



## DEPARTMENT OF AGRICULTURE

### **Funding Highlights:**

- Provides \$23.7 billion in discretionary resources for the Department of Agriculture to invest in rural communities; nutrition assistance for vulnerable populations; renewable energy and energy improvements to cut carbon pollution and make America more energy independent; and agricultural research in key areas such as climate resilience and improved crop production techniques. This includes:
  - Doubling funding for broadband access to rural communities in need;
  - Launching three new multidisciplinary agricultural research institutes dedicated to crop science and pollinator health, advanced biobased manufacturing and anti-microbial resistance research;
  - Providing the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) the resources it needs to support estimated participation, which will improve birth outcomes and support child development; and
  - Strengthening bee and other pollinator habitats, a key component of strong U.S. food production.

### **Opportunity, Growth, and Security Initiative:**

- Through the Opportunity, Growth, and Security Initiative, supports:
  - Construction of a new biosafety research laboratory;
  - Reforms to encourage a shift toward competitively awarded research funding;
  - Forest Service construction and renovation projects, as part of the National Parks Centennial Initiative and the President's America's Great Outdoors Initiative; and
  - Activities to increase the resiliency of the Nation's natural resources including landscape and watershed restoration, hazardous fuels reduction, and community forest enhancement and protection.

**Reforms:**

- Brings about a fundamental shift in wildfire funding to safeguard communities and ecosystems, investing in programs to improve the resilience of the Nation's forests and rangelands and providing a stable funding source for wildfire suppression.
- Reforms crop insurance subsidies to companies and farmers to make the program less costly to the taxpayer while still maintaining a quality safety net for farmers.

The U.S. Department of Agriculture (USDA) provides leadership on issues related to food, agriculture, economic development in rural communities and natural resources, including energy, based on sound public policy, the best available science, and efficient management. USDA works to expand economic opportunity through the development of innovative practices and research and provides financing needed to help expand job prospects and improve housing, utilities, and community infrastructure in rural America. The Department also works to promote sustainable agricultural production to protect the long-term availability of food. USDA programs safeguard and protect America's food supply by reducing the incidence of food-borne hazards from farm to table. The Department's programs also improve nutrition and health through food assistance and nutrition education. USDA supports agricultural and economic development in developing countries through research and technical assistance to combat chronic hunger and achieve global food security. In addition, USDA manages and protects America's public and private lands by working cooperatively with other levels of government and the private sector to preserve and conserve the Nation's natural resources through restored forests, improved watersheds, and healthy private working lands.

The recently enacted Agricultural Act of 2014 extends numerous authorities for five years and establishes stability for important agriculture, rural development, renewable energy, and nutrition programs. Building on this achievement, the Budget provides \$23.7 billion in discretionary resources to support this important mission, a decrease of roughly \$938 million from the 2014

enacted level. While investments are made in renewable energy, rural development, and key research areas, the Budget makes tough choices to meet tight discretionary caps. The Opportunity, Growth, and Security Initiative provides additional support for key priorities.

### ***Supports Communities in Rural America***

**Encourages Job Creation in Rural Communities.** The Budget provides \$58 million for a new economic development grant program designed to target small and emerging private businesses and cooperatives in rural areas. The program will utilize performance targets and evidence of what works best to create jobs and foster economic growth, strengthening the agency's grant allocation and evaluation process. It is anticipated that this new program will aid in creating or saving nearly 14,000 jobs and assisting over 10,000 businesses.

### ***Promotes Innovation and Job Growth***

**Encourages Development of Rural Renewable Energy.** The Budget provides \$5 billion in loans to rural electric cooperatives and utilities that will support the transition to clean-energy generation and increased energy efficiency. Specifically, this funding will be targeted to cut carbon pollution and promote renewable and clean energy as well as energy efficiency improvements at electric generation, transmission, and distribution sites in rural communities. In addition, the Budget proposes a program level of \$52 million for the Rural Energy for America Program to assist agricultural producers and

rural small businesses in developing renewable energy systems, energy efficiency improvements, and renewable energy development.

**Stimulates Broadband Deployment in Rural Areas.** Roughly 25 percent of rural households lack access to high speed internet. The Budget proposes to double the current funding for broadband grants that serve the neediest, most rural communities, which are least likely to have access to high-speed broadband infrastructure. This level of funding is anticipated to support 16 rural communities.

**Spurs American Innovation by Advancing Priority Research.** USDA research plays a key role in fostering innovation and advancing technologies that increase the efficiency, sustainability, and profitability of American agriculture. At the same time, the Administration recognizes that continued fiscal constraint requires trade-offs to focus resources on the most important national priorities. As such, the Budget supports research in key areas important to American agriculture such as climate resilience and advanced genetics. The Budget also includes \$325 million for the Agriculture and Food Research Initiative competitive research program. In addition, the Budget includes \$75 million to support three multidisciplinary institutes, with one dedicated to advanced biobased manufacturing, another to focus on anti-microbial resistance research, and the third on crop science and pollinator health. These institutes, recommended by the President's Council of Advisors on Science and Technology, will leverage the best research within the public and private sectors to create opportunities for new business ventures funded by the private sector.

Above the base level of funding in the Budget for agricultural and forestry research, the Opportunity, Growth, and Security Initiative provides an additional \$295 million to support high priority in-house research; enhance funding for competitive research, including an additional \$20 million to encourage competitively awarded grants through land grant formula programs; and build a new biosafety research laboratory

in Athens, GA. This modern facility is USDA's highest research construction priority and would result in the consolidation of two outdated facilities.

