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# Agriculture and Related Agencies: FY2016 Appropriations

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## Summary

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

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

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

In Congress, the FY2016 Agriculture Appropriations bill has been reported in both chambers (H.R. 3049, S. 1800), but has not gone to the floor in either chamber. The discretionary total in the House bill is \$20.650 billion; in the Senate bill it is \$20.510 billion. In general, most amounts in the House and Senate bills are relatively similar. Officially, the two bills are \$105 million (0.5%) apart in the discretionary total (Senate basis; excluding CFTC). But the Senate bill would spend about \$180 million more than the House bill because of extra offsets in the Senate bill through extra Changes in Mandatory Program Spending (CHIMPS) beyond the House bill's level.

Among the policy-related differences between the bills, the Senate bill continues prohibiting horse slaughter facility inspections; a similar provision was defeated during House markup. The House bill continues restricting the use of imported processed poultry from China for the school lunch and other nutrition programs. The House bill would not enforce a conservation compliance requirement in the 2014 farm bill for the 2016 crop insurance year; and the House bill would restore the use of commodity certificates for the marketing loan program, including not being subject to payment limits. And, for FDA, the House bill would limit the applicability of certain tobacco regulations for e-cigarettes and other products.

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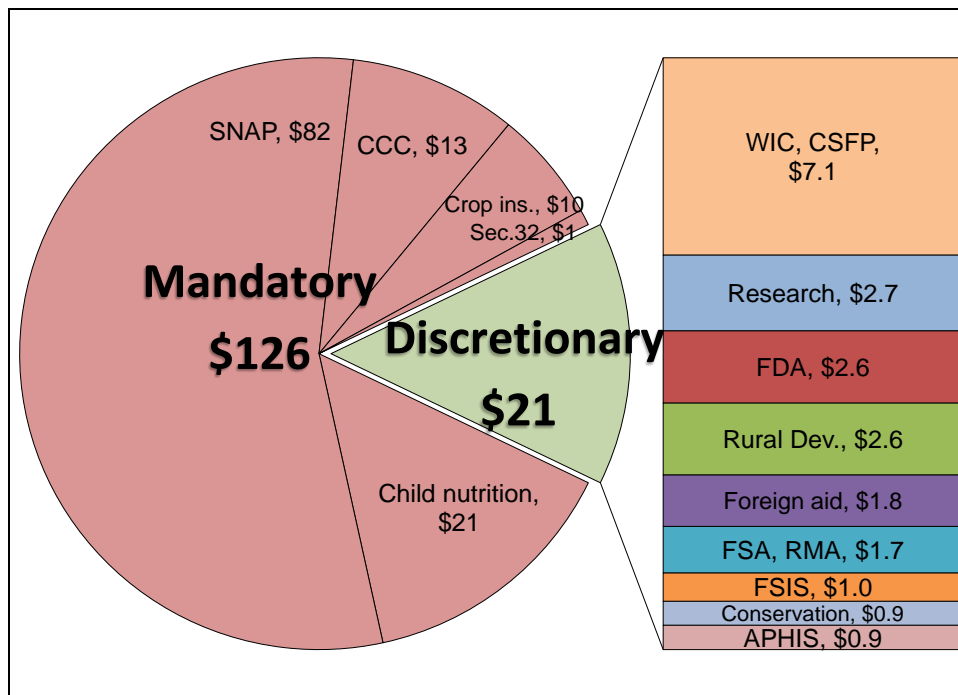
## Scope of the Agriculture Appropriations Bill

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

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

Jurisdiction is with the House and Senate Committees on Appropriations, and each Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. The bill includes mandatory and discretionary spending, but the discretionary amounts are the primary focus during the bill’s development. The scope of the bill can be shown by the amounts for various agencies and programs that were in the FY2015 appropriation (**Figure 1**).

**Figure 1. Scope of Agriculture and Related Agencies Appropriations**  
(FY2015 budget authority in billions of dollars)



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

**Note:** SNAP = Supplemental Nutrition Assistance Program; CCC = Commodity Credit Corp.; Sec. 32 = Section 32; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children; CSFP = Commodity Supplemental Food Program; FDA = Food and Drug Admin.; FSA = Farm Service Agency; RMA = Risk Management Agency; FSIS = Food Safety and Inspection Service; APHIS = Animal and Plant Health Inspection Service; CFTC = Commodity Futures Trading Commission; AMS = Agricultural Marketing Service; GIPSA = Grain Inspection, Packers and Stockyards Admin.

The federal budget process treats discretionary and mandatory spending differently.

- **Discretionary spending** is controlled by annual appropriations acts and receives most of the attention during the appropriations process. The annual budget resolution<sup>1</sup> process sets spending limits for discretionary appropriations. Agency operations (salaries and expenses) and many grant programs are discretionary.
- **Mandatory spending**—though carried in the appropriation and usually advanced unchanged—is controlled by budget enforcement rules (e.g., PAYGO) during the authorization process.<sup>2</sup> Spending for eligibility and benefit formulas in so-called entitlement programs are set in laws such as the farm bill and child nutrition act.<sup>3</sup>

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

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

The main mandatory spending items are the Supplemental Nutrition Assistance Program (SNAP, and other food and nutrition act programs), child nutrition (school lunch and related programs), crop insurance, and farm commodity and conservation programs paid through USDA's Commodity Credit Corporation (CCC).<sup>4</sup> SNAP is referred to as an “appropriated entitlement,” and requires an annual appropriation.<sup>5</sup> The nutrition program amounts are based on projected spending needs. In contrast, the Commodity Credit Corporation operates on a line of credit; the annual appropriation provides funding to reimburse the Treasury for using the line of credit.

## Action on FY2016 Appropriations<sup>6</sup>

Separate versions of the FY2016 Agriculture Appropriations bills have been reported in the House and Senate, but have not gone to either floor. The fiscal year has begun on a continuing resolution (P.L. 114-53) that lasts until December 11, 2015.

The House subcommittee approved a draft FY2016 Agriculture appropriations bill on June 18, 2015. The full House Appropriations Committee reported the bill on July 8, 2015, by voice vote (H.R. 3049, H.Rept. 114-205).

The Senate Agriculture appropriations subcommittee approved a draft bill on July 14. The full Appropriations Committee reported it on July 16, 2015, voting 28-2 (S. 1800, S.Rept. 114-82).

**Table 1** summarizes actions on the FY2016 Agriculture appropriation—and each annual appropriation since FY1995—for the subcommittees, full committees, House and Senate chambers, and Presidential enactment. **Figure 2** is a visual timeline of the dates in **Table 1**.

<sup>1</sup> See CRS Report R42388, *The Congressional Appropriations Process: An Introduction*, for context on procedures.

<sup>2</sup> CRS Report 98-560, *Baselines and Scorekeeping in the Federal Budget Process*.

<sup>3</sup> CRS Report R42484, *Budget Issues That Shaped the 2014 Farm Bill*

<sup>4</sup> Mandatory spending creates funding stability and consistency compared to appropriations. In agriculture, it originally was reserved for the farm commodity programs that had uncertain outlays because of weather and market conditions.

<sup>5</sup> CRS Report RS20129, *Entitlements and Appropriated Entitlements in the Federal Budget Process*.

<sup>6</sup> A 12-page version is in CRS Report R43938, *FY2016 Agriculture and Related Agencies Appropriations: In Brief*.

The last time an Agriculture appropriations bill was enacted as a stand-alone measure was for FY2010 (in calendar 2009). An Agriculture appropriations bill has not cleared a floor vote in either chamber for four years since the FY2012 bill, when it was the vehicle for a three-bill “minibus” measure.<sup>7</sup> Committee action this year was somewhat later than in recent years.

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

Fiscal Year	House Action			Senate Action			Final Appropriation		CRS Report
	Subcmte.	Cmte.	Floor	Subcmte.	Cmte.	Floor	Enacted <sup>a</sup>	Public Law	
1995	5/26/1994	6/9/1994	6/17/1994	6/22/1994	6/23/1994	7/20/1994	9/30/1994	E P.L. 103-330	IB94011
1996	6/14/1995	6/27/1995	7/21/1995	9/13/1995	9/14/1995	9/20/1995	10/21/1995	E P.L. 104-37	95-624
1997	5/30/1996	6/6/1996	6/12/1996	7/10/1996	7/11/1996	7/24/1996	8/6/1996	E P.L. 104-180	IB96015
1998	6/25/1997	7/14/1997	7/24/1997	7/15/1997	7/17/1997	7/24/1997	11/18/1997	E P.L. 105-86	97-201
1999	6/10/1998	6/16/1998	6/24/1998	6/9/1998	6/11/1998	7/16/1998	10/21/1998	O P.L. 105-277	98-201
2000	5/13/1999	5/24/1999	6/8/1999	6/15/1999	6/17/1999	8/4/1999	10/22/1999	E P.L. 106-78	RL30201
2001	5/4/2000	5/16/2000	7/11/2000	5/4/2000	5/10/2000	7/20/2000	10/28/2000	E P.L. 106-387	RL30501
2002	6/6/2001	6/27/2001	7/11/2001	Polled out <sup>b</sup>	7/18/2001	10/25/2001	11/28/2001	E P.L. 107-76	RL31001
2003	6/26/2002	7/26/2002	—	7/23/2002	7/25/2002	—	2/20/2003	O P.L. 108-7	RL31301
2004	6/17/2003	7/9/2003	7/14/2003	7/17/2003	11/6/2003	11/6/2003	1/23/2004	O P.L. 108-199	RL31801
2005	6/14/2004	7/7/2004	7/13/2004	9/8/2004	9/14/2004	—	12/8/2004	O P.L. 108-447	RL32301
2006	5/16/2005	6/2/2005	6/8/2005	6/21/2005	6/27/2005	9/22/2005	11/10/2005	E P.L. 109-97	RL32904
2007	5/3/2006	5/9/2006	5/23/2006	6/20/2006	6/22/2006	—	2/15/2007	Y P.L. 110-5	RL33412
2008	7/12/2007	7/19/2007	8/2/2007	7/17/2007	7/19/2007	—	12/26/2007	O P.L. 110-161	RL34132
2009	6/19/2008	—	—	Polled out	7/17/2008	—	3/11/2009	O P.L. 111-8	R40000
2010	6/11/2009	6/18/2009	7/9/2009	Polled out	7/7/2009	8/4/2009	10/21/2009	E P.L. 111-80	R40721
2011	6/30/2010	—	—	Polled out	7/15/2010	—	4/15/2011	Y P.L. 112-10	R41475
2012	5/24/2011	5/31/2011	6/16/2011	Polled out	9/7/2011	11/1/2011	11/18/2011	O P.L. 112-55	R41964
2013	6/6/2012	6/19/2012	—	Polled out	4/26/2012	—	3/26/2013	O P.L. 113-6	R43110
2014	6/5/2013	6/13/2013	—	6/18/2013	6/20/2013	—	1/17/2014	O P.L. 113-76	R43110
2015	5/20/2014	5/29/2014	—	5/20/2014	5/22/2014	—	12/16/2014	O P.L. 113-235	R43669
<b>2016</b>	<b>6/18/2015</b> Voice vote	<b>7/8/2015</b> H.R. 3049 H.Rept. 114-205 Voice vote	—	<b>7/14/2015</b> Voice vote	<b>7/16/2015</b> S. 1800 S.Rept. 114-82 Vote 28-2	—			<b>R43938</b>

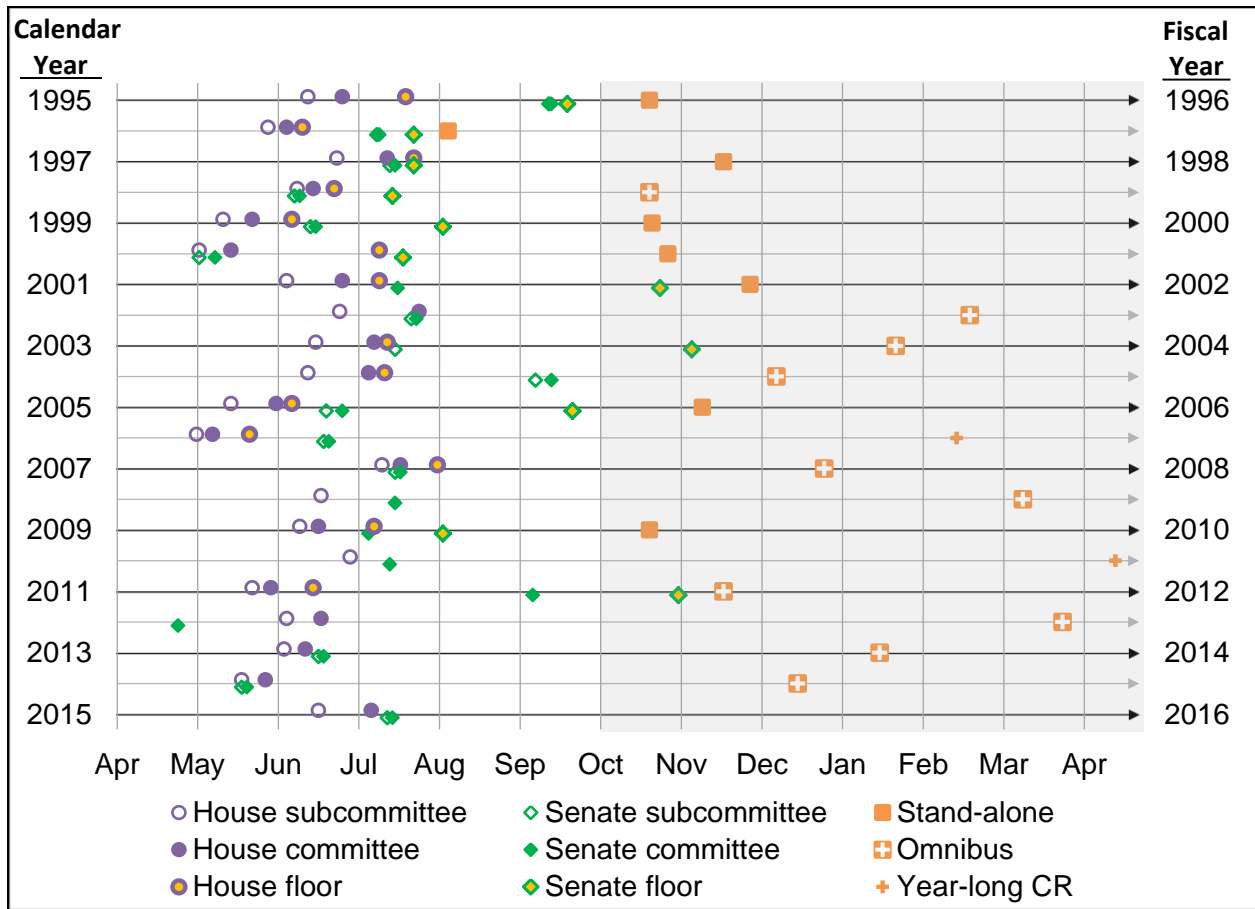
Source: CRS.

- a. E=Enacted as stand-alone appropriation (9 times over 21 years); O=Omnibus appropriation (10 times); Y=Year-long continuing resolution (2 times).
- b. A procedure that permits a Senate subcommittee to transmit a bill to its full committee without a formal markup session. See CRS Report RS22952, *Proxy Voting and Polling in Senate Committee*.

<sup>7</sup> CRS Report RL32473, *Omnibus Appropriations Acts: Overview of Recent Practices*.



**Figure 2. Timeline of Action on Agriculture Appropriations, FY1996-FY2016**



Source: CRS.

## Administration’s FY2016 Budget Request

The White House released its FY2016 budget request on February 2, 2015.<sup>8</sup> The same day, USDA released its 100-page budget summary<sup>9</sup> and multi-volume budget explanatory notes<sup>10</sup> with more programmatic details. The FDA released a one-page budget highlights<sup>11</sup> and its detailed budget justification.<sup>12</sup> The CFTC also released a detailed budget justification.<sup>13</sup> From these documents, the congressional appropriations committees evaluated the request, began considering their bills, and decided how much of the request would be followed.

<sup>8</sup> Office of Management and Budget (OMB), *FY2016 Budget of the U.S. Government*, at <http://www.whitehouse.gov/omb/budget>. Details are in the *Appendix*, at <http://www.whitehouse.gov/omb/budget/Appendix>. The request for FDA is in the *Appendix* for the Department of Health and Human Services, and CFTC is with Other Independent Agencies.

<sup>9</sup> USDA, *FY2016 USDA Budget Summary*, at <http://www.obpa.usda.gov/budsum/fy16budsum.pdf>.

<sup>10</sup> USDA, *FY2016 USDA Budget Explanatory Notes*, at [http://www.obpa.usda.gov/fy16explan\\_notes.html](http://www.obpa.usda.gov/fy16explan_notes.html).

<sup>11</sup> FDA, *FY2016 Budget Highlights*, at <http://www.fda.gov/downloads/AboutFDA/ReportsManualsForms/Reports/BudgetReports/UCM432650.pdf>.

<sup>12</sup> FDA, *FY2016 FDA Justification of Estimates for Appropriations Committees*, at <http://www.fda.gov/downloads/AboutFDA/ReportsManualsForms/Reports/BudgetReports/UCM432322.pdf>.

<sup>13</sup> CFTC, *FY2016 CFTC President’s Budget*, at <http://www.cftc.gov/about/cftcreports/ssLINK/cftcbudget2016>.

## House Action

The Agriculture Subcommittee of the House Appropriations Committee held several hearings on FY2016 appropriations with various USDA agencies, FDA, and CFTC during the spring of 2015.

The House Budget Committee developed a FY2016 budget (H.Con.Res. 27), and the full House and Senate agreed on a joint budget resolution (S.Con.Res. 11) on May 5, 2015. The House Appropriations Committee divided the budget's "302(a)" allocation for discretionary spending (that at that time was pending in conference committee negotiations) on April 29, 2015, into "302(b)" allocations for each of its 12 subcommittees (H.Rept. 114-97).<sup>14</sup>

The House Agriculture appropriations subcommittee approved a draft bill on June 18, 2015, by voice vote.<sup>15</sup> The full House Appropriations Committee reported the bill on July 8, 2015, by voice vote (H.R. 3049, H.Rept. 114-205). It adopted a manager's amendment and two other amendments.<sup>16</sup> The bill has not been considered on the floor.

## Senate Action

The Agriculture Subcommittee of the Senate Appropriations Committee held hearings on the FY2016 appropriations request with various USDA agencies and FDA during the spring of 2015.

The Senate Budget Committee developed a FY2016 budget (S.Con.Res. 11) that was agreed to on May 5, 2015, by both the House and Senate after conference negotiations. The Senate Appropriations Committee divided the "302(a)" allocation into "302(b)" allocations for each of its 12 subcommittees on May 21, 2015 (S.Rept. 114-55).

The Senate Agriculture appropriations subcommittee approved a draft bill on July 14, 2015. The full committee reported it on July 16, 2015, by a vote of 28-2 (S. 1800, S.Rept. 114-82).

The text of S. 1800 was inserted into a minibus appropriations bill (S. 2129) for the Agriculture, Energy-Water, and Transportation-Housing and Urban Development subcommittees.

## Continuing Resolution

The fiscal year began on a continuing resolution (P.L. 114-53) that lasts for the first 10 weeks of FY2016, until December 11, 2015.<sup>17</sup>

# Summary of FY2016 Appropriation Amounts

## FY2016 Budget and 302(b) Allocations to Subcommittees

The FY2016 budget resolution (S.Con.Res. 11) set the "302(a)" allocation for discretionary spending for all 12 appropriations bills at \$1,016.582 billion (\$523.091 billion for defense

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<sup>14</sup> See CRS Report R42388, *The Congressional Appropriations Process: An Introduction* CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*, for context on procedures.

<sup>15</sup> House Agriculture Appropriations Subcommittee, *Draft FY2016 bill*, at <http://appropriations.house.gov/UploadedFiles/BILLS-114HR-SC-AP-FY2016-Agriculture-SubcommitteeDraft.pdf>.

<sup>16</sup> House Appropriations Committee, *Amendments Adopted to the FY2016 Agriculture Appropriations*, at <http://appropriations.house.gov/uploadedfiles/hmkp-114-ap00-20150708-sd004.pdf>.

<sup>17</sup> See CRS Insight IN10148, *The FY2016 Continuing Resolution (H.R. 719)*.

spending, and \$493.491 billion for nondefense spending). This level is consistent with the discretionary spending limit that is set in the Budget Control Act of 2011 (P.L. 112-25), and therefore should not trigger sequestration. However, budget sequestration on non-exempt mandatory accounts does apply to FY2016, as it has in recent years since FY2013 (see “Sequestration Continues on Mandatory Accounts” and **Appendix B**).

The “302(b)” allocation from the full House Appropriations Committee to the Agriculture Appropriations subcommittee is \$20.650 billion (H.Rept. 114-97), which is \$175 million less than (-0.8%) the comparable amount for FY2015 (\$20.825 billion; **Table 2**).<sup>18</sup>

**Table 2. Agriculture and Related Agencies Appropriations, by Title, FY2015-FY2016**  
(budget authority in millions of dollars)

Title of Agriculture Appropriations Act	FY2015		FY2016		Change from FY2015		Senate Compared with House
	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800	in House Bill	in Senate Bill	
I: Agricultural Programs	30,446.6	27,401.7	26,830.1	26,838.2	-3,614.7	-3,608.4	+6.3
Mandatory (M)	23,659.7	20,120.7	20,120.7	20,120.7	-3,539.1	-3,539.1	+0.0
Discretionary	6,786.9	7,281.0	6,709.4	6,717.5	-75.7	-69.4	+6.3
II: Conservation Programs	859.3	1,032.1	839.8	856.1	-19.5	-3.2	+16.3
III: Rural Development	2,582.4	2,758.4	2,645.6	2,675.9	+61.4	+93.5	+32.1
IV: Domestic Food Programs	110,190.9	112,348.0	110,075.1	110,140.4	-115.8	-50.5	+65.3
Mandatory (M)	103,096.7	105,146.4	103,128.6	103,145.4	+31.9	+48.7	+16.8
Discretionary	7,094.1	7,201.6	6,946.5	6,995.0	-147.7	-99.1	+48.5
V: Foreign Assistance	1,848.3	1,812.5	1,802.3	1,864.1	-46.0	+15.8	+61.8
VI: Food and Drug Administration	2,597.3	2,743.5	2,627.3	2,637.8	+30.0	+40.4	+10.4
Commodity Futures Trading Commission	[250.0]	322.0	245.0	[250.0] <sup>a</sup>	-5.0	+0.0	+5.0
VII: General Provisions: CHIMPS, rescissions	-802.0	-1,036.0	-832.0	-908.0	-30.0	-106.0	-76.0
General Provisions: Other appropriations	122.6	0.0	2.0	6.6	-120.6	-116.0	+4.6
Scorekeeping adjustments	-398.0	-331.0	-336.0	-335.0	+62.0	+63.0	+1.0
Subtract disaster declaration in this bill	-116.0	—	—	—	—	—	—
<b>Discretionary: Senate basis w/o CFTC</b>	<b>20,575.0</b>	<b>21,462.2</b>	[20,405.0]	<b>20,510.0</b>	<b>-170.0</b>	<b>-65.0</b>	<b>+105.0</b>
<b>Discretionary: House basis w/ CFTC</b>	[20,825.0]	<b>21,784.2</b>	<b>20,650.0</b>	[20,760.0]	<b>-175.0</b>	<b>-65.0</b>	<b>+110.0</b>
<b>Mandatory (M)</b>	<b>126,756.5</b>	<b>125,267.1</b>	<b>123,249.3</b>	<b>123,266.1</b>	<b>-3,507.2</b>	<b>-3,490.4</b>	<b>+16.8</b>
<b>Total: House basis w/ CFTC</b>	<b>147,581.5</b>	<b>147,051.3</b>	<b>143,899.3</b>	<b>144,026.1</b>	<b>-3,682.2</b>	<b>-3,555.4</b>	<b>+126.8</b>

**Source:** CRS, using referenced bill text, appropriations committee report tables, and unpublished CBO tables.

**Notes:** Amounts are nominal budget authority in millions of dollars. Amounts are discretionary authority unless labeled otherwise. Amounts do not include supplemental appropriations that were enacted outside the annual appropriation. [Bracketed amounts] are not in the official totals due to differing House-Senate jurisdiction for the Commodity Futures Trading Commission (CFTC).

<sup>18</sup> The FY2015 Agriculture appropriation (\$20.575 billion) was based on Senate jurisdiction for CFTC and needs to be increased by the CFTC appropriation (\$250 million) to be comparable for House jurisdiction (\$20.825 billion).

- a. From S. 1910, the committee-reported Financial Services and General Government Appropriations bill.

The Senate Appropriations Committee's allocation for its agriculture bill was \$20.510 billion (S.Rept. 114-55). Since the Senate allocation does not need to cover the Commodity Futures Trading Commission (CFTC), which is in the jurisdiction of the Financial Services appropriations subcommittee, it effectively is \$110 million more than a comparative allocation in the House if CFTC were held constant (+0.5%). It also is \$65 million less than the FY2015 amount (-0.3%).

The final FY2016 appropriation is expected to put CFTC in the Agriculture appropriations bill, as is customary in even-numbered fiscal years.

## Continuing Resolution

In the absence of a new appropriation, the continuing resolution (P.L. 114-53) continues FY2015 funding authority until December 11, 2015 (§106), except that one-time emergency disaster and Ebola funding is excluded, and a 0.2108% across-the-board reduction applies (§101(b)). For mandatory programs, the CR allows sufficient funding to maintain program levels, including for nutrition programs (§111). Two anomalies affect the agriculture appropriation: an increase of about \$9 million for the Commodity Supplemental Food Program (§116), and a higher than normal rate of apportionment for the Rural Housing Rental Assistance Program and waiver authority on certain property renewal restrictions (§117).<sup>19</sup>

## Comparison of Amounts for FY2016

In general, most amounts in the House- and Senate-reported Agriculture appropriations bills are relatively similar. Officially, the two bills are \$105 million (0.5%) apart in the discretionary total when compared on a Senate basis that excludes CFTC. However, the Senate bill would allow agencies to spend about \$180 million more than the House bill because \$77 million of that difference is compensated for by extra offsets in the Senate bill that are beyond the House bill's offsets (**Table 2**; see also the section, "Changes in Mandatory Program Spending (CHIMPS)").

Among agency-level spending differences that exceed \$10 million between the bills (**Table 3**):

- The **Agricultural Research Service** would receive \$30 million more in the House bill than in the Senate bill to fund buildings and facilities.
- **Conservation Operations** would receive \$22 million more in the Senate bill than in the House bill.
- The **Rural Utilities Service** would receive \$24 million more in the Senate bill than in the House.
- The Special Supplemental Nutrition Program for Women, Infants, and Children (**WIC**) is \$29 million more in the Senate bill than in the House; and **Nutrition Programs Administration** is \$11 million more in the Senate than the House.
- For international food aid, **P.L. 480** is \$49 million higher in the Senate bill than the House; for **McGovern-Dole** the Senate is \$10 million higher than the House.
- The **Food and Drug Administration (FDA)** is \$10 million higher in the Senate bill than in the House bill.

<sup>19</sup> See CRS Report R44214, *Overview of the FY2016 Continuing Resolution (H.R. 719)*.

- The Senate bill reduces (CHIMPS) the **Environmental Quality Incentives Program** by \$75 million more than the House, while the House bill reduces the **Biorefinery and Rural Energy for America Programs** by \$42 million.

