



## DEPARTMENT OF AGRICULTURE

### Funding Highlights:

- Promotes economic and job creation opportunities for rural America by focusing on five core areas: access to broadband services, innovative local and regional food systems, renewable energy programs, climate change, and rural recreation.
- Provides \$7.6 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to serve all eligible individuals.
- Provides \$10 billion over 10 years for a strong Child Nutrition and WIC reauthorization.
- Provides \$50 million for a new “Healthy Food Financing Initiative” to bring grocery stores and other healthy food retailers to underserved communities.
- Provides \$429 million, the highest funding level ever, for competitive grants through the Agriculture and Food Research Initiative.
- Refocuses Forest Service resources to support watershed and ecosystem improvement efforts.
- Supports the Department's effort to reduce foodborne illnesses from products inspected by USDA.
- Funds several important conservation efforts such as improving water quality, restoring and protecting almost 200,000 additional acres of wetlands, and reducing nutrient loading in the Chesapeake Bay.
- Enhances the Department's efforts to promote U.S. agricultural exports by increasing assistance to develop and maintain overseas markets and reduce foreign trade barriers and other practices that hinder agricultural exports.
- Targets farm payments to those who need—and can most benefit from—assistance, and reforms the crop insurance program by renegotiating the Government's agreement with crop insurance companies.

The U.S. Department of Agriculture (USDA) provides leadership on issues related to food, agriculture, rural development, and natural resources based on sound public policy, the best available science, and efficient management. USDA focuses on further developing alternative

markets for agricultural products and activities, providing financing needed to help expand job opportunities and improve housing, utilities, and infrastructure in rural America. The Department also works to enhance food safety by taking steps to reduce the prevalence of food-

borne hazards, improve nutrition and health by providing food assistance and nutrition education and promotion, support international agricultural and economic development, and manage and protect America's public and private lands by working cooperatively with other levels of government and the private sector. The President's Budget provides \$26 billion in discretionary budget authority to support this important mission.

**Supports Growth and Job Creation in Rural America.** The President's Budget supports USDA's Rural Innovation Initiative, which is designed to promote economic opportunity and job creation in rural communities. To support this innovative approach, USDA plans to set-aside roughly 5 percent of the funding from approximately 20 existing programs and allocate these funds competitively among regional pilot projects tailored to local needs and opportunities. This targeting effort will allow USDA to prioritize areas with the greatest need and potential by encouraging comprehensive and innovative approaches to foster rural revitalization.

The Budget also helps lay the foundation for job creation and expanded economic opportunities throughout rural America by:

- Expanding access to broadband services by offering \$418 million in loans and grants to transition rural communities into the modern information economy.
- Nurturing local and regional food systems and expanding access to healthy foods for low-income Americans in rural and urban food deserts.
- Funding a variety of renewable energy programs across the Department, including support for biorefineries to utilize advanced biomass crops, research designed to create cellulosic and advanced biofuels, and assistance to help transition fossil fuel-dependent electric utilities to renewable energy. Taken together, these programs support the USDA's effort to help America in achieving energy independence and reducing greenhouse gas emissions.

- Supporting the President's climate change policy by promoting activities including carbon sequestration, renewable energy, and water conservation. In addition, the Budget supports a science-based, risk-management approach to mitigate the effects of climate change by stressing forest and watershed resiliency designed to minimize the loss of large carbon sinks.
- Developing rural recreation and employment opportunities, including fishing and hunting for local residents and tourists by proposing more than \$700 million to restore and manage public lands. The Budget also fully funds the Voluntary Public Access and Habitat Incentive Program, which encourages private landowners to voluntarily open their land to the public for hunting and fishing.

**Strengthens Nutrition Assistance and Promotes Healthy Eating.** At a time of continued need, the President's Budget provides \$8.1 billion for discretionary nutrition program supports, which is a \$400 million increase over the 2010 enacted level. Funding supports 10 million participants in the WIC program, which is critical to the health of pregnant women, new mothers, and their infants. The Budget also supports a strong Child Nutrition and WIC reauthorization package so that schoolchildren have access to healthy meals and to help fulfill the President's pledge to end childhood hunger. The Budget provides \$10 billion over 10 years for program reforms aimed at improving program access, establishing high standards for the nutritional quality of food available in school, exploring new strategies for reducing hunger and improving children's food choices, and strengthening program management.

