

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Federal Funds

General and special funds:

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed \$75,000 for employment under 5 U.S.C. 3109, \$10,068,000 of which \$6,604,000 for cross-cutting trade negotiations and biotechnology resources may be transferred to agencies of the Department of Agriculture funded by this Act to support these activities: Provided, That the Appropriations Committees of both Houses of Congress are notified 15 days in advance of any transfer. Provided, That not to exceed \$11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: Provided further, That none of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 793(c)(1)(C) of Public Law 104-127: Provided further, That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104-127.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded by this Act, \$793,000.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, \$4,186,000: Provided, That these funds may be transferred to agencies of the Department of Agriculture funded by this Act to maintain personnel at the agency level: Provided further, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, \$792,000.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Under Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service; the Agricultural Marketing Service; and the Grain Inspection, Packers and Stockyards Administration; \$791,000.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, \$792,000.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, \$916,000.

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, \$918,000.

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, \$913,000.

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

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, \$786,000. (7 U.S.C. 2201-2202).

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

For necessary salaries and expenses of the Office of the Assistant Secretary for Civil Rights to carry out programs funded by this Act, \$808,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 12-9913-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Office of the Secretary	3	36	10
00.02 Under/Assistant Secretaries	6	9	12
00.03 Infoshare Program	9		
00.04 Homeland Security	49		
09.01 Reimbursable program	6		
10.00 Total new obligations	73	45	22
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	38	38
22.00 New budget authority (gross)	97	45	20
23.90 Total budgetary resources available for obligation	111	83	58
23.95 Total new obligations	-73	-45	-22
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	38	38	38
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	93	47	22
41.00 Transferred to other accounts	-2	-2	-2
43.00 Appropriation (total discretionary)	91	45	20
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	9		
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-3		
68.90 Spending authority from offsetting collections (total discretionary)	6		
70.00 Total new budget authority (gross)	97	45	20
Change in obligated balances:			
72.40 Obligated balance, start of year	10	46	21
73.10 Total new obligations	73	45	22
73.20 Total outlays (gross)	-33	-70	-25
73.40 Adjustments in expired accounts (net)	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	3		

General and special funds—Continued

**OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS—
Continued**

Program and Financing (in millions of dollars)—Continued

Identification code 12-9913-0-1-352	2002 actual	2003 est.	2004 est.
74.10 Change in uncollected customer payments from Federal sources (expired)	-6		
74.40 Obligated balance, end of year	46	21	18
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	28	35	15
86.93 Outlays from discretionary balances	5	35	10
87.00 Total outlays (gross)	33	70	25
Offsets:			
88.00 Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources	-6		
88.95 Against gross budget authority only: Change in uncollected customer payments from Federal sources (unexpired)	3		
88.96 Portion of offsetting collections (cash) credited to expired accounts	-3		
Net budget authority and outlays:			
89.00 Budget authority	91	45	20
90.00 Outlays	29	70	25

The Office of the Secretary covers the overall planning, coordination, and administration of the Department's programs. This includes the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and their immediate staffs, who provide top policy guidance for the Department; maintain relationships with agricultural organizations and others in the development of farm programs; and provide liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

Funds are also proposed for the Office of the Secretary's account for negotiating and monitoring trade agreements; for technical trade support in the areas of, biotechnology, sanitary and phyto-sanitary issues.

Object Classification (in millions of dollars)

Identification code 12-9913-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	6	8
12.1 Civilian personnel benefits	1	2	2
25.2 Other services	60	37	12
99.0 Direct obligations	67	45	22
99.0 Reimbursable obligations	6		
99.9 Total new obligations	73	45	22

Personnel Summary

Identification code 12-9913-0-1-352	2002 actual	2003 est.	2004 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	63	88	87

FUND FOR RURAL AMERICA

Program and Financing (in millions of dollars)

Identification code 12-0012-0-1-999	2002 actual	2003 est.	2004 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	34	23	14
73.20 Total outlays (gross)	-11	-9	-10
74.40 Obligated balance, end of year	23	14	4
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	11	9	10

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	11	9	10

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) initially established the Fund for Rural America to provide support to rural communities across the United States. The 2002 Farm Bill (Farm Security and Rural Investment Act of 2002) repealed the Fund for Rural America.

Trust Funds

GIFTS AND BEQUESTS

Unavailable Collections (in millions of dollars)

Identification code 12-8203-0-7-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.00 Gifts and bequests	1	1	1
Appropriations:			
05.00 Gifts and bequests	-1	-1	-1
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8203-0-7-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity		1	1
10.00 Total new obligations (object class 99.5)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	2	2
22.00 New budget authority (gross)	1	1	1
23.90 Total budgetary resources available for obligation	3	3	3
23.95 Total new obligations	-1	-1	-1
24.40 Unobligated balance carried forward, end of year	2	2	2

New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund)	1	1	1

Change in obligated balances:

73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	1	1	1
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Net budget authority and outlays:

89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

The Secretary is authorized to accept and administer gifts and bequests of real and personal property to facilitate the work of the Department. Property and the proceeds thereof are used in accordance with the terms of the gift or bequest (7 U.S.C. 2269).

EXECUTIVE OPERATIONS

Federal Funds

General and special funds:

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, energy and new uses, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g),

and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, \$12,264,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$25,000 is for employment under 5 U.S.C. 3109, \$14,242,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, \$7,980,000. (7 U.S.C. 2201, 2202; 42 U.S.C. 2000d).

HOMELAND SECURITY STAFF

For necessary expenses of the Homeland Security Staff, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), \$1,479,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0705-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Chief Economist	9	12	12
00.03 National Appeals Division	13	14	14
00.04 Budget and program analysis	6	7	8
00.05 Homeland Security Staff			1
09.01 Reimbursable program	1	1	1
10.00 Total new obligations	29	34	37
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	30	36	38
23.95 Total new obligations	-29	-34	-37
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	28	33	35
Mandatory:			
62.00 Transferred from other accounts	1	2	2
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	30	36	38
Change in obligated balances:			
72.40 Obligated balance, start of year	5	5	5
73.10 Total new obligations	29	34	37
73.20 Total outlays (gross)	-28	-36	-38
74.40 Obligated balance, end of year	5	5	5
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	24	30	32
86.93 Outlays from discretionary balances	4	4	4
86.97 Outlays from new mandatory authority		2	2
87.00 Total outlays (gross)	28	36	38
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority	29	35	37
90.00 Outlays	27	33	36
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	2	2	2
99.01 Outlays	2	2	2

Executive Operations provides support for USDA policy officials and selected Departmentwide services.

The Office of the Chief Economist advises the Secretary of Agriculture on the economic implications of Department

policies and programs and proposed legislation. 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, provides policy direction for biofuels and new uses, and is responsible for coordination and clearance review of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

WORKLOAD INDICATORS

	2002 actual	2003 est.	2004 est.
World Agricultural Supply and Demand Estimates Reports issued	12	12	12
Weekly Weather and Crop Bulletin issued	52	52	52

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

WORKLOAD INDICATORS

	2002 actual	2003 est.	2004 est.
Regional or National Training	1	1	1

The Office of Budget and Program Analysis provides overall direction and administration of the Department's budgetary functions including: development, presentation, and execution of the budget; review of program and legislative proposals for programs and budget implications; and analysis of program issues and alternatives and preparation of summaries of pertinent data to aid Departmental policy officials and agency program managers in the decisionmaking process.

The Homeland Security Staff formulates emergency preparedness policies and objectives for the Department of Agriculture (USDA). The Staff 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.

