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H.R. 5384 – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, 2007

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On June 22, the Appropriations Committee reported H.R. 5384, with an amendment in the nature of a substitute, by a vote of 28-0; S. Rept. 109-266.

Noteworthy

- H.R. 5384 provides \$98.26 billion in new budget (obligational) authority for FY07, which is \$4.95 billion above the President's request, but \$4.64 billion below the FY06 enacted level. Of this total, \$22.86 billion is discretionary budget authority (including emergency spending) and \$70.95 billion is mandatory spending.
- H.R. 5384 includes \$4.00 billion for emergency agricultural disaster assistance largely for crop and livestock losses suffered in 2005 and 2006. (see Title VIII) At press time, it was anticipated that an amendment to provide additional disaster aid would be offered.
- H.R. 5384 provides \$1.57 billion in appropriations for the Food and Drug Administration, which is \$25.3 million above the Administration's request and \$96.0 million above the FY06 enacted level.
- H.R. 5384 provides: \$37.87 billion for the Food Stamp program; \$19.74 billion in reimbursement for the Commodity Credit Corporation; \$5.26 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). This total includes a \$125 million reserve.
- On May 23, the House passed its version of H.R. 5384 by a vote of 378-46.

Highlights

(in billions)	<u>President's Request</u>	<u>House-passed Bill</u>	<u>Senate-reported Bill</u>
Title I (Agricultural Programs)	\$ 30.18	\$30.51	\$ 30.62
Title II (Conservation Programs)	0.79	.92	0.99
Title III (Rural Development)	2.20	2.16	2.22
Title IV (Domestic Food Program)	57.01	56.79	57.11
Title V (Foreign Assistance)	1.48	1.49	1.49
Title VI (FDA, Related Agencies)	1.67	1.65	1.67
Title VII (General Provisions)	(0.03)	0.01	0.16
Title VIII (Emergency Agricultural Disaster Assistance)	0.00	0.00	4.00
TOTAL¹	\$ 93.31	\$ 93.53	\$ 98.26

Background

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the U.S. Department of Agriculture (USDA). These programs include agricultural research, education, and extension activities; natural resources conservation programs; farm income and support programs; marketing and inspection activities; domestic food assistance programs; rural economic and community development activities, and telecommunications and electrification assistance; and various export and international activities of the USDA.

The bill also provides funding for the Food and Drug Administration (FDA) and the Commodity Futures Trading Commission [CFTC], and allows the use of collected fees for administrative expenses of the Farm Credit Administration [FCA]. The discretionary spending level is within the subcommittee's (302(b)) allocation for fiscal year 2006.

¹ Figure totals were taken from S. Rept. 109-266. Any difference in the totals is due to rounding.

Bill Provisions

Title I – Agricultural Programs

Title I provides \$30.62 billion for Agricultural Programs, which is \$443 million above the Administration's request and \$4.78 billion below the FY06 enacted level.²

Executive Operations: Provides \$64.1 million for Executive Operations, which is \$117.3 million below the Administration's request and \$101.0 million below the FY06 enacted level.

Agricultural Research Service: Provides \$1.21 billion for Agricultural Research Service, which is \$201.1 million above the Administration's request, but \$42.6 million below the FY06 enacted level.

Cooperative State Research, Education, and Extension Service (CSREES): Provides \$1.21 billion for CSREES, which is \$186.8 million above the Administration's request and \$27.2 million above the FY06 enacted level.

Animal and Plant Health Inspection Services: Provides \$906.4 million for Animal and Plant Health Inspection Services, which is \$45.2 million below the Administration's request and \$94.1 million above the FY06 enacted level.

Agricultural Marketing Service: Provides \$101.4 million for Agricultural Marketing Service, which is \$14.5 million above the Administration's request and \$13.1 million below the FY06 enacted level.

Production, Processing, and Marketing: Provides \$5.04 billion for Production, Processing, and Marketing, which is \$349.1 million above the Administration's request and \$50.7 million above the FY06 enacted level.

