



# Agriculture and Related Agencies: FY2014 Appropriations

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## **Summary**

The annual Agriculture appropriations bill provides funding for all of the U.S. Department of Agriculture (USDA) except the Forest Service, plus the Food and Drug Administration (FDA) and, in even-numbered fiscal years, the Commodity Futures Trading Commission (CFTC).

The House Agriculture Appropriations Subcommittee marked up its FY2014 Agriculture appropriations bill on June 5, 2013, and full committee action followed on June 13, 2013. The Senate Appropriations Committee reported its version on June 18, 2013.

The House-reported bill (H.R. 2410) would reduce discretionary Agriculture appropriations to \$19.45 billion, a cut of \$1.28 billion from FY2013 levels (-6.2%). The bill is \$519 million below the Administration's request for FY2014 (-2.6%).

The Senate subcommittee-approved bill would increase discretionary Agriculture appropriations to \$20.93 billion, an increase of \$420 million from FY2013 levels (+2.1%). The bill is about \$1.3 billion above the Administration's request.

The House and Senate appropriations bills for FY2014 differ in their approach to handling budget sequestration requirements. This difference in approach is resulting in relatively large differences between the bill totals. The House approach generally sets spending levels low enough to avoid sequestration, while the Senate approach assumes that Congress will reach agreement to replace sequestration with other spending reductions.

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## Scope of the Agriculture Appropriations Bill

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

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

Jurisdiction over the Agriculture appropriations bill is with the House and Senate Committees on Appropriations, and their respective Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. The Agriculture appropriations bill includes both mandatory and discretionary spending, although most of the attention and decision making during the appropriations process is on discretionary spending. Amounts needed for mandatory programs—under the jurisdiction of authorizing committees—generally are advanced without change. For more on the scope of the bill and various appropriations terms such as mandatory and discretionary spending, see **Appendix A**.

## Action on FY2014 Appropriations

The House Appropriations Committee reported its version of an FY2014 Agriculture and Related Agencies appropriations bill (H.R. 2410) on June 13, 2013, by voice vote (**Table 1**). In the Senate, the Agriculture and Related Agencies subcommittee of the Senate Appropriations Committee approved its version on June 18, 2013.

**Table 1. Congressional Action on FY2014 Agriculture Appropriations**

Subcommittee		Committee		Initial Passage		Conference Agreement			Public Law
House	Senate	House	Senate	House	Senate	Report	House	Senate	
6/5/2013	6/18/2013	6/13/2012	—	—	—	—	—	—	—
Voice vote		Voice vote							
Draft <sup>a</sup>		H.R. 2410 <sup>b</sup>							

**Source:** CRS.

- a. The House subcommittee posted a draft of the bill before markup at <http://appropriations.house.gov/uploadedfiles/bills-113hr-sc-ap-fy2014-agriculture-subcommitteedraft.pdf>.
- b. Amendments adopted in full committee are available at <http://appropriations.house.gov/uploadedfiles/fy14agricultureadopted.pdf>. Votes taken in full committee markup are available at [http://appropriations.house.gov/UploadedFiles/06.13.13\\_-\\_Ag\\_-\\_Full\\_Committee\\_Roll\\_Call\\_Votes.pdf](http://appropriations.house.gov/UploadedFiles/06.13.13_-_Ag_-_Full_Committee_Roll_Call_Votes.pdf).

In the past 15 years, stand-alone Agriculture appropriations bills were enacted five times, in FY2000-FY2002, FY2006, and FY2010 (**Table B-1** in **Appendix B**). Omnibus appropriations were used eight times, in FY1999, FY2003-FY2005, FY2008, FY2009, and FY2012-FY2013.<sup>1</sup> Year-long continuing resolutions were used twice, in FY2007 and FY2011. **Figure B-1** shows a timeline of enactment dates each fiscal year, relative to other years.

## House Action

The Agriculture Subcommittee of the House Appropriations Committee marked up its FY2014 appropriations bill by voice vote on June 5, 2013. The full House Appropriations Committee reported the bill (H.R. 2410) by voice vote<sup>2</sup> on June 13, 2013.<sup>3</sup>

The House-reported bill would reduce discretionary Agriculture appropriations to \$19.45 billion,<sup>4</sup> a cut of \$1.28 billion from FY2013 levels (-6.2%), after adjusting for the alternating placement of CFTC in Financial Services and Agriculture appropriations bills. The bill is \$519 million below the Administration's request for FY2014 (-2.6%).<sup>5</sup> **Table 2** summarizes the amounts in the bill, by title and for major agencies. Amounts for FY2013 do not reflect FY2013 sequestration, consistent with the accompanying House report.