Object Classification (in millions of dollars)

Identification code 12-0705-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	18	21	23
12.1 Civilian personnel benefits	4	5	5
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction			1
25.2 Other services	4	4	4
31.0 Equipment		1	1
99.0 Direct obligations	28	33	36
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	29	34	37

Personnel Summary

Identification code 12-0705-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	233	275	275
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	4	4	4

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section

General and special funds—Continued

OFFICE OF THE CHIEF FINANCIAL OFFICER—Continued

706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, \$7,902,000: Provided, That the Chief Financial Officer shall actively market and expand cross-servicing activities of the National Finance Center.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0014-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program	5	8	8
09.01 Reimbursable program	2	2	2
10.00 Total new obligations	8	10	10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	8	10	10
23.95 Total new obligations	-8	-10	-10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	5	8	8
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	2	2	2
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
68.90 Spending authority from offsetting collections (total discretionary)	3	2	2
70.00 Total new budget authority (gross)	8	10	10
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
73.10 Total new obligations	8	10	10
73.20 Total outlays (gross)	-9	-10	-10
73.40 Adjustments in expired accounts (net)	2	1	1
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	7	10	10
86.93 Outlays from discretionary balances	2		
87.00 Total outlays (gross)	9	10	10
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources Against gross budget authority only:	-2	-2	-2
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
Net budget authority and outlays:			
89.00 Budget authority	5	8	8
90.00 Outlays	8	8	8

The Office of the Chief Financial Officer (OCFO) supports the Chief Financial Officer in carrying out the dual roles of chief financial management policy officer and chief financial management advisor to the Secretary and mission area heads. OCFO provides leadership for all financial management, accounting, travel, Federal assistance, and performance measurement activities within the Department. It is responsible for the management and operation of the National Finance Center and the Departmental Working Capital Fund, and provides budget, accounting, and fiscal services to the Office of the Secretary, Departmental Staff Offices, Office of Communications, Office of the Chief Information Officer and Executive Operations.

PERFORMANCE MEASURES

	2002 actual	2003 est.	2004 est.
Achieve an unqualified opinion on the USDA financial statements	Preliminary	Unqualified	Unqualified
Implement the Foundation financial information system USDA-wide: USDA employees served	98%	100%	N/A

Object Classification (in millions of dollars)

Identification code 12-0014-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	3	6	6
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	1	1	1
99.0 Direct obligations	5	8	8
99.0 Reimbursable obligations	2	2	2
99.9 Total new obligations	8	10	10

Personnel Summary

Identification code 12-0014-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	51	80	80
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	12	12	12

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, \$31,334,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0013-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Office of the Chief Information Officer	10	31	31
09.01 Reimbursable program	25	6	6
10.00 Total new obligations	35	37	37
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	35	37	37
23.95 Total new obligations	-35	-37	-37
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	10	31	31
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	10	6	6
68.10 Change in uncollected customer payments from Federal sources (unexpired)	15		
68.90 Spending authority from offsetting collections (total discretionary)	25	6	6
70.00 Total new budget authority (gross)	35	37	37
Change in obligated balances:			
72.40 Obligated balance, start of year	-2		
73.10 Total new obligations	35	37	37
73.20 Total outlays (gross)	-24	-37	-37
73.40 Adjustments in expired accounts (net)	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-15		
74.10 Change in uncollected customer payments from Federal sources (expired)	9		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	19	37	37

86.93	Outlays from discretionary balances	5		
87.00	Total outlays (gross)	24	37	37
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-13	-6	-6
Against gross budget authority only:				
88.95	Change in uncollected customer payments from			
	Federal sources (unexpired)	-15		
88.96	Portion of offsetting collections (cash) credited to			
	expired accounts	3		
Net budget authority and outlays:				
89.00	Budget authority	10	31	31
90.00	Outlays	10	31	31

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer (CIO) for all major Federal agencies. The Act requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. To meet the intent of the law and to provide a Departmental focus for information resources management issues, Secretary's Memorandum 1030-30, dated August 8, 1996, established the Office of the Chief Information Officer (OCIO).

The CIO serves as the primary advisor to the Secretary and Mission Area Heads in these areas. OCIO provides leadership for the Department's information and information technology (IT) management activities in support of USDA's program delivery.

OCIO is leading USDA's eGovernment efforts, in coordination with the Presidential eGovernment Initiatives, to transform the Department's delivery of information, programs, and services using eGovernment channels. OCIO is designating the Department's Enterprise Architecture to efficiently support USDA's move towards eGovernment by leveraging economies-of-scale to acquire and share data and supporting IT applications and infrastructure. OCIO is strengthening USDA's Computer Security Program to mitigate threats to USDA's information and IT assets and support the Department's Homeland Security efforts. OCIO continues to facilitate the USDA IT Capital Planning and Control investment review process by providing guidance and support to the Department's Executive IT Investment Review Board, which approves all major technology investments to ensure they economically and effectively support program delivery.

Funded through the USDA Working Capital Fund, OCIO provides automated data processing (ADP) and wide-area telecommunications services to all USDA agencies through the National Information Technology Center and the Telecommunications Services and Operations organization, with locations in Ft. Collins, Colorado, Kansas City, Missouri, and Washington, D.C.

OCIO also has direct management responsibility for the IT component of the Service Center Modernization Initiative (SCMI). This includes the implementation of a common technology infrastructure to replace the outdated and stove-piped systems supporting the Farm Service Agency, the Natural Resources Conservation Service, and Rural Development.

Performance Measures

	2002 actual	2003 est.	2004 est.
Percent of appropriate agency information collections from citizens include electronic alternatives	n.a.	TBD	75
Number of USDA violations of the Paperwork Reduction Act outstanding	32	0	0
Number of enterprise-wide or interdepartmental software, hardware, and related services agreements issued	9	10	12
Completed vulnerability assessments for USDA mission critical systems (% of systems completed)	80	100	100
Percent of USDA mission critical systems with executable Disaster Recovery Plans	20	30	100

Object Classification (in millions of dollars)

Identification code 12-0013-0-1-352	2002 actual	2003 est.	2004 est.	
Direct obligations:				
11.1	Personnel compensation: Full-time permanent	5	6	7
12.1	Civilian personnel benefits	1	1	1
25.2	Other services	2	21	21
25.3	Other purchases of goods and services from Government accounts			
31.0	Equipment	1	1	1
99.0	Direct obligations	9	30	31
99.0	Reimbursable obligations	25	6	6
99.5	Below reporting threshold	1	1	
99.9	Total new obligations	35	37	37

Personnel Summary

Identification code 12-0013-0-1-352	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	63	82	82
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	5	5	5

COMMON COMPUTING ENVIRONMENT

For necessary expenses to acquire a Common Computing Environment for the Natural Resources Conservation Service, the Farm and Foreign Agricultural Service and Rural Development mission areas for information technology, systems, and services, \$177,714,000, to remain available until expended, for the capital asset acquisition of shared information technology systems, including services as authorized by 7 U.S.C. 6915-16 and 40 U.S.C. 1421-28: Provided, That obligation of these funds shall be consistent with the Department of Agriculture Service Center Modernization Plan of the county-based agencies, and shall be with the concurrence of the Department's Chief Information Officer.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0113-0-1-352	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Direct program activity	63	142	177
09.01	Reimbursable program		24	23
10.00	Total new obligations	63	166	200
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	13	9	
22.00	New budget authority (gross)	59	157	200
23.90	Total budgetary resources available for obligation	72	166	200
23.95	Total new obligations	-63	-166	-200
24.40	Unobligated balance carried forward, end of year	9		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	59	133	177
68.00	Spending authority from offsetting collections: Offsetting collections (cash)		24	23
70.00	Total new budget authority (gross)	59	157	200
Change in obligated balances:				
72.40	Obligated balance, start of year	34	42	40
73.10	Total new obligations	63	166	200
73.20	Total outlays (gross)	-56	-168	-219
74.40	Obligated balance, end of year	42	40	21
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	50	132	168
86.93	Outlays from discretionary balances	6	36	51

