

## Calendar No. 382

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SENATE

{ REPORT  
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### AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIA- TIONS BILL, 2013

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APRIL 26, 2012.—Ordered to be printed

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Mr. KOHL, from the Committee on Appropriations,  
submitted the following

### REPORT

[To accompany S. 2375]

The Committee on Appropriations reports the bill (S. 2375) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2013, and for other purposes, reports favorably thereon and recommends that the bill do pass.

#### *New obligatory authority*

Total of bill as reported to the Senate .....	\$142,182,337,000
Amount of 2012 appropriations .....	136,840,373,000
Amount of 2013 budget estimate .....	144,233,282,000
Bill as recommended to Senate compared to—	
2012 appropriations .....	+ 5,341,964,000
2013 budget estimate .....	– 2,050,945,000

# CONTENTS

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	Page
Breakdown by Title .....	4
Summary of the Bill:	
Overview and Summary of the Bill .....	5
Reports to Congress .....	6
Title I:	
Agricultural Programs:	
Production, Processing, and Marketing:	
Office of the Secretary .....	7
Office of Tribal Relations .....	7
Executive Operations .....	8
Office of the Chief Information Officer .....	10
Office of the Chief Financial Officer .....	11
Office of the Assistant Secretary for Civil Rights .....	11
Office of Civil Rights .....	12
Office of the Assistant Secretary for Administration .....	12
Agriculture Buildings and Facilities and Rental Payments .....	13
Hazardous Materials Management .....	13
Departmental Administration .....	14
Office of the Assistant Secretary for Congressional Relations .....	15
Office of Communications .....	15
Office of Inspector General .....	15
Office of the General Counsel .....	16
Office of the Under Secretary for Research, Education, and Economics .....	16
Economic Research Service .....	17
National Agricultural Statistics Service .....	17
Agricultural Research Service .....	18
National Institute of Food and Agriculture .....	21
Office of the Under Secretary for Marketing and Regulatory Programs .....	27
Animal and Plant Health Inspection Service .....	27
Agricultural Marketing Service .....	31
Grain Inspection, Packers and Stockyards Administration .....	35
Office of the Under Secretary for Food Safety .....	35
Food Safety and Inspection Service .....	36
Office of the Under Secretary for Farm and Foreign Agricultural Services .....	37
Farm Service Agency .....	37
Risk Management Agency .....	41
Corporations:	
Federal Crop Insurance Corporation Fund .....	42
Commodity Credit Corporation Fund .....	42
Title II:	
Conservation Programs:	
Office of the Under Secretary for Natural Resources and Environment .....	45
Natural Resources Conservation Service .....	45
Title III:	
Rural Development Programs:	
Office of the Under Secretary for Rural Development .....	47
Rural Housing Service .....	48
Rural Business—Cooperative Service .....	54
Rural Energy for America Program .....	57
Rural Utilities Service .....	58

	Page
Title IV:	
Domestic Food Programs:	
Office of the Under Secretary for Food, Nutrition, and Consumer Services .....	62
Food and Nutrition Service .....	63
Title V: Foreign Assistance and Related Programs: Foreign Agricultural Service .....	70
Title VI:	
Related Agency and Food and Drug Administration:	
Food and Drug Administration .....	74
Independent Agency: Farm Credit Administration .....	81
Title VII: General Provisions .....	83
Program, Project, and Activity .....	85
Compliance With Paragraph 7, Rule XVI of the Standing Rules of the Senate .....	85
Compliance With Paragraph 7(c), Rule XXVI of the Standing Rules of the Senate .....	86
Compliance With Paragraph 12, Rule XXVI of the Standing Rules of the Senate .....	87
Budgetary Impact of Bill .....	88
Comparative Statement of Budget Authority .....	89

## BREAKDOWN BY TITLE

The amounts of obligational authority for each of the seven titles are shown in the following table. A detailed tabulation, showing comparisons, appears at the end of this report. Recommendations for individual appropriation items, projects and activities are carried in this report under the appropriate item headings.

[In thousands of dollars]

	2012	2013 Committee recommendation
Title I: Agricultural programs .....	24,970,211	28,416,877
Title II: Conservation programs .....	844,007	829,391
Title III: Rural economic and community development programs .....	2,250,233	2,275,698
Title IV: Domestic food programs .....	105,553,001	107,090,563
Title V: Foreign assistance and related programs .....	1,835,667	1,836,401
Title VI: Related agencies and Food and Drug Administration .....	2,505,809	2,529,811
Title VII: General provisions .....	-1,118,555	-796,404
Total, new budget (obligational) authority .....	136,840,373	142,182,337

## OVERVIEW AND SUMMARY OF THE BILL

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the U.S. Department of Agriculture [USDA]. These programs include agricultural research, education, and extension activities; natural resources conservation programs; farm income and support programs; marketing and inspection activities; domestic food assistance programs; rural housing, economic and community development, and telecommunication and electrification assistance; and various export and international activities of the USDA.

The bill also provides funding for the Food and Drug Administration [FDA] and allows the use of collected fees for administrative expenses of the Farm Credit Administration [FCA].

The discretionary programs and activities of USDA and FDA that are supported by this bill include high priority responsibilities entrusted to the Federal Government and its partners to protect human health and safety, contribute to economic recovery, and achieve policy objectives strongly supported by the American people. The ability to provide for these measures is made difficult by growing pressure on available levels of discretionary spending as a consequence of the overall public debate on Federal spending, revenues, and size of the Federal debt.

Too often, the USDA programs funded by this bill are confused with farm subsidies and other mandatory spending more properly associated with multi-year farm bills. In contrast, this bill provides annual funding for programs familiar to all Americans such as protecting food safety through the Food Safety and Inspection Service and the Food and Drug Administration, which also plays a vital role in maintaining the safety of the Nation's blood supply and availability of safe and effective medical products and other components of our health system. This bill also provides funding to fight against the introduction and spread of noxious or infectious and often invasive pests and disease that threaten our plant and animal health environments, as well as funding for many other missions of dire importance to the American people.

In the context of overall pressures on spending and the competing priorities that the Committee faces, this bill as reported provides the proper amount of emphasis on agricultural, rural development, and other programs and activities funded by the bill. It is consistent with the subcommittee's allocation for fiscal year 2013.

All accounts in the bill have been closely examined to ensure that an appropriate level of funding is provided to carry out the programs of USDA, FDA, and FCA. Details on each of the accounts, the funding level, and the Committee's justifications for the funding levels are included in the report.

## REPORTS TO CONGRESS

The Committee has, throughout this report, requested agencies to provide studies and reports on various issues. The Committee utilizes these reports to evaluate program performance and make decisions on future appropriations. The Committee directs that all studies and reports be provided to the Committee as electronic documents in an agreed upon format within 120 days after the date of enactment, unless an alternative submission schedule is specifically stated in the report request.

TITLE I  
 AGRICULTURAL PROGRAMS  
 PRODUCTION, PROCESSING, AND MARKETING  
 OFFICE OF THE SECRETARY

Appropriations, 2012 .....	\$4,550,000
Budget estimate, 2013 .....	5,051,000
Committee recommendation .....	5,051,000

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, Chief Information Officer, Chief Financial Officer, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201–2202). The delegation of regulatory functions to Department employees and authorization of appropriations to carry out these functions is contained in 7 U.S.C. 450c–450g.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$5,051,000 for the Office of the Secretary.

*Animal Fighting.*—The Committee is very concerned about reports of illegal animal fighting activities and directs the Secretary to work with relevant agencies on the most effective and proper means for investigating and enforcing laws and regulations regarding these activities.

*Operating Expenses.*—The Department is directed to place greater scrutiny on overhead costs and is directed to develop a plan to reduce such costs, including non-essential travel, office supply, rent, and utility costs, by 10 percent in fiscal year 2013. The Committee directs the Department to submit this plan within 30 days of the enactment of this act.

OFFICE OF TRIBAL RELATIONS

Appropriations, 2012 .....	\$448,000
Budget estimate, 2013 .....	498,000
Committee recommendation .....	498,000

The Office of Tribal Relations will interact with USDA program agencies to understand pending actions that may affect Indian tribes. This interaction and programmatic knowledge will improve

USDA's ability to conduct consultation activities, thereby better addressing the needs of USDA tribal constituents and improving relationships.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$498,000 for the Office of Tribal Relations.

#### EXECUTIVE OPERATIONS

Executive operations were established as a result of the reorganization of the Department to provide a support team for USDA policy officials and selected departmentwide services. Activities under the executive operations include the Office of the Chief Economist, the National Appeals Division, the Office of Budget and Program Analysis, the Office of Homeland Security and Emergency Coordination and the Office of Advocacy and Outreach.

#### OFFICE OF THE CHIEF ECONOMIST

Appropriations, 2012 .....	\$11,177,000
Budget estimate, 2013 .....	12,008,000
Committee recommendation .....	16,008,000

The Office of the Chief Economist advises the Secretary of Agriculture on the economic implications of Department policies and programs. The Office serves as the single focal point for the Nation's economic intelligence and analysis, risk assessment, and cost-benefit analysis related to domestic and international food and agriculture issues, provides policy direction for renewable energy development, conducts analyses of climate change impacts on agriculture and forestry, and is responsible for coordination and review of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$16,008,000 for the Office of the Chief Economist. While the amount recommended for the Office of the Chief Economist [OCE] appears to be a significant increase above fiscal year 2012 and the request, the Committee notes that \$4,000,000 for policy research is being transferred to OCE from the National Institute of Food and Agriculture [NIFA]. The research and analysis conducted at the policy research centers is more closely aligned with the mission of OCE than NIFA.

*Policy Research.*—The Committee recommendation includes \$4,000,000 for policy research under 7 U.S.C. 3155 for entities with existing institutional capacity to conduct complex economic and policy analysis and a lengthy and well-documented record of conducting policy analysis for the benefit of the Department of Agriculture, the Congressional Budget Office, or the Congress. To maximize resources, the Committee expects the Department to focus efforts on entities that have developed models, databases, and staff necessary to conduct in-depth analysis of impacts of agriculture or

rural development policy proposals on rural communities, farmers, agribusiness, taxpayers, and consumers.

#### NATIONAL APPEALS DIVISION

Appropriations, 2012 .....	\$12,841,000
Budget estimate, 2013 .....	14,225,000
Committee recommendation .....	14,225,000

The National Appeals Division conducts administrative hearings and reviews of adverse program decisions made by the Rural Development mission area, the Farm Service Agency, the Risk Management Agency, and the Natural Resources Conservation Service.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$14,225,000 for the National Appeals Division.

#### OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations, 2012 .....	\$8,946,000
Budget estimate, 2013 .....	9,049,000
Committee recommendation .....	9,049,000

The Office of Budget and Program Analysis provides direction and administration of the Department's budgetary functions including development, presentation, and execution of the budget; reviews program and legislative proposals for program, budget, and related implications; analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid the Secretary and departmental policy officials and agency program managers in the decisionmaking process; and provides department-wide coordination for and participation in the presentation of budget-related matters to the committees of the Congress, the media, and interested public. The Office also provides departmentwide coordination of the preparation and processing of regulations and legislative programs and reports.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$9,049,000 for the Office of Budget and Program Analysis.

#### OFFICE OF HOMELAND SECURITY AND EMERGENCY COORDINATION

Appropriations, 2012 .....	\$1,321,000
Budget estimate, 2013 .....	1,496,000
Committee recommendation .....	1,496,000

The Office of Homeland Security and Emergency Coordination formulates emergency preparedness policies and objectives for USDA. The Office directs and coordinates all of the Department's program activities that support USDA emergency programs and liaison functions with the Congress, the Department of Homeland Security, and other Federal departments and agencies involving homeland security, natural disasters, other emergencies, and agriculture-related international civil emergency planning and related activities.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,496,000 for the Office of Homeland Security and Emergency Coordination.

OFFICE OF ADVOCACY AND OUTREACH

Appropriations, 2012 .....	\$1,209,000
Budget estimate, 2013 .....	1,422,000
Committee recommendation .....	1,422,000

The purpose of the Office of Advocacy and Outreach is to increase the accessibility of USDA programs to underserved constituents. The Office coordinates the activities of various USDA programs and agencies that have as a mission purpose the provision of assistance to underserved constituents and generally encourages and advocates for full participation by all Americans in USDA programs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,422,000 for the Office of Advocacy and Outreach.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriations, 2012 .....	\$44,031,000
Budget estimate, 2013 .....	44,031,000
Committee recommendation .....	44,031,000

The Office of the Chief Information Officer was established in August 1996 (40 U.S.C. 1401 et seq.), pursuant to the Clinger-Cohen Act of 1996, which required the establishment of a Chief Information Officer for major Federal agencies. This Office provides policy guidance, leadership, coordination, and direction to the Department's information management and information technology investment activities in support of USDA program delivery, and is the lead office in USDA e-gov efforts. The Office provides long-range planning guidance, implements measures to ensure that technology investments are economical and effective, coordinates interagency information resources management projects, and implements standards to promote information exchange and technical interoperability. In addition, the Office of the Chief Information Officer is responsible for certain activities financed under the Department's Working Capital Fund (7 U.S.C. 2235). The Office also provides telecommunication and automated data processing [ADP] services to USDA agencies through the National Information Technology Center with locations in Fort Collins, Colorado, Kansas City, Missouri and Washington, DC. Direct ADP operational services are also provided to the Office of the Secretary, the Office of the General Counsel, the Office of Communications, the Office of the Chief Financial Officer, and Departmental Management.

On November 28, 2004, the information technology staffs of the Service Center Agencies [SCA] were converged into one IT organization within the office of the Chief Information Officer; this converged organization is named Information Technology Services and replaces a network of cross-agency teams used to coordinate IT infrastructure investment within the SCA and allows for unified management of the IT infrastructure.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$44,031,000 for the Office of the Chief Information Officer. This amount includes \$28,000,000 to support cybersecurity requirements of the Department.

OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriations, 2012 .....	\$5,650,000
Budget estimate, 2013 .....	6,247,000
Committee recommendation .....	6,247,000

The Office of the Chief Financial Officer is responsible for the dual roles of Chief Financial Management Policy Officer and Chief Financial Management Advisor to the Secretary and mission area heads. The Office provides leadership for all financial management, accounting, travel, Federal assistance, and strategic planning performance measurement activities within the Department. The Office is also responsible for the management and operation of the National Finance Center and the Departmental Working Capital Fund.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$6,247,000 for the Office of the Chief Financial Officer. The Committee is concerned about the Department's apparent indifference to the need for a Chief Financial Officer. USDA has been without a permanent Chief Financial Officer since November 2009. With its substantial loan portfolios, potential for improper payments in mandatory programs, and history of uneven financial audits, the necessity for a full complement of senior USDA financial leaders is evident. The Secretary is directed to submit a report to the Committee by June 1, 2012, detailing how the Department plans to expeditiously recruit and fill this vacancy. The Committee reminds the Secretary of the statutory requirements of 31 U.S.C. 902.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

Appropriations, 2012 .....	\$848,000
Budget estimate, 2013 .....	893,000
Committee recommendation .....	893,000

The Office of the Assistant Secretary for Civil Rights provides oversight of civil rights and related functions. This includes coordination of the administration of civil rights laws and regulations for employees of the Department of Agriculture and participants in programs of the Department, and ensuring compliance with civil rights laws.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$893,000 for the Office of the Assistant Secretary for Civil Rights.

## OFFICE OF CIVIL RIGHTS

Appropriations, 2012 .....	\$21,000,000
Budget estimate, 2013 .....	22,692,000
Committee recommendation .....	22,692,000

The Office of Civil Rights provides overall leadership responsibility for all departmentwide civil rights activities. These activities include employment opportunity as well as program nondiscrimination policy development, analysis, coordination, and compliance. The Office is responsible for providing leadership in facilitating the fair and equitable treatment of USDA employees, and for monitoring program activities to ensure that all USDA programs are delivered in a nondiscriminatory manner. The Office's outreach functions provide leadership, coordination, facilitation, and expertise to internal and external partners to ensure equal and timely access to USDA programs for all constituents, with emphasis on the underserved, through information sharing, technical assistance, and training.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$22,692,000 for the Office of Civil Rights.

*Equal Credit Opportunity Act Claims.*—The budget request includes \$40,000,000 to settle Equal Credit Opportunity Act claims arising out of the delivery of USDA credit programs. The claims were filed between July 1, 1997 and October 31, 2009. Because the statute of limitations for these claims has expired, authorizing language, within the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry, is required to resolve them. This language was not transmitted with the budget. The Committee is aware of the Department's interest in resolving these claims and will closely monitor any legislation that would allow the Department to move forward to settlement.

## OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriations, 2012 .....	\$764,000
Budget estimate, 2013 .....	804,000
Committee recommendation .....	804,000

The Office of the Assistant Secretary for Administration directs and coordinates the work of the departmental management offices in carrying out the laws enacted by the Congress relating to real and personal property management, personnel management, ethics, and other general administrative functions. In addition, the Office of the Assistant Secretary for Administration is responsible for certain activities financed under the Department's Working Capital Fund (7 U.S.C. 2235).

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$804,000 for the Office of the Assistant Secretary for Administration.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

Appropriations, 2012 .....	\$230,416,000
Budget estimate, 2013 .....	244,057,000
Committee recommendation .....	241,336,000

Department headquarters presently operates in a two-building, Government-owned complex in downtown Washington, DC, the George Washington Carver Center in Beltsville, Maryland, and in leased buildings in the metropolitan Washington, DC, area. Annual appropriations finance payments to the General Services Administration [GSA] for leased space and related payments are made to the Department of Homeland Security for perimeter security services at USDA occupied space. Under this arrangement USDA operates, maintains, and repairs the D.C. complex buildings, in lieu of rental payments for the two-building D.C. complex and the George Washington Carver Center. GSA charges commercial rent rates pursuant to the Public Buildings Amendments of 1972, and agencies may review rate procedures and exercise rights to appeal. For the last several years the Department has implemented a strategic space plan to locate staff more efficiently, renovate its buildings, and eliminate safety hazards, particularly in the Agriculture South Building.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$241,336,000 for Agriculture Buildings and Facilities and Rental Payments.

The following table reflects the Committee’s specific recommendations for this account as compared to the fiscal year 2012 and budget request levels:

[In thousands of dollars]

	2012 enacted	2013 budget request	Committee recommendation
Rental payments .....	164,470	175,694	175,694
Building operations .....	52,146	54,890	52,169
DHS building security .....	13,800	13,473	13,473
Total .....	230,416	244,057	241,336

HAZARDOUS MATERIALS MANAGEMENT

Appropriations, 2012 .....	\$3,592,000
Budget estimate, 2013 .....	3,992,000
Committee recommendation .....	3,992,000

Under the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act, the Department has the responsibility to meet the same standards regarding the storage and disposition of hazardous materials as private businesses. The Department is required to contain, cleanup, monitor, and inspect for hazardous materials in areas under the Department’s jurisdiction.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,992,000 for Hazardous Materials Management.

## DEPARTMENTAL ADMINISTRATION

Appropriations, 2012 .....	\$24,165,000
Budget estimate, 2013 .....	29,647,000
Committee recommendation .....	27,647,000

Departmental Administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of administrative functions of the Department. These activities include departmentwide programs for human resource management, ethics, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, emergency preparedness, small and disadvantaged business utilization, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges and Judicial Officer.

Departmental Administration is also responsible for representing USDA in the development of Governmentwide policies and initiatives; and analyzing the impact of Governmentwide trends and developing appropriate USDA principles, policies, and standards. In addition, Departmental Administration engages in strategic planning and evaluates programs to ensure USDA-wide compliance with applicable laws, rules, and regulations pertaining to administrative matters for the Secretary and general officers of the Department.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$27,647,000 for Departmental Administration.

*Departmental Functions.*—The Committee reiterates and reminds USDA of the notification requirements included in the fiscal year 2012 bill regarding changes to the functions or organization of any part of USDA. The Department is instructed to undertake a thoughtful and thorough analysis of the cost, savings, programmatic efficiencies, impact on services to customers and employees, and overall effect on employees that might result from any changes to Departmental functions. Not less than 60 days before moving forward with any consolidation efforts, this analysis shall be shared with the Committee as it will be key to the Committee's decision whether to allow further Departmental consolidation or reorganization to move forward. In addition, the Committee reminds USDA of the reprogramming requirements and limitations on the Secretary's transfer authority included in this act. The Committee is concerned by reports that Economy Act charges to agencies are being used to supplement administrative functions for which specific appropriations are provided. The Department is directed to report by June 1, 2012, on working capital fund, greenbook, and Economy Act charges for the past 3 fiscal years, with special attention on charges implemented in the last year. The report shall be transmitted in a format deemed acceptable to the Committee.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL  
RELATIONS

Appropriations, 2012 .....	\$3,576,000
Budget estimate, 2013 .....	3,869,000
Committee recommendation .....	3,869,000

The Office of the Assistant Secretary for Congressional Relations maintains a liaison with the Congress and White House on legislative matters. It also provides for overall direction and coordination in the development and implementation of policies and procedures applicable to the Department's intra- and inter-governmental relations.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,869,000 for the Office of the Assistant Secretary for Congressional Relations.

The Committee allows these funds to be transferred to support congressional relations' activities at the agency level. Within 30 days from the enactment of this act, the Secretary shall notify the House and Senate Committees on Appropriations on the allocation of these funds by USDA agency, along with an explanation for the agency-by-agency distribution of the funds as well as the staff years funded by these transfers.

OFFICE OF COMMUNICATIONS

Appropriations, 2012 .....	\$8,065,000
Budget estimate, 2013 .....	9,006,000
Committee recommendation .....	9,006,000

The Office of Communications provides direction, leadership, and coordination in the development and delivery of useful information through all media to the public on USDA programs. The Office serves as the liaison between the Department and the many associations and organizations with an interest in USDA's mission areas.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$9,006,000 for the Office of Communications.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2012 .....	\$85,621,000
Budget estimate, 2013 .....	89,016,000
Committee recommendation .....	89,016,000

The Office of Inspector General [OIG] was established October 12, 1978, by the Inspector General Act of 1978 (Public Law 95-452). This act expanded and provided specific authorities for the activities of OIG which had previously been carried out under the general authorities of the Secretary of Agriculture.

The Office is administered by an inspector general who reports directly to the Secretary of Agriculture. Functions and responsibilities of this Office include direction and control of audit and investigative activities within the Department, formulation of audit and investigative policies and procedures regarding Department pro-

grams and operations, and analysis and coordination of program-related audit and investigation activities performed by other Department agencies.

The activities of this Office are designed to assure compliance with existing laws, policies, regulations, and programs of the Department's agencies, and to provide appropriate officials with the means for prompt corrective action where deviations have occurred. The scope of audit and investigative activities is large and includes administrative, program, and criminal matters. These activities are coordinated, when appropriate, with various audit and investigative agencies of the executive and legislative branches of the Government.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$89,016,000 for the Office of Inspector General. In addition, the recommendation includes funding for OIG to address violations of section 26 of the Animal Welfare Act (7 U.S.C. 2156) and to coordinate with State and local law enforcement personnel in this effort.

OFFICE OF THE GENERAL COUNSEL

Appropriations, 2012 .....	\$39,345,000
Budget estimate, 2013 .....	45,074,000
Committee recommendation .....	45,074,000

The Office of the General Counsel provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department. The Office represents the Department in administrative proceedings; nonlitigation debt collection proceedings; State water rights adjudications; proceedings before the Environmental Protection Agency, Interstate Commerce Commission, Federal Maritime Administration, and International Trade Commission; and, in conjunction with the Department of Justice, in judicial proceedings and litigation.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$45,074,000 for the Office of the General Counsel.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION, AND ECONOMICS

Appropriations, 2012 .....	\$848,000
Budget estimate, 2013 .....	893,000
Committee recommendation .....	893,000

The Office of the Under Secretary for Research, Education, and Economics provides direction and coordination in carrying out the laws enacted by the Congress for food and agricultural research, education, extension, and economic and statistical information. The Office has oversight and management responsibilities for the Agricultural Research Service; National Institute of Food and Agriculture; Economic Research Service; and National Agricultural Statistics Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$893,000 for the Office of the Under Secretary for Research, Education, and Economics.

*Tomato Diseases.*—Tomato diseases have devastated crops and threaten nationwide production. The Committee encourages the Under Secretary to evaluate and adjust efforts to identify methods of preventing and controlling tomato diseases affecting tomato growers nationwide.