**Table 3. Agriculture and Related Agencies Appropriations, by Agency, FY2013-FY2016**

Budget authority in millions of dollars  Agency or Major Program	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared with House
	P.L. 113-6 post-sequ. <sup>a</sup>	P.L. 113-76	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800	in House Bill	in Senate Bill	
<b>Title I: Agricultural Programs</b>									
Departmental Administration	531.3	526.1	364.5	456.1	353.6	362.1	-9.1	-2.3	+6.7
<b>Research, Education and Economics</b>									
Agricultural Research Service	1,016.9	1,122.5	1,177.6	1,397.4	1,167.5	1,136.8	-10.2	-40.8	-30.6
National Institute of Food & Agriculture	1,142.0	1,277.1	1,289.5	1,503.1	1,284.5	1,293.7	-5.0	+4.2	+9.2
National Agricultural Statistics Service	166.6	161.2	172.4	180.3	161.2	168.1	-11.2	-4.3	+6.9
Economic Research Service	71.4	78.1	85.4	86.0	78.1	85.4	-7.3	+0.0	+7.3
Under Secretary, Research, Education, Econ.	0.8	0.9	0.9	0.9	0.9	0.9	-0.0	+0.0	+0.0
<b>Marketing and Regulatory Programs</b>									
Animal & Plant Health Inspection Service	761.4	824.9	874.5	859.0	874.1	879.6	-0.4	+5.1	+5.5
Agricultural Marketing Service	75.7	81.3	82.4	84.4	82.0	82.4	-0.4	+0.0	+0.4
Section 32 (M)	1,049.6	1,107.0	1,284.0	1,425.0	1,425.0	1,425.0	+141.0	+141.0	+0.0
Grain Inspection, Packers & Stockyards	37.3	40.3	43.0	44.1	43.0	43.0	+0.0	+0.0	+0.0
Under Secretary, Marketing and Regulatory	0.8	0.9	0.9	0.9	0.9	0.9	-0.0	+0.0	+0.0
<b>Food Safety</b>									
Food Safety & Inspection Service	977.3	1,010.7	1,016.5	1,011.6	1,011.6	1,013.6	-4.9	-2.9	+2.1
Under Secretary, Food Safety	0.8	0.8	0.8	0.8	0.8	0.8	-0.0	+0.0	+0.0
<b>Farm and Commodity Programs</b>									
Farm Service Agency <sup>b</sup>	1,503.9	1,592.2	1,603.3	1,579.1	1,576.9	1,574.8	-26.3	-28.5	-2.2
FSA Farm Loans: Loan Authority <sup>c</sup>	4,575.7	5,527.3	6,402.1	6,402.1	6,402.1	6,402.1	+0.0	+0.0	+0.0
Risk Management Agency Salaries & Exp.	69.1	71.5	74.8	76.9	74.0	74.8	-0.8	+0.0	+0.8
Federal Crop Insurance Corporation (M) <sup>d</sup>	9,514.5	9,502.9	8,930.5	8,175.2	8,175.2	8,175.2	-755.3	-755.3	+0.0

Budget authority in millions of dollars	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>			<u>Change from FY2015</u>		<u>Senate Compared with House</u>
<b>Agency or Major Program</b>	P.L. 113-6 post-sequ. <sup>a</sup>	P.L. 113-76	P.L. 113-235	<b>Admin. Request</b>	<b>H. Cmte. H.R. 3049</b>	<b>S. Cmte. S. 1800</b>	<b>in House Bill</b>	<b>in Senate Bill</b>	
Commodity Credit Corporation (M) <sup>d</sup>	11,018.5	12,538.9	13,444.7	10,519.9	10,519.9	10,519.9	-2,924.8	-2,924.8	+0.0
Under Secretary, Farm and Foreign Agr.	0.8	0.9	0.9	0.9	0.9	0.9	-0.0	+0.0	+0.0
<b>Subtotal</b>									
<b>Mandatory (M)</b>	<b>21,582.7</b>	<b>23,149.1</b>	<b>23,659.7</b>	<b>20,120.7</b>	<b>20,120.7</b>	<b>20,120.7</b>	<b>-3,539.1</b>	<b>-3,539.1</b>	<b>+0.0</b>
<b>Discretionary</b>	<b>6,356.2</b>	<b>6,789.0</b>	<b>6,786.9</b>	<b>7,281.0</b>	<b>6,709.4</b>	<b>6,717.5</b>	<b>-75.7</b>	<b>-69.4</b>	<b>+6.3</b>
<b>Subtotal</b>	<b>27,938.8</b>	<b>29,938.1</b>	<b>30,446.6</b>	<b>27,401.7</b>	<b>26,830.1</b>	<b>26,838.2</b>	<b>-3,614.7</b>	<b>-3,608.4</b>	<b>+6.3</b>
<b>Title II: Conservation Programs</b>									
Conservation Operations	766.8	812.9	846.4	831.2	832.9	855.2	-13.5	+8.8	+22.3
Watershed & Flood Prevention				200.0			+0.0	+0.0	+0.0
Watershed Rehabilitation Program	13.6	12.0	12.0	0.0	6.0	0.0	-6.0	-12.0	-6.0
Under Secretary, Natural Resources	0.8	0.9	0.9	0.9	0.9	0.9	-0.0	+0.0	+0.0
<b>Subtotal</b>	<b>781.2</b>	<b>825.8</b>	<b>859.3</b>	<b>1,032.1</b>	<b>839.8</b>	<b>856.1</b>	<b>-19.5</b>	<b>-3.2</b>	<b>+16.3</b>
<b>Title III: Rural Development</b>									
Salaries and Expenses (including transfers) <sup>e</sup>	613.0	657.4	678.2	685.6	679.2	682.7	+1.0	+4.5	+3.5
Rural Housing Service	1,031.1	1,279.6	1,298.4	1,394.7	1,368.7	1,367.2	+68.6	+68.8	+0.2
<i>RHS Loan Authority<sup>c</sup></i>	<i>27,335.1</i>	<i>27,408.1</i>	<i>27,421.5</i>	<i>27,407.4</i>	<i>27,496.8</i>	<i>27,483.0</i>	<i>+0.3</i>	<i>+61.5</i>	<i>+61.3</i>
Rural Business-Cooperative Service <sup>f</sup>	114.2	130.2	103.2	138.7	87.0	91.5	-16.2	-11.8	+4.4
<i>RBCS Loan Authority<sup>c</sup></i>	<i>953.7</i>	<i>1,022.8</i>	<i>984.5</i>	<i>993.6</i>	<i>984.5</i>	<i>994.2</i>	<i>+0.0</i>	<i>+9.8</i>	<i>+9.8</i>
Rural Utilities Service	520.8	501.6	501.7	538.4	509.7	533.7	+8.0	+32.0	+24.0
<i>RUS Loan Authority<sup>c</sup></i>	<i>8,849.4</i>	<i>7,514.5</i>	<i>7,464.1</i>	<i>7,934.2</i>	<i>7,464.1</i>	<i>8,710.6</i>	<i>+0.0</i>	<i>+1,246.5</i>	<i>+1,246.5</i>
Under Secretary, Rural Development	0.8	0.9	0.9	0.9	0.9	0.9	-0.0	+0.0	+0.0
<b>Subtotal</b>	<b>2,279.9</b>	<b>2,569.7</b>	<b>2,582.4</b>	<b>2,758.4</b>	<b>2,645.6</b>	<b>2,675.9</b>	<b>+61.4</b>	<b>+93.5</b>	<b>+32.1</b>
<b>Subtotal, RD Loan Authority<sup>c</sup></b>	<b>37,138.2</b>	<b>35,945.4</b>	<b>35,870.1</b>	<b>36,335.2</b>	<b>35,945.4</b>	<b>37,187.8</b>	<b>+0.3</b>	<b>+1,317.8</b>	<b>+1,317.5</b>

Budget authority in millions of dollars	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>			<u>Change from FY2015</u>		<u>Senate Compared with House</u>
<b>Agency or Major Program</b>	P.L. 113-6 post-sequ. <sup>a</sup>	P.L. 113-76	P.L. 113-235	<b>Admin. Request</b>	<b>H. Cmte. H.R. 3049</b>	<b>S. Cmte. S. 1800</b>	<b>in House Bill</b>	<b>in Senate Bill</b>	
<b>Title IV: Domestic Food Programs</b>									
Child Nutrition Programs (M)	19,913.2	19,288.0	21,300.2	21,587.3	21,507.43	21,524.4	+207.3	+224.2	+17.0
WIC Program	6,522.2	6,715.8	6,623.0	6,623.0	6,484.0	6,513.0	-139.0	-110.0	+29.0
SNAP, Food & Nutrition Act Programs (M)	77,285.4	82,169.9	81,837.6	83,693.1	81,653.2	81,662.1	-184.4	-175.5	+8.9
Commodity Assistance Programs	243.7	269.7	278.5	288.3	288.3	288.3	+9.8	+9.8	+0.0
Nutrition Programs Administration	132.7	141.3	150.8	155.6	141.3	151.8	-9.5	+1.0	+10.5
Office of Under Secretary	0.8	0.8	0.8	0.8	0.8	0.8	-0.0	+0.0	+0.0
<b>Subtotal</b>									
<b>Mandatory (M)</b>	<b>97,171.9</b>	<b>101,432.9</b>	<b>103,096.7</b>	<b>105,146.4</b>	<b>103,128.6</b>	<b>103,145.4</b>	<b>+31.9</b>	<b>+48.7</b>	<b>+16.8</b>
<b>Discretionary</b>	<b>6,926.1</b>	<b>7,152.7</b>	<b>7,094.1</b>	<b>7,201.6</b>	<b>6,946.5</b>	<b>6,995.0</b>	<b>-147.7</b>	<b>-99.1</b>	<b>+48.5</b>
<b>Subtotal</b>	<b>104,098.0</b>	<b>108,585.6</b>	<b>110,190.9</b>	<b>112,348.0</b>	<b>110,075.1</b>	<b>110,140.4</b>	<b>-115.8</b>	<b>-50.5</b>	<b>+65.3</b>
<b>Title V: Foreign Assistance</b>									
Foreign Agricultural Service	163.1	177.9	181.4	191.6	184.4	187.2	+3.0	+5.8	+2.8
Public Law 480 and admin. expenses	1,362.0	1,468.7	1,468.5	1,402.5	1,419.5	1,468.5	-49.0	+0.0	+49.0
Local and regional food procurement				20.0			+0.0	+0.0	+0.0
McGovern-Dole Food for Education	174.5	185.1	191.6	191.6	191.6	201.6	+0.0	+10.0	+10.0
CCC Export Loan Salaries	6.3	6.7	6.7	6.7	6.7	6.7	+0.0	+0.0	+0.0
<b>Subtotal</b>	<b>1,705.9</b>	<b>1,838.5</b>	<b>1,848.3</b>	<b>1,812.5</b>	<b>1,802.3</b>	<b>1,864.1</b>	<b>-46.0</b>	<b>+15.8</b>	<b>+61.8</b>
<b>Title VI: Related Agencies</b>									
Food and Drug Administration	2,386.0	2,560.7	2,597.3	2,743.5	2,627.3	2,637.8	+30.0	+40.4	+10.4
Commodity Futures Trading Commission <sup>g</sup>	[194.0]	215.0	[250.0]	322.0	245.0	[250.0] <sup>h</sup>	-5.0	+0.0	+5.0
<b>Subtotal</b>	<b>2,386.0</b>	<b>2,775.7</b>	<b>2,597.3</b>	<b>3,065.5</b>	<b>2,872.3</b>	<b>2,637.8</b>			



Budget authority in millions of dollars	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared with House
Agency or Major Program	P.L. 113-6 post-sequ. <sup>a</sup>	P.L. 113-76	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800	in House Bill	in Senate Bill	
<b>Title VII: General Provisions</b>									
<b>Reductions in Mandatory Programs<sup>i</sup></b>									
a. Environmental Quality Incentives Program	-279.0	-272.0	-136.0	-373.0	-189.0	-264.0	-53.0	-128.0	-75.0
b. Watershed Rehabilitation Program	-165.0	-153.0	-69.0	-69.0	-64.0	-68.0	+5.0	+1.0	-4.0
c. Conservation Stewardship Program			-7.0	-3.0	-2.0		+5.0	+7.0	+2.0
d. Fresh Fruit and Vegetable Program	-117.0	-119.0	-122.0	-125.0	-125.0	-125.0	-3.0	-3.0	+0.0
e. Biorefinery Assistance Program		-40.7	-16.0		-26.0		-10.0	+16.0	+26.0
f. Biomass Crop Assistance Program			-2.0		-12.0	-20.0	-10.0	-18.0	-8.0
g. Rural Energy for America Program					-16.0		-16.0	+0.0	+16.0
h. Cushion of Credit (Rural Development)	-180.0	-172.0	-179.0	-154.0	-154.0	-182.0	+25.0	-3.0	-28.0
i. Section 32	-110.0	-189.0	-121.0	-292.0	-216.0	-216.0	-95.0	-95.0	+0.0
j. Other reductions	-42.0	-8.0	-133.0		+6.0		+139.0	+133.0	-6.0
<b>Subtotal, mandatory program reductions</b>	<b>-893.0</b>	<b>-953.7</b>	<b>-785.0</b>	<b>-1,016.0</b>	<b>-798.0</b>	<b>-875.0</b>	<b>-13.0</b>	<b>-90.0</b>	<b>-77.0</b>
<b>Rescissions of discretionary accounts</b>	<b>-25.3</b>	<b>-33.3</b>	<b>-17.0</b>	<b>-20.0</b>	<b>-34.0</b>	<b>-33.0</b>	<b>-17.0</b>	<b>-16.0</b>	<b>+1.0</b>
<b>Other appropriations</b>									
a. Disaster/Emergency programs	83.9		116.0		2.0		-114.0	-116.0	-2.0
b. Other appropriations	48.6	106.6	6.6			6.6	-6.6	+0.0	+6.6
<b>Subtotal, Other appropriations</b>	<b>132.5</b>	<b>106.6</b>	<b>122.6</b>	<b>0.0</b>	<b>2.0</b>	<b>6.6</b>	<b>-120.6</b>	<b>-116.0</b>	<b>+4.6</b>
<b>Total, General Provisions</b>	<b>-785.9</b>	<b>-880.4</b>	<b>-679.4</b>	<b>-1,036.0</b>	<b>-830.0</b>	<b>-901.4</b>	<b>-150.6</b>	<b>-222.0</b>	<b>-71.4</b>
<b>Scorekeeping Adjustments<sup>i</sup></b>									
Disaster declaration in this bill			-116.0				+116.0	+116.0	+0.0
Other scorekeeping adjustments	-129.0	-191.0	-398.0	-331.0	-336.0	-344.0	+62.0	+63.0	+1.0

Budget authority in millions of dollars	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared with House
Agency or Major Program	P.L. 113-6 post-sequ. <sup>a</sup>	P.L. 113-76	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800	in House Bill	in Senate Bill	
<b>Subtotal</b>	<b>-129.0</b>	<b>-191.0</b>	<b>-514.0</b>	<b>-331.0</b>	<b>-336.0</b>	<b>-335.0</b>	<b>+178.0</b>	<b>+179.0</b>	<b>+1.0</b>
<b>Totals</b>									
<b>Discretionary: Senate basis w/o CFTC</b>	<b>19,520.4</b>	[20,665.0]	<b>20,575.0</b>	<b>21,462.2</b>	[20,405.0]	<b>20,510.0</b>	<b>-170.0</b>	<b>-65.0</b>	<b>+105.0</b>
<b>Discretionary: House basis w/ CFTC</b>	[19,714.4]	<b>20,880.0</b>	[20,825.0]	<b>21,784.2</b>	<b>20,650.0</b>	[20,760.0]	<b>-175.0</b>	<b>-65.0</b>	<b>+110.0</b>
<b>Mandatory (M)</b>	<b>118,754.6</b>	<b>124,582.0</b>	<b>126,756.5</b>	<b>125,267.1</b>	<b>123,249.3</b>	<b>123,266.1</b>	<b>-3,507.2</b>	<b>-3,490.4</b>	<b>+16.8</b>
<b>Total: House basis w/ CFTC</b>	<b>138,469.0</b>	<b>145,462.0</b>	<b>147,581.5</b>	<b>147,051.3</b>	<b>143,899.3</b>	<b>144,026.1</b>	<b>-3,682.2</b>	<b>-3,555.4</b>	<b>+126.8</b>

**Source:** CRS, using referenced bill text, Appropriations Committee report tables, and unpublished CBO tables.

**Notes:** Amounts are nominal budget authority in millions of dollars. Excludes supplementals outside the regular appropriations. Discretionary authority unless labeled “(M)” to indicate primarily mandatory authority. [Bracketed amounts] are unofficial and provided to aid comparison due to differing House-Senate jurisdiction for CFTC.

- a. Amounts for FY2013 are at the post-sequestration level from the USDA FY2013 Operating Plan, at [http://www.dm.usda.gov/foia/docs/USDA\\_Operating\\_Plan.pdf](http://www.dm.usda.gov/foia/docs/USDA_Operating_Plan.pdf).
- b. Includes regular FSA salaries and expenses, plus transfers for farm loan program salaries and administrative expenses. Also includes farm loan program loan subsidy, State Mediation Grants, Dairy Indemnity Program (mandatory funding), and Grassroots Source Water Protection Program.
- c. Loan authority is the amount of loans that can be made or guaranteed with a loan subsidy; it is not added in the budget authority subtotals or totals.
- d. Commodity Credit Corporation and Federal Crop Insurance Corporation each receive an indefinite appropriation (“such sums as necessary”). Estimates for appropriations may not reflect actual outlays.
- e. Includes Rural Development salaries and expenses, and transfers from the three rural development agencies for salaries and expenses. Amounts for the agencies thus reflect program funds for loans and grants.
- f. Amounts for the Rural Business-Cooperative Service are before the rescission from the Cushion of Credit account, unlike in Appropriations committee tables. The rescission is included with the changes in mandatory program spending (CHIMPS), as classified by CBO, which allows the RBCS subtotal to remain positive.
- g. Jurisdiction for CFTC is in the House Agriculture appropriations subcommittee and the Senate Financial Services appropriations subcommittee (S. 1910 in FY2016). After FY2008, CFTC is carried in enacted Agriculture appropriations in even-numbered fiscal years, always in House Agriculture markup and never in Senate Agriculture markup.
- h. From S. 1910, the committee-reported Financial Services and General Government Appropriations bill.
- i. Reductions to mandatory programs in this report include CHIMPS (Changes in Mandatory Program Spending) and permanent rescissions of budget authority for mandatory program accounts. CBO estimates are used and are not always consistent in the treatment of sequestration. Amounts in the columns for the Admin. Request and Senate do not include the effects of sequestration, whereas amounts in the House column are after including the effects of sequestration.
- j. “Scorekeeping adjustments” are not necessarily appropriated items and may not be shown in appropriations committee tables, but are part of the official CBO score (accounting) of the bill. They predominantly include “negative subsidies” in loan program accounts and adjustments for disaster designations in the bill.

### Key Budget Terms

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

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

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

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

**Rescissions** are adjustments that cancel or reduce budget authority after it has been enacted; they score savings.

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

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

## Policy Differences

In addition to specifying the amounts of budget authority, the bills prescribe various policies that are tied to certain agencies' abilities to use their appropriation. Among the notable policy-related differences between the bills that are discussed in more detail in the relevant sections later:

- The Senate bill continues prohibiting **horse slaughter** facility inspections; a similar provision was defeated during House markup.
- The House bill continues restricting the use of imported processed **poultry from China** for the school lunch and other nutrition programs.
- The House bill would not enforce a **conservation compliance** requirement in the 2014 farm bill for the 2016 crop insurance year.
- The House bill would restore the use of **commodity certificates** for the marketing loan program, including not being subject to payment limits.
- The House bill would limit the applicability of certain FDA **tobacco regulations** for e-cigarettes and other products.

## Recent Trends in Agriculture Appropriations

The stacked bars in **Figure 3** represent the discretionary spending authorized for each title since FY2007, with comparisons of the proposals in FY2016. The total of the positive stacked bars is higher than the official "302(b)" discretionary spending limit (the line, and dots for FY2016) because of the budgetary offset from the General Provisions title and other scorekeeping adjustments. General Provisions are negative mostly because of limits placed on certain mandatory programs that are scored as savings (see near the end of **Table 3** for examples, and the section "Changes in Mandatory Program Spending (CHIMPS)" for background).

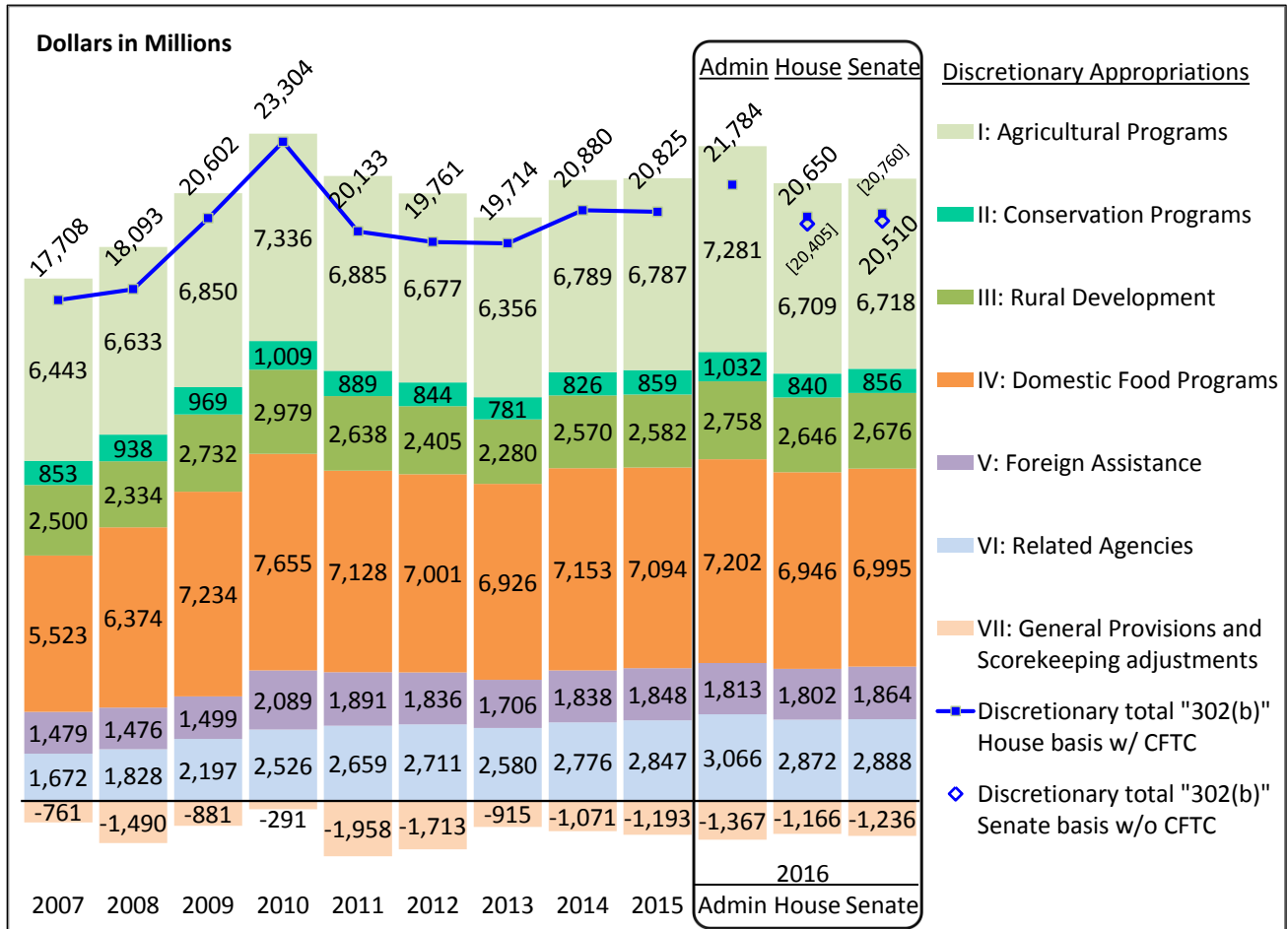
Increases in the use of CHIMPS and other tools to offset discretionary appropriations have ameliorated recent reductions in budget authority since FY2010. For example, the official

“302(b)” discretionary total for the bill has been given credit for declining 10.6% from FY2010 to FY2015 (\$23.3 billion to \$20.8 billion, **Figure 3**), while the total of Titles I-VI has declined only 6.7% over that same period (\$23.6 billion to \$22.0 billion).

On an inflation-adjusted basis, FY2015 Agriculture appropriations are 18% below their peak in FY2010 (**Figure 4**). When expressed in constant FY2016 dollars, the FY2015 appropriation has risen 2.7% above the FY2013 post-sequestration level. The FY2016 House subcommittee allocation would be about 2.4% below the inflation-adjusted amount for FY2015, and that would be about equal to the post-sequestration amount in FY2013 and on par with FY2007-FY2008.

Over time, changes by title of the bill generally have been proportionate to changes in the total discretionary Agriculture appropriation, though some areas have sustained real increases while others have declined (separate from the peak in 2010). Agencies with sustained real increases since FY2007 include the Food and Drug Administration and CFTC (Related Agencies), the domestic food programs, and to a lesser extent foreign assistance. Agencies with real decreases since 2007 include rural development, discretionary conservation programs, and general agricultural programs.

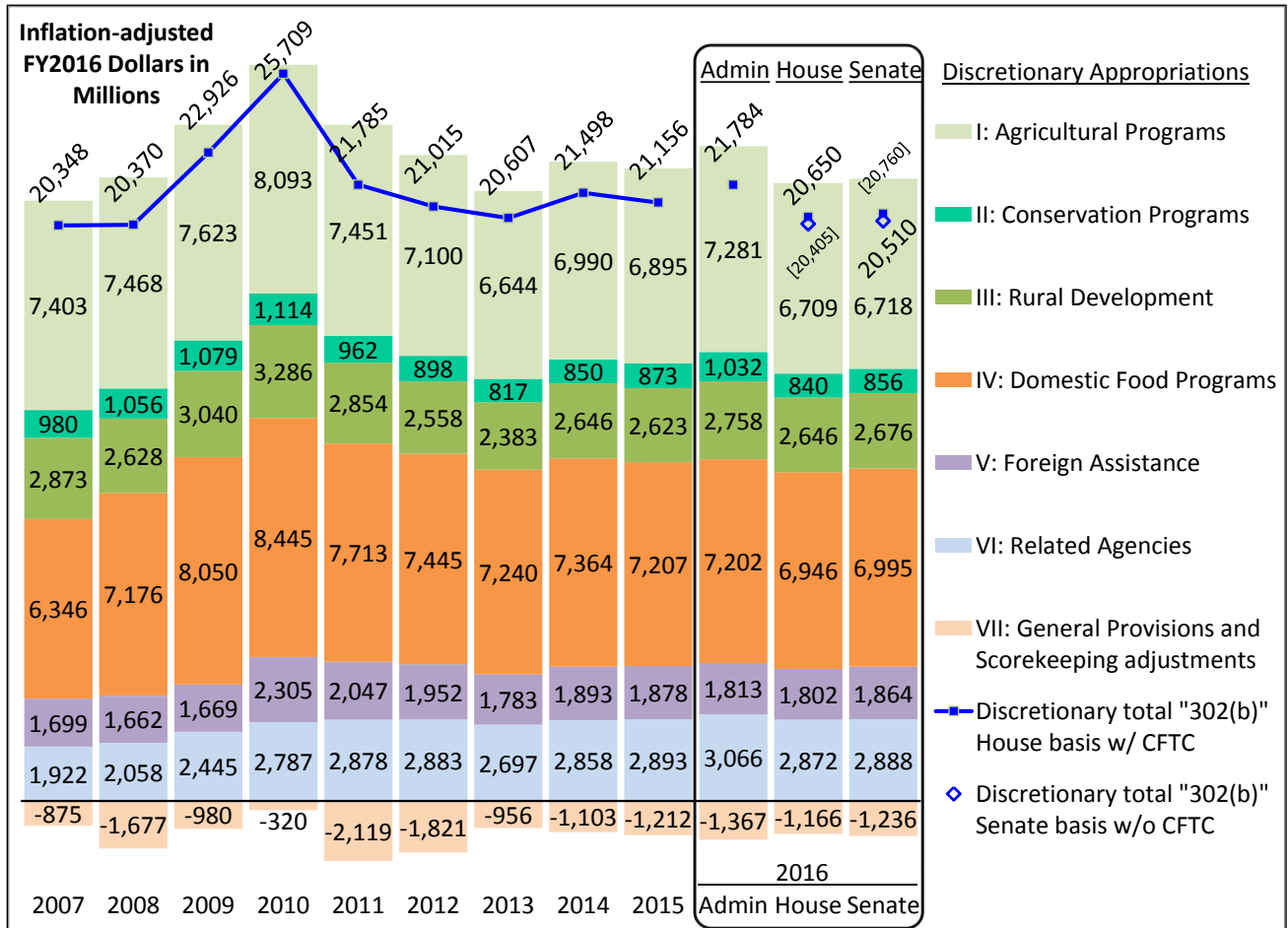
**Figure 3. Discretionary Agriculture Appropriations, by Title, Since FY2007**



Source: CRS.

Notes: Fiscal year budget authority. Includes only regular annual appropriations. Includes CFTC regardless of jurisdiction, except for [bracketed] totals that allow intra-year House-Senate comparison.

**Figure 4. Inflation-Adjusted Discretionary Agriculture Appropriations Since FY2007**



Source: CRS.

Notes: Fiscal year budget authority, adjusted for inflation by CRS using the GDP price deflator. Includes only regular appropriations. Includes CFTC regardless of jurisdiction, except for [bracketed] totals that allow intra-year House-Senate comparison.

