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CRS Report for Congress

Agriculture and Related Agencies: FY2008 Appropriations

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Congressional Research Service

The annual consideration of appropriations bills (regular, continuing, and supplemental) by Congress is part of a complex set of budget processes that also encompasses the consideration of budget resolutions, revenue and debt-limit legislation, other spending measures, and reconciliation bills. In addition, the operation of programs and the spending of appropriated funds are subject to constraints established in authorizing statutes. Congressional action on the budget for a fiscal year usually begins following the submission of the President's budget at the beginning of the session. Congressional practices governing the consideration of appropriations and other budgetary measures are rooted in the Constitution, the standing rules of the House and Senate, and statutes, such as the Congressional Budget and Impoundment Control Act of 1974.

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

NOTE: A Web version of this document with active links is available to congressional staff at [http://beta.crs.gov/cli/level_2.aspx?PRDS_CLI_ITEM_ID=73].

Agriculture and Related Agencies: FY2008 Appropriations

Summary

The agriculture appropriations bill includes all of the U.S. Department of Agriculture (USDA), except the Forest Service, plus the Food and Drug Administration. Jurisdiction for the Commodity Futures Trading Commission (CFTC) remains with the House agriculture appropriations subcommittee, but was moved to the Senate financial services subcommittee in FY2008.

The FY2008 agriculture appropriations bill was combined with 10 other appropriations bills into the Consolidated Appropriations Act, 2008 (P.L. 110-161). The consolidated bill passed the House on December 17, 2007, passed the Senate on December 18, 2007, and was signed by the President on December 26, 2007.

The act provides $90.8 billion in total funds for agriculture and related agencies, including $18.1 billion in official discretionary appropriations, and $72.7 billion in mandatory funds. The discretionary amount is 1.6% greater than the amount in FY2007 (+$281 million), although "gross" discretionary appropriations actually available to agencies grew 5.3% to $19.5 billion. Mandatory spending decreased about $7 billion overall from FY2007. Mandatory transfers for the farm commodity programs decreased $10 billion because of less need for price-triggered income support, while food stamp benefits rose about $2.2 billion (+4.2%).

The enacted appropriation for FY2008 provides notable increases above FY2007 for conservation (+$85 million, +10%), meat and poultry inspection (+$38 million, +4.3%), agricultural research (+$38 million, +3.4%), animal and plant health programs (+$16.5 million, +1.9%), agricultural statistics (+$15 million, +10%), and the Food and Drug Administration (+$143 million, +9.1%). Rural development funding decreased $166 million (-6.6%) from FY2007, but remained higher than the Administration's request. The law removes the delay on implementation of country-of-origin labeling for meat, and requires labeling to begin by September 2008.

The act contains disaster assistance to cover certain crop and livestock losses for all of 2007 by extending the eligibility date for crop and livestock losses to December 31, 2007. (The Iraq War supplemental enacted in May 2007 covered losses through February 2007.) CBO estimates that the additional disaster authority will cost $602 million ($592 million for crops and $10 million for livestock), which is included in the cost of the bill.

The act also extends most provisions of the 2002 farm bill until March 15, 2008. The extension is expected to be sufficient for conference negotiations to resolve differences between the House- and Senate-passed farm bills. The farm bill extension states that, unless otherwise excepted, 2002 farm bill provisions in effect in September 2007 shall continue until March 15, 2008. Important among the relatively short list of programs that are *not* extended are the farm commodity programs for the 2008 crop year.

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Most Recent Developments

The FY2008 agriculture appropriations bill was combined with 10 other appropriations bills into the Consolidated Appropriations Act, 2008 (P.L. 110-161). The consolidated bill passed the House on December 17, 2007, the Senate on December 18, 2007, and was signed by the President on December 26, 2007.

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The Act also extends most provisions of the 2002 farm bill until March 15, 2008. The extension is expected to be sufficient for conference negotiations to resolve differences between the House- and Senate-passed farm bills. The farm bill extension states that, unless otherwise excepted, 2002 farm bill provisions shall continue until March 15, 2008. Among the relatively short list of programs that are *not* extended are the farm commodity programs for the 2008 crop year.

Components of Agriculture Appropriations

USDA Activities

The U.S. Department of Agriculture (USDA) carries out widely varied responsibilities through about 30 separate internal agencies and offices staffed by some 100,000 employees. USDA is responsible for many activities outside of the agriculture budget function. Hence, USDA spending is not synonymous with farm program spending. Similarly, agriculture appropriations bills are not limited to USDA and include related programs such as the Food and Drug Administration and the Commodity Futures Trading Commission but exclude the USDA Forest Service.

USDA estimated that its outlays in FY2007 would be $93 billion. Food and nutrition programs comprise the largest mission area with $55 billion, or 60% of the total, to support the food stamp program, the nutrition program for Women, Infants, and Children (WIC), and child nutrition programs (**Figure 1**).

Figure 1. USDA Outlays, FY2007 Estimated

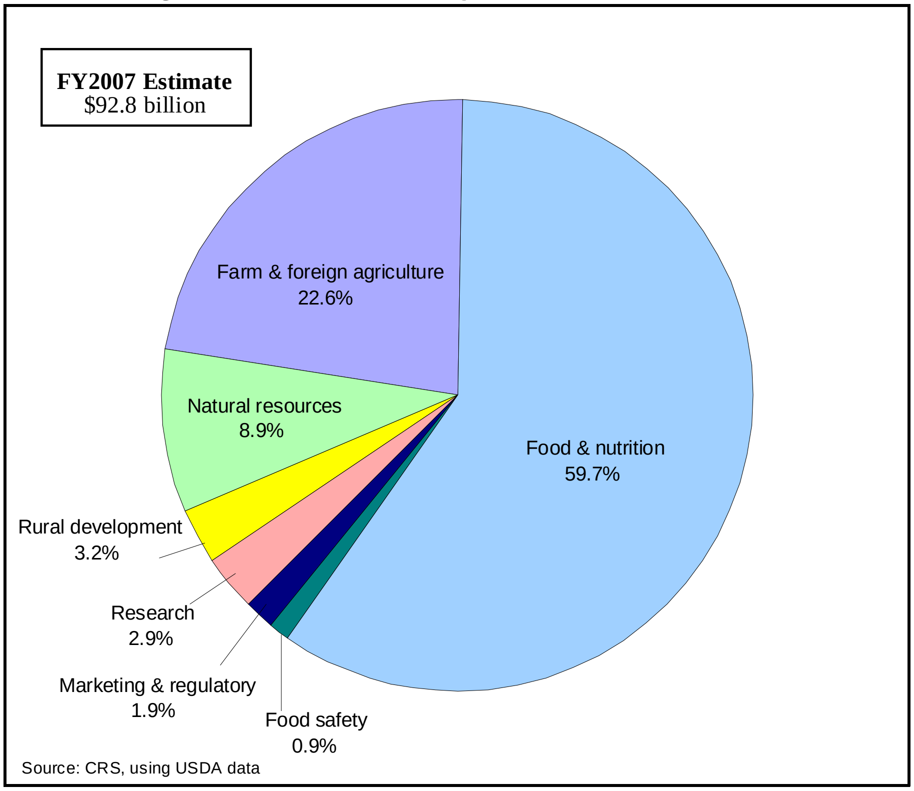
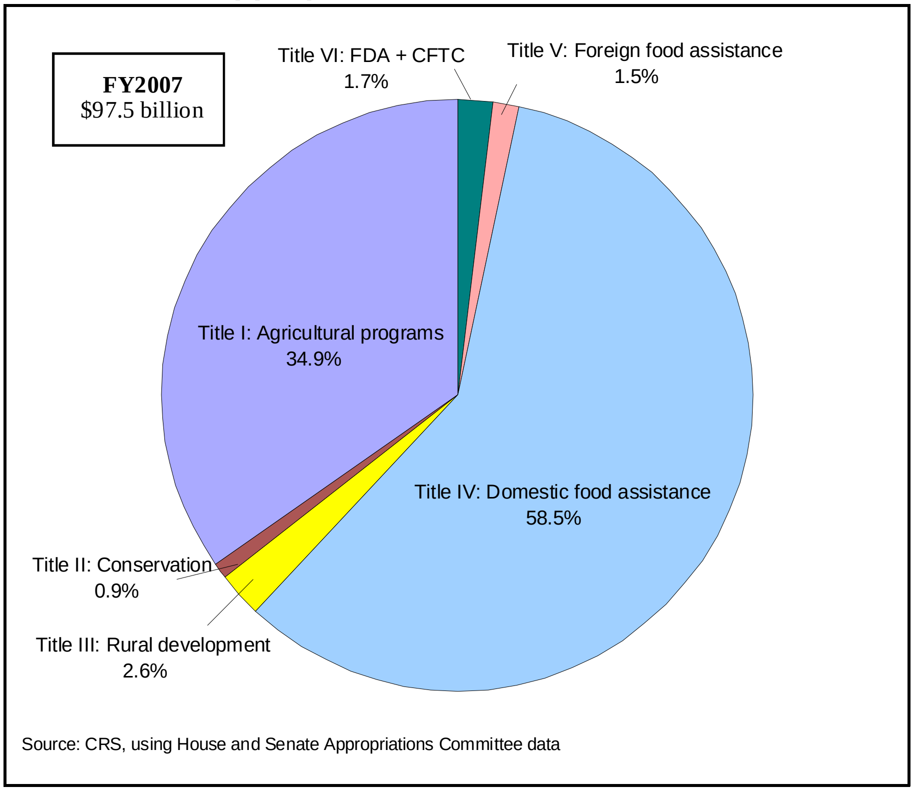


Figure 2. Agriculture and Related Agencies Appropriations, FY2007 Enacted



The second-largest mission area, with an expected $21 billion (23%) in outlays, is farm and foreign agricultural services. This mission area includes the farm commodity price and income support programs of the Commodity Credit Corporation, certain mandatory conservation and trade programs, crop insurance, farm loans, and foreign food aid programs.

Other USDA activities include natural resource and environmental programs (9% of the total), rural development (3%), research and education programs (3%), marketing and regulatory programs (2%), and food safety (1%).

Nearly two-thirds of the outlays for natural resources programs goes to the Forest Service (about $5.4 billion), which is funded through the Interior appropriations bill. The Forest Service, included with natural resources in **Figure 1**, is the only USDA agency not funded through the agriculture appropriations bill.

USDA defines its programs using "mission areas" that do not always correspond to categories in the agriculture appropriations bill. For example, foreign agricultural assistance programs are a separate title (Title V) in the appropriations bill but are joined with domestic farm support in USDA's "farm and foreign agriculture" mission area (compare **Figure 1** with **Figure 2**). Conversely, USDA has separate mission areas for marketing and regulatory programs, and agricultural research, but both are joined with other domestic farm support programs in Title I (agricultural programs) of the appropriations bill.

Related Agencies

In addition to the USDA agencies mentioned above, the agriculture appropriations subcommittees have jurisdiction over appropriations for the Food and Drug Administration (FDA) of the Department of Health and Human Services (HHS) and, in the House, the Commodity Future Trading Commission (CFTC, an independent financial markets regulatory agency). These agencies are included in the agriculture appropriations bill because of their historical connection to food and agricultural markets. However, food and agricultural issues have become less dominant at these agencies as medical and drug issues have grown in FDA and non-agricultural futures markets have grown at CFTC. Their combined share of the overall agriculture and related agencies appropriations bill is usually less than 2% (see Title VI in **Figure 2**).

Mandatory vs. Discretionary Spending

Mandatory and discretionary spending are treated differently in the budget process. Congress generally controls spending on mandatory programs by setting rules for eligibility, benefit formulas, and other parameters rather than approving specific dollar amounts for these programs each year. Eligibility for mandatory programs (sometimes referred to as entitlement programs) is usually written into authorizing law, and any individual or entity that meets the eligibility requirements is entitled to the benefits authorized by the law. The 2002 farm bill — and its expected successor, the 2007/08 farm bill, H.R. 2419 — determine most of the parameters for this mandatory spending.

Spending for discretionary programs is controlled by annual appropriations acts. The subcommittees of the House and Senate Appropriations Committees originate bills each year that provide funding to continue current activities as well as any new discretionary programs.

Approximately 80% of the total agriculture and related agencies spending is classified as mandatory, which by definition occurs independently of annual appropriations (**Table 1**). The vast majority of USDA's mandatory spending is for the following programs: the food stamp program, most child nutrition programs, the farm commodity price and income support programs (authorized by the 2002 farm bill and various disaster/emergency appropriations), the federal crop insurance program, and various agricultural conservation and trade programs. Mandatory spending is highly variable and driven by program participation rates, economic and price conditions, and weather patterns (**Figure 3**).

Although these programs have mandatory status, many of these accounts receive funding in the annual agriculture appropriations act. For example, the food stamp and child nutrition programs are funded by an annual appropriation based on projected spending needs. Supplemental appropriations generally are made if these estimates fall short of required spending. The Commodity Credit Corporation operates on a line of credit with the Treasury, but receives an annual appropriation to reimburse the Treasury and to maintain its line of credit.

The other 20% of the agriculture and related agencies appropriations bill is for discretionary programs. Major discretionary programs include certain conservation programs, most rural development programs, research and education programs, agricultural credit programs, the supplemental nutrition program for women, infants, and children (WIC), the Public Law (P.L.) 480 international food aid program, meat and poultry inspection, and food marketing and regulatory programs.