## Senate Action

The Agriculture Subcommittee of the Senate Appropriations Committee approved its FY2014 bill on June 18, 2013. Full committee action is scheduled for June 20, 2013.

The subcommittee-approved bill would increase discretionary Agriculture appropriations to \$20.93 billion, an increase of \$420 million from FY2013 levels (+2.1%), after adjusting for the alternating placement of CFTC in Financial Service and Agriculture appropriations bills.<sup>6</sup>

The House and Senate appropriations bills for FY2014 differ in their approach to handling budget sequestration requirements. This difference in approach is resulting in relatively large differences between the bill totals (\$19.45 billion in the House-reported bill, and \$20.93 billion in the Senate bill). The House approach is to set spending levels low enough to avoid sequestration, while the Senate approach assumes that Congress will reach agreement to replace sequestration with other spending reductions.<sup>7</sup>

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<sup>1</sup> A year-long continuing resolution was used for some subcommittee bills in FY2013, but the Agriculture and Related Agencies appropriations bill was one of five subcommittees given a regular appropriation (Division A); the other seven subcommittees received a year-long continuing resolution.

<sup>2</sup> Amendments adopted in full committee are available at <http://appropriations.house.gov/uploadedfiles/fy14agricultureadopted.pdf>. Votes taken in full committee markup are available at [http://appropriations.house.gov/UploadedFiles/06.13.13\\_-\\_Ag\\_-\\_Full\\_Committee\\_Roll\\_Call\\_Votes.pdf](http://appropriations.house.gov/UploadedFiles/06.13.13_-_Ag_-_Full_Committee_Roll_Call_Votes.pdf).

<sup>3</sup> A draft of the committee bill, prior to amendment, is available at <http://appropriations.house.gov/uploadedfiles/bills-113hr-fc-ap-fy2014-ap00-agriculture.pdf>. A draft of the committee report is available at <http://appropriations.house.gov/uploadedfiles/hrpt-113-hr-2014-agriculture.pdf>.

<sup>4</sup> The House-reported amounts are based on the draft committee report and tables, and are subject to change.

<sup>5</sup> House Appropriations Committee press release, June 13, 2013, at <http://appropriations.house.gov/news/documentsingle.aspx?DocumentID=338894>.

<sup>6</sup> Senate Appropriations Committee press release, June 18, 2013, at <http://www.appropriations.senate.gov/news.cfm?method=news.view&id=a698771a-2052-4f8e-b34a-5404cc6345d8>.

<sup>7</sup> *Congressional Quarterly*, "Senate Panel Moving First Two Spending Bills," June 18, 2013.

**Table 2. Agriculture and Related Agencies Appropriations, by Agency and Program: FY2011-FY2014**

(budget authority in millions of dollars)

Agency or Major Program	FY2011	FY2012	FY2013	FY2014		Change from FY2013 to House		Change from Admin to House	
	P.L. 112-10	P.L. 112-55	P.L. 113-6	Admin. Request	House- reported	\$	%	\$	%
<b>SUMMARY by TITLE</b>									
I: Agricultural Programs	29,490.1	24,970.2	28,306.8	30,079.2	29,580.5	+1,273.7	+4.5%	-498.8	-1.7%
Mandatory	22,604.7	18,293.5	21,628.0	23,149.2	23,149.2	+1,521.2	+7.0%	+0.0	+0.0%
Discretionary	6,885.4	6,676.7	6,678.7	6,930.1	6,431.3	-247.5	-3.7%	-498.8	-7.2%
II: Conservation Programs	889.4	844.0	825.3	808.8	823.0	-2.3	-0.3%	+14.2	+1.7%
III: Rural Development	2,637.8	2,405.2	2,397.8	2,291.5	2,369.1	-28.6	-1.2%	+77.6	+3.4%
IV: Domestic Food Programs	89,655.1	105,553.0	104,438.5	106,437.6	103,795.8	-642.7	-0.6%	-2,641.8	-2.5%
Mandatory	82,526.8	98,551.9	97,171.6	98,835.3	96,784.3	-387.3	-0.4%	-2,051.0	-2.1%
Discretionary	7,128.3	7,001.1	7,266.9	7,602.2	7,011.5	-255.5	-3.5%	-590.8	-7.8%
V: Foreign Assistance	1,891.3	1,835.7	1,799.1	373.3	1,512.2	-286.9	-15.9%	+1,138.9	na
VI: FDA	2,457.0	2,505.8	2,466.2	2,557.7	2,485.4	+19.2	+0.8%	-72.3	-2.8%
CFTC: Agriculture appropriations <sup>a</sup>		205.3		315.0	194.6	-10.7	-5.2%	-120.4	-38.2%
CFTC: Financial Services appropriations <sup>a</sup>	202.3		205.3						
VII: General Provisions	-1,871.4	-1,273.6	-778.6	-732.0	-1,134.0	-355.4	+45.6%	-402.0	+54.9%
<b>Total in Agriculture bill (no adjustment for jurisdiction over CFTC)<sup>a</sup></b>									
<b>Mandatory</b>	<b>105,131.5</b>	<b>116,845.4</b>	<b>118,799.6</b>	<b>121,984.5</b>	<b>119,933.5</b>	<b>+1,133.9</b>	<b>+1.0%</b>	<b>-2,051.0</b>	<b>-1.7%</b>
<b>Discretionary</b>	<b>20,017.8</b>	<b>20,200.3</b>	<b>20,655.5</b>	<b>20,146.7</b>	<b>19,693.0</b>	<b>-962.5</b>	<b>-4.7%</b>	<b>-453.7</b>	<b>-2.3%</b>
<b>Total</b>	<b>125,149.3</b>	<b>137,045.7</b>	<b>139,455.1</b>	<b>142,131.2</b>	<b>139,626.5</b>	<b>+171.4</b>	<b>+0.1%</b>	<b>-2,504.7</b>	<b>-1.8%</b>
<b>Adjustments to make comparison to 302(b) and across years for jurisdiction</b>									
Other scorekeeping adjustments <sup>b</sup>	-87.0	-72.0	-129.0	-177.4	-243.0	-114.0	+88.4%	-65.6	+37.0%
Subtract disaster declaration	0.0	-367.0							