## Sequestration Continues on Mandatory Accounts

Sequestration is a process of automatic, largely across-the-board reductions that permanently cancel mandatory and/or discretionary budget authority when spending would exceed statutory budget goals. Sequestration is required in the Budget Control Act of 2011 (BCA; P.L. 112-25).<sup>20</sup> Although the Bipartisan Budget Act of 2013 (P.L. 113-67) raised spending limits in the BCA to avoid sequestration of discretionary accounts in FY2014 and FY2015, it did not prevent or reduce sequestration on mandatory accounts. Sequestration on mandatory accounts continues in FY2016 and is expected to continue through FY2023. **Appendix B** provides more detail about sequestration at the individual account level.

<sup>20</sup> See, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*.

## USDA Agencies and Programs

About 95% of the total appropriation for the U.S. Department of Agriculture (USDA) is funded through the Agriculture appropriations bill. USDA was created in 1862 and carries out widely varied responsibilities through about 17 agencies and about a dozen administrative offices staffed by nearly 100,000 employees.<sup>21</sup> Funding for about two-thirds of those employees is provided in Agriculture appropriations. The remaining one-third of the employees are in the Forest Service and are funded by the Interior and Related Agencies Appropriations bill.<sup>22</sup>

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

### Organization of USDA is Different Than the Appropriations Bill

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

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

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

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

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

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

## Departmental Administration<sup>23</sup>

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

For FY2016, the House-reported bill would reduce the subtotal of administrative accounts by about \$11 million compared with FY2015, while the Senate-reported bill would reduce it by \$2.3 million (**Table 4**). The Senate bill generally continues FY2015 funding levels for most accounts. The House bill achieves most of its reductions in the accounts for Departmental Administration and the Office of Communications. Neither bill funds the Administration's request for \$69 million to continue making long-planned structural improvements to the USDA headquarters complex (Whitten Building and South Building).

<sup>21</sup> USDA, *FY2016 Budget Summary*, Feb. 2015, p. 126, at <http://www.obpa.usda.gov/budsum/fy16budsum.pdf>.

<sup>22</sup> See CRS Report R44061, *Interior, Environment, and Related Agencies: FY2016 Appropriations in Brief*.

<sup>23</sup> This section was written by Jim Monke (7-9664, [jmonke@crs.loc.gov](mailto:jmonke@crs.loc.gov)).

**Table 4. USDA Departmental Administration Appropriations**  
(budget authority in millions of dollars)

Agency or Major Program	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared with House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800	in House Bill	in Senate Bill	
<b>Office of the Secretary</b>									
Office of the Secretary	4.69	5.05	5.05	5.14	5.05	5.05	+0.00	+0.00	+0.00
Office of Tribal Relations	0.46	0.50	0.50	0.51	0.50	0.50	-0.00	+0.00	+0.00
Military Veterans Agricultural Liaison	—	—	—	0.25	—	0.25	+0.00	+0.25	+0.25
Office of Homeland Security	1.39	1.50	1.50	1.52	1.50	1.50	+0.00	+0.00	+0.00
Advocacy and Outreach	1.32	1.21	1.21	1.23	1.21	1.21	+0.00	+0.00	+0.00
Assistant Secretary for Admin.	0.75	0.80	0.80	0.82	0.80	0.80	+0.00	+0.00	+0.00
Departmental Administration	22.50	22.79	25.12	25.69	22.79	25.12	-2.34	+0.00	+2.34
Asst. Sec. Congressional Relations	3.59	3.87	3.87	3.93	3.06	3.87	-0.81	+0.00	+0.81
Office of Communications	8.36	8.07	7.75	8.23	4.47	7.75	-3.28	+0.00	+3.28
<b>Subtotal</b>	<b>43.06</b>	<b>43.78</b>	<b>45.81</b>	<b>47.31</b>	<b>39.38</b>	<b>46.06</b>	<b>-6.43</b>	<b>+0.25</b>	<b>+6.68</b>
<b>Executive Operations</b>									
Office of Chief Economist	15.01	16.78	17.38	17.47	16.78	16.78	-0.60	-0.60	+0.00
National Appeals Division	13.19	12.84	13.32	13.57	12.84	13.32	-0.48	+0.00	+0.48
Office of Budget, Program Analysis	8.35	9.06	9.39	9.50	9.08	9.39	-0.31	+0.00	+0.31
<b>Subtotal</b>	<b>36.56</b>	<b>38.68</b>	<b>40.09</b>	<b>40.53</b>	<b>38.70</b>	<b>39.49</b>	<b>-1.39</b>	<b>-0.60</b>	<b>+0.79</b>
<b>Other Administration</b>									
Chief Information Officer	40.65	44.03	45.05	53.07	44.03	45.05	-1.01	+0.00	+1.01
Chief Financial Officer	5.77	6.21	6.03	9.15	6.03	6.03	+0.00	+0.00	+0.00
Assistant Secretary for Civil Rights	0.83	0.89	0.90	0.91	0.89	0.90	-0.01	+0.00	+0.01
Office of Civil Rights	21.02	21.40	24.07	24.44	23.87	24.07	-0.20	+0.00	+0.20

Agency or Major Program	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared with House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800	in House Bill	in Senate Bill	
Buildings and facilities <sup>a</sup>	252.40	233.00	55.87	125.47	54.73	53.62	-1.14	-2.25	-1.11
Hazardous materials management	3.70	3.59	3.60	3.63	3.60	3.62	+0.00	+0.02	+0.02
Office of Inspector General	82.30	89.90	95.03	98.90	95.64	95.29	+0.62	+0.27	-0.35
General Counsel	41.87	41.20	44.38	48.08	43.31	44.38	-1.07	+0.00	+1.07
Office of Ethics	3.14	3.44	3.65	4.57	3.44	3.65	-0.21	+0.00	+0.21
<b>Subtotal</b>	<b>451.68</b>	<b>443.67</b>	<b>278.57</b>	<b>368.22</b>	<b>275.55</b>	<b>276.61</b>	<b>-3.02</b>	<b>-1.96</b>	<b>+1.06</b>
<b>Total, Departmental Administration</b>	<b>531.30</b>	<b>526.13</b>	<b>364.46</b>	<b>456.06</b>	<b>353.63</b>	<b>362.15</b>	<b>-10.83</b>	<b>-2.31</b>	<b>+8.52</b>

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills. Amounts for FY2013 are the post-sequestration level from the USDA FY2013 Operating Plan.

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



## Agricultural Research, Education, and Extension<sup>24</sup>

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

Four agencies carry out USDA's research, education, and economics (REE) mission:<sup>25</sup>

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

For FY2016, the USDA research mission area would receive \$2.691 billion in the House committee-reported bill and \$2.684 billion in the Senate committee-reported bill (**Table 5**). These amounts are decreases of 1.2% and 1.5%, respectively, from the FY2015 level. The President requested \$3.167 billion, an increase of 16%. The committee-reported bills for FY2016 generally are flat for most research programs and do not follow most of the proposed changes in priorities in the request.

### Agricultural Research Service

For FY2016, the House-reported bill would provide \$1.168 billion for ARS, and the Senate-reported bill \$1.137 billion. The amount for FY2015 was slightly higher compared to each bill, at \$1.178 billion. Within the proposed amounts, the House bill would continue a constant \$45 million for buildings and facilities, while the Senate bill has nothing for buildings and facilities (**Table 5**). The President requested 5% more for salaries and expenses, and more than four times the FY2015 or House-reported amount for buildings and facilities.

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

Both of the committee reports address deficient animal welfare conditions uncovered at ARS research facilities, particularly at the ARS Meat Animal Research Center in Nebraska.<sup>26</sup> Both committees instruct ARS to comply with Animal Welfare Act standards, allow animal welfare inspections by a USDA sister agency (Animal and Plant Health Inspection Service, APHIS), review and update its own animal care policies, and certify progress with the committees. The House bill further withholds 5% of the ARS appropriation until USDA certifies that it has updated its policies and has functioning Institutional Animal Care and Use Committees.

<sup>24</sup> This section was written by Jim Monke (7-9664, jmonke@crs.loc.gov).

<sup>25</sup> See CRS Report R40819, *Agricultural Research: Background and Issues*.

<sup>26</sup> See CRS Report R44091, *Meat Animal Research Center: The Animal Welfare Act and Farm Animal Research*.

For the buildings and facilities account, which comprises most of the difference between the request and the committee-reported bills, the House bill would provide \$45 million “for priorities identified in the USDA ARS Capital Investment Strategy,”<sup>27</sup> the same as in FY2015. The Senate bill contains nothing for ARS buildings and facilities. ARS’ top facilities priority is the construction of a biocontainment laboratory at its poultry research facility in Athens, GA.

### **National Institute of Food and Agriculture**

For FY2016, the House-reported bill would provide \$1.285 billion for NIFA, and the Senate-reported bill \$1.294 billion (**Table 5**). These amounts are within 0.4% of the FY2015 amount of \$1.290 billion. The President requested \$1.503 billion for NIFA, 17% over the FY2015 amount.

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

The Agriculture and Food Research Initiative (AFRI), USDA’s flagship competitive grants program with 25% of NIFA’s total budget, would receive \$335 million in the House bill, and a constant \$325 million in the Senate-reported bill. The House-proposed amount is a \$10 million increase over FY2015, smaller than the \$125 million increase requested by USDA.

Formula-funded programs are held constant in the House- and Senate-reported bills. Neither bill provides funding for the Administration’s proposal to add a competitive portion to the normally formula-funded “capacity awards” programs such as the Hatch Act. The House report notes a lack of state matching funding for some historically black colleges and universities and directs USDA to develop a plan to work with the states to meet the matching requirements.<sup>28</sup>

The Administration had proposed \$80 million to establish two new “Innovation Institutes” as public-private partnerships. Like last year, neither chambers’ bill would fund this proposal.

The President’s request would have consolidated federal science, technology, engineering, and mathematics (STEM) education funding so that USDA would no longer provide Higher Education Challenge Grants, Graduate and Post-graduate Fellowship Grants, Higher Education Multicultural Scholars Program, Women and Minorities in STEM Program, Agriculture in the Classroom, and Secondary/Postsecondary Challenge Grants. Both chambers’ bills reject that proposal and continue to fund the programs at FY2015 levels.

### **National Agricultural Statistics Service**

For FY2016, the House-reported bill would provide NASS \$161 million and the Senate-reported bill \$168 million, decreases of 6.5% and 2.5%, respectively, from FY2015. The President’s request was \$180 million, an increase of 5% over FY2015.

### **Economic Research Service**

For FY2016, the House-reported bill would provide ERS \$78 million (-8.6% from FY2015), and the Senate-reported bill \$85 million (the same as FY2015). USDA had requested \$86 million.

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<sup>27</sup> USDA-ARS, *The USDA Agricultural Research Service Capital Investment Strategy*, April 2012, at [http://www.ars.usda.gov/sp2UserFiles/Subsite/ARSLegisAffrs/USDA\\_ARS\\_Capital\\_Investment\\_Strategy\\_FINAL\\_eeo.pdf](http://www.ars.usda.gov/sp2UserFiles/Subsite/ARSLegisAffrs/USDA_ARS_Capital_Investment_Strategy_FINAL_eeo.pdf).

<sup>28</sup> Association of Public and Land-Grant Universities, *Land-Grant but Unequal: State One-to-One Match Funding for 1890 Land-Grant Universities*, September 2013, at <http://www.aplu.org/library/land-grant-but-unequal-state-one-to-one-match-funding-for-1890-land-grant-universities/file>.

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

Budget authority in millions of dollars	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800	in House Bill	in Senate Bill	
<b>Agricultural Research Service</b>	1,016.9	1,122.5	1,132.6	1,191.5	1,122.5	1,136.8	-10.2	+4.2	+14.4
Buildings and Facilities	—	—	45.0	205.9	45.0	0.0	+0.0	-45.0	-45.0
<b>Subtotal, ARS</b>	<b>1,016.9</b>	<b>1,122.5</b>	<b>1,177.6</b>	<b>1,397.4</b>	<b>1,167.5</b>	<b>1,136.8</b>	<b>-10.2</b>	<b>-40.8</b>	<b>-30.6</b>
<b>National Institute of Food &amp; Agriculture</b>									
Research and Education									
AFRI (competitive grants)	275.6	316.4	325.0	450.0	335.0	325.0	+10.0	+0.0	-10.0
Hatch Act (1862 institutions)	218.6	243.7	243.7	243.7	243.7	243.7	+0.0	+0.0	+0.0
Evans-Allen (1890s institutions)	47.1	52.5	52.5	58.0	52.5	52.5	+0.0	+0.0	+0.0
McIntire-Stennis (forestry)	30.5	34.0	34.0	34.0	34.0	34.0	+0.0	+0.0	+0.0
Other	111.5	126.0	131.7	212.9	116.4	135.9	-15.4	+4.2	+19.6
<b>Subtotal</b>	<b>683.2</b>	<b>772.6</b>	<b>786.9</b>	<b>998.6</b>	<b>781.5</b>	<b>791.1</b>	<b>-5.4</b>	<b>+4.2</b>	<b>+9.6</b>
Extension									
Smith-Lever (b) & (c)	271.3	300.0	300.0	300.0	300.0	300.0	+0.0	+0.0	+0.0
Smith-Lever (d)	91.7	85.5	85.5	85.7	85.5	102.7	+0.0	+17.2	+17.2
Other	76.1	83.7	86.2	89.8	86.5	86.2	+0.4	+0.0	-0.4
<b>Subtotal</b>	<b>439.1</b>	<b>469.2</b>	<b>471.7</b>	<b>475.6</b>	<b>472.1</b>	<b>488.9</b>	<b>+0.4</b>	<b>+17.2</b>	<b>+16.8</b>
Integrated Activities	19.8	35.3	30.9	28.9	30.9	13.7	+0.0	-17.2	-17.2
<b>Subtotal, NIFA</b>	<b>1,142.0</b>	<b>1,277.1</b>	<b>1,289.5</b>	<b>1,503.1</b>	<b>1,284.5</b>	<b>1,293.7</b>	<b>-5.0</b>	<b>+4.2</b>	<b>+9.2</b>
<b>National Agricultural Statistics Service</b>	166.6	161.2	172.4	180.3	161.2	168.1	-11.2	-4.3	+6.9
<b>Economic Research Service</b>	71.4	78.1	85.4	86.0	78.1	85.4	-7.3	+0.0	+7.3
<b>Total, REE appropriation</b>	<b>2,397.0</b>	<b>2,638.8</b>	<b>2,724.9</b>	<b>3,166.9</b>	<b>2,691.2</b>	<b>2,684.0</b>	<b>-33.7</b>	<b>-40.9</b>	<b>-7.2</b>

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

## Marketing and Regulatory Programs

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

### Animal and Plant Health Inspection Service<sup>29</sup>

APHIS is responsible for protecting U.S. agriculture from domestic and foreign pests and diseases, responding to domestic animal and plant health problems, and facilitating agricultural trade through science-based standards. Prominent concerns include avian influenza (AI), bovine spongiform encephalopathy (BSE or "mad cow disease"), bovine tuberculosis, invasive plant pests (e.g., emerald ash borer, the Asian long-horned beetle, glassy-winged sharpshooter), and a national animal identification program. APHIS administers the Animal Welfare Act, which protects animals used in research and public exhibitions, and administers the Wildlife Services Program to resolve human/wildlife conflicts and to protect against wildlife damage.

For FY2016, the House-reported bill (H.R. 3049) would provide \$874.1 million for APHIS programs, with \$870.9 million for salaries and expenses and \$3.2 million for building and facilities (**Table 6**). This is nearly the same as for FY2015 and \$15 million more than requested. The Senate-reported bill (S. 1800) would provide \$879.6 million for APHIS, \$5 million more than the House bill. Both bills would provide more to specialty crop pests and less to zoonotic disease management than the Administration requested.

**Table 6. Animal and Plant Health Inspection Appropriations**

(budget authority in millions of dollars)

	FY2015	FY2016		
	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800
Animal Health	287.6	295.8	293.3	288.2
Plant Health	305.4	285.3	298.9	306.4
Wildlife Services	108.9	99.5	108.9	111.5
Regulatory Services	35.1	35.2	35.1	35.1
Emergency Preparedness, Contingency	17.4	17.5	17.4	17.4
Safe Trade, International Tech. Assist.	36.2	41.8	36.2	37.2
Animal Welfare	28.7	28.8	29.1	28.7
Administrative Funds	52.0	52.0	52.0	52.0
<b>Subtotal, salaries and expenses</b>	<b>871.3</b>	<b>855.8</b>	<b>870.9</b>	<b>876.5</b>
Buildings and facilities	3.2	3.2	3.2	3.2
<b>Total, APHIS</b>	<b>874.5</b>	<b>859.0</b>	<b>874.1</b>	<b>879.6</b>

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

<sup>29</sup> This section was written by Tadlock Cowan (7-7600, tcowan@crs.loc.gov), with assistance for avian influenza from Joel L. Greene (7-9877, jgreene@crs.loc.gov).

Both the House and Senate bills continue to provide \$470,000 (available until expended) for a contingency fund to control outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds. For larger outbreaks, the Office of Management and Budget (OMB) and congressional appropriators have sparred for years over whether APHIS should—as appropriators have preferred—reach as needed into USDA’s Commodity Credit Corporation (CCC) account for mandatory funds to deal with emergency plant and animal health problems,<sup>30</sup> or use primarily funds from the annual appropriation, as OMB has argued. For example, in FY2015 APHIS received about \$700 million in CCC funds to control highly pathogenic avian influenza (HPAI). Both the House and Senate reports recognize APHIS work on HPAI, and the Senate report specifically calls for APHIS to continue to utilize CCC funds as needed.

Within the animal welfare portion, the House bill includes a \$400,000 increase to support a memorandum of understanding between APHIS and the Agricultural Research Service (ARS) to address concerns at the ARS Meat Animal Research Center. The House bill also expresses concern about APHIS’ regulatory backlog to review biotechnology product petitions.

Both the House and Senate bills would prohibit USDA from using any funds to implement, administer, or enforce the APHIS rules that allow the import of fresh beef from Brazil and Argentina until USDA fulfills several requirements (§749 of H.R. 3049; §743 of S. 1800). Both provisions require that APHIS conduct a comprehensive risk evaluation of importing beef from these two countries. The House provision requires additional onsite inspections of beef slaughter and processing facilities in Brazil and Argentina. The Senate provision requires USDA to update an animal disease risk assessment report, and report to Congress how it is addressing a GAO report on the veterinarian workforce and its response to animal disease outbreaks.

### **Agricultural Marketing Service and “Section 32”**

The Agricultural Marketing Service (AMS) administers numerous programs that facilitate the marketing of U.S. agricultural products in domestic and international markets. AMS each year receives appropriations in two different ways. A discretionary appropriation of about \$80 million funds a variety of marketing activities. A larger mandatory spending amount of about \$1.2 billion (funds for strengthening markets, income, and supply; or “Section 32”) finances various types of ad hoc decisions that support agricultural commodities (such as meat, poultry, fruits, and vegetables) that are not supported through the direct subsidy programs for the primary field crops (corn, soybeans, wheat, rice, and peanuts) and dairy. User fees also support some AMS activities.

#### ***Marketing Activities***<sup>31</sup>

For FY2016, the House-reported bill (H.R. 3049) provides \$82.0 million for the salaries, expenses, and payments to states and possessions for marketing activities. The Senate-reported bill (S. 1800) provides \$82.4 million, level with the FY2015 appropriation. The Administration requested \$84.4 million for FY2016.

The AMS appropriation includes \$1.2 million for payments to states and possessions through the Federal-State Marketing Improvement Program. This program provides matching grants to state marketing agencies to explore new market opportunities for U.S. food and agricultural products, and to encourage research and innovation to improve marketing efficiency and performance.

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<sup>30</sup> As authorized in the Animal Health Protection Act (7 U.S.C. §§8310 and 8316, §§10411 and 10417) and the Plant Protection Act (7 U.S.C. §§7751 and 7772, §§431 and 442).

<sup>31</sup> This section was written by Joel L. Greene (7-9877, jgreene@crs.loc.gov).

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

AMS collects user fees and reimbursements to cover AMS-administered activities such as product quality and process verification programs, commodity grading, and Perishable Agricultural Commodities Act licensing. AMS expects to collect about \$231 million in user fees in FY2015 and \$233 million in FY2016. Both the House and Senate bills place a \$61.0-million limit on the amount of user fees that AMS may collect for grading and classifying cotton and tobacco.<sup>32</sup> AMS also administers several 2014 farm bill programs that have mandatory funding and are designed to support specialty crops, farmers markets, local foods, and organic certification.<sup>33</sup>

### ***Section 32 (Funds for Strengthening Markets, Income, and Supply)***<sup>34</sup>

AMS's mandatory appropriation reflects a transfer from the so-called Section 32, which is a program created in 1935 to assist agricultural producers of non-price-supported commodities. The Section 32 account is funded by a permanent appropriation of 30% of the previous calendar year's customs receipts (\$10.3 billion in FY2016), less certain mandatory transfers to child nutrition and other programs (\$9.0 billion in FY2016).<sup>35</sup>

Section 32 monies available for obligation by AMS have been used at the Secretary's discretion to purchase agricultural commodities like meat, poultry, fruits, vegetables, and fish, which are not typically covered by mandatory farm programs. These commodities are diverted to school lunch and other domestic food and nutrition programs. Section 32 has also been used to fund surplus removal and farm economic and disaster relief activities.

The 2008 farm bill (§14222) capped the annual amount of Section 32 funds available for obligation by AMS in FY2016 at \$1.303 billion. Also, to increase the amount of fruits and vegetables purchased under Section 32, Congress limited USDA's discretion in two ways: (1) §4304 of the 2008 farm bill established a fresh fruit and vegetable school snack program funded by carving out Section 32 funds (set at \$40 million in 2008, rising to \$150 million in 2011, and adjusted for inflation for each year thereafter), and (2) §4404 of the 2008 farm bill required additional purchases of fruits, vegetables, and nuts (set at \$190 million in FY2008, rising to \$206 million in FY2012, and remaining at that level each year thereafter). Section 4214 of the 2014

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<sup>32</sup> Authorized by the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35).

<sup>33</sup> Separate from the appropriations process, the 2014 farm bill (P.L. 113-79) authorized mandatory funding for four AMS-administered programs as follows: \$72.5 million (annually, FY2014-2017) and \$85 million (annually, FY2018 and thereafter) for specialty crop block grants, \$15 million (annually, FY2014-2018) for farmers' market promotion, \$15 million (annually, FY2014-2018) for local food promotion, and a set-aside (estimated at \$12.5 million in FY2015) for AMS share of costs to support organic certification. For FY2015, AMS expects to administer an estimated \$106.6 million of these mandatory farm bill initiatives, and \$115 million in FY2016.

<sup>34</sup> This section was written by Jim Monke (7-9664. jmonke@crs.loc.gov).

<sup>35</sup> For more details about Section 32 and the farm bill changes, see CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*.



farm bill expanded the school snack program to include frozen, canned, and dried fruits and vegetables on a pilot basis for the 2014-15 school year.

The enacted FY2016 appropriation provides \$1.425 billion of Section 32 funds for AMS, which compares with \$1.284 billion enacted in FY2015. The FY2016 amount is reduced by \$216 million (rescission) and \$77 million (sequestration), and is considered mandatory spending.

The House- and Senate-reported bills both continue a provision (§715) that has appeared since FY2012 that effectively prohibits the use of Section 32 for emergency disaster payments:

[N]one of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries or expenses of any employee of the Department of Agriculture or officer of the Commodity Credit Corporation to carry out clause 3 of Section 32 of the Agricultural Adjustment Act of 1935 (P.L. 74-320, 7 U.S.C. 612c, as amended), or for any surplus removal activities or price support activities under section 5 of the Commodity Credit Corporation Charter Act.<sup>36</sup>

### **Grain Inspection, Packers and Stockyards Administration<sup>37</sup>**

USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) oversees the marketing of U.S. grain, oilseeds, livestock, poultry, meat, and other commodities. The Federal Grain Inspection Service establishes standards for the inspection, weighing, and grading of grain, rice, and other commodities. The Packers and Stockyards Program monitors livestock and poultry markets to ensure fair competition and guard against deceptive and fraudulent trade practices.

For FY2016, the GIPSA appropriation in both the House-reported (H.R. 3049) and Senate-reported (S. 1800) bills is \$43.0 million for salaries and expenses, the same as enacted for FY2015. The Administration requested a FY2016 appropriation of \$44.1 million. Also, both bills authorize GIPSA to collect up to \$55 million in user fees for inspection and weighing services. If grain export activity requires additional services, the user fee limit may be exceeded by up to 10% upon notification to the House and Senate appropriations committees.

In response to grain inspection disruptions at the Port of Vancouver in the state of Washington,<sup>38</sup> the Senate bill report (S. Rept. 114-82) directs USDA to develop and implement contingency plans to ensure that official grain inspection and weighing services resume as quickly as possible should an interruption in service occur. Also, USDA is to ensure that persons requesting official inspection and weighing services are informed immediately of the nature of the emergency, promptly implement the necessary mitigations to address any concerns, and provide regular updates should any disruption persist. These issues were addressed subsequently in the grain inspection reauthorization act (P.L. 114-54).

For the first time since FY2012, the House bill does not include a rider prohibiting USDA from finalizing or implementing parts of GIPSA's proposed rule on livestock and poultry marketing practices (75 *Federal Register* 35338, June 22, 2010) that were required in the 2008 farm bill.<sup>39</sup>

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<sup>36</sup> Clause 3 of Section 32 provides that funds shall be used to reestablish farmers' purchasing power by making payments in connections with the normal production of any agricultural commodity for domestic consumption (7 U.S.C. 612c). Section 5 of the Commodity Credit Corporation Charter Act authorizes the CCC to support the prices of agricultural commodities through loans, purchases, payments, and other operations (15 U.S.C. 714c).

<sup>37</sup> This section was written by Joel L. Greene (7-9877, jgreene@crs.loc.gov).

<sup>38</sup> See CRS Report R43803, *U.S. Grain Standards Act: Potential Reauthorization in the 114th Congress*, pp. 9-11.

<sup>39</sup> See CRS Report R41673, *USDA's "GIPSA Rule" on Livestock and Poultry Marketing Practices*.

## **Food Safety and Inspection Service (FSIS)<sup>40</sup>**

The House-reported bill, H.R. 3049, would appropriate \$1.012 billion for FY2016, identical to the Administration's request, but about \$2 million less than the Senate-reported bill, S. 1800, which would appropriate \$1.014 billion. Appropriations are augmented by existing (currently authorized) user fees that FSIS estimates to be nearly \$180 million per year.<sup>41</sup> FSIS appropriations are divided between various sub-accounts, including federal, state, and international inspection; Codex Alimentarius; and the Public Health Data Communications Infrastructure System. The difference between the bills is that the Senate, compared with the House, provides more funding for federal inspection, and less for state and international inspection and Codex. The Administration has re-proposed a user fee of \$4 million to cover additional inspection costs associated with performance issues at inspected facilities. In previous budget debates, the enacted appropriations have not included this user fee proposal.

Both committee bills would require that FSIS have no fewer than 148 FTEs dedicated to the inspection and enforcement of the Humane Methods of Slaughter Act (HMSA). The Senate committee also directs FSIS to ensure compliance with humane handling rules for live animals and to continue to provide certain annual reports to Congress. Both the House and Senate committees also express concern that FSIS has not yet implemented the catfish inspection program, as required under the 2014 farm bill (P.L. 113-79, Sec. 12106), and would require the agency to promulgate final regulations no later than 30 days after enactment of the FY2016 appropriation.<sup>42</sup>

The House committee report contains language to encourage innovation and modernization at slaughter and processing establishments regarding water-conserving technologies for hand-washing facilities. The House committee report also expresses concern about countering economic fraud and improving the safety of the U.S. seafood supply. Appropriators encourage FSIS and USDA research agencies to develop technologies that will provide rapid, portable, and easy-to-use screening of seafood at ports and at wholesale and retail locations.

The Senate bill prohibits funds from being used for horse slaughter and inspection (§744).<sup>43</sup> The Senate committee also directs FSIS to submit a report on a plan for recruiting personnel for frontline inspection positions. The report should focus on recruiting candidates with demonstrated educational backgrounds in agriculture or health sciences, including new and recent graduates.

## **Farm Service Agency<sup>44</sup>**

USDA's Farm Service Agency (FSA) is probably best known for administering the farm commodity subsidy programs and the disaster assistance programs. It makes these payments to

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<sup>40</sup> This section was written by Renée Johnson (7-9588; rjohnson@crs.loc.gov) and Joel L. Greene (7-9877, jgreene@crs.loc.gov).