**Responds to the Needs of Low-Income Americans.** The President continues to support the nutrition provisions incorporated in the American Recovery and Reinvestment Act (ARRA). Participants in the Supplemental Nutrition Assistance Program (SNAP) will continue to receive enhanced benefits at an average value of about \$20 per person per month. The Budget also

proposes to extend the ARRA provision in SNAP that temporarily eliminates the time limits for certain working-age, low-income adults without dependents for an additional fiscal year. This extension helps remove access barriers to SNAP and increase food purchasing power among some of the hardest-to-reach populations.

**Increases Funding for the Agriculture and Food Research Initiative.** The Budget provides \$429 million, the largest funding level ever, for competitive peer-reviewed research grants through the Agriculture and Food Research Initiative. This increase is designed to foster a more robust research program within USDA with special emphasis related to the following five core areas: climate change, bioenergy, childhood obesity, world hunger, and food safety.

**Focuses Forest Restoration Resources.** The President's Budget focuses Forest Service resources to support more watershed and ecosystem improvement efforts based upon a variety of management actions, including mechanical removal of timber, road decommissioning, and wildlife habitat improvement. The Budget adopts an ecosystem-based approach to forest management that focuses on enhancing forest and watershed resiliency, preventing the loss of large carbon sinks, and maintains jobs. To address the need to protect forest resources and wildlife habitat in an era of global climate change, the Budget establishes a pilot program for long-term, landscape scale restoration activities that emphasize resiliency, health, and sustainable economic development.

**Budgets Responsibly for Wildfires.** The Budget fully funds the 10-year average cost of fire suppression and includes a \$282 million discretionary funding reserve to be used only when the \$1.2 billion in appropriated 10-year average funding is exhausted. The Budget also prioritizes hazardous fuels reduction activities in the wildland-urban interface where they are most effective—particularly in communities that are on track to meet Firewise standards, have identified acres to be treated in Community Wildfire Protection Plans (or the equivalent), and have made

an investment in implementing local solutions to protection against wildland fire.

**Enhances Food Safety.** The President's Budget takes important steps to improve the safety of the Nation's supply of meat, poultry, and processed egg products and works to make certain that these products are wholesome and accurately labeled and packaged. Consistent with the recommendations of the President's Food Safety Working Group, the Budget supports increasing regulatory testing and baseline studies and strengthening USDA's Public Health Epidemiology Program to support the inter-agency Federal-State Foodborne Disease Outbreak Response Team. These efforts will contribute toward a reduction in foodborne illness and improvements in public health and safety.

**Supports Conservation on Private Lands.** The Budget will accelerate the protection of our natural resources by strategically targeting funding to high priority program areas. This includes funding the Wetlands Reserve Program at a level to enable the restoration and protection of almost 200,000 additional acres of wetlands, providing over \$1.2 billion for the Environmental Quality Incentives Program to help farmers comply with regulatory requirements and protect natural resources, providing a 67 percent increase in funding over the 2010 enacted level to reduce nutrient loading in the Chesapeake Bay, and enrolling 12 million acres into the Conservation Stewardship Program to improve water quality and enhance energy efficiency. The Budget also provides funding to support the installation of high-impact targeted conservation practices on 1.5 million acres in priority landscapes, including the Bay-Delta region in California and the Upper Mississippi.

**Promotes Agricultural Exports.** The Budget includes \$54 million in discretionary funding to enhance USDA's efforts to promote the export of U.S. agricultural products. This funding will double the Department's cost-share assistance to agricultural trade associations in support of overseas market development activities, such as technical assistance and market research (\$35 million); increase exporter assistance, in-country

market promotions, and trade enforcement activities to remove non-tariff trade barriers, such as unwarranted sanitary and phytosanitary standards placed on U.S. commodities by other countries (\$10 million); and double a grant program to assist U.S. specialty crop producers in overcoming sanitary, phytosanitary, and other technical barriers to trade (\$9 million).

