



# CRS Issue Statement on Agriculture Appropriations

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The Agriculture appropriations bill is formally known as the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act. During the second session of the 111<sup>th</sup> Congress, the focus on Agriculture appropriations will be on passing the regular annual appropriations bill for FY2011.

The bill includes funding for all of the U.S. Department of Agriculture (USDA) except the Forest Service, plus the Food and Drug Administration (FDA). Appropriations for the Commodity Futures Trading Commission (CFTC) sometimes also reside in the Agriculture appropriations bill because jurisdiction is split between the Agriculture appropriations subcommittee in the House and the Financial Services appropriations subcommittee in the Senate.

In FY2010, the enacted Agriculture appropriations bill totaled \$121 billion (P.L. 111-80). This amount is up 12% from a year earlier and has grown 7% per year on average for the last five years. Historically, about 20% (\$23 billion in FY2010) is for discretionary spending that is directly controlled by the annual appropriation acts, and 80% (\$98 billion in FY2010) is for mandatory spending on subsidy programs whose eligibility and benefit formulas are written by authorizing committees, not appropriators. Steady increases in domestic nutrition programs and recent increases in farm commodity program outlays account for much of the growth in mandatory outlays.

About two-thirds of the \$121 billion total—\$83 billion in FY2010—is for domestic nutrition programs. The remaining one-third—\$38 billion in FY2010—supports the rest of USDA (including the farm commodity programs, but excluding the Forest Service), FDA, and CFTC. This two-thirds/one-third ratio has grown from about a 50/50 ratio a decade earlier.

Much of the public debate in recent years' Agriculture appropriations bills has centered not so much on the dollars appropriated, but rather on policy issues. For example, in FY2010, the ability to import poultry from China—and the related health and food safety concerns—was one of the key differences for conferees to resolve between the House and Senate bills. Similarly, other recent years' bills have addressed policy decisions about the implementation of animal identification regulations, country-of-origin labeling, agricultural trade with Cuba, and prescription drug reimportation.

Nonetheless, in an era of high budget deficits and changing social demands, the 111<sup>th</sup> Congress—and particularly the agriculture subcommittees—will continue to struggle with how to allocate limited discretionary funding among competing agricultural and related priorities. The major discretionary accounts include the Supplemental Nutrition Program for Women, Infants, and Children (WIC), meat and poultry inspection, rural development, international food aid, conservation, agricultural research, agricultural credit, and commodity marketing and regulatory programs. The discretionary accounts also include FDA (with its dual drug and food safety missions) and CFTC appropriations.

The vast majority of USDA's mandatory spending is for food and nutrition programs (e.g., food stamps and child nutrition), the farm commodity price and income support programs, the federal crop insurance program, and various smaller conservation, rural development, and trade programs. Generally, mandatory spending has tended to rise over time, particularly as food stamp participation and benefits have risen. Farm commodity program outlays are highly variable and are driven by market price fluctuations and weather conditions.

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