<sup>41</sup> From recent FSIS congressional budget justifications ([http://www.obpa.usda.gov/explan\\_notes.html](http://www.obpa.usda.gov/explan_notes.html)). Reflects total non-federal funds, including fees for meat, poultry and egg products inspection; fees for cost of national laboratory accreditation programs; and trust funds.

<sup>42</sup> The catfish inspection program was originally transferred from FDA to FSIS in the 2008 farm bill (P.L. 110-246, Sec. 11016). The FSIS catfish inspection rule has not been finalized yet.

<sup>43</sup> The FY2006 and FY2007 appropriations prohibited FSIS from paying salaries and expenses for horse slaughter inspections. The FY2008-FY2011 and FY2014-FY2015 appropriations also banned voluntary, fee-based horse slaughter inspections. Horse slaughter inspection bans were not in force during FY2012 and FY2013, but no horse slaughter facilities opened before the ban was reinstated in FY2014.

<sup>44</sup> This section was written by Jim Monke (7-9664, jmonke@crs.loc.gov).



farmers through a network of county offices. In addition, FSA also administers USDA's direct and guaranteed farm loan programs and certain mandatory conservation programs (in cooperation with the Natural Resources Conservation Service), and supports certain international food assistance and export credit programs administered by the Foreign Agricultural Service and the U.S. Agency for International Development.

## **FSA Salaries and Expenses**

For FY2016, the House- and Senate-reported bills are essentially the same for FSA salaries and expenses (with the Senate bill providing 0.2% less than the House bill). The House bill would provide \$1.490 billion to FSA for salaries and expenses (including \$1.183 billion for regular FSA salaries and expenses, plus the transfer within FSA of \$307 million for farm loan program salaries and expenses; **Table 7**).<sup>45</sup> This is \$17 million less than the FY2015 total (-1%), and the Senate bill is \$20 million less than FY2015.

Both bills reject the Administration's proposal for more funding for beginning farmer and rancher programs, citing insufficient coordination among USDA agencies, as was found in a report by the USDA Office of Inspector General (OIG).<sup>46</sup>

Regarding information technology, both the House and Senate bills and report language continue strong requirements that began in FY2015 about FSA's implementation of information technology (IT) plans, specifically MIDAS (Modernize and Innovate the Delivery of Agricultural Systems). MIDAS was flagged for concern by the Federal IT Dashboard in December 2012.<sup>47</sup> It has struggled with the scope and schedule of work and has yet to achieve the expected results. The Government Accountability Office (GAO)<sup>48</sup> and the USDA OIG continue to observe management and schedule problems in recent reports.<sup>49</sup>

The statutory language continues a FY2015 requirement that FSA—before it can spend more than 50% of the amount for IT (\$130 million in the House bill; \$113 million in the Senate bill; \$132 million in FY2015)—submit to Congress and GAO a detailed information technology plan that meets several specific criteria, regularly inform and consult with the appropriations subcommittees, and—in the Senate bill—submit an assessment report at the end of FY2016.

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

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<sup>45</sup> Excludes transfers to FSA from the Foreign Agricultural Service for administrative support (about \$3 million).

<sup>46</sup> USDA-OIG, "USDA Beginning Farmers and Ranchers Programs", May 2015, at <http://www.usda.gov/oig/webdocs/50601-0003-31.pdf>.

<sup>47</sup> IT Dashboard, "Farm Program Modernization (MIDAS) #097," at <https://itdashboard.gov/investment?buscid=225>.

<sup>48</sup> GAO, "Farm Service Agency Needs to Demonstrate the Capacity to Manage IT Initiatives," GAO-15-506, June 18, 2015, at <http://gao.gov/products/GAO-15-506>.

<sup>49</sup> USDA-OIG, "Review of Farm Service Agency's Initiative to Modernize and Innovate the Delivery of Agricultural Systems (MIDAS)," 03501-0001-12, May 2015, at <http://www.usda.gov/oig/webdocs/03501-0001-12.pdf>.

**Table 7. Farm Service Agency Appropriations**  
(budget authority in millions of dollars)

	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800	in House Bill	in Senate Bill	
<b>Salaries and expenses</b>									
Farm Service Agency (S&E base)	1,115.3	1,177.9	1,200.2	1,185.3	1,183.0	1,180.4	-17.2	-19.8	-2.6
FSA farm loan program S&E transfer	281.6	307.0	307.0	310.0	307.0	307.0	+0.0	+0.0	+0.0
<b>Subtotal, appropriated to FSA</b>	<b>1,396.8</b>	<b>1,484.9</b>	<b>1,507.2</b>	<b>1,495.2</b>	<b>1,490.0</b>	<b>1,487.4</b>	<b>-17.2</b>	<b>-19.8</b>	<b>-2.6</b>
<b>Programs</b>									
Farm loan program (loan subsidy)	90.5	90.0	78.7	72.1	69.6	69.6	-9.2	-9.2	+0.0
Farm loan program admin. expenses	7.3	7.7	7.9	7.9	7.9	7.9	+0.0	+0.0	+0.0
State mediation grants	4.1	3.8	3.4	3.4	3.4	3.4	+0.0	+0.0	+0.0
Grassroots source water protection	5.2	5.5	5.5	0.0	5.5	6.0	+0.0	+0.5	+0.5
Dairy indemnity program (M)	0.1	0.3	0.5	0.5	0.5	0.5	+0.0	+0.0	+0.0
<b>Total: Appropriation to FSA</b>	<b>1,503.9</b>	<b>1,592.2</b>	<b>1,603.3</b>	<b>1,579.1</b>	<b>1,576.9</b>	<b>1,574.8</b>	<b>-26.3</b>	<b>-28.5</b>	<b>-2.2</b>

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills. Amounts for FY2013 are the post-sequestration level from the USDA FY2013 Operating Plan.

**Notes:** Does not include about \$3 million of salaries and expenses that are appropriated to the Foreign Agricultural Service and transferred to FSA to administer P.L. 480 and export loans. Discretionary budget authority unless labeled "(M)" to indicate mandatory authority.

## **FSA Farm Loan Programs**

The USDA Farm Service Agency makes and guarantees loans to farmers, and is a lender of last resort for family farmers unable to obtain credit from a commercial lender. USDA provides direct farm loans (loans made directly from USDA to farmers), and it also guarantees the timely repayment of principal and interest on qualified loans to farmers from commercial lenders. FSA loans are used to finance farm real estate, operating expenses, and recovery from natural disasters. Some loans are made at a low interest rate.<sup>50</sup>

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

For FY2016, the House- and Senate-reported bills are identical to each other and to the Administration's request in both loan subsidy and loan authority, with the exception of not funding the Administration's request for Individual Development Accounts.<sup>51</sup>

The FSA farm loan program would receive \$70 million of loan subsidy to support \$6.402 billion of direct and guaranteed loans in FY2016 (**Table 8**). Though the loan subsidy is about 12% smaller than in FY2015, the loan authority is the same as FY2015. The reduction in loan subsidy is explained by the direct farm operating program.

Following the global financial crisis that began in 2008, FSA farm loan authority generally has risen, reflecting the borrowing needs of many farmers. Broad financial system pressures dramatically increased the demand for FSA farm loans and guarantees when commercial bank lending standards became stricter and loans sometimes were less available. In FY2009 and FY2010, supplemental appropriations increased regular FSA loan authority by nearly \$1 billion each year in order to meet demand, up from pre-crisis levels of about \$3.5 billion in 2008 to post-supplemental levels of \$6.0 billion in FY2010. From FY2011 to FY2013, loan authority decreased both due to federal budget pressures and somewhat lessened demand as the financial system stabilized. Nonetheless, in some years, continued high farm loan demand for certain programs has caused the loan authority to be exhausted.<sup>52</sup> The FY2014 loan authority restored the total closer to the supplemental levels of FY2009 and FY2010, and the FY2015-FY2016 appropriations increase total loan authority to a new high level, particularly in the direct farm ownership loan program.

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<sup>50</sup> For more background, see CRS Report RS21977, *Agricultural Credit: Institutions and Issues*.

<sup>51</sup> The Individual Development Account program was authorized in the 2008 farm bill but has never received appropriations. It is not a loan program, but rather a savings program (7 U.S.C. 1983b). USDA grants to private entities that would deliver the program would match farmer deposits at a rate up to 2:1. Withdrawals would be allowed for various capital expenses.

<sup>52</sup> Updates on unused FSA loan availability are available at <http://www.fsa.usda.gov/programs-and-services/farm-loan-programs/funding/index>.

**Table 8. Farm Service Agency: Farm Loan Program**  
(budget authority and loan authority, as specified, in millions of dollars)

	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800	in House Bill	in Senate Bill	
<b>I. Budget Authority (loan subsidy)</b>									
<b>Farm ownership loans</b>									
Direct	18.6	4.4	—	—	—	—	+0.0	+0.0	+0.0
<b>Farm operating loans</b>									
Direct	54.0	65.5	63.1	54.0	54.0	54.0	-9.1	-9.1	+0.0
Guaranteed (unsubsidized)	16.5	18.3	14.8	14.4	14.4	14.4	-0.4	-0.4	+0.0
<b>Other direct loans</b>									
Emergency loans	1.2	1.7	0.9	1.3	1.3	1.3	+0.4	+0.4	+0.0
Indian highly fractionated land loans	0.2	0.1	—	—	—	—	+0.0	+0.0	+0.0
<b>Individual Development Accounts</b>	—	—	—	2.5	—	—	+0.0	+0.0	+0.0
<b>Subtotal, loan subsidy</b>	<b>90.5</b>	<b>90.0</b>	<b>78.7</b>	<b>72.1</b>	<b>69.6</b>	<b>69.6</b>	<b>-9.2</b>	<b>-9.2</b>	<b>+0.0</b>
FLP salaries and expenses	281.6	307.0	307.0	310.0	307.0	307.0	+0.0	+0.0	+0.0
FLP administrative expenses	7.3	7.7	7.9	7.9	7.9	7.9	+0.0	+0.0	+0.0
<b>Total, FLP budget authority</b>	<b>379.3</b>	<b>404.7</b>	<b>393.6</b>	<b>390.0</b>	<b>384.5</b>	<b>384.5</b>	<b>-9.2</b>	<b>-9.2</b>	<b>+0.0</b>

	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H. Cmte. H.R. 3049	S. Cmte. S. 1800	in House Bill	in Senate Bill	
<b>2. Loan Authority (loan level)</b>									
<b>Farm ownership loans</b>									
Direct	438.5	575.0	1,500.0	1,500.0	1,500.0	1,500.0	+0.0	+0.0	+0.0
Guaranteed	1,500.0	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0	+0.0	+0.0	+0.0
<b>Farm operating loans</b>									
Direct	969.5	1,195.6	1,252.0	1,252.0	1,252.0	1,252.0	+0.0	+0.0	+0.0
Guaranteed (unsubsidized)	1,384.8	1,500.0	1,393.4	1,393.4	1,393.4	1,393.4	+0.0	+0.0	+0.0
<b>Conservation loans</b>									
Guaranteed	150.0	150.0	150.0	150.0	150.0	150.0	+0.0	+0.0	+0.0
<b>Other direct loans</b>									
Emergency loans	21.6	34.7	34.7	34.7	34.7	34.7	+0.0	+0.0	+0.0
Indian tribe land acquisition loans	2.0	2.0	2.0	2.0	2.0	2.0	+0.0	+0.0	+0.0
Indian highly fractionated land loans	9.2	10.0	10.0	10.0	10.0	10.0	+0.0	+0.0	+0.0
Boll weevil eradication loans	100.0	60.0	60.0	60.0	60.0	60.0	+0.0	+0.0	+0.0
<b>Total, loan authority</b>	<b>4,575.7</b>	<b>5,527.3</b>	<b>6,402.1</b>	<b>6,402.1</b>	<b>6,402.1</b>	<b>6,402.1</b>	<b>+0.0</b>	<b>+0.0</b>	<b>+0.0</b>

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills. Amounts for FY2013 are the post-sequestration level from the USDA FY2013 Operating Plan.

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

## Commodity Credit Corporation<sup>53</sup>

The Commodity Credit Corporation (CCC) is the funding mechanism for many mandatory spending programs in the 2014 farm bill (P.L. 113-79, the Agricultural Act of 2014).<sup>54</sup> These include farm subsidy and disaster payments, as well as a host of other programs that receive mandatory funding such as conservation, trade, food aid, research, rural development, and bioenergy. (Programs with different mandatory funding sources than the CCC include crop insurance, SNAP, child nutrition, and Section 32.) Emergency supplemental spending also has been paid from the CCC over the years, particularly for ad hoc farm disaster payments, for direct market loss payments to growers of various commodities in response to low farm commodity prices, and for animal and plant disease eradication efforts. Separate discretionary appropriations to the Farm Service Agency and other agencies pay for salaries to administer the programs.

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

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

The congressional appropriation may not always restore the line of credit to the previous year's level, or may repay more than was spent. For these reasons, the appropriation to the CCC may not reflect current year outlays. Moreover, the CCC appropriation is several billion dollars greater than the amount of farm commodity subsidies because other programs are paid from CCC.<sup>55</sup>

To replenish CCC's borrowing authority, the House- and Senate-reported FY2016 appropriations bills concur with the Administration request for an indefinite appropriation ("such sums as necessary"). The estimated amount is \$10.520 billion for FY2016, down 22% from FY2015.

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

[N]one of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries or expenses of any employee of the Department of Agriculture or officer of the Commodity Credit Corporation to carry out clause 3 of Section 32 of the Agricultural Adjustment Act of 1935 (P.L. 74-320, 7 U.S.C. 612c, as amended), or for any surplus removal activities or price support activities under section 5 of the Commodity Credit Corporation Charter Act.<sup>56</sup>

<sup>53</sup> This section was written by Jim Monke (7-9664, jmonke@crs.loc.gov).

<sup>54</sup> For more background on the farm bill, see CRS In Focus IF10187, *The 2014 Farm Bill (Agricultural Act of 2014, P.L. 113-79)*, and CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*.

<sup>55</sup> For an example of the accounting of CCC's line of credit, appropriations and expenditures, see USDA, *Commodity Estimates Book*, "Output 07-CCC Financing Status," at <http://www.fsa.usda.gov/about-fsa/budget-and-performance-management/budget/coc-budget-essentials/index>.

<sup>56</sup> For an explanation of the statutory references, see footnote 36.

Separately, the House-reported bill would restore the use of “commodity certificates” for the marketing loan program, including not being subject to payment limits (§739). The provision is projected to cost \$5 million in FY2016. Commodity certificates have not been available since the 2009 crop year and are payments-in-kind that can be redeemed for cash in lieu of marketing loan gains or forfeiture (7 U.S.C. 7286).<sup>57</sup> Besides providing flexibility in repaying marketing loans, commodity certificates have been used to avoid payment limitations. Under the 2014 farm bill, payment limits again apply to marketing loan gains, after having not been subject to limits under the 2008 farm bill. The Senate-reported bill does not contain this provision.

Finally, the House-reported bill would continue a provision that has been enacted since FY2011 that limits the ability of USDA to provide marketing assistance loans for mohair (§722). The Senate-reported bill does not contain this provision.

## **Crop Insurance<sup>58</sup>**

The federal crop insurance program is administered by USDA’s Risk Management Agency (RMA). It offers basically free catastrophic insurance to producers who grow an insurable crop. Producers who opt for this coverage have the opportunity to purchase additional insurance coverage at a subsidized rate (ranging between 38% and 80%). Policies are sold and serviced through approved private insurance companies that have their program losses reinsured by USDA and are reimbursed by the government for their administrative and operating expenses.<sup>59</sup>

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

For the discretionary salaries and expenses of the RMA, the Senate-reported bill for FY2016 is unchanged from the FY2015 appropriation at \$74.8 million; the House-reported bill would provide slightly less at \$74.0 million. Neither bill accommodates the Administration’s request for an increase of \$2.1 million for 12 new staff to improve payment compliance efforts. The Senate report language encourages RMA to research the feasibility of poultry industry-related insurance, and expand availability of organic price elections for crop policies.

For the mandatory appropriation to the Federal Crop Insurance Fund, the House- and Senate-reported FY2016 appropriations bills concur with the Administration request for an indefinite appropriation (“such sums as necessary”) for FCIC. The estimated amount is \$8.175 billion for FY2016, down 8% from FY2015. (The actual amount required to cover program losses and other subsidies is subject to change based on actual crop losses and farmer participation rates in the program.) The year-over-year decline is driven by expected lower commodity prices, which results in a reduced level of premium subsidies.

The House bill would prevent USDA from enforcing a conservation compliance requirement that was in the 2014 farm bill for the 2016 crop insurance year (§748). For more background about this rider, see the discussion under “Conservation Compliance.”

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<sup>57</sup> For more background on commodity certificates, see CRS Report RL34594, *Farm Commodity Programs in the 2008 Farm Bill*; USDA fact sheet, “Commodity Certificates,” May 2007, at [http://www.fsa.usda.gov/Internet/FSA\\_File/comdtycertif07n.pdf](http://www.fsa.usda.gov/Internet/FSA_File/comdtycertif07n.pdf); and USDA Economic Research Service, “Farm Policy Glossary,” at <http://www.ers.usda.gov/topics/farm-economy/farm-commodity-policy/farm-policy-glossary.aspx>.

<sup>58</sup> This section was written by Jim Monke (7-9664, [jmonke@crs.loc.gov](mailto:jmonke@crs.loc.gov)).

<sup>59</sup> For more information, see CRS Report R40532, *Federal Crop Insurance: Background*.



## **Disaster Assistance<sup>60</sup>**

Agricultural-related disaster assistance usually has been funded in emergency supplemental appropriations or through various mandatory spending programs, and typically has not been provided through regular appropriations. In recent years, however, disaster assistance has been incorporated more often into annual appropriations bills as a vehicle for passage.

The House-reported bill repurposes \$2.4 million in unobligated balances under the Emergency Watershed Protection (EWP) program (§742 of H.R. 3049). The unobligated funds originally were provided in prior year supplemental appropriations that directed funds to specific states, counties, and disasters, including wildfire recovery in southern California (FY2004), Hurricane Katrina and other 2005 hurricanes (FY2006), and flooding in the Midwest (FY2007).

Under the EWP program, a national or state emergency does not have to be declared in order to receive assistance. Funding in recent years, however, has required that EWP funds be used for necessary expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121, *et seq.*). This allows the funding to be designated as “disaster funding” and for the purpose of budget scoring is not counted against the discretionary spending cap. The inclusion of the Stafford Act requirement, however, limited the number and types of disasters the EWP program is able to respond to.<sup>61</sup>

The House-reported bill’s \$2.4 million allows the funding to be spent according to the purposes of the program and for disasters occurring in FY2016 or FY2017, to remain available until expended. The House bill does not include the Stafford Act limitation and therefore is scored against the discretionary spending cap (see **Table 15**).

The Senate-reported bill does not contain any disaster assistance or EWP funding.

## **Conservation<sup>62</sup>**

USDA administers a number of agricultural conservation programs that assist private landowners with natural resource concerns. These include working land programs, land retirement and easement programs, watershed programs, technical assistance, and other programs. The two lead agricultural conservation agencies within USDA are the Natural Resources Conservation Service (NRCS)—which provides technical assistance and administers most programs—and the Farm Service Agency (FSA)—which administers the Conservation Reserve Program (CRP).<sup>63</sup>

Most conservation program funding is mandatory, funded through the Commodity Credit Corporation (CCC) and authorized in omnibus farm bills (about \$5.3 billion of CCC funds for conservation in FY2016). Other conservation programs—mostly technical assistance—are discretionary and funded through annual appropriations.

As discussed below, the House- and Senate-reported bills include the same level of reductions to mandatory conservation programs as proposed in the Administration’s request, though for different programs. Both bills propose less than the Administration’s discretionary request.

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<sup>60</sup> This section was written by Megan Stubbs (7-8707, mstubbs@crs.loc.gov).

<sup>61</sup> For additional information on the EWP program and the Stafford Act limitation, see CRS Report R42854, *Emergency Assistance for Agricultural Land Rehabilitation*.

<sup>62</sup> This section was written by Megan Stubbs (7-8707, mstubbs@crs.loc.gov).

<sup>63</sup> For additional information on USDA conservation programs, see CRS Report R40763, *Agricultural Conservation: A Guide to Programs*.



## Discretionary Conservation Programs

All discretionary conservation programs are administered by NRCS. The largest program and the account that funds most NRCS activities is Conservation Operations (CO). The House-reported bill would provide \$833 million for CO and Senate-reported bill \$855 million, both more than the Administration’s request (\$831 million). The House proposal is a 1.6% decrease from the FY2015 amount (\$846 million) and the Senate proposal is a 1.0% increase.

Both bills further direct CO funding for a number of conservation programs (**Table 9**). The committee reports include a number of congressionally-directed actions, including program administration, invasive species, wetland mitigation, herbicide resistance, conservation practices, species protection, and partner agreements. While these actions do not include specific funding, they ultimately can direct funding to congressionally identified projects similar to earmarks.

**Table 9. Conservation Operations Funding**  
(budget authority in millions of dollars)

Program	FY2015	FY2016		
	P.L. 113-235	Admin. Request	House H.R. 3049	Senate S. 1800
<b>Conservation Operations</b>	<b>846</b>	<b>831</b>	<b>833</b>	<b>855</b>
Conservation Technical Assistance	748	733	735	0
Soil Survey	80	80	80	0
Snow Survey	9.3	8.9	8.9	0
Plant Material Center	9.4	9.2	9.1	0
Watershed Projects (Watershed Operations)	5.6	0	0	10.6
Conservation Delivery Streamlining Initiative	1.5	14.7	1.5	0

**Source:** CRS, from H.R. 3049, S. 1800, H.Rept. 114-205, and S.Rept. 114-82.

**Notes:** Lack of a specific funding level may only mean an absence of being mentioned in FY2016 report language.

Funding also is provided in the House-reported bill (and in FY2015 and the 2014 farm bill) for the Watershed Rehabilitation program to repair aging dams previously built by USDA.<sup>64</sup> The Administration proposed no funding for this program, contending that the maintenance, repair, and operation of dams are local responsibilities. The enacted FY2015 appropriation included \$12 million for the program, and the 2014 farm bill (P.L. 113-79) added an additional \$250 million in mandatory funding for FY2014 to remain available until expended.<sup>65</sup> H.R. 3049 would provide \$6 million for FY2016. S. 1800 includes no funding for the program.

## Mandatory Conservation Programs

Mandatory conservation programs generally are authorized in omnibus farm bills and receive funding from the CCC, thus not requiring an annual appropriation.<sup>66</sup> But Congress has reduced

<sup>64</sup> See CRS Report RL30478, *Federally Supported Water Supply and Wastewater Treatment Programs*.

<sup>65</sup> Mandatory funding for the program was restricted in the FY2015 appropriation. Approximately \$69 million (before sequestration) remains unobligated and available in FY2016. Additional restrictions, however, are proposed in both the House- and Senate-reported bills and discussed further in the next section.

<sup>66</sup> For authorized funding and background, see CRS Report R40763, *Agricultural Conservation: A Guide to Programs*.

mandatory conservation programs through changes in mandatory program spending (CHIMPS) in the annual agricultural appropriations law every year since FY2003. Because money is fungible, the savings from these reductions are not necessarily applied toward other conservation activities.

The Administration's annual request historically has included proposed reductions to conservation funding, usually more substantial than Congress has supported. The House- and Senate-reported bills, as well as the Administration's proposal, would continue the CHIMPS to farm bill conservation programs, each including a total of \$255 million.<sup>67</sup> Sequestration would further reduce these and other mandatory conservation programs in FY2016, resulting in an estimated total reduction of \$526 million, or roughly 10% of all mandatory conservation funding.<sup>68</sup>

The number of conservation programs reduced through appropriations varies from year to year; however, some programs are continuously reduced, while others almost never receive a reduction. Programs such as the Environmental Quality Incentives Program (EQIP) have been reduced annually since FY2003, while others, such as the Conservation Reserve Program (CRP), have not been reduced in over a decade. In FY2016, the mix of programs reduced is similar to previous years—EQIP, Watershed Rehabilitation Program, and Conservation Stewardship Program.<sup>69</sup> The Administration's proposal and both bills reduce the three aforementioned programs in varying amounts, but result in the same total CHIMPS. What varies most is the use of rescissions.

Unlike CHIMPS, which apply only to the current fiscal year and do not typically change or permanently cancel the statutory funding authority, a rescission is a permanent cancellation of budget authority. The 2014 farm bill amended mandatory funding for several conservation programs, allowing unobligated funds from previous years to be carried forward until expended or expired. This new provision allows not only unobligated funding to be carried forward to the next fiscal year, but prior year's CHIMPS as well. Therefore, not only are current-year mandatory funds subject to sequestration and CHIMPS, but so are unobligated prior-year funds and prior-year CHIMPS. The Administration's request includes over \$320 million in conservation-related rescissions (funding that would be permanently cancelled and not carried forward), compared to \$68 million rescinded in the Senate-reported bill and none in the House-reported bill.

## Conservation Compliance

Conservation compliance is a provision requiring producers to maintain a minimum level of conservation on highly erodible land and not to convert wetlands to crop production in exchange for certain USDA program benefits.<sup>70</sup> The 2014 farm bill amended the conservation compliance requirement, adding federal crop insurance subsidies to the list of program benefits that could be lost if a producer were found out of compliance. The House-reported bill (§748) would delay the implementation of conservation compliance for federal crop insurance subsidies in the 2016 reinsurance year. The Senate-reported bill does not contain a comparable provision.

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<sup>67</sup> The Administration's proposal and House- and Senate-reported bills propose a total of \$255 million in CHIMPS from conservation programs. This total appears different than those presented in **Table 13**. CBO was not consistent in scoring the Senate-reported bill and the Administration's proposal, giving credit for a level of CHIMPS that was not available to the House-reported bill because of sequestration. If sequestration were included consistently, all three would reduce conservation programs by the same amount. It is the mix of programs and level of rescissions that differ.

<sup>68</sup> OMB estimates a 6.8% level of sequestration for non-exempt, non-defense mandatory accounts. See **Appendix B**.

<sup>69</sup> For more on CHIMPS generally and historically, see the heading, "Changes in Mandatory Program Spending (CHIMPS)." For more about conservation program reductions, see CRS In Focus IF10041, *Reductions to Mandatory Agricultural Conservation Programs in Appropriations Law*.

<sup>70</sup> For more about conservation compliance, see CRS Report R42459, *Conservation Compliance and U.S. Farm Policy*.

USDA conducted a public outreach campaign aimed at certifying producer's compliance with the conservation requirements before the crop insurance year deadline of June 1, 2015. In July 2015, following the certification deadline, USDA reported a 98.2% certification rate.<sup>71</sup> Supporters of conservation compliance contend that the high compliance certification indicates that the House-reported bill's provision is not necessary. Some producer groups, however, contend that additional time is needed for producers who are unaware of the deadline to certify compliance.

## **Rural Development<sup>72</sup>**

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

The House-reported bill (H.R. 3049) and the Senate-reported bill (S. 1800) would each provide a total of \$2.49 billion in discretionary budget authority for rural development programs in FY2016.<sup>73</sup> This is approximately \$90 million more than enacted for FY2015, and \$110 million less than requested by the Administration (**Table 10**). The Senate bill would support \$37.2 billion in loan authority and the House bill would support \$35.9 billion.

Salaries and expenses within Rural Development are funded from a direct appropriation plus transfers from each of the agencies. The House bill would provide a combined salaries and expenses total of \$679.2 million for FY2016, about \$1 million more than in FY2015. The Senate bill would provide \$682.7 million in salaries and expenses.

## **Rural Housing Service (RHS)**

For FY2016, the House bill provides \$1.79 billion in budget authority for RHS programs (before transfers). This is approximately \$73 million (+4.3%) more than FY2015. The Senate bill would also provide \$1.78 billion. With this budget authority, the two bills would provide approximately \$27.5 billion in loan authority, essentially the same as the FY2015 total loan authority.

The single-family housing loan program (Section 502 of the Housing Act of 1949) is the largest activity, representing over 90% of RHS's total loan authority. Both the Senate and House bills would provide \$900 million for direct loans and \$24 billion for guarantees, the same as FY2015.

For other housing loan programs, both the House and Senate bills would provide \$3.4 million in budget authority to support \$26.3 million in loans for the Section 504 Very Low-Income Housing Repair loan program, approximately the same as FY2015 and as requested by the Administration. For the Multi-Family Housing loan guarantee program (Section 538), the House bill would provide \$150 million of loan authority (the same as for FY2015) and the Senate bill would provide \$200 million. For the Section 515 Rental Housing Program, both the House and Senate bills would provide loan authority of \$28.4 million and \$8.4 million in subsidies (the loan authority is the same as FY2015, but 33% less than the Administration requested).