Table 1. Agriculture and Related Agencies Appropriations: FY1999-FY2008

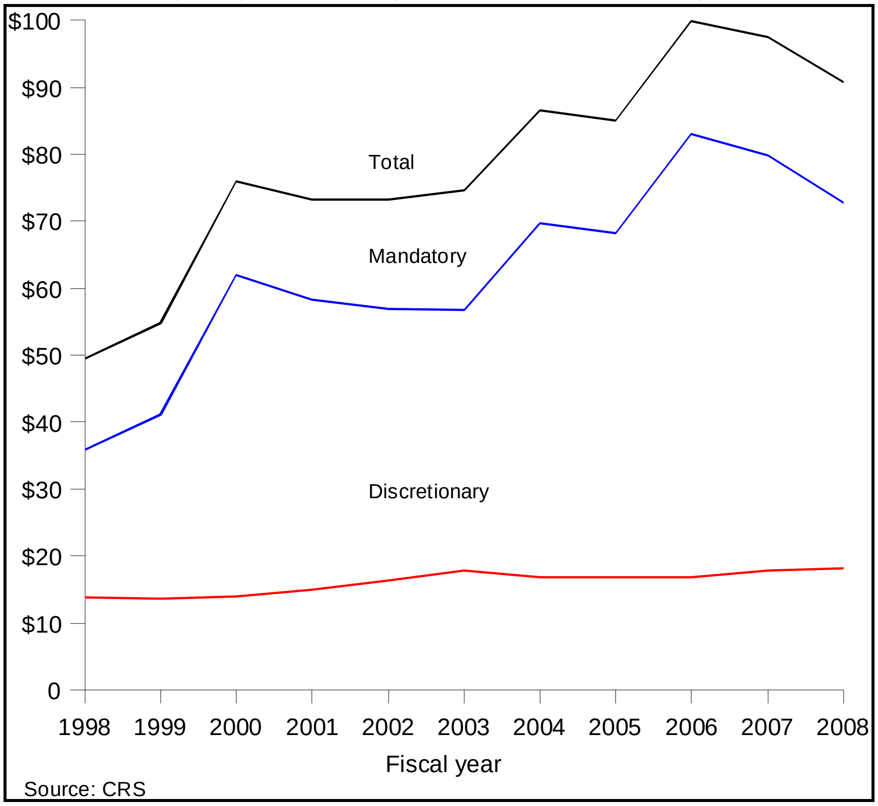
(budget authority in billions of dollars)

	Fiscal Year									
	1999	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Mandatory	41.0	62.0	58.3	56.9	56.7	69.7	68.3	83.1	79.8	72.7
Discretionary	13.7	13.9	15.0	16.3	17.9	16.8	16.8	16.8	17.8	18.1
Total	**54.7**	**75.9**	**73.3**	**73.2**	**74.6**	**86.6**	**85.1**	**99.8**	**97.6**	**90.8**
Percent discretionary	25%	18%	20%	22%	24%	19%	20%	17%	18%	20%

Source: CRS, using tables from the House and Senate Appropriations Committees and *Congressional Quarterly*.

Note: Includes regular annual appropriations for all of USDA (except the Forest Service), the Food and Drug Administration, and the Commodity Futures Trading Commission. Excludes mandatory emergency supplemental appropriations. Amounts reflect rescissions that were applied to the final appropriation.

Figure 3. Mandatory and Discretionary Appropriations
(budget authority, in billions of dollars)



Action on FY2008 Appropriations

The agriculture appropriations bill includes all of USDA (except the Forest Service), plus the Food and Drug Administration (FDA) in the Department of Health and Human Services, and the Commodity Futures Trading Commission (CFTC).[1]

Consolidated Appropriations Act, 2008 (P.L. 110-161)

The FY2008 agriculture appropriations bill was combined with 10 other appropriations bills into the Consolidated Appropriations Act, 2008 (P.L. 110-161). The bill passed the House on December 17, 2007, the Senate on December 18, 2007, and was signed by the President on December 26, 2007 (**Table 2**). The conference report was not published as a separate document of a conference committee, but is printed in the *Congressional Record* for December 17, 2007. The agriculture portion of the explanatory statement is on pages H15741-H15788.

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[1] Jurisdiction over CFTC appropriations is assigned differently in the House and Senate. In the House, appropriations jurisdiction for CFTC remains with the agriculture appropriations subcommittee. In the Senate, jurisdiction moved financial services appropriations subcommittee with the FY2008 appropriations cycle. The Consolidated Appropriations Act for FY2008 put CFTC appropriations with agriculture appropriations.

The agriculture provisions in the Consolidated Appropriations Act were not controversial. Debate over the bill primarily concerned funding for the war in Iraq.

Temporary Extension of the 2002 Farm Bill. The Consolidated Appropriations Act extends certain provisions of the 2002 farm bill until March 15, 2008 (Division A, Sec. 751). The duration of the extension is expected to be sufficient for conference negotiations to resolve differences between the House- and Senate-passed farm bills. A new farm bill is expected to become effective for the 2008 crop year for most of the supported farm commodities, and for other programs for the remainder of FY2008 and beyond.

The extension states that, unless otherwise excepted, 2002 farm bill provisions in effect on September 30, 2007, shall continue until March 15, 2008. Three conservation programs are funded at specific levels (Farmland Protection Program at $97 million/year, Ground and Surface Water Conservation at $60 million/year, and Wildlife Habitat Incentives Program at $85 million/year). The dairy and sugar programs are included in the extension. The dairy price support program would have expired December 31 and would have been replaced with costlier support provisions in permanent law. Price support loan programs for wool and mohair also are extended since those crop years begin on January 1.

Programs that are *not* extended include the direct, counter-cyclical, and marketing loan programs for the 2008 crop year for all other supported commodities, peanut storage payments, agricultural management assistance for conservation, community food projects in the food stamp program, the rural broadband program, value-added market development grants, federal procurement of biobased products (2002 farm bill, Sec. 9002), the biodiesel fuel education program (Sec. 9004), and the renewable energy systems program (Sec. 9006).

For more information about farm bill extension and expiration, see CRS Report RL34154, *Possible Expiration of the 2002 Farm Bill*, by Jasper Womach.

Table 2. Congressional Action on FY2008 Agriculture Appropriations

Agriculture Appropriations Bill						Consolidated Appropriations Act			
Subcommittee Approval		Committee Approval		House Passage	Senate Passage	Explanatory Statement	Approval		Public Law
House	Senate	House	Senate				House	Senate	
		H.R. 3161, H.Rept. 110-258	S. 1859, S.Rept. 110-134	H.R. 3161		Cong. Record H15741 - H15788	H.R. 2764	H.R. 2764	P.L. 110-161
vv	vv	vv	Vote of 29-0	Vote of 237 - 18	—		Vote of 253 - 154	Vote of 76 - 17	
7/12/07	7/17/07	7/19/07	7/19/07	8/2/07		12/17/07	12/17/07	12/18/07	12/26/07

Source: CRS.
Notes: vv = voice vote.

House Action

The House of Representatives passed the FY2008 agriculture appropriations bill (H.R. 3161, H.Rept. 110-258) on August 2, 2007, by a vote of 237-18, far short of the 435 seats in the House. Many Members of the minority party did not cast votes on final passage of the bill because of a controversy over floor procedures that was separate from the content of the bill.

The full Committee on Appropriations reported the bill on July 19, 2007, by voice vote, after subcommittee markup a week earlier on July 12.

Floor Proceedings Controversy. On the floor, when the bill initially was under an open rule (H.Res. 581), only two amendments were adopted before the bill was pulled from the floor. Both amendments reduced appropriations for the Secretary of Agriculture's office by a marginal amount ($150,150, or 3%) and debate time was used to discuss another bill that was not being given floor time. Because of the diversion, the agriculture appropriations bill was pulled from the floor and returned two days later under a more restrictive rule (H.Res. 599). Under the new rule, a manager's amendment with six non-monetary amendments was considered as adopted, including a provision to remove a proposal that would have limited the transportation of horses across state lines for purposes other than slaughter. Twelve other amendments were allowed for floor consideration, but none were adopted. Most of these amendments would have eliminated earmarks or reduced funding.

As floor debate on the bill was nearing completion, there was a motion to recommit the bill to committee. As some Members were changing their vote, the vote was closed with the motion failing, but the tally subsequently showed the motion receiving sufficient votes to pass. The outcome was not reconsidered, and many Members of the minority party chose not to vote on final passage of the bill as a show of protest. The House passed H.R. 3161 by a vote of 237-18.

Senate Action

The Senate Appropriations Committee reported its version of the bill (S. 1859, S.Rept. 110-134) on July 19, 2007, by a vote of 29-0. This was the same day that the House full committee reported its bill. Subcommittee markup in the Senate occurred two days earlier on July 17. The agriculture appropriations bill, along with four other appropriations subcommittee bills, did not reach the Senate floor.

Funding and Policy Issues

The Consolidated Appropriations Act, 2008, provides $90.8 billion in total funds for agriculture and related agencies: $18.1 billion in official "net" discretionary appropriations, and $72.7 billion in mandatory funds. The discretionary amount is 1.6% greater than the amount in FY2007 (+$281 million), although "gross" discretionary appropriations before scorekeeping adjustments grew 5.3% from $18.5

billion in FY2007 to $19.5 billion in FY2008 (**Table 3**).[2] Mandatory spending decreased about $7 billion overall — farm bill appropriations for the farm commodity programs decreased $10 billion (-44%) because of less need for price-triggered income support, and mandatory food stamp program benefits rose about $2.2 billion (+4.2%).

Table 3. Agriculture Appropriations: FY2008 Action and FY2007 Enacted

(budget authority in billions of dollars)

Category	FY2007	FY2008				Enacted change from FY2007
	Enacted	Admin. Request	House-Passed	Senate-Reported	Enacted less 0.7%	
Total before adjustments:						
“Gross” discretionary	18.5	18.3	19.2	19.1	19.5	5.3%
Mandatory	79.0	71.5	71.5	71.5	71.5	-9.5%
Subtotal	**97.5**	**89.9**	**90.7**	**90.6**	**91.0**	**-6.7%**
Official score, after scorekeeping adjustments:						
“Net” discretionary	17.8	17.8	18.8	18.7	18.1	1.6%

Source: CRS, using tables from the House and Senate Appropriations Committee.

As stand-alone bills, the House and Senate versions contained about $1 billion more in net discretionary spending than FY2007, about $700 million more than eventually enacted in the Consolidated Appropriations Act. The Administration’s request was for virtually no increase, and thus the bills drew a veto threat from the White House.[3] The Administration also opposed prescription drug importation as allowed in the House bill and had raised a veto threat over the issue in previous years’ bills.

The enacted appropriation for FY2008 provides notable increases above FY2007 for conservation (+$85 million, +10%), meat and poultry inspection (+$38 million, +4.3%), agricultural research (+$39 million, +3.4%), animal and plant health programs (+$16 million, +1.9%), agricultural statistics (+$15 million, +10%), and the Food and Drug Administration (+$143 million, +9.1%). Rural development funding decreased $166 million (-6.6%) from FY2007, but remained higher than the Administration’s request. The law removes the delay on implementation of country-

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[2] Because of accounting practices such as limiting the ability of certain mandatory programs to spend their authorized amounts, the discretionary amounts that the appropriators actually provide to agencies is higher than the bill’s official discretionary amount. Thus, the agriculture appropriations bill has two sets of numbers for discretionary spending: (1) an official “net” discretionary amount against which the 302(b) allocation is measured for purposes of meeting budgetary requirements and (2) a “gross” discretionary amount actually made available to agencies that is somewhat higher by virtue of “scorekeeping adjustments.”

[3] Office of Management and Budget, “Statement of Administration Policy on H.R. 3161,” July 31, 2007 [http://www.whitehouse.gov/omb/legislative/sap/110-1/hr3161sap-h.pdf].

of-origin labeling for meat, and requires labeling to begin by September 2008. The "common computing environment," formerly funded as a separate account ($108 million in FY2007), received no funding for FY2008, but increases were provided to appropriate agency accounts (e.g., Farm Service Agency and Natural Resources Conservation Service).

The Senate bill was higher than the House bill for the Agricultural Research Service, animal and plant health inspection, some domestic food programs, foreign food aid, and FDA. The Senate bill contained less than the House bill for rural development, and the cooperative state research program, and slightly less for conservation. See **Table 8** at the end of this report for a tabular summary of funding for each agency at various stages during the appropriations process.

The Administration released its FY2008 budget request on February 5, 2007, seeking $17.8 billion in discretionary spending for agencies funded through the agriculture appropriations bill (the same as for FY2007, 1.5% less than the FY2008 enacted amount, 5.2% less than the House version, and 4.7% less than the Senate version). Both the House and Senate agriculture appropriations subcommittees held hearings on the Administration's request in the spring of 2007.

Regarding overall funding guidelines, the House and Senate passed a concurrent FY2008 budget resolution (S.Con.Res. 21) on May 17, 2007. To guide spending at the subcommittee level, the House Appropriations Committee approved a discretionary 302(b) allocation of $18.817 billion for the agriculture bill (H.Rept. 110-236), and the Senate Appropriations Committee allowed $18.709 billion (S.Rept. 110-133). Although the 302(b) allocation in the Senate is less than the House, the difference is approximately equal to the budget for the Commodity Futures Trading Commission, which is not in the Senate bill. Thus, for the agriculture and FDA programs that are in both bills, the 302(b) allocations are nearly identical.

Earmarks. Under new earmark disclosure rules adopted by both the House and Senate in 2007, the explanatory statement for the FY2008 Consolidated Appropriations Act includes a "Disclosure of Earmarks and Congressional Directed Spending Items." The list is self-identified by Congress and includes the agency name, project title, name of the Member(s) sponsoring the earmark, and the amount.

The act says that the explanatory statement should be considered like a conference committee report with respect to the allocation of funds. However, earmarks specified in a conference report generally are not considered to have the same force of law as if they were in the text of the law itself. In the past, executive branch agencies usually have followed such directives since they regularly testify before Congress as part of the appropriations cycle and do not wish to explain to appropriators why congressional directives were not followed.

For the FY2008 agriculture appropriations law, the explanatory statement identifies 623 earmarks totaling $400 million, as summarized in **Table 4**. Many of the earmarks represent the restoration of funding for congressionally designated research grants and construction projects that were suspended in FY2007 under the terms of the FY2007 long-term continuing resolution (P.L. 110-5). Of the 623 earmarks, only three are in the text of the consolidated act.

For FY2009 and future appropriations, President Bush issued Executive Order 13457 on January 29, 2008, instructing agencies not to follow earmark directives in non-statutory sources. That is, future earmarks are not to be honored unless they are in the text of the law.