Agency or Major Program	FY2011	FY2012	FY2013	FY2014		Change from FY2013 to House		Change from Admin to House	
	P.L. 112-10	P.L. 112-55	P.L. 113-6	Admin. Request	House- reported	\$	%	\$	%
<b>Adj. total without CFTC in any column (Senate basis)<sup>a</sup></b>									
Discretionary	19,930.8	19,556.0	20,526.5	19,654.3	19,255.4	-1,271.0	-6.2%	-398.8	-2.0%
Total	125,062.3	136,401.4	139,326.1	141,638.8	139,189.0	-137.1	-0.1%	-2,449.8	-1.7%
<b>Adj. total with CFTC in all columns (House basis)<sup>a</sup></b>									
Discretionary	20,133.1	19,761.3	20,731.8	19,969.3	19,450.0	-1,281.8	-6.2%	-519.3	-2.6%
Total	125,264.5	136,606.7	139,531.4	141,953.8	139,383.5	-147.9	-0.1%	-2,570.3	-1.8%
<b>SUMMARY by AGENCIES or PROGRAMS</b>									
<b>Title I: Agricultural Programs</b>									
Offices of Sec., Tribal Rel., Chief Econ.	17.6	16.2	21.0	18.4	20.3	-0.7	-3.4%	+1.9	+10.0%
Chief Information Officer	39.9	44.0	42.9	44.2	42.9	+0.0	+0.0%	-1.2	-2.8%
Office of Inspector General	88.5	85.6	86.8	89.9	86.8	-0.0	-0.0%	-3.1	-3.5%
Buildings, facilities, and rental payments	246.5	230.4	239.7	233.1	64.7	-175.0	-73.0%	-168.4	-72.3%
Other Departmental administration offices <sup>c</sup>	145.6	131.3	142.7	143.4	131.7	-11.0	-7.7%	-11.7	-8.1%
Under Secretaries (four offices in Title I) <sup>d</sup>	3.5	3.3	3.4	3.5	3.4	+0.0	+0.1%	-0.1	-3.0%
<b>Research, Education and Economics</b>									
Agricultural Research Service	1,133.2	1,094.6	1,074.2	1,279.0	1,074.2	-0.0	-0.0%	-204.8	-16.0%
National Institute of Food & Agriculture	1,214.8	1,202.3	1,204.9	1,288.3	1,208.9	+3.9	+0.3%	-79.4	-6.2%
Economic Research Service	81.8	77.7	75.5	78.5	75.5	-0.0	-0.0%	-3.1	-3.9%
National Agricultural Statistics Service	156.4	158.6	175.0	159.6	154.8	-20.2	-11.5%	-4.8	-3.0%
<b>Marketing and Regulatory Programs</b>									
Animal & Plant Health Inspection Service	866.8	819.7	804.3	800.8	803.5	-0.8	-0.1%	+2.8	+0.3%
Agric. Marketing Service	87.9	83.4	78.2	84.2	78.2	+0.0	+0.0%	-5.9	-7.1%
Section 32 (permanent+transfers)	1,065.0	1,080.0	1,092.0	1,107.0	1,107.0	+15.0	+1.4%	+0.0	+0.0%
Grain Inspection, Packers & Stockyards	40.3	37.8	39.2	40.5	39.2	-0.0	-0.0%	-1.3	-3.2%