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<sup>71</sup> The 1.8% uncertified represents approximately 10,000 of the total 561,000 crop insurance policy holders nationwide. USDA suggested that non-certifiers were likely no longer farming or filed forms with errors that may still be resolved.

<sup>72</sup> This section was written by Tadlock Cowan (7-7600, tcowan@crs.loc.gov).

<sup>73</sup> If the rescission to the Cushion of Credit account (-\$154 million in the House bill and -\$182 million in the Senate bill) is not incorporated in the rural development section but included with changes in mandatory spending, as shown in this report and the CBO score, then the net budget authority would be approximately \$2.65 billion (**Table 10**).

Rental Assistance Program grants (Section 521) are the largest budget authority line item in RHS, accounting for about 65% of the total (**Table 10**). Both the House and Senate bills would provide \$1.16 billion in new budget authority, an increase of \$78.5 million from FY2015 (+7.2%).

For the Multi-Family Revitalization program, both bills would provide a total of \$24 million, \$10 million less than the request and the same as for FY2015.

The Rural Housing Service also administers the Rural Community Facilities program, which provides direct loans, loan guarantees, and grants for “essential community facilities” in rural areas with less than 20,000 people. The House bill would provide \$30.3 million, of which \$3.5 million would support a direct and guaranteed loan authorization level of \$2.34 billion and the rest for grants, all the same as for FY2015. The Senate bill would provide slightly less, particularly for guaranteed loans; \$28.7 million, of which \$2 million would support \$2.28 billion of loans and the rest for grants. The Administration requested to shift away from loans, but both bills rejected that idea and continued the historical ratio. Besides \$13 million of facilities grants, the program also supports economic development programs. The House and Senate bills would provide the same amounts for the Rural Community Development Initiative (\$4 million), Economic Impact Initiative grants (\$5.8 million), and Tribal College Grants (\$4 million).

### **Rural Business-Cooperative Service (RBS)**

The House-reported bill would provide \$91.5 million to the RBS before the “cushion of credit”<sup>74</sup> rescission and transfers; the Senate bill is slightly more at \$95.9 million.<sup>75</sup> These are less than FY2015. The House bill would support \$985 million in loan authority for the various RBS loan programs, and the Senate bill slightly more at \$994 million in loan authority.

For the Rural Business Program account, with the exception of the Delta Regional Authority, both the House and Senate bills would provide \$59.7 million in new budget authority, \$11.3 million less than FY2015. This includes the Business and Industry (B&I) Loan Guarantee program (\$35.6 million of loan subsidy to support \$920 million of guaranteed loans), and the Rural Business Development Grant program (\$24 million).<sup>76</sup> The Senate bill would continue \$3 million for the Delta Regional Authority, while the House follows the Administration’s request for no funding.

For Rural Cooperative Development Grants, the House bill would provide \$21.3 million and the Senate bill \$22.05 million. These include cooperative development (\$5.8 million), Appropriate Technology Transfer for Rural Areas (\$2.5 million), grants to assist minority producers (\$3 million), and Value-Added Product Development grants (\$10 million in the House bill, \$10.75 million in the Senate bill). With the exception of a \$750,000 reduction in Value-Added grants in the House bill, these are the same levels of funding as in FY2015.

For the Rural Energy for America Program (REAP), the House bill would provide \$842,000 for loan subsidies to support \$12.8 million in loans. This is the same loan authorization level as FY2015, but with less budget authority. The Senate bill would provide 41% less in loan authority (\$500,000 in budget authority to support \$7.6 million in REAP loans). As in FY2015, there is no appropriation in either bill for REAP grants. The Administration had requested \$5 million.

<sup>74</sup> For certain RBS loans, borrowers may forward pay into a Treasury account that earns interest. Appropriators authorize a loan level, and the needed budget authority comes from the interest earned rather than new appropriations. A rescission of the cushion of credit account reduces the amount that remains available for the program to spend.

<sup>75</sup> If the cushion of credit rescission is incorporated as in the Appropriations committee tables (-\$154 million in the House bill, -\$182 million in the Senate bill), the net RBS budget authority provided would be negative.

<sup>76</sup> Business Development grants combine Rural Business Enterprise grants and Rural Business Opportunity grants.

The Administration requested funding for two new business programs: the Rural Business Investment Program (\$6 million) and the Healthy Food Financing Initiative (HFFI, \$13 million). The former was authorized in the 2002 farm bill (P.L. 107-171, §6029) but was not implemented. The HFFI was authorized in the 2014 farm bill (P.L. 113-79, §4206). The Administration also requested \$4.8 million for the Rural Microenterprise Assistance Program. The House bill would not fund any of these programs. The Senate bill would provide \$1 million for the HFFI.

### **Rural Utilities Service (RUS)**

For FY2016, the House bill would provide \$544 million in new budget authority for the Rural Utilities Service before transferring salaries and expenses, about \$8 million more than FY2015. This level would support \$7.5 billion in loan authorization (**Table 10**). The Senate bill would provide more than the House bill: \$568 million in new budget authority (+4% compared with the House bill) to support \$8.7 billion in loan authority (+17% compared to the House).

The Rural Water and Waste Disposal Program account is 87% of the RUS appropriation. The House bill would provide \$474 million in budget authority, \$9 million more than FY2015 and \$9 million less than the Administration requested. The Senate bill would provide \$497 million, \$23 million more than the House. Both bills would support \$1.25 billion in direct and guaranteed loans. Differences between the bills reside among the grant programs, as noted below:

- Water/Waste Water grants (\$337.1 million House; \$347.1 million Senate),
- Grants for Colonias,<sup>77</sup> and Alaska and Hawaii Natives (\$54.2 million House; \$66.5 million Senate),
- Technical Assistance (\$19 million in both),
- Circuit Rider program (\$15.9 million House; \$16.5 million Senate),
- High Energy Cost grants (\$0 House; \$10 million Senate),
- Emergency Community Water Assistance Grants (\$10 million House; \$0 Senate),
- Solid Waste Management grants (\$4.0 million in both),
- Water and Waste Water revolving fund (\$1.0 million in both),
- Individual Well Water grants (\$993,000 in both).

The House-reported bill would provide \$5.5 billion in rural electric loan authority (\$6.7 billion in the Senate) and \$690 million for Treasury rate telecommunication loans (same in the Senate).

For the combined distance learning, telemedicine, and broadband account, the House bill would provide \$35.6 million in budget authority, \$1.2 million less than for FY2015. The Senate bill would provide \$36.8 million, the same as for FY2015.

- For distance learning/telemedicine, the House bill would provide \$20.0 million in grants, \$2 million less than FY2015. The Senate bill would provide \$22 million.
- For rural broadband grants, both House and Senate bills would provide \$10.4 million, the same as FY2015. For loans, the House bill would provide \$5.2 million to subsidize \$24.1 million in direct loans, the same loan level as FY2015. The Senate bill would provide 14.5% less than the House for such loans.

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<sup>77</sup> Colonias generally are described as unincorporated communities or housing developments on the U.S. side of the U.S.-Mexico border that lack some or all basic infrastructure, including plumbing and public water and sewer.

**Table 10. USDA Rural Development Appropriations**

(budget authority in millions of dollars)

Summary	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H.Cmte. H.R. 3049	S.Cmte. S. 1800	in House Bill	in Senate Bill	
Salaries and expenses (direct)	192.1	203.4	224.2	226.7	222.7	228.7	-1.5	+4.5	+6.0
Transfers from RHS, RBCS, RUS	420.9	454.0	454.0	458.9	456.5	454.0	+2.5	+0.0	-2.5
<b>Subtotal, salaries and exp.</b>	<b>613.0</b>	<b>657.4</b>	<b>678.2</b>	<b>685.6</b>	<b>679.2</b>	<b>682.7</b>	<b>+1.0</b>	<b>+4.5</b>	<b>+3.5</b>
<b>Programs</b>									
1. Rural Housing Service	1,031.1	1,279.6	1,298.4	1,394.7	1,368.7	1,367.2	+70.4	+68.8	-1.6
2. Rural Business-Cooperative Service <sup>a</sup>	114.2	130.2	103.2	138.7	87.0	91.5	-16.2	-11.8	+4.4
3. Rural Utilities Service	520.8	501.6	501.7	538.4	509.7	533.7	+8.0	+32.0	+24.0
Office of the Under Secretary	0.8	0.9	0.9	0.9	0.9	0.9	-0.0	+0.0	+0.0
<b>Total, Rural Development</b>	<b>2,279.9</b>	<b>2,569.7</b>	<b>2,582.4</b>	<b>2,758.4</b>	<b>2,645.6</b>	<b>2,675.9</b>	<b>+63.2</b>	<b>+93.5</b>	<b>+30.3</b>
<i>Alternate total (including rescissions)<sup>a</sup></i>									
<i>Less rescission of Cushion of Credit</i>	<i>-180.0</i>	<i>-172.0</i>	<i>-179.0</i>	<i>-154.0</i>	<i>-154.0</i>	<i>-182.0</i>	<i>+25.0</i>	<i>-3.0</i>	<i>-28.0</i>
<b>Net, Rural Development (in cmte. rept.)</b>	<b>2,099.9</b>	<b>2,397.7</b>	<b>2,403.4</b>	<b>2,604.4</b>	<b>2,491.6</b>	<b>2,493.9</b>	<b>+88.2</b>	<b>+90.5</b>	<b>+2.3</b>
<b><u>I. Rural Housing Service</u></b>									
Administrative expenses (transfer)	383.3	415.1	415.1	419.5	417.9	415.1	+2.8	+0.0	-2.8
Single family direct loans (Sec. 502)	50.2	24.5	66.4	60.8	60.8	60.8	-5.7	-5.7	+0.0
<i>Loan authority</i>	<i>840.1</i>	<i>900.0</i>	<i>900.0</i>	<i>900.0</i>	<i>900.0</i>	<i>900.0</i>	<i>+0.0</i>	<i>+0.0</i>	<i>+0.0</i>
Single family guaranteed loans: <i>Loan authority<sup>b</sup></i>	<i>24,000.0</i>	<i>24,000.0</i>	<i>24,000.0</i>	<i>24,000.0</i>	<i>24,000.0</i>	<i>24,000.0</i>	<i>+0.0</i>	<i>+0.0</i>	<i>+0.0</i>
Other RHIF programs <sup>c</sup>	29.3	22.8	29.4	31.1	27.0	26.9	-2.5	-2.5	-0.1
<i>Loan authority</i>	<i>241.7</i>	<i>248.6</i>	<i>248.3</i>	<i>307.4</i>	<i>248.5</i>	<i>298.3</i>	<i>+0.3</i>	<i>+50.0</i>	<i>+49.7</i>
<b>Subtotal, RHIF</b>	<b>462.7</b>	<b>462.4</b>	<b>510.9</b>	<b>511.4</b>	<b>505.6</b>	<b>502.7</b>	<b>-5.4</b>	<b>-8.2</b>	<b>-2.8</b>
<b><i>Loan authority</i></b>	<b><i>25,081.8</i></b>	<b><i>25,148.6</i></b>	<b><i>25,148.3</i></b>	<b><i>25,207.4</i></b>	<b><i>25,148.5</i></b>	<b><i>25,198.3</i></b>	<b><i>+0.3</i></b>	<b><i>+50.0</i></b>	<b><i>+49.7</i></b>



Summary	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H.Cmte. H.R. 3049	S.Cmte. S. 1800	in House Bill	in Senate Bill	
<b>Other housing programs</b>									
Rental assistance (Sec. 521)	834.3	1,110.0	1,088.5	1,171.9	1,167.0	1,167.0	+78.5	+78.5	+0.0
Other rental assistance <sup>d</sup>	2.8	—	—	—	—	—	+0.0	+0.0	+0.0
Multifamily housing revitalization	26.4	32.6	24.0	34.0	24.0	24.0	+0.0	+0.0	+0.0
Mutual & self-help housing grants	27.7	25.0	27.5	10.0	27.5	27.5	+0.0	+0.0	+0.0
Rural housing assistance grants	30.6	32.2	32.2	25.0	32.2	32.2	+0.0	+0.0	+0.0
<b>Rural Community Facilities Program</b>									
Community Facilities: Grants	12.1	13.0	13.0	50.0	13.0	13.0	+0.0	+0.0	+0.0
Community Facilities: <i>Direct loan authority</i>	2,200.0	2,200.0	2,200.0	2,200.0	2,200.0	2,200.0	+0.0	+0.0	+0.0
Community Facilities: Guarantees	3.6	3.8	3.5	—	3.5	2.0	+0.0	-1.5	-1.5
<i>Loan authority</i>	53.3	59.5	73.2	—	148.3	84.7	+75.1	+11.5	-63.6
Rural community dev. initiative	5.7	6.0	4.0	4.0	4.0	4.0	+0.0	+0.0	+0.0
Economic impact initiative grants	5.5	5.8	5.8	—	5.8	5.8	+0.0	+0.0	+0.0
Tribal college grants	3.1	4.0	4.0	8.0	4.0	4.0	+0.0	+0.0	+0.0
<b>Subtotal, Rural Community Facilities</b>	<b>30.0</b>	<b>32.5</b>	<b>30.3</b>	<b>62.0</b>	<b>30.3</b>	<b>28.8</b>	<b>+0.0</b>	<b>-1.5</b>	<b>-1.5</b>
<i>Loan authority</i>	<b>2,253.3</b>	<b>2,259.5</b>	<b>2,273.2</b>	<b>2,200.0</b>	<b>2,348.3</b>	<b>2,284.7</b>	<b>+75.1</b>	<b>+11.5</b>	<b>-63.6</b>
<b>Total, Rural Housing Service</b>	<b>1,414.3</b>	<b>1,694.7</b>	<b>1,713.5</b>	<b>1,814.3</b>	<b>1,786.6</b>	<b>1,782.3</b>	<b>+73.1</b>	<b>+68.8</b>	<b>-4.3</b>
Less transfer salaries & expenses	-383.3	-415.1	-415.1	-419.5	-417.9	-415.1	-2.8	+0.0	+2.8
<b>Rural Housing Service (programs)</b>	<b>1,031.1</b>	<b>1,279.6</b>	<b>1,298.4</b>	<b>1,394.7</b>	<b>1,368.7</b>	<b>1,367.2</b>	<b>+70.4</b>	<b>+68.8</b>	<b>-1.6</b>
<i>Loan authority</i>	<b>27,335.1</b>	<b>27,408.1</b>	<b>27,421.5</b>	<b>27,407.4</b>	<b>27,496.8</b>	<b>27,483.0</b>	<b>+75.3</b>	<b>+61.5</b>	<b>-13.8</b>

Summary	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H.Cmte. H.R. 3049	S.Cmte. S. 1800	in House Bill	in Senate Bill	
<b><u>2. Rural Business Cooperative Service</u></b>									
Rural Business Program Account									
Guar. Bus. & Ind. (B&I) Loans	52.3	67.0	47.0	31.4	35.7	35.7	-11.3	-11.3	+0.0
<i>Loan authority</i>	890.2	958.1	919.8	758.2	919.8	919.8	+0.0	+0.0	+0.0
Rural bus. enterprise grants	22.6	24.3	24.0	30.0	24.0	24.0	+0.0	+0.0	+0.0
Rural bus. opportunity grants	2.1	2.3	—	—	—	—	+0.0	+0.0	+0.0
Delta regional authority grants	2.8	3.0	3.0	—	—	3.0	-3.0	+0.0	+3.0
Rural child poverty	—	—	—	20.0	—	—	+0.0	+0.0	+0.0
<b>Rural Development Loan Fund Program</b>									
Admin. expenses (transfer)	4.1	4.4	4.4	4.5	4.4	4.4	-0.0	+0.0	+0.0
Loan subsidy	5.6	4.1	5.8	2.8	5.2	5.2	-0.6	-0.6	+0.0
<i>Loan authority</i>	17.4	18.9	18.9	10.0	18.9	18.9	+0.0	+0.0	+0.0
Rural Econ. Dev.: <i>Loan authority</i>	33.1	33.1	33.1	85.0	33.1	48.0	+0.0	+14.9	+14.9
Rural coop. development grants	25.7	26.1	22.1	21.1	21.3	22.1	-0.8	+0.0	+0.8
Rural Microenterprise Inv.: Grants	—	—	—	2.0	—	—	+0.0	+0.0	+0.0
Rural Microenterprise: Loan subsidy	—	—	—	2.7	—	—	+0.0	+0.0	+0.0
<i>Loan authority</i>	—	—	—	23.4	—	—	+0.0	+0.0	+0.0
Rural Business Invest. Program: Grants	—	—	—	2.0	—	—	+0.0	+0.0	+0.0
Loan subsidy	—	—	—	4.0	—	—	+0.0	+0.0	+0.0
<i>Loan authority</i>	—	—	—	41.2	—	—	+0.0	+0.0	+0.0



Summary	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H.Cmte. H.R. 3049	S.Cmte. S. 1800	in House Bill	in Senate Bill	
Rural Energy for America: Grants	—	—	—	5.0	—	—	+0.0	+0.0	+0.0
Loan subsidy	3.1	3.5	1.4	5.0	0.8	0.5	-0.5	-0.9	-0.3
<i>Loan authority</i>	<i>13.1</i>	<i>12.8</i>	<i>12.8</i>	<i>75.8</i>	<i>12.8</i>	<i>7.6</i>	+0.0	-5.2	-5.2
Healthy Foods Healthy Neighborhoods Initiative	—	—	—	12.8	—	1.0	+0.0	+1.0	+1.0
<b>Total, Rural Business-Coop. Service</b>	<b>118.3</b>	<b>134.6</b>	<b>107.7</b>	<b>143.2</b>	<b>91.5</b>	<b>95.9</b>	<b>-16.2</b>	<b>-11.8</b>	<b>+4.4</b>
Less transfer salaries & exp.	-4.1	-4.4	-4.4	-4.5	-4.4	-4.4	+0.0	+0.0	-0.0
<b>Rural Bus.-Coop. Service (programs)<sup>a</sup></b>	<b>114.2</b>	<b>130.2</b>	<b>103.2</b>	<b>138.7</b>	<b>87.0</b>	<b>91.5</b>	<b>-16.2</b>	<b>-11.8</b>	<b>+4.4</b>
<i>Loan authority</i>	<i>953.7</i>	<i>1,022.8</i>	<i>984.5</i>	<i>993.6</i>	<i>984.5</i>	<i>994.2</i>	<b>+0.0</b>	<b>+9.8</b>	<b>+9.8</b>
<i>Alternate total (including rescission)<sup>a</sup></i>									
<i>Total, Rural Business-Cooperative Service</i>	<i>118.3</i>	<i>134.6</i>	<i>107.7</i>	<i>143.2</i>	<i>91.5</i>	<i>95.9</i>	<i>-16.2</i>	<i>-11.8</i>	<i>+4.4</i>
<i>Less rescission of Cushion of Credit</i>	<i>-180.0</i>	<i>-172.0</i>	<i>-179.0</i>	<i>-154.0</i>	<i>-154.0</i>	<i>-182.0</i>	<i>+25.0</i>	<i>-3.0</i>	<i>-28.0</i>
<b>Net, Rural Bus.-Coop. Svc. (cmte. rept.)</b>	<b>-61.7</b>	<b>-37.4</b>	<b>-71.3</b>	<b>-10.8</b>	<b>-62.5</b>	<b>-86.1</b>	<b>+8.8</b>	<b>-14.8</b>	<b>-23.6</b>
<b>3. Rural Utilities Service</b>									
<b>Rural Water &amp; Waste Disposal Program</b>									
Loan subsidy and grants	484.5	462.4	464.9	483.3	473.9	496.7	+9.0	+31.9	+22.8
<i>Direct loan authority</i>	<i>923.7</i>	<i>1,200.0</i>	<i>1,200.0</i>	<i>1,200.0</i>	<i>1,200.0</i>	<i>1,200.0</i>	+0.0	+0.0	+0.0
<i>P.L. 83-566 loans</i>	<i>40.0</i>	<i>40.0</i>	—	—	—	—	+0.0	+0.0	+0.0
<i>Guaranteed loan authority</i>	<i>56.6</i>	<i>50.0</i>	<i>50.0</i>	—	<i>50.0</i>	<i>50.0</i>	+0.0	+0.0	+0.0
<b>Rural Electric and Telecom. Loans</b>									
Admin. expenses (transfer)	33.5	34.5	34.5	34.9	34.2	34.5	-0.2	+0.0	+0.2
Telecommunication loan subsidy	—	—	—	0.1	0.2	0.1	+0.2	+0.1	-0.1
<i>Telecommunication loan authority</i>	<i>690.0</i>	<i>690.0</i>	<i>690.0</i>	<i>690.0</i>	<i>690.0</i>	<i>690.0</i>	+0.0	+0.0	+0.0

Summary	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request	H.Cmte. H.R. 3049	S.Cmte. S. 1800	in House Bill	in Senate Bill	
<i>Electricity loan authority</i>	7,100.0	5,500.0	5,500.0	6,000.0	5,500.0	6,750.0	+0.0	+1,250.0	+1,250.0
<b>Distance Learning, Telemed., Broadband</b>									
Distance learning & telemedicine	23.1	24.3	22.0	25.0	20.0	22.0	-2.0	+0.0	+2.0
Broadband: Grants	9.6	10.4	10.4	20.4	10.4	10.4	+0.0	+0.0	+0.0
Broadband: Direct loan subsidy	3.7	4.5	4.5	9.7	5.3	4.5	+0.8	+0.0	-0.8
<i>Direct loan authority</i>	39.1	34.5	24.1	44.2	24.1	20.6	+0.0	-3.5	-3.5
<b>Subtotal, Rural Utilities Service</b>	<b>554.3</b>	<b>536.0</b>	<b>536.2</b>	<b>573.3</b>	<b>544.0</b>	<b>568.2</b>	<b>+7.8</b>	<b>+32.0</b>	<b>+24.2</b>
Less transfer salaries & exp.	-33.5	-34.5	-34.5	-34.9	-34.2	-34.5	+0.2	+0.0	-0.2
<b>Total, Rural Utilities Service</b>	<b>520.8</b>	<b>501.6</b>	<b>501.7</b>	<b>538.4</b>	<b>509.7</b>	<b>533.7</b>	<b>+8.0</b>	<b>+32.0</b>	<b>+24.0</b>
<i>Loan authority</i>	8,849.4	7,514.5	7,464.1	7,934.2	7,464.1	8,710.6	+0.0	+1,246.5	+1,246.5

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills. Amounts for FY2013 are the post-sequestration level from the USDA FY2013 Operating Plan.

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

- a. Amounts for the Rural Business Cooperative Service in this report are before the rescission from the Cushion of Credit account. This allows the agency total to remain positive. Appropriations Committee report tables show the rescission in the agency section, causing the agency total to be less than zero. This CRS report includes the Cushion of Credit rescission in the General Provisions section with changes in mandatory spending, as it is scored by CBO (**Table 13**).
- b. This program became self-funding after enactment of loan guarantee fees being charged to banks that are sufficient to cover the loan subsidy.
- c. Includes Section 504 housing repair, Section 515 rental housing, Section 524 site loans, Section 518 multi-family housing guarantees, single and multi-family housing credit sales, Section 523 self-help housing land development, and farm labor housing.
- d. Section 502(c)(5)(D) eligible households, Section 515 new construction, and farm labor housing new construction.

## Domestic Food Assistance<sup>78</sup>

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

The three main discretionary budget items are the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Commodity Supplemental Food Program (CSFP); and federal nutrition program administration.<sup>79</sup>

For FY2016, both the House- and Senate-reported bills would provide over \$110 billion for domestic food assistance (**Table 11**). The Senate-reported bill would provide about \$65 million more than the House-reported bill, largely due to WIC and child nutrition grant programs. Both bills' report language include further information about the domestic food assistance programs, including general provisions, oversight concerns, and in some cases instructions to USDA.

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

For FY2016, the House-reported bill would provide \$811,000 and the Senate-reported bill would provide \$816,000. This office received \$816,000 in FY2015.

In committee report language for this office, the House committee noted concerns with FNS's research and evaluation agenda. Particularly, the committee would like to see better coordination with USDA's Research, Education, and Economics (REE) mission area. The House-reported bill (§735) would require the Secretary to submit to the appropriations committees a FY2016 research and evaluation plan prepared in coordination with REE before using the bill's funding to commence any new research and evaluation projects. The Senate-reported bill does not include this research policy in its legislation or its committee report. The House report also "urged" FNS to recognize in publications and regulations "the nutritional benefits provided by all forms of fruits, vegetables, and beans, whether canned, dried, fresh or frozen."

## SNAP and Other Programs under the Food and Nutrition Act

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

Both the House-reported and Senate-reported bills would provide over \$81.6 billion for programs under the Food and Nutrition Act, with the House-reported bill providing approximately \$9 million less than the Senate. These funding amounts are about \$180 million less than FY2015 appropriations (less than a 1% decrease), largely due to an estimated reduction in spending on

<sup>78</sup> This section was written by Randy Alison Aussenberg (7-8641, raussenberg@crs.loc.gov).

<sup>79</sup> For background about the programs, see CRS Report R42353, *Domestic Food Assistance: Summary of Programs*.

SNAP benefits.<sup>80</sup> The proposed appropriations would provide \$3 billion for the SNAP contingency reserve fund, equal to past appropriations but less than the \$5 billion requested by the Administration. The Administration has requested less for SNAP benefits than in FY2015 due to a forecast of a slight decrease in participation.<sup>81</sup>

Reported FY2016 appropriations bills for the SNAP account also reflect the funding increases authorized by the 2014 farm bill, such as those for TEFAP and Community Food Projects.<sup>82</sup>

The House committee report includes SNAP-related language supporting the 2014 farm bill's policies regarding employment verification and program recruitment restrictions. House report language also directs FNS to assist states that have a compressed benefit issuance schedule and to report to the House and Senate Appropriations committees on these states' progress.

### **Child Nutrition Programs<sup>83</sup>**

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

The FY2016 reported bills would provide approximately \$21.5 billion for child nutrition programs, with the House-reported bill including \$17 million (<1%) less than the Senate-reported bill. This proposed level is 1% more than the amount provided in FY2015, and includes transfers from the Section 32 account.

The Administration requested funds for certain child nutrition discretionary grants. The House- and Senate-reported bills propose to fund these grants differently:

- **School Meals Equipment and Breakfast Expansion grants.** The House-reported bill would provide \$20 million for this purpose, while the Senate-reported bill would provide \$25 million. The Administration requested \$35 million for FY2016. \$25 million was provided in FY2015.
- **Summer EBT Demonstration Projects.** These programs provide food benefits over summer months to households with children to make up for school meals that children miss when school is out of session and as an alternative to the Summer Food Service Program meals. These projects originally were authorized and funded in the FY2010 appropriation (P.L. 111-80) and most recently received

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<sup>80</sup> As an appropriated, open-ended mandatory program, SNAP funding is not the same as SNAP spending. SNAP regularly receives annual appropriations that are greater than the amount that the program spends. Better measures for SNAP program spending are from USDA-FNS's costs data, available at <http://www.fns.usda.gov/pd/SNAPmain.htm>.

<sup>81</sup> USDA-FNS Congressional Budget Justification, page "32-87," at <http://www.obpa.usda.gov/32fns2016notes.pdf>.

<sup>82</sup> See CRS Report R43332, *SNAP and Related Nutrition Provisions of the 2014 Farm Bill (P.L. 113-79)*.

<sup>83</sup> Further background on these programs and related funding is provided in CRS Report R43783, *School Meals Programs and Other USDA Child Nutrition Programs: A Primer*.

\$16 million in FY2015. The Administration requested approximately \$67 million to continue these projects in FY2016, continuing to cite the positive results of these demonstrations.<sup>84</sup> The House-reported bill would provide \$12 million, while the Senate-reported bill would provide \$16 million.

The House committee report includes language emphasizing that expansion of the Summer EBT program should be addressed to authorizing committees and expresses the committee's concern with improper payments in the programs. The Senate report states that the committee expects that the food safety education activities will be carried out by the National Food Service Management Institute.