Table 4. FY2008 Earmarks Disclosed by Congress

Agency	Number	Amount ($1,000)	In law text[a]
Coop. State Research, Educ., and Extension Svc.	268	135,536	—
Agricultural Research Service (ARS)	171	149,194	—
National Resources Conservation Service	115	71,500	—
Animal and Plant Health Inspection Service	56	27,336	—
Food and Drug Administration (FDA)	8	8,194	—
Grain Inspection, Packers, and Stockyards Admin.	2	3,900	—
Food and Nutrution Service (FNS)	1	2,475	1
Agricultural Marketing Service (AMS)	1	1,875	1
Rural Development (RD)	1	2,600	1
Total for agriculture and related agencies	**623**	**402,610**	**3**

Source: CRS, based on the Explanatory Statement for the Consolidated Appropriations Act, 2008 (P.L. 110-161), as published in the Congressional Record, December 17, 2007, pp. H15766-H15778.

a. Identified by CRS after comparing P.L. 110-161 to the explanatory statement.

USDA Agencies and Programs

The appropriations bill for agriculture and related agencies covers all of USDA except for the Forest Service. This amounts to about 94% of USDA's total appropriation. The Forest Service is funded through the Interior appropriations bill.

Farm Service Agency

USDA's Farm Service Agency (FSA) is probably best known for its role in administering the farm commodity income support and disaster assistance programs. In addition, FSA also administers USDA's direct and guaranteed farm loan programs, certain mandatory conservation programs (in cooperation with the Natural Resources Conservation Service), and certain international food assistance and export credit programs (in cooperation with the Foreign Agriculture Service).

FSA Salaries and Expenses. This account funds expenses for program administration and other functions assigned to the FSA. Transfers are received for administration of CCC export credit guarantees, P.L. 480 loans, and the farm loan programs. All administrative funds used by FSA are consolidated into one account. For FY2008, the enacted appropriation after rescission is $1.430 billion, $93 million (+7.0%) more than in FY2007, but $118 million less than the Administration's request. The House-passed bill provide $1.440 billion and the Senate-reported bill $1.478 billion.

The explanatory statement for the enacted appropriation prohibits USDA from closing (or developing a plan to close) any FSA county office before a new farm bill is enacted. This is slightly less restrictive than the House-passed bill, which would have continued statutory language inserted in the FY2006 appropriations law that restricted the ability of USDA to close any county office without public hearings and notification to Congress, or closing county offices until *six months after* a new farm bill is enacted. The Senate-reported bill did not address county office closure. This restriction on county office closure reflects language in stand-alone bills such as H.R. 1648, H.R. 1649, and S. 944 that would limit the ability of USDA to close county offices.

FSA Farm Loan Programs. Through FSA farm loan programs, USDA serves as a lender of last resort for family farmers unable to obtain credit from a commercial lender. USDA provides direct farm loans and also guarantees 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 subsidized interest rate. 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 FY2008, the enacted appropriation follows the Senate bill and provides $148.6 million to subsidize the cost of making an estimated $3.427 billion in direct and guaranteed FSA loans. This represents an 8.6% decrease in loan authority from FY2007, but is not as low as the Administration requested (**Table 5**). Direct loan authority decreases 5.6% from FY2007 (all accounted for by a decrease in direct operating loans, even though direct farm ownership loans increase). Guaranteed loan authority decreases 9.7% (with nearly equal decreases in guaranteed ownership and unsubsidized operating loans). Over the past decade, Congress and the Administration generally have devoted more resources towards the guaranteed loan program, so the increase in direct farm ownership loans is contrary to this trend.

No new funds or authority are provided for emergency loans. In recent years, Congress has not appropriated any money for emergency loans, citing sufficient carryover of funds made available in previous supplementals.

For more information about agricultural credit in general, see CRS Report RS21977, *Agricultural Credit: Farm Bill Issues*, by Jim Monke.

Table 5. FSA Farm Loan Appropriations
(dollars in millions)

Description:		FY2007 Enacted	FY2008 Admin. Request	FY2008 Enacted less 0.7%	Enacted change from FY2007	
Direct Loans						
Ownership:	Subsidy	8.7	10.0	9.9	1.2	13.7%
	Auth.	*207.6*	*223.9*	*222.3*	*14.7*	*7.1%*
Operating:	Subsidy	75.2	79.9	73.0	(2.2)	-3.0%
	Auth.	*643.5*	*629.6*	*575.1*	*(68.4)*	*-10.6%*
Indian land:	Subsidy	0.4	0.1	0.1	(0.3)	-70.7%
	Auth.	*2.0*	*4.0*	*3.9*	*1.9*	*96.6%*
Boll weevil:	Subsidy	1.9	0.0	0.0	(1.9)	-100.0%
	Auth.	*100.0*	*59.4*	*100.0*	*0.0*	*0.0%*
Subtotal:	**Subsidy**	**86.7**	**90.1**	**83.0**	**(3.7)**	**-4.2%**
	Auth.	***955.1***	***920.8***	***901.3***	***(53.8)***	***-5.6%***
Guaranteed Loans						
Ownership:	Subsidy	8.0	4.8	5.0	(3.1)	-38.4%
	Auth.	*1,386.0*	*1,200.0*	*1,238.7*	*(147.3)*	*-10.6%*
Operating, unsubsidized:		28.1	24.2	24.6	(3.5)	-12.4%
	Auth.	*1,138.5*	*1,000.0*	*1,017.5*	*(121.0)*	*-10.6%*
Operating, subsidized:		27.4	33.4	36.0	8.6	31.5%
	Auth.	*271.9*	*250.0*	*270.0*	*(1.9)*	*-0.7%*
Subtotal:	**Subsidy**	**63.5**	**62.4**	**65.6**	**2.1**	**3.2%**
	Auth.	***2,796.4***	***2,450.0***	***2,526.1***	***(270.3)***	***-9.7%***
Total:	**Subsidy**	**150.2**	**152.5**	**148.6**	**(1.6)**	**-1.1%**
	Auth.	***3,751.5***	***3,370.8***	***3,427.4***	***(324.0)***	***-8.6%***

Source: CRS, using tables from the House and Senate Appropriations Committees.

Commodity Credit Corporation

Although the Farm Service Agency administers the farm income support and disaster assistance programs, the Commodity Credit Corporation (CCC) is the funding mechanism for payments to farmers. Most spending for USDA's mandatory agriculture and conservation programs was authorized by the 2002 farm bill (P.L. 107-171), and those provisions are up for reauthorization this year. For more information, see CRS Report RL33934, *Farm Bill Proposals and Legislative Action in the 110th Congress*, coordinated by Renée Johnson.

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. These borrowed funds finance spending for programs such as farm commodity price and income subsidies and various conservation, trade, and rural development programs. 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.

The CCC eventually must repay the funds it borrows from the Treasury. Because the CCC never earns more than it spends, its losses must be replenished periodically through a congressional appropriation so that its $30 billion borrowing authority (debt limit) is not depleted. Congress generally provides this infusion through the annual USDA appropriation law. Because most of this spending rises or falls automatically on economic or weather conditions, funding needs are sometimes difficult to estimate. In recent years, the CCC has received a "current indefinite appropriation," which provides "such sums as are necessary" during the fiscal year.

The estimated CCC appropriation is not a reflection of expected outlays, which can be different because of the cushion of credit available through the Treasury line of credit. Outlays (e.g., payments to farmers) in FY2008 will be funded initially through the borrowing authority of the CCC and reimbursed to the Treasury through a separate (possibly future) appropriation. For FY2008, USDA projects that CCC net expenditures will be $10.7 billion, down from an estimated $11.4 billion in FY2007 and an actual $20.1 billion in FY2006 (**Table 6**). This decrease is due to less need for price-triggered farm commodity subsidies since market prices are high.

For FY2008, the enacted appropriation concurs with the Administration request for an indefinite appropriation ("such sums as necessary") for CCC, which is estimated to be $12.983 billion.

Table 6. Commodity Credit Corporation (CCC) Operations

(millions of dollars)

Description	FY2005 Actual	FY2006 Actual	FY2007 Estimate	FY2008 Estimate
Statutory borrowing authority	30,000	30,000	30,000	30,000
Borrowing authority available at beginning of year	21,265	10,831	13,580	23,907
+ Appropriations ("such sums as necessary")				
Initial estimate in approp. bill	*16,452*	*25,690*	*23,098*	*12,093*
Actually transferred to CCC	12,456	25,431	tbd	tbd
- CCC net expenditures	-20,657	-20,146	-11,419	-10,794
- Other CCC activity (P.L. 480 and transfers to other agencies)	-2,233	-2,536	-1,352	-2,185
= Borrowing authority available at end of year	10,831	13,580	23,907	23,022

Source: USDA, *Commodity Estimates Book,* "Output 7: CCC Financing Status," (July 15, 2007).
Notes: tbd = to be determined.

Crop Insurance

The federal crop insurance program is administered by USDA's Risk Management Agency (RMA). It offers basically free catastrophic insurance to producers who grow an insurable crop. Producers who opt for this coverage have the opportunity to purchase additional insurance coverage at a subsidized rate. Policies are sold and completely serviced through approved private insurance companies that have their program losses reinsured by USDA. The annual agriculture appropriations bill traditionally makes two separate appropriations for the federal crop insurance program. It provides discretionary funding for the salaries and expenses of the RMA. It also provides "such sums as are necessary" for the Federal Crop Insurance Fund, which pays all other expenses of the program, including premium subsidies, indemnity payments, and reimbursements to the private insurance companies.

For the salaries and expenses of the RMA, the FY2008 omnibus appropriations act provides $76.12 million (after the 0.7% rescission), which is slightly below the FY2007 appropriation of $76.66 million and about 3.5% below the House, Senate, and Administration proposed FY2008 levels. Most of the requested increase was to cover RMA pay increases and increase its staffing. Although the regular annual appropriation for FY2008 is below FY2007, RMA funding is bolstered by a general provision that allows RMA to use up to $11.166 million in mandatory funds to strengthen its ability to reduce waste, fraud, and abuse within the crop insurance program. From FY2001 through FY2005, RMA had the authority to tap mandatory funds for these activities. When the authority expired, appropriators included $3.6 million in each of the regular FY2006 and FY2007 RMA appropriations for data mining and related activities. The House-passed version of the pending farm bill (H.R. 2419) would permanently fund these activities with mandatory funding of $11 million in FY2008, and $7 million in FY2009 and subsequent years.

Separately, appropriators concurred with the Administration estimate of an FY2008 appropriation of $4.818 billion for the Federal Crop Insurance Fund, although the amount actually required to cover program losses and other subsidies is subject to change based on actual crop losses and farmer participation rates in the program.

For more information on crop insurance provisions in the pending farm bill, see CRS Report RL34207, *Crop Insurance and Disaster Assistance: 2007 Farm Bill Issues.*

Disaster Assistance

In May 2007, Congress completed action on the FY2007 Iraq war supplemental appropriations act (P.L. 110-28) which included a Congressional Budget Office (CBO)-estimated $2.8 billion in emergency agricultural disaster assistance, primarily for crop and livestock losses in any one of the last three years — 2005, 2006, or early 2007. The Consolidated Appropriations Act, 2008 (P.L. 110-161), contains authority (Division A, Section 743) for USDA to make crop and livestock assistance available for *all* 2007 losses. P.L. 110-28 had originally limited eligible 2007 losses to crops planted before February 28, 2007, and livestock losses occurring before that date.

However, P.L. 110-161 extends the eligibility date for both to December 31, 2007. Producers are still required to choose payments for one of the last three years' losses.

CBO estimates that the extension of disaster assistance to all 2007 crop and livestock losses increases the cost of 2005-2007 assistance by $602 million ($592 million for crops and $10 million for livestock) for total estimated assistance of $3.4 billion, including $2.14 billion for crop loss assistance and $1.24 billion for livestock feed and mortality losses. Since Congress provided "such sums as necessary" to fund the disaster payment formulas in the enacted measure, additional funds are available if the estimates are short. All assistance is considered emergency spending and is not subject to budgetary offsets.

For more information, see CRS Report RS21212, *Agricultural Disaster Assistance*.

Agricultural Research, Extension, and Economics

Four agencies carry out USDA's research, education, and economics (REE) function. The Department's intramural science agency is the Agricultural Research Service (ARS), which conducts long-term, high-risk, basic and applied research on subjects of national and regional importance. The Cooperative State Research, Education, and Extension Service (CSREES) distributes federal funds to the land grant Colleges of Agriculture to provide partial support for state-level research, education, and extension programs. The Economic Research Service (ERS) provides economic analysis of agriculture issues using its databases as well as data collected by the National Agricultural Statistics Service (NASS).

The USDA research, education, and extension budget, when adjusted for inflation, remained essentially flat in the period from FY1972 through FY1991. From FY1992 through FY2000, the mission area experienced a 25% increase (in deflated dollars) over the previous two decades, as a federal budget surplus allowed greater spending for all non-defense research and development. From FY2001 through FY2003, supplemental funds appropriated specifically for anti-terrorism activities, not basic programs, accounted for most of the increases in USDA research budget. Funding levels since have trended downward to historic levels.

Although the states are required to provide 100% matching funds for federal funds for research and extension, most states have regularly appropriated two to three times that amount. Fluctuations in state-level appropriations can have significant effects on state program levels, even when federal funding remains stable. Cuts at either the state or federal level can result in program cuts down to the county level.

In 1998 and 2002 legislation authorizing agricultural research programs, the House and Senate Agriculture Committees tapped sources of available funds from the mandatory side of USDA's budget and elsewhere (e.g., the U.S. Treasury) to find new money to boost the availability of competitive grants in the REE mission area. In FY1999 and every year since FY2002, however, annual agriculture appropriations acts have prohibited the use of those mandatory funds for the purposes the Agriculture Committees intended. On the other hand, in many years during the FY1999-FY2006 period, appropriations conferees provided more funding for ongoing REE programs than was contained in either the House- or Senate-passed versions of the bills. Nonetheless, once adjusted for inflation, these increases are not viewed by some as significant growth in spending for agricultural research. Agricultural scientists, stakeholders, and partners express concern for funding over the long term.