ECONOMIC RESEARCH SERVICE

Appropriations, 2012 .....	\$77,723,000
Budget estimate, 2013 .....	77,397,000
Committee recommendation .....	77,397,000

The Economic Research Service [ERS] provides economic and other social science research and analysis for public and private decisions on agriculture, food, the environment, and rural America. The information that ERS produces is for use by the general public and to help the executive and legislative branches develop, administer, and evaluate agricultural and rural policies and programs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$77,397,000 for the Economic Research Service, which includes continued funding for the Organic Production and Market Data Initiative.

NATIONAL AGRICULTURAL STATISTICS SERVICE

Appropriations, 2012 .....	\$158,616,000
Budget estimate, 2013 .....	179,477,000
Committee recommendation .....	179,477,000

The National Agricultural Statistics Service [NASS] administers the Department's program of collecting and publishing current national, State, and county agricultural statistics. These statistics provide accurate and timely projections of current agricultural production and measures of the economic and environmental welfare of the agricultural sector which are essential for making effective policy, production, and marketing decisions. NASS also furnishes statistical services to other USDA and Federal agencies in support of their missions, and provides consulting, technical assistance, and training to developing countries.

NASS is also responsible for administration of the Census of Agriculture, which is taken every 5 years and provides comprehensive data on the agricultural economy including: data on the number of farms, land use, production expenses, farm product values, value of land and buildings, farm size and characteristics of farm operators, market value of agricultural production sold, acreage of major crops, inventory of livestock and poultry, and farm irrigation practices.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$179,477,000 for the National Agricultural Statistics Service. Included in this amount is \$62,500,000 for the Census of Agriculture.

*Chemical Use Data Series.*—The Committee believes that the Chemical Use Data Series provides timely, valuable information on fertilizer and chemical user data on major field crops and selected specialty crops, and is pleased that NASS is continuing the collection and analysis of chemical use data, as well as practices such as integrated pest management. The Committee encourages NASS to resume collecting Fruit Chemical Use data and Vegetable Chemical Use data in alternating years.

*Organic Production Survey.*—In 2008, NASS conducted the first-ever comprehensive Organic Production Survey as a follow-on survey to the 2007 Census of Agriculture. Published in February 2010, the survey has provided information vital to the organic sector’s growth. The Committee believes the Organic Production Survey should be conducted on a regular basis to properly assess the characteristics, trends, and changes in the sector.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

Appropriations, 2012 .....	\$1,094,647,000
Budget estimate, 2013 .....	1,102,565,000
Committee recommendation .....	1,101,853,000

The Agricultural Research Service [ARS] is responsible for conducting basic, applied, and developmental research through its major program areas of New Products/Product Quality/Value Added; Livestock/Crop Production; Food Safety; Livestock/Crop Protection; Human Nutrition; and Environmental Stewardship. The research applies to a wide range of goals; commodities; natural resources; fields of science; and geographic, climatic, and environmental conditions.

ARS is also responsible for the Abraham Lincoln National Agricultural Library which provides agricultural information and library services through traditional library functions and modern electronic dissemination to agencies of the USDA, public and private organizations, and individuals.

As the USDA’s in-house agricultural research unit, ARS has major responsibilities for conducting and leading the national agricultural research effort. It provides initiative and leadership in five areas: research on broad regional and national problems, research to support Federal action and regulatory agencies, expertise to meet national emergencies, research support for international programs, and scientific resources to the executive branch and Congress.

The mission of ARS research is to develop and transfer solutions to agricultural problems of high national priority and provide information access and dissemination to ensure high-quality, safe food and other agricultural products; assess the nutritional needs of Americans; sustain a competitive agricultural economy; enhance the natural resource base and the environment; and provide eco-

conomic opportunities for rural citizens, communities, and society as a whole.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,101,853,000 for salaries and expenses of the Agricultural Research Service. The Committee does not concur with the President's budget request regarding the termination of extramural research, reallocation of funds, or closure of six research locations. The Committee expects extramural research to be funded without the reductions assessed in fiscal year 2012. The Committee recommendation includes requested funding for basic requirements, including repair and maintenance and the National Agricultural Library.

*Aerial Application Research.*—The Committee recognizes the importance of ARS Aerial Application Technology Program. The program conducts innovative research making aerial applications more efficient, effective and precise. Research for aerial application serves the public good as a vital tool for the future, as agriculture strives to meet the food, fiber, and bio-energy demands of a growing population.

*Classical Plant Breeding.*—The Committee is aware of the need to enhance classical plant breeding, and encourages ARS to invest in research to improve genetic resources and cultivars for the benefit of U.S. producers, seed companies, processors and consumers. This research should focus on breeding improved germplasm and varieties with higher yields, improved disease and pest resistance and resilience to weather extremes. Additionally, methods and tools should be developed to enable classical breeders to choose better breeding parents and speed up variety development.

*Commodity Processing.*—The Committee encourages ARS to consider research to improve the processing of commodities that produce high-quality, nutritious products for the American people, including sweet potatoes. These commodities have created an unprecedented need for basic and applied research in the development of new innovative processing technologies and have the potential to create new market opportunities, increase employment in rural America and provide consumers with healthy and readily available foods.

*Comparative Database Solutions.*—The Committee encourages the Department to continue its support for comparative database solutions on quality trait and disease resistant plant research important to human and animal health and nutrition. These efforts can improve nutritional content and increase production of high-value oils, including for bio-fuels, in important crop species. Such efforts can help reduce water usage, and chemical inputs, thus delivering added environmental and farm cost benefits. Collaborative research at the intersection of biology, genomics, computer science, and mathematics has great promise and can be very cost-effective.

*Drought Mitigation Research.*—The Committee believes that drought mitigation research and strategies for dealing with drought continue to be of significant value to farmers, ranchers, food processors and other food-related industries, consumers, and State and Federal agencies. Consequently, the Committee encourages the Department to continue support for such research or to

provide an explanation as to how they will otherwise obtain and distribute this information.

*Emerging Cereal Rust Diseases.*—The Committee is aware that emerging cereal rust diseases are a threat to domestic and world food supplies. Therefore, the Department should continue to dedicate funding to speed efforts to combat cereal rust disease, including development of Ug99-resistant wheat varieties.

*Human Nutrition Research.*—The Committee remains concerned about the high rates of obesity in this country, and believes that research into human nutrition is important to help prevent childhood obesity and the medical issues obesity brings. In addition, there is strong evidence that nutrition plays a vital role in how a person ages, but more research in this area is needed. Therefore, the Committee encourages the Agricultural Research Service to continue research relating both to childhood and adult obesity as well as the impact of nutrition on aging.

*Invasive Species Research.*—The Committee encourages the Department to prioritize funding for programs designed to combat invasive species, such as the Brown Marmorated Stink Bug, that are destructive to crops.

*National Agricultural Library.*—The Committee encourages the Agricultural Research Service to maintain a focus on agriculture-related legal issues within the National Agricultural Library. The Committee notes that as the agriculture sector of the national economy evolves, there is a necessity that these agriculture-related legal issues be addressed on an increasingly frequent basis. Further, agriculture-related legal issues are increasingly complex and the impact of these legal issues continues to broaden in scope.

*Pollinator Research.*—The Committee is aware that pollinators are responsible for the production of one-third of the Nation's food supply, but the number of managed honeybee colonies in the United States has dropped in half since 1940. Because of the importance of pollinators in the production of the Nation's food supply and their impact on the stability of our agricultural economy, the Committee encourages ARS to continue to dedicate resources to protecting the health of both honeybees and other native bees, including continued research into colony collapse disorder.

*Pulse Health Initiative.*—The Committee continues to recognize the need to investigate the ability of pulse crops—dry beans, dry peas, lentils, and chickpeas—to provide solutions to critical health issues including but not limited to obesity, diabetes, cardiovascular disease, and cancer; and to increase the consumption of pulse crops by improving their functionality in baked goods and end use as a food and food ingredient through the study of milling, extrusion, extraction, and cooking properties. The Committee also recognizes the potential to improve the sustainability of agricultural rotations and reduce green house gas emissions by improving the nitrogen fixing abilities of pulse crops. The Committee recommends ARS provide adequate funding to establish the Pulse Health Initiative.

*Research Facilities.*—In the fiscal year 2012 bill, ARS was directed to evaluate its capital asset requirements and develop a plan to coordinate ongoing and emerging research, as well as develop a long-term plan to guide capital asset construction. This plan was to include input from various stakeholders and cost estimates for

maintaining and constructing facilities to meet ARS' research priorities. The Committee has yet to receive a capital asset plan from ARS and again directs the agency to provide one by July 1, 2012.

The Committee notes that, even though it has been directed to do so, the Department did not adequately budget for the proposed closure of six research labs included in the fiscal year 2013 budget. The Committee included this directive in the fiscal year 2012 bill because closing locations often costs money and does not necessarily provide real savings in the short term. The Department's refusal to adequately provide these estimates in its budget requests results in the unnecessary reduction of valuable research programs. Therefore, the Committee does not concur with the proposal to close six research labs in fiscal year 2013, and further directs the agency to adequately budget for any proposed closures in future budget requests. The Department is directed to specifically identify costs associated with closing a location and relocating employees.

*Shellfish Research.*—The Committee directs the Agricultural Research Service to continue to partner with research institutions on research to improve shellfish survival and growth rates and to classify and preserve natural genetic variation.

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

Section 7511(f)(2) of the Food, Conservation, and Energy Act of 2008 amends the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971) by establishing an agency to be known as the National Institute of Food and Agriculture [NIFA]. The Secretary transferred to the Director of NIFA, effective October 1, 2009, all authorities administered by the Administrator of the Cooperative State, Research, Education and Extension Service. The mission is to work with university partners and customers to advance research, extension, and higher education in the food and agricultural sciences and related environmental and human sciences to benefit people, communities, and the Nation.

RESEARCH AND EDUCATION ACTIVITIES

Appropriations, 2012 .....	\$705,599,000
Budget estimate, 2013 .....	732,730,000
Committee recommendation .....	738,638,000

Research and Education programs administered by NIFA are USDA's principal entrée to the university system of the United States for the purpose of conducting agricultural research and education programs as authorized by the Hatch Act of 1887, as amended (7 U.S.C. 361a–361i); the McIntire-Stennis Cooperative Forestry Act of 1962, as amended (16 U.S.C. 582a et seq.); the Competitive, Special, and Facilities Research Grant Act, as amended (7 U.S.C. 450i); the National Agricultural, Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3101 et seq.); the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note); the Agricultural Research, Extension and Education Reform Act of 1998 (Public Law 105–185), as amended; the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624); the Farm Security and Rural Investment Act of 2002 (Public Law 107–171); and the Food, Conservation and Energy Act of 2008

(Public Law 110–246). Through these authorities, USDA participates with State and other cooperators to encourage and assist the State institutions in the conduct of agricultural research and education through the State Agricultural Experiment Stations of the 50 States and the territories; by approved Schools of Forestry; the 1890 Land-Grant Institutions and Tuskegee University and West Virginia State University; 1994 Land-Grant Institutions; by Colleges of Veterinary Medicine; and other eligible institutions. The appropriated funds provide Federal support for research and education programs at these institutions.

The research and education programs participate in a nationwide system of agricultural research program planning and coordination among the State institutions, U.S. Department of Agriculture, and the agricultural industry of America.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$738,638,000 for research and education activities of the National Institute of Food and Agriculture.

The following table summarizes the Committee's recommendations for research and education activities:

#### NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—RESEARCH AND EDUCATION ACTIVITIES

[Dollars in thousands]

Program/Activity	Authorization	Committee recommendation
Hatch Act .....	7 U.S.C. 361a–i .....	\$236,334
McIntire-Stennis Cooperative Forestry Act .....	16 U.S.C. 582a through a–7 .....	32,934
Research at 1890 Institutions (Evans-Allen Program) .....	7 U.S.C. 3222 .....	50,898
Payments to the 1994 Institutions .....	534(a)(1) of Public Law 103–382 ..	3,335
Education Grants for 1890 Institutions .....	7 U.S.C. 3152(b) .....	19,336
Education Grants for Hispanic-Serving Institutions .....	7 U.S.C. 3241 .....	9,219
Education Grants for Alaska Native and Native Hawaiian-Serving Institutions.	7 U.S.C. 3156 .....	3,194
Research Grants for 1994 Institutions .....	7 U.S.C. 301 note .....	1,801
Capacity Building for Non Land-Grant Colleges of Agriculture .....	7 U.S.C. 3319i .....	4,500
Resident Instruction and Distance Education Grants for Insular Areas.	7 U.S.C. 3363 and 3362 .....	1,650
Agriculture and Food Research Initiative .....	7 U.S.C. 450i(b) .....	297,956
Veterinary Medicine Loan Repayment .....	7 U.S.C. 3151a .....	4,790
Continuing Animal Health and Disease Research Program .....	7 U.S.C. 3195 .....	4,000
Supplemental and Alternative Crops .....	7 U.S.C. 3319d .....	825
Critical Agricultural Materials Act .....	7 U.S.C. 178 et seq. ....	1,081
Multicultural Scholars, Graduate Fellowship and Institution Challenge Grants.	7 U.S.C. 3152(b) .....	9,000
Secondary and 2-year Post-Secondary Education .....	7 U.S.C. 3152(j) .....	900
Aquaculture Centers .....	7 U.S.C. 3322 .....	4,000
Sustainable Agriculture Research and Education .....	7 U.S.C. 5811 .....	14,471
Farm Business Management .....	7 U.S.C. 5925f .....	1,450
Sun Grant Program .....	7 U.S.C. 8114 .....	2,500
Improved Pest Control:		
Expert IPM Decision Support System .....	7 U.S.C. 450i(c) .....	153
Integrated Pest Management .....	7 U.S.C. 450i(c) .....	2,362
Minor Crop Pest Management [IR–4] .....	7 U.S.C. 450i(c) .....	11,913
Pest Management Alternatives .....	7 U.S.C. 450i(c) .....	1,402
Total, Improved Pest Control .....		15,830
Special Research Grants:		
Global Change/UV Monitoring .....	7 U.S.C. 450i(c) .....	1,405

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—RESEARCH AND EDUCATION ACTIVITIES—  
Continued  
[Dollars in thousands]

Program/Activity	Authorization	Committee recommendation
Potato Research .....	7 U.S.C. 450i(c) .....	1,350
Forest Products Research .....	7 U.S.C. 450i(c) .....	1,650
Total, Special Research Grants .....	.....	4,405
Necessary Expenses of Research and Education Activities:		
Grants Management Systems .....	.....	7,830
Other, Necessary Expenses .....	.....	6,399
Total, Necessary Expenses .....	.....	14,229
Total, Research and Education Activities .....	.....	738,638

*Agriculture and Food Research Initiative.*—The Committee recommendation includes \$297,956,000 for the Agriculture and Food Research Initiative [AFRI].

Section 7406 of the Food, Conservation, and Energy Act of 2008 specifies priority areas within the Agriculture and Food Research Initiative [AFRI], including an emphasis on conventional (classical) plant and animal breeding. The Committee strongly concurs with the intent of this section, and requests a report from the agency as to its plans for implementing this important conventional/classical plant and animal breeding requirement. The Committee also encourages the agency to specifically focus on the development of public cultivars and breeds as part of the general classical breeding research program.

*Agricultural Research Enhancement Awards.*—The Committee remains determined to see that quality research and enhanced human resources development in the agricultural and related sciences be a nationwide commitment. Therefore, the Committee continues its direction that not less than 10 percent of the competitive research grant funds be used for USDA's agricultural research enhancement awards program (including USDA-EPSCoR), in accordance with 7 U.S.C. 450i.

*Alfalfa and Forage Research.*—The Committee notes that research into alfalfa and forage holds the potential to increase alfalfa and forage yields, increase milk production, and improve forage genetics to increase biomass for the production of cellulosic ethanol. The Committee supports research into the improvement of yields, creation of new uses of alfalfa and forages for bioenergy, and the development of new storage and harvest systems.

*Aquaculture Disease Research.*—The Committee encourages USDA to support aquaculture disease and vaccine research, including research on coldwater aquaculture vaccines. There is currently no national facility for pathogen testing. Research into finfish vaccines and pathogens has the potential to accelerate the growth of sustainable U.S. aquaculture, reduce the trade deficit attributable to imported seafood, and reduce the pressure on overfished species.

*Canola Research.*—The Committee recognizes the importance of nationally coordinated, regionally managed canola research and education programs. The Committee supports research designed to

increase canola production through research on insect, disease and weed control, best management practices, genetics and breeding, and other areas that may increase canola yield and acreage.

*Cereal Crop Research.*—Research on cereal crops has historically been conducted by USDA and public universities, and the Committee recognizes the importance of continuing investment in cereal crop research. The Committee strongly encourages USDA to provide funding for cereal crop research in the areas of genetic and genomic research, plant pest research, and improved production systems.

*Cranberry and Blueberry Research.*—The Committee encourages the NIFA to continue working with research institutions to develop resilient cranberry and blueberry breeds and establish effective and environmentally sound pest management technologies.

*Forest Products.*—The Committee recognizes the important role of the forests products sector to the U.S. economy. The need to create new and improved value-added products and renewable energy from our Nation’s wood supply is critical to the sustainability of the national economy. The Committee directs NIFA to support research, education and outreach for the forest products sector.

*Seafood.*—The Committee encourages USDA, in partnership with universities with established domestic shrimp farming programs, to support the development of a domestic industry that will help ensure the safety and quality of the Nation’s seafood supply, promote environmentally sustainable aquaculture, create new opportunities for U.S. agriculture, and forge new markets for U.S. grain and oil-seed products and technology services.

HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES  
ENDOWMENT FUND

Appropriations, 2012 .....	
Budget estimate, 2013 .....	\$10,000,000
Committee recommendation .....	10,000,000

Section 7129 of the Food, Conservation, and Energy Act of 2008, provides for the establishment of an endowment fund for the Hispanic-Serving Agricultural Colleges and Universities [HSACU]. The Hispanic/Latino community is the fastest-growing sector of the American population. This investment in the Hispanic-Serving Agricultural Colleges and Universities is needed to ensure institutions can effectively compete for NIFA competitive grants.

On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, shall distribute the adjusted income as follows: 60 percent of the adjusted income shall be distributed among the Hispanic-Serving Agricultural Colleges and Universities on a pro rata basis based on the Hispanic enrollment count of each institution; and 40 percent shall be distributed in equal shares to the Hispanic-Serving Agricultural Colleges and Universities.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$10,000,000 for the Hispanic-Serving Agricultural Colleges and Universities Endowment Fund.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

Appropriations, 2012 .....	\$11,880,000
Budget estimate, 2013 .....	11,880,000
Committee recommendation .....	11,880,000

The Native American Institutions Endowment Fund authorized by Public Law 103-382, the Equity in Educational Land-Grant Status Act, provides an endowment for the 1994 land-grant institutions (34 tribally controlled colleges). This program will enhance educational opportunity for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. Income funds are also available for facility renovation, repair, construction, and maintenance. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: 60 percent of the adjusted income from these funds shall be distributed among the 1994 land-grant institutions on a pro rata basis, the proportionate share being based on the Indian student count; and 40 percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$11,880,000 for the Native American Institutions Endowment Fund.

EXTENSION ACTIVITIES

Appropriations, 2012 .....	\$475,183,000
Budget estimate, 2013 .....	462,473,000
Committee recommendation .....	475,125,000

Cooperative extension work was established by the Smith-Lever Act of May 8, 1914, as amended. The Department of Agriculture is authorized to provide, through the land-grant colleges, cooperative extension work that consists of the development of practical applications of research knowledge and the giving of instruction and practical demonstrations of existing or improved practices or technologies in agriculture and related subjects, and to encourage the application of such information by demonstrations, publications, through 4-H clubs, and other means to persons not in attendance or resident at the colleges.

To fulfill the requirements of the Smith-Lever Act, State and county extension offices in each State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianas, and Micronesia conduct educational programs to improve American agriculture and strengthen the Nation's families and communities.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$475,125,000 for extension activities of the National Institute of Food and Agriculture.

The following table summarizes the Committee's recommendations for extension activities:

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—EXTENSION ACTIVITIES

[Dollars in thousands]

Program/Activity	Authorization	Committee recommendation
Smith-Lever Act, Section 3(b) and (c) programs and Cooperative Extension.	7 U.S.C. 343(b) and (c) and 208(c) of Public Law 93–471.	\$294,000
Extension Services at 1890 Institutions .....	7 U.S.C. 3221 .....	42,592
Extension Services at 1994 Institutions .....	7 U.S.C. 343(b)(3) .....	4,312
Facility Improvements at 1890 Institutions .....	7 U.S.C. 3222b .....	19,730
Renewable Resources Extension Act .....	16 U.S.C. 1671 et seq. ....	3,700
Rural Health and Safety Education Programs .....	7 U.S.C. 2662(i) .....	1,500
Food Animal Residue Avoidance Database Program .....	7 U.S.C. 7642 .....	1,000
Women and Minorities in STEM Fields .....	7 U.S.C. 5925 .....	400
Smith-Lever Act, Section 3(d):		
Food and Nutrition Education .....	7 U.S.C. 343(d) .....	67,934
Pest Management .....	7 U.S.C. 343(d) .....	9,918
Farm Safety and Youth Farm Safety Education Programs .....	7 U.S.C. 343(d) .....	4,610
New Technologies for Agricultural Extension .....	7 U.S.C. 343(d) .....	1,550
Children, Youth, and Families at Risk .....	7 U.S.C. 343(d) .....	7,600
Federally Recognized Tribes Extension Program .....	7 U.S.C. 343(d) .....	3,039
Sustainable Agriculture Programs .....	7 U.S.C. 343(d) .....	4,696
Total, Section 3(d) .....		99,347
Necessary Expenses of Extension Activities:		
Agriculture in the K–12 Classroom .....		552
Federal Administration—Other Necessary Expenses for Extension Activities.		7,992
Total, Necessary Expenses .....		8,544
Total, Extension Activities .....		475,125

*Potato Research.*—To minimize the application of pesticides and to maximize the yield and quality of harvested potatoes, the Committee directs the Secretary to support pest management programs in potato growing States. Such programs help scientists track potential pest outbreaks and provide growers and industry professionals with current information on specific and timely treatments. Additionally, the programs help identify serious diseases, such as late blight disease, in their early stages, allowing for preventive measure to be put into place quickly to avoid crop losses.

INTEGRATED ACTIVITIES

Appropriations, 2012 .....	\$21,482,000
Budget estimate, 2013 .....	43,542,000
Committee recommendation .....	24,982,000

Section 406, as amended, of the Agricultural Research, Extension, and Education Reform Act of 1998 authorizes an integrated research, education, and extension competitive grants program.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$24,982,000 for integrated activities of the National Institute of Food and Agriculture.

The following table summarizes the Committee's recommendations for integrated activities:

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—INTEGRATED ACTIVITIES

[Dollars in thousands]

Program/Activity	Authorization	Committee recommendation
Water Quality Program .....	7 U.S.C. 7626 .....	\$4,500
Regional Pest Management Centers .....	7 U.S.C. 7626 .....	4,000
Methyl Bromide Transition Program .....	7 U.S.C. 7626 .....	1,996
Organic Transition Program .....	7 U.S.C. 7626 .....	4,000
Regional Rural Development Centers .....	7 U.S.C. 450i(c) .....	998
Food and Agriculture Defense Initiative .....	7 U.S.C. 3351 .....	5,988
Sustainable Agriculture Federal-State Matching Grant Program .....	7 U.S.C. 5813 .....	3,500
Total, Integrated Activities .....	.....	24,982

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

Appropriations, 2012 .....	\$848,000
Budget estimate, 2013 .....	893,000
Committee recommendation .....	893,000

The Office of the Under Secretary for Marketing and Regulatory Programs provides direction and coordination in carrying out laws with respect to the Department's marketing, grading, and standardization activities related to grain; competitive marketing practices of livestock, marketing orders, and various programs; veterinary services; and plant protection and quarantine. The Office has oversight and management responsibilities for the Animal and Plant Health Inspection Service; Agricultural Marketing Service; and Grain Inspection, Packers and Stockyards Administration.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$893,000 for the Office of the Under Secretary for Marketing and Regulatory Programs.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations, 2012 .....	\$816,534,000
Budget estimate, 2013 .....	762,418,000
Committee recommendation .....	816,534,000

The Secretary of Agriculture established the Animal and Plant Health Inspection Service [APHIS] on April 2, 1972, under the authority of reorganization plan No. 2 of 1953, and other authorities. The major objectives of APHIS are to protect the animal and plant resources of the Nation from diseases and pests. These objectives are carried out under the major areas of activity, as follows:

*Safeguarding and Emergency Preparedness/Response.*—The agency monitors plant and animal health worldwide, and sets import polices to prevent the introduction of foreign plant and animal pests and diseases. Domestically, the agency works cooperatively to conduct plant and animal health monitoring programs, pursue

eradication, or limit the spread of the threat. The agency also conducts diagnostic laboratory activities that support disease prevention, detection, control, and eradication programs. In addition, the agency protects agriculture from detrimental animal predators, and through its regulatory structure helps advance genetic research while protecting against the release of harmful organisms.