### ***Prevents Hunger and Supports Healthy Eating***

**Prevents Hunger.** The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other programs that reduce hunger and help families meet their nutritional needs. SNAP is the cornerstone of the Nation's nutrition assistance safety net, touching the lives of 47 million Americans, the majority of whom are children, the elderly, or people with disabilities. In addition to supporting SNAP, the Budget also invests \$30 million to support summer electronic benefit pilots, which are proving successful in reducing childhood hunger and improving nutrition in the months when school meals are unavailable.

**Supports Healthy Eating.** The Budget supports the ongoing implementation of the Healthy, Hunger-Free Kids Act of 2010 with an increased investment of \$35 million in school equipment grants to aid in the provision of healthy meals and continued support for other school-based resources. The Budget also provides \$6.8 billion to support the 8.7 million individuals expected to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is critical to the health of pregnant women, new mothers, infants, and young children. The Budget also supports changes to the WIC food package that will improve consumption of nutritious foods that are important to healthy child development. In addition, the Budget invests \$13 million in a newly authorized Healthy Food Financing Initiative, which will provide funding to improve access to affordable, healthy foods in underserved areas.

### ***Protects Natural Resources***

**Strengthens Critical Habitats for Bees and Other Pollinators.** In recent years, honey bee colony collapse disorder and other pollinator

declines have led to rising concerns among both the scientific and agricultural communities regarding the health of these insect populations, the risks posed to pollinator services and the implications for agriculture. To help combat this multi-faceted problem, the Budget provides \$50 million across multiple agencies within USDA to enhance research through public-private grants, strengthen pollinator habitat in core areas, double the number of acres in the Conservation Reserve Program that are dedicated to pollinator health, and increase funding for surveys to determine the impacts on pollinator losses. Agricultural productivity is directly dependent on pollinators, especially bees, for producing more than one-third of food products.

**Conserves Landscapes.** The Budget proposes full funding for Land and Water Conservation Fund (LWCF) programs in the Department of the Interior (DOI) and USDA. 2015 marks the 50<sup>th</sup> anniversary of the landmark Land and Water Conservation Act that enables vital support to sustain the outdoor recreation and conservation areas the public values. Similar to last year's proposal, the Budget includes a mix of discretionary and mandatory funding in order to transition to all mandatory funding beginning in 2016. These funds will assist in conserving lands for national parks, refuges, and forests, as well as State and local recreation and conservation areas. Funding will also enable collaborative projects for DOI and the U.S. Forest Service to jointly and strategically conserve the most critical landscapes while improving management efficiency. These projects will support the President's America's Great Outdoors Initiative to promote job creation and economic growth by strengthening the natural infrastructure for outdoor recreation and enjoyment.

**Continues Interagency Collaboration to Improve Water Quality.** Over the past two years, USDA, the Environmental Protection Agency, and State water quality agencies have collaborated to select more than 150 priority watersheds, where voluntary conservation programs could help reduce water impairments from non-point source pollution. The Budget builds upon

this collaboration by having agencies work with key Federal partners, agricultural producer organizations, conservation districts, States, Tribes, non-governmental organizations, and other local leaders to implement a monitoring framework and begin collecting baseline performance data to demonstrate that this focused and coordinated approach can achieve significant improvements in water quality.

### *Implements Targeted Reforms*

**Safeguards Communities and Ecosystems from Wildfire Damage.** Fire is a natural occurrence that can be highly beneficial to landscapes when managed properly; however, population growth near forests and rangelands, past management practices, and a changing climate have dramatically increased wildfire risk and resulting costs. The Budget calls for a fundamental change in how wildfire suppression is funded in order to help reduce fire risk, manage landscapes more holistically, and increase the resiliency of the Nation's forests and rangelands and the communities that border them. The Budget supports congressional proposals to fund suppression of the most severe fire activity—including large fires that require emergency response, are near urban areas, or for abnormally active fire seasons—as extraordinary costs that are outside the discretionary caps. Importantly, because this funding would not allow the total funding available under existing cap adjustments to grow, it would not increase overall discretionary spending.

This new approach for funding suppression of catastrophic fires better safeguards non-suppression programs from transfers that have diminished their effectiveness in addressing threats to communities and landscapes. This allows for enhanced capabilities in programs such as the Forest Service Integrated Resource Restoration Program, the Collaborative Forest Landscape Restoration Program, and the Hazardous Fuels Program, as well as the Fuels Management and Resilient Landscapes programs in DOI. Since improving community resilience to wildland fires is the responsibility of Federal, State, local, and tribal governments and homeowners, the Budget

also targets funding for fuels management and certain State programs to communities that implement programs to reduce fire risk on non-Federal lands, including improved building standards for fire resiliency and defensible spaces.

**Restructures Crop Insurance Subsidies.**

With the recent passage of the newly enacted Agricultural Act of 2014, many of the Administration's previously proposed reforms have been realized. However, these reforms did not include any of the Administration's proposals for improvements and efficiencies for the crop insurance program, which continues to be highly

subsidized and costs the Government on average \$9 billion a year to run: \$3 billion per year for the private insurance companies to administer and underwrite the program and \$6 billion per year in premium subsidies to the farmers. The Budget includes proposals to reduce subsidies to farmers, as well as crop insurance companies, to more reasonable levels. These proposals will modify the structure of the crop insurance program so that it is less costly to the taxpayer yet still provides a quality safety net for farmers. Collectively these proposals are expected to save \$14 billion over 10 years.