### *Child Nutrition Policies in General Provisions*

Both the House- and Senate-reported bills would continue the school meals nutrition standards language that was included in the general provisions of the FY2015 appropriations law:<sup>85</sup>

- **Exemptions from whole grain rules** (House bill §732; Senate bill §745(a)). This language would require USDA to allow states to exempt school food authorities (typically school districts) from the 100% whole grain requirements, if they “demonstrate hardship, including financial hardship, in procuring specific whole grain products which are acceptable to the students and compliant with the whole grain-rich requirements.” The provision, however, requires such exempted authorities to maintain a 50% whole grain minimum, the requirement in place prior to school year 2014-2015. The FY2015 appropriation requires availability of these exemptions through school year 2015-2016; the House- and Senate-reported bills would continue exemptions through school year 2016-2017.<sup>86</sup>
- **Scientific basis for sodium limits** (House bill §733; Senate bill §745(b)). This policy rider would prevent USDA from implementing regulations that require the reduction of sodium in “federally reimbursed meals, foods, and snacks sold in schools” below the “Target 1” limits until “the latest scientific research establishes the reduction is beneficial for children.” (Note: According to the school meals regulations published in January 2012, a lower “Target 2” is to take effect during school year 2017-2018, and a still lower “Target 3” in school year 2022-2023.<sup>87</sup>)

In addition, only the House-reported bill includes a policy rider (§729) to prevent any processed poultry imported from China from being included in the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program (CACFP), and Summer Food Service Program. This provision also was in the FY2015 enacted appropriation.

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

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<sup>84</sup> See USDA-FNS FY2016 Congressional Budget Justification, p. “32-24” for more details on this request. For the FY2010 funding and evaluations, see also USDA-FNS website, “Summer Electronic Benefit Transfer for Children (SEBTC)” <http://www.fns.usda.gov/ops/summer-electronic-benefit-transfer-children-sebtc>.

<sup>85</sup> For background on the updated nutrition standards, see pp. 29-30 of CRS Report R43783, *School Meals Programs and Other USDA Child Nutrition Programs: A Primer*. For a discussion of the FY2015 appropriation, see p. 54 of CRS Report R43669, *Agriculture and Related Agencies: FY2015 Appropriations*.

<sup>86</sup> For USDA's implementation of the FY2015 provision, see USDA-FNS, “Requests for Exemption from the School Meals' Whole Grain-rich Requirement for School years 2014-2015 and 2015-2016,” <http://www.fns.usda.gov/requests-exemption-school-meals%E2%80%99-whole-grain-rich-requirement-school-years-2014-2015-and-2015-2016>.

<sup>87</sup> See 7 C.F.R. 210.10(f)(3), 220.8(f)(3).

**Significance of September 30, 2015 for Activities (Re)authorized by the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296)<sup>88</sup>**

The 2010 reauthorization of the Child Nutrition and WIC programs contains a number of authorizations of appropriations and authorizations with September 30, 2015, end dates, but most program operations can continue so long as funding is provided.

Many of the programs' authorizing provisions are permanent (i.e., they do not have an expiration date associated with them). This is the case for the main functions of NSLP, SBP, CACFP, and Special Milk.

Other programs, including SFSP, WIC, WIC FMNP, and the State Administrative Expenses (funding for states' operation of certain programs), face an expiration date of September 30, 2015, for the authorization of their appropriations. However, even without an authorization extension beyond that date, Congress can still choose to provide funding via the appropriations process, allowing these programs to continue to operate.

Several policies set to expire after September 30, 2015—not authorizations of appropriations—could be affected if their authorizing dates are not changed. These are not major program functions, but have interested stakeholders. This list includes a California program to provide SFSP food year-round, certain food safety audits, and preappropriated funds for a National Hunger Clearinghouse.

## WIC Program

While SNAP and the child nutrition programs are appropriated mandatory programs, WIC is a discretionary program with funding entirely at Congress's annual discretion. Unlike the appropriated entitlements, an inadequate appropriation for the WIC program could reduce the number of pregnant and postpartum women, infants, and children served. Since the late 1990s, the appropriations committees' practice has been to provide enough funds for WIC to serve all who are eligible.<sup>89</sup>

The House-reported bill would provide approximately \$6.48 billion for WIC, a decrease of \$139 million (-2%) from FY2015 appropriations. The Senate-reported bill would provide approximately \$6.51 billion, a decrease of \$110 million (-2%) from FY2015 appropriations.

The House and Senate bills both include set-asides for WIC breastfeeding peer counselors and related activities ("not less than \$60 million"), infrastructure (approximately \$14 million), and management information systems (\$55 million). This is equal to FY2015 set-asides for breastfeeding peer counselors and infrastructure in FY2015, but varies slightly for management information systems. (The FY2015 appropriation included a \$25 million set-aside for transitioning WIC programs to EBT in addition to \$30 million for management information systems generally; the FY2016 bills would include both of these purposes in one set-aside.<sup>90</sup>)

The House committee report includes language explaining that the funding level provided is due to decreasing WIC participation and available carryover funding; the committee's support for a WIC transition to EBT; appreciation for USDA's inclusion of all fruits and vegetables following FY2015 appropriation actions on the issue;<sup>91</sup> instructions for USDA to provide a report on efforts

<sup>88</sup> For background, including a list of affected or potentially affected provisions, CRS has released a congressional memorandum. Congressional clients may request a copy from Randy Alison Aussenberg at [raussenberg@crs.loc.gov](mailto:raussenberg@crs.loc.gov).

<sup>89</sup> USDA Economic Research Service, "Anecdotal Evidence Suggest That WIC Became Fully Funded Sometime in the Late 1990s," in *The WIC Program: Background, Trends, and Economic Issues, 2015 Edition*, EIB-134, January 2015, p. 19.

<sup>90</sup> The Healthy, Hunger-free Kids Act of 2010 (P.L. 111-296) requires states to transition WIC vouchers to EBT by the end of FY2020. See CRS Report R44115, *A Primer on WIC: The Special Supplemental Nutrition Program for Women, Infants, and Children*, for more information on this transition.

<sup>91</sup> For a summary of the history of the controversy over white potatoes, please see Appendix B of CRS Report R44115, *A Primer on WIC: The Special Supplemental Nutrition Program for Women, Infants, and Children*.



to ensure that income eligibility standards are followed and encouraging the use of income verification systems; direction for USDA to submit a report on their responses to the OIG's September 2014 audit on state food costs; and instruction for FNS to provide a report on the agencies' efforts to reduce the sale of WIC benefits and infant formula. The Senate report includes the committee's interest that the next update on WIC-eligible foods (the WIC "food package") includes more fish, including wild salmon.

### **Commodity Assistance Program**

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

Both reported bills would provide approximately \$288 million for this account, an increase of nearly \$10 million (+4%) from the FY2015 appropriation. The reported bills' increase is due to the 5% increase for CSFP. In the reported bills, all of the other programs in this account would receive funding equal to the FY2015 appropriation.

### **Nutrition Programs Administration**

This budget account covers spending for federal administration of all the USDA domestic food assistance program areas noted above; special projects for improving the integrity and quality of these programs; and the Center for Nutrition Policy and Promotion (CNPP), which provides nutrition education and information to consumers (including various dietary guides).

The House-reported bill would provide approximately \$141 million for this account, a reduction of \$9.5 million (-6%) from the FY2015 level. The Senate-reported bill would provide approximately \$152 million, an increase of \$1 million (+1%) from FY2015.

### ***General Provisions on the Formulation of the Dietary Guidelines***<sup>92</sup>

The Dietary Guidelines for Americans (DGA) are federally-developed food-based recommendations for Americans ages 2 years and older, designed to promote health and prevent disease. The DGA form the basis of federal nutrition policy, education, outreach, and food assistance programs. They provide the scientific basis for government recommendations and are used in the development of educational materials, messages, tools, and programs to communicate healthy eating and physical activity information to the public.

CNPP is funded through the Nutrition Program Administration account and is the USDA office that leads the policy development of the DGA. CNPP and the Office of Disease Prevention and Health Promotion (ODPHP) within HHS, jointly issue the DGA policy document every five years (since 1980), with the lead role alternating between the two departments. HHS and USDA are currently developing the eighth edition (2015), with publication expected this year.<sup>93</sup> HHS has the administrative lead for the 2015 DGA. Over the last year, the development of the DGA has been controversial, and both House- and Senate-reported appropriations bills contain policy riders related to it.

<sup>92</sup> This section was written by Agata Dabrowska, Analyst in Health Policy (adabrowska@crs.loc.gov, 7-9455).

<sup>93</sup> For background, see CRS In Focus IF10118, *The Dietary Guidelines for Americans*.

Provisions in both reported bills (House bill §734(1)(B); Senate bill §733) would prohibit the use of funds to issue or implement the 2015 edition of the DGA unless the information and scope of the recommendations is limited to matters of diet and nutrition only. The House report language clarifies the intent of §734, noting that the February 2015 report by the DGA Advisory Committee (DGAC) “included extraneous factors outside of the statutory requirement, such as agriculture production practices including sustainability, taxes, food labeling and marketing policies.”

Moreover, the House-reported bill would place further limits on the formulation of the next DGA. HHS and USDA would be required (§734(1)(A)) to consider only “Grade I: Strong” evidence, as determined by the grading rubric of the USDA Nutrition Evidence Library, for each revision to any nutrition or dietary information or guideline contained in the 2010 DGA (the seventh edition) and for any new nutrition or diet information or guideline to be included in the eighth edition of the DGA. Also, HHS and USDA would be required (§734(2)-(3)) to release a preliminary draft of the guidelines with a list of scientific studies and evidence supporting the new material for a public comment period of 90 days. At the end of the 90-day comment period, there would be at least 60 days for agency review of the public comments. The rationale was that more than 29,000 comments were received for the DGAC report.

In addition, the House report language states that funding is not provided for CNPP to develop dietary guidelines for children under two years of age. The Senate’s report does not support the Administration’s request for a \$1 million increase for MyPlate/SuperTracker.

## **Other Nutrition Funding Support**

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

- USDA provides commodity foods to the child nutrition programs using funds other than those in the Child Nutrition account. These purchases are financed through permanent appropriations under “Section 32.”<sup>94</sup> For example, about \$480 million out of a total of \$1.1 billion in commodity support in FY2008 came from outside the Child Nutrition account. Historically, about half the value of commodities distributed to child nutrition programs has come from Section 32.
- The Fresh Fruit and Vegetable program for selected elementary schools nationwide is financed with permanent, mandatory funding. The underlying law (§4304 of the 2008 farm bill) provides funds at the beginning of every school year (July). However, §715 of the House-reported and Senate-reported bills delays until October 2016 the availability of a portion of the funds (\$125 million) that were scheduled for July 2016, similar to past years’ appropriations. As a result, these proposals would allocate the total annual spending for the Fresh Fruit and Vegetable program by fiscal year rather than school year, with no reduction in overall support (though budgetary savings are scored in **Table 13**).
- The Food Service Management Institute (technical assistance to child nutrition providers) is funded through a permanent annual appropriation of \$4 million.
- The Senior Farmers’ Market Nutrition program receives \$21 million of mandatory funding per year (FY2002-FY2018) outside the regular appropriations process (§4402 of the 2002 farm bill (P.L. 107-171), as amended by §4203 the 2014 farm bill (P.L. 113-79)).

<sup>94</sup> For more background, see CRS Report RL34081, *Farm and Food Support Under USDA’s Section 32 Program*.



**Table 11. Domestic Food Assistance Appropriations**

(budget authority in millions of dollars)

Program	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request <sup>a</sup>	House H.R. 3049	Senate S. 1800	in House Bill	in Senate Bill	
<b>Child Nutrition Programs<sup>b</sup></b>									
<b>Account Total<sup>c</sup> (incl. transfers)</b>	<b>19,913.2</b>	<b>19,288.0</b>	<b>21,300.2</b>	<b>21,587.3</b>	<b>21,507.4</b>	<b>21,524.4</b>	<b>+207.2</b>	<b>+224.2</b>	<b>+17.0</b>
<i>National School Lunch Program</i>	<i>11,278.6</i>	<i>10,576.3</i>	<i>11,996.1</i>	<i>11,777.8</i>	<i>11,777.8</i>	<i>11,777.8</i>	<i>-218.3</i>	<i>-218.3</i>	<i>+0.0</i>
<i>School Breakfast Program</i>	<i>3,659.3</i>	<i>3,728.6</i>	<i>3,960.0</i>	<i>4,230.5</i>	<i>4,230.5</i>	<i>4,230.5</i>	<i>+270.5</i>	<i>+270.5</i>	<i>+0.0</i>
<i>Child and Adult Care Food Program (CACFP)</i>	<i>2,949.5</i>	<i>3,080.0</i>	<i>3,195.9</i>	<i>3,240.6</i>	<i>3,240.6</i>	<i>3,240.6</i>	<i>+44.7</i>	<i>+44.7</i>	<i>+0.0</i>
<i>Special Milk Program</i>	<i>11.9</i>	<i>10.6</i>	<i>11.2</i>	<i>11.3</i>	<i>11.3</i>	<i>11.3</i>	<i>+0.1</i>	<i>+0.1</i>	<i>+0.0</i>
<i>Summer Food Service Program</i>	<i>434.7</i>	<i>461.6</i>	<i>495.5</i>	<i>535.6</i>	<i>535.6</i>	<i>535.6</i>	<i>+40.1</i>	<i>+40.1</i>	<i>+0.0</i>
<i>State Administrative Expenses</i>	<i>289.7</i>	<i>247.2</i>	<i>263.7</i>	<i>269.7</i>	<i>269.7</i>	<i>269.7</i>	<i>+6.0</i>	<i>+6.0</i>	<i>+0.0</i>
<i>Commodity Procurement for Child Nutrition</i>	<i>1,646.7</i>	<i>1,078.7</i>	<i>1,255.5</i>	<i>1,322.1</i>	<i>1,322.1</i>	<i>1,322.1</i>	<i>+66.6</i>	<i>+66.6</i>	<i>+0.0</i>
<i>School Meals Equip., Breakfast Expan. Grants</i>	<i>9.8</i>	<i>25.0</i>	<i>25.0</i>	<i>35.0</i>	<i>20.0</i>	<i>25.0</i>	<i>-5.0</i>	<i>+0.0</i>	<i>+5.0</i>
<i>Summer EBT Demonstration</i>	<i>—</i>	<i>—</i>	<i>16.0</i>	<i>66.9</i>	<i>12.0</i>	<i>16.0</i>	<i>-4.0</i>	<i>+0.0</i>	<i>+4.0</i>
<b>Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)</b>	<b>6,522.2</b>	<b>6,715.8</b>	<b>6,623.0</b>	<b>6,623.0</b>	<b>6,484.0</b>	<b>6,513.0</b>	<b>-139.0</b>	<b>-110.0</b>	<b>+29.0</b>
<b>Supplemental Nutrition Assistance Program (SNAP)<sup>b</sup></b>									
<b>Account Total<sup>c</sup></b>	<b>77,285.4</b>	<b>82,169.9</b>	<b>81,837.6</b>	<b>83,692.1<sup>d</sup></b>	<b>81,653.2</b>	<b>81,662.1</b>	<b>-184.4</b>	<b>-175.5</b>	<b>+8.9</b>
<i>SNAP benefits</i>	<i>67,313.1<sup>e</sup></i>	<i>71,885.0<sup>e</sup></i>	<i>71,035.8</i>	<i>70,895.7</i>	<i>70,895.7</i>	<i>n/a</i>	<i>-140.1</i>	<i>n/a</i>	<i>n/a</i>
<i>Contingency Reserve Fund</i>	<i>3,000.0</i>	<i>3,000.0</i>	<i>3,000.0</i>	<i>5,000.0</i>	<i>3,000.0</i>	<i>3,000.0</i>	<i>+0.0</i>	<i>+0.0</i>	<i>+0.0</i>
<i>State Administrative Costs</i>	<i>3,866.5</i>	<i>3,999.0</i>	<i>4,123.0</i>	<i>4,238.4</i>	<i>4,238.4</i>	<i>n/a</i>	<i>+115.4</i>	<i>n/a</i>	<i>n/a</i>
<i>Employment and Training (E&amp;T)</i>	<i>415.9</i>	<i>426.4</i>	<i>447.2<sup>f</sup></i>	<i>456.7</i>	<i>456.7</i>	<i>n/a</i>	<i>+9.5</i>	<i>n/a</i>	<i>n/a</i>
<i>TEFAP Commodities</i>	<i>265.8</i>	<i>268.8</i>	<i>327.0</i>	<i>319.8</i>	<i>319.8</i>	<i>n/a</i>	<i>-7.2</i>	<i>n/a</i>	<i>n/a</i>

Program	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6 post-sequ.	P.L. 113-76	P.L. 113-235	Admin. Request <sup>a</sup>	House H.R. 3049	Senate S. 1800	in House Bill	in Senate Bill	
<i>Food Distribution Program Indian Reservations</i>	100.2	104.0	145.2	145.2	145.2	n/a	+0.0	n/a	n/a
<i>Commonwealth of Northern Mariana Islands</i>	12.1	12.1	12.2	12.2	12.2	n/a	+0.0	n/a	n/a
<i>Puerto Rico and American Samoa</i>	1,880.4	1,901.5	2,030.3	1,979.3	1,979.3	n/a	-51.0	n/a	n/a
<b>Commodity Assistance Program</b>									
<b>Account Total<sup>c</sup></b>	<b>243.7</b>	<b>269.7</b>	<b>278.5</b>	<b>288.3</b>	<b>288.3</b>	<b>288.3</b>	<b>+9.8</b>	<b>+9.8</b>	<b>+0.0</b>
<i>Commodity Supplemental Food Program</i>	181.8	202.7	211.5	221.3	221.3	221.3	+9.8	+9.8	+0.0
<i>WIC Farmers Market Nutrition Program</i>	15.3	16.5	16.5	16.5	16.5	16.5	+0.0	+0.0	+0.0
<i>TEFAP Administrative Costs</i>	45.6	49.4	49.4	49.4	49.4	49.4	+0.0	+0.0	+0.0
<b>Nutrition Program Administration</b>	<b>132.6</b>	<b>141.3</b>	<b>150.8</b>	<b>155.6</b>	<b>141.3</b>	<b>151.8</b>	<b>-9.5</b>	<b>+1.0</b>	<b>+10.5</b>
<b>Office of the Under Secretary</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>-0.0</b>	<b>+0.0</b>	<b>+0.0</b>
<b>Total, Domestic Food Assistance</b>	<b>104,098.0</b>	<b>108,585.8</b>	<b>110,190.9</b>	<b>133,255.1</b>	<b>110,075.2</b>	<b>110,140.4</b>	<b>+1,605.1</b>	<b>-50.5</b>	<b>+65.2</b>

**Source:** CRS, compiled from tables in the joint explanatory statements or committee reports for the referenced appropriations acts or bills. Amounts for FY2013 are the post-sequestration level from the USDA FY2013 Operating Plan.

- The FY2016 Administration Request reflected in this column is from the USDA-FNS budget request submitted to Congress in February 2015.
- For the USDA-FNS programs that are open-ended mandatory programs (e.g., SNAP and the Child Nutrition Programs), the programs do not necessarily have the authority to spend all of the funds that have been appropriated. For such programs' historical spending, see also USDA-FNS expenditure data available on the agency website at <http://www.fns.usda.gov/data-and-statistics>.
- "Account Total" does not equal the sum of the programs listed below. Programs listed below are a selection of the funding that makes up the account total.
- The Administration's request for FY2016 also included an advance appropriation for the first quarter of FY2017 of approximately \$20.9 billion. Neither the House nor Senate proposals included an advance appropriation.
- Appropriations do not include the pre-appropriated funds provided by American Recovery and Reinvestment Act of 2009 (ARRA) to increase SNAP benefits from April 2009 through October 31, 2013. See CRS Report R43257, *Background on the Scheduled Reduction to Supplemental Nutrition Assistance Program (SNAP) Benefits*.
- In addition to this E&T funding, P.L. 113-235 (and the other proposals) also appropriates \$190 million for E&T pilots; the 2014 farm bill provided the authorization for this mandatory funding. For further information, see CRS Report R43332, *SNAP and Related Nutrition Provisions of the 2014 Farm Bill (P.L. 113-79)*.

## **Agricultural Trade and Food Aid<sup>95</sup>**

The Foreign Agricultural Service (FAS) administers overseas market promotion and export credit guarantee programs designed to improve the competitive position of U.S. agriculture in the world marketplace and to facilitate export sales. It shares responsibility with the U.S. Agency for International Development (USAID) to administer international food aid programs.<sup>96</sup>

Each year's agricultural appropriation provides about \$1.8 billion of discretionary funding to FAS, which is more than three-quarters of the financial resources available to them. Budget authority for other agricultural export and food aid programs is mandatory, and not subject to annual appropriations. About \$500 million of funding for these mandatory programs is provided directly by the Commodity Credit Corporation under other statutes.<sup>97</sup>

### **Foreign Agricultural Service**

The FAS appropriation addresses trade policy issues on behalf of U.S. agricultural exporters to support trade promotion activities, and to engage in institutional capacity building and food security activities in developing countries with promising market potential. For FY2016, the Administration requested \$191.6 million for salaries and expenses of the Foreign Agricultural Service (FAS), an increase of \$10.2 million, or 5.6%, above the appropriation for FY2015. The FY2016 appropriation bills reported by the House and Senate also recommend funding increases compared with FY2015, but were below the Administration's request. The House bill provides \$184.4 million, an increase of 1.6% over the FY2015 appropriation, while the Senate bill proposes an appropriation of \$187.2 million, an increase of 3.2% over FY2015.

The Administration's FY2016 budget request includes an additional \$6.7 million to cover salaries and expenses for the export credit guarantee programs. This concurs with the FY2015 level and the House and Senate bills. Credit guarantees are the largest FAS export assistance program, operating mainly to facilitate the direct export of U.S. agricultural commodities and products. The 2014 farm bill authorized \$5.5 billion of credit guarantees each year to guarantee the repayment of commercial loans extended by private banks in the event that a borrower defaults (\$5.4 billion of credit guarantees under GSM-102 for U.S. agricultural product exports, and \$100 million under the Facility Guarantee Program to build or expand agricultural facilities in emerging markets that enhance sales of U.S. products). There are no budgetary outlays associated with credit guarantees unless a default occurs.

The 2014 farm bill directed the Office of the Chief Economist (OCE) to report on reorganizing USDA's international trade functions in tandem with creating the new Under Secretary of Agriculture for Trade and Foreign Affairs. The House report urges OCE to work with the National Academy of Public Affairs (NAPA) to complete the study, noting that NAPA's work to date is not satisfactory. Language in FY2015 appropriation's joint explanatory statement provided directions for the report and established a new deadline (December 16, 2015).

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<sup>95</sup> The trade portion of this section was written by Mark McMinimy (7-2172, [mmcminimy@crs.loc.gov](mailto:mmcminimy@crs.loc.gov)) and the food aid portion by Randy Schnepf (7-4277, [rschnepf@crs.loc.gov](mailto:rschnepf@crs.loc.gov)).

<sup>96</sup> For background, see CRS Report R41072, *U.S. International Food Aid Programs: Background and Issues*.

<sup>97</sup> Mandatory funding for other agricultural export promotion and market development programs was reauthorized by the 2014 farm bill (P.L. 113-79) at slightly above \$250 million each year: \$200 million for the Market Access Program, \$34.5 million for the Foreign Market Development Program, \$9 million for the Technical Assistance for Specialty Crops Program, and \$10 million for the Emerging Markets Program. Separately, mandatory funding for other foreign food aid programs under the 2014 farm bill is about \$250 million each year for the Food for Progress Program.

The Senate report recommends \$1.5 million for the Borlaug Fellows Program (training for scientists and policymakers from developing countries), and \$5.3 million for the Cochran Fellowship Program (short-term technical training in the United States for international participants). The Senate report expects FAS to fund the Foreign Market Development Cooperator Program and continue full mandatory funding for the Market Access Program (MAP) (see footnote 97), including administering MAP as authorized without changing the eligibility requirements of cooperatives, small businesses, trade associations, and other entities.

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

The Food for Peace Program includes four program areas, each with its own Title: Title I—economic assistance and food security, Title II—emergency and private assistance programs, Title III—food for development, and Title V—the farmer-to-farmer program.<sup>98</sup> No funding for new Title I (long-term concessional credits) or Title III (food for development) activities has been requested since 2002, while the last Title I concessional commodity shipment occurred in 2006. Title V (farmer-to-farmer or F2F program) funding is mandatory in nature and linked to the overall pool of funding under the Food for Peace act—not less than the greater of \$15 million or 0.6% of the amounts made available to carry out the Food for Peace Act during any fiscal year (FY2014-FY2018) shall be used for the F2F program.

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

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

For FY2015 and FY2016, the Administration proposed \$1.4 billion in Title II funding, of which 25% (\$350 million) would be exempt from any U.S. purchase requirement and instead would be available as cash-based food assistance for emergencies. The Administration also requested that \$270 million of Title II funds be combined with an additional \$80 million requested in the Development Assistance account under USAID's Community Development Fund and used to support development food assistance programs that address chronic food insecurity in areas of recurrent crises, thus achieving the mandatory \$350 million for nonemergency programs.

In contrast, congressional appropriators provided a slightly larger \$1.469 billion for Title II programs in FY2015, the same as in FY2014. For FY2016, the House-reported bill would provide \$1.417 billion for Title II programs, including \$350 million for nonemergency programs, while the Senate-reported bill would provide a larger amount of \$1.466 billion. In addition, the House committee report notes that the “flexibility” desired by the Administration for various methods of

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<sup>98</sup> Title IV of the Food for Peace Act involves general authorities and requirements.

delivery through cash, vouchers, and in-kind food assistance already exists across the whole-of-government and, thus, is not included in its FY2016 Title II appropriations. The Senate committee report specifically requests that USAID provide a report, no later than March 1, 2016, on the use of authorities under section 202(e) of the Food for Peace during both FY2015 and FY2016.<sup>99</sup>

### **Local and Regional Procurement (LRP) Projects**

LRP projects are administered by USDA (in consultation with USAID). LRP was authorized as a permanent project under the 2014 farm bill (P.L. 113-79);<sup>100</sup> however, its funding source became an authorization for discretionary appropriations (\$80 million for each of FY2014-FY2018), rather than mandatory funds in the 2008 farm bill.<sup>101</sup>

No discretionary funding was enacted for LRP during FY2014 and FY2015. For FY2016, the Administration requested \$20 million for LRP projects. The House-reported bill does not provide any funding for LRP in FY2016, while the Senate-reported bill would provide \$10 million for LRP within the McGovern-Dole program (see below).

### **McGovern-Dole International Food for Education and Child Nutrition**

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

For FY2016, the Administration requested \$191.6 million, the same as the FY2015 enacted level. The House-reported bill would keep funding at \$191.6 million for the McGovern-Dole program, while the Senate-reported bill would provide a larger \$201.6 million that includes an additional \$10 million for the LRP program, as mentioned earlier.

### **Appropriations Instructions about Industrial Hemp<sup>102</sup>**

Industrial hemp is an agricultural commodity that is cultivated for a range of hemp-based goods, including foods and beverages, cosmetics and personal care products, nutritional supplements, fabrics and textiles, yarns and spun fibers, paper, construction/insulation materials, and other manufactured goods. It is, however, a variety of *Cannabis sativa*, the same plant species as marijuana, and is therefore subject to U.S. drug laws. The 2014 farm bill provided that certain research institutions and state departments of agriculture may grow industrial hemp as part of an agricultural pilot program, if allowed under state laws.<sup>103</sup>

For FY2016, the production of industrial hemp is addressed in both in the Senate Agriculture appropriations bill and the House and Senate Commerce-Justice-Science (CJS) appropriations bills. In the Agriculture appropriation, the Senate committee-reported bill states that “none of the

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<sup>99</sup> USAID had been granted some additional flexibility in use of cash-based food assistance under section 202(e) under the 2014 farm bill (P.L. 113-79; §3002).

<sup>100</sup> 7 U.S.C. 1726c.

<sup>101</sup> Under the previous 2008 farm bill (P.L. 110-246; §3206), LRP was implemented as a pilot program but with mandatory funding of \$60 million of CCC funds (mandatory funds, not Title II appropriations), spread over four years.

<sup>102</sup> This section was written by Renée Johnson (7-9588; rjohnson@crs.loc.gov).

<sup>103</sup> P.L. 113-79, §7606, “Legitimacy of Industrial Hemp Research.” It also created a statutory definition of “industrial hemp” as “the plant *Cannabis sativa* L. and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.”

funds made available” by the agriculture or any other appropriation may be used “to prohibit the transportation, processing, sale, or use of industrial hemp that is grown or cultivated in accordance with” the 2014 farm bill provision (§739 of S. 1800). In the CJS appropriation, both the House-passed bill and the Senate-reported bill state that “none of the funds made available” by the CJS appropriation “may be used in contravention” of the 2014 farm bill’s hemp provision by the Department of Justice (DOJ) or the Drug Enforcement Administration. (H.R. 2578, §567; and the Senate amendment in the nature of a substitute to H.R. 2578, §541). The House-passed CJS bill would further block DOJ from preventing a state from implementing its own state laws that “authorize the use, distribution, possession, or cultivation of industrial hemp,” as defined in the 2014 farm bill (§557).