The enacted FY2008 appropriations bill represents a compromise between House and Senate funding levels, and provides a total of $2.59 billion for USDA's research, extension, and economics mission area. This amount represents a $57 million increase (+2.2%) from the FY2007 funding level of $2.53 billion. The increase, in turn, largely represents the restoration of funding for congressionally designated research grants and construction projects that were suspended in FY2007 under the terms of the FY2007 long-term continuing resolution (P.L. 110-5).

Agricultural Research Service. The enacted bill provides a total of $1.17 billion for USDA's in-house science agency, the Agricultural Research Service (ARS had $1.13 billion in FY2007). Of the total, the bill allocates $1.12 billion to support ARS research projects and $46.7 million for the construction and renovation of buildings and facilities. Under P.L. 110-5, no funding was provided for ARS construction projects in FY2007.

Amended bill report language calls for the reinstatement of approximately 150 research projects that were redirected or terminated in FY2007 as the result of P.L. 110-5, but concurs with the President's request to direct savings from certain project terminations to higher priority research in the areas of food safety, renewable energy, and honey bee colony collapse disorder, among other things.

Cooperative State Research, Education, and Extension Service. The enacted bill provides a total of $1.184 billion for the Cooperative State Research, Education, and Extension Service (CSREES) in FY2008, about $1 million (+0.1%) more than than FY2007. CSREES is the agency that sends federal funds to land grant Colleges of Agriculture. For the extramural research and education programs component of CSREES, the enacted bill provides essentially level funding of $668.3 million ($671.4 million in FY2007). In addition, the bill provides $453 million for the educational outreach programs of Cooperative Extension ($450 million in FY2007); $55.9 million for integrated research and extension projects ($55.2 million in FY2007); $11.8 million for the endowment fund for the 1994 tribal land grant colleges ($12 million in FY2007); and $6.4 million for the outreach program for socially disadvantaged farmers ($5.9 million in FY2007).

Appropriators did not concur with the Administration's annual request to cut funding for Special Research grants and Federal Administration research and extension grants that are not awarded through a peer-reviewed, competitive process. The final bill provides roughly $130 million for such grants for FY2008. In FY2007, P.L. 110-5 prevented appropriated funds from being spent on Special and Federal Administration grants and redirected them to state research and extension programs under the Hatch and Smith-Lever Acts (i.e., the formula-funded programs) and to competitive research. Under P.L. 110-5, the National Research Initiative (NRI) competitive grant program received $190.2 million in FY2007. The FY2008 bill provides $190.9 million.

Economic Research and Agricultural Statistics. The enacted FY2008 appropriations bill provides $77.4 million for USDA's Economic Research Service (ERS), a 3% increase from FY2007 ($75.2 million). For the National Agricultural Statistics Service (NASS), the bill includes $162.2 million ($147.3 million in FY2007), and directs the agency to use up to $52.4 million of that amount for ongoing work on the Census of Agriculture.

Meat and Poultry Inspection

USDA's Food Safety and Inspection Service (FSIS) conducts mandatory inspection of meat, poultry, and processed egg products to ensure their safety and proper labeling. The enacted bill provides $930.1 million for FSIS in FY2008, the level in the House-passed bill and approximately $500,000 less than in the Senate-reported bill. FSIS inspection programs were among the few discretionary accounts in the enacted bill that are explicitly exempted from across-the-board reductions. The congressional appropriation is to be supplemented in FY2008 by an estimated $135 million in existing user fees. As in past years, the final measure does not assume the adoption of new user fees; this year, the Administration was seeking another $96 million in such fees, although not beginning until FY2009.

The earlier, accompanying House report states that an increase of $6.5 million is to fill inspector vacancies; the Senate report notes that its funding level will enable FSIS to hire 78 additional inspectors and 13 additional investigative staff in FY2008. The House report makes note of $5 million provided for enforcement of humane slaughter rules, and the Senate report recommends funding to provide 83 full-time positions for this purpose. Both reports note the provision (in the legislation itself) of $3 million to continue the related tracking system for humane slaughter.

Section 736 of the enacted bill prohibits FSIS from beginning to implement a risk-based inspection system (RBIS), which was to start with 30 processing establishments this year. Under RBIS, inspection resources are to be allocated based upon the relative risk of the product type and upon the safety record of the individual plant. The prohibition is to remain in effect until the data used to support the plan are thoroughly reviewed by the USDA Office of Inspector General (OIG), its findings provided to the appropriations committees, and any OIG issues fully addressed by FSIS.

The enacted bill (in Section 733) includes language that first appeared in the House version that prohibits the use of funds to implement rules to permit some poultry product imports from China. A final FSIS rule, published in the April 24, 2006, *Federal Register*, permits China to ship processed poultry if the meat comes from third country plants already eligible to export to the United States. Opponents of the rule contend that Chinese imports would be risky due to outbreaks of highly pathogenic avian flu among birds in that country. A series of recent incidents have raised further safety concerns about the many foods, medicines, and other products now coming from China, which the House report cites in delaying the poultry rule. (See also CRS Report RL34080, *Food and Agricultural Imports from China*, by Geoffrey S. Becker.)

Horse Slaughter Amendment. The enacted bill (in Section 741) would continue a prohibition against using appropriated funds to inspect horses prior to slaughter for human food. Furthermore, companies could not continue inspection by paying fees to USDA for the service. The House bill but not the Senate-reported version had this ban. Section 741 also prohibits USDA from inspecting horses being transported for slaughter.

USDA's FY2006 appropriation (P.L. 109-97) also prohibited appropriated funds for antemortem inspection costs. By barring funds for inspection, supporters of the language had anticipated that the meat could not enter commerce under the Federal Meat Inspection Act, and thereby such slaughter would cease. However, the three foreign-owned plants that then were slaughtering horses for food applied for, and received, USDA permission to be inspected on a fee-for-service basis. The enacted FY2008 appropriation seeks to close this funding source as well. (By the end of 2007, all three plants had closed due to actions within their respective states; see CRS Report RS21842, *Horse Slaughter Prevention Bills and Issues*, by Geoffrey S. Becker.)

Marketing and Regulatory Programs

Animal and Plant Health Inspection Service (APHIS). The largest appropriation for USDA marketing and regulatory programs goes to APHIS, the agency responsible for protecting U.S. agriculture from domestic and foreign pests and diseases, responding to domestic animal and plant health problems, and facilitating agricultural trade through science-based standards. APHIS has key responsibilities for dealing with such prominent concerns as avian influenza (AI), bovine spongiform encephalopathy (BSE or "mad cow disease"), a growing number of invasive plant pests, and for establishment of a national animal identification (ID) program for animal disease tracking and control (see below).

The enacted bill provides $867.6 million for APHIS salaries and expenses (after rescission), which is less than that proposed by both the House ($874.6 million) and Senate ($911.7 million), and also less the President's FY2008 budget request ($945.6 million). Compared to FY2007, however, the FY2008 appropriation for APHIS is about $16 million higher. The enacted bill also provides no funding for buildings and facilities, instead of $4.9 million proposed by the House and Senate.

Within the APHIS appropriation, the enacted bill provides $156.1 million for foreign pest and disease exclusion programs (before rescission), which is less than both the House ($159.4 million) and Senate ($162.8 million) proposals, as well as the Administration's request ($182 million). Also within the total APHIS appropriation, the enacted bill provides $236.9 million for plant and animal health monitoring and surveillance activities, which is also less than the House ($237.0 million) and Senate proposals ($250.1 million), and the Administration's request ($296.3 million). Total APHIS appropriations for pest and disease management is provided at $367.2 million, which is lower than the Senate proposal ($379.6 million) but higher than the House proposal ($359.0 million) and the Administration's request ($333 million). The enacted bill provides an additional $113.6 million for animal care, scientific and technical services, and management.

The budget includes collection of more than $200 million in existing user fees and trust funds in FY2008 in addition to the appropriated monies. The Administration had again proposed new user fees of $9 million, to pay for some of the agency's animal welfare activities, but not beginning until FY2009. The enacted bill does not allow these new fees. The committees further specify that no funds be used to issue a final rule in furtherance of, or to otherwise implement, the USDA proposed rule on cost-sharing for APHIS's animal and plant health emergency programs (68 *Federal Register*, 40541, July 8, 2003).

Emerging Plant Pests. The enacted bill provides $127.9 million for the emerging plant pests (EPP) account within the pest and disease management spending area, well above the FY2007 level of $98.5 million. The EPP budget is allocated as follows: $20.0 million for Asian long-horned beetle (including $353,000 for Illinois); $35.6 million for citrus health; $23.2 million for glassy-winged sharpshooter; $9.6 million for potato cyst nematode; $30.7 million for emerald ash borer (including $1,500,000 for Illinois); $5.3 million for sudden oak death; $1.5 million for Karnal bunt; $371,000 for hydrilla control in Virginia (including $333,900 for a cooperative agreement with the Lake Gaston Weed Control Council and $37,100 for a cooperative agreement with the Tri-County (Smith Mountain) Lake Administrative Commission);[4] $234,000 for olive fruit fly (CA); $1.0 million for light brown apple moth; and $423,000 for miscellaneous pests. Total EPP appropriations for FY2008 are somewhat more than the Senate proposal ($126.5 million) but less than the House proposal ($131.2 million) and the Administration request ($132.3 million).

The committees encourage APHIS to ensure that adequate funding is made available for Asian long-horned beetle activities in New York, and also to help states with new emerald ash borer outbreaks, citing concerns in Maryland and Wisconsin. The committees also encourage APHIS to direct funding for sudden oak death (Phytopthora ramorum) in the areas of research, development, and testing of new systems of nursery pest and disease management and programs of inspection and regulation; for surveying; and for diagnostic tools. Finally, the committees request a report, within 120 days of the enactment of the Consolidated Appropriations Act, that "examines the effectiveness of current regulatory and inspection efforts; delivers an assessment of the potential risk from infected plant material; and the risk posed by the importation into the United States of *P. ramorum* host and associated host plants and the interstate movement of such plant material."

Avian Influenza. The enacted bill provides $67.4 million (total) for avian flu activities in APHIS, which is higher than the Senate proposal ($61.3 million) but lower than the House proposal ($73.8 million). Of this, $51.7 million is for the highly pathogenic avian influenza (HPAI) program, which is higher than the Administration's request of $47.5 million and is an increase of $4.5 million over FY2007 for domestic surveillance and preparedness under the HPAI program. The House committee report noted that $118.7 million has been provided for HPAI since 2006, and the committee requested a report on how these funds have been spent. The

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[4] APHIS is directed to provide technical assistance to these entities in carrying out control efforts, and report back to the committees by May 1, 2008, on the status of these projects.

enacted bill also provides $15.7 million for low pathogen avian influenza (LPAI). Of this amount, $750,000 is for avian influenza preparedness activities in Connecticut. (For more on avian flu, see CRS Report RL33795, *Avian Influenza in Poultry and Wild Birds*, by Jim Monke and M. Lynne Corn.)

Animal ID. Both the House and Senate committee reports question USDA's progress and direction in implementing a national animal identification system (NAIS). Over several years through FY2007, about $117.8 million has gone into the program's development, which is aimed at enabling officials to quickly find the sources, and contain the spread, of animal diseases like brucellosis, foot and mouth disease, and BSE. Despite this effort, "the direction of this system remains unclear," notes the report on the Senate appropriations bill. The House committee report notes that its version provides no new funding and requests that USDA provide "a complete and detailed strategic plan for the program, including tangible outcomes, measurable goals, specific milestones, and necessary resources for the entire program."

The enacted bill provides $9.8 million to continue implementation of NAIS, which is well below the Administration's requested appropriation of $33.2 million for NAIS for FY2008. The conference report cites concerns about "the lack of information provided on full costs and concerns about the use of funds to date," including information on how APHIS would reach its 48-hour traceback goal, and information on how the funds for the program have been used to date. The report states the committees' concern that more than 50% of the obligations to date in NAIS have been for "cooperative agreements that, until very recently, did not require that cooperators or grantees agree to specific performance goals." The committees are also concerned that 25% of the funding has gone for program management.

A July 2008 report by the Government Accountability Office (*National Animal Identification System: USDA Needs to Resolve Several Key Implementation Issues to Achieve Rapid and Effective Disease Traceback*, GAO-07-592) concludes that a number of problems have hindered effective implementation of animal ID, such as no prioritization of the animal species to be covered to focus on those of greatest disease concern; no plan to integrate NAIS into existing USDA and state animal ID requirements; and no requirement that some types of critical data be provided to the databases, such as species or age. (Also see CRS Report RS22653, *Animal Identification: Overview and Issues*, by Geoffrey S. Becker.)

Grain Inspection, Packers, and Stockyards Administration (GIPSA). One branch of this agency establishes the official U.S. standards for inspection and grading of grain and other commodities. Another branch is charged with ensuring competition and fair-trading practices in livestock and meat markets. The enacted bill provides $38.5 million for GIPSA salaries and expenses, which is lower than the amounts proposed by both the House ($41.1 million) and Senate ($39.1 million), and the Administration's FY2008 request ($44.4 million). The $730 million increase (+1.9%) compared to FY2007 is intended for increased enforcement for of the Packers and Stockyards Act (P&S) Act in FY2008. The House report had proposed an increase of $2 million in FY2008 for increased enforcement of the P&S Act. The House report also requested a detailed spending plan from GIPSA on how it will spend the increase. The Administration proposed to offset some grain inspection and

P&S activities with $22 million in user fees, beginning in FY2009, but neither the House nor Senate report endorses this proposal.

The House committee report also makes note of what it says are deficiencies in the agency's oversight of the companies it is charged with regulating. Early in 2006, GIPSA was sharply criticized by USDA's OIG and by a number of Senators for shortcomings in its enforcement of the act and other federal competition laws. A long-awaited consultant's report on livestock marketing practices, funded by a $4.5 million congressional appropriation in FY2003, was released by the agency in February 2007. Also, some Members of the Senate Agriculture Committee have expressed interest in addressing competition concerns in the livestock industry, including GIPSA's regulatory responsibilities, during debate on a new omnibus farm bill (see also CRS Report RL33958, *Animal Agriculture: 2007 Farm Bill Issues*, by Renée Johnson and Geoffrey S. Becker).