Agency or Major Program	FY2011	FY2012	FY2013	FY2014		Change from FY2013 to House		Change from Admin to House	
	P.L. 112-10	P.L. 112-55	P.L. 113-6	Admin. Request	House- reported	\$	%	\$	%
<b>Food Safety</b>									
Food Safety & Inspection Service	1,006.5	1,004.4	1,029.9	1,008.5	998.8	-31.1	-3.0%	-9.7	-1.0%
<b>Farm and Commodity Programs</b>									
Farm Service Agency: Salaries and Exp. <sup>e</sup>	1,521.2	1,496.6	1,483.0	1,491.4	1,483.0	+0.0	+0.0%	-8.4	-0.6%
FSA Farm Loan Program: Subsidy Level	147.7	108.2	95.5	91.6	85.2	-10.3	-10.8%	-6.4	-6.9%
<i>FSA Farm Loans: Loan Authority<sup>f</sup></i>	<i>4,651.3</i>	<i>4,787.1</i>	<i>4,821.7</i>	<i>5,555.3</i>	<i>5,381.3</i>	<i>+559.6</i>	<i>+11.6%</i>	<i>-174.1</i>	<i>-3.1%</i>
Mediation; source water; dairy indem. <sup>g</sup>	9.3	7.7	9.7	4.0	9.1	-0.7	-6.8%	+5.0	+124.7%
Risk Management Agency Salaries & Exp.	78.8	74.9	73.0	71.5	71.5	-1.5	-2.1%	+0.0	+0.0%
Federal Crop Insurance Corporation <sup>h</sup>	7,613.2	3,142.4	9,517.4	9,502.9	9,502.9	-14.5	-0.2%	+0.0	+0.0%
Commodity Credit Corporation <sup>h</sup>	13,925.6	14,071.0	11,018.5	12,539.0	12,539.0	+1,520.5	+13.8%	+0.0	+0.0%
<b>Subtotal</b>									
<b>Mandatory</b>	<b>22,604.7</b>	<b>18,293.5</b>	<b>21,628.0</b>	<b>23,149.2</b>	<b>23,149.2</b>	+1,521.2	+7.0%	+0.0	+0.0%
<b>Discretionary</b>	<b>6,885.4</b>	<b>6,676.7</b>	<b>6,678.7</b>	<b>6,930.1</b>	<b>6,431.3</b>	-247.5	-3.7%	-498.8	-7.2%
<b>Subtotal</b>	<b>29,490.1</b>	<b>24,970.2</b>	<b>28,306.8</b>	<b>30,079.2</b>	<b>29,580.5</b>	+1,273.7	+4.5%	-498.8	-1.7%
<b>Title II: Conservation Programs</b>									
Conservation Operations	870.5	828.2	810.1	807.9	810.1	-0.0	-0.0%	+2.2	+0.3%
Watershed Rehabilitation Program	18.0	15.0	14.3	0.0	12.0	-2.3	-16.3%	+12.0	na
Under Secretary, Natural Resources	0.9	0.8	0.9	0.9	0.9	+0.0	+0.1%	-0.0	-3.0%
<b>Subtotal</b>	<b>889.4</b>	<b>844.0</b>	<b>825.3</b>	<b>808.8</b>	<b>823.0</b>	-2.3	-0.3%	+14.2	+1.7%
<b>Title III: Rural Development</b>									
Salaries and Expenses (including transfers)	688.3	653.9	639.9	661.5	639.9	+0.0	+0.0%	-21.7	-3.3%
Rural Housing Service	1,224.0	1,090.3	1,087.4	1,132.2	1,144.3	+56.9	+5.2%	+12.1	+1.1%
<i>RHS Loan Authority<sup>f</sup></i>	<i>25,750.7</i>	<i>26,546.0</i>	<i>27,404.7</i>	<i>26,074.7</i>	<i>27,307.4</i>	<i>-97.3</i>	<i>-0.4%</i>	<i>+1,232.7</i>	<i>+4.7%</i>



