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Conferees approve Ag Spending Bill

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The conferees of the Senate and the House of Representatives approved the Agriculture Appropriations Bill for fiscal year 2010, which provides funding for the Department of Agriculture, the Food and Drug Administration, the Commodity Futures Trading Commission and the Farm Credit Administration. The package includes an additional \$350 million in aid for struggling dairy farmers and \$5.3 million for the National Animal Identification System, with a request for a “complete and detailed” plan on how USDA will operate the program going forward.

According to the chairmen of the Senate and House Appropriations Committees, Sen. Daniel Inouye (D-HI) and Rep. David Obey (D-WI), the conference agreement includes \$23.304 billion in net discretionary budget authority, a \$2.7 billion discretionary increase over the fiscal year 2009 enacted level, and \$325 million above the President’s request. Conferees also approved \$97.83 billion in mandatory funding, about \$10 billion more than the level approved for FY2009, but about \$3 billion below the President’s request.

Key Investments include:

Nutrition Programs: \$82.782 billion, including mandatory funding, for domestic nutrition assistance, including:

- Supplemental Nutrition Assistance Program (SNAP): \$58.278 billion, \$4.309 billion above 2009, in mandatory budget authority, to provide food assistance to over 36 million low-income people. Funding is included to increase elderly participation as it has been estimated that only 30 percent of eligible seniors participate in SNAP.
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): \$7.252 billion, \$398 million above the 2009 non-emergency enacted level. The bill provides funding to help up to 9.6 million women, infants, and children with benefits that promote a healthy pregnancy for mothers and a healthy start for their children.

- Child Nutrition programs: \$16.9 billion, \$1.9 billion above 2009, in mandatory budget authority, to provide nutritious meals and snacks to over 32 million children in schools, child care institutions, adult day care centers, and after school care programs.

Food and Drug Safety: \$4.268 billion for the two primary federal agencies responsible for regulating safety for our food and drug supply:

- Food and Drug Administration (FDA): \$2.36 billion, \$7 million above the request and \$306 million above 2009, to help FDA improve the safety of domestic and imported food and medical products. An additional \$893 million will be collected in user fees.

- Food Safety and Inspection Service (FSIS): \$1.02 billion, matching the request and \$47 million above 2009, to help ensure the safety of the U.S. meat and poultry supply.

International Food Aid: \$1.89 billion, \$564 million above 2009, not including supplemental appropriations bills, to help meet humanitarian food needs in countries stricken with natural disasters and political strife, including:

- P.L. 480 Food for Peace Title II Grants: \$1.69 billion, matching the request and \$464 million above 2009, not including emergency supplemental funding.

- McGovern-Dole Food for Education Program: \$209.5 million, \$10 million above the request and \$109.5 million above 2009, to support education, child development, and food security for some of the world's poorest children.

Agricultural Research: \$2.767 billion, \$174 million above 2009, for USDA research agencies, including the:

- Agricultural Research Service: \$1.25 billion, \$97 million above the request and \$63 million above 2009.

- National Institute of Food and Agriculture: \$1.343 billion, \$176 million above the request and \$121 million above 2009, including an increase of nearly \$61 million for competitive agricultural research grants.

Rural Development: \$2.979 billion, \$246 million above 2009 and \$37 million below the request, for USDA programs important to rural communities including rural housing, water projects, community facilities and economic development efforts.

- Rural Rental Assistance: \$980 million, \$78 million above 2009, to allow for the renewal of expiring rental contracts that otherwise would result in the eviction of tenants, comprised mostly of elderly, disabled, or female head of household.

- Single Family Housing Loans: \$214 million in budget authority to support more than \$13 billion in direct and guaranteed single family housing loans. Not counting funds available in the Recovery Act, this is an increase of nearly \$6 billion above 2009 and is necessary to meet growing demand.

Agricultural Credit Insurance Fund: \$140.6 million in budget authority to support more than \$5 billion in farm operating, ownership, and conservation loans. This provides \$257 million more in farm ownership loans and \$676 million more in farm operating loans than the President's request.

Animal and Plant Health: \$909.67 million, \$32.5 million above the request and \$28.3 million above 2009, to fund programs that protect American agriculture against animal and plant diseases.

Conservation Programs: \$1 billion, \$101 million above the request and \$40 million above 2009, for the Natural Resources Conservation Service to improve service in the field, deliver conservation to protect the environment, and upgrade aging dams at risk of catastrophic failure. The bill restores cuts to valuable conservation programs, including the Resource Conservation and Development Program and the Watershed and Flood Prevention Operations Program. The bill rejects \$267 million in cuts to priority farm bill conservation programs, including the Wetlands Reserve Program, Farmland Protection Program, and Wildlife Habitat Incentives Program.

Commodity Futures Trading Commission: \$168.8 million, \$8.2 million above the request and \$22.8 million above 2009, to enhance oversight of the commodity futures markets. The increased resources will provide for additional staff and improved technology to better secure the markets from improper speculation.

OTHER IMPORTANT POLICY ITEMS

Dairy Assistance: \$350 million to provide assistance to the nation's dairy farmers who are struggling due to historically low prices, including \$290 million to assist struggling dairy producers and \$60 million to allow for the purchase of cheese and other dairy products for food banks. Conferees could not agree on

International Food Assistance: Includes \$13 million to assist in the stabilization and reconstruction of Iraq and Afghanistan. In addition, funds are provided for research to develop new food aid products to provide higher nutritional content to food aid recipients.

Imported Poultry Products from China: Includes bill language to ensure the protection of public health with respect to any poultry products exported from China to the U.S. by audits and on-site reviews of facilities before any Chinese facilities are certified as eligible to ship poultry products to the U.S. and implementing a significantly increased level of port-of-entry re-inspections to ensure sanitary conditions.

National Animal Identification System (NAIS): \$5.3 million. Conferees said that, after receiving \$142,000,000 in funding since fiscal year 2004, APHIS has registered about 37% of all premises, far below what should have been achieved given this substantial investment.

“The conferees are concerned that this lack of progress will prohibit APHIS from implementing an effective national system that would provide needed animal health and livestock market benefits. The conferees are aware that USDA recently concluded a national listening tour to develop a more comprehensive understanding of how to design and deliver a successful animal

identification system. Now that the listening tour has concluded, the conferees expect APHIS to provide the Committees with a complete and detailed strategic plan for the program, including tangible outcomes, measurable goals, specific milestones, and necessary resources for the entire program. Given the \$5,300,000 investment in this conference agreement and the \$142,000,000 that Congress has already provided for NAIS, the conferees expect APHIS to make demonstrable progress in effectively implementing the animal identification system. If significant progress is not made, the conferees will consider eliminating funding for the program.”

Country of Origin Labeling (COOL): Fully funds the costs to continue overseeing country of origin labeling for fresh fruits and vegetables, meats and other products.
Inspection Pilot Program: Prohibits FSIS from implementing a risk-based inspection pilot program until FSIS implements changes recommended by the USDA Inspector General.

Pilot program on reforestation: \$800,000 to the Farm Service Agency to carry out a pilot program to demonstrate the use of new technologies that increase the rate of growth of reforested hardwood trees on private non-industrial forests lands, enrolling lands on the coast of the Gulf of Mexico that were damaged by Hurricane Katrina in 2005.

Carbon inventory and accounting. \$1 million for development of a prototype for a national carbon inventory and accounting system for forestry and agriculture.

#30