*Safe Trade and International Technical Assistance.*—The agency helps resolve technical trade issues to ensure the smooth and safe movement of agricultural commodities into and out of the United States. The agency negotiates animal and plant health certification requirements and assists U.S. exporters meet foreign regulatory demands. In addition, the agency assists developing countries in improving their safeguarding systems, to protect the United States from emerging plant and animal pests and diseases.

*Animal Care.*—The agency conducts regulatory activities that ensure the humane care and treatment of animals and horses as the Animal Welfare and Horse Protection Acts require. These activities include inspection of certain establishments that handle animals intended for research, exhibition, and as pets, and monitoring certain horse shows.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$816,534,000 for salaries and expenses of the Animal and Plant Health Inspection Service.

The following table reflects the Committee's specific recommendations for the Animal and Plant Health Inspection Service:

#### ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 2012 enacted	Fiscal year 2013 budget request	Committee recommendation
<b>Safeguarding and International Technical Assistance:</b>			
Animal Health Technical Services .....	32,500	37,858	36,858
Aquatic Animal Health .....	2,261	2,664	2,261
Avian Health .....	52,000	49,741	50,761
Cattle Health .....	99,000	90,303	97,884
Equine and Cervid Health .....	5,050	3,726	3,726
National Veterinary Stockpile .....	2,750	2,265	2,750
Sheep and Goat Health .....	16,950	14,207	14,207
Swine Health .....	23,000	20,342	23,000
Veterinary Biologics .....	16,457	15,760	16,457
Veterinary Diagnostics .....	31,611	31,455	31,611
Zoonotic Disease Management .....	9,000	10,374	10,374
Subtotal, Animal Health .....	290,579	278,695	289,889
Agricultural Quarantine Inspection .....	27,500	25,125	28,500
Cotton Pests .....	17,848	8,915	15,970
Field Crop and Rangeland Ecosystems Pests .....	9,068	8,867	9,068
Pest Detection .....	27,500	25,617	27,500
Plant Protection Methods Development .....	20,600	19,707	21,600
Specialty Crop Pests .....	153,950	151,055	153,950
Tree and Wood Pests .....	55,638	43,919	56,638
Subtotal, Plant Health .....	312,104	283,205	313,226
Wildlife Damage Management .....	72,500	67,712	73,500

## ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 2012 enacted	Fiscal year 2013 budget request	Committee recommendation
Wildlife Services Methods Development .....	18,000	16,751	19,000
Subtotal, Wildlife Services .....	90,500	84,463	92,500
Animal and Plant Health Regulatory Enforcement .....	16,275	15,776	16,275
Biotechnology Regulatory Services .....	18,135	16,751	18,135
Subtotal, Regulatory Services .....	34,410	32,527	34,410
Contingency Fund .....	1,000	1,984	1,500
Emergency Preparedness and Response .....	17,000	16,743	17,000
Subtotal, Emergency Management .....	18,000	18,727	18,500
Subtotal, Safeguarding and Emergency Preparedness/ Response .....	745,593	697,617	748,525
Safe Trade and International Technical Assistance:			
Agriculture Import/Export .....	13,354	13,309	12,584
Overseas Technical and Trade Operations .....	20,104	17,747	17,747
Subtotal, Safe Trade .....	33,458	31,056	30,331
Animal Welfare:			
Animal Welfare .....	27,087	24,159	27,087
Horse Protection .....	696	493	891
Subtotal, Animal Welfare .....	27,783	24,652	27,978
Agency Management:			
APHIS Information Technology Infrastructure .....	4,335	4,167	4,335
Physical/Operational Security .....	5,365	4,926	5,365
Subtotal, Agency Management .....	9,700	9,093	9,700
Total .....	816,534	762,418	816,534

The Committee encourages the Secretary to continue use of contingency funding from the Commodity Credit Corporation, as in past fiscal years, to cover additional emergencies as the Secretary determines necessary. Furthermore, the Committee encourages the Secretary to employ cooperative agreements where appropriate to support activities related to animal health.

*Agricultural Quarantine Inspection.*—The Committee recognizes that prevention of infestations of pests and diseases is much more cost effective than subsequent control or eradication. This is an important Federal responsibility and the Committee provides \$28,500,000 for the agriculture quarantine inspections function, including pre-departure inspections.

*Animal Disease Traceability.*—The Committee provides \$13,000,000 to continue support for implementation of the new animal disease traceability system.

*Invasive Honey Bee Pests.*—The Committee remains concerned with declining bee populations and the tragic implications for pollination of U.S. agriculture. The Committee directs the agency to continue priority work with other Federal and State agencies and

the public to manage, suppress, and eradicate varroa mites, small hive beetles, and other pests and diseases contributing to colony collapse disorder and has provided increased funding for Plant Protection Methods Development for this purpose.

*Lacey Act Enforcement.*—The Committee is concerned about the Department's efforts to implement its responsibilities under the Lacey Act. Approximately 10,000 Lacey Act declarations are received weekly for review. The bulk of these declarations are accepted in an electronic manner but about 10 percent are paper-based. This budget requests a substantial increase to address these paper submissions. However, the agency appears woefully understaffed for its responsibilities, and products routinely leave the port of entry long before APHIS is able to review the declarations. The Committee is concerned that the current process may be fundamentally flawed. The Secretary is directed to provide a report to the Committee that demonstrates that the processes, and requested resources, are sufficient to accomplish the review responsibilities placed on the Agency.

*Livestock Warranty Programs.*—The Committee directs USDA to engage the private sector in evaluating proposals presented to USDA for use in the poultry and livestock industry that: encourage early disease detection and appropriate management actions by producers; provide producer-protections to address business interruption events caused by catastrophic disease, including alternative delivery methods of indemnity payments; focus market education efforts on improved production practices; and provide liability protection for producers in the event of a trace back of a listed disease.

*National Clean Plant Network.*—The National Clean Plant Network is instrumental in ensuring that nurseries can provide safe, virus-free plant materials to orchards, vineyards, and other growers. The Committee recognizes the value of continued research to improve detection and eradication of viruses, and encourages the Department to continue its work on this important program.

*Sudden Oak Death.*—The Committee is interested in APHIS' efforts to manage Sudden Oak Death while minimizing disruption to the interstate movement of plant materials and commercial trade. The Committee expects APHIS to use an appropriate portion of the funding provided for specialty crop pests to promote the development and testing of new systems of nursery pest and disease management, and for programs of inspection and regulation in partnership with the State regulatory agencies and the nursery industry.

*Wildlife Damage Management.*—APHIS is responsible for providing Federal leadership in managing problems caused by wildlife. The Committee provides \$73,500,000 for wildlife damage control to maintain priority initiatives, including preventing the transport of invasive snakes and other harmful species.

*Wildlife Services Education and Training.*—The Committee is aware of the wide range of hazardous procedures and materials utilized by APHIS personnel in the conduct of daily duties. In addition, a recent comprehensive study noted the critical need to provide standardized safety training, certification, and database management for tracking, to ensure the safest working environment possible. As such, the Committee directs APHIS to deliver a training program focused on those areas of greatest concern such as py-

rotechnics, firearms, hazardous materials, immobilization and euthanasia drugs, pesticides, animal care and handling, land vehicles, watercraft, and zoonotic diseases.

*Wildlife Services Methods Development.*—The Committee appreciates the important work done by the National Wildlife Research Center and its affiliated field locations to resolve problems caused by the interaction of wild animals and society. The Committee provides \$19,000,000 to ensure continued development of technical and scientific information on wildlife damage management.

COMMITTEE DIRECTIVES

In complying with the Committee’s directives, the Committee expects APHIS not to redirect support for programs and activities without prior notification to and approval by the House and Senate Committees on Appropriations in accordance with the reprogramming procedures specified in the act. Unless otherwise directed, the Animal and Plant Health Inspection Service shall implement appropriations by programs, projects, and activities as specified by the Appropriations Committees of both Houses of Congress. Unspecified reductions necessary to carry out the provisions of this act are to be implemented in accordance with the definitions contained in the program, project, and activity section of this report.

BUILDINGS AND FACILITIES

Appropriations, 2012 .....	\$3,200,000
Budget estimate, 2013 .....	3,175,000
Committee recommendation .....	3,175,000

The APHIS appropriation for “Buildings and Facilities” funds major nonrecurring construction projects in support of specific program activities and recurring construction, alterations, preventive maintenance, and repairs of existing APHIS facilities.

COMMITTEE RECOMMENDATIONS

The Committee recommendation includes an appropriation of \$3,175,000 for buildings and facilities of the Animal and Plant Health Inspection Service. This funding is necessary to allow APHIS to maintain existing facilities, and perform critically needed repairs to and replacements of building components, such as heating, ventilation and air-conditioning on a prioritized basis at APHIS facilities. The Committee notes that due to the environmentally sensitive nature of many APHIS facilities, closure of a facility could result if APHIS is unable to complete the required repairs.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Appropriations, 2012 .....	\$82,211,000
Budget estimate, 2013 .....	77,032,000
Committee recommendation .....	77,863,000

The Agricultural Marketing Service [AMS] was established by the Secretary of Agriculture on April 2, 1972. AMS carries out programs authorized by more than 50 different statutory authorities,

the primary ones being the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627, 1635–1638); the U.S. Cotton Standards Act (7 U.S.C. 51–65); the Cotton Statistics and Estimates Act (7 U.S.C. 471–476); the Tobacco Inspection Act (7 U.S.C. 511–511q); the Perishable Agricultural Commodities Act (7 U.S.C. 499a–499t); the Egg Products Inspection Act (21 U.S.C. 1031–1056); and section 32 of the Act of 1935 (Public Law 74–320, 7 U.S.C. 612c).

Programs administered by this agency include the market news services, standardization, grading, classing, shell egg surveillance services, transportation services, wholesale farmers and alternative market development, grant payments to States for marketing activities, the Federal administration of marketing agreements and orders, commodity purchases, Perishable Agricultural Commodities Act, the Plant Variety Protection Act (7 U.S.C. 2321 et seq.), and market protection and promotion activities.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$77,863,000 for marketing services of the Agricultural Marketing Service. The Committee recommendation includes \$1,831,000 for the Pesticide Recordkeeping Program and does not include an increase of \$1,000,000 for Transportation and Marketing Programs, as proposed in the budget.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2012 .....	\$62,101,000
Budget limitation, 2013 .....	62,592,000
Committee recommendation .....	62,592,000

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) initiated a system of user fees for the cost of grading and classing cotton, and tobacco. These activities, authorized under the U.S. Cotton Standards Act (7 U.S.C. 51 et seq.), the Tobacco Inspection Act (7 U.S.C. 511 et seq.), and other provisions of law are designed to facilitate commerce and protect participants in the industry.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$62,592,000 on administrative expenses of the Agricultural Marketing Service.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

Appropriations, 2012 .....	\$20,056,000
Budget estimate, 2013 .....	20,056,000
Committee recommendation .....	20,056,000

Under section 32 of the Act of August 24, 1935, (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each preceding calendar year and unused balances are available for encouraging the domestic consumption and exportation of agricultural commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Additional transfers to the child nutrition programs of the

Food and Nutrition Service have been provided in recent appropriations Acts.

The following table reflects the status of this fund for fiscal years 2011–2013:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2011–2013

	Fiscal year 2011 actual	Fiscal year 2012 estimate	Fiscal year 2013 budget	Fiscal year 2013 estimate
Appropriation (30 percent of Customs Receipts) .....	\$6,605,945,807	\$7,947,045,940	\$8,990,116,825	\$8,990,116,825
Less Transfers:				
Food and Nutrition Service .....	– 5,277,574,000	– 6,676,207,143	– 7,618,053,213	– 7,618,053,213
Commerce Department .....	– 90,239,555	– 109,098,387	– 124,063,612	– 124,063,612
Total, Transfers .....	– 5,367,813,555	– 6,785,305,530	– 7,742,116,825	– 7,742,116,825
Prior Year Appropriation Available, Start of Year .....	122,127,338	259,953,417	206,693,827	206,693,827
Prior Year Collections and Recoveries .....	13,368,588			
Unavailable for Obligations (recoveries and offsetting collections) .....	– 82,628,178	– 73,693,827	– 73,693,827	– 73,693,827
Transfer of Prior Year Funds to FNS [F&V] ..	– 76,000,000	– 117,000,000	– 133,000,000	– 133,000,000
Budget Authority .....	1,215,000,000	1,231,000,000	1,248,000,000	1,248,000,000
Rescission of Current Year Funds .....		– 150,000,000		– 150,000,000
Unavailable for Obligations (Fruit and Veg transfer to FNS) .....	– 117,000,000	– 133,000,000	– 117,000,000	– 117,000,000
Available for Obligation .....	1,098,000,000	948,000,000	1,131,000,000	981,000,000
Less Obligations:				
Child Nutrition Programs (Entitlement Commodities) .....	465,000,000	465,000,000	465,000,000	465,000,000
12 Percent Commodity Floor Requirement .....	1,067,279			
State Option Contract .....		5,000,000	5,000,000	5,000,000
Removal of Defective Commodities .....		2,500,000	2,500,000	2,500,000
Emergency Surplus Removal .....	56,115,015	2,200,000		
Direct Payments:				
Cotton, Soybean, Rice and Sweet Potato Disaster Program .....	268,000,000			
Disaster Relief .....	4,320,818	5,000,000	5,000,000	5,000,000
Additional Fruits, Vegetables, and Nuts Purchases .....	157,214,025	175,600,000	206,000,000	206,000,000
Fresh Fruit and Vegetable Program .....	33,000,000	20,000,000	39,076,000	39,076,000
Accounting Adjustment .....	140,610			
Estimated Future Needs .....		224,913,000	360,637,000	210,637,000
Total, Commodity Procurement .....	984,857,747	900,213,000	1,083,213,000	933,213,000
Administrative Funds:				
Commodity Purchase Support .....	33,538,305	27,731,000	27,731,000	27,731,000
Marketing Agreements and Orders .....	19,278,709	20,056,000	20,056,000	20,056,000
Total, Administrative Funds .....	52,817,014	47,787,000	47,787,000	47,787,000
Total Obligations .....	1,037,674,761	948,000,000	1,131,000,000	981,000,000
Unobligated Balance, End of Year .....	60,325,239			
Unavailable for Obligations (Fruit and Vegetable transfer to FNS) .....	117,000,000	133,000,000	117,000,000	117,000,000
Balances, Collections and Recoveries Not Available .....	82,628,178	73,693,827	73,693,827	73,693,827

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2011–2013—Continued

	Fiscal year 2011 actual	Fiscal year 2012 estimate	Fiscal year 2013 budget	Fiscal year 2013 estimate
Total End of Year Balances .....	259,953,417	206,693,827	190,693,827	190,693,827

COMMITTEE RECOMMENDATIONS

The Committee recommends a transfer from section 32 funds of \$20,056,000 for the formulation and administration of marketing agreements and orders.

*Section 32 Authorities.*—Under the authority described in clause 3 of 7 U.S.C. 612c, the Secretary is able to direct funds from the section 32 account to increase the purchasing power of producers. This practice has been used on various occasions to provide direct assistance to producers when market forces or natural conditions adversely affect the financial condition of farmers and ranchers. The Committee notes the importance of the ability of the Secretary to utilize this authority, but believes that communication between the Department and the Congress should be improved when this practice is used. Therefore, the Committee directs the Secretary to provide notification to the Appropriations Committee in advance of any public announcement or release of section 32 funds under the specific authorities cited above.

PAYMENTS TO STATES AND POSSESSIONS

Appropriations, 2012 .....	\$1,198,000
Budget estimate, 2013 .....	1,331,000
Committee recommendation .....	1,331,000

The Federal-State Marketing Improvement Program [FSMIP] is authorized by section 204(b) of the Agricultural Marketing Act of 1946 and is also funded from appropriations. Matching grants are awarded on a competitive basis to State marketing agencies to identify and test market alternative farm commodities, determine methods of providing more reliable market information, and develop better commodity grading standards. This program has made possible many types of projects, such as electronic marketing and agricultural product diversification. Current projects are focused on the improvement of marketing efficiency and effectiveness, and seeking new outlets for existing farm produced commodities. The legislation grants the U.S. Department of Agriculture authority to establish cooperative agreements with State departments of agriculture or similar State agencies to improve the efficiency of the agricultural marketing chain. The States perform the work or contract it to others, and must contribute at least one-half of the cost of the projects.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,331,000 for Payments to States and Possessions for Federal-State marketing projects and activities.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION  
SALARIES AND EXPENSES

Appropriations, 2012 .....	\$37,750,000
Budget estimate, 2013 .....	40,261,000
Committee recommendation .....	40,261,000

The Grain Inspection, Packers and Stockyards Administration [GIPSA] was established pursuant to the Secretary's 1994 reorganization. Grain inspection and weighing programs are carried out under the U.S. Grain Standards Act (7 U.S.C. 71 et seq.) and other programs under the authority of the Agricultural Marketing Act of 1946, including the inspection and grading of rice and grain-related products; conducting official weighing and grain inspection activities; and grading dry beans and peas, and processed grain products. Under the Packers and Stockyards Act (7 U.S.C. 181 et seq.), assurance of the financial integrity of the livestock, meat, and poultry markets is provided. The Administration monitors competition in order to protect producers, consumers, and industry from deceptive and fraudulent practices which affect meat and poultry prices.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$40,261,000 for salaries and expenses of the Grain Inspection, Packers and Stockyards Administration.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Limitation, 2012 .....	\$49,000,000
Budget limitation, 2013 .....	50,000,000
Committee recommendation .....	50,000,000

The agency provides an official grain inspection and weighing system under the U.S. Grain Standards Act [USGSA], and official inspection of rice and grain-related products under the Agricultural Marketing Act [AMA] of 1946. The USGSA was amended in 1981 to require the collection of user fees to fund the costs associated with the operation, supervision, and administration of Federal grain inspection and weighing activities.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$50,000,000 on inspection and weighing services expenses.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

Appropriations, 2012 .....	\$770,000
Budget estimate, 2013 .....	811,000
Committee recommendation .....	811,000

The Office of the Under Secretary for Food Safety provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's inspection of meat, poultry, and processed egg products. The Office has oversight and management responsibilities for the Food Safety and Inspection Service.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$811,000 for the Office of the Under Secretary for Food Safety.

## FOOD SAFETY AND INSPECTION SERVICE

Appropriations, 2012 .....	\$1,004,427,000
Budget estimate, 2013 .....	995,503,000
Committee recommendation .....	1,001,427,000

The major objectives of the Food Safety and Inspection Service are to assure that meat and poultry products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) and the Poultry Products Inspection Act (21 U.S.C. 451 et seq.); and to provide continuous in-plant inspection to egg processing plants under the Egg Products Inspection Act.

The Food Safety and Inspection Service was established on June 17, 1981, by Secretary's Memorandum No. 1000-1, issued pursuant to Reorganization Plan No. 2 of 1953.

The inspection program of the Food Safety and Inspection Service provides continuous in-plant inspection of all domestic plants preparing meat, poultry or egg products for sale or distribution; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,001,427,000 for the Food Safety and Inspection Service [FSIS]. This includes requested funding for time clocks. Furthermore, the Committee finds the implementation schedule set forth by FSIS for revised inspections processes unrealistically rapid and provides additional funds to accomplish this transition in a more feasible manner.

*Codex Alimentarius.*—Codex Alimentarius is critical for the protection of consumer health globally and facilitating international trade. Therefore, the Committee recommends \$3,752,000 exclusively for the activities of the U.S. Codex office including international outreach and education.

*Humane Slaughter.*—The Committee directs FSIS to continue to provide annual reports to the Committee on the implementation of objective scoring methods undertaken by FSIS to enforce the Humane Methods of Slaughter Act.

The Committee also directs FSIS to ensure that personnel hired with funding previously provided specifically for Humane Methods of Slaughter Act enforcement focus their attention on overseeing compliance with humane handling rules for live animals as they arrive and are offloaded and handled in pens, chutes, and stunning areas.

*Inspections.*—The Committee supports implementation of section 11016 of Public Law 110-246, and directs USDA to meet its statutory obligation and promulgate final regulations to implement this section.

The following table represents the Committee's specific recommendations for the Food Safety and Inspection Service as compared to the fiscal year 2012 and budget request levels:

FOOD SAFETY AND INSPECTION SERVICE SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year 2012 enacted	Fiscal year 2013 budget request	Committee recommendation
Food safety inspection:			
Federal .....	887,520	878,596	884,520
State .....	62,734	62,734	62,734
International .....	15,841	15,841	15,841
Codex Alimentarius .....	3,752	3,752	3,752
PHDCIS .....	34,580	34,580	34,580
Total .....	1,004,427	995,503	1,001,427

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN  
AGRICULTURAL SERVICES

Appropriations, 2012 .....	\$848,000
Budget estimate, 2013 .....	893,000
Committee recommendation .....	893,000

The Office of the Under Secretary for Farm and Foreign Agricultural Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's international affairs (except for foreign economic development), commodity programs, farm loans, disaster assistance, crop insurance, and some conservation and energy programs. The Office has oversight and management responsibilities for the Farm Service Agency (including the Commodity Credit Corporation), Risk Management Agency, and the Foreign Agricultural Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$893,000 for the Office of the Under Secretary for Farm and Foreign Agricultural Services.

FARM SERVICE AGENCY

The Farm Service Agency [FSA] was established October 3, 1994, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103-354. The FSA administers a variety of activities, such as the commodity price support and production adjustment programs financed by the Commodity Credit Corporation; the Conservation Reserve Program [CRP]; the Emergency Conservation Program; the Commodity Operation Programs including the warehouse examination function; farm ownership, farm operating, emergency disaster, and other loan programs; and the Noninsured Crop Disaster Assistance Program [NAP], which provides crop loss protection for growers of many crops for which crop insurance is not available. In addition, FSA currently provides certain administrative support services to the Foreign Agricultural Service [FAS] and to the Risk Management Agency [RMA].

## SALARIES AND EXPENSES

(In thousands of dollars)

	Appropriations	Transfers from program accounts	Total, FSA, salaries and expenses
Appropriations, 2012 .....	1,198,966	292,583	1,491,549
Budget estimate, 2013 .....	1,208,290	308,137	1,516,427
Committee recommendation .....	1,208,290	308,137	1,516,427

The account Salaries and Expenses, Farm Service Agency, funds the administrative expenses of program administration and other functions assigned to FSA. The funds consist of appropriations and transfers from the CCC export credit guarantees, Food for Peace loans, and Agricultural Credit Insurance Fund program accounts, and miscellaneous advances from other sources. All administrative funds used by FSA are consolidated into one account. The consolidation provides clarity and better management and control of funds, and facilitates accounting, fiscal, and budgetary work by eliminating the necessity for making individual allocations and allotments and maintaining and recording obligations and expenditures under numerous separate accounts.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,516,427,000 for salaries and expenses of the Farm Service Agency, including a direct appropriation of \$1,208,290,000.

*Information Technology.*—The Committee remains aware of the unstable status of the Farm Service Agency computer system which is responsible for the calculation and tracking of the agency's payments to agricultural producers, and which has resulted in disruption of services to U.S. farmers and ranchers. The Committee recommendation includes resources to continue the progress made regarding information technology modernization.

*National Agriculture Imagery Program.*—The Committee recommends that funding shall be allocated to purchase imagery products to meet programmatic requirements.

## STATE MEDIATION GRANTS

Appropriations, 2012 .....	\$3,759,000
Budget estimate, 2013 .....	4,369,000
Committee recommendation .....	4,369,000

This program is authorized under title V of the Agricultural Credit Act of 1987 (7 U.S.C. 5101 et seq.). Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103-354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticides. Grants are made to States whose mediation programs have been certified by the FSA. Grants will be solely for operation and administration of the State's agricultural mediation program.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$4,369,000 for State Mediation Grants.

