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S. 1406, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, 2010

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Summary

During the week of July 27, the Senate is expected to consider **S. 1406**, the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill 2010*. **S. 1406** would appropriate \$23.7 billion in discretionary budget authority, which is \$100 million above the President's budget request and \$2.34 billion above the Fiscal Year 2009 levels. The mandatory spending level of \$100.8 billion in **S. 1406** is \$2 million above the President's budget request and \$13.05 billion above the Fiscal Year 2009 levels. In sum, the total budget authority that would be provided by the legislation totals \$124.54 billion. This amount is \$234.1 million above the President's budget request and \$15.39 billion more than Fiscal Year 2009 levels.

This legislation provides appropriations for the United States Department of Agriculture (USDA), Food and Drug Administration (FDA), and agencies such as the Farm Credit Administration (FCA).

This Legislative Bulletin draws from the Appropriations committee report ([111-39](#)), the [summary](#) prepared by the Committee, as well as the bill [text](#). Certain appropriation numbers in this report have been rounded.

Major Provisions

Title I: Agricultural Provisions

Title I of **S. 1406** funds administrative expenses within the USDA, the Agricultural Research Service, National Institute of Food and Agriculture, Animal and Plant Health Inspection Service, Agricultural Marketing Service, Food Safety and Inspection Service, and Farm Assistance Programs. The major provisions of Title I include:

Agricultural Research Service. The Agricultural Research Service is the USDA's scientific research agency which conducts a wide range of research relating to agricultural production, natural resources, nutrition, and food safety. **S. 1406** would provide \$1.229 billion for the Agricultural Research Service. This amount is \$75.29 million more than the President's budget request and \$41.5 million more than the enacted Fiscal Year 2009 level, excluding \$176 million in emergency appropriations.

National Institute of Food and Agriculture. The National Institute of Food and Agriculture would assume the research and education responsibilities of the Cooperative State Research, Education, and Extension Service—as mandated by the *Food, Conservation, and Energy Act of 2008*. **S. 1406** would provide \$1.31 billion for this program, which is \$139.2 million more than the President's budget request and \$83.82 million more than the enacted Fiscal Year 2009 level.

Animal and Plant Health Inspection Service. The Animal and Plant Health Inspection Service works to defend the nation's animals and plants from diseases like foot and mouth disease and avian flu, and the spread of noxious weeds and agricultural pests. **S. 1406** would provide \$916.1 million for this program, which is \$38.97 million more than President's budget request and \$34.71 million more than the enacted Fiscal Year 2009 level.

Agricultural Marketing Service. The Agricultural Marketing Service offers standardization, grading, and market news services for Cotton, Dairy, Fruit and Vegetable, Livestock and Seed, Poultry, and other commodity programs. **S. 1406** would provide \$1.5 billion for this program which equals the President's budget request and is \$149.6 million more than the enacted Fiscal Year 2009 level.

Food Safety and Inspection Service. The Food Safety and Inspection Service is the USDA program responsible for ensuring that nation's commercial supply of meat, poultry, and egg products are safe, wholesome, and correctly labeled and packaged. **S. 1406** would provide \$1.019 billion for this program, which equals the President's budget request and is \$47 million more than the enacted Fiscal Year 2009 level.

Federal Crop Insurance Corporation. The Federal Crop Insurance Corporation offers crop insurance coverage that allows producers of insurable crops to receive a basic level of protection against catastrophic losses. **S. 1406** would provide \$7.502 billion for the Corporation, which equals the President's budget request and is \$919 million more than the enacted Fiscal Year 2009 level.

Commodity Credit Corporation Fund. The Commodity Credit Corporation Fund works to support and protect farm income and prices through the buying, selling, and lending of agricultural commodities, their products, food, feed and fibers. **S. 1406** would provide such sums as are necessary for the operation of the Commodity Credit Corporation Fund in Fiscal Year 2010; the Senate Appropriations Committee estimates this amount will total \$13.87 billion. This amount matches the President's budget request and is \$2.77 billion more than the enacted Fiscal Year 2009 level.