Agency or Major Program	FY2011	FY2012	FY2013	FY2014		Change from FY2013 to House		Change from Admin to House	
	P.L. 112-10	P.L. 112-55	P.L. 113-6	Admin. Request	House-reported	\$	%	\$	%
Rural Business-Cooperative Service <sup>i</sup>	127.8	109.3	120.0	149.3	96.1	-23.9	-19.9%	-53.1	-35.6%
<i>RBCS Loan Authority<sup>f</sup></i>	952.1	869.8	887.4	860.0	806.4	-81.0	-9.1%	-53.6	-6.2%
Rural Utilities Service	596.7	551.0	549.6	347.6	487.9	-61.7	-11.2%	+140.3	+40.4%
<i>RUS Loan Authority<sup>f</sup></i>	9,163.3	8,676.9	8,933.6	5,953.4	6,432.1	-2,501.4	-28.0%	+478.8	+8.0%
Rural Development Under Secretary	0.9	0.8	0.9	0.9	0.9	+0.0	+0.1%	-0.0	-3.0%
<b>Subtotal<sup>i</sup></b>	<b>2,637.8</b>	<b>2,405.2</b>	<b>2,397.8</b>	<b>2,291.5</b>	<b>2,369.1</b>	<b>-28.6</b>	<b>-1.2%</b>	<b>+77.6</b>	<b>+3.4%</b>
<b>Subtotal, RD Loan Authority<sup>f</sup></b>	<b>35,866.1</b>	<b>36,092.7</b>	<b>37,225.6</b>	<b>32,888.0</b>	<b>34,545.9</b>	<b>-2,679.6</b>	<b>-7.2%</b>	<b>+1,657.9</b>	<b>+5.0%</b>
<b>Title IV: Domestic Food Programs</b>									
Child Nutrition Programs	17,319.9	18,151.2	19,891.2	20,487.2	20,452.2	+561.0	+2.8%	-35.0	-0.2%
WIC Program	6,734.0	6,618.5	6,868.9	7,141.6	6,604.9	-264.1	-3.8%	-536.8	-7.5%
SNAP, Food & Nutrition Act Programs	65,206.7	80,401.7	77,290.2	78,389.6	76,332.1	-958.0	-1.2%	-2,057.5	-2.6%
Commodity Assistance Programs	246.1	242.3	247.6	271.7	265.9	+18.3	+7.4%	-5.8	-2.1%
Nutrition Programs Administration	147.5	138.5	139.9	146.6	139.9	+0.0	+0.0%	-6.7	-4.6%
Office of Under Secretary	0.8	0.8	0.8	0.8	0.8	+0.0	+0.0%	-0.0	-3.1%
<b>Subtotal</b>									
<b>Mandatory</b>	<b>82,526.8</b>	<b>98,551.9</b>	<b>97,171.6</b>	<b>98,835.3</b>	<b>96,784.3</b>	<b>-387.3</b>	<b>-0.4%</b>	<b>-2,051.0</b>	<b>-2.1%</b>
<b>Discretionary</b>	<b>7,128.3</b>	<b>7,001.1</b>	<b>7,266.9</b>	<b>7,602.2</b>	<b>7,011.5</b>	<b>-255.5</b>	<b>-3.5%</b>	<b>-590.8</b>	<b>-7.8%</b>
<b>Subtotal</b>	<b>89,655.1</b>	<b>105,553.0</b>	<b>104,438.5</b>	<b>106,437.6</b>	<b>103,795.8</b>	<b>-642.7</b>	<b>-0.6%</b>	<b>-2,641.8</b>	<b>-2.5%</b>
<b>Title V: Foreign Assistance</b>									
Foreign Agric. Service	185.6	176.3	172.3	178.8	172.9	+0.5	+0.3%	-6.0	-3.3%
Public Law (P.L.) 480	1,499.8	1,468.5	1,436.3	2.6	1,152.4	-283.9	-19.8%	+1,149.8	na
McGovern-Dole Food for Education	199.1	184.0	183.8	185.1	180.3	-3.5	-1.9%	-4.8	-2.6%
CCC Export Loan Salaries	6.8	6.8	6.6	6.7	6.6	+0.0	+0.0%	-0.1	-1.7%
<b>Subtotal</b>	<b>1,891.3</b>	<b>1,835.7</b>	<b>1,799.1</b>	<b>373.3</b>	<b>1,512.2</b>	<b>-286.9</b>	<b>-15.9%</b>	<b>+1,138.9</b>	<b>na</b>

Agency or Major Program	FY2011	FY2012	FY2013	FY2014		Change from FY2013 to House		Change from Admin to House	
	P.L. 112-10	P.L. 112-55	P.L. 113-6	Admin. Request	House- reported	\$	%	\$	%
<b>Title VI: FDA &amp; Related Agencies</b>									
Food and Drug Administration	2,457.0	2,505.8	2,466.2	2,557.7	2,485.4	+19.2	+0.8%	-72.3	-2.8%
Commodity Futures Trading Commission		205.3		315.0	194.6	-10.7	-5.2%	-120.4	-38.2%
<b>Title VII: General Provisions</b>									
Limit mandatory farm bill programs	-949.0	-1,205.5	-575.0	-630.0	-618.0	-43.0	+7.5%	+12.0	-1.9%
Rescissions <sup>i</sup>	-925.0	-445.1	-343.4	-157.0	-516.0	-172.7	+50.3%	-359.0	+228.6%
Other appropriations	2.6	377.1	139.7	55.0	0.0	-139.7	-100.0%	-55.0	-100.0%
<b>Subtotal</b>	<b>-1,871.4</b>	<b>-1,273.6</b>	<b>-778.6</b>	<b>-732.0</b>	<b>-1,134.0</b>	<b>-355.4</b>	<b>+45.6%</b>	<b>-402.0</b>	<b>+54.9%</b>