Agricultural Marketing Service (AMS). AMS is responsible for promoting the marketing and distribution of U.S. agricultural products in domestic and international markets. User fees and reimbursements rather than appropriated funds account for a substantial portion of spending by the agency. Such fees, which now cover AMS activities like process verification programs, commodity grading, and Perishable Agricultural Commodities Act licensing, were expected to total well above $100 million in FY2008.

The enacted bill provides $114.7 million more in federal funds, either directly appropriated or transferred to AMS from the Section 32 account (see below). The level reflects the across-the-board reduction in most USDA discretionary programs of 0.7%. The final enacted level appears to be approximately $2 million above the FY2007 enacted level. Within this total, $8.4 million is to be used for specialty crop block grants under the AMS account. These grants are authorized by the Specialty Crops Competitiveness Act of 2004 (P.L. 108-465), which seeks to promote the consumption and competitiveness of specialty crops (fruits, vegetables, tree nuts, and nursery crops). The act authorizes up to $54 million annually through FY2009.

For the AMS-administered Federal-State Marketing Improvement Program, the FY2008 enacted amount is $3.8 million. The enacted bill designates $1.86 million of this amount as a marketing grant to Wisconsin. Elsewhere within the AMS total, $9.9 million is to be used for continuing work on the Web-based supply chain management system.

Section 32 Rescission. Section 32 funding comes from a permanent appropriation equivalent to 30% of annual U.S. Customs receipts. AMS uses these additional Section 32 monies (not reflected in the above totals) to pay for a variety of programs and activities, notably child nutrition, and government purchases of surplus farm commodities not supported by ongoing farm price support programs. (For a detailed explanation of this account, see CRS Report RL34081, Farm and Food Support Under USDA's Section 32 Program, by Geoffrey S. Becker.)

USDA-AMS historically has maintained a Section 32 contingency reserve, which consists of otherwise unprogrammed and/or unused (i.e., carryover) funds from the prior year. (Up to $500 million in unused funds can be carried from one fiscal year into the next.) Over the course of a fiscal year, USDA taps this contingency reserve to fund so-called emergency surplus removals of various fruits, vegetables, meats, poultry, and other food commodities. These removals are aimed at providing price support during periods of adverse market conditions. In some years, portions of this contingency reserve may be tapped for other purposes as well, such as farm disaster assistance. USDA has wide latitude in determining how to use the money in this reserve.

Commodities removed from the market generally are then distributed to domestic food assistance programs, as a "bonus" over and above any federal support (cash and commodity) to which they are entitled under other authorities. The value of AMS purchases of these commodities can vary widely from year to year, from $56 million in FY1996 to nearly $227 million in FY2004, for example. Nonetheless, both the agricultural community and domestic food providers have become accustomed to some level of support through this contingency fund.

The enacted bill for FY2008 appears to be an effort to rein in AMS's discretionary use of Section 32 monies. It rescinds a total of $684 million — $184 million that otherwise was projected to be available in FY2008 for surplus purchases (called "Estimated Future Needs" in AMS budget parlance), plus $500 million in prior unobligated balances. The committees note that even with this rescission, $297 million will still be provided for estimated future needs (i.e., the contingency fund) in FY2008.

Country-of-Origin Labeling (COOL). The 2002 farm bill (§10816 of P.L. 107-171) required COOL for fresh produce, red meats, peanuts, and seafood by September 30, 2004. Congress has twice postponed implementation for all but seafood (which is now in place); COOL now must be implemented by September 30, 2008. The House committee report on the FY2008 appropriation provides an increase of $2 million for AMS to implement COOL and also lays out a time line for rulemaking to ensure the current implementation date is met. Language accompanying the enacted bill reaffirms the House committee requirements. Meanwhile, provisions modifying the COOL law is in both farm bills (H.R. 2419) passed in July 2007 by the House and in December 2007 by the Senate. The farm bill provisions essentially would maintain the current implementation deadline of September 30, 2008, extend coverage to several additional commodities, and ease some compliance requirements. (For more information see CRS Report RL33934, *Farm Bill Proposals and Legislative Action in the 110th Congress*, coordinated by Renée Johnson, and CRS Report 97-508, *Country-of-Origin Labeling for Foods*, by Geoffrey S. Becker.)

Conservation

The enacted bill provides increased funding for discretionary Natural Resource Conservation Service (NRCS) programs, rejecting some of the Administration's proposed reductions. The enacted bill makes few changes to mandatory programs.

Discretionary Programs. The enacted bill provides $937.5 million for total FY2008 discretionary NRCS programs.[5] This is $85 million (+10%) more than that provided in FY2007 ($852.6 million), but less than that in both the House ($980.2 million) and Senate ($972.9 million) proposals.

All the discretionary conservation programs are administered by NRCS. For Conservation Operations, the largest of these programs, the enacted bill $834.4 million for FY2008, which is below both the House ($851.9 million) and Senate ($863.0 million) proposals but well above the Administration's request ($801.8 million) and the FY2007 estimate ($763.4 million). The enacted bill recognizes the Administration's request for an overall $20 million reduction within total Conservation Operations spending for activities previously funded through the Common Computer Environment account, such as conversion to wide area networks and migration of NRCS' core business applications, among other related activities. The committees specify that more than $250,000 be available for alterations and improvements to buildings and other public improvements, among other provisions related to buildings and structures and also technical assistance.

Among other programs, the enacted bill provides no funding for the Watersheds Surveys and Planning, consistent with the Senate proposal and the Administration's request; the House proposed $6.6 million for FY2008. The Administration also requested no funding for Watershed and Flood Prevention Operations, as it did for FY2007; but instead the enacted bill provides $29.8 million for the program and identifies numerous earmarks. This is less than the amount proposed by both the House ($37.0 million) and the Senate ($33.5 million). The committees further specify that more than $15.5 million of funding for the Watershed and Flood Prevention Operations be available for technical assistance. The enacted bill provides $19.9 million for the Watershed Rehabilitation Program, consistent with the Senate proposal but differing widely from the House proposal ($31.6 million) and the Administration's request ($5.8 million). The enacted bill provides $50.7 million for Resource and Conservation Development, which is roughly comparable to that proposed by the House and the Senate, as well as FY2007 levels, but well above the Administration's request to reduce funding to $14.7 million. The committees further specify that more than $3.1 million of funding for Resource and Conservation Development be available for national headquarters activities. The enacted bill provides $2 million for the Healthy Forests Reserve Program, consistent with the Senate proposal and the Administration's request; the House bill provides no funding.

Mandatory Programs. Mandatory conservation programs are funded and administered by two agencies. Programs of the NRCS would increase by $195 million in FY2008 to $2 billion. The Conservation Reserve Program (CRP) in the Farm Service Agency (FSA) would increase by $26 million, to $2.0 billion.

The enacted bill places a limit on Environmental Quality Incentives Program (EQIP) spending, such that no more than $1 billion be spent on salaries and expenses

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[5] Including funding for the Office of the Under Secretary, Natural Resources and Environment.

to administer the EQIP program. The program is authorized $1.27 billion of mandatory funds for FY2008 in P.L. 109-171.

For a more detailed funding information on individual mandatory programs, see CRS Report RS22621, *The FY2008 Budget Request for the U.S. Department of Agriculture*, and CRS Report RS22243, *Mandatory Funding for Agriculture Conservation Programs*.

As part of a temporary farm bill extension, the Consolidated Appropriations Act extends three conservation programs at specified annual funding levels through March 15, 2008. These include the Farmland Protection Program ($97 million); the Ground and Surface Water Conservation program ($60 million); and the Wildlife Habitat Incentives Program ($85 million).

Rural Development

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 the *rural* portion of the Empowerment Zones and Enterprise Communities Initiative, Rural Economic Area Partnerships, and the National Rural Development Partnership.

The Consolidated Appropriations Act of 2008 (P. L. 110-161) authorizes $2.33 billion in discretionary budget authority to support $16.5 billion in USDA rural development loan and grant programs. These figures, and ones reported below, reflect the amendment authorizing an across-the-board 0.7% rescission. The 2008 authorization for USDA Rural Development programs is about $166 million less in budget authority than FY2007 (-6.6%). However, the 2008 bill provides approximately $2.2 billion more in loan authority than enacted for FY2007 (+15%).

Rural Community Advancement Program (RCAP). Authorized by the 1996 farm bill (P. L. 104-127), RCAP consolidated funding for 12 rural development loan and grant programs into three funding streams: a Rural Community Facilities Account administered by RHS; a Rural Business Program Account administered by RBS, and a Rural Water and Waste Disposal Account administered by RUS. In previous years, the RCAP account and its various programs have been reported separately from the individual agency accounts. The FY2008 Consolidated bill adopts the Administration's request to report the RCAP accounts under the RHS, RBS, and RUS program accounts. The total for the three accounts for FY2008 is $714.2 million, down from about $737 million in FY2007. By comparison, the Senate measure recommended a total of $704.1 million; the House bill retained the separate budget line for RCAP and recommended $728.8 million in combined budget authority. The individual program accounts are discussed below under their associated agencies.

Rural Housing Service (RHS). The consolidated bill authorizes $1.33 billion in budget authority for RHS loans and grants, including $68.5 million for the Rural Community Facilities account noted above. Budget authority for FY2008 is approximately 12% less (-$189 million) than for FY2007. Authorized loan authority for FY2008 is $6.1 billion, about $525 million more than FY2007 (+9.4%). The FY2008 Rural Community Facilities account has approximately 30% less in budget authority than FY2007 ($97.7million) and $3.5 million less in loan authorization. The FY2008 Rural Community Facilities budget includes $20.4 in grants. The Administration had requested that the grants portion of the Rural Community Facility program be terminated. In addition, the Rural Community Facilities program provides $8.2 million for the Rural Community Development Initiative and $13.9 million for Economic Impact Initiative grants.

Single-family loans (Section 502 direct and guaranteed loans) constitute the largest RHS loan account and represent 87% of the loan authority under RHS. The consolidated bill authorizes $5.31 billion in loan authorization for direct and guaranteed loans under the single-family housing program, an increase of $538 million over FY2007. Loan guarantees represent the larger portion of the authorization level ($3.64 billion). Budget authority to support Section 502 loans is authorized at $155.9 million, $789,000 less than FY2007. The consolidated bill authorizes $34.4 in loan authority for housing repair loans (Section 504), the same as enacted for FY2007 (minus the 0.7% rescission) and $9.7 million in loan subsidies. For multi-family loan guarantees (Section 538), the bill authorizes loan levels of $129.1 million ($30.1 million more than FY2007) and $69.5 million for Section 515 rental housing loans ($29.5 million less than FY2007). The Administration had requested zero funding for Section 515 rental housing loans.

For the rental assistance program (Section 521), the consolidated bill authorizes $472.7 million in budget authority, $135.3 million less than enacted for FY2007. For mutual and self-help housing grants and rural housing assistance grants, the bill authorizes $38.7 million for each program. For the farm labor account (Section 514/516), the consolidated bill authorizes $21.8 million for loan subsides and grants, about $10 million less than enacted for FY2007.

For the rural housing voucher program, the bill authorizes $5.0 million, nearly $11 million less than FY2007.

Rural Business-Cooperative Service. The consolidated bill authorizes $177.9 million in budget authority for RBS for FY2008. Including the Rural Business Program account, this is about $8.0 million less than enacted for FY2007. For all rural business loan programs, P.L. 110-161 authorizes $1.27 billion in loan authorization, $116 million (+10%) more than FY2007 (**Table 8**).

For the Rural Business Program account, $87.1 million in budget authority is authorized. This figure includes appropriations of $38.7 million for Rural Business Enterprise grants, $2.5 million for Rural Business Opportunity grants, $43 million in loan subsides for Business and Industry loan guarantees ($993.0 million in loan authorization), and $3.0 million for the Delta Regional Authority. Total budget authority for the Rural Business Program account is $2.7 million more than FY2007, mostly accounted for by increases in loan subsidies for the Business and Industry loan program.

The bill also authorizes $8.1 million for the rural Empowerment Zone/Enterprise Communities (EZ/EC) grants programs and $35.7 million for loan subsidies and grants under the Renewable Energy Program (Section 9006 of the 2002 farm bill).[6] Funding for the Renewable Energy Program is almost $13 million more than for FY2007. The Administration had requested zero funding for the EZ/EC program.

The consolidated bill authorizes $4.4 million in Rural Cooperative Development Grants, about the same as enacted for FY2007. Budget authority of $14.4 million to support loans under the Rural Development Loan Fund account was also approved. The RBS appropriation further provides $1.5 million for grants to assist minority producers.

Rural Utilities Service (RUS). For FY2008, the consolidated bill authorizes budget authority of $655.3 million ($8 million more than FY2007) and $9.18 billion in loan authorization. The loan authorization level for FY2008 is $1.54 billion (+20%) more than for FY2007. The FY2008 authorization of $97.4 million in budget authority will support $7.78 billion in electric and telecommunication loans, $1.7 billion more than FY2007. Authorized budget authority to support this level of electric and telecommunication loans is $3.7 million.

The Rural Water and Waste Disposal Program account represents the largest share of spending among the three RCAP programs (approximately 78% of the total). For the Water/Waste Water loan and grants program, the Solid Waste Management program, Individual Well Water grants, the Water and Waste Water revolving fund, Emergency Water Assistance grants, and the High Energy Cost grant in RUS, the bill authorizes $555.0 million in budget authority, up $3.6 million over FY2007. This budget authority would support somewhat more than $1 billion in direct and guaranteed loans, about $32.8 million more than FY2007.

Under the Distance Learning/Telemedicine program, the consolidated bill authorizes approximately $34.7 million in grant support, $5 million more than in FY2007.

The bill also recommends $297.0 million in loan authority for broadband loans, $197 million less than enacted for FY2007. To support these broadband programs, the bill authorizes $6.4 million in loan subsidies and $13.4 million in grants. The grant portion of the program is up by $5 million over FY2007, and the loan subsides are down by $4.2 million. The Administration requested no funding for the broadband grant program for FY2008.