General and special funds—Continued

COMMON COMPUTING ENVIRONMENT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0113-0-1-352	2002 actual	2003 est.	2004 est.
87.00 Total outlays (gross)	56	168	219
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-24	-23
Net budget authority and outlays:			
89.00 Budget authority	59	133	177
90.00 Outlays	56	144	196

The Department of Agriculture Reorganization Act of 1994 requires the Secretary of Agriculture to procure and use computer systems in a manner that enhances efficiency, productivity, and client services, and that promotes computer information sharing among agencies of the Department. In addition, the Clinger Cohen Act of 1996 requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. Congress passed new legislation in 2000, "The Freedom to E-File Act," that requires agencies to make more services available to the public electronically. The USDA Service Center Modernization Initiative (SCMI) has been working to restructure county field offices, modernize and integrate business approaches and replace the current stove-piped and aging information systems with a modern common computing environment (CCE) that optimizes information sharing, customer service, and staff efficiencies. The funds requested under this account would fund essential capital investments needed to implement the modernization plan. Economies of scale in the procurement and management of information technology systems present compelling arguments for coordinating information technology investments. Without these investments, the Department's ability to provide timely and efficient services will continue to erode and the costs of maintaining the separate, aging systems will increase. The increase of \$44.6 million is to fund increased costs for information technology investments by the Farm Service Agency, Rural Development, and the Risk Management Agency. An additional \$4 million is requested to fund ongoing projects necessary to implement the e-gov initiative. In lieu of providing the funding to each individual agency, funding is being provided through the CCE account to encourage increased oversight on expenditures. This change only applies to increased requests for funding. Funding already built into agency budgets to support the CCE remain within each agency's budget. Additional funds in the individual agency budgets will support some CCE investments, the reengineering of business processes and data acquisition needed to maximize the benefits of this technology.

Performance Measure

	2002 actual	2003 est.	2004 est.
Operational SCMI Common Computing Environment	90%	100%	100%
Network Servers deployed and operational	100%	100%	100%
Telecommunications Network Upgrade	50%	100%	100%
Provide web Farm Infrastructure to meet efile deadlines	100%	100%	100%
Acquire computer peripherals (GPS units, digital cameras, portable printers, scanners, etc.)	35%	70%	100%
Replace original CCD workstations purchased in 1998	n.a.	12,600	n.a.
Reduce percentage of successful intrusions at USDA attributed to service center agencies (SCA) to 5% by 2006.	30%	20%	10%
Operate an efficient, effective, and diverse organization and provide electronic access	n.a.	90%	95%

Object Classification (in millions of dollars)

Identification code 12-0113-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
23.3 Communications, utilities, and miscellaneous charges	3		
25.2 Other services	6	75	110
26.0 Supplies and materials	22	11	20
31.0 Equipment	32	56	47
99.0 Direct obligations	63	142	177
99.0 Reimbursable obligations		24	23
99.9 Total new obligations	63	166	200

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 12-4609-0-4-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating expenses:			
09.01 Administration	21	24	25
09.02 Communications	5	5	5
09.03 Finance and management	163	178	180
09.04 Information technology	72	79	81
09.05 Executive secretariat	2	3	3
09.06 Corporate systems	35	39	39
09.09 Subtotal, operating expenses	298	328	333
Purchase of equipment:			
09.12 Finance and management	4	9	9
09.13 Information technology	5	8	8
09.15 Corporate systems	8	21	
09.19 Subtotal, purchase of equipment	17	38	17
10.00 Total new obligations	315	366	350
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	25	63	54
22.00 New budget authority (gross)	348	357	336
22.22 Unobligated balance transferred from other accounts	6		
23.90 Total budgetary resources available for obligation	379	420	390
23.95 Total new obligations	-315	-366	-350
24.40 Unobligated balance carried forward, end of year	63	54	40
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		21	
42.00 Transferred from other accounts	16		
43.00 Appropriation (total discretionary)	16	21	
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	345	336	336
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-13		
68.90 Spending authority from offsetting collections (total discretionary)	332	336	336
70.00 Total new budget authority (gross)	348	357	336
Change in obligated balances:			
72.40 Obligated balance, start of year	-10	16	26
73.10 Total new obligations	315	366	350
73.20 Total outlays (gross)	-302	-356	-336
74.00 Change in uncollected customer payments from Federal sources (unexpired)	13		
74.40 Obligated balance, end of year	16	26	40
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	16	312	291
86.93 Outlays from discretionary balances	286	44	45
87.00 Total outlays (gross)	302	356	336
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-345	-336	-336

Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	13	.....
Net budget authority and outlays:			
89.00	Budget authority	16	21
90.00	Outlays	-43	20

This fund finances by advances or reimbursements certain central services in the Department of Agriculture, including duplicating and other visual information services, art and graphics, video services, supply, centralized accounting systems, centralized automated data processing systems for payroll, personnel, and related services, voucher payments services, and ADP systems. The National Finance Center's expenses are also funded through this fund. The capital consists of \$400 thousand appropriated (7 U.S.C. 2235), and subsequent appropriations of \$32 million as of September 30, 2002. Earnings are kept at a low level through adjustments in rates charged for services to maintain as nearly as possible the nonprofit nature of the fund.

Object Classification (in millions of dollars)

Identification code 12-4609-0-4-352	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1	Full-time permanent	103	112 114
11.3	Other than full-time permanent	2	2 2
11.5	Other personnel compensation	5	3 3
11.9	Total personnel compensation	110	117 119
12.1	Civilian personnel benefits	24	24 25
21.0	Travel and transportation of persons	2	2 2
22.0	Transportation of things	1	1 1
23.1	Rental payments to GSA	4	5 5
23.2	Rental payments to others	2	2 2
23.3	Communications, utilities, and miscellaneous charges	33	42 42
24.0	Printing and reproduction	1	2 2
25.2	Other services	107	121 123
26.0	Supplies and materials	9	9 9
31.0	Equipment	22	41 20
99.9	Total new obligations	315	366 350

Personnel Summary

Identification code 12-4609-0-4-352	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001	Total compensable workyears: Civilian full-time equivalent employment	2,080	2,125 2,033

DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

DEPARTMENTAL ADMINISTRATION
(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, \$45,128,000, to provide for necessary expenses for management support services to offices of the Department and for general administration, security, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0120-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.08	Direct program	37	42 45
09.01	Reimbursable program	14	22 18
10.00	Total new obligations	51	64 63
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	51	64 63
23.95	Total new obligations	-51	-64 -63
23.98	Unobligated balance expiring or withdrawn	-1	.....
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	37	42 45
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	7	22 18
68.10	Change in uncollected customer payments from Federal sources (unexpired)	7	.....
68.90	Spending authority from offsetting collections (total discretionary)	14	22 18
70.00	Total new budget authority (gross)	51	64 63
Change in obligated balances:			
72.40	Obligated balance, start of year	-2	-10 -8
73.10	Total new obligations	51	64 63
73.20	Total outlays (gross)	-54	-62 -63
73.40	Adjustments in expired accounts (net)	-1	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-7	.....
74.10	Change in uncollected customer payments from Federal sources (expired)	4	.....
74.40	Obligated balance, end of year	-10	-8 -10
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	49	60 58
86.93	Outlays from discretionary balances	5	2 4
87.00	Total outlays (gross)	54	62 63
Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-14	-22 -18
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-7	.....
88.96	Portion of offsetting collections (cash) credited to expired accounts	7	.....
Net budget authority and outlays:			
89.00	Budget authority	37	42 45
90.00	Outlays	39	40 45
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority	2	2 2
99.01	Outlays	2	2 2

Departmental Administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of the Department. These activities include Department-wide 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, civil rights and equal opportunity, participation of small and disadvantaged businesses, emergency preparedness, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges, Judicial Officer, and Board of Contract Appeals.