Farm Assistance Programs: Provides \$1.70 billion for Farm Assistance Programs, which is \$94.0 million above the Administration's request and \$140.9 million above the FY06 enacted level. Included within this funding is \$465.9 million for the **Agricultural Credit Insurance Fund**.

Federal Crop Insurance Corporation: Provides \$4.13 billion for the Federal Crop Insurance Corporation, which is equal to the Administration's request, but \$971.7 million above the FY06 enacted level.

Commodity Credit Corporation Fund: Provides \$19.74 billion for the Commodity Credit Corporation Fund, which is equal to the Administration's request and \$5.95 billion below the FY06 enacted level.

² FY06 comparison numbers are adjusted for the 1 percent across-the-board cuts (see P.L. 109-97).

Title II – Conservation Programs

Title II provides \$991.2 million for Conservation Programs, which is \$201.7 million above the Administration's request, but \$3.0 million below the FY06 enacted level.

Natural Resources Conservation Service: Provides \$990.5 million for Natural Resources Conservation Service, which is \$201.9 million above the Administration's request, but \$2.97 million below the FY06 enacted level. Included within this funding is \$835.3 million for Conservation Operations.

Title III – Rural Development Programs

Title III provides \$2.22 billion for Rural Economic Community Development Program, which is \$20.6 million above the Administration's request and \$279.6 million below the FY06 enacted level.

Rural Development: Provides \$891.5 million for Rural Development, which is \$120.0 million above the Administration's request and \$33.6 million above the FY06 enacted level.

Loan Authorizations: Provides \$5.03 billion in Loan Authorizations, which is \$27.9 million below the Administration's request and nearly \$2.0 million above the FY06 enacted level.

Loan Subsidies: Provides \$220.6 million for Loan Subsidies, which is \$61.8 million above the Administration's request, but \$19.1 million below the FY06 enacted level.

Rural Housing Insurance Fund (RHIF): Provides \$1.01 billion for the RHIF, which is \$89.1 million below the Administration's request and \$324.7 million below the FY06 enacted level.

Rural Housing Service: Provides \$1.14 billion for the Rural Housing Service, which is \$142.5 million below the Administration's request and \$315.7 million below the FY06 enacted level.

Rural Development Loan Fund: Provides \$19.9 million for the Rural Development Loan Fund, which is equal to the Administration's request and \$585,000 above the FY06 enacted level.

Rural Business-Cooperative Service: Provides \$92.0 million for the Rural Business-Cooperative Service, which is \$27.1 million above the Administration's request and \$4.7 million above the FY06 enacted level.

Rural Utilities Service: Provides \$94.7 million for the Rural Utilities Service, which is \$16.2 million above the Administration's request, but \$2.1 million below the FY06 enacted level. In addition, a loan authorization level of \$9.15 billion is provided.

Title IV – Domestic Food Programs

Title IV provides \$57.11 billion for Domestic Food Programs, which is \$95.6 million above the Administration's request, but \$1.79 billion below the FY06 enacted level.

Child Nutrition Program: Provides \$13.65 billion for the Child Nutrition Program, which is \$9.0 million above the Administration's request and \$993.7 million above the FY06 enacted level.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): Provides \$5.26 billion for Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is \$64.0 million above the Administration's request and \$59.6 million above the FY06 enacted level.

Food Stamp Program: Provides \$37.87 billion for the Food Stamp Program, which is \$69 million below the Administration's request and \$2.85 billion below the FY06 enacted level.

Commodity Assistance Program: Provides \$179.4 million for Commodity Assistance Program, which is \$109.0 million above the Administration's request and \$1.8 million above the FY06 enacted level.

Nutrition Program Administration: Provides \$143.1 million for Nutrition Program Administration, which is \$17.3 million below the Administration's request and \$3.8 million above the FY06 enacted level.