The FY2015 CJS appropriation contained similar language to block federal law enforcement from interfering with state agencies, hemp growers, and agricultural research.<sup>104</sup>

## Related Agencies

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

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

### **Agriculture’s Relationship to the Related Agencies**

The combined share of FDA and CFTC funding (Title VI) in the overall Agriculture and Related Agencies appropriations bill is about 13% of discretionary appropriations, or about 2% of the total.

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

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

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

<sup>104</sup> P.L. 113-235, Division B, §539 (Commerce, Justice, Science, and Related Agencies Appropriations Act, 2015).



## Food and Drug Administration (FDA)

The Food and Drug Administration (FDA) regulates the safety of foods, cosmetics, and radiation-emitting products; the safety and effectiveness of drugs, biologics (e.g., vaccines), and medical devices; and public health aspects of tobacco products.<sup>105</sup> Although FDA has been a part of the Department of Health and Human Services (HHS) since 1940, the Committee on Appropriations does not consider FDA within the rest of HHS under its Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies. Jurisdiction over FDA's budget remains with the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, reflecting FDA's beginnings as part of the Department of Agriculture.

### Food Safety Funding at the Food and Drug Administration

FDA's Foods program accounts for roughly one-third of the agency's total appropriation (\$903 million out of \$2.6 billion in FY2015). FDA is responsible for ensuring the safety of the majority of all domestic and imported food products (except for meat, poultry, and processed egg products). Funding increases over recent years in this program area largely have been in response to additional food safety responsibilities following enactment of the FDA Food Safety Modernization Act (FSMA, P.L. 111-353) in 2011.

For the FDA Foods program in FY2016, the House-reported bill would appropriate \$938.4 million, \$10 million less than the Senate-reported bill. The Administration had requested \$49 million more than the House bill (\$39 million more than the Senate bill). All of these amounts, though, would still represent increases above FY2015.

Specifically for food safety activities, which is a subset of the overall Foods program, the Administration had requested an increase of \$110 million, while the House and Senate bills provide increases of \$41.5 million and \$45 million for food safety, respectively.

For more background, see CRS Report RS22600, *The Federal Food Safety System: A Primer*.

## Commodity Futures Trading Commission<sup>106</sup>

The Commodity Futures Trading Commission (CFTC) is the independent regulatory agency charged with oversight of derivatives markets. The CFTC's functions include oversight of trading on the futures exchanges, oversight of the swaps markets, registration and supervision of futures industry personnel, self-regulatory organizations and major participants in the swaps markets, prevention of fraud and price manipulation, and investor protection.<sup>107</sup> The Dodd-Frank Act (P.L. 111-203) brought the bulk of the previously unregulated over-the-counter swaps markets under CFTC jurisdiction as well as the previously regulated futures and options markets.<sup>108</sup> Since the swaps markets, by most estimates, is much larger in size than the futures markets, one budget question that has lingered for several years is whether the CFTC's resources are sufficient to meet the agency's newly added responsibilities.<sup>109</sup>

<sup>105</sup> Several CRS reports have information on FDA authority and activities: CRS Report R41983, *How FDA Approves Drugs and Regulates Their Safety and Effectiveness*.

<sup>106</sup> This section was written by Rena S. Miller (7-0826, [rsmiller@crs.loc.gov](mailto:rsmiller@crs.loc.gov)).

<sup>107</sup> For further details about the CFTC, please see CRS Report R43117, *The Commodity Futures Trading Commission: Background and Current Issues*.

<sup>108</sup> A subset of the swaps market, called security-based swaps, which are swaps related to securities such as stocks and bonds, are overseen by the Securities and Exchange Commission (SEC).

<sup>109</sup> See, e.g., testimony of Chairman Timothy G. Massad before the U.S. Senate Committee on Agriculture, Nutrition & Forestry, Washington, DC, May 14, 2015: "The CFTC does not have the resources to fulfill our new responsibilities as well as all the responsibilities it had—and still has—prior to the passage of Dodd Frank in a way that most Americans would expect. Our staff, for example, is no larger than it was when Dodd-Frank was enacted in 2010." Available at <http://www.cftc.gov/PressRoom/SpeechesTestimony/opamassad-22>.

For FY2016, the President’s budget request was \$322 million, an increase of 29% above the FY2015 enacted level, noting that past appropriations have “not enabled the Commission to keep pace with the increased technological complexity and globalization of the markets overseen by the Commission” since its jurisdiction was expanded to include swaps in 2010.<sup>110</sup>

The House-reported Agriculture appropriations bill (H.R. 3049) would provide \$245 million for the CFTC, and the Senate reported Financial Services appropriations bill (S. 1910) would provide \$250 million. The House bill would be a \$5 million reduction from FY2015, and the Senate bill is the same as the FY2015 funding level.

### Farm Credit Administration<sup>111</sup>

The Farm Credit Administration (FCA) is the federal regulator for the Farm Credit System (FCS), which is a borrower-owned cooperative lender operated as a government-sponsored enterprise.<sup>112</sup>

Neither the FCS nor the FCA receives a federal appropriation. The FCA is funded by assessments on the FCS entities that it regulates. As part of its congressional oversight, however, the Agriculture appropriations bill sets a limitation on administrative expenses (a maximum operating level) for the FCA—a check on the size of the FCA and the amount that FCA can collect.

For FY2016, the House- and Senate-reported bills are identical in allowing FCA a maximum operating level of \$65.6 million, which is \$5.1 million greater than allowed in FY2015, but \$3.8 million less than requested.<sup>113</sup> The \$65.6 million allowed in the FY2016 bills happens to be the same as the revised FCA request for FY2015, and thus effectively would hold FCA at a constant level with what it planned to be its operating level at the beginning of FY2015 when the appropriation was delayed.<sup>114</sup> Nonetheless, the FY2016 amounts represent an increase since the \$60.5 million enacted amount for FY2015 was lower than it had been for several years.

FCA’s request continues to note costs for a staffing replacement plan because of expected retirements and the desire to add new staff while experienced staff can train their replacements.

**Table 12. Farm Credit Administration Limitation on Expenses**  
(dollars in millions)

	FY2013	FY2014	FY2015	FY2016			Change from FY2015		Senate Compared With House
	P.L. 113-6	P.L. 113-76	P.L. 113-235	Admin. Request	House H.R. 3049	Senate S. 1800	in House Bill	in Senate Bill	
FCA limitation on expenses	63.3	62.6	60.5	69.4	65.6	65.6	+5.1	+5.1	+0.0

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

<sup>110</sup> Commodity Futures Trading Commission: President’s Budget Fiscal Year 2016, Prepared for the Committee on Appropriations, February, 2015, at pg. 1. Available at: <http://www.cftc.gov/ucm/groups/public/@newsroom/documents/file/cftcbudget2016.pdf>.

<sup>111</sup> This section was written by Jim Monke (7-9664, [jmonke@crs.loc.gov](mailto:jmonke@crs.loc.gov)).

<sup>112</sup> For background, see CRS Report RS21278, *Farm Credit System*.

<sup>113</sup> Farm Credit Administration, *Fiscal Year 2016 Proposed Budget and Performance Plan*, at <http://www.fca.gov/Download/BudgetFY2016.pdf>.

<sup>114</sup> *Ibid.*, at p. 9.



## General Provisions, Scorekeeping Adjustments<sup>115</sup>

Agriculture appropriations acts in recent years have had over \$1 billion in net offsets that effectively reduce the cost of appropriations in the rest of the bill. The House- and Senate-reported FY2016 appropriations bill would continue that practice. These reductions occur in Title VII (General Provisions) through rescissions and CHIMPS (Changes in Mandatory Program Spending), and in separate CBO scorekeeping adjustments.

For FY2016, reductions would be made by placing limitations on mandatory programs (-\$798 million in the House bill, and -\$875 million in the Senate bill, **Table 13**), recessions from other appropriated accounts (about -\$34 million in both bills, **Table 14**), and other scorekeeping adjustments that are usually not detailed in the bills (about -\$335 million in both bills, **Table 16**). Some additional spending is authorized in the General Provisions (\$2 million in the House bill, and \$6.6 million in the Senate bill, **Table 15**).

Limitations and rescissions are used to score budgetary savings that help meet the discretionary budget allocation. By offsetting spending elsewhere in the bill, they help provide relatively more to (or help avoid deeper cuts to) regular discretionary accounts than might otherwise occur.<sup>116</sup>

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

## Changes in Mandatory Program Spending (CHIMPS)

For more than a decade, appropriators have placed limits on mandatory spending authorized in statutes such as the farm bill (**Table 13**). These limits generally are also known as CHIMPS, “changes in mandatory program spending.” CHIMPS usually are reductions to mandatory spending authority, but they also may be increases in spending authority. Moreover, besides CHIMPS, rescissions may be made to mandatory spending programs to permanently cancel budget authority (sometimes considered a type of CHIMP). Mandatory programs usually are not part of the appropriations process since formulas and eligibility rules are set in multi-year authorizing laws (such as the 2014 farm bill). Funding usually is assumed to be available based on the statute and without appropriations action.

When appropriators limit mandatory spending, they do not change the authorizing law.<sup>117</sup> When using a CHIMP, the action has the same effect as changing the law, but only for the one year to which the appropriation applies. Appropriators put limits on mandatory program by using language such as: “None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section [ ... ] of Public Law [ ... ] in excess of \$[ ... ].” Limits usually appear in Title VII, General Provisions, of the Agriculture appropriations bill.

Historically, expenditure allocations often originate from the appropriations committees. The division over who should fund certain agriculture programs—appropriators or authorizers—has

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<sup>115</sup> This section was written by Jim Monke (7-9664, jmonke@crs.loc.gov).

<sup>116</sup> For example, in FY2011, half of the \$3.4 billion reduction in total discretionary appropriations between FY2010 and FY2011 was achieved by a \$1.7 billion increase in the use of farm bill limitations and rescissions.

<sup>117</sup> CRS Report R41634, *Limitations in Appropriations Measures: An Overview of Procedural Issues*.

roots dating to the 1930s. Variable outlays for the farm commodity programs were difficult to budget and resembled entitlements. Mandatory funding—the Commodity Credit Corporation (CCC)—was created to remove the unpredictable funding issue from the appropriations process.

The dynamic changed after the 1996 farm bill, when mandatory funds were used for programs that usually were discretionary.<sup>118</sup> Appropriators had not funded some programs as much as authorizers had desired, and authorizing committees wrote farm bills using the mandatory funding at their discretion. Tension arose over who should fund certain activities. Some question whether the CCC should be used for programs that are not variable.

The programs affected by CHIMPS typically include conservation, rural development, bioenergy, and some smaller nutrition assistance programs.<sup>119</sup> CHIMPS have not affected the farm commodity programs or the primary nutrition assistance programs (such as SNAP).

The House-reported FY2016 appropriation contains \$798 million in savings attributable to CHIMPS, and the Senate-reported bill \$875 million. These totals are slightly larger than the FY2015 CHIMPS total, yet remain smaller than the levels that were enacted between FY2011-FY2014 (**Table 13**).<sup>120</sup>

### **Budget Sequestration and Conservation CHIMPS**

A complicating factor in understanding the CHIMP amounts proposed for FY2016 is a methodological difference in how CBO scored the Administration's request compared with the House and Senate bills. Budget sequestration of mandatory accounts has occurred since FY2013, reducing the amount available to most mandatory programs regardless of whether reductions were made in appropriations. For example, the complete prohibition on spending for the Watershed Rehabilitation Program resulted in a smaller \$153 million CHIMP in FY2014, after sequestration, than the \$165 million CHIMP in FY2013 (**Table 13**).

For most of the conservation CHIMP scores in FY2016, sequestration was incorporated into the amounts available for each program *before* the CHIMPS were computed in FY2014 and FY2015—*except* for the accounting of the Administration's FY2015 request. By not incorporating sequestration in the FY2015 estimates of the Administration request, CBO gave the Administration more credit for some CHIMPS than the House or Senate bills.

<sup>118</sup> Adapted from Galen Fountain, then Majority Clerk of the Senate Agriculture Appropriations Subcommittee, "Funding Rural Development Programs: Past, Present, and Future," p. 4, at the 2009 USDA Agricultural Outlook Forum, February 22, 2009, at <http://ageconsearch.umn.edu/bitstream/50603/2/Fountain-Galen-pdf.pdf>.

<sup>119</sup> This report uses the CBO compilation of CHIMPS, which in addition to limits on farm bill programs also includes the rescission from the Cushion of Credit account for the Rural Business and Cooperative Service (RBS). Including the Cushion of Credit rescission in CHIMPS allows the total appropriation for RBS to remain positive and concurs with CBO scoring. However, appropriations committee tables include the Cushion of Credit rescission in the RBS section, causing the net agency appropriations total to be less than zero (the alternative scoring method noted in **Table 10**).

<sup>120</sup> For more background on reductions in mandatory agricultural programs, especially in appropriations, CRS In Focus IF10041, *Reductions to Mandatory Agricultural Conservation Programs in Appropriations Law*.

**Table 13. Adjustments to Mandatory Spending Programs**  
(dollars in millions)

	FY2013	FY2014	FY2015	FY2016			Enacted
	P.L. 113-6 post-sequ.	P.L. 113- 76	P.L. 113- 235	Admin. Request	H.Cmte. H.R. 3049	S.Cmte. S. 1800	
<b>Changes to farm bill programs (CHIMPS and rescissions)<sup>a</sup></b>							
<b><u>Conservation programs</u></b>							
Environmental Quality Incentives Prog.	-279.0	-272.0	-136.0	-373.0	-189.0	-264.0	
Watershed Rehabilitation Program	-165.0	-153.0	-69.0	-69.0	-64.0	-68.0	
Conservation Stewardship Program	—	—	-7.0	-3.0	-2.0	—	
Wildlife Habitat Incentive Program	-9.0	—	—	—	—	—	
Agricultural Management Assistance	-5.0	—	—	—	—	—	
<b>Subtotal, conservation</b>	<b>-458.0</b>	<b>-425.0</b>	<b>-212.0</b>	<b>-445.0</b>	<b>-255.0</b>	<b>-332.0</b>	
<b><u>Other farm bill programs</u></b>							
Fresh Fruit and Vegetable Program <sup>b</sup>	-117.0	-119.0	-122.0	-125.0	-125.0	-125.0	
Biorefinery Assistance Program	—	-40.7	-16.0	—	-26.0	—	
Biomass Crop Assistance Program	—	—	-2.0	—	-12.0	-20.0	
Rural Energy for America Program	—	—	—	—	-16.0	—	
Repowering Assistance	-28.0	—	-8.0	—	—	—	
Bioenergy Prog. for Advanced Biofuels	—	-8.0	—	—	—	—	
Emergency Livestock Assistance Prog.	—	—	-125.0	—	—	—	
Conservation Compliance	—	—	—	—	+1.0	—	
Marketing Certificates	—	—	—	—	+5.0	—	
<b>Subtotal, other from farm bill</b>	<b>-145.0</b>	<b>-167.7</b>	<b>-273.0</b>	<b>-125.0</b>	<b>-173.0</b>	<b>-145.0</b>	
<b>Subtotal, of farm bill programs</b>	<b>-603.0</b>	<b>-592.7</b>	<b>-485.0</b>	<b>-570.0</b>	<b>-428.0</b>	<b>-477.0</b>	
<b><u>Other reductions of mandatory programs<sup>a</sup></u></b>							
Cushion of Credit (Rural Dev.)	-180.0	-172.0	-179.0	-154.0	-154.0	-182.0	
Section 32	-110.0	-189.0	-121.0	-292.0	-216.0	-216.0	
<b>Total</b>	<b>-893.0</b>	<b>-953.7</b>	<b>-785.0</b>	<b>-1,016.0</b>	<b>-798.0</b>	<b>-875.0</b>	

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

- Reductions to mandatory programs in this report include CHIMPS (Changes in Mandatory Program Spending) and permanent rescissions of budget authority for mandatory program accounts. CBO estimates are used and are not always consistent in the treatment of sequestration. Amounts in the columns for the Admin. Request and Senate do not include the effects of sequestration, whereas amounts in the House column are after including the effects of sequestration.
- Delays funding from July until October of the same calendar year, effectively allocating the authorization by fiscal year rather than school year—with no reduction in overall support—and scoring budgetary savings.

## Rescissions of Discretionary Accounts

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

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

For FY2016, the House-reported bill rescinds -\$34 million from three discretionary programs and the Senate-reported bill -\$33 million from two discretionary programs (**Table 14**). Rescissions to mandatory programs are included in the CHIMPS section, according to CBO scoring tables. These levels of rescissions are typical for most years but are small by comparison to FY2011, when rescissions were unusually large (-\$372 million) and helped achieve that year's relatively large spending reduction.

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

(dollars in millions)

	FY2013	FY2014	FY2015	FY2016			Enacted
	P.L. 113-6 post-sequ.	P.L. 113- 76	P.L. 113- 235	Admin. Request	H.Cmte. H.R. 3049	S.Cmte. S. 1800	
ARS buildings and facilities	—	—	-2.0	—	—	—	—
Agriculture buildings and facilities	—	-30.0	—	—	—	—	—
Broadband loan balances	-25.3	—	—	—	—	—	—
Common Computing Environment	—	—	—	—	-1.0	—	—
Rural Housing Service	—	-1.3	—	—	—	—	—
Ocean freight (food aid)	—	—	-2.0	—	—	—	—
P.L. 480 Title I (food aid)	—	—	-13.0	—	—	—	—
Watershed and Flood Prevention	—	—	—	-20.0	-20.0	-20.0	—
Resource Conservation and Development	—	-2.0	—	—	—	—	—
Water and waste disposal cancellation	—	—	—	—	-13.0	-13.0	—
<b>Total</b>	<b>-25.3</b>	<b>-33.3</b>	<b>-17.0</b>	<b>-20.0</b>	<b>-34.0</b>	<b>-33.0</b>	

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

## Other Appropriations (Including Emergency Disaster Programs)

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

**Table 15** shows that the FY2016 House-reported bill contains \$2 million for the Emergency Watershed Program (subject to the discretionary budget cap), and the Senate-reported bill has \$6.6 million of other spending provisions. In FY2015, emergency conservation programs received \$91 million and Ebola response \$25 million, both offset by a disaster designation. The \$6.6 million in the Senate-reported bill has been in recent years' enacted appropriations.

**Table 15. Other Appropriations in General Provisions**  
(budget authority in millions of dollars)

	FY2013	FY2014	FY2015	FY2016			Enacted
	P.L. 113-6 post-sequ.	P.L. 113- 76	P.L. 113- 235	Admin. Request	H.Cmte. H.R. 3049	S.Cmte. S. 1800	
<b>Disaster/Emergency programs</b>							
Emergency Watershed Protection	60.5	—	78.6	—	2.0	—	
Emergency Conservation Program	10.3	—	9.2	—	—	—	
Emergency Forest Restoration	13.1	—	3.2	—	—	—	
FDA Salaries and expenses for Ebola	—	—	25.0	—	—	—	
<b>Subtotal, disaster programs</b>	<b>83.9</b>	<b>0.0</b>	<b>116.0</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>	
<i>Note: Disaster designation for budget</i>	—	—	116.0	—	—	—	
<b>Other spending provisions</b>							
FDA salaries and expenses	46.2	—	—	—	—	—	
FDA user fees	—	79.0	—	—	—	—	
Citrus greening	—	20.0	—	—	—	—	
Hardwood trees reforestation pilot	0.6	0.6	0.6	—	—	0.6	
Geographically disadvantaged farmers	1.8	2.0	2.0	—	—	2.0	
Water Bank	—	4.0	4.0	—	—	4.0	
Hunger Commission	—	1.0	—	—	—	—	
<b>Subtotal, other spending</b>	<b>48.6</b>	<b>106.6</b>	<b>6.6</b>	<b>0.0</b>	<b>0.0</b>	<b>6.6</b>	
<b>Total</b>	<b>132.5</b>	<b>106.6</b>	<b>122.6</b>	<b>0.0</b>	<b>2.0</b>	<b>6.6</b>	

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

## Other Scorekeeping Adjustments

Scorekeeping adjustments are a final part of the accounting of the appropriations bill that is not necessarily shown in the tables published by the appropriations committees.<sup>121</sup> These adjustments are critical, however, for the bill to reach the desired total amount that complies with the 302(b) spending limit for the subcommittee. Some of these amounts are not necessarily specified by provisions in the bill but are related to program operations, such as direct and guaranteed loan programs. CBO calculates and reports these scorekeeping adjustments in unpublished tables.

For FY2016, the other scorekeeping adjustments in the House-reported bill are -\$336 million and -\$335 million in the Senate-reported bill (**Table 16**). The FY2015 amount was notably larger because of the \$116 million disaster designation that offset spending for emergency programs.

Also noteworthy, the “negative subsidy” from various USDA loan programs has increased in recent years. Negative subsidies effectively reflect “income” to the government when a loan program operates at less cost than it receives in appropriations via the collection of fees or better-than-expected loan repayment. These negative subsidies have become larger in recent years, and are helping to offset more of the regular appropriation. Prior to FY2013, these negative subsidies were cumulatively less than \$100 million. Since FY2013 they have grown to \$408 million in FY2015, and moderated slightly to \$345 million in the committee-reported bills for FY2016.

**Table 16. Scorekeeping Adjustments**

(dollars in millions)

	FY2013	FY2014	FY2015	FY2016			Enacted
	P.L. 113-6 post-sequ.	P.L. 113- 76	P.L. 113- 235	Admin. Request	H.Cmte. H.R. 3049	S.Cmte. S. 1800	
Denali Commission (permanent)	4.0	4.0	4.0	4.0	4.0	4.0	
Interest Native American Fund Endowment	5.0	5.0	5.0	5.0	5.0	5.0	
Child nutrition equipment grants	1.0	1.0	1.0	1.0	—	1.0	
SNAP employment & training	—	—	—	4.0	—	—	
<b>Loan program negative subsidies</b>							
<i>Rural housing negative subsidy</i>	-62.0	-62.0	-141.0	-31.0	-31.0	-31.0	
<i>Rural community facilities negative subsidy</i>	-14.0	-41.0	-90.0	-135.0	-135.0	-135.0	
<i>Rural elec. &amp; tele. loan negative subsidy</i>	-60.0	-92.0	-152.0	-154.0	-154.0	-154.0	
<i>Rural water &amp; waste loan negative subsidy</i>	—	—	-2.0	-2.0	-2.0	-2.0	
<i>Ag credit loan negative subsidy</i>	-3.0	-6.0	-23.0	-23.0	-23.0	-23.0	
<b>Subtotal, negative subsidies</b>	<b>-139.0</b>	<b>-201.0</b>	<b>-408.0</b>	<b>-345.0</b>	<b>-345.0</b>	<b>-345.0</b>	
Emergency designations not in 302(b)	—	—	-116.0	—	—	—	
<b>Total</b>	<b>-129.0</b>	<b>-191.0</b>	<b>-514.0</b>	<b>-331.0</b>	<b>-336.0</b>	<b>-335.0</b>	

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

<sup>121</sup> Although CHIMPS sometimes are considered to be scorekeeping adjustments and are shown in committee tables, they are discussed elsewhere in this report. This section discusses the unpublished, other scorekeeping adjustments.

## Appendix A. Historical Trends

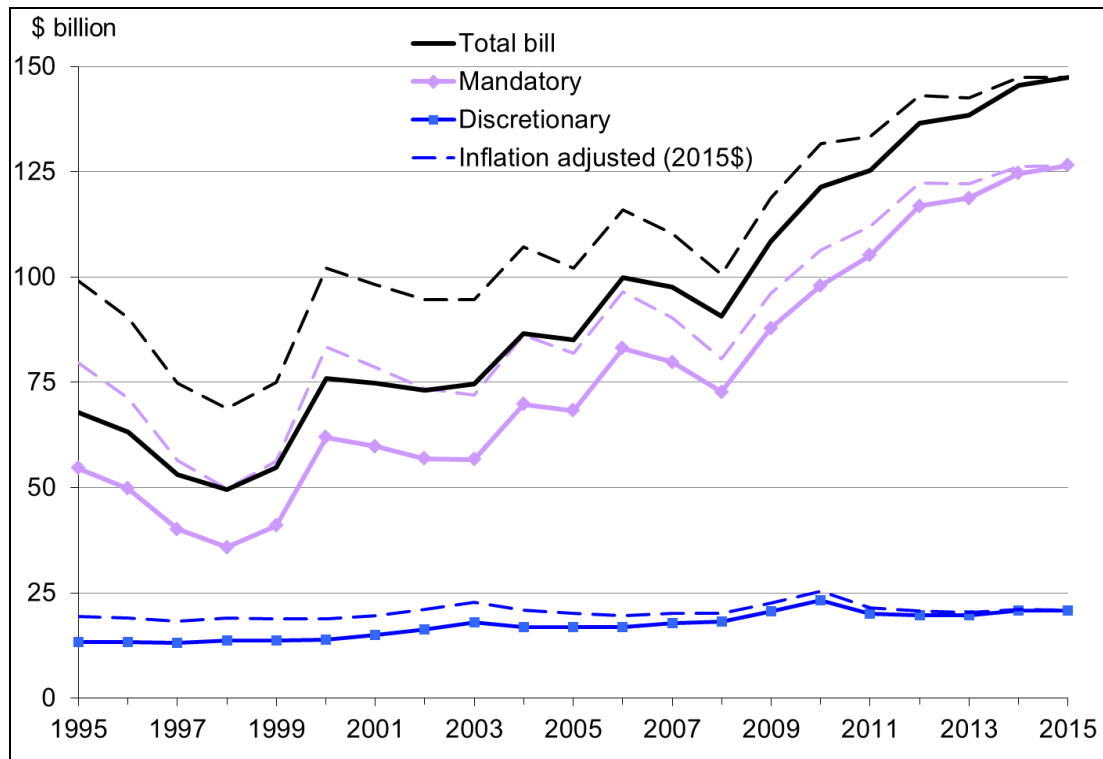
This appendix offers historical perspective on trends in Agricultural appropriations from FY1995 to FY2015. Comparisons are made for mandatory vs. discretionary spending, nutrition spending compared to the rest of the bill, inflation-adjusted amounts, and agriculture appropriations relative to the entire federal budget, economy, and population.

**Figure 3** earlier in this report illustrates discretionary spending for each title, FY2007-FY2016.

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

- Discretionary Agriculture appropriations peaked in FY2010, although mandatory nutrition spending has continued to rise.
- Over the past 10 years (since FY2005), total Agriculture appropriations grew at a compounded annual rate of +5.6% (+3.7% on an inflation-adjusted annual basis).
- The mandatory spending portion of this total shows a +6.4% annual increase over the past 10 years (+4.4% on an inflation-adjusted basis).
- The discretionary portion has an annual increase of +2.2% over 10 years (+0.3% annually on an inflation-adjusted basis).
- In FY2015, 14% of the total agriculture appropriation is discretionary spending, down from 28% of the total appropriation in FY1998.

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



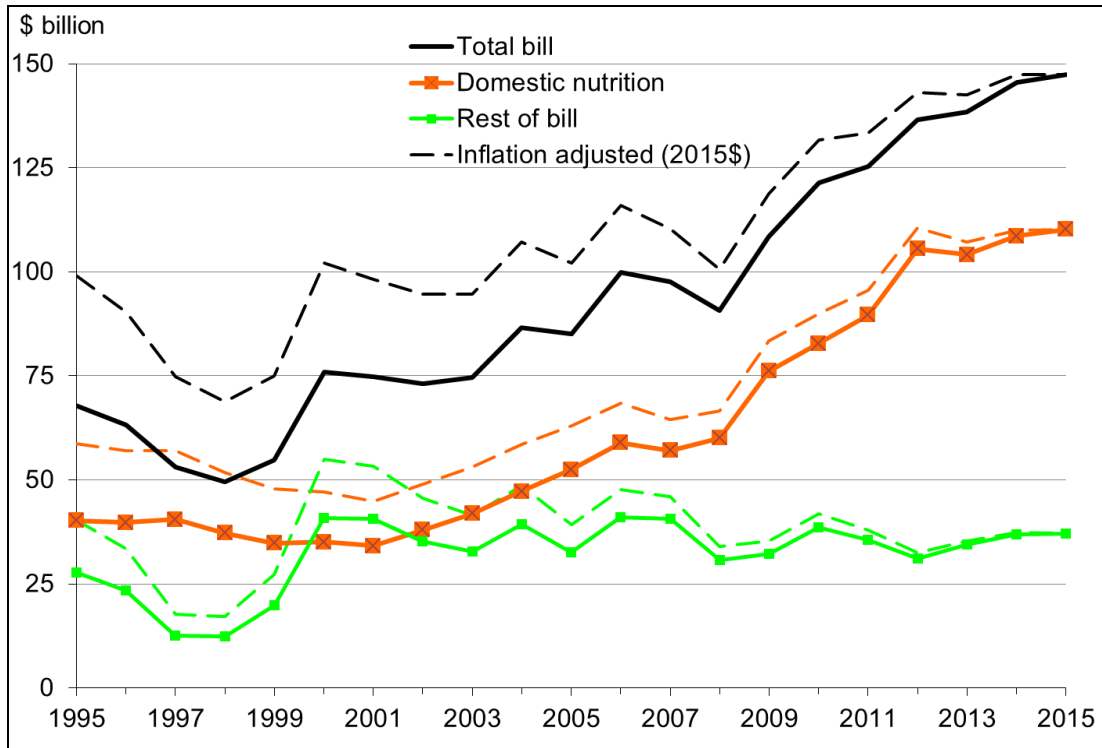
**Source:** CRS. Fiscal year budget authority. Inflation-adjusted amounts are based on the GDP price deflator.