Title II: Conservation Programs

Title II of **S. 1406** funds the Natural Resource Conservation Service, which promotes physical adjustments in land use that will conserve soil and water resources, provides for agricultural production on a sustained basis, and reduces flood damage and sedimentation. The major provisions of Title II include:

Conservation operations. The USDA's conservation operations provides funding for activities such as erosion control, improving and conserving water resources, and fish and wildlife habitat enhancement. **S. 1406** would provide \$949.58 million for this program, the vast majority (\$751.2 million) would be obligated for conservation

technical assistance activities. The total amount is \$82.38 million more than the President's budget request and \$96.18 million more than the enacted Fiscal Year 2009 level.

Watershed and flood prevention operations. The USDA's watershed and flood prevention operations provide funding for activities that reduce erosion, floodwater, and sediment damage, conserve, develop, and utilize water, and activities related to flood prevention. **S. 1406** would provide \$24.39 million for this program, which the President's budget request proposed to eliminate and is \$105,000 more than the enacted Fiscal Year 2009 level, excluding funding provided by the *American Recovery and Reinvestment Act of 2009*.

Watershed rehabilitation program. The USDA's watershed rehabilitation program provides funding for the upkeep and rehabilitation of small dams that prevent floods and protect local watersheds. **S. 1406** would provide \$40.16 million for this program, which matches the President's budget request and is \$161,000 more than the enacted Fiscal Year 2009 level, excluding funding provided by the *American Recovery and Reinvestment Act of 2009*.

Resource conservation and development. **S. 1406** would provide \$50.73 million for the USDA's resource conservation and development program. These funds are provided within conservation operations.

Title III: Rural Development Programs

Title III of **S. 1406** funds the Rural Housing Service, Rural Business—Cooperative Service, and Rural Utilities Service. The major provisions of Title III include:

Rural Housing Service. The Rural Housing Service promotes economic development by helping to develop affordable and adequate housing throughout the nation's rural communities. The Rural Housing Service works to meet these goals by providing financial assistance through its rural housing insurance fund, rental assistance program, multi-family housing revitalization program, mutual and self-help housing grants, rural housing assistance grants, and farm labor program account. The budget authority provided for the Rural Housing Service by **S.1406** includes:

- \$711.3 million in budget authority for the Rural Housing Insurance Fund. This amount is \$87 million larger than the President's budget request and \$50.1 million more than the enacted Fiscal Year 2009 level, excluding funding provided by the *American Recovery and Reinvestment Act of 2009*.
- \$980 million in budget authority for the rental assistance program. This amount is \$111.4 million less than the President's budget request and \$77.5 million more than the enacted Fiscal Year 2009 level.

- \$39.7 million in budget authority for the multi-family housing revitalization program. This amount is \$13 million more than the President's request and \$11.9 more than the enacted Fiscal Year 2009 level. This increase would allow for renewal of expiring rental contracts that otherwise would have resulted in the eviction of tenants, comprised mostly of elderly, disabled, or female head of household.
- \$38.7 million in budget authority for mutual and self-help housing grants. This amount matches the President's budget request and the enacted Fiscal Year 2009 level.
- \$41.5 million in budget authority for rural housing assistance grants. This amount matches the President's budget request and the enacted Fiscal Year 2009 level.
- \$16.97 million in budget authority for the farm labor program account. This amount matches the President's budget request and is \$1.3 million less than the enacted Fiscal Year 2009 level.

Rural community facilities. The USDA's rural community facilities program provides funding to support the construction or improvement of community facilities that provide essential services in communities of not more than 20,000 people. **S. 1406** would invest \$54.99 million for this program, which matches the President's budget request and is \$8.8 million less than enacted Fiscal Year 2009 level, excluding funding provided by the *American Recovery and Reinvestment Act of 2009*.

Rural Business—Cooperative Service. The Rural Business—Cooperative Service helps to support economic growth and job creation in rural areas. **S. 1406** would invest \$97.1 million in this program which matches the President's budget request and is \$9.7 million more than the enacted Fiscal Year 2009 level, excluding funding provided by the *American Recovery and Reinvestment Act of 2009*.