**Source:** CRS, compiled from P.L. 113-6, P.L. 112-55, P.L. 112-10, and unpublished CBO and House Appropriations Committee tables. The House-reported amounts are based on the draft committee report and tables, and are subject to change.

**Notes:** Does not include FY2013 sequestration or Section 3004 rescissions in FY2013, consistent with House tables. Does not include supplemental appropriations.

- a. CFTC is shown in different ways because of jurisdiction differences to make totals comparable.
- b. "Other scorekeeping adjustments" are not appropriated items (e.g., negative subsidies in loan program accounts) and are not shown in Appropriations Committee tables, but are part of the official score (accounting) of the bill. Adjustments for disaster designation are made only if disaster amounts were included in the bill's 302(b) allocation, and allow regular appropriations to be compared across years.
- c. Includes offices for Advocacy and Outreach; Chief Financial Officer; Assistant Secretary and Office for Civil Rights; Assistant Secretary for Administration; Hazardous Materials Mgt.; Dept. Administration; Assistant Secretary for Congressional Relations; Office of Communications; General Counsel; Office of Homeland Security.
- d. Includes four Under Secretary offices: Research, Education and Economics; Marketing and Regulatory Programs; Food Safety; and Farm and Foreign Agriculture.
- e. Includes regular FSA salaries and expenses, plus transfers for farm loan program salaries and expenses and farm loan program administrative expenses. However, amounts transferred from the Foreign Agricultural Service for export loans and P.L. 480 administration are included in the originating account.
- f. Loan authority is the amount of loans that can be made or guaranteed with a loan subsidy; it is not added in the budget authority subtotals or totals.
- g. Includes Dairy Indemnity Program, State Mediation Grants, and Grassroots Source Water Protection Program.
- h. Commodity Credit Corporation and Federal Crop Insurance Corporation each receive "such sums as necessary." Estimates are used in the appropriations bill reports.
- i. Amounts for the Rural Business Cooperative Service in this report are before the rescission from the Cushion of Credit account. This approach allows the total appropriation for RBS to remain positive, unlike in Appropriations committee tables. The rescission is included in the General Provisions section.

## **Appendix A. Background on Scope and Terms**

### **USDA Activities and Relationships to Appropriations Bills**

The U.S. Department of Agriculture (USDA) carries out widely varied responsibilities through about 30 separate internal agencies and offices staffed by about 100,000 employees.<sup>8</sup> USDA spending is not synonymous with farm program spending, nor are Agriculture appropriations completely correlated with USDA spending.

USDA divides its activities into “mission areas.” Food and nutrition programs, with more than three-fourths of USDA’s budget in FY2012, are the largest mission area, supporting the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps); the Women, Infants, and Children (WIC) program; and child nutrition programs.<sup>9</sup> The second-largest USDA mission area, with about one-eighth of USDA’s budget, is farm and foreign agricultural services. This broad mission area includes the farm commodity price and income support programs, crop insurance, certain mandatory conservation and trade programs, farm loans, and foreign food aid programs. Five other mission areas share one-eighth of USDA’s budget, including natural resource and environment, rural development, research and education, marketing and regulatory programs, and food safety.

Comparing USDA’s organization and budget data to the Agriculture appropriations bill in Congress is not always easy. USDA’s “mission areas” do not always correspond to the titles or categories in the Agriculture appropriations bill.

- Foreign agricultural assistance is a separate title in the appropriations bill (Title V), but is joined with domestic farm support in USDA’s “farm and foreign agriculture” mission area.
- Title I in the appropriations bill covers four of USDA’s mission areas: agricultural research, marketing and regulatory programs, food safety, and the farm support portion of farm and foreign agriculture.
- The Forest Service is about half of the natural resources mission area but is funded in the Interior appropriations bill. It also accounts for about one-third of USDA’s personnel, with about 34,000 staff years in FY2011.

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

- Conservation in the appropriations bill (Title II) includes only discretionary programs. The mandatory funding for conservation programs is included in Title I of the appropriation in the Commodity Credit Corporation.
- Conversely, the non-Forest Service part of USDA’s natural resources mission area includes both discretionary programs and some mandatory conservation programs.