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

Appropriations, 2012 .....	\$3,817,000
Budget estimate, 2013 .....	
Committee recommendation .....	6,500,000

This program is intended to assist in the protection of ground-water through State rural water associations.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$6,500,000 for Grassroots Source Water Protection.

DAIRY INDEMNITY PROGRAM

Appropriations, 2012 <sup>1</sup> .....	\$100,000
Budget estimate, 2013 <sup>1</sup> .....	100,000
Committee recommendation <sup>1</sup> .....	100,000

<sup>1</sup> Current estimate. Such sums as may be necessary are provided.

Under the program, the Department makes indemnification payments to dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer income losses because they are directed to remove their milk from commercial markets due to contamination of their products by registered pesticides. The program also authorizes indemnity payments to dairy farmers for losses resulting from the removal of cows or dairy products from the market due to nuclear radiation or fallout.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated in fiscal year 2013 to be \$100,000, for indemnity payments to dairy farmers.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

The Agricultural Credit Insurance Fund Program Account is used to provide direct and guaranteed farm ownership, farm operating, conservation, Indian highly fractioned land, and emergency loans to individuals, as well as the following types of loans to associations: irrigation and drainage, grazing, Indian tribe land acquisition, and boll weevil eradication.

FSA is also authorized to provide financial assistance to borrowers by guaranteeing loans made by private lenders having a contract of guarantee from FSA as approved by the Secretary of Agriculture and to establish Beginning Farmer and Rancher Individual Development grant accounts.

The following programs are financed through this fund:

*Boll Weevil Eradication Loans.*—Made to assist foundations in financing the operations of the boll weevil eradication programs provided to farmers.

*Credit Sales of Acquired Property.*—Property is sold out of inventory and is made available to an eligible buyer by providing FSA loans.

*Emergency Loans.*—Made to producers to aid recovery from production and physical losses due to drought, flooding, other natural disasters, or quarantine. The loans may be used to: restore or replace essential property; pay all or part of production costs associated with the disaster year; pay essential family living expenses; reorganize the farming operation; and refinance certain debts.

*Farm Operating Loans.*—Provide short-to-intermediate term production or chattel credit to farmers who cannot obtain credit elsewhere, to improve their farm and home operations, and to develop or maintain a reasonable standard of living. The term of the loan varies from 1 to 7 years.

*Farm Ownership Loans.*—Made to borrowers who cannot obtain credit elsewhere to restructure their debts, improve or purchase farms, refinance nonfarm enterprises which supplement but do not supplant farm income, or make additions to farms. Loans are made for 40 years or less.

*Indian Tribe Land Acquisition Loans.*—Made to any Indian tribe recognized by the Secretary of the Interior or tribal corporation established pursuant to the Indian Reorganization Act (Public Law 93–638) which does not have adequate uncommitted funds to acquire lands or interest in lands within the tribe’s reservation or Alaskan Indian community, as determined by the Secretary of the Interior, for use of the tribe or the corporation or the members thereof.

*Indian Highly Fractionated Land Loans.*—Made to Indian tribal members to purchase highly fractionated lands, as authorized by the Food, Conservation, and Energy Act of 2008.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends a total loan level of \$4,821,747,000 for programs within the Agricultural Credit Insurance Fund Program Account.

The following table reflects the program levels for farm credit programs administered by the Farm Service Agency recommended by the Committee, as compared to the fiscal year 2012 and the budget request levels:

#### AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS

[In thousands of dollars]

	Fiscal year 2012 enacted	Fiscal year 2013 budget	Committee recommendation
Farm ownership:			
Direct .....	475,000	475,000	475,000
Guaranteed .....	1,500,000	1,500,000	1,500,000
Farm Operating:			
Direct .....	1,050,090	1,050,089	1,050,089
Guaranteed unsubsidized .....	1,500,000	1,500,000	1,500,000
Emergency loans .....		34,658	34,658
Indian Tribe Land Acquisition .....	2,000	2,000	2,000
Conservation Loans:			
Guaranteed .....	150,000	150,000	150,000
Indian Highly Fractionated Land Loans .....	10,000	10,000	10,000

## AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS—Continued

[In thousands of dollars]

	Fiscal year 2012 enacted	Fiscal year 2013 budget	Committee recommendation
Boll Weevil Eradication .....	100,000	60,000	100,000
Total, Farm loans .....	4,787,090	4,781,747	4,821,747

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account are used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed, as well as for administrative expenses.

The following table reflects the cost of programs under credit reform:

[In thousands of dollars]

	2012 enacted	2013 budget	Committee recommendation
Loan subsidies:			
Farm ownership:			
Direct .....	22,800	20,140	20,140
Farm operating:			
Direct .....	59,120	58,490	58,490
Guaranteed unsubsidized .....	26,100	17,850	17,850
Emergency loans .....		1,317	1,317
Indian Highly Fractionated Land Loans .....	193	173	173
Individual Development Accounts .....		2,500	
Total, loan subsidies .....	108,213	100,470	97,970
ACIF expenses .....	297,632	312,897	312,897

## RISK MANAGEMENT AGENCY

Appropriations, 2012 .....	\$74,900,000
Budget estimate, 2013 .....	74,900,000
Committee recommendation .....	74,900,000

The Risk Management Agency performs administrative functions relative to the Federal crop insurance program that is authorized by the Federal Crop Insurance Act (7 U.S.C. 1508), as amended by the Agricultural Risk Protection Act of 2000 [ARPA], Public Law 106-224, and the Food, Conservation, and Energy Act of 2008 (Public Law 110-246).

ARPA authorized significant changes in the crop insurance program. This act provides higher government subsidies for producer premiums to make coverage more affordable; expands research and development for new insurance products and under-served areas through contracts with the private sector; and tightens compliance. Functional areas of risk management are: research and development; insurance services; and compliance, whose functions include policy formulation and procedures and regulations development.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$74,900,000 for the Risk Management Agency.

*Standard Reinsurance Agreement.*—The Committee recognizes the economic impact that the newly reached Standard Reinsurance

Agreement has had on the crop insurance program, particularly with regard to Administration and Operating costs. The Committee directs the Secretary to provide a report detailing the distribution of reductions on a State-by-State basis and its overall effects on the administration of the crop insurance program.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

Appropriations, 2012 <sup>1</sup> .....	\$3,142,375,000
Budget estimate, 2013 <sup>1</sup> .....	9,517,433,000
Committee recommendation <sup>1</sup> .....	9,517,433,000

<sup>1</sup>Current estimate. Such sums as may be necessary, to remain available until expended, are provided.

The Federal Crop Insurance Act, as amended by the Federal Crop Insurance Reform Act of 1994, authorizes the payment of expenses which may include indemnity payments, loss adjustment, delivery expenses, program-related research and development, startup costs for implementing this legislation such as studies, pilot projects, data processing improvements, public outreach, and related tasks and functions.

All program costs, except for Federal salaries and expenses, are mandatory expenditures subject to appropriation.

Producers of insurable crops are eligible to receive a basic level of protection against catastrophic losses, which cover 50 percent of the normal yield at 55 percent of the expected price. The only cost to the producer is an administrative fee of \$300 per crop per county.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated to be \$9,517,433,000 in fiscal year 2013 for the Federal Crop Insurance Corporation Fund.

COMMODITY CREDIT CORPORATION FUND

The Commodity Credit Corporation [CCC] is a wholly owned Government corporation created in 1933 to stabilize, support, and protect farm income and prices; to help maintain balanced and adequate supplies of agricultural commodities, including products, foods, feeds, and fibers; and to help in the orderly distribution of these commodities. CCC was originally incorporated under a Delaware charter and was reincorporated June 30, 1948, as a Federal corporation within the Department of Agriculture by the Commodity Credit Corporation Charter Act, approved June 29, 1948 (15 U.S.C. 714).

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feed, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; maintaining the balance and adequate supplies of selected commodities; and facilitating the orderly distribution of such commodities. In addition, the Corporation makes available materials and facilities required in connection with the storage and distribution of such com-

modities. The Corporation also disburses funds for sharing of costs with producers for the establishment of approved conservation practices on environmentally sensitive land and subsequent rental payments for such land for the duration of Conservation Reserve Program contracts.

Corporation activities are primarily governed by the following statutes: the Commodity Credit Corporation Charter Act (Public Law 80–806), as amended; the Agricultural Act of 1949 (Public Law 81–439), as amended (1949 Act); the Agricultural Adjustment Act of 1938 (Public Law 75–430), as amended (the 1938 Act); the Food Security Act of 1985 (Public Law 99–198), as amended (1985 Act); and the Food, Conservation, and Energy Act of 2008 (Public Law 110–246).

Management of the Corporation is vested in a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is an ex officio director and chairman of the board. The board consists of seven members, in addition to the Secretary, who are appointed by the President of the United States with the advice and consent of the Senate. Officers of the Corporation are designated according to their positions in the Department of Agriculture.

The activities of the Corporation are carried out mainly by the personnel and through the facilities of the Farm Service Agency [FSA] and the Farm Service Agency State and county committees. The Foreign Agricultural Service, the General Sales Manager, other agencies and offices of the Department, and commercial agents are also used to carry out certain aspects of the Corporation’s activities.

Under Public Law 87–155 (15 U.S.C. 713a–11, 713a–12), annual appropriations are authorized for each fiscal year, commencing with fiscal year 1961. These appropriations are to reimburse the Corporation for net realized losses.

REIMBURSEMENT FOR NET REALIZED LOSSES

Appropriations, 2012 <sup>1</sup> .....	\$14,071,000,000
Budget estimate, 2013 <sup>1</sup> .....	11,018,509,000
Committee recommendation <sup>1</sup> .....	11,018,509,000

<sup>1</sup> Current estimate. Such sums as may be necessary are provided.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated in fiscal year 2013 to be \$11,018,509,000, for the payment to reimburse the Commodity Credit Corporation for net realized losses.

HAZARDOUS WASTE MANAGEMENT

Limitation, 2012 .....	\$5,000,000
Budget estimate, 2013 .....	5,000,000
Committee recommendation .....	5,000,000

The Commodity Credit Corporation’s [CCC] hazardous waste management program is intended to ensure compliance with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.). The CCC funds oper-

ations and maintenance costs as well as site investigation and cleanup expenses. Investigative and cleanup costs associated with the management of CCC hazardous waste are also paid from USDA's hazardous waste management appropriation.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$5,000,000 for the Commodity Credit Corporation's hazardous waste management program.

TITLE II  
CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

Appropriations, 2012 .....	\$848,000
Budget estimate, 2013 .....	893,000
Committee recommendation .....	893,000

The Office of the Under Secretary for Natural Resources and Environment provides direction and coordination in carrying out the laws enacted by the Congress with respect to natural resources and the environment. The Office has oversight and management responsibilities for the Natural Resources Conservation Service and the Forest Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$893,000 for the Office of the Under Secretary for Natural Resources and Environment.

*Watershed Projects.*—The Committee reminds the Natural Resources Conservation Service [NRCS] that there are currently authorized, ongoing watershed projects with a primary purpose of providing drinking water to communities. The Committee directs NRCS to continue providing technical assistance to these projects, subject to the availability of funds.

NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service [NRCS] was established pursuant to Public Law 103–354, the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). The NRCS works with conservation districts, watershed groups, and Federal and State agencies to bring about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce flood damage and sedimentation.

CONSERVATION OPERATIONS

Appropriations, 2012 .....	\$828,159,000
Budget estimate, 2013 .....	827,500,000
Committee recommendation .....	828,498,000

Conservation operations are authorized by Public Law 74–46 (16 U.S.C. 590a–590f). Activities include:

Conservation Technical Assistance provides assistance to district cooperators and other land users in the planning and application of conservation treatments to control erosion and improve the

quantity and quality of soil resources, improve and conserve water, enhance fish and wildlife habitat, conserve energy, improve woodland, pasture and range conditions, and reduce upstream flooding; all to protect and enhance the natural resource base.

Resource appraisal and program development ensures that programs administered by the Secretary of Agriculture for the conservation of soil, water, and related resources shall respond to the Nation's long-term needs.

Plant Materials Centers assemble, test, and encourage increased use of plant species which show promise for use in the treatment of conservation problem areas.

Snow Survey and Water Forecasting provides estimates of annual water availability from high mountain snow packs and relates to summer stream flow in the Western States and Alaska. Information is used by agriculture, industry, and cities in estimating future water supplies.

Soil Surveys inventory the Nation's basic soil resources and determine land capabilities and conservation treatment needs. Soil survey publications include interpretations useful to cooperators, other Federal agencies, State, and local organizations.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$828,498,000 for Conservation Operations.

WATERSHED REHABILITATION PROGRAM

Appropriations, 2012 .....	\$15,000,000
Budget estimate, 2013 .....	
Committee recommendation .....	

The watershed rehabilitation program account provides for technical and financial assistance to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act, approved August 4, 1954 (16 U.S.C. 1012, U.S.C. 1001, et seq.), as amended by section 313 of Public Law 106-472, November 9, 2000, and by section 2803 of Public Law 110-246.

COMMITTEE RECOMMENDATIONS

The Committee does not recommend an appropriation for the Watershed Rehabilitation Program.

TITLE III

RURAL DEVELOPMENT PROGRAMS

The Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103–354) abolished the Farmers Home Administration, Rural Development Administration, and Rural Electrification Administration and replaced those agencies with the Rural Housing and Community Development Service, (currently, the Rural Housing Service), Rural Business and Cooperative Development Service (currently, the Rural Business—Cooperative Service), and Rural Utilities Service and placed them under the oversight of the Under Secretary for Rural Economic and Community Development, (currently, Rural Development). These agencies deliver a variety of programs through a network of State, district, and county offices.

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

Appropriations, 2012 .....	\$848,000
Budget estimate, 2013 .....	893,000
Committee recommendation .....	893,000

The Office of the Under Secretary for Rural Development provides direction and coordination in carrying out laws with respect to the Department’s rural economic and community development activities. The Office has oversight and management responsibilities for the Rural Housing Service, Rural Business—Cooperative Service, and the Rural Utilities Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$893,000 for the Office of the Under Secretary for Rural Development.

*Biofuels.*—The Committee encourages the Secretary, as a co-chair of the Biofuels Interagency Working Group, to facilitate discussion among stakeholders to explore public outreach opportunities that will help prevent misfueling in engines not covered under EPA’s E15 waivers.

RURAL DEVELOPMENT SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2012 appropriation	2013 budget request	
Appropriation .....	182,023	206,857	206,857
Transfer from:			
Rural Housing Insurance Fund Loan Program Account .....	430,800	408,127	410,627
Rural Electrification and Telecommunications Program Account .....	36,382	34,467	34,467

RURAL DEVELOPMENT SALARIES AND EXPENSES—Continued  
 [In thousands of dollars]

	Fiscal year—		Committee recommendation
	2012 appropriation	2013 budget request	
Rural Development Loan Fund Program Account .....	4,684	4,438	4,438
Total Rural Development salaries and expenses .....	653,889	653,889	656,389

These funds are used to administer the loan and grant programs of the Rural Utilities Service, the Rural Housing Service, and the Rural Business—Cooperative Service, including reviewing applications, making and collecting loans and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Under credit reform, administrative costs associated with loan programs are appropriated to the program accounts. Appropriations to the salaries and expenses account will be for costs associated with grant programs.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$656,389,000 for salaries and expenses of Rural Development.

RURAL HOUSING SERVICE

The Rural Housing Service [RHS] was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994.

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

Appropriations, 2012 (budget authority) .....	\$510,991,000
Budget estimate, 2013 (budget authority) .....	468,444,000
Committee recommendation (budget authority) .....	495,704,000

This fund was established in 1965 (Public Law 89–117) pursuant to section 517 of title V of the Housing Act of 1949 (42 U.S.C. 517(d)), as amended. This fund may be used to insure or guarantee rural housing loans for single-family homes, rental and cooperative housing, farm labor housing, and rural housing sites. Rural housing loans are made to construct, improve, alter, repair, or replace dwellings and essential farm service buildings that are modest in size, design, and cost. Rental housing insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide low-cost rental housing and related facilities in rural areas. These loans are repayable in terms up to 30 years. Loan programs are limited to rural areas, which include towns, villages, and other places of not more than 10,000 population, which are not part of an urban area. Loans may also be made in areas with a population in excess of 10,000, but less than 20,000, if the area is not included in a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$495,704,000 for the Rural Housing Insurance Fund Program Account [RHIF].

The Federal Credit Reform Act of 1990 (Public Law 101–508) established the RHIF program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 2013, as well as for administrative expenses. The following table presents the loan subsidy levels as compared to the 2012 levels and the 2013 budget request:

## RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year 2012 appropriation	2013 budget request	Committee recommendation
<b>Loan Levels:</b>			
Single-Family Housing (sec. 502):			
Direct .....	900,000	652,764	900,000
Guaranteed .....	24,000,000	24,000,000	24,000,000
Housing Repair (sec. 504) .....	10,000	27,952	27,952
Direct rental housing (sec. 515) .....	64,478	.....	28,433
Guaranteed rental housing (sec. 538) .....	130,000	150,000	150,000
Credit sales of acquired property .....	10,000	.....	10,000
Self help land development loans (sec. 523) .....	5,000	.....	5,000
Farm labor housing loans (sec. 514) .....	20,791	25,969	25,969
Total, loan levels .....	25,140,269	24,856,685	25,147,354
<b>Loan Subsidies and Grants:</b>			
Single-Family Housing (sec. 502):			
Direct .....	42,570	38,970	53,730
Housing Repair (sec. 504) .....	1,421	3,821	3,821
Direct rental housing (sec. 515) .....	22,000	.....	10,000
Farm labor housing loans (sec. 514) .....	7,100	8,658	8,658
Farm labor housing grants (sec. 516) .....	7,100	8,868	8,868
Total, loan subsidies and grants .....	80,191	60,317	85,077
Administrative expenses .....	430,800	408,127	410,627
Total, loan subsidies, grants and administrative expenses .....	510,991	468,444	495,704

*Centralized Servicing Center.*—The Secretary is encouraged to explore opportunities to provide services to other Federal agencies, through Economy Act Agreements, and thereby leverage existing capacity and expertise at Rural Development’s Centralized Servicing Center.

*Section 538 Guaranteed Multi-Family Housing Loan Program.*—The Committee no longer prohibits utilization of authorized fees, and expects the Secretary to implement fees sufficient to cover program subsidy costs.

*Section 502 Direct Loan Program.*—The Committee is concerned that administration of the 502 direct loan program may be inhibiting applications from low-income applicants in its efforts to serve the very low income population. The Secretary is directed to consider alternative administrative procedures, including distribution of funds to state offices and implementing a point-based system

that would prioritize applications from very low income applicants. The Secretary shall provide a report to the Committee by September 30, 2012, on this review and the implications on lending to low income and very low income populations.

RENTAL ASSISTANCE PROGRAM

Appropriations, 2012 .....	\$904,653,000
Budget estimate, 2013 .....	907,128,000
Committee recommendation .....	907,128,000

Rental assistance is authorized under section 521(a)(2) of the Housing Act of 1949, as amended (42 U.S.C. 1490a). The objective of the program is to reduce rents paid by low-income families living in Rural Housing Service financed rental projects and farm labor housing projects. Under this program, low-income tenants will contribute the higher of: (1) 30 percent of monthly adjusted income; (2) 10 percent of monthly income; or (3) designated housing payments from a welfare agency.

Payments from the fund are made to the project owner for the difference between the tenant's payment and the approved rental rate established for the unit.

The program is administered in tandem with Rural Housing Service section 515 rural rental and cooperative housing programs and the farm labor loan and grant programs. Priority is given to existing projects for units occupied by rent over-burdened low-income families and projects experiencing financial difficulties beyond the control of the owner; any remaining authority will be used for projects receiving new construction commitments under sections 514, 515, or 516 for very low-income families with certain limitations.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$907,128,000 for the Rental Assistance Program.

*Rental Assistance.*—The Committee includes statutory language requiring rental assistance to be held in 514/516 projects for a minimum period of time. Rental assistance contracts are funded for 1-year durations.

MULTI-FAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

Appropriations, 2012 .....	\$13,000,000
Budget estimate, 2013 .....	46,942,000
Committee recommendation .....	27,782,000

The Rural Housing Voucher Program was authorized under the Housing Act of 1949 (42 U.S.C. 1940r) to assist very low income families and individuals who reside in rental housing in rural areas. Housing vouchers may be provided to residents of rental housing projects financed by section 515 loans that have been prepaid after September 30, 2005. Voucher amounts reflect the difference between comparable market rents and tenant-paid rent prior to loan prepayment. Vouchers allow tenants to remain in existing projects or move to other rental housing.

The Multi-family Housing Revitalization Program includes funding for housing vouchers and a demonstration program for the

preservation and revitalization of affordable multi-family housing projects. Rural Development’s multi-family housing portfolio faces dual pressures for loan prepayments and repair/rehabilitation stemming from inadequate reserves resulting in deferred property maintenance.

Provision of affordable rental housing can be accomplished more economically by revitalizing existing housing stock rather than funding new construction. The Multi-family Housing Revitalization Program includes revitalization tools for maintenance of existing units and vouchers to protect tenants in those projects that prepay. Flexibility is provided to allow Rural Development to utilize funding to meet the most urgent local needs for tenant protection and project revitalization.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$27,782,000 for the Multi-family Housing Revitalization Program, including \$11,000,000 for vouchers and \$16,782,000 for a housing preservation demonstration program.

*Affordable Rural Rental Housing.*—The Committee is concerned that the Department’s vision for its role in supporting affordable rural rental housing is out of focus. Section 515 direct loans were the centerpiece of the fiscal year 2012 President’s budget, while the fiscal year 2013 request eliminates that program. The revitalization pilot was eliminated in the fiscal year 2012 request. However, the fiscal year 2013 request increases the revitalization pilot by 361 percent, and includes substantial funding for vouchers even with large unobligated balances. Proposed legislation is promised to permanently authorize the revitalization program, but no description of the proposed program is offered.

The Committee directs the Secretary, conclusively, to determine and articulate an effective long-term strategy to address rural rental housing needs. The Committee continues to fund each of the rural rental housing program tools and provides increased flexibility to transfer funds. Finally, the Committee directs the Secretary to submit the proposed revitalization legislation as soon as possible.

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations, 2012 .....	\$30,000,000
Budget estimate, 2013 .....	10,000,000
Committee recommendation .....	30,000,000

The Mutual and Self-Help Housing Grants Program is authorized by title V of the Housing Act of 1949. Grants are made to local organizations to promote the development of mutual or self-help programs under which groups of usually 6 to 10 families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who work with families in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$30,000,000 for Mutual and Self-Help Housing Grants.

## RURAL HOUSING ASSISTANCE GRANTS

Appropriations, 2012 .....	\$33,136,000
Budget estimate, 2013 .....	28,216,000
Committee recommendation .....	33,136,000

The Rural Housing Assistance Grants Program consolidates funding for rural housing grant programs. This consolidation of housing grant funding provides greater flexibility to tailor financial assistance to applicant needs.

*Very Low-Income Housing Repair Grants.*—The Very Low-Income Housing Repair Grants Program is authorized under section 504 of title V of the Housing Act of 1949. The rural housing repair grant program is carried out by making grants to very low-income families to make necessary repairs to their homes in order to make such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community.

These grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. A grant can be made in combination with a section 504 very low-income housing repair loan.

No assistance can be extended to any one individual in the form of a loan, grant, or combined loans and grants in excess of \$27,500, and grant assistance is limited to persons, or families headed by persons who are 62 years of age or older.

*Supervisory and Technical Assistance Grants.*—Supervisory and technical assistance grants are made to public and private non-profit organizations for packaging loan applications for housing assistance under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949. The assistance is directed to very low-income families in underserved areas where at least 20 percent of the population is below the poverty level and at least 10 percent or more of the population resides in substandard housing. In fiscal year 1994 a Homebuyer Education Program was implemented under this authority. This program provides low-income individuals and families education and counseling on obtaining and/or maintaining occupancy of adequate housing and supervised credit assistance to become successful homeowners.

*Compensation for Construction Defects.*—Compensation for construction defects provides funds for grants to eligible section 502 borrowers to correct structural defects, or to pay claims of owners arising from such defects on a newly constructed dwelling purchased with RHS financial assistance. Claims are not paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made by the owner of the property within 18 months after the date financial assistance was granted.