Departmental Administration is also responsible for representing USDA in the development of government-wide policies and initiatives; analyzing the impact of government-wide trends and developing appropriate USDA principles, policies, and standards. In addition, Departmental Administration engages in strategic planning and evaluating programs to ensure USDA-wide compliance with applicable laws, rules, and

General and special funds—Continued

DEPARTMENTAL ADMINISTRATION—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

regulations pertaining to administrative matters for the Secretary and general officers of the Department.

Object Classification (in millions of dollars)

Identification code 12-0120-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	24	29	30
12.1 Civilian personnel benefits	5	6	6
23.3 Communications, utilities, and miscellaneous charges	1	1	
25.2 Other services	3	3	5
25.3 Other purchases of goods and services from Government accounts	2	3	3
99.0 Direct obligations	35	42	44
99.0 Reimbursable obligations	15	21	17
99.5 Below reporting threshold	1	1	2
99.9 Total new obligations	51	64	63

Personnel Summary

Identification code 12-0120-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	324	413	415
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	69	76	76

HAZARDOUS MATERIALS MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply 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., \$15,713,000, to remain available until expended: Provided, That appropriations and funds available herein to the Department for Hazardous Materials Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands. (42 U.S.C. 6961, et seq., 42 U.S.C. 9601, et seq.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0500-0-1-304	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program	21	16	16
10.00 Total new obligations	21	16	16
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross)	17	16	16
22.10 Resources available from recoveries of prior year obligations	6		
23.90 Total budgetary resources available for obligation	23	17	17
23.95 Total new obligations	-21	-16	-16
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17	16	16
Change in obligated balances:			
72.40 Obligated balance, start of year	18	18	15
73.10 Total new obligations	21	16	16

73.20 Total outlays (gross)	-18	-18	-18
73.45 Recoveries of prior year obligations	-6		
74.10 Change in uncollected customer payments from Federal sources (expired)	3		
74.40 Obligated balance, end of year	18	15	15

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	14	14	14
86.93 Outlays from discretionary balances	4	4	4
87.00 Total outlays (gross)	18	18	18

Net budget authority and outlays:

89.00 Budget authority	17	16	16
90.00 Outlays	16	18	18

Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA), the Department has the responsibility to meet the same standards for storage and disposition of hazardous wastes as private businesses. Since the Department has substantial commitments under these Acts, a central fund has been established so that resources may be allocated to the Department's agencies. Allocations are made according to objective criteria.

PERFORMANCE INDICATORS

	2002 actual	2003 est.	2004 est.
Number of sites assessed/characterized on need for cleanup	147	91	83
Number of cleanup plans	32	116	33
Number of non-mine CERCLA cleanups	10	32	9
Number of mine CERCLA cleanups	19	6	23
Number of UST and other RCRA cleanups	6	26	16
Number of agreements reached with potentially responsible parties (PRPs)	19	10	10
Estimated value of cleanup/restoration work performed by PRP's (\$ millions)	\$14.6	\$5	\$5

Object Classification (in millions of dollars)

Identification code 12-0500-0-1-304	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services	20	15	15
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	21	16	16

Personnel Summary

Identification code 12-0500-0-1-304	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	6	6	

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for alterations and other actions needed for the Department and its agencies to consolidate unneeded space into configurations suitable for release to the Administrator of General Services, and for the operation, maintenance, improvement, and repair of Agriculture buildings, \$199,332,000, to remain available until expended: Provided, That not to exceed 5 percent of amounts which are made available for space rental and related costs for the Department of Agriculture in this Act may be transferred between such appropriations to cover the costs of new or replacement space 15 days after notice thereof is transmitted to the Appropriations Committees of both Houses of Congress.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0117-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Rental payments to GSA: Non-recurring repairs	121	121	124
00.02 Building operations and maintenance	31	33	41
00.04 Strategic space plan	14	34	34
09.02 Reimbursable program	1	2	2
10.00 Total new obligations	167	190	201
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	25	41	43
22.00 New budget authority (gross)	181	190	200
22.10 Resources available from recoveries of prior year obligations	2	2	2
23.90 Total budgetary resources available for obligation	208	233	245
23.95 Total new obligations	-167	-190	-201
24.40 Unobligated balance carried forward, end of year	41	43	44
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	179	189	199
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	1	1	1
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
68.90 Spending authority from offsetting collections (total discretionary)	2	1	1
70.00 Total new budget authority (gross)	181	190	200
Change in obligated balances:			
72.40 Obligated balance, start of year	46	24	22
73.10 Total new obligations	167	190	201
73.20 Total outlays (gross)	-186	-190	-200
73.45 Recoveries of prior year obligations	-2	-2	-2
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.40 Obligated balance, end of year	24	22	21
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	129	188	198
86.93 Outlays from discretionary balances	57	2	2
87.00 Total outlays (gross)	186	190	200
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
Net budget authority and outlays:			
89.00 Budget authority	179	189	199
90.00 Outlays	186	189	199

This account finances the General Services Administration's fees for rental of space and related services. The appropriation covers all fees for all regular appropriated accounts within the Department of Agriculture with the exception of the Forest Service. This account also finances the operation and maintenance of four buildings in the Headquarters area.

Beginning in 1995, the account included funds for USDA's strategic space plan. Since then, funds were made available for the construction and occupancy of an office facility at the Beltsville Agricultural Research Center and the design and implementation of a long-term program to renovate and modernize the South Building.

WORKLOAD INDICATORS

	2002 actual	2003 est.	2004 est.
Maintenance and Repairs:			
Minor repairs (number)	400	800	800
Maintenance (thousands of hours)	19,500	19,250	19,000
Service calls (thousands)	11,000	10,750	10,500

Object Classification (in millions of dollars)

Identification code 12-0117-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	2	2	2
23.1 Rental payments to GSA	121	121	124
23.3 Communications, utilities, and miscellaneous charges	5	5	5
25.2 Other services	32	54	62
99.0 Direct obligations	166	188	199
99.0 Reimbursable obligations	1	2	2
99.9 Total new obligations	167	190	201
Personnel Summary			
Identification code 12-0117-0-1-352			
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	89	94	94

OFFICE OF COMMUNICATIONS

Federal Funds

General and special funds:

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, \$10,084,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0150-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Public affairs	9	10	10
09.01 Reimbursable program		1	1
10.00 Total new obligations	9	11	11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	11	11
23.95 Total new obligations	-9	-11	-11
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	9	10	10
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		1	1
70.00 Total new budget authority (gross)	9	11	11
Change in obligated balances:			
72.40 Obligated balance, start of year	-2	-1	
73.10 Total new obligations	9	11	11
73.20 Total outlays (gross)	-9	-10	-11
73.40 Adjustments in expired accounts (net)	1	1	1
74.40 Obligated balance, end of year	-1		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	8	10	10
86.93 Outlays from discretionary balances	1		1
87.00 Total outlays (gross)	9	10	11
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-1	-1

General and special funds—Continued

OFFICE OF COMMUNICATIONS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0150-0-1-352	2002 actual	2003 est.	2004 est.
Net budget authority and outlays:			
89.00 Budget authority	9	11	11
90.00 Outlays	9	10	10
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	1	1	1
99.01 Outlays	1	1	1

Public affairs—This office provides general direction, leadership, and coordination of the Department's information program. The major objective is to provide a balanced and useful information program that reports on USDA's research, administrative action, and regulatory activities using all communications media in order to enable the general public and the agricultural industry to have a better understanding of agriculture's services to farmers and to society.