Rural development loan fund. The rural development loan fund provides loans to intermediary borrowers (small investment groups), who then reloan the funds to rural businesses and other organizations to improve the economy and quality of life in rural areas. **S. 1406** would invest \$13.4 million in this loan fund which matches the President's budget request and is \$5.5 million less than the enacted Fiscal Year 2009 level.

Rural economic development loan. The rural economic development loan program provides zero interest loans to electric and telecommunications borrowers for rural economic development and job creation projects. **S. 1406** would provide \$33.08 million in this loan program, which matches the President's budget request and the enacted Fiscal Year 2009 level.

Rural cooperative development grants. The rural cooperative development grant program provides grants to help establish and operate centers for cooperative development, value added grants to agricultural producers, and grants for research on cooperatives. **S. 1406** would invest \$38.9 million in these types of grants, which is slightly more than the President's budget request and \$26.2 million more than enacted Fiscal Year 2009 level.

Rural microenterprise investment program. The rural microenterprise investment program helps provide loans and grants to intermediaries that assist micro-entrepreneurs establish new rural microenterprises. **S. 1406** would invest \$22 million in this program, which matches the President's budget request. This program was recently authorized by the *Food, Conservation, and Energy Act of 2008*.

Rural empowerment zones and enterprise communities grants. **S. 1406** does not provide any funding for this program because its authorization is expiring.

Rural energy for America program. The rural energy for America program provides funding for ranchers, farmers, and small rural businesses for the purchase of renewable energy systems and for energy efficiency improvements. **S. 1406** would invest \$68.1 million in this program, which matches the President's budget request and is \$62.6 million more than the enacted Fiscal Year 2009 level.

Biorefinery assistance program. The biorefinery assistance program provides funding for the construction of demonstration-scale biorefineries and guaranteed loans for development, construction or retrofitting commercial-scale biorefineries. **S. 1406** would invest \$17.3 million in this program which matches the President's budget request. This program did not receive any appropriations for Fiscal Year 2009.

Rural Utilities Service. The Rural Utilities Service supports the provision of water, electricity, telecommunications, and waste disposal systems in rural areas. The budget authority provided for the Rural Housing Service by **S. 1406** includes:

- \$568.7 million for the rural water and waste disposal program. This amount is \$22.5 million more than the President's budget request and is \$12.5 million more than the enacted Fiscal Year 2009 level, excluding funding provided by the *American Recovery and Reinvestment Act of 2009*.
- \$7.79 billion in loan authorizations for the rural electrification and telecommunication loans program. This amount is \$500 million more than President's budget request and the enacted Fiscal Year 2009 level.
- \$89.7 million for the distance learning, telemedicine, and broadband program. This amount is \$7.97 million more than President's budget request and \$25.9 million more than the enacted Fiscal Year 2009 level, excluding funding provided by the *American Recovery and Reinvestment Act of 2009*.

Title IV: Domestic Food Programs

Title IV of **S. 1406** funds domestic food programs like the Supplemental Nutrition Assistance Program, Special Supplemental Nutrition Program for Women, Infants, and Children, Commodity Assistance Program, and the National School Lunch and School Breakfast Program. The major provisions of Title IV include:

Child nutrition programs. The child nutrition programs included in **S. 1406** provide funding for the National School Lunch and School Breakfast Program, Summer Food Service Program, and Child and Adult Care Food programs. These programs serve nutritious lunches and breakfasts to children attending school or residing in other institutions. The purpose is to improve the health and well-being of the nation's children. **S. 1406** would provide \$16.80 billion in mandatory budget authority for child nutrition programs, which is \$2.3 million more than the President's budget request and \$1.75 billion more than the enacted Fiscal Year 2009 level.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The WIC program provides assistance to pregnant, breast-feeding and post-partum women and infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income. **S. 1406** would provide \$7.55 billion in discretionary budget authority for this program, which is \$225 million less than President's budget request and \$692 million more than enacted Fiscal Year 2009 level, excluding funding provided by the *American Recovery and Reinvestment Act of 2009*. Additionally, it is important to note that \$487 million in contingency funds will be available in Fiscal Year 2010 making a total of \$8.04 billion available for the WIC program.