*Rural Housing Preservation Grants.*—Rural housing preservation grants (section 533) of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 1490m) authorizes the Rural Housing Service to administer a program of home repair directed at low- and very low-income people.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$33,136,000 for the Rural Housing Assistance Grants Program.

The following table compares the grant program levels recommended by the Committee to the fiscal year 2012 levels and the budget request:

RURAL HOUSING ASSISTANCE GRANTS  
[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2012 level	2013 request	
Very low-income housing repair grants .....	29,500	28,216	29,500
Housing preservation grants .....	3,636	.....	3,636
Total .....	33,136	28,216	33,136

#### RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

Appropriations, 2012 .....	\$29,291,000
Budget estimate, 2013 .....	25,000,000
Committee recommendation .....	28,428,000

Community facility loans were created by the Rural Development Act of 1972 (7 U.S.C. 1926 et seq.) to finance a variety of rural community facilities. Loans are made to organizations, including certain Indian tribes and corporations not operated for profit and public and quasi-public agencies, to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. Such facilities include those providing or supporting overall community development, such as fire and rescue services, healthcare, transportation, traffic control, and community, social, cultural, and recreational benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 people. Healthcare and fire and rescue facilities are the priorities of the program and receive the majority of available funds.

The Community Facility Grant Program authorized in the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127), is used in conjunction with the existing direct and guaranteed loan programs for the development of community facilities, such as hospitals, fire stations, and community centers. Grants are targeted to the lowest income communities. Communities that have lower population and income levels receive a higher cost-share contribution through these grants, to a maximum contribution of 75 percent of the cost of developing the facility.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$28,428,000 for the Rural Community Facilities Program Account.

The following table provides the Committee's recommendations, as compared to the fiscal year 2012 and budget request levels:

## RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

[Loan levels and budget authority in thousands of dollars]

	Fiscal year 2012 appropriation	2013 budget request	Committee recommendations
Loan levels:			
Community facilities direct loans .....	1,300,000	2,000,000	2,000,000
Community facilities guaranteed loans .....	105,708	.....	.....
Total loan levels .....	1,405,708	2,000,000	2,000,000
Budget authority:			
Community facility guaranteed loans .....	5,000	.....	.....
Community facility grants .....	11,363	13,000	13,000
Economic impact initiative grants .....	5,938	.....	5,938
Rural community development initiative .....	3,621	8,000	6,121
Tribal college grants .....	3,369	4,000	3,369
Total budget authority .....	29,291	25,000	28,428

## RURAL BUSINESS—COOPERATIVE SERVICE

The Rural Business—Cooperative Service [RBS] was established by Public Law 103-354, Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994. Its programs were previously administered by the Rural Development Administration, the Rural Electrification Administration, and the Agricultural Cooperative Service.

## RURAL BUSINESS PROGRAM ACCOUNT

Appropriations, 2012 .....	\$74,809,000
Budget estimate, 2013 .....	86,159,000
Committee recommendation .....	85,904,000

The Rural Business and Industry Loan Program was created by the Rural Development Act of 1972, and finances a variety of rural industrial development loans. Loans are made for rural industrialization and rural community facilities under Rural Development Act amendments to the Consolidated Farm and Rural Development Act (7 U.S.C. 1932 et seq.) authorities. Business and industrial loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry, and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, payment of startup costs, and supplying working capital.

Rural business enterprise grants were authorized by the Rural Development Act of 1972. Grants are made to public bodies and nonprofit organizations to facilitate development of small and

emerging business enterprises in rural areas, including the acquisition and development of land; the construction of buildings, plants, equipment, access streets and roads, parking areas, and utility extensions; refinancing fees; technical assistance; and startup operating costs and working capital.

Rural business opportunity grants are authorized under section 306(a)(11) of the Consolidated Farm and Rural Development Act, as amended. Grants may be made to public bodies and private non-profit community development corporations or entities. Grants are made to identify and analyze business opportunities that will use local rural economic and human resources: to identify, train, and provide technical assistance to rural entrepreneurs and managers; to establish business support centers; to conduct economic development planning and coordination, and leadership development; and to establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$85,904,000 for the Rural Business Program Account.

The following table provides the Committee’s recommendations, as compared to the fiscal year 2012 and budget request levels:

RURAL BUSINESS PROGRAM ACCOUNT  
[Loan levels and budget authority in thousands of dollars]

	Fiscal year 2012 appropriation	2013 budget request	Committee recommendations
Loan levels:			
Business and Industry guaranteed loans loan levels .....	812,563	821,224	821,224
Budget authority:			
Business and industry guaranteed loans .....	45,341	56,336	56,336
Business enterprise grants .....	24,318	29,823	24,318
Business opportunity grants .....	2,250	.....	2,250
Delta Regional Authority grants .....	2,900	.....	3,000
Total budget authority .....	74,809	86,159	85,904

*Rural Business Program Account.*—The Committee recommends \$500,000 for transportation technical assistance.

The Committee directs that of the \$4,000,000 recommended for grants to benefit Federally Recognized Native American Tribes, \$250,000 shall be used to implement an American Indian and Alaska Native passenger transportation development and assistance initiative.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2012 level	2013 request	
Estimated loan level .....	17,710	18,889	18,889
Direct loan subsidy .....	6,000	6,052	6,052
Administrative expenses .....	4,684	4,438	4,438
Total, loan subsidies and administrative expenses .....	10,684	10,490	10,490

The rural development (intermediary relending) loan program was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88-452). The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 99-425, the Human Services Reauthorization Act of 1986.

Loans are made to intermediary borrowers (small investment groups) who in turn will reloan the funds to rural businesses, community development corporations, private nonprofit organizations, public agencies, et cetera, for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 2013, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$10,490,000 for the Rural Development Loan Fund Program Account.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(In thousands of dollars)

	Estimated loan level
Fiscal year 2012 level .....	33,077
Fiscal year 2013 request .....	33,077
Committee recommendation .....	33,077

The Rural Economic Development Loans program was established by the Reconciliation Act of December 1987 (Public Law 100-203), which amended the Rural Electrification Act of 1936 (Act of May 20, 1936), by establishing a new section 313. This section of the Rural Electrification Act (7 U.S.C. 901) established a cushion of credits payment program and created the rural economic development subaccount. The Administrator of RUS is authorized under the act to utilize funds in this program to provide zero interest loans to electric and telecommunications borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibility studies, startup costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE RECOMMENDATION

The Committee recommends a loan program level of \$33,077,000, to be funded from earnings on the Cushion of Credit and fees on guaranteed underwriting loans made pursuant to section 313A of the Rural Electrification Act of 1936.

RURAL COOPERATIVE DEVELOPMENT GRANTS

Appropriations, 2012 .....	\$25,050,000
Budget estimate, 2013 .....	27,706,000
Committee recommendation .....	27,706,000

Rural cooperative development grants are authorized under section 310B(e) of the Consolidated Farm and Rural Development Act,

as amended. Grants are made to fund the establishment and operation of centers for rural cooperative development with their primary purpose being the improvement of economic conditions in rural areas. Grants may be made to nonprofit institutions or institutions of higher education. Grants may be used to pay up to 75 percent of the cost of the project and associated administrative costs. The applicant must contribute at least 25 percent from non-Federal sources, except 1994 institutions, which only need to provide 5 percent. Grants are competitive and are awarded based on specific selection criteria.

Cooperative research agreements are authorized by 7 U.S.C. 2204b. The funds are used for cooperative research agreements, primarily with colleges and universities, on critical operational, organizational, and structural issues facing cooperatives.

Cooperative agreements are authorized under 7 U.S.C. 2201 to any qualified State departments of agriculture, university, and other State entity to conduct research that will strengthen and enhance the operations of agricultural marketing cooperatives in rural areas.

The Appropriate Technology Transfer for Rural Areas [ATTRA] program was first authorized by the Food Security Act of 1985. The program provides information and technical assistance to agricultural producers to adopt sustainable agricultural practices that are environmentally friendly and lower production costs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$27,706,000 for Rural Cooperative Development Grants.

Of the funds recommended, \$2,250,000 is for the Appropriate Technology Transfer for Rural Areas program.

The Committee has included language in the bill that not more than \$3,456,000 shall be made available to cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers.

*Value Added.*—The Committee recommends \$15,000,000 for value-added agricultural product market development grants.

RURAL MICROENTERPRISE INVESTMENT PROGRAM

Appropriations, 2012 .....	
Budget estimate, 2013 .....	\$3,356,000
Committee recommendation .....	

This program, authorized by section 379E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.), provides loans and grants to intermediaries that assist micro-entrepreneurs.

COMMITTEE RECOMMENDATIONS

The Committee does not recommend an appropriation for the Rural Microenterprise Investment Program.

RURAL ENERGY FOR AMERICA PROGRAM

Appropriations, 2012 .....	\$3,400,000
Budget estimate, 2013 .....	4,575,000
Committee recommendation .....	3,400,000

The Rural Energy for America Program is authorized under section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107). This program may fund energy audits, direct loans, loan guarantees, and grants to farmers, ranchers, and small rural businesses for the purchase of renewable energy systems and for energy efficiency improvements.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,400,000 for the Rural Energy for America Program.

The following table provides the Committee's recommendation as compared to the fiscal year 2012 and budget request levels:

#### RURAL ENERGY FOR AMERICA PROGRAM

[In thousands of dollars]

	Fiscal year 2012 level	2013 request	Committee recommendation
Estimated loan level .....	6,491	19,055	14,161
Guaranteed loan subsidy .....	1,700	4,575	3,400
Grants .....	1,700		

#### RURAL UTILITIES SERVICE

The Rural Utilities Service [RUS] was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103-354), October 13, 1994. RUS administers the electric and telephone programs of the former Rural Electrification Administration and the water and waste programs of the former Rural Development Administration.

#### RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Appropriations, 2012 .....	\$513,000,000
Budget estimate, 2013 .....	495,700,000
Committee recommendation .....	522,481,000

The water and waste disposal program is authorized by sections 306, 306A, 309A, 306C, 306D, 306E, and 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq., as amended). This program makes loans for water and waste development costs. Development loans are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations, generally designated as public or quasi-public agencies, that propose projects for the development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Such grants may not exceed 75 percent of the development cost of the projects and can supplement other funds borrowed or furnished by applicants to pay development costs.

The solid waste grant program is authorized under section 310B(b) of the Consolidated Farm and Rural Development Act. Grants are made to public bodies and private nonprofit organizations to provide technical assistance to local and regional governments for the purpose of reducing or eliminating pollution of water resources and for improving the planning and management of solid waste disposal facilities.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$522,481,000 for the Rural Water and Waste Disposal Program Account.

The Committee recommends \$66,500,000 for water and waste disposal systems grants for Native Americans, including Native Alaskans, the Colonias, and residents of Hawaiian Home Lands. The Committee recognizes the special needs and problems for delivery of basic services to these populations. In addition, the Committee makes up to \$15,000,000 available for the circuit rider program.

The following table provides the Committee's recommendations, as compared to the fiscal year 2012 and budget request levels:

## RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

[Loan levels and budget authority in thousands of dollars]

	Fiscal year 2012 appropriation	2013 budget request	Committee recommendation
Loan levels:			
Water and waste disposal direct loans .....	730,689	1,000,000	1,000,000
Direct loans authorized by Public Law 83-566 .....			40,000
Water and waste disposal guaranteed loans .....	62,893		60,000
Total loan levels .....	793,582	1,000,000	1,100,000
Budget authority:			
Water and waste disposal direct loans .....	70,000	80,700	80,700
Water and waste disposal guaranteed loans .....	1,000		636
Water and waste disposal grants .....	427,610	411,000	425,752
Solid waste management grants .....	3,400	4,000	3,400
Water well system grants .....	993		993
Water and waste water revolving funds .....	497		1,000
High-energy cost grants .....	9,500		10,000
Total, budget authority .....	513,000	495,700	522,481

## RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) provides the statutory authority for the electric and telecommunications programs.

The Federal Credit Reform Act of 1990 (Public Law 101-508) established the program account. An appropriation to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in fiscal year 2013, as well as for administrative expenses.

## COMMITTEE RECOMMENDATIONS

The following table reflects the Committee's recommendation for the Rural Electrification and Telecommunications Loans Program Account, the loan subsidy and administrative expenses, as compared to the fiscal year 2012 and budget request levels:

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT**  
[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2012 level	2013 request	
Loan authorizations:			
Electric:			
Direct, 5 percent .....	100,000		100,000
Direct FFB .....	6,500,000		6,500,000
Treasury Plus .....		6,100,000	
Guaranteed underwriting .....	424,286		500,000
Subtotal .....	7,024,286	6,100,000	7,100,000
Telecommunications:			
Direct, 5 percent .....	145,000		
Direct, Treasury rate .....	250,000	690,000	690,000
Direct, FFB .....	295,000		
Subtotal .....	690,000	690,000	690,000
Total, loan authorizations .....	7,714,286	6,790,000	7,790,000
Guaranteed underwriting budget authority .....	594		
Administrative expenses .....	36,382	34,467	34,467

**DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM  
LOANS AND GRANTS**  
[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2012 level	2013 request	
Loan and grant levels:			
Distance Learning and Telemedicine Program:			
Grants .....	21,000	24,950	24,950
Broadband program:			
Treasury rate loans .....	169,014	94,139	63,358
Treasury rate loans budget authority .....	6,000	8,915	6,000
Grants .....	10,372	13,379	10,372
Total DLT and Broadband program level .....	200,386	132,468	98,680
Total DLT and Broadband budget authority .....	37,372	47,244	41,322

The Distance Learning, Telemedicine, and Broadband Program is authorized by the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 950aaa et seq.), as amended by the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127). This program provides incentives to improve the quality of phone services, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

This program provides the facilities and equipment to link rural education and medical facilities with more urban centers and other facilities providing rural residents access to better healthcare through technology and increasing educational opportunities for rural students. These funds are available for loans and grants.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$41,322,000 for the Distance Learning, Telemedicine, and Broadband Program. The Committee recommendation includes \$3,000,000 for public broadcasting systems grants to allow noncommercial educational television broadcast stations that serve rural areas to convert from analog to digital operations. Funds recommended for the RUS broadband program are intended to promote broadband availability in those areas where there is not otherwise a business case for private investment in a broadband network. The Committee encourages RUS to focus expenditures on projects that bring broadband service to currently unserved households.

The Committee is concerned about the longstanding, unmet health needs in the Mississippi River Delta. The Committee recommendation includes \$3,000,000 to address critical healthcare needs in the region, as authorized by section 379G of the Consolidated Farm and Rural Development Act.

*Broadband Grants.*—Of the funds recommended, \$10,372,000 in grants shall be made available to support broadband transmission and local dial-up Internet services for rural areas.

TITLE IV  
DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND  
CONSUMER SERVICES

Appropriations, 2012 .....	\$770,000
Budget estimate, 2013 .....	811,000
Committee recommendation .....	811,000

The Office of the Under Secretary for Food, Nutrition and Consumer Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's nutrition assistance activities. The Office has oversight and management responsibilities for the Food and Nutrition Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$811,000 for the Office of the Under Secretary for Food, Nutrition and Consumer Services.

*Direct Certification.*—The Healthy, Hunger-Free Kids Act of 2010 requires States to meet federally set thresholds for direct certification of 80 percent in school year 2011; 90 percent in school year 2012; and 95 percent in school year 2013 and each year thereafter. States that do not meet these benchmarks must submit continuous improvement plans to the Secretary for approval. Recognizing the importance of ensuring that all eligible children participate in school meal programs, the Committee directs the Secretary to immediately provide all States with rigorous technical assistance, including direct consultation and intensive training, to help States meet these ambitious thresholds. Additionally, the Committee directs the Secretary to involve the Nation's Governors by accumulating and disseminating state best practices on direct certification.

*National School Nutrition Standards.*—The Committee notes that the Healthy, Hunger-Free Kids Act of 2010 included a broadly supported provision which requires the Department to update the standards for foods and beverages sold in schools through vending machines, a la carte in cafeterias, school stores, and other venues outside the school meal programs. The Committee urges USDA to develop and implement school nutrition standards that are consistent with the U.S. Dietary Guidelines for Americans, with consideration given to existing standards developed by health experts, industry, States, and local school districts. The Department should carefully consider comments made in response to proposed regulations.

## FOOD AND NUTRITION SERVICE

The Food and Nutrition Service represents an organizational effort to eliminate hunger and malnutrition in this country. Nutrition assistance programs provide access to a nutritionally adequate diet for families and persons with low incomes and encourage better eating patterns among the Nation's children. These programs include:

*Child Nutrition Programs.*—The National School Lunch and School Breakfast, Summer Food Service, and Child and Adult Care Food programs provide funding to the States, Puerto Rico, the Virgin Islands, American Samoa, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades and under, to children of preschool age in child care centers, and to children in other institutions in order to improve the health and well-being of the Nation's children, and broaden the markets for agricultural food commodities. Through the Special Milk Program, assistance is provided to the States for making reimbursement payments to eligible schools and child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children. Funds for this program are provided by direct appropriation and transfer from section 32.

*Special Supplemental Nutrition Program for Women, Infants, and Children [WIC].*—This program safeguards the health of pregnant, postpartum, and breast-feeding women, infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and income by providing supplemental foods. The delivery of supplemental foods may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating State health agency may select. Funds for this program are provided by direct appropriation.

*Supplemental Nutrition Assistance Program.*—This program seeks to improve nutritional standards of needy persons and families. Assistance is provided to eligible households to enable them to obtain a better diet by increasing their food purchasing capability, usually by furnishing benefits in the form of electronic access to funds. The program also includes Nutrition Assistance to Puerto Rico.

The program also includes the Food Distribution Program on Indian Reservations, which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Supplemental Nutrition Assistance Program.

*Commodity Assistance Program [CAP].*—This program provides funding for the Commodity Supplemental Food Program [CSFP], the Farmers' Market Nutrition Program, Disaster Assistance, Pacific Island Assistance, and administrative expenses for TEFAP.

CSFP provides supplemental foods to infants and children up to age 6, and to pregnant, postpartum, and breast-feeding women with low incomes, and who reside in approved project areas. In addition, this program operates commodity distribution projects directed at low-income elderly persons.

TEFAP provides commodities and grant funds to State agencies to assist in the cost of storage and distribution of donated commodities.

Nutritious agricultural commodities are provided to residents of the Federated States of Micronesia and the Marshall Islands. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. It also provides funding for use in non-presidentially declared disasters, and for FNS' administrative costs in connection with relief for all disasters. Funds for this program are provided by direct appropriation.

*Nutrition Programs Administration.*—Most salaries and Federal operating expenses of the Food and Nutrition Service are funded from this account. Also included is the Center for Nutrition Policy and Promotion [CNPP] which oversees improvements in and revisions to the food guidance systems, and serves as the focal point for advancing and coordinating nutrition promotion and education policy to improve the health of all Americans.

CHILD NUTRITION PROGRAMS

Appropriations, 2012 .....	\$18,151,176,000
Budget estimate, 2013 .....	19,694,000,000
Committee recommendation .....	19,657,500,000

The Child Nutrition Programs, authorized by the Richard B. Russell National School Lunch Act (Public Law 79–396) and the Child Nutrition Act of 1966 (Public Law 89–642), provide Federal assistance to State agencies in the form of cash and commodities for use in preparing and serving nutritious meals to children while they are attending school, residing in service institutions, or participating in other organized activities away from home. The purpose of these programs is to help maintain the health and proper physical development of America's children. Milk is provided to children either free or at a low cost, depending on their family income level. FNS provides cash subsidies to States for administering the programs and directly administers the program in the States which choose not to do so. Grants are also made for nutritional training and surveys and for State administrative expenses. Under current law, most of these payments are made on the basis of reimbursement rates established by law and applied to lunches and breakfasts actually served by the States. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$19,657,500,000 for the Child Nutrition Programs.

The Committee's recommendation provides for the following annual rates for the child nutrition programs.

TOTAL OBLIGATIONAL AUTHORITY

[In thousands of dollars]

Child nutrition programs	2012 level	2013 budget	Committee recommendation
School Lunch Program .....	10,169,615	11,263,349	11,263,349

TOTAL OBLIGATIONAL AUTHORITY—Continued  
[In thousands of dollars]

Child nutrition programs	2012 level	2013 budget	Committee recommendation
School Breakfast Program .....	3,313,848	3,502,644	3,502,644
Child and Adult Care Food Program .....	2,831,543	2,916,755	2,916,755
Summer Food Service Program .....	401,998	440,905	440,905
Special Milk Program .....	13,240	13,323	13,323
State administrative expenses .....	279,016	289,702	289,702
Commodity procurement .....	1,075,727	1,154,480	1,154,480
Team Nutrition .....	15,016	15,004	15,004
Food safety education .....	2,510	2,575	2,575
Coordinated review .....	9,763	10,000	10,000
Computer support .....	9,525	10,746	10,746
CACFP training and technical assistance .....	3,537	7,675	7,675
Child Nutrition Program Studies and Evaluations .....	19,000	19,323	19,323
Healthier U.S. School Challenge .....	1,500	1,500	1,500
Farm to school tactical team .....	2,000	2,083	2,083
Payment Accuracy .....	2,338	6,436	6,436
School breakfast expansion grants .....	1,000	.....	1,000
School Meals Equipment Grants .....	.....	35,000	.....
Hunger Free Communities Grants .....	.....	2,500	.....

The Committee expects FNS to utilize the National Food Service Management Institute to carry out the food safety education program.

*Income Determinations.*—The Committee is concerned that eligibility determinations for the National School Lunch Program and the School Breakfast Program includes the value of the Basic Allowance for Housing received by members of the military living off base in privately owned property. However, the value of on-base housing and stipends received by servicemembers living in housing owned by the military and operated by contractors is not. Some military families view this practice as unfair. The Committee requests a report on the number of military families that are ineligible for these programs because of income determinations that include the Basic Allowance for Housing.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS,  
AND CHILDREN [WIC]

Appropriations, 2012 .....	\$6,618,497,000
Budget estimate, 2013 .....	7,041,000,000
Committee recommendation .....	7,041,000,000

The special supplemental nutrition program for women, infants, and children [WIC] is authorized by section 17 of the Child Nutrition Act of 1966. Its purpose is to safeguard the health of pregnant, breast-feeding and postpartum women and infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income.

The WIC program food packages are designed to provide foods which studies have demonstrated are lacking in the diets of the WIC program target population. The authorized supplemental foods are iron-fortified breakfast cereal, fruit or vegetable juice which contains vitamin C, dry beans, peas, and peanut butter.

There are three general types of delivery systems for WIC foods: (1) retail purchase in which participants obtain supplemental foods through retail stores; (2) home delivery systems in which food is

delivered to the participant's home; and (3) direct distribution systems in which participants pick up food from a distribution outlet. The food is free of charge to all participants.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$7,041,000,000 for the Special Supplemental Food Program for Women, Infants, and Children [WIC].

The Committee recommendation fully funds estimated WIC participation in fiscal year 2013. The Committee recommendation includes \$60,000,000 for breastfeeding support initiatives, \$14,000,000 for infrastructure, and \$30,000,000 for management information systems.

#### SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

[In thousands of dollars]

	Expenses	Amount in reserve	Puerto Rico and American Samoa	TEFAP commodity purchases	Total
Appropriations, 2012 .....	75,298,637	3,000,000	1,842,835	260,250	80,401,722
Budget estimate, 2013 .....	74,818,893	5,000,000	1,906,900	269,500	81,995,293
Committee recommendation .....	74,817,395	3,000,000	1,906,900	269,500	79,993,795

The Food Stamp Program was reauthorized through fiscal year 2012 and renamed the Supplemental Nutrition Assistance Program [SNAP] in the Food, Conservation, and Energy Act of 2008. The Supplemental Nutrition Assistance Program attempts to alleviate hunger and malnutrition among low-income persons by increasing their food purchasing power. Eligible households receive SNAP benefits with which they can purchase food through regular retail stores.

Other programs funded through SNAP include Nutrition Assistance to Puerto Rico and American Samoa, the Food Distribution Program on Indian Reservations, the Emergency Food Assistance Program, and the Community Food Projects program.

The Supplemental Nutrition Assistance Program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food benefits, the value of which is determined by household size and income. The cost of the benefits is paid by the Federal Government. As required by law, the Food and Nutrition Service annually revises household benefit allotments to reflect changes in the cost of the thrifty food plan.

*Administrative Costs.*—All direct and indirect administrative costs incurred for certification of households, issuance of benefits, quality control, outreach, and fair hearing efforts are shared by the Federal Government and the States on a 50–50 basis.