**Reforms Farm Payments and Delivery of Crop Insurance.** The Budget proposes to limit farm subsidy payments to wealthy farmers by reducing the cap on direct payments by 25 percent and reducing the Adjusted Gross Income (AGI) payment eligibility limits for farm and non-farm income by \$250,000 over three years. The Farm Bill currently precludes an individual or an entity from receiving any benefit in a year where their non-farm AGI exceeds \$500,000 and precludes receipt of any direct payments when their farm

AGI exceeds \$750,000. This proposal would allow USDA to target payments to those who need and can benefit from them most, while at the same time preserving the safety net that protects farmers against low prices and natural disasters. The Budget also includes a proposal that will save billions of dollars by reforming how the Federal Government administers the crop insurance program. Crop insurance companies currently benefit from huge windfall profits due to the structure and terms of the Government's contract with the companies, called the Standard Reinsurance Agreement (SRA). Through the SRA renegotiation process, which will occur in 2010, USDA will pursue reforms to the financial terms in the SRA that will allow the Department to offer the same program benefits to farmers and ranchers with significantly reduced costs—saving \$8 billion over 10 years.

**Department of Agriculture**  
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
<b>Spending</b>			
Discretionary Budget Authority:			
Commodities and International .....	3,240	4,253	4,099
Rural Development .....	2,597	2,983	2,646
Forest Service .....	4,757	5,316	5,377
Conservation .....	968	1,009	964
Food and Nutrition Service .....	7,300	7,880	8,132
Research .....	2,648	2,846	2,723
Marketing and Regulatory Programs .....	2,012	2,095	2,057
Central Administration .....	510	636	663
Subtotal, excluding items below .....	24,032	27,018	26,661
Receipts .....	-58	-70	-71
Legislative proposal, Rural Housing receipts .....	—	—	-7
Mandatory savings proposals .....	—	—	-812
Total, Discretionary budget authority .....	23,974	26,948	25,771
<i>Memorandum:</i>			
Budget authority from American Recovery and Reinvestment Act .....	6,892	—	—
Budget authority from supplementals .....	1,366	400	—

**Department of Agriculture—Continued**  
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
Total, Discretionary outlays .....	25,063	28,402	27,143
<i>Memorandum: Outlays from American Recovery and Reinvestment Act .....</i>	<i>507</i>	<i>1,831</i>	<i>1,499</i>
<b>Mandatory Outlays:</b>			
Food and Nutrition Service .....	66,210	78,406	82,393
Commodity Credit Corporation .....	11,411	14,224	12,664
Crop Insurance .....	7,889	6,954	7,555
Natural Resources Conservation Service .....	1,584	2,124	2,772
Agricultural Marketing Service .....	1,106	1,276	1,270
Forest Service .....	816	874	757
Rural Development including liquidating accounts .....	-152	-933	-2,133
Receipts, reestimates and all other programs .....	-4,615	-1,980	-132
Total, Mandatory outlays .....	84,249	100,945	105,146
<i>Memorandum: Outlays from American Recovery and Reinvestment Act .....</i>	<i>4,626</i>	<i>10,843</i>	<i>11,966</i>
Total, Outlays .....	109,312	129,347	132,289
<b>Credit activity</b>			
<b>Direct Loan Disbursements:</b>			
Farm Loans .....	1,825	2,280	1,745
Commodity Credit Corporation .....	8,291	8,593	8,346
Rural Utilities Service .....	6,005	8,820	10,836
Rural Housing Service .....	2,042	4,300	4,116
Rural Business Service .....	—	1	17
P.L. 480 .....	32	62	—
All other programs.....	60	84	80
Total, Direct loan disbursements .....	18,255	24,140	25,140
<b>Guaranteed Loan Commitments:</b>			
Farm Loans .....	2,594	2,759	2,439
Commodity Credit Corporation .....	5,357	5,448	5,500
Rural Utilities Service .....	5	22	32
Rural Housing Service .....	14,166	14,200	13,627
Rural Business Service .....	1,110	2,158	2,275
Total, Guaranteed loan commitments .....	23,232	24,587	23,873