For more information on USDA rural development programs, see CRS Report RL31837, *An Overview of USDA Rural Development Programs*, by Tadlock Cowan.

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[6] Additional funds are also directed to the rural EZ//EC program in appropriations to various housing and rural utility programs.

Domestic Food Assistance

Funding for domestic food assistance represents over half of the USDA's budget. These programs are, for the most part, mandatory entitlements: that is, funding depends on program participation and indexing of benefit payments. These mandatory programs include child nutrition and the food stamp programs. The three main discretionary budget items are the Special Supplemental Nutrition Program for Women, Infants, and Children (the WIC program), the Commodity Supplemental Food Program (the CSFP), and federal nutrition program administration.

For FY2007, Congress provided appropriations (new budget authority) totaling $57 billion for domestic food assistance.[7] However, spending (new obligations) for these programs and activities — those under the auspices of the Food Stamp Act, child nutrition programs, the WIC program, commodity assistance programs like the CSFP, and federal nutrition program administrative costs — is, when FY2007 figures are made available, likely to be less, $54.1 billion. The difference between appropriation and spending amounts is accounted for by unused contingency appropriations (e.g., $3 billion for food stamps), lower costs than were anticipated when the appropriations were proposed or made, and expected carryovers into FY2008, offset by spending financed from money available from prior years and other USDA budget accounts (e.g., permanent appropriations used for commodity purchases for school meal programs).

The enacted appropriation for FY2008 would provide a total of $60 billion for domestic food assistance, about $700 million more than the $59.3 billion requested. The enacted law total differs from the Administration's request primarily because of added money for the WIC program and the CSFP. It exceeds the amounts in the House and Senate bills largely because of new funding for the WIC program.

For FY2008, the House and Senate bills would have appropriated a total of $59.7 billion for domestic food assistance, about $400 million more than requested. As with the enacted law, the House and Senate differed with the Administration over WIC and CSFP funding.

The Administration proposed domestic food assistance appropriations totaling $59.3 billion for FY2008, a $2.3 billion increase from FY2007. With major exceptions for the CSFP (proposed from termination) and the WIC program (with recommended limits on participation and administrative costs), the appropriation request proposed essentially "full funding" for domestic food assistance based on the Administration's projects of likely participation and food costs.

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[7] Not included in this annual appropriations figure are permanent appropriations and mandatory funding directed by child nutrition laws, the value of commodities required to be purchased (under "Section 32" authority) for child nutrition programs, and the value of "bonus" commodities acquired for agriculture support purposes and donated to food assistance programs. These items are separate from, but recognized in, the regular appropriations process. See the Section 32 discussion under the Agricultural Marketing Service heading earlier in this report.

As with the House and Senate measures, the enacted appropriations law also includes some food stamp and child nutrition program changes and expands funding for the program operating free fresh fruits and vegetables in schools — see the discussion of Special Program Initiatives at the end of this section. However, it does not adopt most of the Administration's proposed changes in program rules or its recommendation to terminate the CSFP.

Programs under the Food Stamp Act. Appropriations under the Food Stamp Act fund (1) the regular Food Stamp program; (2) a Nutrition Assistance Block Grant for Puerto Rico and small nutrition assistance grants in American Samoa and the Northern Marianas (in lieu of food stamps), (3) the cost of commodities and administration under the Food Distribution Program on Indian Reservations (FDPIR); (4) the cost of commodities (not distribution or administrative expenses, which are covered under the Commodity Assistance Programs budget account) for The Emergency Food Assistance Program (TEFAP); and (5) Community Food Projects and grants to improve access to the Food Stamp program.

For the above-noted programs covered by the Food Stamp Act, the enacted appropriation for FY2008 provides a total of $39.8 billion, up from $38.2 billion in FY2007 — in both cases, including a $3 billion contingency reserve for food stamps in case current cost projections turn out to be too low. With only two small, but significant, differences for food stamps and the FDPIR (noted below), the FY2008 enacted appropriation measure essentially matches the Administration's budget request for programs covered under the Food Stamp Act — as was the case in the House and Senate appropriations bills. Under the enacted appropriation, actual FY2008 estimated spending for Food Stamp Act programs is estimated to be less than appropriated (unless the $3 billion reserve is used), between $36.8 and $36.9 billion. As to individual programs:

- On the basis of projected participation and the value of indexed benefit amounts, the Administration asked for a $37.978 billion appropriation for the **regular Food Stamp program**, including a $3 billion contingency reserve and $60-$70 million to cover new food stamp costs attendant on termination of the CSFP (see later discussions of Commodity Assistance Programs and Special Program Initiatives). This represented an increase of about $1.6 billion over FY2007. The enacted appropriation essentially adopts the Administration's request (including the reserve fund), with one exception. It rejects the proposal to end the CSFP and thus slightly reduces its food stamp appropriation (when compared to the Administration's request) to $37.916. The House and Senate also lowered their appropriations (although by different amounts) for this reason.[8]

[8] Also see the discussion of Special Program Initiatives at the end of this section for information on the CSFP termination proposal and a recommendation regarding Food Stamp program treatment of combat-related military pay.

- For **Puerto Rico, American Samoa, and the Northern Marianas**, the Administration's FY2008 request included nutrition assistance grants of $1.615 billion for Puerto Rico, $6.5 million for American Samoa, and $9.4 million for the Northern Marianas. The amounts for Puerto Rico and American Samoa represent small increases from FY2007; the figure for the Northern Marianas is the same as in FY2007.[9] The enacted appropriation agrees with the Administration's figures, as did the House and Senate bills.

- The Administration's FY2008 budget for the **FDPIR** asked for $79.6 million, a $2 million rise from FY2007. The enacted appropriation adds some $6 million to this amount for administrative and distribution expenses of program operators (generally, Indian tribal organizations), bringing the total to approximately $86 million; the House and Senate bills included a similar amount.

- As with the Administration's budget proposal and the House and Senate bills, the enacted appropriation includes $140 million for the acquisition of commodities for **TEFAP**, as required by law.[10] This represents no increase from FY2007.

- As with the Administration's proposal and the House and Senate measures, the enacted appropriation includes funding for **Community Food Projects and food stamp access grants** — at $5 million each (no change from FY2007).

Child Nutrition Programs. Appropriations under the Child Nutrition budget 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 School Lunch and Breakfast programs, the Child and Adult Care Food Program (CACFP), the Summer Food Service program, the Special Milk program, assistance for related state administrative expenses, procurement of commodities for child nutrition programs, 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 technical assistance to CACFP operators.[11] Funding for a program offering free fresh fruits and

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[9] The grants to Puerto Rico and American Samoa are annually indexed, as stipulated in the Food Stamp Act. Northern Marianas' grant is periodically negotiated with the Commonwealth.

[10] This amount for TEFAP commodities does not include significant additional "bonus" commodities that typically are provided to the program, nor does it include payments for TEFAP administrative and distribution expenses (which are funded under the Commodity Assistance Programs budget account).

[11] With one exception (the free fresh fruit and vegetable program in schools), programs and activities supported by funding provided outside the scope of the regular annual appropriations process are not covered in this report. Permanent appropriations (Section 32 and CCC funds) pay for commodities acquired by the AMS and the CCC and donated to (continued...)

vegetables in some 400 schools in 14 states and on 3 Indian reservations is discussed later in the section on Special Program Initiatives.

On the basis of projections of participation and the indexed value of child nutrition subsidies, the Administration proposed an FY2008 appropriation of $13.897 billion for all child nutrition programs, an increase of some $550 million over the amount available for FY20007.[12] As to individual program areas, the Administration proposed the following for FY2008, all figures (except the last four, which are not dependent on program participation and subsidy levels) up noticeably from FY2007:[13]

- School Lunch program: $8.181 billion.
- School Breakfast program: $2.390 billion.
- CACFP: $2.289 billion.
- Summer Food Service program: $311 million.
- State administrative expenses: $176 million.
- Commodity procurement: $518 million.
- Special Milk program: $15 million.
- Coordinated Reviews: $5.5 million.
- Team Nutrition and food safety initiatives: $11 million.
- CACFP technical assistance: $2 million.

The enacted appropriation provides a total of $13.901 billion for FY2008, $4 million more than requested; the added funding is for Team Nutrition and food safety activities. While the Senate bill proposed an appropriation matching the Administration's request, the House included $6 million more for Team Nutrition and food safety.

The WIC Program. The enacted appropriation provides $6.020 billion for the WIC program, $816 million above the amount made available for FY2007, $633 million more than the Administration's request, $400 million higher than the House

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[11] (...continued)
child nutrition programs. Child nutrition authorizing laws (the Richard B. Russell National School Lunch Act and the Child Nutrition Act) direct mandatory spending for the Food Service Management Institute, an information clearinghouse, and certain grants for technical assistance and pilot projects. Commodity donations financed through Section 32 and the CCC typically total well over $400 million a year. Spending on activities mandated by child nutrition laws (other than the fresh fruit and vegetable program) is expected to be some $11 million in FY2008. Directed mandatory spending on the fruit and vegetable program is set at $9 million a year; this program is discussed later, in the section on Special Program Initiatives.

[12] These amounts do not include significant support from other budget accounts — e.g., Section 32 permanent appropriations to acquire commodities for child nutrition programs — and mandatory funding directed by child nutrition laws.

[13] The following amounts for each program area are new funds made available from spending on each one. However, these funds generally may be shifted amount the programs if needed. Specific comparable program-by-program spending amounts for FY2007 are not yet available.

bill, and $300 million above the Senate's measure. The higher amount primarily reflects the most current estimates of program needs and seeks to assure that there are sufficient funds to serve all those eligible who wish to participate and that food cost and participation estimates available since the Administration presented its budget (and the House and Senate acted) are taken into account. While the WIC program appropriation is discretionary, it is not subject to the enacted appropriations law's 0.7% rescission of USDA discretionary appropriations.

In addition, the enacted appropriation (1) rejects two Administration proposals that would have reduced the need for appropriations: limiting WIC eligibility and capping grants for nutrition services and administration (see the later section on Special Program Initiatives),[14] (2) sets aside up to $30 million for improving state WIC agencies' management and information systems (if the money is not needed to support WIC caseload and the contingency fund has not been tapped), and (3) turns down an Administration provision to increase the size of the contingency fund above $150 million. These actions also were taken in both the House and Senate measures.

Commodity Assistance Programs. The Commodity Assistance Program budget account supports several discretionary programs and activities: (1) the Commodity Supplemental Food Program (CSFP); (2) funding for administrative and distribution costs under The Emergency Food Assistance Program (TEFAP); (3) the WIC Farmers' Market Nutrition program; (4) commodity assistance for certain nuclear-affected zones in the Marshall Islands; and (5) commodity assistance in the case of natural disasters.[15]

For FY2008, the Administration proposed a major change affecting this budget account; it recommended terminating the CSFP (which was appropriated $107 million in FY2007).[16] As a result, its appropriations request for Commodity Assistance programs was $70 million, $107 million less than the FY2007 figure of $177 million. The budget request for the remaining program areas asked for FY2008 funding at essentially the FY2007 level: $49.5 million for TEFAP administrative and distribution expenses, $19.8 million for the WIC farmers' market initiative, and a total of some $1 million for nuclear-affected zones and commodity disaster assistance.

The enacted appropriation rejects the proposal to terminate the CSFP and appropriates a total of $212 million for Commodity Assistance programs, over $30 million above the FY2007 amount and $142 million more than the Administration's budget request. Money for the CSFP is increased greatly, from $107 million

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[14] For example, the Administration expected some $145 million in savings from its proposal to cap nutrition services and administration grants.

[15] Funds for acquiring commodities for TEFAP are appropriated through the Food Stamp Act appropriation (i.e., $140 million a year). Assistance for nuclear-affected areas of the Marshall Islands is authorized by amendments to the Compact of Free Association with the Republic of the Marshall Islands. The Senior Farmers' Market Nutrition program is funded through permanent appropriations ($15 million a year) made available outside the regular appropriations process.

[16] Also see the discussion of Special Program Initiatives at the end of this section.

(FY2007) to $141 million, while funds for TEFAP, WIC farmers' markets, and nuclear-affected zones (and disasters) are set at levels very close to the Administration's request ($50 million, $20 million, and $1 million respectively). The House and Senate bills differed only in how much to increase the appropriation for the CSFP, with the House raising it to $150 million and the Senate upping it to $128 million. It is anticipated that the enacted appropriation amount will allow for maintenance of current CSFP participation levels and entry of some additional CSFP projects.

The Commodity Assistance Program appropriation is discretionary. As such, it is subject to the enacted law's 0.7% rescission of USDA discretionary appropriations, which lowers the total to $210 million, removing $1 million from the CSFP amount, and reducing each of the remaining programs slightly (effectively, to levels asked for by the Administration).

Nutrition Program Administration. This budget account covers spending on federal costs for administering all the domestic food assistance programs noted above, special projects for improving the integrity and quality of nutrition programs, and the Center for Nutrition Policy and Promotion (CNPP). Discretionary funding for the Congressional Hunger Center (and its hunger fellowships) also has typically been provided through this account.

For FY2008, the enacted appropriation provides $143 million for nutrition program administration, including $2.5 million for the Congressional Hunger Center. This budget account is discretionary, and, as such, is subject to the law's 0.7% rescission of USDA discretionary appropriations (lowering the total to $142 million). In FY2007, $140 million was appropriated, but no money was provided for the Hunger Center.

The Administration asked for a significant increase to $149 million (including money for salary increases and new initiatives dietary standards related and food stamp modernization projects), but incorporated no funding for the Congressional Hunger Center. The House bill increased funding to a total level approximating the Administration's $149 million request (but included funding for the Hunger Center), while the Senate measure lifted the appropriation to $147 million (including money for the Hunger Center).[17]

Special Program Initiatives. In addition to regular appropriations, the enacted appropriations measure includes (or rejects) changes in program rules, new or expanded initiatives, and other provisions affecting domestic food program — as did the Administration's request and the House and Senate bills.