PERFORMANCE MEASURES

	2002 actual	2003 est.	2004 est.
Random surveys of selected communications initiatives reveal that intended audience received the material or information distributed	95%	95%	95%

Object Classification (in millions of dollars)

Identification code 12-0150-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	7	7
12.1 Civilian personnel benefits	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	1	1	1
99.0 Direct obligations	9	10	10
99.0 Reimbursable obligations		1	1
99.9 Total new obligations	9	11	11

Personnel Summary

Identification code 12-0150-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	74	90	90

OFFICE OF THE INSPECTOR GENERAL

Federal Funds

General and special funds:

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, \$81,895,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, including not to exceed \$50,000 for employment under 5 U.S.C. 3109; including not to exceed \$125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98. (7 U.S.C. 450b, 2201, 2202, 2220, 2270; Public Law 100-504.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0900-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program	71	78	82
09.01 Reimbursable program	2	2	2
10.00 Total new obligations	73	80	84
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	3	3
22.00 New budget authority (gross)	75	80	84
23.90 Total budgetary resources available for obligation	76	83	87
23.95 Total new obligations	-73	-80	-84
24.40 Unobligated balance carried forward, end of year	3	3	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	71	78	82
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	1	2	2
68.10 Change in uncollected customer payments from Federal sources (unexpired)	3		
68.90 Spending authority from offsetting collections (total discretionary)	4	2	2
70.00 Total new budget authority (gross)	75	80	84
Change in obligated balances:			
72.40 Obligated balance, start of year	5		
73.10 Total new obligations	73	80	84
73.20 Total outlays (gross)	-74	-78	-83
73.40 Adjustments in expired accounts (net)	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-3		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	70	73	76
86.93 Outlays from discretionary balances	4	5	7
87.00 Total outlays (gross)	74	78	83
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-2	-2
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-3		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:			
89.00 Budget authority	71	78	82
90.00 Outlays	72	76	81
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	5	5	5
99.01 Outlays	5	5	5

The Office keeps the Secretary and Congress informed about fraud, other serious problems, mismanagement, and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problems. It reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact these laws have on the Department's programs and the prevention and detection of fraud and mismanagement in such programs. The Office provides policy direction and conducts, supervises, and coordinates all audits and investigations. The office supervises and coordinates other activities in the Department and between the Department and other Federal, State and local government agencies whose purposes are to: (a) promote economy and efficiency; (b) prevent and detect fraud and mismanagement; and (c) identify and prosecute people involved in fraud or mismanagement.

Object Classification (in millions of dollars)			
Identification code 12-0900-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	43	45	45
11.5 Other personnel compensation	4	4	4
11.9 Total personnel compensation	47	49	49
12.1 Civilian personnel benefits	13	14	15
21.0 Travel and transportation of persons	5	6	6
23.3 Communications, utilities, and miscellaneous charges	1	1	3
25.2 Other services	2	5	6
25.3 Other purchases of goods and services from Government accounts	1	1	1
99.0 Direct obligations	69	76	80
99.0 Reimbursable obligations	2	2	2
99.5 Below reporting threshold	2	2	2
99.9 Total new obligations	73	80	84

Personnel Summary

Identification code 12-0900-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	642	721	721

OFFICE OF THE GENERAL COUNSEL

Federal Funds

General and special funds:

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, \$37,328,000. (7 U.S.C. 2201; 2202, 2214a.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-2300-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program	33	36	37
09.00 Reimbursable program	1	1	1
10.00 Total new obligations	34	37	38

Budgetary resources available for obligation:

22.00 New budget authority (gross)	34	37	38
23.95 Total new obligations	-34	-37	-38

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	33	36	37
Spending authority from offsetting collections: Offsetting collections (cash)			
68.00	1	1	1
70.00 Total new budget authority (gross)	34	37	38

Change in obligated balances:

72.40 Obligated balance, start of year	2	2	2
73.10 Total new obligations	34	37	38
73.20 Total outlays (gross)	-34	-37	-38
74.40 Obligated balance, end of year	2	2	2

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	32	35	36
86.93 Outlays from discretionary balances	2	2	2
87.00 Total outlays (gross)	34	37	38

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1

Net budget authority and outlays:			
89.00 Budget authority	34	37	38
90.00 Outlays	33	36	37

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority	2	3	3
99.01 Outlays	2	3	3

The Office of the General Counsel of the Department of Agriculture provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department on all aspects of their operations. It represents the Department in administrative proceedings; non-litigation 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. All attorneys and related support personnel devoted to those efforts are under the supervision of the General Counsel.

Object Classification (in millions of dollars)

Identification code 12-2300-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	25	27	28
12.1 Civilian personnel benefits	6	6	6
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	1	1	1
31.0 Equipment	1	1	1
99.0 Direct obligations	33	36	37
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	34	37	38

Personnel Summary

Identification code 12-2300-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	315	351	351
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	9	8	8

ECONOMIC RESEARCH SERVICE

Federal Funds

General and special funds:

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, \$76,657,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944. (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 2225, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1701-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program	67	73	77
09.00 Reimbursable program	3	3	3
10.00 Total new obligations	70	76	80

General and special funds—Continued

ECONOMIC RESEARCH SERVICE—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1701-0-1-352	2002 actual	2003 est.	2004 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	70	76	80
23.95 Total new obligations	-70	-76	-80
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	67	73	77
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	3	3	3
70.00 Total new budget authority (gross)	70	76	80
Change in obligated balances:			
72.40 Obligated balance, start of year	26	23	24
73.10 Total new obligations	70	76	80
73.20 Total outlays (gross)	-73	-75	-80
74.40 Obligated balance, end of year	23	24	26
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	55	66	70
86.93 Outlays from discretionary balances	18	9	10
87.00 Total outlays (gross)	73	75	80
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-3	-3	-3
Net budget authority and outlays:			
89.00 Budget authority	67	73	77
90.00 Outlays	70	72	77
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	3	3	3
99.01 Outlays	3	3	3

The Economic Research Service provides economic and other social science research and analysis for public and private decisions on agriculture, food, natural resources, and rural America.

Miscellaneous funds received from States, local organizations, and others are available for support of economic research and analysis (7 U.S.C. 450b, 450h, 3318b).

The 2004 request includes funding for costs associated with development of a security system to provide policy officials with information to respond to threats to U.S. agriculture and for an initiative on strengthening the economic information and analytical basis for genomics research, application, and education program decisions.

Object Classification (in millions of dollars)

Identification code 12-1701-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	35	38	39
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	36	39	40
12.1 Civilian personnel benefits	8	8	9
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	2	3	5
25.3 Other purchases of goods and services from Government accounts	7	8	8
25.5 Research and development contracts	8	9	9
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
41.0 Grants, subsidies, and contributions	2	2	2
99.0 Direct obligations	67	73	77
99.0 Reimbursable obligations	3	3	3

99.9 Total new obligations	70	76	80
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Personnel Summary

Identification code 12-1701-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	476	501	504
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	4	3	3

NATIONAL AGRICULTURAL STATISTICS SERVICE

Federal Funds

General and special funds:

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture, as authorized by 7 U.S.C. 1621-1627, 22049, and other laws, \$136,182,000, of which up to \$25,279,000 shall be available until expended for the Census of Agriculture: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944, and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955-57, 1621-27, 2201, 2202, 2204, 2225, 2248, 3103, 3311, 3504; 18 U.S.C. 1902, 1905, 2072; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1801-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Agricultural estimates	85	95	107
00.02 Statistical research and service	4	4	4
00.03 Census of Agriculture	26	41	25
09.01 Reimbursable program	12	16	16
10.00 Total new obligations	127	156	152
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New budget authority (gross)	127	157	152
23.90 Total budgetary resources available for obligation	128	157	152
23.95 Total new obligations	-127	-156	-152
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	115	141	136
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	12	16	16
70.00 Total new budget authority (gross)	127	157	152
Change in obligated balances:			
72.40 Obligated balance, start of year	9	6	15
73.10 Total new obligations	127	156	152
73.20 Total outlays (gross)	-127	-147	-152
73.40 Adjustments in expired accounts (net)	-3		
74.40 Obligated balance, end of year	6	15	15
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	121	141	137
86.93 Outlays from discretionary balances	6	6	15
87.00 Total outlays (gross)	127	147	152

Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-8	-13	-13
88.40	Non-Federal sources	-4	-3	-3
88.90	Total, offsetting collections (cash)	-12	-16	-16
Net budget authority and outlays:				
89.00	Budget authority	115	141	136
90.00	Outlays	115	131	136
Additional net budget authority and outlays to cover cost of fully accruing retirement:				
99.00	Budget authority	5	5	5
99.01	Outlays	5	5	5

Agricultural estimates.—The Service provides the official National and State estimates of acreage, yield, and production of crops, stocks, and value of farm commodities, and numbers of inventory values of livestock items. Data on approximately 120 crops and 45 livestock products are covered in nearly 400 reports issued each year. Detailed data are also collected on agricultural chemical use, labor, and expenditures. In addition, the Census of Agriculture is conducted every five years which provides comprehensive data on the Nation's agricultural industry down to the county level.

