

# Agriculture

The President's 2007 Budget continues the successful pro-growth policies that have encouraged robust economic growth and job creation. A strong economy, together with spending restraint, is critical to reducing the deficit. The Budget builds on last year's successful spending restraint by again holding the growth of overall discretionary spending below inflation, proposing to reduce non-security discretionary spending below the previous year's level, and calling for the elimination or reduction of programs not getting results or not fulfilling essential priorities. Like last year, the budget proposes savings and reforms to mandatory spending programs, whose unsustainable growth poses the real long-term danger to our fiscal health.

The United States Department of Agriculture (USDA) works to meet many of our Nation's needs, including promoting agricultural production and trade, protecting animal and plant health, ensuring food safety, protecting natural resources, fostering strong rural communities and fighting hunger in America and abroad. USDA plays a major role in advancing American economic health and national security.

## The President's FY 2007 Budget:

- Protects America's agriculture and food supply by improving the Department's ability to detect, respond to, and recover from incidents of diseases, pests, or poisonous agents.
- Continues activities related to avian influenza preparations and prevention including surveillance of wild and domesticated birds.
- Funds the Northwest Forest Plan, allowing for 800 million board feet of lumber to be harvested from Forest Service land.
- Provides funding to enroll 250,000 acres in the Wetlands Reserve Program to meet the President's commitment to create, improve, and protect at least three million wetland acres over the next five years.
- Continues Forest Service reforms that will result in a savings of more than \$115 million over three years.
- Proposes to exclude all retirement savings when determining if a household is eligible for food stamps, making it easier for low-income people to save for retirement and get food stamps if they need them.

## **Opening New Markets to U.S. Farmers and Ranchers**

- The Administration is working to reduce trade barriers and trade distortions through negotiations at the World Trade Organizations, as well as through regional and bilateral trade agreements, such as the Central American Free Trade Agreement and the recently implemented free trade agreement with Peru.
- The Administration has worked diligently to create a comprehensive package designed to move the WTO agriculture negotiations forward to try to unleash the full potential of the Doha Development Agenda.

- Reforming global agricultural trade is widely recognized as an important step towards expanding economic development and is forecasted to lift millions out of poverty while opening new markets for American farmers.

### **Protecting the Nation's Agriculture and Food System**

- The 2007 budgets for the Departments of Agriculture (USDA), Health and Human Services (HHS), and Homeland Security (DHS) include a total of \$540 million to improve our ability to detect and contain intentional and unintentional contamination of the food supply, a net increase of \$90 million above the 2006 enacted level.
  - \$242 million, an increase of \$48 million over 2006, is for food defense, of which \$62 million is for USDA. The food defense funding will support: an interconnected lab network capable of providing surge capacity in the event of an outbreak, improved data exchange to rapidly detect outbreaks, and increased research on rapid detection methods.
  - \$298 million, an increase of \$42 million over 2006, is for agriculture defense, of which \$261 million is for USDA. USDA's funding will support: research on emerging and exotic diseases, the National Plant Disease Recovery System, cooperative agreements with States to improve State-level monitoring, surveillance for wildlife, the national animal health laboratory network, emergency coordination to respond to the threat of agricultural diseases, and enhancing the National Veterinary Vaccine stockpile.

### **The FY 2007 Budget also includes:**

#### **Avian Flu Prevention and Response**

- \$57 million to continue the 2006 initiative related to pandemic influenza to further Government-wide preparedness and response, including international capacity building; domestic surveillance and diagnostics at live bird markets in areas of highest risk; surveillance of wild birds and waterfowl; smuggling interdiction; and stockpiling vaccines for poultry.

#### **Food Programs**

- \$30.1 billion in estimated Food Stamp benefits to 25.9 million people.
- \$5.2 billion for the Special Supplemental Nutrition Program for Women, Infants and Children, full funding for all those estimated to be eligible and seeking services.
- \$99 million for the McGovern Dole International Food for Education and Child Nutrition program, which provides U.S. commodities and financial assistance for school feeding programs in poor countries – increasing student enrollment, attendance, and performance.
- \$1.2 billion for P.L.480 Title II food aid, which is targeted to the highest priority emergency needs.

#### **Protecting the Nation's Environment**

- \$4 billion through USDA's conservation programs to assist farmers and ranchers with protecting and enhancing natural resources on their agricultural operations, such as improving soil and water quality and restoring wetlands and wildlife habitat. This funding level represents a \$261 million increase in support over the 2006 funding level to deliver USDA's conservation programs.

- \$403 million to enroll 250,000 acres in the Wetlands Reserve Program (WRP) to help meet the President's commitment to create, improve, and protect at least three million wetland acres over a five-year period through 2009. Under the 2007 Budget's proposal, WRP will enroll 100,000 more acres—a two-thirds increase—than in 2006. Once WRP enrolls these acres, USDA will restore and protect the wetlands to provide resource benefits to the public, such as cleaner water, wildlife habitat, and flood protection.
- \$10 million for the Natural Resources Conservation Service's Wildlife Habitat Incentives Program (WHIP) to work with partners to reconnect aquatic species to historical habitats and to restore natural water flows by removing barriers to fish passage. These activities complement Commerce's new Open Rivers Initiative.
- \$10 million for the Animal and Plant Health Inspection Service (APHIS) to award competitive grants to private sector groups that address invasive species problems that impact agriculture. APHIS will award the grants to project sponsors to work cooperatively in local communities to implement innovative invasive species management and eradication techniques.
- \$68 million, an increase of \$41 million, for the Forest Service to implement the northwest Forest Plan, an integrated, comprehensive design for ecosystem management, intergovernmental and public collaboration, and rural community economic assistance involving nearly 25 million acres of Federal forests in western Oregon, Washington, and northern California.
- \$800 million above the current baseline for a five-year extension of forest county safety net payments is included as a legislative proposal. These payments will be targeted to the most affected areas, capped, adjusted downward each year, and eventually phased out. The Budget would offset these payments through the sale of National Forest parcels that have been identified in public plans as suitable for conveyance.

## Research

- \$2.25 billion in funding for research, including 1,200 projects by USDA scientists at over 100 locations, and more than \$1 billion through grants and other support to individuals, as well as to institutions such as land grant universities and State agricultural extension agencies.
- \$248 million, an increase of \$67 million, to expand the use of competitive research grants by increasing the National Research Initiative.
- \$199 million for the Hatch and McIntire-Stennis research grant programs, with an increasing emphasis on the use of competitive research.

## Improving Rural Development and Access to Information

- \$14 billion in loans, loan guarantees and grants to improve the economic opportunity and the quality of life for rural Americans. This includes funding for housing, businesses, community facilities, water and wastewater treatment, and the provision of electricity, telecommunications, distance learning, telemedicine, and broadband. Including:
  - \$74 million for a voucher program for displaced tenants of USDA financed multi-family housing projects.
  - \$198 million, doubled from last year, for multifamily housing guarantees, reflecting the Administration's preference for loan guarantees as a way to promote private ownership in providing low-income, tenant-based housing in rural America.