Title V – Foreign Assistance and Related Programs

Title V provides \$1.49 billion for Foreign Assistance and Related Programs, which is \$6.2 million above the Administration's request and \$20.5 million above the FY06 enacted level.

Salaries and Expenses, Direct Appropriation: Provides \$161.2 million for Salaries and Expenses, Direct Appropriation, which is \$1.3 million below the Administration's request, but \$11.1 million above the FY06 enacted level.

Public Law 480 Program and Grant Accounts: Provides \$1.23 billion for Public Law 480 Program and Grant Accounts, which is \$6.5 million above the Administration's request and \$9.6 million above the FY06 enacted level.

CCC Export Loans Program Account: Provides \$5.3 million for CCC Export Loans Program Account, which is equal to the Administration's request and \$104,000 above the FY06 enacted level.

McGovern-Dole international food and program grants: Provides \$100 million for international food for education and child nutrition program grants, which is \$1.0 million above the Administration's request and \$1.0 million above the FY06 enacted level.

Title VI – Related Agencies and Food and Drug Administration

Title VI provides \$1.67 billion for Related Agencies and Food and Drug Administration, which is \$2.2 million below the Administration's request, but \$98.0 million above the FY06 enacted level.

Food and Drug Administration: Provides \$1.57 billion for the Food and Drug Administration, which is \$25.3 million above the Administration's request and \$95.9 million above the FY06 enacted level.

Commodity Futures Trading Commission: Provides \$99.5 million for Commodity Futures Trading Commission, which is \$27.5 million below the Administration's request, but \$2.1 million above the FY06 enacted level.

Farm Credit Administration: Provides a limitation on administrative expenses of \$44.3 million, which is \$44.3 above the Administration's request and equal to the FY06 enacted level.

Title VIII – Emergency Agricultural Disaster Assistance

Commodity Credit Corporation Fund: Provides \$3.99 billion in emergency funding for the Commodity Credit Corporation Fund, which is \$3.99 billion above the Administration's request.

Administration Position

A Statement of Administration Policy (SAP) concerning H.R. 5384 as reported by the Senate Appropriations Committee was not available at press time.

On May 23, the Administration released a SAP on the House-reported bill, H.R. 5384. The Administration supported House passage of H.R. 5384, and looks forward to working with Congress to ensure that the FY06 appropriations bills do not exceed the **\$872.8 billion discretionary funding level. (The President's Budget includes over 150 program savings and reforms and was the first to propose reducing non-security discretionary spending since the Reagan Administration.)** In the SAP to the

House-reported bill, the Administration offered its views on several provisions, including drug re-importation, Farm Bill Program Extensions, Wetlands Reserves Program, Food and Nutrition Service, and competitive sourcing.

Cost

The Committee, in consultation with the Congressional Budget Office, estimates the bill provides \$22.35 billion in FY07 discretionary budget authority; \$23.82 billion in discretionary outlays (which includes outlays from prior-year budget authority); \$75.40 billion in mandatory budget authority; and \$47.92 billion in mandatory outlays for FY07.

H.R. 5384 would result in the following outlays:

FY 2007	\$61.94 billion ³
FY 2008	\$10.46 billion
FY 2009	\$0.845 billion
FY 2010	\$0.237 billion
FY 2011	
(and future years)	\$0.131 billion

Possible Amendments

A number of amendments are expected:

Agriculture Disaster Relief: Senator Conrad may propose an amendment to increase agriculture disaster relief funding.

Specialty Crop Block Grant: During the committee markup, several Senators expressed concern regarding the specialty crop block grant program.

Country-of-origin labeling: The bill makes no mention of country-of-origin labeling for food. The House version includes a one-year delay in mandatory labeling of meat products, which, along with fruit and vegetable labeling, is set to take effect in October.

Re-importation: The House legislation also includes a provision to bar the FDA from enforcing its ban on prescription drug imports. The Senate version does not address the issue.

³ Excludes outlays from prior-year budget authority.