The work under this activity is conducted through 46 field offices serving the 50 States and Puerto Rico; most of these offices are operated as joint State and Federal services. Cooperative arrangements with State agencies provide additional State and county data. The 2004 program includes funding related to the restoration and modernization of the Agricultural Estimates program, the continuing development of a locality based agricultural county estimates/small area estimation program, and e-government data dissemination and electronic data reporting.

Statistical research and service.—This activity is designed to improve the statistical methods and related technologies by improving sample survey designs and procedures and by testing new forecasting and estimating techniques, such as the use of remote sensing and geographic information systems.

Census of Agriculture.—The Census of Agriculture is conducted every five years. A proposed decrease of \$16 million reflects funding of cyclical activities associated with labeling, mailing, processing and analysis for the 2002 Census of Agriculture.

Miscellaneous funds received from local organizations, commodity groups, and others are available for dissemination of reports and for survey work conducted under cooperative agreements (7 U.S.C. 450b, 450h, 3318b).

Object Classification (in millions of dollars)

Identification code 12-1801-0-1-352	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	55	74	77
11.3	Other than full-time permanent	1	1	1
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	57	76	79
12.1	Civilian personnel benefits	15	19	20
21.0	Travel and transportation of persons	1	2	2
22.0	Transportation of things	1	1	1
23.3	Communications, utilities, and miscellaneous charges	5	7	5
24.0	Printing and reproduction		1	1
25.2	Other services	22	18	15
25.3	Other purchases of goods and services from Government accounts	7	11	7
25.7	Operation and maintenance of equipment	2	1	1
26.0	Supplies and materials	1	1	1
31.0	Equipment	3	4	4
99.0	Direct obligations	114	141	136
99.0	Reimbursable obligations	11	15	16
99.5	Below reporting threshold	2		

99.9	Total new obligations	127	156	152
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Personnel Summary

Identification code 12-1801-0-1-352	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	981	1,252	1,262
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	106	106	106

AGRICULTURAL RESEARCH SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25 percent of the total value of the land or interests transferred out of Federal ownership, \$987,303,000: Provided, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: Provided further, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed \$375,000, except for greenhouses, which shall each be limited to \$1,200,000, and except for 10 buildings to be constructed or improved at a cost not to exceed \$750,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or \$375,000, whichever is greater: Provided further, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: Provided further, That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center: Provided further, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): Provided further, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

In fiscal year 2004, the agency is authorized to charge fees, commensurate with the fair market value, for any permit, easement, lease, or other special use authorization for the occupancy or use of land and facilities (including land and facilities at the Beltsville Agricultural Research Center) issued by the agency, as authorized by law, and such fees shall be credited to this account, and shall remain available until expended for authorized purposes. (7 U.S.C. 328, 427, 427i, 1281 note, 1621, 2201, 2204, 2225, 2250, 3101 note; 10 U.S.C. 2306; 16 U.S.C. 590(a)-590(b), 590(k); 18 U.S.C. 1114; 19 U.S.C. 1306(a), 1306(c); 20 U.S.C. 191-194; 21 U.S.C. 113a, 114c, 114e-131; 42 U.S.C. 1476(e), 1483)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Unavailable Collections (in millions of dollars)

Identification code 12-1400-0-1-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	5	5	5
07.99 Balance, end of year	5	5	5

Program and Financing (in millions of dollars)

Identification code 12-1400-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Research on soil, water and air science	103	102	103
00.02 Research on plant science	365	346	356
00.03 Research on animal science	179	177	183
00.04 Research on commodity conversion and delivery	169	177	186
00.05 Human nutrition research	75	77	77
00.06 Integration of agricultural systems	37	39	41
00.07 Repair and maintenance of facilities	18	18	18
00.08 Homeland security	9	22	.....
00.09 Collaborative research program	2	5	.....
00.10 Agricultural information and library science	22	22	23
00.11 Construction/Miscellaneous Fees .....	.....	2	.....
09.00 Reimbursable program	50	60	60
10.00 Total new obligations	1,029	1,047	1,047
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	29	4
22.00 New budget authority (gross)	1,056	1,021	1,051
23.90 Total budgetary resources available for obligation	1,059	1,050	1,055
23.95 Total new obligations	-1,029	-1,047	-1,047
23.98 Unobligated balance expiring or withdrawn	-3	.....	.....
24.40 Unobligated balance carried forward, end of year	29	4	8
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,002	957	987
40.73 Reduction pursuant to P.L. 107-206	-1	.....	.....
42.00 Transferred from other accounts	5	.....	.....
43.00 Appropriation (total discretionary)	1,006	957	987
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	50	64	64
70.00 Total new budget authority (gross)	1,056	1,021	1,051
Change in obligated balances:			
72.40 Obligated balance, start of year	277	301	270
73.10 Total new obligations	1,029	1,047	1,047
73.20 Total outlays (gross)	-1,005	-1,078	-1,049
74.40 Obligated balance, end of year	301	270	268
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	820	829	854
86.93 Outlays from discretionary balances	185	249	195
87.00 Total outlays (gross)	1,005	1,078	1,049
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-43	-55	-55
88.40 Non-Federal sources	-7	-9	-9
88.90 Total, offsetting collections (cash)	-50	-64	-64
Net budget authority and outlays:			
89.00 Budget authority	1,006	957	987
90.00 Outlays	955	1,014	985

The Agricultural Research Service conducts research to provide the means for a safer, more economical supply of agricultural products for the Nation and to provide producers with technologies to competitively supply these products. Technology needs of regulatory, technical assistance and education agencies of USDA and other Federal agencies are supported

through ARS research. The Service uses coordinated, interdisciplinary approaches to perform basic and applied research on soil and water conservation, plant and animal sciences, commodity conversion and delivery, human nutrition, and integrated agricultural systems. In 2004, the Service proposes increased emphases for critical research needs in agriculture, such as: biosecurity; emerging and exotic diseases of plants and animals; sequencing and bioinformatics; and information technology cyber security. Consistent with the 2003 budget, the 2004 budget also proposes to eliminate funding for unrequested Congressional earmarks added in 2001 and 2002, as well as some less critical base programs. In 2002, the Service submitted 68 new patent applications, participated in 61 new Cooperative research and development agreements (CRADAs), licensed 24 new products, and developed 63 new plant varieties to release to industry for further development and marketing.

Research on soil, water, and air sciences.—Research is conducted to improve soil and water management, irrigation, and conservation practices; to protect natural resources from harmful effects of soil, air, and water pollutants and to minimize certain agricultural pollution problems; and to determine the relation of soil types and water to plant, animal, and human nutrition.

Research on plant science.—Research is conducted to increase plant productivity by improving plant varieties, developing new crop resources, and improving crop production practices, including methods to control plant diseases, nematodes, insects, and weeds.