Programs under the Food Stamp Act. The enacted appropriations law continues a requirement to disregard combat-related military pay as income to military families applying for or participating in the Food Stamp program (typically included in appropriations laws). The Administration did not propose this as part of

[17] In the House bill, the appropriation for the Congressional Hunger Center was included in Title VII (General Provisions) of the bill.

its appropriations request, but did support it as part of its omnibus 2007 farm bill package. On the other hand, the House bill included it, while the Senate bill did not.

The Administration proposed money to fund special transitional food stamp benefits for, and outreach effort to, those losing benefits from CSFP (see below). The enacted appropriations law rejects this, as did the House and Senate bills. As a result, food stamp funding provided in the law is slightly less than requested.

Child Nutrition Programs. Title VII (General Provisions) of the enacted appropriations law includes two changes affecting child nutrition programs.

- It makes simplified **Summer Food Service program** rules applicable in all states. These rules (allowed to be used in 26 states and Puerto Rico) are intended to encourage expansion of the summer program by freeing program sponsors from a requirement that they provide detailed documentation of their expenses in order to receive standard program per-meal subsidy rates; this matches rules for the regular school meal programs. This was included in the House bill, but not the Senate measure.

- It provides $9.9 million (in addition to the mandatory $9 million a year provided in child nutrition law and unspent funding from previous years) to allow for the limited expansion of the program offering **free fresh fruits and vegetables in schools** to selected schools in all states, including the 14 currently participating states. All money would be available through FY2009, and up to 5% of the new funding could be set aside for related federal administrative expenses. The House bill provided an extra $21 million; the Senate bill would have allowed currently participating states to continue temporarily by using available unspent funding.

The House bill included one additional initiative that was not adopted in the final law — adding one state (West Virginia) to the seven states in which federal subsidies are given for suppers served in **after-school programs**.

The WIC Program. The Administration proposed two important changes in the WIC program; both are rejected in the enacted appropriations law, as they were in the House and Senate bills. One recommendation would have denied automatic WIC eligibility to Medicaid participants with income above 250% of the federal poverty income guidelines. The second would have placed a cap on the amount of the per-person grant states get to administer the WIC program and provide nutrition education and other services; the cap would have been set noticeably below the FY2007 average grant level.

Commodity Assistance Programs. The Administration proposed to terminate the CSFP. It contended that the program duplicates benefits provided under the Food Stamp and WIC programs and provided for special food stamp benefits and outreach efforts for the elderly population that makes up almost all of the CSFP caseload. The enacted appropriation rejects this recommendation and substantially increases funding for the CSFP (as did the House and Senate bills).

Agricultural Trade and Food Aid

The enacted consolidated appropriations bill includes discretionary appropriations for USDA's international activities which are also subject to the 0.7% across the board recision included in the measure. P.L. 110-161 provides, after applying the recision, a total of $1.476 billion for P.L. 480 Title II food aid and other international programs. The House-passed FY2008 agriculture appropriations measure (H.R. 2206) would have provided discretionary appropriations of $1.487 billion, while the Senate committee-reported bill would have provided discretionary appropriations of $1.495 billion for international activities. The Administration's budget request indicates that an additional $3.3 billion would be allocated to CCC-funded (mandatory) programs during FY2008. Since the enacted appropriations measure imposes no restrictions on mandatory export program spending, program levels for these activities (export subsidies, market promotion, export credits, and some food aid) will be at farm bill authorized levels. Included in the enacted bill is $158.4 million for the Foreign Agricultural Service (FAS) to administer USDA's international programs. The Senate-reported bill proposed $167.4 million for FAS, while the House bill's allowance for FAS was $159.1 million.

For P.L. 480 foreign food assistance, the enacted amount is $1.214 billion. Both the House-passed and Senate-reported versions of FY2008 agriculture appropriations recommended $1.222 billion (including transfers to the Farm Service Agency for salaries and expenses in connection with the P.L. 480 operations). Both bills concur with the President's requests for no funds for P.L. 480 Title I loans or for P.L. 480 Title III grants. Thus, all of the P.L. 480 appropriations in the enacted bill would go for USAID-administered Title II commodity donations. Two USDA-administered food aid programs, Food for Progress (FFP) and Section 416(b) donations, receive mandatory funding. The President's budget assumes $163 million of CCC funds for FFP, which provides food aid to emerging democracies. P.L. 480 Title I funds can be allocated to FFP, but in the absence of an appropriation for Title I, that source would be unavailable in FY2008. Similarly, USDA anticipates that no CCC commodity inventories would be available for distribution as food aid under Section 416(b), a program that makes surplus agricultural commodities available overseas.

The enacted 2008 appropriations measure provides $99.3 million for the McGovern-Dole International Food for Education and Child Nutrition Program, an increase of $300,000 from the FY2007 enacted amount. Both chambers' appropriations bills and the President's budget request called for $100 million for McGovern-Dole. Separate from the appropriations act, the House-passed farm bill (H.R. 2419) proposes to change the funding basis for the McGovern-Dole Program from discretionary to mandatory and to increase its annual authorized funding to $300 million by FY2011. The Senate-passed version of the farm bill does not include a similar provision.

The President's budget proposed to allow the Administrator of USAID to use up to 25% of P.L. 480 Title II funds for local or regional purchases of commodities to address international food crises. This change in policy was not included in the enacted measure, nor was it included in either chamber's appropriation bill. In commenting on the proposal, the Senate Committee report stressed its expectation that Title II would be used primarily for development, not emergency, assistance. In the event of additional emergency needs, the Senate Appropriations Committee "reminds the Department of the availability of the Bill Emerson Humanitarian Trust." In contrast, the House Appropriations Committee report indicates that, although it did not include the Administration's proposal in its version of the bill, it will consider the proposal as part of an overall examination of food aid programs. Separate from the appropriations act, the Senate version of the farm bill, but not the House version, contains a provision authorizing $25 million annually for a pilot project to assess local/regional purchases of food aid for emergency relief.

The enacted bill includes an appropriation of $5.3 million for administrative expenses of CCC export credit programs which the President's budget estimated would finance U.S. agricultural exports in FY2008 of $2.444 billion. P.L. 110-161 does not include legislative language proposed by the Administration to bring CCC export credit guarantee programs into compliance with a WTO dispute panel decision that found such programs to be prohibited export subsidies. However, House and Senate-passed farm bills do make these WTO compliance changes.

The President's budget proposes that $200 million would be allocated to the Market Access Program (MAP). The Foreign Market Development Program would be allocated $34.5 million according to the President's budget. For export subsidy programs, the budget requests no funds for the Export Enhancement Program (EEP) and just $3 million for the Dairy Export Incentive Program ($3 million in FY2007). EEP funding is authorized at $478 million annually under the 2002 farm bill, but no CCC funds have been allocated to the program during FY2002-FY2007. Authorized funding levels for these CCC-funded programs could be altered by the pending farm bill as the Senate-passed farm bill repeals legislative authority for EEP while the House-passed bill re-authorizes spending at levels provided in the 2002 farm bill. Both farm bills also authorize additional mandatory funding for export promotion programs as well.

For additional information on USDA's international activities, see CRS Report RL33553, *Agricultural Export and Food Aid Programs,* by Charles E. Hanrahan.

Food and Drug Administration (FDA)[18]

The Food and Drug Administration (FDA) regulates the safety of foods and the safety and effectiveness of drugs, biologics (e.g., vaccines), and medical devices. Now part of the Department of Health and Human Services (HHS), FDA was originally housed in the Department of Agriculture. The agriculture appropriation subcommittees still keep jurisdiction over the FDA budget.

FDA's budget has two components: direct appropriations and user fees. For FY2008, the Consolidated Appropriations Act, 2008 (P.L. 110-161) provides a direct

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[18] This section was coordinated by Susan Thaul, with added contributions from Vanessa K. Burrows, Judith A. Johnson, Sarah A. Lister, Donna V. Porter, Bernice Reyes-Akinbileje, and Erin D. Williams.

appropriation of $1.72 billion to FDA, $142.5 million (9.1%) more than the FY2007 enacted appropriation and $76 million (4.6%) more than the President's request.

For the entire FDA budget (direct appropriations and user fees), Consolidated Appropriations Act, 2008 (P.L. 110-161) provides FDA $2.27 billion, compared with $2.07 billion in the President's request and $2.01 billion in the FY2007 appropriation.

Table 7 displays, by program area, the budget authority (direct appropriations), user fees, and total program levels enacted for FY2007, requested in the President's FY2008 budget, and enacted for FY2008.

Food

Food Safety. The enacted bill directs an increase of $56 million above the FY2007 level in food safety funding. In the explanatory statement, the committees specify funding levels for several food safety activities. Of the increase provided for food safety, no less than $18.3 million is to be available immediately to hire additional domestic and import food inspectors, including $8 million for the deployment of inspectors with rapid response capabilities. An additional $1 million is provided for the review of cosmetics. Furthermore, $1.5 million is to fund the creation of a Western Region FDA Center of Excellence at the University of California at Davis, and $3 million is to fund the National Research Initiative (NRI).

In addition to specifying how food safety money should be spent, the committees mandate several new reports. The first is on the conclusions of an NRI-facilitating agreement between the FDA Commissioner and the HHS Secretary, identifying research priorities and associated research grants. Second, FDA is to contract with the National Academy of Sciences for a study of the gaps in public health protection provided by the food safety system in this country. The study should address the recommendations of the FDA Food Protection Plan released in November 2007. Third, concurrent with the FY2009 budget justification, the FDA is to provide a plan that describes a method to improve the national food safety system, including clear, measurable benchmarks for concrete improvements in the performance of its food safety mission. Fourth, FDA is directed to submit a plan to the committees that fully addresses the weaknesses in the food safety system that led Government Accountability Office (GAO) to list food safety on its January 2007 high-risk list.

Nutrition. The enacted bill includes $1.7 million for research on dietary supplements at the National Center for Natural Products Research in Oxford, Mississippi.

Due to concerns that the FDA may have exceeded its statutory authority when the agency decided to allow qualified health claims for conventional foods, the committees request a report from the GAO. The committees also urge the FDA not to use funds provided in this bill to review requests for qualified health claims for conventional foods or to issue letters permitting such claims through exercises of enforcement discretion until the independent analysis is completed.

Table 7. FDA Appropriations and User Fees, by Program Area

(millions of dollars)

Program Area	Funds	FY2007 Enacted	FY2008 Admin. Request	FY2008 Enacted less 0.7%
Foods	BA: Fees: Total:	457.1 0.0 457.1	466.7 0.0 466.7	509.9
Human drugs	BA: Fees: Total:	315.1 255.2 570.4	324.4 232.4 556.8	353.3
Biologics	BA: Fees: Total:	144.5 65.7 210.3	155.1 60.8 215.8	155.2
Animal drugs and feeds	BA: Fees: Total:	94.7 9.5 104.3	94.8 11.5 106.3	97.0
Devices	BA: Fees: Total:	230.7 42.2 272.9	240.1 45.3 285.4	238.0
Toxicological research (NCTR)	BA: Fees: Total:	42.1 0.0 42.1	36.5 0.0 36.5	44.0
Headquarters and Office of the Commissioner	BA: Fees: Total:	90.5 32.1 122.6	88.6 32.9 121.4	97.5
GSA rent	BA: Fees: Total:	126.9 19.1 146.0	131.5 26.9 158.4	130.6
Other rent and rent-related, including White Oak consolidation	BA: Fees: Total:	67.6 1.1 68.6	98.0 9.1 107.1	88.8
Certification funds	BA: Fees: Total:	0.0 8.5 8.5	0.0 9.5 9.5	0.0 9.5 9.5
Salaries & Expenses Subtotal	BA: Fees: Total:	1,569.2 433.5 2,002.8	1,635.7 428.3 2,064.0	1,714.3 549.4 2,263.7
Buildings & Facilities Subtotal	BA: Fees: Total:	5.0 0.0 5.0	5.0 0.0 5.0	2.4 0.0 2.4
FDA Total	**BA:** **Fees:** **Total:**	**1,574.2** **433.5** **2,007.7**	**1,640.7** **428.3**[a] **2,068.9**	**1,716.7** **549.4** **2,266.1**

Sources: Adapted by CRS from FDA Operating Plan for FY2007 (March 2007); FDA, *Fiscal Year 2008 Justification of Estimates for Appropriations Committees*, Feb. 2007; Congressional Record, Dec. 17, 2007, p. H15785 on H.R. 2764 Consolidated Appropriations, 2008 (P.L. 110-161); and Omnibus 2008 Explanatory Statement.

Notes:

BA = budget authority, also referred to as direct appropriations.

Fees = from collected user fees.

Total = program level = budget authority plus user fees.

a. Does not include proposed user fees.

Human Drugs

Specified Funding Increases. The enacted bill includes an increase of $21.2 million for drug safety, of which not less than $10 million is for the Office of Surveillance and Epidemiology. It also includes an increase of $7.5 million for the Critical Path Initiative, of which $2.5 million is to be available, on a competitive basis, for contracts or grants to universities and non-profit organizations to support individual critical path projects. Finally, the bill includes $6 million for generic drug review and $4 million for the review of direct-to-consumer advertising.

Issues Highlighted. The committees support FDA's review of a means by which drugs marketed outside the present approval process, which have been in clinical use for the past 25 years and are prescribed by doctors, may be more efficiently vetted by the agency. FDA is encouraged to work toward the development of a system to review this unique class of drugs.

The committees encourage FDA to ensure that the MedGuide program is assisting patients in understanding the risks associated with certain medications to the greatest degree possible. The committees encourage FDA to work with patient groups, manufacturers and national pharmacy groups to address improvements in the program, and request a report on the progress FDA is making toward MedGuide improvements, to be completed within one year of enactment of the Act.

Animal Drugs and Feeds

The committees note that on December 28, 2006, the Center for Veterinary Medicine issued a draft risk assessment on animal cloning which concluded that food products from cloned animals are safe to enter the food supply. The committees strongly encourage FDA to continue the voluntary moratorium on introducing food products from cloned animals into commerce until the agency completes a review and analysis of comments it has received on the draft, and evaluates the need for additional studies recommended during the public comment period.[19] The committees also direct the FDA to enter into an agreement with the Economic Research Service at USDA to study the domestic agricultural and international trade economic implications of permitting commercialization of milk and meat from cloned animals and their progeny into the food supply.

