described above). The remainder would have provided $90.2 million for the commodity supplemental food program (CSFP), $4.2 million more than the FY1999 appropriation, and $45 million for state administrative grants for the emergency food assistance program (EFAP), the same amount as in FY1999. P.L. 106-78 adopted $133.3 million in spending for CAPs for FY2000, $2.3 million more than FY1999 funding, and $2 million less than that requested for these programs by the Administration. The House originally approved version of the bill included a total of $151 million for CAPs, $20 million more than FY1999 spending; the Senate-passed bill provided $131 million for CAPs, $20 million less than the House. As mentioned above, neither chamber approved funding WIC farmers market coupons under this budget category.

Food donations programs for selected groups (the elderly and needy families) would receive $151.1 million in FY2000 under the Administration proposal, $10 million more than was provided in FY1999. P.L. 106-78 provides the same amount as that recommended by both the House- and Senate-passed measures – $141.1, which is the same amount as in FY1999.

Food and Drug Administration

The Food and Drug Administration (FDA) is funded through both congressional appropriations and user fees whose total level of collections is set each year by the USDA and related agencies appropriations act. For FY2000, the FY2000 agriculture appropriations act (P.L. 106-78) provides an appropriation of $1.052 billion for FDA, which is $90 million below the Administration request, $33 million below the House-passed level, $8 million above the Senate-passed level, and nearly $70 million above the FY1999 appropriated level. Included in P.L. 106-78 is $1.04 billion for FDA salaries and expenses for activities such as pre-market approval of drugs and devices, collecting reports of injury from products under FDA regulatory jurisdiction, and carrying out food safety efforts. The balance of the FDA appropriation is $11.35 million for FDA's buildings and facilities. The buildings and facilities funding is $20 million below the Administration request and the House-passed level, and $3 million above the Senate level.

Conferees deleted a provision in the House-passed bill that would have prohibited FDA from using any of its FY2000 funds for "testing, development, or approval of any drug for the chemical inducement of abortion." In September 1996, FDA had issued a "conditional approval" to the Population Council for the drug mifepristone, or RU-486, to be used for the termination of early pregnancy. In doing this, FDA concluded that mifepristone is safe and effective, but additional information on issues such as manufacturing and labeling must be submitted and evaluated before the agency determines whether or not the drug can be marketed in the United States. FDA has yet to make its determination.

P.L. 106-78 approved the requested $3 million to be used towards completion of the final phase of the renovations at the National Center for Toxicological Research in Jefferson, Arkansas. The conferees prohibited any closing, relocations, or changes to occur in the St. Louis, Missouri FDA Division of Drug Analysis, the Michigan District Office Laboratory, or in the FDA Detroit, Michigan District Office. The conferees specified that for FY2000, FDA may not reduce funding and staffing for the Detroit Office below the level found in the Office as of July 31, 1999.

P.L. 106-78 provides FDA with $188 million or $30 million in additional funds over FY1999 levels for the President's food safety initiative. With this additional funding, the Act requires that $3 million go to the National Center for Food Safety and Technology, and the accompanying committee report directs FDA to report, by March 1, 2000, on the activities the agency has taken to improve the coordination and cooperation with the U.S. Customs Service over imported foods. With this increase, the conferees want FDA to use $250,000 to continue support for cooperative research on molluscan shellfish safety, and for FDA's education program to decrease consumption of raw shellfish. The conferees also directed USDA and FDA to develop by December 1, 1999, a plan of action to achieve the goal of reassuring the public on the safety of the U.S. food supply, to educate Americans on food production, and to identify ongoing or proposed activities to achieve this goal.

P.L. 106-78 also gives FDA $100,000 to fund a design contest to find solutions to microbial contamination of ground water use and treatment by the Waste-Management Education and Research Consortium (WERC). Also, the conference report requires FDA to publish, by March 2000, a feasibility study on appropriate methods of informing consumers of bottled water contents.

The conference agreement also mentions the development of resistance in food borne and other bacteria to antibiotics used to treat humans and used for livestock production. The agreement requires FDA to report, by January 2000, on the status of FDA's development of regulations on electronic data submission requirements on the use of growth promoting antibiotics in animals that may compromise human therapies and on alternatives to this practice. The agreement report directs FDA and USDA to develop a joint strategy for addressing resistance and to report to the committee by January 2000 on that strategy. The strategy is to include a time frame and cost of a risk assessment that would compare the level of risk posed by other uses to the level of risk posed by using antibiotics on the farm.

The conferees increased funding by $11.4 million for the food additive petition review program of which $5.4 million is for food additive petition review, and $6 million to implement the food contact substances program as authorized in current law. Report language requests FDA to negotiate with the industry to propose legislation to authorize user fees to fund this food contact substance notification program and to submit a proposal to the House Commerce Committee, so that the program can be implemented in FY2000.