**Notes:** Includes only regular annual appropriations; includes CFTC regardless of jurisdiction.

Another way to divide the total agriculture appropriation is domestic nutrition compared to everything else (**Figure A-2**). Domestic nutrition appropriations include primarily the child nutrition programs (school lunch and related programs), the Special Supplemental Nutrition Assistance Program (SNAP)—which are mandatory—and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is discretionary. The “rest of the bill” includes other USDA programs (except the Forest Service), FDA, and CFTC.

- Total domestic nutrition program spending rose at a 7.7% compounded annual rate over 10 years (+5.8% annually on an inflation-adjusted basis).
- Spending on the rest of the bill (non-nutrition) increased at +1.3% annually over 10 years (-0.5% per year on an inflation-adjusted basis).
- In FY2015, 75% of the total agriculture appropriation was for domestic nutrition, up from 62% in 2005 and 46% in FY2001.
- Most of domestic nutrition is mandatory spending, primarily in SNAP and the child nutrition programs. The mandatory nutrition spending portion rose at a +8.2% annual rate over 10 years (+6.2% annually inflation-adjusted basis).
- Mandatory spending within the rest of the rest of the bill increased at a +0.9% annual rate over 10 years (-0.9% on an inflation-adjusted annual basis).

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



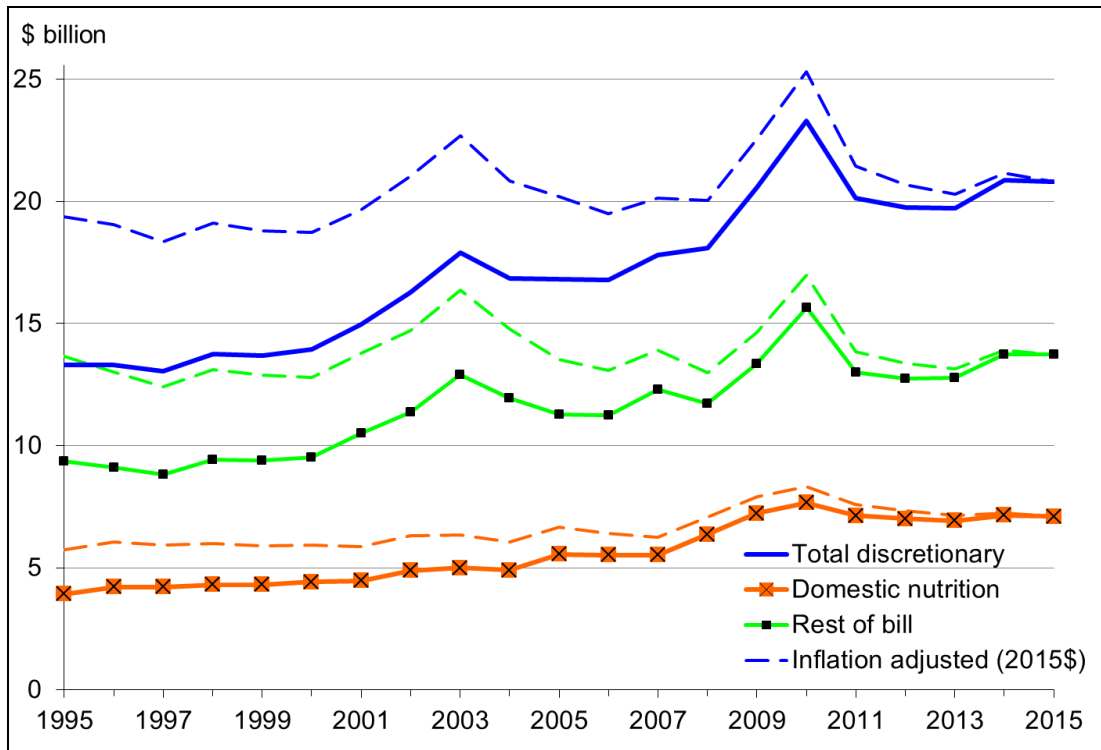
**Source:** CRS. Fiscal year budget authority. Inflation-adjusted amounts are based on the GDP price deflator.  
**Notes:** The largest domestic nutrition programs are the child nutrition programs, SNAP, and WIC. The “rest of bill” includes USDA (except the Forest Service), FDA, and CFTC.



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

- As stated before, total discretionary Agriculture appropriations grew at +2.2% per year over the past 10 years (+0.3% annually on an inflation-adjusted basis).
- Over a shorter period, the annual change is -2.2% per year over the past five years, or -3.8% per year on an inflation-adjusted basis.
- The domestic nutrition portion of this discretionary subtotal (primarily WIC, commodity assistance programs, and nutrition programs administration) shows a +2.5% annual increase over 10 years (+0.6% per year if adjusted for inflation).
- Over a five-year period, the annual change is -1.5% per year (-3.1% per year if adjusted for inflation).
- The discretionary portion for rest of the bill has risen at +2.0% per year for 10 years (+0.1% per year on an inflation-adjusted basis).
- Over the five-year period, the annual change is -2.6% per year (-4.2% per year on an inflation-adjusted basis).

**Figure A-3. Discretionary Agriculture Appropriations**



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

**Table A-1. Trends in Nominal Agriculture Appropriations**  
(fiscal year budget authority in billions of dollars, except as noted)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Discretionary total</b>	<b>13.31</b>	<b>13.04</b>	<b>13.75</b>	<b>13.69</b>	<b>13.95</b>	<b>14.97</b>	<b>16.28</b>	<b>17.91</b>	<b>16.84</b>	<b>16.83</b>
Domestic nutrition	4.22	4.22	4.31	4.31	4.42	4.46	4.89	5.00	4.90	5.55
Rest of bill	9.09	8.82	9.44	9.39	9.53	10.51	11.39	12.91	11.94	11.28
<b>Mandatory total</b>	<b>49.78</b>	<b>40.08</b>	<b>35.80</b>	<b>41.00</b>	<b>61.95</b>	<b>59.77</b>	<b>56.91</b>	<b>56.70</b>	<b>69.75</b>	<b>68.29</b>
Domestic nutrition	35.54	36.27	32.91	30.51	30.63	29.66	33.06	36.89	42.36	46.94
Rest of bill	14.23	3.81	2.89	10.48	31.33	30.12	23.86	19.82	27.38	21.36
<b>Total bill</b>	<b>63.09</b>	<b>53.12</b>	<b>49.55</b>	<b>54.69</b>	<b>75.90</b>	<b>74.74</b>	<b>73.19</b>	<b>74.61</b>	<b>86.59</b>	<b>85.13</b>
Domestic nutrition	39.76	40.49	37.22	34.82	35.04	34.12	37.95	41.89	47.26	52.49
Rest of bill	23.33	12.63	12.33	19.87	40.85	40.63	35.24	32.72	39.32	32.64
<b>Percentages of Total</b>										
1. Mandatory	79%	75%	72%	75%	82%	80%	78%	76%	81%	80%
2. Discretionary	21%	25%	28%	25%	18%	20%	22%	24%	19%	20%
1. Domestic nutrition	63%	76%	75%	64%	46%	46%	52%	56%	55%	62%
2. Rest of bill	37%	24%	25%	36%	54%	54%	48%	44%	45%	38%
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Discretionary total</b>	<b>16.78</b>	<b>17.81</b>	<b>18.09</b>	<b>20.60</b>	<b>23.30</b>	<b>20.13</b>	<b>19.76</b>	<b>19.71</b>	<b>20.88</b>	<b>20.83</b>
Domestic nutrition	5.53	5.52	6.37	7.23	7.65	7.13	7.00	6.93	7.15	7.09
Rest of bill	11.25	12.29	11.72	13.37	15.65	13.00	12.76	12.79	13.73	13.73
<b>Mandatory total</b>	<b>83.07</b>	<b>79.80</b>	<b>72.67</b>	<b>87.80</b>	<b>97.98</b>	<b>105.13</b>	<b>116.85</b>	<b>118.75</b>	<b>124.58</b>	<b>126.49</b>
Domestic nutrition	53.37	51.51	53.68	68.92	75.13	82.53	98.55	97.17	101.43	103.10
Rest of bill	29.70	28.29	18.99	18.88	22.86	22.60	18.29	21.58	23.15	23.40
<b>Total bill</b>	<b>99.85</b>	<b>97.61</b>	<b>90.76</b>	<b>108.40</b>	<b>121.29</b>	<b>125.26</b>	<b>136.61</b>	<b>138.47</b>	<b>145.46</b>	<b>147.32</b>
Domestic nutrition	58.89	57.03	60.06	76.16	82.78	89.66	105.55	104.10	108.59	110.19
Rest of bill	40.95	40.58	30.71	32.24	38.50	35.61	31.05	34.37	36.88	37.13
<b>Percentages of Total</b>										
1. Mandatory	83%	82%	80%	81%	81%	84%	86%	86%	86%	86%
2. Discretionary	17%	18%	20%	19%	19%	16%	14%	14%	14%	14%
1. Domestic nutrition	59%	58%	66%	70%	68%	72%	77%	75%	75%	75%
2. Rest of bill	41%	42%	34%	30%	32%	28%	23%	25%	25%	25%

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

- a. The largest domestic nutrition programs are the child nutrition programs, the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps)—both of which are mandatory—and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is discretionary.
- b. “Rest of bill” includes the non-nutrition remainder of USDA (except the Forest Service), FDA, and CFTC. Within that group, mandatory programs include the farm commodity programs, crop insurance, and some conservation and foreign aid/trade programs.

**Table A-2. Trends in Real Agriculture Appropriations**  
(fiscal year budget authority in billions of dollars, except as noted)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GDP price index <sup>a</sup>	0.7651	0.7786	0.7882	0.7982	0.8147	0.8344	0.8478	0.8640	0.8854	0.9132
<b>Inflation-adjusted 2015 dollars (real dollars)</b>										
<b>Discretionary total</b>	<b>19.06</b>	<b>18.35</b>	<b>19.11</b>	<b>18.79</b>	<b>18.75</b>	<b>19.65</b>	<b>21.03</b>	<b>22.70</b>	<b>20.83</b>	<b>20.19</b>
Domestic nutrition	6.04	5.94	6.00	5.91	5.94	5.86	6.32	6.34	6.06	6.66
Rest of bill	13.02	12.41	13.11	12.88	12.81	13.80	14.71	16.36	14.77	13.53
<b>Mandatory total</b>	<b>71.27</b>	<b>56.38</b>	<b>49.75</b>	<b>56.26</b>	<b>83.30</b>	<b>78.47</b>	<b>73.53</b>	<b>71.89</b>	<b>86.29</b>	<b>81.92</b>
Domestic nutrition	50.89	51.03	45.73	41.87	41.18	38.93	42.71	46.77	52.41	56.30
Rest of bill	20.38	5.35	4.02	14.39	42.12	39.54	30.82	25.12	33.88	25.62
<b>Total bill</b>	<b>90.32</b>	<b>74.73</b>	<b>68.86</b>	<b>75.05</b>	<b>102.05</b>	<b>98.12</b>	<b>94.56</b>	<b>94.59</b>	<b>107.12</b>	<b>102.11</b>
Domestic nutrition	56.93	56.97	51.73	47.78	47.12	44.79	49.03	53.11	58.47	62.96
Rest of bill	33.39	17.77	17.13	27.27	54.93	53.33	45.53	41.48	48.65	39.15
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
GDP price index <sup>a</sup>	0.9429	0.9684	0.9884	1.0000	1.0087	1.0284	1.0464	1.0646	1.0808	1.0954
<b>Inflation-adjusted 2015 dollars (real dollars)</b>										
<b>Discretionary total</b>	<b>19.49</b>	<b>20.15</b>	<b>20.05</b>	<b>22.57</b>	<b>25.31</b>	<b>21.44</b>	<b>20.69</b>	<b>20.28</b>	<b>21.16</b>	<b>20.83</b>
Domestic nutrition	6.42	6.25	7.06	7.92	8.31	7.59	7.33	7.13	7.25	7.09
Rest of bill	13.07	13.90	12.99	14.64	16.99	13.85	13.36	13.16	13.91	13.73
<b>Mandatory total</b>	<b>96.50</b>	<b>90.27</b>	<b>80.54</b>	<b>96.17</b>	<b>106.41</b>	<b>111.98</b>	<b>122.32</b>	<b>122.19</b>	<b>126.26</b>	<b>126.49</b>
Domestic nutrition	62.00	58.26	59.49	75.50	81.59	87.90	103.17	99.98	102.80	103.10
Rest of bill	34.50	32.00	21.04	20.68	24.82	24.08	19.15	22.21	23.46	23.40
<b>Total bill</b>	<b>116.00</b>	<b>110.41</b>	<b>100.59</b>	<b>118.74</b>	<b>131.71</b>	<b>133.43</b>	<b>143.00</b>	<b>142.48</b>	<b>147.43</b>	<b>147.32</b>
Domestic nutrition	68.42	64.51	66.56	83.42	89.90	95.50	110.50	107.11	110.05	110.19
Rest of bill	47.58	45.90	34.03	35.32	41.81	37.93	32.51	35.37	37.37	37.13

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

a. OMB, Budget of the U.S. Government, “Historical Tables,” Table 10.1, at <http://www.whitehouse.gov/omb/budget/Historicals>.

**Table A-3. Percentage Changes in Agriculture Appropriations**

	Compounded annual rate of change from years in the past to FY2015							
	Actual Change (Nominal)				Inflation-Adjusted (Real) Change (2015\$)			
	1 yr. FY2014	5 yrs. FY2010	10 yrs. FY2005	15 yrs. FY2000	1 yr. FY2014	5 yrs. FY2010	10 yrs. FY2005	15 yrs. FY2000
<b>Discretionary total</b>	-0.3%	-2.2%	+2.2%	+2.7%	-1.6%	-3.8%	+0.3%	+0.7%
Domestic nutrition	-0.8%	-1.5%	+2.5%	+3.2%	-2.1%	-3.1%	+0.6%	+1.2%
Rest of bill	+0.0%	-2.6%	+2.0%	+2.5%	-1.3%	-4.2%	+0.1%	+0.5%
<b>Mandatory total</b>	+1.5%	+5.2%	+6.4%	+4.9%	+0.2%	+3.5%	+4.4%	+2.8%
Domestic nutrition	+1.6%	+6.5%	+8.2%	+8.4%	+0.3%	+4.8%	+6.2%	+6.3%
Rest of bill	+1.1%	+0.5%	+0.9%	-1.9%	-0.3%	-1.2%	-0.9%	-3.8%
<b>Total bill</b>	+1.3%	+4.0%	+5.6%	+4.5%	-0.1%	+2.3%	+3.7%	+2.5%
Domestic nutrition	+1.5%	+5.9%	+7.7%	+7.9%	+0.1%	+4.2%	+5.8%	+5.8%
Rest of bill	+0.7%	-0.7%	+1.3%	-0.6%	-0.7%	-2.4%	-0.5%	-2.6%

**Source:** CRS calculations of the compounded annual rate of change between FY2014 and the stated prior year. Regular appropriations only; all years include Commodity Futures Trading Commission. See footnotes in **Table A-1** for definitions of “domestic nutrition” and “rest of bill.”

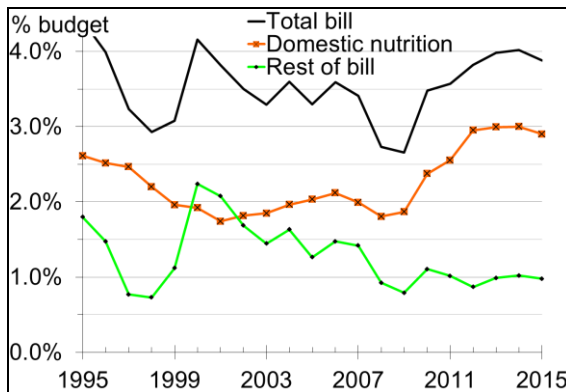
### Comparisons to the Federal Budget, GDP, and Population

Relative to the entire federal budget, the Agriculture bill’s share has declined from over 4% of the total federal budget in FY1995 and FY2000, to 2.7% in FY2009, before rising again to 4% in recent years (**Figure A-4, Table A-4**). Within that total, the share for nutrition programs had declined from 2.6% in FY1995 to 1.8% in FY2008, but the recent recession has caused that share to rise to about 3%. The share for the rest of the bill has declined from 2.2% in FY2000 to about 1.0% recently.

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

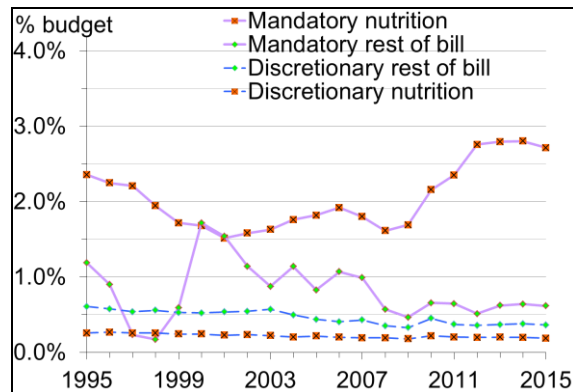
The 0.6% share of the federal budget above for mandatory spending on crop insurance, farm commodity subsidies, and conservation is a good proxy for farm bill spending on agricultural (non-nutrition) programs (**Figure A-5**). It has been variable and generally declining since 2000 (consistent with farm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

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



Source: CRS.

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

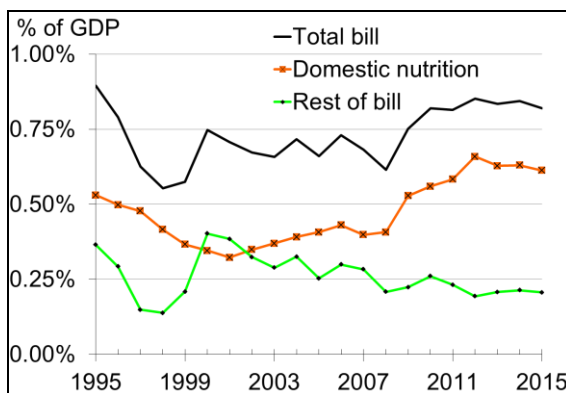


Source: CRS.

As a percentage of gross domestic product (GDP),<sup>122</sup> Agriculture appropriations had been fairly steady at under 0.75% of GDP from FY1997-FY2009, but have risen to about 0.8% of GDP since FY2010 due to increases in nutrition program demand (**Figure A-6, Table A-4**). Nutrition programs have been rising as a percentage of GDP since FY2000 (0.32% in FY2001 to 0.61% in FY2015), while non-nutrition agricultural programs have declined (0.40% in FY2000 to 0.21% in FY2015).

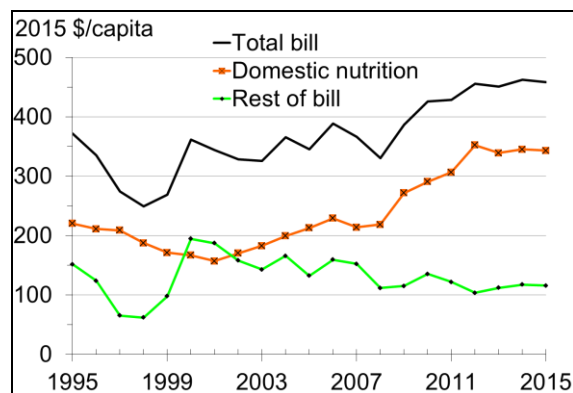
On a per capita basis, inflation-adjusted total Agriculture appropriations have risen slightly over the past 10 to 15 years from about \$250 per capita in 1998 (FY2015 dollars) to about \$460 per capita in FY2015 (**Figure A-7**). Nutrition programs have risen more steadily on a per capita basis from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

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



Source: CRS.

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



Source: CRS.

<sup>122</sup> Two other CRS reports compare various components of federal spending against GDP at a more aggregate level. See CRS Report RL33074, *Mandatory Spending Since 1962*, and CRS Report RL34424, *The Budget Control Act and Trends in Discretionary Spending*.

**Table A-4. Trends in Agriculture Appropriations Measured Against Benchmarks**  
(fiscal year)

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

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

## Appendix B. Budget Sequestration

Sequestration is a process of automatic, largely across-the-board reductions that permanently cancel mandatory and/or discretionary budget authority when spending would exceed statutory budget goals. The current requirement for sequestration is in the Budget Control Act of 2011 (BCA; P.L. 112-25).<sup>123</sup> **Table B-1** shows the rates of sequestration and the amounts of budget authority cancelled from accounts in the Agriculture appropriations bill.

**Table B-1. Sequestration from Accounts in the Agriculture Appropriation**  
(budget authority in millions of dollars)

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

**Source:** OMB, various *Reports to the Congress on the Joint Committee Reductions (Sequestration)*, at [https://www.whitehouse.gov/omb/legislative\\_reports/sequestration](https://www.whitehouse.gov/omb/legislative_reports/sequestration). Compiled by CRS.

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

Although the Bipartisan Budget Act of 2013 (P.L. 113-67) raised spending limits in the BCA to avoid sequestration of discretionary accounts in FY2014 and FY2015, it did not prevent or reduce sequestration on mandatory accounts. In fact, to pay for avoiding sequestration of discretionary spending in the near term, Congress extended the duration of sequestration on mandatory programs by two years (until FY2023).<sup>124</sup> Congress subsequently extended sequestration another year (until FY2024) to maintain retirement benefits for certain military personnel (P.L. 113-82).

The first farm commodity program payments from the 2014 farm bill are due in October 2015, and USDA has indicated that they will be subject to the 6.8% reduction applicable to FY2016.<sup>125</sup>

Some farm bill mandatory programs are exempt from sequestration. The nutrition programs and the Conservation Reserve Program are statutorily exempt,<sup>126</sup> and some prior legal obligations in crop insurance and the farm commodity programs may be exempt as determined by OMB.<sup>127</sup>

Since enactment of the BCA, the Office of Management and Budget (OMB) has ordered budget sequestration on non-exempt, non-defense discretionary accounts only once,<sup>128</sup> in FY2013 (**Table B-1**), and on mandatory accounts annually in FY2013-FY2016 (**Table B-2**).

<sup>123</sup> See CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*.

<sup>124</sup> CBO, *Bipartisan Budget Act of 2013*, December 11, 2013, at <http://cbo.gov/publication/44964>.

<sup>125</sup> Southwest Farm Press, “Vilsack announces 6.8% ARC/PLC cuts forthcoming,” October 8, 2016, at <http://southwestfarmpress.com/government/vilsack-announces-68-arcplc-cuts-forthcoming-2014-2016-payments-farmers>.

<sup>126</sup> Generally speaking, the benefits from these programs are exempt from sequestration; however, some administrative expenses in these programs may be subject to sequestration, and therefore the programs may appear in the tables in this appendix with a relatively small sequesterable amount compared to their total budget authority.

<sup>127</sup> 2 U.S.C. 905 (g)(1)(A), and 2 U.S.C. 906 (j). See also CRS Report R42050, *Budget “Sequestration” and Selected Program Exemptions and Special Rules*.

<sup>128</sup> See CRS Report R43669, *Agriculture and Related Agencies: FY2015 Appropriations*.



**Table B-2. Sequestration of Mandatory Agriculture Appropriations in FY2013-2016**  
(budget authority in millions of dollars)

	FY2013		FY2014		FY2015		FY2016	
	Seq. BA	Amount	Seq. BA	Amount	Seq. BA	Amount	Seq. BA	Amount
<i>Sequestration rate on non-exempt, non-defense mandatory accounts</i>		<b>5.1%</b>		<b>7.2%</b>		<b>7.3%</b>		<b>6.8%</b>
<b>U.S. Department of Agriculture</b>								
Office of the Secretary	—	—	—	—	13	0.9	13	0.9
Office of Chief Economist	—	—	—	—	1	0.1	1	0.1
Agricultural Research Service	2	0.1	2	0.1	2	0.1	2	0.1
National Institute of Food, Agriculture							145	9.9
Extension	5	0.3	5	0.4	25	1.8	—	—
Biomass R&D	—	—	—	—	3	0.2	3	0.2
Integrated Activities	—	—	—	—	100	7.3	—	—
Animal and Plant Health Inspection Service								
Salaries appropriation	266	13.6	261	18.8	294	21.5	295	20.1
Misc. Trust Funds	1	0.1	1	0.1	1	0.1	1	0.1
Food Safety Inspection Service								
Expenses and refunds	1	0.1	1	0.1	1	0.1	1	0.1
Grain Insp. Packers, Stockyards Admin.								
Limitation on Expenses	41	2.1	41	3.0	41	3.0	46	3.1
Agricultural Marketing Service								
Section 32	792	40.4	1,107	79.7	1,122	81.9	1,137	77.3
Milk Market Orders Assess. Fund	57	2.9	58	4.2	57	4.2	59	4.0
Perishable Ag Commodities Act	11	0.6	11	0.8	11	0.8	12	0.8
Expenses and refunds	8	0.4	12	0.9	12	0.9	19	1.3
Payments to States and Possessions	—	—	—	—	73	5.3	73	5.0
Marketing Services	—	—	—	—	30	2.2	30	2.0
Federal Crop Insurance Corporation	58	3.0	58	4.2	81	5.9	51	3.5
Farm Service Agency								
Commodity Credit Corporation	6,460	329.5	7,968	573.7	9,737	710.8	20,420	1,388.6
Agricultural Disaster Relief Fund	1,372	70.0	—	—	—	—	—	—
Tobacco Trust Fund	960	49.0	960	69.1	—	—	—	—
Ag. Credit Insurance Corp.	—	—	—	—	1	0.1	1	0.1
CCC Export Loans	—	—	—	—	—	—	6	0.4
Pima Cotton Trust Fund	—	—	—	—	—	—	16	1.1
Wool Apparel Trust Fund	—	—	—	—	—	—	30	2.0

	FY2013		FY2014		FY2015		FY2016	
	Seq. BA	Amount	Seq. BA	Amount	Seq. BA	Amount	Seq. BA	Amount
Natural Resources Conservation Service								
Farm Security, Rural Invest. Prog.	3,357	171.2	3,654	263.1	3,697	269.9	3,907	265.7
Watershed Rehabilitation Program	—	—	165	11.9	153	11.2	69	4.7
Rural Business Cooperative Service	87	4.4	89	6.4	118	8.6	141	9.6
Foreign Agricultural Service	1	0.1	2	0.1	1	0.1	1	0.1
Food and Nutrition Service <sup>a</sup>								
SNAP	93	4.7	111	8.0	115	8.4	144	9.8
Child Nutrition Programs	49	2.5	58	4.2	58	4.2	58	3.9
Commodity Assistance Program	21	1.1	21	1.5	21	1.5	21	1.4
WIC	1	0.1	1	0.1	1	0.1	1	0.1
<b>Related Agencies</b>								
Food and Drug Administration								
User Fees	319	16.3	—	—	—	—	—	—
Revolving Fund for Certification	8	0.4	8	0.6	8	0.6	9	0.6
Commodity Futures Trading Comm.	13	0.7	12	0.9	14	1.0	32	2.2
<b>Total</b>	<b>13,983</b>	<b>713.1</b>	<b>14,606</b>	<b>1,051.6</b>	<b>15,791</b>	<b>1,152.7</b>	<b>26,744</b>	<b>1,818.6</b>

**Source:** OMB, various *Reports to the Congress on the Joint Committee Reductions (Sequestration)*, at [https://www.whitehouse.gov/omb/legislative\\_reports/sequestration](https://www.whitehouse.gov/omb/legislative_reports/sequestration). Compiled by CRS.

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

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

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