*State Antifraud Activities.*—Under the provisions of the Food and Nutrition Act of 2008, States are eligible to be reimbursed for 50 percent of the costs of their fraud investigations and prosecutions.

States are required to implement an employment and training program for the purpose of assisting members of households participating in SNAP in gaining skills, training, or experience that will increase their ability to obtain regular employment. The De-

partment of Agriculture has implemented a grant program to States to assist them in providing employment and training services.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$79,993,795,000 for the Supplemental Nutrition Assistance Program. Of the amount recommended, \$3,000,000,000 is made available as a contingency reserve.

*Food Distribution Program on Indian Reservations.*—The Committee encourages the Secretary to continue the purchase of bison from producer-owned and Native American owned cooperatives for the Food Distribution Program on Indian Reservations. Although funding is not provided specifically for bison purchase, historically these purchases have been important for the Native American population both economically and nutritionally.

COMMODITY ASSISTANCE PROGRAM

Appropriations, 2012 .....	\$242,336,000
Budget estimate, 2013 .....	253,952,000
Committee recommendation .....	253,952,000

The Commodity Assistance Program includes funding for the Commodity Supplemental Food Program and funding to pay expenses associated with the storage and distribution of commodities through The Emergency Food Assistance Program.

*The Commodity Supplemental Food Program [CSFP].*—Authorized by section 4(a) of the Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note), as amended in 1981 by Public Law 97–98, this program provides supplemental food to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women who have low incomes, and reside in approved project areas. In addition, the program operates commodity distribution projects directed at low-income elderly persons 60 years of age or older.

The foods for CSFP are provided by the Department of Agriculture for distribution through State agencies. The authorized commodities include: iron-fortified infant formula, rice cereal, cheese, canned juice, evaporated milk and/or nonfat dry milk, canned vegetables or fruits, canned meat or poultry, egg mix, dehydrated potatoes, farina, and peanut butter and dry beans. Elderly participants may receive all commodities except iron-fortified infant formula and rice cereal.

*The Emergency Food Assistance Program [TEFAP].*—Authorized by the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.), as amended, the program provides nutrition assistance to low-income people through prepared meals served on site and through the distribution of commodities to low-income households for home consumption. The commodities are provided by USDA to State agencies for distribution through State-established networks. State agencies make the commodities available to local organizations, such as soup kitchens, food pantries, food banks, and community action agencies, for their use in providing nutrition assistance to those in need.

Funds are administered by FNS through grants to State agencies which operate commodity distribution programs. Allocation of the funds to States is based on a formula which considers the States' unemployment rate and the number of persons with income below the poverty level.

*Pacific Island and Disaster Assistance.*—This program provides funding for assistance to the nuclear-affected islands in the form of commodities and administrative funds. It also provides funding for use in non-presidentially declared disasters and for FNS' administrative costs in connection with relief for all disasters.

*Farmers' Market Nutrition Program.*—The Farmers' Market Nutrition Program [FMNP] provides WIC or WIC-eligible participants with coupons to purchase fresh, nutritious, unprepared foods, such as fruits and vegetables, from farmers' markets. This benefits both participants and local farmers by increasing the awareness and use of farmers' markets by low-income households.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$253,952,000 for the Commodity Assistance Program. The Committee continues to encourage the Department to distribute Commodity Assistance Program funds equitably among the States, based on an assessment of the needs and priorities of each State and the State's preference to receive commodity allocations through each of the programs funded under this account.

*Commodity Supplemental Food Program.*—The Committee recommends \$186,935,000 for the Commodity Supplemental Food Program. This amount fully funds participation in fiscal year 2013.

*Farmers' Market Nutrition Program.*—The Committee is aware that the Farmers' Market Nutrition Program provides fresh fruits and vegetables to low-income mothers and children, benefiting not only WIC participants, but local farmers as well. Therefore, the Committee recommends \$16,548,000 for the Farmers' Market Nutrition Program and directs the Secretary to obligate these funds within 45 days.

*The Emergency Food Assistance Program.*—The Food, Conservation, and Energy Act of 2008 provides \$269,500,000 for TEFAP commodities to be purchased with Supplemental Nutrition Assistance Program funds. The Committee recommendation includes \$49,401,000 for TEFAP transportation and storage. In addition, the Committee recommendation grants the Secretary authority to transfer up to an additional 10 percent from TEFAP commodities for this purpose.

The Committee encourages the Secretary to identify opportunities for increasing the supply of TEFAP commodities in the coming fiscal year through bonus and specialty crop purchases.

NUTRITION PROGRAMS ADMINISTRATION

Appropriations, 2012 .....	\$138,500,000
Budget estimate, 2013 .....	143,505,000
Committee recommendation .....	143,505,000

The Nutrition Programs Administration appropriation provides for most of the Federal operating expenses of the Food and Nutri-

tion Service, which includes the Child Nutrition Programs; Special Milk Program; Special Supplemental Nutrition Program for Women, Infants, and Children [WIC]; Supplemental Nutrition Assistance Program; Nutrition Assistance for Puerto Rico; the Commodity Assistance Program, including the Commodity Supplemental Food Program and the Emergency Food Assistance Program; and Farmers' Market Nutrition Program and Pacific Island and Disaster Assistance.

The major objective of Nutrition Programs Administration is to efficiently and effectively carry out the nutrition assistance programs mandated by law. This is to be accomplished by the following: (1) giving clear and consistent guidance and supervision to State agencies and other cooperators; (2) assisting the States and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing the progress being made toward achieving program objectives; and (4) carrying out regular staff support functions.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$143,505,000 for Nutrition Programs Administration.

TITLE V  
FOREIGN ASSISTANCE AND RELATED PROGRAMS  
FOREIGN AGRICULTURAL SERVICE  
SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriations	Transfers from loan accounts	Total
Appropriations, 2012 .....	176,347	6,465	182,812
Budget estimate, 2013 .....	176,789	6,452	183,241
Committee recommendation .....	176,789	6,452	183,241

The Foreign Agricultural Service [FAS] was established March 10, 1953, by Secretary's Memorandum No. 1320, supplement 1. Public Law 83-690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service.

The mission of FAS overseas is to represent U.S. agricultural interests, to promote export of domestic farm products, improve world trade conditions, and report on agricultural production and trade in foreign countries. FAS staff are stationed at 98 offices around the world where they provide expertise in agricultural economics and marketing, as well as provide attaché services.

FAS carries out several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade. The Export Enhancement Program uses CCC-owned commodities as export bonuses to provide export enhancements to U.S. producers. The Market Access Program [MAP] conducts both generic and brand-identified promotional programs in conjunction with nonprofit agricultural associations and private firms financed through reimbursable CCC payments.

The General Sales Manager was established pursuant to section 5(f) of the charter of the Commodity Credit Corporation and 15 U.S.C. 714-714p. The funds allocated to the General Sales Manager are used for conducting the following programs: (1) CCC Export Credit Guarantee Program (GSM-102), including facilities financing guarantees; (2) Food for Peace; (3) section 416b Overseas Donations Program; (4) Market Access Program; and (5) programs authorized by the Commodity Credit Corporation Charter Act including barter, export sales of most CCC-owned commodities, export payments, and other programs as assigned to encourage and enhance the export of U.S. agricultural commodities.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$183,241,000 for the Foreign Agricultural Service, including a direct appropriation of \$176,789,000.

While the Committee has a history of supporting USDA reconstruction and stabilization activities, the Committee expects appropriated funds to be used for established FAS trade promotion, trade policy, trade capacity building, and food security efforts. The Committee does not provide the budget request of \$5,550,000 for reconstruction and stabilization activities.

*Borlaug Fellows Program.*—The Committee recommendation includes \$1,000,000 for the Borlaug International Agricultural Science and Technology Fellows Program. This program provides training for international scientists and policymakers from selected developing countries. The fellows work closely with U.S. specialists in their fields of expertise and apply that knowledge in their home countries. The Committee recognizes the importance of this program in helping developing countries strengthen their agricultural practices and food security.

*Cochran Fellowship Program.*—The Committee recommendation includes \$5,000,000 for the Cochran Fellowship Program. The Committee encourages the Secretary to continue to provide additional support for the program through the Commodity Credit Corporation Emerging Markets Program.

*Foreign Market Development Cooperator Program.*—Subject to authorization, the Committee expects the FAS to fund the Foreign Market Development Cooperator Program.

*Market Access Program.*—Subject to authorization, the Committee continues the full mandatory funding for the Market Access Program and expects the Department to administer the program as authorized in 7 U.S.C. 5623, without changing the eligibility requirements for participation of cooperative organizations, small businesses, trade associations, and other entities.

FOOD FOR PEACE TITLE I DIRECT CREDIT AND FOOD FOR PROGRESS PROGRAM ACCOUNT

Appropriations, 2012 .....	\$2,500,000
Budget estimate, 2013 .....	2,806,000
Committee recommendation .....	2,806,000

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$2,806,000 for administrative expenses to continue servicing existing Food for Peace title I agreements.

FOOD FOR PEACE TITLE II GRANTS

Appropriations, 2012 .....	\$1,466,000,000
Budget estimate, 2013 .....	1,400,000,000
Committee recommendation .....	1,466,000,000

The Committee recognizes the important mission of the Food for Peace Program to combat hunger and malnutrition; promote broad-based equitable and sustainable development; expand international trade; develop and expand export markets for U.S. agricultural commodities; and to foster and encourage the development of private enterprise and democratic participation in developing countries. The Committee strongly supports the continued efficient operation of this important program.

*Commodities Supplied in Connection With Dispositions Abroad (Title II) (7 U.S.C. 1721–1726).*—Commodities are supplied without cost through foreign governments to combat malnutrition and to meet famine and other emergency requirements. Commodities are also supplied for nonemergencies through public and private agencies, including intergovernmental organizations. The Commodity Credit Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs in emergency situations. The funds appropriated for title II are made available to private voluntary organizations and cooperatives to assist these organizations in meeting administrative and related costs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,466,000,000 for Food for Peace title II grants.

MC GOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM GRANTS

Appropriations, 2012 .....	\$184,000,000
Budget estimate, 2013 .....	184,000,000
Committee recommendation .....	184,000,000

The McGovern-Dole International Food for Education and Child Nutrition Program helps support education, child development, and food security for some of the world's poorest children. The program provides for donations of U.S. agricultural products, as well as financial and technical assistance, for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education. Commodities made available for donation through agreements with private voluntary organizations, cooperatives, intergovernmental organizations, and foreign governments may be donated for direct feeding or for local sale to generate proceeds to support school feeding and nutrition projects.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$184,000,000 for the McGovern-Dole International Food for Education and Child Nutrition Program.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT  
(EXPORT CREDIT PROGRAMS AND GSM–102)

[In thousands of dollars]

	Guaranteed loan levels <sup>1</sup>	Administrative expenses
Appropriations, 2012 .....	5,500,000	6,820
Budget estimate, 2013 .....	5,500,000	6,806
Committee recommendation .....	5,500,000	6,806

<sup>1</sup> No appropriation required since export credit authorizations are permanent authority.

In 1980, the Commodity Credit Corporation [CCC] instituted the Export Credit Guarantee Program (GSM–102) under its charter authority. With this program, CCC guarantees, for a fee, payments due U.S. exporters under deferred payment sales contracts (up to

36 months) for defaults due to commercial as well as noncommercial risks. The risk to CCC extends from the date of export to the end of the deferred payment period covered in the export sales contract and covers only that portion of the payments agreed to in the assurance agreement. Operation of this program is based on criteria which will assure that it is used only where it is determined that it will develop new market opportunities and maintain and expand existing world markets for U.S. agricultural commodities. The program encourages U.S. financial institutions to provide financing to those areas where the institutions would be unwilling to provide financing in the absence of the CCC guarantees. CCC also provides facilities financing guarantees.

The Federal Credit Reform Act of 1990 establishes the program account. The subsidy costs of the CCC export guarantee programs are exempt from the requirement of advance appropriations of budget authority according to section 504(c)(2) of the Federal Credit Reform Act of 1990, Public Law 101-508. Appropriations to this account will be used for administrative expenses.

TITLE VI  
RELATED AGENCIES AND FOOD AND DRUG  
ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
FOOD AND DRUG ADMINISTRATION

The Food and Drug Administration [FDA] is a scientific regulatory agency whose mission is to promote and protect the public health and safety of Americans. FDA's work is a blend of science and law. The Food and Drug Administration Amendments Act of 2007 [FDAAA] (Public Law 110–85) reaffirmed the responsibilities of the FDA: to ensure safe and effective products reach the market to a timely way, and to monitor products for continued safety after they are in use. In addition, FDA is entrusted with two critical functions in the Nation's war on terrorism: preventing willful contamination of all regulated products, including food, and improving the availability of medications to prevent or treat injuries caused by biological, chemical, radiological, or nuclear agents.

The FDA Foods program has the primary responsibility for assuring that the food supply, quality of foods, food ingredients and dietary supplements are safe, sanitary, nutritious, wholesome, and honestly labeled, and that cosmetic products are safe and properly labeled. The variety and complexity of the food supply has grown dramatically while new and more complex safety issues, such as emerging microbial pathogens, natural toxins, and technological innovations in production and processing, have developed. This program plays a major role in keeping the United States food supply among the safest in the world.

In January 2011, the Food Safety Modernization Act was signed into law. This law enables FDA to better protect public health by strengthening the food safety system. It enables FDA to focus more on preventing food safety problems rather than relying primarily on reacting to problems after they occur. The law also provides FDA with new enforcement authorities designed to achieve higher rates of compliance with prevention- and risk-based food safety standards and to better respond to and contain problems when they do occur. The law also gives FDA important new tools to hold imported foods to the same standards as domestic foods and directs FDA to build an integrated national food safety system in partnership with State and local authorities.

The FDA Drugs programs are comprised of four separate areas, Human Drugs, Animal Drugs, Medical Devices and Biologics. FDA is responsible for the lifecycle of products, including premarket review and postmarket surveillance of human and animal drugs, medical devices and biological products to ensure their safety and effectiveness. FDA is responsible for the lifecycle of the product, in-

cluding premarket review and postmarket surveillance of human, animal and biological products to ensure their safety and efficacy. For Human Drugs this includes assuring that all drug products used for the prevention, diagnosis and treatment of disease are safe and effective. Additional procedures include the review of investigational new drug applications; evaluation of market applications for new and generic drugs, labeling and composition of prescription and over-the-counter drugs; monitoring the quality and safety of products manufactured in, or imported into, the United States; and, regulating the advertising and promotion of prescription drugs. The Animal Drugs and Feeds Program ensures only safe and beneficial veterinary drugs, intended for the treatment and/or prevention of diseases in animals and the improved production of food-producing animals, are approved for marketing.

The FDA Biologics program assures that blood and blood products, blood test kits, vaccines, and therapeutics are pure, potent, safe, effective, and properly labeled. The program inspects blood banks and blood processors, licenses and inspects firms collecting human source plasma, evaluates and licenses biologics manufacturing firms and products; lot releases licensed products; and monitors adverse events associated with vaccine immunization, blood products, and other biologics.

The FDA Devices and Radiological program ensures the safety and effectiveness of medical devices and eliminates unnecessary human exposure to manmade radiation from medical, occupational, and consumer products. In addition, the program enforces quality standards under the Mammography Quality Standards Act (Public Law 108–365). Medical devices include thousands of products from thermometers and contact lenses to heart pacemakers, hearing aids, and MRIs. Radiological products include items such as microwave ovens and video display terminals.

FDA's National Center for Toxicological Research in Jefferson, Arkansas, serves as a specialized resource, conducting peer-review scientific research that provides the basis for FDA to make sound science-based regulatory decisions through its premarket review and postmarket surveillance. The research is designed to define and understand the biological mechanisms of action underlying the toxicity of products and lead to developing methods to improve assessment of human exposure, susceptibility and risk of those products regulated by FDA.

In 2009, Congress granted FDA new authority to regulate the manufacture, distribution, and marketing of tobacco products. FDA exercises this responsibility by protecting the public health from the health effects of tobacco, setting scientific standards and standards for tobacco product review, conducting compliance activities to enforce its authority over tobacco, and conducting public education and outreach about the health effects of tobacco products.

## SALARIES AND EXPENSES

(In thousands of dollars)

	Appropriation	User fees	Total
Appropriations, 2012 .....	2,497,021	1,393,366	3,890,387
Budget estimate, 2013 .....	2,511,991	1,969,057	4,481,048
Committee recommendation .....	2,524,491	1,385,690	3,910,181

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$2,524,491,000 for FDA salaries and expenses. The Committee also recommends \$712,808,000 in Prescription Drug User Fee Act user fee collections; \$69,700,000 in Medical Device User Fee and Modernization Act user fee collections; \$30,530,000 in Animal Drug User Fee Act user fee collections; \$7,595,000 in Animal Generic Drug User Fee Act user fee collections; \$505,000,000 in Tobacco Product user fee collections; \$15,367,000 for food reinspection user fee collections; \$12,925,000 for recall user fee collections; \$19,318,000 in Mammography Quality Standards Act fee collections; and \$12,447,000 in export and certification fees, as assumed in the President's budget. The Committee recommendation includes bill language which prohibits FDA from developing, establishing, or operating any program of user fees authorized by 31 U.S.C. 9701.

The Committee notes that PDUFA and MDUFMA user fees need to be reauthorized for fiscal year 2013. PDUFA and MDUFMA legislation is currently being negotiated by the appropriate authorizing committees. The Committee recommendation includes amounts that represent the current budget request for these fees. In addition, the Committee notes that FDA has reached agreement with industry on generic drug and biosimilar user fees. These programs are also being negotiated by the appropriate authorizing committees. The Committee recommendation does not include amounts for these programs as they are not currently authorized for fiscal year 2012. The Committee will follow the reauthorization of PDUFA and MDUFMA and the authorization of generic drug and biosimilar fees and adjust the fee collection amounts if necessary.

The Committee recommendation does not include proposed user fees for food establishment registration, food contact notification, medical product re-inspection, cosmetics, and international courier imports. None of these user fee proposals have been authorized by Congress. The Committee will continue to monitor any action by the Congress regarding these proposed user fees.

The following table reflects the Committee's recommendations, as compared to the fiscal year 2012 and budget request levels:

## FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES

(In thousands of dollars)

	Fiscal year—		Committee recommendation
	2012 enacted	2013 request	
Centers and related field activities:			
Foods .....	866,061	855,239	867,039

## FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES—Continued

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2012 enacted	2013 request	
Center for Food Safety and Applied Nutrition [CFSAN] .....	264,296	261,189	272,289
Field Activities .....	601,765	594,050	594,750
Human Drugs .....	477,810	472,683	472,683
Center for Drug Evaluation and Research [CDER] .....	347,817	344,500	344,500
Field Activities .....	129,993	128,183	128,183
Biologics .....	212,224	209,826	209,826
Center for Biologics Evaluation and Research [CBER] .....	171,711	169,881	169,881
Field Activities .....	40,513	39,945	39,945
Animal Drugs .....	138,021	136,175	136,875
Center for Veterinary Medicine [CVM] .....	84,699	83,582	84,282
Field Activities .....	53,322	52,593	52,593
Medical and radiological devices .....	322,672	319,127	319,127
Center for Devices and Radiological Health [CDRH] .....	241,475	239,072	239,072
Field Activities .....	81,197	80,055	80,055
National Center for Toxicological Research [NCTR] .....	60,039	59,232	59,232
Other Activities .....	153,704	163,030	163,030
Rent and related activities .....	105,984	127,305	127,305
Rental payments to GSA .....	160,506	169,374	169,374
Total, FDA salaries and expenses, new budget authority .....	2,497,021	2,511,991	2,524,491

The Committee recommendation includes the following increases: \$12,500,000 for implementation of the Food Safety Modernization Act, \$21,166,000 for necessary expenses, mandatory rental payments, and facilities, \$3,510,000 for advancing medical countermeasures, and \$10,000,000 for safety inspections in China. The Committee also accepts FDA's proposed reduction of \$19,706,000 due to information technology savings.

The Committee expects FDA to continue all projects, activities, laboratories, and programs as included in the fiscal year 2013 budget request, unless otherwise specified.

*Agency Collaboration.*—The Committee is pleased to learn that the Food and Drug Administration and Centers for Medicare & Medicaid Services have established a pilot program for concurrent review of certain FDA premarket review submissions for medical device, including diagnostics. This pilot program is voluntary on the part of the applicant. Parallel review may facilitate the development of innovative products and encourage investment. The Committee applauds the effort of both agencies.

*Antimicrobial Drugs.*—The Committee is encouraged by the finalization of FDA Guidance for Industry 209, which calls for the voluntary elimination of growth promoting uses of medically important antibiotics and increased veterinary oversight of these drugs.

However, the Committee believes that FDA should continue to make progress to implement the recommendations outlined in the finalized Guidance for Industry 209. The Committee understands that the FDA has issued a companion draft guidance, Guidance for Industry 213, that provides further details on the strategy for implementing the changes recommended in guidance 209. Because of the importance of this issue to human and animal health, the Committee will continue to monitor FDA's efforts to finalize and implement the plan outlined in draft Guidance for Industry 213. The Commissioner is directed to provide a report regarding compliance with the final guidance and further details about how the FDA intends to meet its public health responsibilities. This report shall be due within 120 days of the completion issuance of the agency's final guidance for industry.

*Artificial Pancreas.*—The Committee is encouraged by the Food and Drug Administration's draft guidance for accelerating the development and availability of artificial pancreas technologies which have the potential to be an important tool for patients with type 1 diabetes to achieve better glycemic control, increasing their quality of life and overall health. The FDA's actions will allow these systems to be further developed, tested in outpatient pivotal trials, and eventually approved for people with type 1 diabetes. The Committee encourages the FDA to finalize the draft guidance and continue its interactions with researchers, clinicians, policymakers, and patient advocates to advance the development of artificial pancreas systems for people with type 1 diabetes.

*Budget Justification.*—The Committee directs FDA to submit the fiscal year 2014 budget request in a format that follows the same account structure as the fiscal year 2013 budget request unless otherwise approved by the Committee.

*Camelina.*—The Committee recognizes the importance of developing markets for biofuel feedstock byproducts in building advanced biofuel supply chains. In particular, the Committee notes that multiple departments of government are currently engaged in advancing biofuel produced from Camelina. The FDA is directed to report to the Committee within 90 days after enactment of this Act on all previous petitions that have been approved at lower ratios than requested, what regulatory barriers, if any, remain preventing a finding of "Generally Recognized as Safe" status for camelina, and how those barriers can best be overcome under current law and with the resources available to FDA.

*Critical Path Initiative.*—The Committee expects FDA to continue its work on critical path, regulatory science and innovate opportunities, and to promote collaborations with other government agencies, academia, patient groups and other interested parties, including existing partnerships with academic institutions.

*Dietary Supplements.*—The Committee is aware that U.S. consumers widely use plant-derived dietary supplements, and that FDA inspects manufacturers and distributors that are responsible for ensuring that such products are not adulterated or contaminated, and do not cause harm to the consumer. The Committee believes that methods and standards are needed to verify source plants and ingredients and to detect toxic contaminants. The Committee encourages FDA to develop guidance for industry on such

methods and standards, which would enhance FDA's ability to inspect and assess industry practices for manufacturing botanical dietary supplements.

*Drug Shortages.*—The Committee is concerned with the significant number of drug shortages occurring in the United States and the impact it is having on patient access to needed life-saving treatments. By Executive order, the President has instructed FDA to broaden its reporting of potential shortages and speed reviews of applications to begin or alter production of drugs in short supply. As part of this enhanced activity, the Committee encourages FDA to increase its communication with medical practitioners through specialty-specific list serves and other means of targeted communications to provide information on potential shortages, the anticipated length of time of the shortage and options for obtaining therapies while they are in short supply.

*Ethanol.*—The Committee directs the Food and Drug Administration to conduct periodic surveillance sampling of antibiotic use in ethanol production. The Food and Drug Administration should make public information about the results of its surveillance sampling.

*Food Safety Information Sharing.*—The Committee urges the Secretary of Agriculture and the Secretary of Health and Human Services to enter into a memorandum of understanding between the relevant agencies within the Department of Health and Human Services, including the Food and Drug Administration and the Centers for Disease Control and Prevention, and the relevant agencies within the Department of Agriculture, including the Food Safety and Inspection Service, the Agricultural Research Service, and the Animal and Plant Health Inspection Service, to ensure the timely and efficient sharing of all information collected by such agencies related to foodborne pathogens, contaminants and illnesses.