Research on animal science.—Research is conducted to increase livestock productivity (including poultry) through improved breeding, feeding, and management practices, and to develop methods for controlling diseases, parasites, and insect pests affecting these animals.

Research on commodity conversion and delivery.—Research is conducted to develop new and improved foods, feeds, products, and processes for agricultural commodities and to improve the processing, transportation, storage, wholesaling, and retailing of products. Research is also conducted on means to ensure the safety of food and feed supplies, control insect pests of man and his belongings, and reduce the hazards to human life resulting from pesticide residues and other causes.

Human nutrition research.—Research is conducted on subjects such as human nutritional requirements and the composition and nutritive value of foods, to promote optimum human health through improved nutrition.

Integration of agricultural systems.—Research is conducted to develop integrated systems for efficiently producing, processing, and marketing agricultural products, and to develop alternative agricultural systems that are less dependent upon nonrenewable resources and that are productive, efficient, and sustainable in the long term.

Agricultural information and library services.—The National Agricultural Library provides a variety of information products and services through: (1) the administration of a unique collection of books, journals, and other information materials about food and agriculture to ensure accessibility to their contents; (2) the development and maintenance of cooperative efforts in the library and related information areas, with other Federal agencies and with educational institutions in each State; and (3) an active program of information dissemination.

Repair and maintenance of facilities.—Funds are used to restore, upgrade, and maintain Federal facilities to meet OSHA and EPA requirements, provide suitable workspace for in-house research programs, and to retrofit existing structures for better energy utilization.

Collaborative Research Program.—Funds from the U.S. Agency for International Development (AID), allow USDA to

provide short-term scientific exchanges to the New Independent States of the former Soviet Union (NIS), in developing a market-based agricultural system necessary to meet the food needs of their populations and to develop and strengthen trade linkages between their countries and related agribusiness and agricultural enterprise in the U.S.

Reimbursements.—Agricultural Research Service performs program research activities and services for other USDA, Federal, and non-Federal agencies. These activities and services are paid for on a reimbursable basis.

A portion of funds related to the operation and programs at the Plum Island Animal Disease Center is included in the budget of the Department of Homeland Security, to which the facility was transferred.

Object Classification (in millions of dollars)

Identification code 12-1400-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	405	433	454
11.3 Other than full-time permanent	17	19	20
11.5 Other personnel compensation	12	12	12
11.9 Total personnel compensation	434	464	486
12.1 Civilian personnel benefits	104	112	118
21.0 Travel and transportation of persons	18	16	15
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	36	31	31
24.0 Printing and reproduction	1	1	1
25.1 Advisory and assistance services	1	1	1
25.2 Other services	18	19	15
25.3 Other purchases of goods and services from Government accounts	1	1	1
25.4 Operation and maintenance of facilities	20	18	18
25.5 Research and development contracts	148	144	127
25.7 Operation and maintenance of equipment	6	5	5
25.8 Subsistence and support of persons	2	2	2
26.0 Supplies and materials	96	88	84
31.0 Equipment	55	50	48
32.0 Land and structures	12	10	10
41.0 Grants, subsidies, and contributions	25	23	23
99.0 Direct obligations	979	987	987
99.0 Reimbursable obligations	50	60	60
99.9 Total new obligations	1,029	1,047	1,047

Personnel Summary

Identification code 12-1400-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	7,923	8,117	8,247
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	161	161	161

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, \$24,000,000, to remain available until expended (7 U.S.C. 2209b): Provided, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1401-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Building and facilities projects	51	81	50
10.00 Total new obligations	51	81	50
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	127	266	198
22.00 New budget authority (gross)	190	15	24
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	318	281	222
23.95 Total new obligations	-51	-81	-50
24.40 Unobligated balance carried forward, end of year	266	198	172
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	190	15	24
Change in obligated balances:			
72.40 Obligated balance, start of year	50	59	81
73.10 Total new obligations	51	81	50
73.20 Total outlays (gross)	-42	-59	-78
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	59	81	53
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	3
86.93 Outlays from discretionary balances	40	57	75
87.00 Total outlays (gross)	42	59	78
Net budget authority and outlays:			
89.00 Budget authority	190	15	24
90.00 Outlays	42	59	78

This account provides funds for acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the Agricultural Research Service. The 2004 request provides for biosecurity upgrades of a number of Agricultural Research Service facilities as well as continuing modernization of the National Agricultural Library.

Object Classification (in millions of dollars)

Identification code 12-1401-0-1-352	2002 actual	2003 est.	2004 est.
25.2 Other services	47	75	46
32.0 Land and structures	4	6	4
99.9 Total new obligations	51	81	50

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Collections (in millions of dollars)

Identification code 12-8214-0-7-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Science and education contributed funds	18	20	23
Appropriations:			
05.00 Miscellaneous contributed funds	-18	-20	-23
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8214-0-7-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Miscellaneous contributed funds	20	20	23
10.00 Total new obligations	20	20	23

General and special funds—Continued

MISCELLANEOUS CONTRIBUTED FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-8214-0-7-352	2002 actual	2003 est.	2004 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	19	17	17
22.00 New budget authority (gross)	18	20	23
23.90 Total budgetary resources available for obligation	37	37	40
23.95 Total new obligations	-20	-20	-23
24.40 Unobligated balance carried forward, end of year	17	17	17
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	18	20	23
Change in obligated balances:			
72.40 Obligated balance, start of year	12	12	12
73.10 Total new obligations	20	20	23
73.20 Total outlays (gross)	-20	-20	-22
74.40 Obligated balance, end of year	12	12	13
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	6	10	12
86.98 Outlays from mandatory balances	14	10	10
87.00 Total outlays (gross)	20	20	22
Net budget authority and outlays:			
89.00 Budget authority	18	20	23
90.00 Outlays	20	20	22

Miscellaneous contributed funds received from States, local organizations, individuals, and others are available for work under cooperative agreements on research activities.

Object Classification (in millions of dollars)

Identification code 12-8214-0-7-352	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	5	5	5
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	2	2	5
25.5 Research and development contracts	7	7	7
26.0 Supplies and materials	3	3	3
31.0 Equipment	1	1	1
41.0 Grants, subsidies, and contributions	1	1	1
99.9 Total new obligations	20	20	23

Personnel Summary

Identification code 12-8214-0-7-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	96	96	96

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

Federal Funds

General and special funds:

INTEGRATED ACTIVITIES

For the integrated research, education, and extension grants programs, including necessary administrative expenses, \$62,865,000 as follows: for competitive grants program authorized under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998, \$41,852,000, including \$12,971,000 for the water quality program, \$14,967,000 for the food safety program, \$4,531,000 for the regional pest management centers program, \$4,889,000 for the Food Quality Protection Act risk mitigation program for major food crop systems, \$1,497,000 for the crops affected by Food Quality Protection Act implementation, \$2,498,000 for the methyl bromide transition program, and \$499,000 for the organic transition program; for a competitive international science and education grants program authorized

under section 1459A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, to remain available until expended, \$1,000,000; for grants programs authorized under section 2(c)(1)(B) of Public Law 89-106, as amended, \$4,013,000, including \$2,500,000, to remain available until September 30, 2005, for the critical issues program, and \$1,513,000 for the regional rural development centers program; and \$16,000,000 for the homeland security program authorized under section 1484 of the National Agricultural Research, Extension, and Teaching Act of 1977, to remain available until September 30, 2005. (7 U.S.C. 450i(c)(1)(B), 3292b, 3351, 7626.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1502-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.20 Water quality	13	13	13
00.30 Food safety	15	15	15
00.40 Regional pest management centers	5	5	5
00.50 Crops at risk from Food Quality Protection Act implementation	1	1	1
00.60 Food Quality Protection Act risk mitigation program	5	5	5
00.70 Methyl bromide transition program	2	2	2
00.71 Homeland Security			16
00.86 International science and education grants		1	1
00.87 Rural development centers		1	2
00.88 Organic transition	2	1	1
00.89 Critical issues—plant and animal diseases		1	2
10.00 Total new obligations	43	45	63
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	43	45	63
23.95 Total new obligations	-43	-45	-63
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	43	45	63
Change in obligated balances:			
72.40 Obligated balance, start of year	73	97	111
73.10 Total new obligations	43	45	63
73.20 Total outlays (gross)	-19	-31	-42
74.40 Obligated balance, end of year	97	111	132
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	2	10
86.93 Outlays from discretionary balances	18	29	32
87.00 Total outlays (gross)	19	31	42
Net budget authority and outlays:			
89.00 Budget authority	43	45	63
90.00 Outlays	19	31	42

Note.—2004 estimates include critical issues previously financed from the USDA Cooperative State Research, Education, and Extension Service (CSREES) Research and Education activities account and Rural Development Centers previously financed from the USDA CSREES Research and Education activities and Extension activities accounts.