Supplemental Nutrition Assistance Program. The Supplemental Nutrition Assistance Program provides assistance to needy persons and families to alleviate hunger and malnutrition and increase their food purchasing power. **S. 1406** would provide \$61.35 billion in mandatory budget authority for this program which matches the President's budget request and is \$7.23 billion more than the enacted Fiscal Year 2009 level, excluding funding provided by the *American Recovery and Reinvestment Act of 2009*.

Commodity Assistance Program. The Commodity Assistance Program provides supplemental food to infants and children as well as prepared meals to low-income households. **S. 1406** would provide \$233.4 million for this program which matches the President's budget request and is \$2.5 million more than the enacted Fiscal Year 2009 level, excluding funding provided by the *American Recovery and Reinvestment Act of 2009*.

Title V: Foreign Assistance and Related Programs

Title V of **S. 1406** funds programs including the Food for Peace Title II Grants, the

McGovern-Dole International Food for Education and Child Nutrition Program Grants. The major provisions of Title V include:

Foreign Agricultural Service. The Foreign Agricultural Service promotes the export of the nation's farm products, the improvement of world trade conditions, and reports on the agricultural production and trade in foreign countries. **S. 1406** would invest \$186.8 million in this program, which matches the President's budget request and is \$16.4 million more than the enacted Fiscal Year 2009 level.

Food for Peace Title II grants. The Food for Peace program works to combat hunger and malnutrition, expand export markets for the nation's agricultural commodities, and promote sustainable development. **S. 1406** would invest \$1.69 billion in this program which matches the President's budget request and is \$464 million more than the enacted Fiscal Year 2009 level, excluding funding provided by the *Supplemental Appropriations Act, 2008* and the *Supplemental Appropriations Act, 2009*.

McGovern-Dole International Food for Education and Child Nutrition Program Grants. The McGovern-Dole program helps support education, child development, and food security for some of the world's poorest children. **S. 1406** would invest \$199.5 million in this program, which matches the President's budget request and is \$99.5 million more than the enacted Fiscal Year 2009 level.

Title VI: Related Agencies and Food and Drug Administration

Title VI of **S. 1406** funds agencies like the Food and Drug Administration and Farm Credit Administration. The major provisions of Title VI include:

Food and Drug Administration. The FDA is responsible for ensuring that the food supply is safe, sanitary, nutritious, wholesome and honestly labeled. The Food and Drug Administration is also responsible for ensuring the safety and efficacy of human and animal drugs, medical devices, and biologics. **S. 1406** would provide \$2.35 billion for the FDA, which matches the President's request and is \$300 million more than enacted Fiscal Year 2009 level.

Farm Credit Administration. The FCA is responsible for the examination and regulation of the banks, associations, and other institutions of the Farm Credit System, which operates credit and financial institutions for farmers, ranchers, and agribusinesses. **S. 1406** would allow \$54.5 million for the FCA, which matches the President's budget request and is \$5.5 million more than the enacted Fiscal Year 2009 level.

Title VII: General Provisions

Title VII of **S. 1406** contains recommendations and gives authority to the Secretary of Agriculture to carry out various actions within the USDA.

Legislative History

The Senate Appropriations Committee reported **S. 1406** on July 7, 2009, by a vote of 30 to 0. Senate Report 111-39, which accompanies **S. 1406**, was also filed on July 7, 2009.

The House Committee on Appropriations reported H.R. 2997, its version of the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies 2010* on June 18, 2009 by voice vote. On July 9, 2009, the House of Representatives passed the bill by a vote of 266 to 160.

Expected Amendments

Amendments are expected during consideration of **S. 1406** and information will be distributed to Senate staff as it becomes available.

Administration Position

At the time of publication, no Statement of Administration Policy has been issued for **S. 1406**.