Cross-Cutting Topics

Specified Funding Increases. The enacted bill provides the following increases above FY2007: $28.7 million for cost of living expenses; $4 million for pandemic influenza preparedness; $1 million for the Office of Women's Health; $13.3 million for FDA's consolidation at the White Oak campus; and $14.5 million

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[19] The FDA published a final risk assessment on animal cloning and draft guidance for industry, effectively lifting its moratorium, in January 2008. See CRS Report RL33334, *Biotechnology in Animal Agriculture: Status and Current Issues*, by Geoffrey S. Becker and Tadlock Cowan.

for GSA rent and other rent and rent-related activities. The bill also includes $2.5 million for buildings and facilities.

Issues Highlighted. In the explanatory statement, the committees express their increasing concern about FDA's use of a fund known as the central account, managed by the Office of the Commissioner. The central account consists of funds appropriated for use by FDA's centers and field operations that the agency moves into the account in order to pay for various FDA activities. Noting that the central account has grown unchecked over the past three years, increasing by approximately 32% from FY2003 to FY2006, the Committee directs FDA to include in its annual budget request — beginning with FY2009 — previous year, estimated current year, and estimated budget year central account charges by FDA program area, and center/field split for each charge applied.

The committees remind FDA that the Food and Drug Administration Amendments Act of 2007 limits the number of financial conflict of interest waivers for advisory committee members it can issue annually, and strongly encourage FDA to continue its efforts to limit the use of financial conflicts of interest waivers to the greatest extent possible.

The committees direct FDA to ensure that all changes it makes to the format of its explanatory notes reflect the comments made by the Congress.

In its FY2009 budget submission, FDA is directed to provide the same level of budget justification for its research activities in the FY2007 budget as it does other activities.

FDA is directed to provide all reports and studies requested by the committees in H.Rept. 110-258 or S.Rept. 110-134 or in the explanatory statement within 60 days after enactment, unless another deadline is specified.

Restrictions on Use of Appropriated Funds. The enacted bill includes several restrictions. It prohibits the use of appropriated funds to terminate or consolidate FDA field laboratories or inspection and compliance functions of district offices, or to close the FDA laboratory in St. Louis, Missouri. In addition, the explanatory statement contains a proviso prohibiting the transfer of funds to the Reagan-Udall foundation under section 770(n) of the Federal Food, Drug and Cosmetic Act.[20]

[20] The explanatory statement refers to Section 707(n) of the act. The applicable provision is, in fact, Section 770(n).

Commodity Futures Trading Commission (CFTC)

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, registration and supervision of futures industry personnel, prevention of fraud and price manipulation, and investor protection. Although most futures trading is now related to financial variables (interest rates, currency prices, and stock indexes), congressional oversight remains vested in the agricultural committees because of the market's historical origins as an adjunct to agricultural trade.

For FY2008, the Administration has requested $116.0 million for the CFTC, an increase of 18.4% over FY2007's appropriation under the continuing resolution of $98 million. The Administration's budget also proposes that a fee be imposed on users of the futures markets to pay for the cost of federal regulation. To fund the CFTC at the $116 million level, a fee of about 5¢ per transaction on the futures exchanges would be required. Every administration since Ronald Reagan's has proposed a similar fee, but Congress has never enacted one. (For more information on the futures transaction fee, see CRS Report RS22415, *Proposed Transaction Fee on Futures Contracts*, by Mark Jickling.)

The enacted appropriation for FY2008 is $111.266 million (after rescission), which is $13 million (+13.6%) more than the appropriation in FY2007. The increase provides for an additional 17 FTEs for more oversight of futures markets, and for information technology costs, both of which were in the Administration's request. It does not adopt the proposed user fees on futures transactions.

The enacted amount is between the amounts for CFTC in the House and Senate bills. The House bill provided $102.6 million for the CFTC as an appropriation from the general fund. The Senate amount was $116 million and was in H.R. 2829, the Financial Services and General Government Appropriations Act, 2008.

Table 8. USDA and Related Agencies Appropriations, FY2008 Action and FY2007 Enacted
(budget authority, in millions of dollars)

Agency or Major Program	FY2007 Enacted	FY2008 Admin. Request	FY2008 House-Passed	FY2008 Senate-Reported	FY2008 Enacted[a]	Enacted change from FY2007	
Title I: Agricultural Programs							
Agric. Research Service (ARS)	1,128.9	1,037.5	1,140.3	1,194.3	1,167.8	38.9	3.4%
Coop. State Research Education and Extension Service (CSREES)	1,182.9	1,020.7	1,199.5	1,178.3	1,183.8	0.9	0.1%
Economic Research Service (ERS)	75.2	82.5	79.3	76.5	77.4	2.2	2.9%
National Agric. Statistics Service (NASS)	147.3	167.7	166.1	167.7	162.2	15.0	10.2%
Animal and Plant Health Inspection Service (APHIS)	851.2	954.5	879.6	916.7	867.6	16.5	1.9%
Agric. Marketing Service (AMS)	112.7	113.1	118.1	110.8	114.7	2.0	1.8%
Grain Inspection, Packers and Stockyards Admin. (GIPSA)	37.8	44.4	41.1	39.1	38.5	0.7	1.9%
Food Safety & Inspection Serv. (FSIS)	892.1	930.1	930.1	930.6	930.1	38.0	4.3%
Farm Service Agency (FSA) - Total Salaries and Expenses	1,337.1	1,548.2	1,440.7	1,478.7	1,430.3	93.2	7.0%
FSA Farm Loans - Subsidy Level	149.8	152.3	152.3	149.6	148.6	-1.2	-0.8%
Farm Loan Authority	*3,749.5*	*3,366.8*	*3,407.4*	*3,450.9*	*3,427.4*	*-322.1*	*-8.6%*
Risk Management Agency (RMA) Salaries and Expenses	76.7	79.1	78.8	78.8	76.1	-0.5	-0.7%
Federal Crop Insurance Corp.[b]	4,379.3	4,818.1	4,818.1	4,818.1	4,818.1	438.8	10.0%
Commodity Credit Corp. (CCC)[b]	23,098.3	12,983.0	12,983.1	12,983.0	12,983.0	-10,115.3	-43.8%
Other agencies and programs	561.1	533.8	478.3	467.8	452.6	-108.5	-19.3%
Subtotal	**34,030.3**	**24,465.0**	**24,505.5**	**24,590.0**	**24,450.9**	**-9,579.4**	**-28.2%**
Title II: Conservation Programs							
Conservation Operations	763.4	801.8	851.9	863.0	834.4	71.1	9.3%
Watershed Surveys and Planning	6.1	0	6.6	0	0.0	-6.1	-100%
Watershed & Flood Prevention	0	0	37.0	33.5	29.8	29.8	na
Watershed Rehabilitation Program	31.3	5.8	31.6	20.0	19.9	-11.4	-36.6%
Resource Conservation & Dev.	51.1	14.7	52.4	53.2	50.7	-0.4	-0.7%
Healthy Forests Reserve	0	2.5	0	2.5	2.0	2.0	na
Under Secretary, Natural Resources	0.7	0.8	0.8	0.8	0.7	0.0	-0.7%
Subtotal	**852.6**	**825.6**	**980.2**	**972.9**	**937.5**	**85.0**	**10.0%**

Agency or Major Program	FY2007 Enacted	FY2008 Admin. Request	FY2008 House-Passed	FY2008 Senate-Reported	FY2008 Enacted[a]	Enacted change from FY2007	
Title III: Rural Development (RD)							
Salaries and Expenses	161.3	208.2	175.4	175.3	168.8	7.5	4.7%
Rural Housing Service (RHS)	1,520.7	1,148.4	1,416.9	1,363.6	1,331.3	-189.4	-12.5%
RHS Loan Authority [b]	*5,570.8*	*5,613.9*	*5,750.0*	*5,499.3*	*6,095.4*	*524.6*	*9.4%*
Rural Business-Cooperative Service	170.2	117.1	205.6	170.5	177.9	7.8	4.6%
RBCS Loan Authority [b]	*1,149.1*	*1,262.3*	*1,566.8*	*1,243.5*	*1,265.2*	*116.1*	*10.1%*
Rural Utilities Service (RUS)	647.2	574.7	675.5	647.9	655.3	8.1	1.3%
RUS Loan Authority [b]	*7,639.5*	*6,245.2*	*6,665.0*	*9,940.2*	*9,180.2*	*1,540.7*	*20.2%*
RD Under Secretary	0.6	0.7	0.7	0.7	0.6	0.0	-0.6%
Subtotal	**2,500.0**	**2,049.2**	**2,474.0**	**2,358.0**	**2,334.0**	**-166.0**	**-6.6%**
Subtotal, RD Loan Authority	*14,359.4*	*13,121.4*	*13,981.8*	*16,683.0*	*16,540.7*	*2,181.3*	*15.2%*
Title IV: Domestic Food Programs							
Child Nutrition Programs	13,345.6	13,897.3	13,903.2	13,897.3	13,901.5	555.9	4.2%
WIC Program	5,204.4	5,386.6	5,620.0	5,720.0	6,020.0	815.6	15.7%
Food Stamp Act Programs	38,161.5	39,838.2	39,816.2	39,779.2	39,782.7	1,621.2	4.2%
Commodity Assistance Programs	177.6	70.4	221.1	199.1	210.3	32.7	18.4%
Nutrition Programs Admin.	140.3	148.9	146.9	147.4	141.7	1.5	1.1%
Office of Under Secretary	0.6	0.7	0.6	0.6	0.6	0.0	-0.7%
Subtotal	**57,030.0**	**59,342.0**	**59,708.1**	**59,743.6**	**60,056.8**	**3,026.9**	**5.3%**
Title V: Foreign Assistance							
Foreign Agric. Service (FAS)	156.2	168.2	159.1	167.4	158.4	2.1	1.4%
Public Law (P.L.) 480	1,218.1	1,222.2	1,222.1	1,222.1	1,213.5	-4.6	-0.4%
McGovern- Dole Food for Educ.	99.0	100.0	100.0	100.0	99.3	0.3	0.3%
CCC Export Loan Salaries	5.3	5.3	5.3	5.3	5.3	0.0	0.6%
Subtotal	**1,478.6**	**1,495.7**	**1,486.6**	**1,494.9**	**1,476.5**	**-2.1**	**-0.1%**
Title VI: FDA & Related Agencies							
Food and Drug Administration	1,574.2	1,640.7	1,702.7	1,760.1	1,716.8	142.6	9.1%
Commodity Futures Trading Commission (CFTC)	98.0	116.0	102.6	116.0	111.3	13.3	13.6%
Subtotal	**1,672.2**	**1,756.7**	**1,805.2**	**1,876.1**	**1,828.0**	**155.9**	**9.3%**
Title VII: General Provisions[c]							
Section 32 rescission	-37.6	-65.5	-210.4	-331.0	-684.0	-646.4	1719%
Disaster assistance and FSA salaries	0.0	0.0	0.0	0.0	622.0	622.0	na
Other (net)	-1.1	-16.0	-11.3	16.6	5.9	7.0	-640%
Subtotal	**-38.7**	**-81.5**	**-221.7**	**-314.4**	**-56.1**	**-17.4**	**44.9%**

Agency or Major Program	FY2007 Enacted	FY2008				Enacted change from FY2007	
		Admin. Request	House-Passed	Senate-Reported	Enacted[a]		
RECAPITULATION							
I: Agricultural Programs	34,030.3	24,465.0	24,505.5	24,590.0	24,450.9	-9,579.4	-28.2%
Mandatory	27,494.1	17,818.0	17,818.0	17,818.0	17,818	-9,676	-35.2%
Discretionary	6,536.2	6,647.0	6,687.5	6,772.0	6,632.9	96.7	1.5%
II: Conservation Programs	852.6	825.6	980.2	972.9	937.5	85.0	10.0%
III: Rural Development	2,500.0	2,049.2	2,474.0	2,358.0	2,334.0	-166.0	-6.6%
IV: Domestic Food Programs	57,030.0	59,342.0	59,708.1	59,743.6	60,056.8	3,026.9	5.3%
Mandatory	51,506.1	53,712.5	53,718.4	53,676.5	53,683.2	2,177.1	4.2%
Discretionary	5,523.9	5,629.5	5,989.6	6,067.1	6,373.6	849.8	15.4%
V: Foreign Assistance	1,478.6	1,495.7	1,486.6	1,494.9	1,476.5	-2.1	-0.1%
VI: FDA & Related Agencies	1,672.2	1,756.7	1,805.2	1,876.1	1,828.0	155.9	9.3%
VII: General Provisions	-38.7	-81.5	-221.7	-314.4	-56.1	-17.4	44.9%
Total, Before Adjustments	**97,525**	**89,853**	**90,738**	**90,721**	**91,028**	**-6,497**	**-6.7%**
Mandatory	79,000	71,530	71,536	71,494	71,501	-7,499	-9.5%
Discretionary (gross)	18,525	18,322	19,202	19,227	19,526	1,002	5.4%
Discretionary (net, after score-keeping adjustments)	17,812	17,830	18,817	18,709	18,093	281	1.6%
Other emergency appropriations, for agencies in this bill, not included above							
P.L. 110-28							
Agricultural assistance	3,000.0						
P.L. 480 Title II grants	450.0						
Emergency Forestry Reserve	115.0						
Other	87.5						
Subtotal	**3,652.5**						

Source: CRS, using tables from the House and Senate Appropriations Committees.

a. The enacted amounts in this table reflect the 0.7% rescission in Sec. 752 of the Division A of the FY2008 Consolidated Appropriations Act, as published in the joint explanatory statement in the *Congressional Record*.

b. The Commodity Credit Corporation and the Federal Crop Insurance Fund each receive an indefinite appropriation ("such sums, as may be necessary"). The amounts shown are the estimates used in the appropriations bills.

c. General provisions in Title VII affect various programs administered under other titles.