After FDA receives a food additive petition requesting the use of irradiation on ready-to-eat meats and poultry, and fruits and vegetables, P.L. 106-78 requires FDA to propose a rule within six months and to issue a final rule within twelve months of receipt of the petition.

The conferees believed that agencies with jurisdiction over meat, poultry and food products should have consistent recall protocols. By January 30, 2000, the conferees expect FDA's recall coordinator to report to Congress on its authorities, operating procedures, budget, and a description of actions taken during recent recalls.

The conference report questioned whether the agency had used "sound science" in a proposed 1997 rule on the use of ephedrine alkaloids (naturally occurring chemical stimulants) in dietary supplements. Report language asks FDA to postpone finalizing the proposed rule until the agency provides more scientific evidence to ensure strict compliance with the Dietary Supplement Health and Education Act. It also directed the agency to report back within six months on the methodology the agency would use to enforce this proposed rule.

Within the next 5 years, the Office of Generic Drugs expects a heavier work load when about $22 billion of brand name drugs come off patent and are likely to become generic drugs. P.L. 106-78 provides $1.9 million so the office can hire at least 11 more reviewers to process these applications. The conferees also agreed that FDA use $200,000 of the $1.6 million appropriations increase to hire two new full-time employees in the Center of Veterinary Medicine to review aquaculture drug applications.

In August 1992, Congress authorized an FDA-administered program for training in clinical pharmacology at medical schools without such a program. The conference agreement provides FDA with $500,000, about $200,000 below the FY1999 level of funding, for clinical pharmacology grants awarded on a competitive basis.

P.L. 106-78 prohibits FDA from developing, establishing, or operating any "general user fee" program. The report language explains that the Administration should submit legislative proposals to the appropriate authorizing committees.

The conferees agreed that of the $154 million FY2000 appropriation for the Center for Devices and Radiological Health, $1 million is to be used in oversight activities regarding reprocessed medical devices, and $55.5 million and 522 full-time employees are to be used for pre-market application review activities to meet statutorily-set review deadlines.

Report language notes that FDA failed to meet the June 1, 1999, deadline for publication of a rule concerning the use of foreign marketing data in review of new sunscreen active ingredients in the sunscreen over-the-counter drug monograph. The conferees direct the FDA to propose a rule, not later than sixty days after enactment of this Act, and finalize such a rule twelve months after enactment.

P.L. 106-78 maintains for FY2000 a funding level of $34 million for the President's youth tobacco prevention activities. In addition, the conferees directed FDA to submit a report, within 180 days of the date of enactment of the Act, on the effects of reducing illegal tobacco sales to minors and the effect on compliance of the use of automated identification systems.

The conference report also encourages FDA to enforce good manufacturing practices and work with interested people, including the Centers for Disease Control and Prevention (CDC) and the National Hemophilia Foundation, to investigate possible contamination of blood and blood products. FDA is expected to report to Congress, by March 1, 2000, on actions it has taken to respond to this public health concern.

Table 3. U.S. Department of Agriculture and Related Agencies Appropriations, FY1999 vs. FY2000
($ in millions)

Agency or Major Program	FY1999 Enacted	FY2000 Administration Request	FY2000 House-Passed Bill	FY2000 Senate-Passed Bill	FY2000 Enacted (3)
Title I — Agricultural Programs-					
Agric. Research Service (ARS)	842.0	881.4	823.4	862.5	886.8
Coop. State Research Education and Extension Service (CSREES)	919.2	943.4	906.3	931.5	950.1
Economic Research Service (ERS)	65.8	55.6	70.3	62.9	65.4
National Agricultural Statistics Service (NASS)	104.0	100.6	100.6	99.4	99.4
Animal Plant Health and Inspection Service (APHIS)	433.5	442.6	451.2	444.6	446.5
Agric. Marketing Service (AMS)	61.0	73.8	62.8	64.9	65.3
Grain Inspection , Packers and Stockyards Admin. (GIPSA)	26.8	26.4	26.4	26.3	26.5
Food Safety and Insp. Serv (FSIS)	617.0	653.0	653.0	638.4	649.4
Farm Service Agency (FSA)	716.9	799.3	799.3	797.3	798.3
FSA Farm Loans - Subsidy Level	89.7	77.3	77.3	82.0	82.0
**Farm Loan Authorization*	*2,285.0*	*3,008.7*	*3,008.7*	*3,083.3*	*3,083.3*
Farm Loans- Salaries and Administrative Expenses	219.9	214.2	214.2	214.2	214.2
Risk Management Agency (RMA) Salaries and Expenses	64.0	70.7	70.7	64.0	64.0
Federal Crop Insur. Corp. Fund	1,504.0	997.0	997.0	997.0	997.0
Commodity Credit Corp. (CCC)	8,439.0	14,368.0	14,368.0	14,368.0	14,368.0
Other	333.8	470.8	340.5	347.0	353.5
Total, Agricultural Programs	**14,482.0**	**20,174.1**	**19,961.5**	**20,000.5**	**20,066.4**
Title II -Conservation Programs					
Conservation Operations	641.2	680.7	654.2	656.2	661.2
Total, Conservation Programs	**793.1**	**866.8**	**800.0**	**808.1**	**813.3**
Title III - Rural Development					
Rural Community Advancement Program (RCAP)	722.7	670.1	669.1	718.0	718.8
Rural Housing Service (RHS) (1)	1,269.4	1,145.7	1,303.3	1,310.9	1,332.4
** RHS Loan Authority*	*4,251.7*	*4,575.1*	*4,832.7*	*4,594.7*	*4,589.4*
Rural Business Cooperative Serv.	52.9	63.2	60.2	54.6	54.0
** RBCS Loan Authority*	*48.0*	*67.5*	*67.5*	*53.3*	*53.3*
Rural Utilities Service (RUS)	126.2	114.7	103.3	100.3	107.3
** RUS Loan Authority*	*1,869.0*	*1,445.0*	*2,786.5*	*1,919.0*	*2,986.5*
Total, Rural Development (1)	**2,175.2**	**1,994.4**	**2,136.5**	**2,184.4**	**2,213.1**
** Rural Development, Total Loan Authority*	*6,168.7*	*6,087.5*	*7,686.7*	*6,567.0*	*7,629.1*