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<sup>8</sup> USDA, *FY2014 Budget Summary and Annual Performance Plan*, April 2013, p. 114, at <http://www.obpa.usda.gov/budsum/FY14budsum.pdf>.

<sup>9</sup> USDA, *FY2014 Budget Summary*, at p. 108-109.

## **Related Agencies**

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

- The Food and Drug Administration (FDA) of the Department of Health and Human Services (HHS), and
- The Commodity Futures Trading Commission (CFTC, an independent financial markets regulatory agency)—in the House only.

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

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

These agencies are included in the Agriculture appropriations bill because of their historical connection to agricultural markets. However, the number and scope of non-agricultural issues has grown in recent decades. Some may argue that these agencies no longer belong in the Agriculture appropriations bill. But despite the growing importance of non-agricultural issues, agriculture and food issues are still an important component at each agency. At FDA, food safety responsibilities that are shared between USDA and FDA have been in the media during recent years and have been the subject of legislation and hearings. At CFTC, volatility in agricultural commodity markets has been a subject of recent scrutiny at CFTC and in Congress.

## **Discretionary vs. Mandatory Spending**

Discretionary and mandatory spending are treated differently in the budget process. Discretionary spending is controlled by annual appropriations acts and consumes most of the attention during the appropriations process. Eligibility for participation in mandatory programs (sometimes referred to as entitlement programs) is usually written into authorizing laws;<sup>10</sup> any individual or entity that meets the eligibility requirements is entitled to the benefits authorized by the law.<sup>11</sup>

In FY2013, about 15% of the Agriculture appropriations bill was for discretionary programs (about \$20 billion), and the remaining balance of 85% was classified as mandatory (about \$119 billion).

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<sup>10</sup> Mandatory spending in the omnibus, multi-year “farm bill” is discussed in CRS Report R42484, *Budget Issues Shaping a Farm Bill in 2013*.

<sup>11</sup> Mandatory spending in agriculture historically was reserved for programs such as the farm commodity programs and crop insurance that had uncertain outlays because of weather and market conditions. Mandatory spending creates funding stability and consistency compared to appropriations. When authorizing committees provide mandatory funding for programs that usually are discretionary, appropriators sometimes argue that this has reduced appropriators’ oversight and have limited outlays for some of the relatively newer mandatory programs.

Most agency operations (salaries and expenses) are financed with discretionary funds. Major discretionary programs include certain conservation programs; most rural development programs; research and education programs; agricultural credit programs; the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Food for Peace international food aid program; meat and poultry inspection; and food marketing and regulatory programs. The discretionary accounts also include FDA and CFTC appropriations.

The largest component of USDA's mandatory spending is for food and nutrition programs—primarily the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) and child nutrition (school lunch and related programs)—along with the farm commodity price and income support programs, the federal crop insurance program, and various agricultural conservation and trade programs. Some mandatory spending, such as for the farm commodity programs, is highly variable and is driven by program participation rates, economic and price conditions, and weather patterns. Formulas are set in the 2008 farm bill (P.L. 110-246). In recent years, mandatory spending has tended to rise, particularly as nutrition benefits have risen because of the recession.

Although mandatory programs generally are outside the scope of the appropriations debate, amounts for these programs are included in the annual Agriculture appropriations act. In terms of budget enforcement, though, mandatory spending decisions are governed in the authorizations process via the Congressional Budget Office baseline.<sup>12</sup> For example, the SNAP and child nutrition programs are funded by an annual appropriation based on projected spending needs. In fact, SNAP is referred to as an “appropriated entitlement,” and requires an annual appropriation.<sup>13</sup> In contrast, 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.

## **Budget Authority, Obligations, Outlays, and Program Levels**

In addition to the difference between mandatory and discretionary spending, four other terms are important to understanding differences in discussions about federal spending: budget authority, obligations, outlays, and program levels.<sup>14</sup>

1. *Budget authority* = How much money Congress allows a federal agency to commit to spend. It represents a limit on funding and is generally what Congress focuses on in making most budgetary decisions. It is the legal basis to incur obligations. Most of the amounts mentioned in this report are budget authority.
2. *Obligations* = How much money agencies commit to spend. Obligations represent activities such as employing personnel, entering into contracts, and submitting purchase orders.
3. *Outlays* = How much money actually flows out of an agency's account. Outlays may differ from appropriations (budget authority) because, for example, payments on a contract may not flow out until a later year. For construction or

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<sup>12</sup> See CRS Report 98-560, *Baselines and Scorekeeping in the Federal Budget Process*, and CRS Report R42484, *Budget Issues Shaping a Farm Bill in 2013*.