*Honey.*—The Committee recognizes that honey is produced in the United States, traded internationally and consumed as both a packaged food and as a food ingredient. However, there have been instances where manufacturers have been impermissibly marketing products as “honey” or “pure honey” that contained other ingredients. The Committee believes that guidance about the composition and labeling of honey is needed to protect consumers from misbranded and adulterated honey and honey-derived products that are currently entering the U.S. market. The Committee directs FDA to issue guidance to remind manufacturers of honey about the misbranding and adulteration provisions in law, about the proper labeling of honey, and other guidance that reinforces the FDA's existing labeling regulations.

*Information Technology.*—The Committee notes with concern that the Government Accountability Office [GAO] recently found that FDA does not have a comprehensive list of its information technology [IT] systems, and as a result, the agency cannot ensure that it is investing in the mix of projects that will best support its mission or that it is managing them appropriately. Given that FDA currently spends approximately ten percent of its overall funding on IT systems, the Committee insists that FDA address GAO's findings and determine the most efficient use of its IT resources. In addition, the Committee directs FDA to develop a comprehen-

sive IT investment plan. Within 60 days of the enactment of this Act, the Committee directs FDA to provide a report on the agency's IT systems. The report shall include a complete inventory of systems, a description of each system's purpose, annual cost for each system and the source of funding, and status of each system including whether it is in the process of being upgraded.

*Nanotechnology.*—The Committee recognizes that FDA is developing the facilities and expertise to study nanotechnology within FDA's Jefferson Laboratory Campus, including the National Center for Toxicological Research, and its consolidated headquarters at White Oak, Maryland. The Committee supports FDA in its mission to expand upon current research in nanotechnology and supports the development of a Nanotechnology Core Center to meet this mission. The Committee believes a Nanotechnology Core Center should be designed to support nanotechnology toxicity studies, develop analytical tools to quantify nanomaterials in complex matrices, and develop procedures for characterizing nanomaterials in FDA-regulated products.

*Office of Cosmetics and Colors [OCAC].*—The Committee provides not less than \$11,700,000 for cosmetics activities, including not less than \$7,200,000 for the Office of Colors and Cosmetics. Funding provided for OCAC is for direct support of the operation, staffing, compliance, research and international activities performed by this office.

*Pediatric Devices.*—The Committee is pleased that the five FDA-funded Pediatric Device Consortia have assisted in advancing the development of 135 proposed pediatric medical devices, as well as promoted job growth in the healthcare sector, and as such, continues to support this critical effort. However, the Committee remains concerned that children's medical devices can lag 5 to 10 years behind those manufactured for adults and directs FDA to maintain funding at the current level.

*Seafood Advisory.*—The Committee is highly concerned that over a year has passed since USDA published its dietary guidelines and more than 6 months have passed since the publication of this Committee's fiscal year 2012 report directing FDA to commence reconsideration of its 2004 seafood advisory, and yet FDA has not published its draft revision of the advisory. Given data demonstrating that women of childbearing years, pregnant women, and mothers with young children are eating too little seafood for their health and the health of their babies, and the role the language of FDA's 2004 advisory may play in discouraging healthy consumption of seafood, the Committee expected a more urgent response by FDA. Therefore, the Committee directs FDA to issue final seafood advisory consistent with USDA's dietary guidelines by December 31, 2012.

*Tanning Bed Labeling.*—The Committee is aware of the FDA report to Congress as required by section 230 of Public Law 110–85, which determined that certain modifications to the labeling requirements for sunlamp products may communicate the risks of indoor tanning more effectively and stated that the agency was considering changes to the performance requirements of the sunlamp performance standard. The Committee encourages the agency to

update the labeling and performance requirements for sunlamp products within 180 days of enactment of this act.

*Tobacco.*—The Committee recognizes FDA has declared its intent to issue a proposed rule clarifying the agency’s jurisdiction over tobacco products. The Committee strongly encourages the agency to issue this proposed rule and promulgate regulations as necessary. The Committee instructs the agency to consider, among other things, the issue of cigars with characterizing flavors, particularly as it applies to the marketing and sale of these products to children.

*Tissue Reference Group.*—To improve transparency, the committee urges the FDA to update FDA’s procedures for the work of the Tissue Reference Group [TRG] to include specifying the format and content of submissions, projected timelines for review of inquiries, and procedures for sponsors to meet with FDA, and the process by which FDA communicates regularly with the sponsor regarding the submission. The committee further recommends that FDA conduct stakeholder meetings and use other means to make publicly available the scientific rationale for its recommendations regarding human cell, tissue, and cellular and tissue-based product jurisdiction and classification while protecting proprietary information. The committee directs the FDA to update on a biannual basis the TRG report summary the agency posts on its Web site, with the first update due within 90 days of enactment of the fiscal year 2013 appropriation.

BUILDINGS AND FACILITIES

Appropriations, 2012 .....	\$8,788,000
Budget estimate, 2013 .....	5,320,000
Committee recommendation .....	5,320,000

FDA maintains offices and staff in 49 States and in the District of Columbia and Puerto Rico, including field laboratories and specialized facilities, as well as the National Center for Toxicological Research complex. Repairs, modifications, improvements, and construction to FDA headquarters and field facilities must be made to preserve the properties, ensure employee safety, meet changing program requirements, and permit the agency to keep its laboratory methods up to date.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$5,320,000 for FDA buildings and facilities. This funding shall be used to upgrade FDA facilities and laboratories which are currently below public safety standards and incapable of performing agency requirements.

INDEPENDENT AGENCY

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2012 .....	\$61,000,000
Budget estimate, 2013 .....	63,300,000
Committee recommendation .....	63,300,000

The Farm Credit Administration [FCA] is the independent agency in the executive branch of the Government responsible for the examination and regulation of the banks, associations, and other institutions of the Farm Credit System.

Activities of the Farm Credit Administration include the planning and execution of examinations of Farm Credit System institutions and the preparation of examination reports. FCA also establishes standards, enforces rules and regulations, and approves certain actions of the institutions.

The administration and the institutions under its jurisdiction now operate under authorities contained in the Farm Credit Act of 1971, Public Law 92-181, effective December 10, 1971. Public Law 99-205, effective December 23, 1985, restructured FCA and gave the agency regulatory authorities and enforcement powers.

The act provides for the farmer-owned cooperative system to make sound, adequate, and constructive credit available to farmers and ranchers and their cooperatives, rural residences, and associations and other entities upon which farming operations are dependent, and to modernize existing farm credit law to meet current and future rural credit needs.

The Agricultural Credit Act of 1987 authorized the formation of the Federal Agricultural Mortgage Corporation [FAMC] to operate a secondary market for agricultural and rural housing mortgages. The Farm Credit Administration, under section 8.11 of the Farm Credit Act of 1971, as amended, is assigned the responsibility of regulating this entity and assuring its safe and sound operation.

Expenses of the Farm Credit Administration are paid by assessments collected from the Farm Credit System institutions and by assessments to the Federal Agricultural Mortgage Corporation.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$63,300,000 on administrative expenses of the Farm Credit Administration.

## TITLE VII

### GENERAL PROVISIONS

The Committee recommends the following provisions:

Section 701. This section makes funds available for the purchase, replacement, and hire of passenger motor vehicles.

Section 702. This section gives the Secretary of Agriculture authority to transfer unobligated balances to the Working Capital Fund and clarifies longstanding practices associated with the Fund.

Section 703. This section limits the funding provided in the bill to 1 year, unless otherwise specified.

Section 704. This section limits negotiated indirect costs on cooperative agreements between the Department of Agriculture and nonprofit organizations to 10 percent.

Section 705. This section makes appropriations to the Department of Agriculture for the cost of direct guaranteed loans available until expended to disburse obligations for certain Rural Development programs.

Section 706. This section prohibits the use of funds to establish an inspection panel at the Department of Agriculture.

Section 707. This section prohibits the purchase of new information technology equipment in excess of \$25,000 without the prior approval of the Chief Information Officer.

Section 708. This section makes funds for certain conservation programs available until expended to disburse certain obligations made in the current fiscal year.

Section 709. This section makes certain former Rural Utilities Service borrowers eligible for the Rural Economic Development loan and grant program.

Section 710. This section modifies matching requirements for certain research grants.

Section 711. This section provides funds for Rural Development and the Farm Service Agency information technology expenses.

Section 712. This section includes language regarding reconstituted infant formula.

Section 713. This section includes language regarding first-class travel.

Section 714. This section includes language regarding the Commodity Credit Corporation.

Section 715. This section includes language regarding humanitarian food assistance.

Section 716. This section limits the amount of funding available to reimburse the Commodity Credit Corporation for the release of commodities under the Bill Emerson Humanitarian Trust.

Section 717. This section makes funds available for the expenses and activities of certain advisory committees, panels, commissions, and task forces at the Department of Agriculture.

Section 718. This section includes language regarding the limitation on direct costs for grants awarded by the National Institute of Food and Agriculture.

Section 719. This section provides funding for the Geographically Disadvantaged Farmers Program as authorized in the Food, Conservation, and Energy Act of 2008.

Section 720. This section includes language regarding strategic rural development planning.

Section 721. This section includes language regarding the availability of funds for certain Department of Agriculture programs.

Section 722. This section provides funding to carry out a program for hardwood trees.

Section 723. This section prohibits the use of funds for user fee proposals that fail to provide sufficient budget impact information.

Section 724. This section prohibits the reprogramming of funds for programs, projects, or activities in excess of \$500,000 or 10 percent, whichever is less without the prior notification of the Committee on Appropriations.

Section 725. This section includes language for the establishment of a fee under the business and industry loan program.

Section 726. This section prohibits the Department of Agriculture and the Department of Health and Human Services from transmitting questions or responses as a result of the appropriations hearing process to non-Department employees.

Section 727. This section includes language regarding pre-packaged news.

Section 728. This section requires Department of Agriculture agencies to provide reimbursement to other Department of Agriculture agencies for employees detailed for longer than 30 days.

Section 729. This section includes language regarding rural housing programs.

Section 730. This section includes language prohibiting grants and loans to a corporation convicted of a felony under Federal law.

Section 731. This section includes language prohibiting grants and loans to corporations that have an unpaid Federal tax liability.

Section 732. This section includes language regarding attendance at international conferences.

Section 733. This section includes language regarding reporting of conference expenditures at the Department of Agriculture.

Section 734. This section includes language regarding reporting of conference expenditures at the Food and Drug Administration.

Section 735. This section includes language regarding grant and contract funding for conferences.

## PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2013, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) or the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119), the following information provides the definition of the term “program, project, and activity” for departments and agencies under the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee. The term “program, project, and activity” shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2013, and the accompanying Senate Report.

If a sequestration order is necessary, in implementing the Presidential order, departments and agencies shall apply any percentage reduction required for fiscal year 2013 pursuant to the provisions of Public Law 99–177 or Public Law 100–119 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 2013 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes.

For the Natural Resources Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Farm Service Agency the definition shall include individual, regional, State, district, and county offices.

## COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports accompanying general appropriations bills identify each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

The Committee is filing an original bill, which is not covered under this rule, but reports this information in the spirit of full disclosure.

The Committee recommends funding for the following programs or activities which currently lack authorization for fiscal year 2013:

- Dairy Indemnity Program
- Grassroots Source Water Protection Program
- Geographically Disadvantaged Farmers and Ranchers
- Reforestation Program

Supplemental Nutrition Assistance Program, Commodity Supplemental Food Program  
 The Emergency Food Assistance Program  
 McGovern-Dole International Food for Education Program  
 Value-added Agricultural Product Market Development Grants  
 Rural Cooperative Development Grants  
 Appropriate Technology Transfer for Rural Areas  
 Rural Energy for America Program  
 Rural Business Opportunity Grants  
 Delta Regional Authority Grants  
 Health Care Services Grant Program  
 Tribal College and University Essential Community Facilities  
 Multi-family Housing Revitalization Program  
 Distance Learning and Telemedicine  
 Access to Broadband Telecommunications Services in Rural Areas  
 Broadband Telecommunications Grants  
 Guaranteed Water and Waste Loans  
 Water and Waste Revolving Loan Fund Grants  
 Public Broadcasting System Grants

COMPLIANCE WITH PARAGRAPH 7(c), RULE XXVI OF THE  
 STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on April 26, 2012, the Committee ordered favorably reported en bloc an original bill (S. 2375) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2013, and for other purposes, and reported an original bill (S. 2465) making appropriations for energy and water development and related agencies for the fiscal year ending September 30, 2013, and for other purposes, provided, that each bill be subject to further amendment and that each bill be consistent with its spending allocations, by a recorded vote of 28–1, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Inouye	Mr. Johnson (WI)
Mr. Leahy	
Mr. Harkin	
Ms. Mikulski	
Mr. Kohl	
Mrs. Murray	
Mrs. Feinstein	
Mr. Durbin	
Mr. Johnson (SD)	
Ms. Landrieu	
Mr. Reed	
Mr. Lautenberg	
Mr. Nelson	
Mr. Pryor	
Mr. Tester	
Mr. Brown	

Mr. Cochran  
Mr. McConnell  
Mr. Shelby  
Mrs. Hutchison  
Mr. Alexander  
Ms. Collins  
Ms. Murkowski  
Mr. Graham  
Mr. Coats  
Mr. Blunt  
Mr. Moran  
Mr. Hoeven

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE  
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

The Committee bill as recommended contains no such provisions.

## BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.  
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the budget resolution for 2013: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies:				
Mandatory .....	124,580	124,580	111,791	<sup>1</sup> 111,791
Discretionary .....	20,785	20,785	23,357	<sup>1</sup> 23,356
Security .....			NA	NA
Nonsecurity .....	20,785	20,785	NA	NA
Projections of outlays associated with the recommendation:				
2013 .....				<sup>2</sup> 120,099
2014 .....				4,009
2015 .....				1,103
2016 .....				238
2017 and future years .....				150
Financial assistance to State and local governments for 2013 .....	NA	7,893	NA	6,817

<sup>1</sup> Includes outlays from prior-year budget authority.

<sup>2</sup> Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013  
[In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
<b>TITLE I—AGRICULTURAL PROGRAMS</b>					
Production, Processing, and Marketing					
Office of the Secretary .....	4,550	5,051	5,051	+ 501	.....
Office of Tribal Relations .....	448	498	498	+ 50	.....
Executive Operations:					
Office of Chief Economist .....	11,177	12,008	16,008	+ 4,831	+ 4,000
National Appeals Division .....	12,841	14,225	14,225	+ 1,384	.....
Office of Budget and Program Analysis .....	8,946	9,049	9,049	+ 103	.....
Office of Homeland Security and Emergency Coordination .....	1,321	1,496	1,496	+ 175	.....
Office of Advocacy and Outreach .....	1,209	1,422	1,422	+ 213	.....
Office of the Chief Information Officer .....	44,031	44,031	44,031	.....	.....
Office of the Chief Financial Officer .....	5,650	6,247	6,247	+ 597	.....
Subtotal, Executive Operations .....	85,175	88,478	92,478	+ 7,303	+ 4,000
Office of the Assistant Secretary for Civil Rights .....	848	893	893	+ 45	.....
Office of Civil Rights .....	21,000	22,692	22,692	+ 1,692	.....
Office of the Assistant Secretary for Administration .....	764	804	804	+ 40	.....
Agriculture buildings and facilities and rental payments .....	(230,416)	(244,057)	(241,336)	(+ 10,920)	(- 2,721)
Payments to GSA .....	164,470	175,694	175,694	+ 11,224	.....
Department of Homeland Security .....	13,800	13,473	13,473	- 327	.....
Building operations and maintenance .....	52,146	54,890	52,169	+ 23	- 2,721
Hazardous materials management .....	3,592	3,992	3,992	+ 400	.....
Departmental Administration .....	24,165	29,647	27,647	+ 3,482	- 2,000
Office of the Assistant Secretary for Congressional Relations .....	3,576	3,869	3,869	+ 293	.....
Office of Communications .....	8,065	9,006	9,006	+ 941	.....
Office of Inspector General .....	85,621	89,016	89,016	+ 3,395	.....
Office of the General Counsel .....	39,345	45,074	45,074	+ 5,729	.....
Total, Departmental Administration .....	507,565	543,077	542,356	+ 34,791	- 721

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013—Continued

[In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Office of the Under Secretary for Research, Education, and Economics	848	893	893	+45	
Economic Research Service	77,723	77,397	77,397	-326	
National Agricultural Statistics Service	158,616	179,477	179,477	+20,861	
Census of Agriculture	(41,639)	(62,500)	(62,500)	(+20,861)	
Agricultural Research Service:					
Salaries and expenses	1,094,647	1,102,565	1,101,853	+7,206	-712
National Institute of Food and Agriculture:					
Research and education activities	705,599	732,730	738,638	+33,039	+5,908
Native American Institutions Endowment Fund	(11,880)	(11,880)	(11,880)		
Extension activities	475,183	462,473	475,125	-58	+12,652
Integrated activities	21,482	43,542	24,982	+3,500	-18,560
Hispanic-Serving Agricultural Colleges and Universities Endowment Fund		(10,000)	(10,000)	(+10,000)	
Total, National Institute of Food and Agriculture	1,202,264	1,238,745	1,238,745	+36,481	
Office of the Under Secretary for Marketing and Regulatory Programs	848	893	893	+45	
Animal and Plant Health Inspection Service:					
Salaries and expenses	816,534	762,418	816,534		+54,116
Buildings and facilities	3,200	3,175	3,175	-25	
Total, Animal and Plant Health Inspection Service	819,734	765,593	819,709	-25	+54,116
Agricultural Marketing Service:					
Marketing Services	82,211	77,032	77,863	-4,348	+831
Standardization activities (user fees) NA	(66,000)	(66,000)	(66,000)		
(Limitation on administrative expenses, from fees collected)	(62,101)	(62,592)	(62,592)	(+491)	
Funds for strengthening markets, income, and supply (section 32):					
Permanent, section 32	1,080,000	1,092,000	1,092,000	+12,000	
Marketing agreements and orders (transfer from section 32)	(20,056)	(20,056)	(20,056)		

	1,198	1,331	1,331	+ 133	.....
Payments to States and possessions .....					.....
Total, Agricultural Marketing Service program .....	1,225,510	1,232,955	1,233,786	+ 8,276	+ 831
Grain Inspection, Packers and Stockyards Administration:					.....
Salaries and expenses .....	37,750	40,261	40,261	+ 2,511	.....
Limitation on inspection and weighing services .....	(49,000)	(50,000)	(50,000)	(+ 1,000)	.....
Office of the Under Secretary for Food Safety .....	770	811	811	+ 41	.....
Food Safety and Inspection Service .....	1,004,427	995,503	1,001,427	- 3,000	+ 5,924
Lab accreditation fees .....	(1,000)	(1,000)	(1,000)	.....	.....
Total, Production, Processing, and Marketing .....	6,068,601	6,115,578	6,175,016	+ 106,415	+ 59,438
Farm Assistance Programs .....					.....
Office of the Under Secretary for Farm and Foreign Agricultural Services .....	848	893	893	+ 45	.....
Farm Service Agency:					.....
Salaries and expenses .....	1,198,966	1,208,290	1,208,290	+ 9,324	.....
(Transfer from Food for Peace (Public Law 480)) .....	(2,500)	(2,806)	(2,806)	(+ 306)	.....
(Transfer from export loans) .....	(355)	(354)	(354)	(- 1)	.....
(Transfer from ACIF) .....	(289,728)	(304,977)	(304,977)	(+ 15,249)	.....
Subtotal, transfers from program accounts .....	(292,583)	(308,137)	(308,137)	(+ 15,554)	.....
Total, Salaries and expenses .....	(1,491,549)	(1,516,427)	(1,516,427)	(+ 24,878)	.....
State mediation grants .....	3,759	4,369	4,369	+ 610	.....
Grassroot source water protection program .....	3,817	6,500	6,500	+ 2,683	+ 6,500
Dairy indemnity program .....	100	100	100	.....	.....
Subtotal, Farm Service Agency .....	1,206,642	1,212,759	1,219,259	+ 12,617	+ 6,500
Agricultural Credit Insurance Fund [ACIF] Program Account:					.....
Loan authorizations:					.....
Farm ownership loans:					.....
Direct .....	(475,000)	(475,000)	(475,000)	.....	.....
Guaranteed .....	(1,500,000)	(1,500,000)	(1,500,000)	.....	.....
Subtotal .....	(1,975,000)	(1,975,000)	(1,975,000)	.....	.....
Farm operating loans:					.....
Direct .....	(1,050,090)	(1,050,089)	(1,050,089)	(- 1)	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
 FOR FISCAL YEAR 2013—Continued  
 [In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Unsubsidized guaranteed .....	(1,500,000)	(1,500,000)	(1,500,000)		
Subtotal .....	(2,550,090)	(2,550,089)	(2,550,089)	(-1)	
Emergency loans .....		(34,658)	(34,658)	(+ 34,658)	
Indian tribe land acquisition loans .....	(2,000)	(2,000)	(2,000)		
Conservation loans:					
Guaranteed .....	(150,000)	(150,000)	(150,000)		
Indian Highly Fractionated Land Loans .....	(10,000)	(10,000)	(10,000)		
Boil weevil eradication loans .....	(100,000)	(60,000)	(100,000)		(+ 40,000)
Total, loan authorizations .....	(4,787,090)	(4,781,747)	(4,821,747)	(+ 34,657)	(+ 40,000)
Loan subsidies:					
Farm ownership loans:					
Direct .....	22,800	20,140	20,140	-2,660	
Subtotal .....	22,800	20,140	20,140	-2,660	
Farm operating loans:					
Direct .....	59,120	58,490	58,490	-630	
Unsubsidized guaranteed .....	26,100	17,850	17,850	-8,250	
Subtotal .....	85,220	76,340	76,340	-8,880	
Emergency loans .....		1,317	1,317	+ 1,317	
Indian Highly Fractionated Land Loans .....	193	173	173	-20	
Individual Development Account grants .....		2,500			-2,500
Total, loan subsidies .....	108,213	100,470	97,970	-10,243	-2,500
ACF administrative expenses:					
Salaries and expense (transfer to FSA) .....	289,728	304,977	304,977	+ 15,249	

	7,904	7,920	7,920	+ 16
Administrative expenses .....				
Total, ACIF expenses .....	297,632	312,897	312,897	+ 15,265
Total, Agricultural Credit Insurance Fund .....	405,845	413,367	410,867	+ 5,022
(Loan authorization) .....	(4,787,090)	(4,781,747)	(4,821,747)	(+ 34,657)
Total, Farm Service Agency .....	1,612,487	1,626,126	1,630,126	+ 17,639
Risk Management Agency, Administrative and operating expenses .....	74,900	74,900	74,900	+ 4,000
Total, Farm Assistance Programs .....	1,688,235	1,701,919	1,705,919	+ 17,684
Corporations				
Federal Crop Insurance Corporation: Federal crop insurance corporation fund	3,142,375	9,517,433	9,517,433	+ 6,375,058
Commodity Credit Corporation Fund:				
Reimbursement for net realized losses .....	14,071,000	11,018,509	11,018,509	- 3,052,491
Hazardous waste management (limitation on expenses) .....	(5,000)	(5,000)	(5,000)	
Total, Corporations .....	17,213,375	20,535,942	20,535,942	+ 3,322,567
Total, Title I, Agricultural programs .....	24,970,211	28,353,439	28,416,877	+ 3,446,666
(By transfer) .....	(312,639)	(328,193)	(328,193)	(+ 15,554)
(Loan authorization) .....	(4,787,090)	(4,781,747)	(4,821,747)	(+ 34,657)
(Limitation on administrative expenses) .....	(116,101)	(117,592)	(117,592)	(+ 1,491)
TITLE II—CONSERVATION PROGRAMS				
Office of the Under Secretary for Natural Resources and Environment .....	848	893	893	+ 45
Natural Resources Conservation Service:				
Conservation operations .....	828,159	827,500	828,498	+ 339
Watershed rehabilitation program .....	15,000			- 15,000
Total, Natural Resources Conservation Service .....	843,159	827,500	828,498	- 14,661
Total, Title II, Conservation programs .....	844,007	828,393	829,391	- 14,616
TITLE III—RURAL DEVELOPMENT				
Office of the Under Secretary for Rural Development .....	848	893	893	+ 45