Agency or Major Program	FY1999 Enacted	FY2000 Administration Request	FY2000 House-Passed Bill	FY2000 Senate-Passed Bill	FY2000 Enacted (3)
Title IV - Domestic Food Programs					
Child Nutrition Programs	9,176.9	9,565.0	9,547.0	9,560.0	9,554.0
WIC Program	3,924.0	4,105.5	4,005.0	4,038.1	4,032.0
Food Stamp Program (1)	21,355.1	22,484.4	21,577.4	21,563.7	21,071.8
Commodity Donation Programs	272.1	306.3	292.1	272.1	274.4
Other	109.2	120.5	109.1	112.1	112.1
Total, Food Programs (1)	**34,816.6**	**36,581.7**	**35,530.7**	**35,546.1**	**35,044.3**
Title V - Foreign Assistance					
Foreign Agricultural Service (FAS)	136.2	137.8	137.8	136.2	109.2
Public Law (P.L.) 480	1,056.7	915.0	1,015.3	922.9	950.7
CCC Export Loan Salaries	3.8	4.1	4.1	3.8	3.8
Total, Foreign Assistance	**1,196.7**	**1,056.9**	**1,157.2**	**1,062.9**	**1,063.7**
Title VI - FDA & Related Agencies					
Food and Drug Administration	982.2	1,141.7	1,084.7	1,043.9	1,052.0
Farm Credit System Financial Assistance Corporation	2.6	—	—	—	—
Commodity Futures Trading Commission (CFTC)	61.0	67.7	65.0	61.0	63.0
Total, FDA & Related Agencies	**1,046.1**	**1,209.4**	**1,149.7**	**1,104.9**	**1,115.0**
Emergency Appropriations					
P.L. 105-277 (FY1999 Emergency)	5,916.7	—	—	—	—
P.L. 106-31 (FY1999 Supplemental)	700.6	—	—	—	—
P.L. 106-78 (FY2000 Emergency)	—	—	—	7,649	8,699
P.L. 106-113 (FY2000 Supplemental)	—	—	—	—	576
Total, Emergency Spending	**6,617.3**	**—**	**—**	**—**	**9,275**
Total Incl. Emergency Spend. (1)	**61,127.6**	**61,883.2**	**60,736.6**	**68,358.6**	**69,593.0**
Subtotal - Before CBO Scorekeeping Adjustments, Excluding Emergency Spend. (2)	**54,510.4**	**61,883.2**	**60,736.6**	**60,710.1**	**60,317.9**
CBO Scorekeeping Adjustments (2)	177.7	600.5	221.5	335.5	240.7
Grand Total, After Scorekeeping Adjustments, Excludes Supplem.	**54,688.1**	**62,483.7**	**60,958.1**	**61,032.2**	**60,558.6**

Note: An item with an asterisk (*) represents the total amount of direct and guaranteed loans that can be made given the requested or appropriated loan subsidy level. Only the subsidy level is included in the totals. NA = Not yet available.

(1) The Administration total does not include an advance appropriation request of $4.8 billion for the food stamp program for FY2001, or a $200 million request for rural housing programs.
(2) Scorekeeping adjustments reflect the savings or costs of provisions that affect mandatory programs, plus the permanent annual appropriation made to USDA's Section 32 program.
(3) FY2000 enacted levels do not reflect a 0.38% rescission required by P.L. 106-113 on total discretionary spending for FY2000. This will require total spending cuts of approximately $49 million from USDA , $4 million from FDA , and $240,000 from CFTC, for programs funded by P.L. 106-78, with specific cuts to be determined by the Administration.

Source: House Appropriations Committee