<sup>13</sup> See CRS Report RS20129, *Entitlements and Appropriated Entitlements in the Federal Budget Process*.

<sup>14</sup> See CRS Report 98-405, *The Spending Pipeline: Stages of Federal Spending*.

delivery of services, budget authority may be committed (contracted) in one fiscal year and outlays may be spread across several fiscal years.

4. *Program level* = Sum of the activities supported or undertaken by an agency. A program level may be much higher than its budget authority for several reasons.
  - User fees support some activities (e.g., food or border inspection).
  - The agency makes loans; for example, a large loan authority (program level) is possible with a small budget authority (loan subsidy) that accounts for defaults and interest rate assistance, assuming most loans are repaid.
  - Transfers from other agencies, or funds are carried forward from prior years.

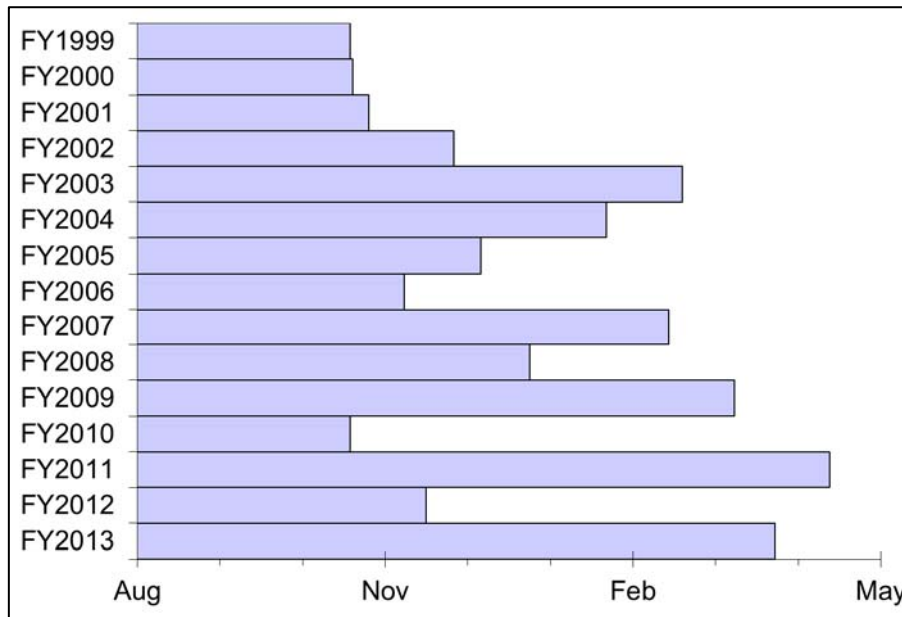
## Appendix B. Agriculture Appropriations Timelines

**Table B-I. Timeline of Enactment of Agriculture Appropriations, FY1999-FY2013**

Fiscal Year	House-passed	Senate-passed	Enacted	Appropriations vehicle	Public Law	CRS Report
1999	6/24/1998	7/16/1998	10/21/1998	Omnibus	P.L. 105-277	98-201
2000	6/8/1999	8/4/1999	10/22/1999	Stand-alone	P.L. 106-78	RL30201
2001	7/11/2000	7/20/2000	10/28/2000	Stand-alone	P.L. 106-387	RL30501
2002	7/11/2001	10/25/2001	11/28/2001	Stand-alone	P.L. 107-76	RL31001
2003	—	—	2/20/2003	Omnibus	P.L. 108-7	RL31301
2004	7/14/2003	11/6/2003	1/23/2004	Omnibus	P.L. 108-199	RL31801
2005	7/13/2004	—	12/8/2004	Omnibus	P.L. 108-447	RL32301
2006	6/8/2005	9/22/2005	11/10/2005	Stand-alone	P.L. 109-97	RL32904
2007	5/23/2006	—	2/15/2007	Year-long CR	P.L. 110-5	RL33412
2008	8/2/2007	—	12/26/2007	Omnibus	P.L. 110-161	RL34132
2009	—	—	3/11/2009	Omnibus	P.L. 111-8	R40000
2010	7/9/2009	8/4/2009	10/21/2009	Stand-alone	P.L. 111-80	R40721
2011	—	—	4/15/2011	Year-long CR	P.L. 112-10	R41475
2012	6/16/2011	11/1/2011	11/18/2011	Minibus	P.L. 112-55	R41964
2013	—	—	3/26/2013	Omnibus (in a CR)	P.L. 113-6	R42596

Source: CRS.

**Figure B-I. Timeline of Enactment of Agriculture Appropriations, FY1999-FY2013**



Source: CRS.

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