	7,904	7,920	7,920	+ 16
Administrative expenses .....				
Total, ACIF expenses .....	297,632	312,897	312,897	+ 15,265
Total, Agricultural Credit Insurance Fund .....	405,845	413,367	410,867	+ 5,022
(Loan authorization) .....	(4,787,090)	(4,781,747)	(4,821,747)	(+ 34,657)
Total, Farm Service Agency .....	1,612,487	1,626,126	1,630,126	+ 17,639
Risk Management Agency, Administrative and operating expenses .....	74,900	74,900	74,900	+ 4,000
Total, Farm Assistance Programs .....	1,688,235	1,701,919	1,705,919	+ 17,684
Corporations				
Federal Crop Insurance Corporation: Federal crop insurance corporation fund	3,142,375	9,517,433	9,517,433	+ 6,375,058
Commodity Credit Corporation Fund:				
Reimbursement for net realized losses .....	14,071,000	11,018,509	11,018,509	- 3,052,491
Hazardous waste management (limitation on expenses) .....	(5,000)	(5,000)	(5,000)	
Total, Corporations .....	17,213,375	20,535,942	20,535,942	+ 3,322,567
Total, Title I, Agricultural programs .....	24,970,211	28,353,439	28,416,877	+ 3,446,666
(By transfer) .....	(312,639)	(328,193)	(328,193)	(+ 15,554)
(Loan authorization) .....	(4,787,090)	(4,781,747)	(4,821,747)	(+ 34,657)
(Limitation on administrative expenses) .....	(116,101)	(117,592)	(117,592)	(+ 1,491)
TITLE II—CONSERVATION PROGRAMS				
Office of the Under Secretary for Natural Resources and Environment .....	848	893	893	+ 45
Natural Resources Conservation Service:				
Conservation operations .....	828,159	827,500	828,498	+ 339
Watershed rehabilitation program .....	15,000			- 15,000
Total, Natural Resources Conservation Service .....	843,159	827,500	828,498	- 14,661
Total, Title II, Conservation programs .....	844,007	828,393	829,391	- 14,616
TITLE III—RURAL DEVELOPMENT				
Office of the Under Secretary for Rural Development .....	848	893	893	+ 45

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013—Continued

(In thousands of dollars)

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Rural Development:					
Rural development expenses:					
Salaries and expenses .....	182,023	206,857	206,857	+ 24,834	.....
(Transfer from RHIF) .....	(430,800)	(408,127)	(410,627)	(- 20,173)	(+ 2,500)
(Transfer from RDLFP) .....	(4,684)	(4,438)	(4,438)	(- 246)	.....
(Transfer from RETLP) .....	(36,382)	(34,467)	(34,467)	(- 1,915)	.....
Subtotal, Transfers from program accounts .....	(471,866)	(447,032)	(449,532)	(- 22,334)	(+ 2,500)
Total, Rural development expenses .....	(653,889)	(653,889)	(656,389)	(+ 2,500)	(+ 2,500)
Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Single family direct (Sec. 502) .....	900,000	(652,764)	(900,000)	.....	(+ 247,236)
Unsubsidized guaranteed .....	(24,000,000)	(24,000,000)	(24,000,000)	.....	.....
Subtotal, Single family .....	(24,900,000)	(24,652,764)	(24,900,000)	.....	(+ 247,236)
Housing repair (Sec. 504) .....	(10,000)	(27,952)	(27,952)	(+ 17,952)	.....
Rental housing (Sec. 515) .....	(64,478)	.....	(28,433)	(- 36,045)	(+ 28,433)
Multi-family housing guarantees (Sec. 538) .....	(130,000)	(150,000)	(150,000)	(+ 20,000)	.....
Single family housing credit sales .....	(10,000)	.....	(10,000)	.....	(+ 10,000)
Self-help housing/land develop. (Sec. 523) .....	(5,000)	.....	(5,000)	.....	(+ 5,000)
Farm Labor Housing (Sec. 514) .....	(20,791)	(25,969)	(25,969)	(+ 5,178)	.....
Total, loan authorizations .....	(25,140,269)	(24,856,685)	(25,147,354)	(+ 7,085)	(+ 290,669)
Loan subsidies:					
Single family direct (Sec. 502) .....	42,570	38,970	53,730	+ 11,160	+ 14,760
Housing repair (Sec. 504) .....	1,421	3,821	3,821	+ 2,400	.....
Rental housing (Sec. 515) .....	22,000	.....	10,000	- 12,000	+ 10,000

Farm labor housing (Sec. 514) .....	7,100	8,658	8,658	+ 1,558	.....
Total, loan subsidies .....	73,091	51,449	76,209	+ 3,118	+ 24,760
Farm labor housing grants .....	7,100	8,868	8,868	+ 1,768	.....
RHF administrative expenses (transfer to RD) .....	430,800	408,127	410,627	- 20,173	+ 2,500
Total, Rural Housing Insurance Fund program .....	510,991	468,444	495,704	- 15,287	+ 27,260
(Loan authorization) .....	(25,140,269)	(24,856,685)	(25,147,354)	(+ 7,085)	(+ 290,669)
Rental assistance program:					
Rental assistance (Sec. 521) .....	900,653	904,128	904,128	+ 3,475	.....
New construction (Sec. 515) .....	1,500	.....	.....	- 1,500	.....
New construction (Farm Labor Housing) .....	2,500	3,000	3,000	+ 500	.....
Total, Rental assistance program .....	904,653	907,128	907,128	+ 2,475	.....
Multi-Family Housing Revitalization Program Account:					
Rural housing voucher program .....	11,000	12,575	11,000	.....	- 1,575
Multi-family housing revitalization program .....	2,000	34,367	16,782	+ 14,782	- 17,585
Total, Multi-family housing revitalization .....	13,000	46,942	27,782	+ 14,782	- 19,160
Mutual and self-help housing grants .....	30,000	10,000	30,000	.....	+ 20,000
Rural housing assistance grants .....	33,136	28,216	33,136	.....	+ 4,920
Rural community facilities program account:					
Loan authorizations:					
Community facility:					
Direct .....	(1,300,000)	(2,000,000)	(2,000,000)	(+ 700,000)	.....
Guaranteed .....	(105,708)	.....	.....	(- 105,708)	.....
Total, Loan authorizations .....	(1,405,708)	(2,000,000)	(2,000,000)	(+ 594,292)	.....
Loan subsidies and grants:					
Community facility:					
Guaranteed .....	5,000	.....	.....	- 5,000	.....
Grants .....	11,363	13,000	13,000	+ 1,637	.....
Rural community development initiative .....	3,621	8,000	6,121	+ 2,500	- 1,879
Economic impact initiative grants .....	5,938	.....	5,938	.....	+ 5,938
Tribal college grants .....	3,369	4,000	3,369	.....	- 631

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013—Continued

(In thousands of dollars)

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Total, RCFP Loan subsidies and grants .....	29,291	25,000	28,428	- 863	+ 3,428
Subtotal, grants and payments .....	92,427	63,216	91,564	- 863	+ 28,348
Total, Rural Housing Service .....	1,521,071	1,485,730	1,522,178	+ 1,107	+ 36,448
(Loan authorization) .....	(26,545,977)	(26,856,685)	(27,147,354)	(+ 601,377)	(+ 290,669)
Rural Business—Cooperative Service:					
Rural Business Program Account:					
(Guaranteed business and industry loans)	(812,563)	(821,224)	(821,224)	(+ 8,661)	.....
Loan subsidies and grants:					
Guaranteed business and industry subsidy .....	45,341	56,336	56,336	+ 10,995	.....
Grants:					
Rural business enterprise .....	24,318	29,823	24,318	.....	- 5,505
Rural business opportunity .....	2,250	.....	2,250	.....	+ 2,250
Delta regional authority .....	2,900	.....	3,000	+ 100	+ 3,000
Total, Rural Business Program loan subsidies and grants .....	74,809	86,159	85,904	+ 11,095	- 255
Rural Development Loan Fund Program Account:					
(Loan authorization) .....	(17,710)	(18,889)	(18,889)	(+ 1,179)	.....
Loan subsidy .....	6,000	6,052	6,052	+ 52	.....
Administrative expenses (transfer to RD) .....	4,684	4,438	4,438	- 246	.....
Total, Rural Development Loan Fund .....	10,684	10,490	10,490	- 194	.....
Rural Economic Development Loans Program Account:					
(Loan authorization) .....	(33,077)	(33,077)	(33,077)	.....	.....
Limit cushion of credit interest spending .....	(155,000)	(165,000)	(180,000)	(+ 25,000)	(+ 15,000)
(Rescission) .....	- 155,000	- 165,000	- 180,000	- 25,000	- 15,000
Rural cooperative development grants:					
Cooperative development .....	5,800	7,000	7,000	+ 1,200	.....

Appropriate technology transfer for rural areas .....	2,250	2,250	2,250	2,250	.....	.....
Grants to assist minority producers .....	3,000	3,456	3,456	3,456	+ 456	.....
Value-added agricultural product market development .....	14,000	15,000	15,000	15,000	+ 1,000	.....
Total, Rural Cooperative development grants .....	25,050	27,706	27,706	27,706	+ 2,656	.....
Rural Microenterprise Investment Program Account:						
(Loan authorization) .....	.....	(22,448)	.....	.....	.....	(- 22,448)
Loan subsidy .....	.....	3,356	.....	.....	.....	- 3,356
Total, Rural Microenterprise Investment .....	.....	3,356	.....	.....	.....	- 3,356
Rural Energy for America Program (loan authorization) .....	(6,491)	(19,055)	(14,161)	(14,161)	(+ 7,670)	(- 4,894)
Loan subsidy .....	1,700	4,575	3,400	3,400	+ 1,700	- 1,175
Grants .....	1,700	.....	.....	.....	- 1,700	.....
Total, Rural Energy for America Program .....	3,400	4,575	3,400	3,400	.....	- 1,175
Total, Rural Business—Cooperative Service .....	-41,057	-32,714	-52,500	-52,500	- 11,443	- 19,786
(Loan authorization) .....	(869,841)	(914,693)	(887,351)	(887,351)	(+ 17,510)	(- 27,342)
Rural Utilities Service:						
Rural water and waste disposal program account:						
Loan authorizations:						
Direct .....	(730,689)	(1,000,000)	(1,000,000)	(1,000,000)	(+ 269,311)	.....
Guaranteed .....	(62,893)	.....	(60,000)	(60,000)	(- 2,893)	(+ 60,000)
Direct loans authorized by Public Law 83-566 .....	.....	.....	(40,000)	(40,000)	(+ 40,000)	(+ 40,000)
Total, Loan authorization .....	793,582	1,000,000	1,100,000	1,100,000	+ 306,418	+ 100,000
Loan subsidies and grants:						
Direct subsidy .....	70,000	80,700	80,700	80,700	+ 10,700	.....
Guaranteed subsidy .....	1,000	.....	636	636	- 364	+ 636
Water and waste revolving fund .....	497	.....	1,000	1,000	+ 503	+ 1,000
Water well system grants .....	993	.....	993	993	.....	+ 993
Colonias and AK/HI grants .....	66,500	59,484	66,500	66,500	.....	+ 7,016
Water and waste technical assistance .....	19,000	14,871	19,000	19,000	.....	+ 4,129
Circuit rider program .....	15,000	12,393	15,000	15,000	.....	+ 2,607
Solid waste management grants .....	3,400	4,000	3,400	3,400	.....	- 600
High energy cost grants .....	9,500	.....	10,000	10,000	+ 500	+ 10,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013—Continued

(In thousands of dollars)

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Water and waste disposal grants .....	327,110	324,252	325,252	- 1,858	+ 1,000
Total, Loan subsidies and grants .....	513,000	495,700	522,481	+ 9,481	+ 26,781
Rural Electrification and Telecommunications Loans Program Account:					
Loan authorizations:					
Electric:					
Direct, 5 percent .....	(100,000)	.....	(100,000)	.....	(+ 100,000)
Direct, FFB .....	(6,500,000)	.....	(6,500,000)	.....	(+ 6,500,000)
Treasury Plus .....	.....	.....	.....	.....	(- 6,100,000)
Guaranteed underwriting .....	(424,286)	(6,100,000)	(500,000)	(+ 75,714)	(+ 500,000)
Subtotal, Electric .....	(7,024,286)	(6,100,000)	(7,100,000)	(+ 75,714)	(+ 1,000,000)
Telecommunications:					
Direct, 5 percent .....	(145,000)	.....	.....	(- 145,000)	.....
Direct, Treasury rate .....	(250,000)	(690,000)	(690,000)	(+ 440,000)	.....
Direct, FFB .....	(295,000)	.....	.....	(- 295,000)	.....
Subtotal, Telecommunications .....	(690,000)	(690,000)	(690,000)	.....	.....
Total, Loan authorizations .....	(7,714,286)	(6,790,000)	(7,790,000)	(+ 75,714)	(+ 1,000,000)
Loan subsidies:					
Electric:					
Guaranteed underwriting .....	594	.....	.....	- 594	.....
RETLP administrative expenses (transfer to RD) .....	36,382	34,467	34,467	- 1,915	.....
Total, Rural Electrification and Telecommunications Loans Program Account .....	36,976	34,467	34,467	- 2,509	.....
(Loan authorization) .....	(7,714,286)	(6,790,000)	(7,790,000)	(+ 75,714)	(+ 1,000,000)

Distance learning, telemedicine, and broadband program:							
Loan authorizations:	(169,014)	(94,139)	(63,358)	(-105,656)	(-30,781)		
Broadband telecommunications	(169,014)	(94,139)	(63,358)	(-105,656)	(-30,781)		
Total, Loan authorizations							
Loan subsidies and grants:	21,000	24,950	24,950	+ 3,950			
Distance learning and telemedicine:							
Grants	6,000	8,915	6,000		-2,915		
Broadband telecommunications:	10,372	13,379	10,372		-3,007		
Direct							
Grants							
Total, Loan subsidies and grants	37,372	47,244	41,322	+ 3,950	-5,922		
Total, Rural Utilities Service	587,348	577,411	598,270	+ 10,922	+ 20,859		
(Loan authorization)	(8,676,882)	(7,884,139)	(8,953,358)	(+ 276,476)	(+ 1,069,219)		
Total, Title III, Rural Development Programs	2,250,233	2,238,177	2,275,698	+ 25,465	+ 37,521		
(By transfer)	(471,866)	(447,032)	(449,532)	(-22,334)	(+ 2,500)		
(Loan authorization)	(36,092,700)	(35,655,517)	(36,988,063)	(+ 895,363)	(+ 1,332,546)		
TITLE IV—DOMESTIC FOOD PROGRAMS							
Office of the Under Secretary for Food, Nutrition and Consumer Services	770	811	811	+ 41			
Food and Nutrition Service:							
Child nutrition programs	18,150,176	19,656,500	19,656,500	+ 1,506,324			
Discretionary	1,000		1,000		+ 1,000		
School breakfast program grants					-35,000		
School breakfast program equipment grants		35,000					
Hunger-free communities grants		2,500			-2,500		
Total, Child nutrition programs	18,151,176	19,694,000	19,657,500	+ 1,506,324	-36,500		
Special supplemental nutrition program for women, infants, and children (WIC)	6,618,497	7,041,000	7,041,000	+ 422,503			
Supplemental nutrition assistance program:							
(Food stamp program)	77,401,722	76,992,797	76,992,797	- 408,925			
Reserve	3,000,000	5,000,000	3,000,000		-2,000,000		
FDPIR nutrition education		998	998	+ 998			
Center for Nutrition Policy and Promotion		1,498			-1,498		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013—Continued  
(In thousands of dollars)

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Total, Food stamp program .....	80,401,722	81,995,293	79,993,795	- 407,927	-2,001,498
Commodity assistance program:					
Commodity supplemental food program .....	176,788	186,935	186,935	+ 10,147	.....
Farmers market nutrition program .....	16,548	16,548	16,548	.....	.....
Emergency food assistance program .....	48,000	49,401	49,401	+ 1,401	.....
Pacific Island and disaster assistance .....	1,000	1,068	1,068	+ 68	.....
Total, Commodity assistance program .....	242,336	253,952	253,952	+ 11,616	.....
Nutrition programs administration .....	138,500	143,505	143,505	+ 5,005	.....
Total, Food and Nutrition Service .....	105,552,231	109,127,750	107,089,752	+ 1,537,521	-2,037,998
Total, Title IV, Domestic Food Programs .....	105,553,001	109,128,561	107,090,563	+ 1,537,562	-2,037,998
TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Foreign Agricultural Service					
Salaries and expenses .....	176,347	176,789	176,789	+ 442	.....
(Transfer from export loans) .....	(6,465)	(6,452)	(6,452)	(- 13)	.....
Total, Salaries and expenses .....	182,812	183,241	183,241	+ 429	.....
Food for Peace Title I Direct Credit and Food for Progress Program Account, Administrative Expenses:					
Farm Service Agency, Salaries and expenses (transfer to FSA) .....	2,500	2,806	2,806	+ 306	.....
Food for Peace Title II Grants:					
Expenses .....	1,466,000	1,400,000	1,466,000	.....	+ 66,000
Commodity Credit Corporation Export Loans Program Account (administrative expenses):					
Salaries and expenses (export loans):					
General Sales Manager (transfer to FAS) .....	6,465	6,452	6,452	- 13	.....

	355	354	354	354	- 1
Farm Service Agency S&E (transfer to FSA) .....					
Total, CCC Export Loans Program Account .....	6,820	6,806	6,806	6,806	-14
McGovern-Dole international food for education and child nutrition program grants .....	184,000	184,000	184,000	184,000	
Total, Title V, Foreign Assistance and Related Programs .....	1,835,667	1,770,401	1,836,401	1,836,401	+ 66,000
(By transfer) .....	(6,465)	(6,452)	(6,452)	(6,452)	(- 13)
TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation .....	2,497,021	2,511,991	2,524,491	2,524,491	+ 27,470
Prescription drug user fees .....	(702,172)				(- 702,172)
Medical device user fees .....	(57,605)				(- 57,605)
Animal drug user fees .....	(21,768)	(30,530)	(30,530)	(30,530)	(+ 8,762)
Animal generic drug user fees .....	(5,706)	(7,595)	(7,595)	(7,595)	(+ 1,889)
Tobacco product user fees .....	(477,000)	(505,000)	(505,000)	(505,000)	(+ 28,000)
Food Recall .....	(12,364)	(12,925)	(12,925)	(12,925)	(+ 561)
Food Reinspection fees .....	(14,700)	(15,367)	(15,367)	(15,367)	(+ 667)
Subtotal (including user fees) .....	(3,788,336)	(3,083,408)	(3,095,908)	(3,095,908)	(- 692,428)
Mammography user fees .....	(19,318)	(19,318)	(19,318)	(19,318)	
Export certification user fees .....	(11,667)	(12,447)	(12,447)	(12,447)	(+ 780)
Voluntary qualified importer program fees .....	(71,066)				(- 71,066)
Subtotal, FDA (with user fees) .....	(3,890,387)	(3,115,173)	(3,127,673)	(3,127,673)	(- 762,714)
FDA New User Fees (Leg. proposals):					
Biosimilar biological products user fees .....		(20,242)			(- 20,242)
Human generic drug user fees .....		(299,000)			(- 299,000)
Food inspections/food facility user fees .....		(220,200)			(- 220,200)
Food contact notification user fees .....		(4,901)			(- 4,901)
Medical Product Reinspection fees .....		(14,746)			(- 14,746)
Cosmetic activities fees .....		(18,698)			(- 18,698)
International express courier import fees .....		(5,580)			(- 5,580)
Prescription drug user fees .....		(712,808)			(+ 712,808)
Medical device user fees .....		(69,700)			(+ 69,700)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2013—Continued

[In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2012 appropriation	Budget estimate
Subtotal, FDA new user fees (Leg Proposals) .....	8,788	(1,365,875)	(782,508)	(+ 782,508)	(- 583,367)
Buildings and facilities .....		5,320	5,320	- 3,468	
Total, FDA (with user fees, including proposals) .....	(3,899,175)	(4,486,368)	(3,915,501)	(+ 16,326)	(- 570,867)
Total, FDA (with enacted user fees only) .....	(3,899,175)	(3,120,493)	(3,132,993)	(- 766,182)	(+ 12,500)
Total, FDA (excluding user fees) .....	2,505,809	2,517,311	2,529,811	+ 24,002	+ 12,500
<b>INDEPENDENT AGENCIES</b>					
Farm Credit Administration (limitation on administrative expenses) .....	(61,000)	(63,300)	(63,300)	(+ 2,300)	
Total, Title VI, Related Agencies and Food and Drug Administration .....	2,505,809	2,517,311	2,529,811	+ 24,002	+ 12,500
<b>TITLE VII—GENERAL PROVISIONS</b>					
Limit fruit and vegetable program (Sec. 721(5)) .....	- 133,000	- 117,000	- 117,000	+ 16,000	
Section 32 (rescission) (Sec. 721(5)) .....	- 150,000		- 150,000		- 150,000
Forestry incentives program (rescission) .....	- 6,017			+ 6,017	
Great Plains Conservation (rescission) .....	- 547			+ 547	
Supplemental Nutrition Assistance Program Employment and Training (rescission) .....	- 11,000			+ 11,000	
Limit Conservation stewardship .....	- 76,516	- 2,000	- 2,000	+ 76,516	+ 2,000
Limit Dam Rehab (Sec. 721(3)) .....	- 165,000	- 165,000	- 165,000		
Limit Environmental Quality incentives program (Sec. 721(2)) .....	- 350,000	- 347,000	- 350,000		- 3,000
Limit Farmland Protection program .....	- 50,000			+ 50,000	
Limit Grasslands reserve .....	- 30,000			+ 30,000	
Limit Wetlands reserve .....	- 200,000			+ 200,000	
Limit Wildlife habitat incentives (Sec. 721(4)) .....	- 35,000	- 12,000	- 12,000	+ 23,000	
Limit Voluntary Public Access program .....	- 17,000			+ 17,000	
Limit Biomass Crop Assistance program .....	- 28,000			+ 28,000	
Limit Bioenergy Program for Advanced Biofuels .....	- 40,000			+ 40,000	
Limit Rural Energy for America .....	- 48,000			+ 48,000	

Limit Microenterprise investment program .....	-3,000				+3,000	
Limit Crop Insurance Good Performance .....	-25,000				+25,000	
Limit Agriculture management assistance (Sec. 721(1)) .....	-5,000	-5,000				+600
Hardwood Trees (Reforestation Pilot Program)(Sec. 722) .....	600					+1,996
Geographic Disadvantaged farmers (Sec. 719) .....	1,996					
NIFA, Buildings and Facilities (rescission) (Sec. 722) .....	-2,490				+2,490	
Trade Adjustment Assistance for Farmers (rescission) .....	-90,000				+90,000	
OAO (rescission) .....	-4,000				+4,000	
Ocean freight (rescission) .....	-3,235				+3,235	
Public Law 480 Title I (rescission) .....	-2,336				+2,336	
Foreign Currency Program (rescission) .....	-273				+273	
Export credit (rescission) .....	-20,237				+20,237	
Water Bank .....	7,500				-7,500	
Voluntary Public Access and Habitat Incentive Program .....		5,000				-5,000
Equal Credit Opportunity Act extension .....		40,000				-40,000
Sec. 735-1 .....						
Emergency Conservation Program (Disaster Relief) .....	122,700				-122,700	
Emergency Forest Restoration (Disaster Relief) .....	28,400				-28,400	
Emergency Watershed Protection (Disaster Relief) .....	215,900				-215,900	
Total, Title VII, General provisions .....	-1,118,555	-603,000	-796,404		+322,151	-193,404
Grand total .....	136,840,373	144,233,282	142,182,337		+5,341,964	-2,050,945
Appropriations .....	(136,918,508)	(144,398,282)	(142,512,337)		(+5,593,829)	(-1,885,945)
Rescissions .....	(-445,135)	(-165,000)	(-330,000)		(+115,135)	(-165,000)
Disaster relief 1 .....	(367,000)				(-367,000)	
(By transfer) .....	(790,970)	(781,677)	(784,177)		(-6,793)	(+2,500)
(Loan authorization) .....	(40,879,790)	(40,437,264)	(41,809,810)		(+930,020)	(+1,372,546)
(Limitation on administrative expenses) .....	(177,101)	(180,892)	(180,892)		(+3,791)	

<sup>1</sup> Budget Control Act 2011 (Sec. 251(b)(2)(D)/Public Law 112-25)