Under the Integrated activities account, research, education and/or extension grants are awarded for competitive and non-competitive programs.

Water quality.—This funding will enable CSREES and the State Agricultural Experiment Stations and the Cooperative Extension system to become viable partners with other state and federal agencies in addressing water quality issues of national importance. Funds will be awarded based upon peer review of competitive proposals for projects that have components for research and extension.

Food safety.—Funding will support research, education and extension programs to improve safety of food products and create a more informed public about food safety issues.

Regional pest management centers.—Funding will provide management and coordination for USDA and State activities that support informed regulatory decisions concerning pesticides that significantly benefit U.S. food production without causing adverse effects on the environment.

Crops at risk from FQPA implementation.—Funding will support the development of multi-tactic IPM strategies. Grant opportunities will be available to colleges and universities.

FQPA Risk mitigation program for major food crop systems.—Funds are proposed to support a program to address risk mitigation that will have a food production system focus, integrating food safety and water quality considerations as impacted by FQPA. Emphasis will be placed on development and implementation of new innovative pest management systems designed to maintain crop productivity and profitability while meeting or exceeding environmental quality and human health standards.

Methyl bromide transition program.—This is a grant program designed to support the discovery and implementation of practical pest management alternatives for commodities affected by the methyl bromide phase-out in 2005.

Organic transition program.—This program supports the development and implementation of biologically based pest management practices that mitigate the ecological, agronomic, and economic risks associated with the transition from conventional to organic agricultural production systems.

International science and education grants program.—This program focuses on incorporating substantive international activities into programs related to food systems, agriculture and natural resources at U.S. land-grant colleges and universities.

Critical issues program.—Funds are proposed to develop early intervention strategies to prevent, manage or eradicate new and emerging diseases, both plant and animal, which would prevent loss of revenue to growers or producers.

Regional rural development centers.—Funding will support activities that pursue a holistic development strategy that tailors programming to meet regional and local needs and addresses areas of opportunity arising from a consumer-driven agricultural economy.

Homeland security program.—This program provides support to an unified network of public agricultural institutions to identify and respond to high risk biological pathogens in the food and agricultural system.

Object Classification (in millions of dollars)			
Identification code 12-1502-0-1-352		2002 actual	2003 est. 2004 est.
11.1	Personnel compensation: Full-time permanent	1	1 1
41.0	Grants, subsidies, and contributions	42	44 62
99.9	Total new obligations	43	45 63

Personnel Summary			
Identification code 12-1502-0-1-352		2002 actual	2003 est. 2004 est.
Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employment	8	8 8

INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS

Program and Financing (in millions of dollars)			
Identification code 12-1503-0-1-352		2002 actual	2003 est. 2004 est.
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation		
40.35	Appropriation rescinded	-120	-120 -120
43.00	Appropriation (total discretionary)	-120	-120 -120
Mandatory:			
60.00	Appropriation	120	240
60.35	Appropriation deferred		-120

62.00	Transferred from other accounts			120
62.50	Appropriation (total mandatory)	120	120	120
70.00	Total new budget authority (gross)			
Change in obligated balances:				
72.40	Obligated balance, start of year	201	172	131
73.20	Total outlays (gross)	-39	-41	-45
73.40	Adjustments in expired accounts (net)	10		
74.40	Obligated balance, end of year	172	131	86
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority		-6	-6
86.93	Outlays from discretionary balances			-42
86.97	Outlays from new mandatory authority		6	6
86.98	Outlays from mandatory balances	39	41	87
87.00	Total outlays (gross)	39	41	45
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	39	41	45

1998 Research Act.—The Agricultural Research, Extension, and Education Reform Act of 1998 authorized the annual appropriation of \$120 million for high priority research, extension, and education. The Farm Security and Rural Investment Act of 2002 authorizes \$120 million for 2004. These funds are available for two years. The 2000 appropriations language blocked the use of 2000 funds in 2000. However, these funds were available in 2001. The 2002 appropriations language blocked the use of 2001 and 2002 funds in 2002. The 2003 budget includes language that would block implementation of the program during 2003. This action is continued in the FY 2004 budget.

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, \$514,228,000, as follows: to carry out the provisions of the Hatch Act of 1887, \$180,148,000; for grants for cooperative forestry research, \$21,884,000; for payments to the 1890 land-grant colleges, including Tuskegee University and West Virginia State College, \$36,000,000, of which \$1,507,496 shall be made available only for the purpose of ensuring that each institution shall receive no less than \$1,000,000; for special grants for agricultural research, \$3,341,000; for special grants for agricultural research on improved pest control, \$15,006,000; for competitive research grants, \$200,000,000; for the support of animal health and disease programs, \$5,098,000; for the 1994 research grants program for 1994 institutions pursuant to Section 536 of Public Law 103-382, \$998,000, to remain available until expended; for higher education graduate fellowship grants, \$4,500,000, to remain available until expended; for higher education challenge grants, \$5,500,000; for a higher education multicultural scholars program, \$998,000, to remain available until expended; for an education grants program for Hispanic-serving Institutions, \$3,492,000; for noncompetitive grants for the purpose of carrying out all provisions of 7 U.S.C. 3242 to individual eligible institutions or consortia of eligible institutions in Alaska and in Hawaii, with funds awarded equally to each of the States of Alaska and Hawaii, \$2,997,000; for a secondary agriculture education program and 2-year post-secondary education, \$1,000,000; for aquaculture grants, \$3,996,000; for sustainable agriculture research and education (7 U.S.C. 5811), \$9,230,000; for a program of capacity building grants to colleges eligible to receive funds under the Act of August 30, 1890, including Tuskegee University and West Virginia State College, \$9,479,000, to remain available until expended; for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103-382, \$2,250,000; and for necessary expenses of Research and Education Activities, of which not to exceed \$100,000 shall be for employment under 5 U.S.C. 3109, \$8,311,000.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products: Provided, That this paragraph shall not apply to research on the medical, biotechnological, food, and industrial uses of tobacco. (7 U.S.C. 301 note, 321-26, 328, 361a-

General and special funds—Continued

RESEARCH AND EDUCATION ACTIVITIES—Continued

i, 450i(b)–(c), 2209b, 3152(b)(1) and (4)–(6), 3152(j), 3195, 3222, 3241, 3322, 5811; 16 U.S.C. 582–a7.)

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For the Native American Institutions Endowment Fund authorized by Public Law 103–382 (7 U.S.C. 301 note), \$9,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

Unavailable Collections (in millions of dollars)

Identification code 12–1500–0–1–352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	32	39	46
Receipts:			
02.40 Federal payment, Native American Institutions Endowment Fund	7	7	9
02.41 Earnings on investments	2	2	3
02.99 Total receipts and collections	9	9	12
04.00 Total: Balances and collections	41	48	58
Appropriations:			
05.00 Cooperative state research activities	–2	–2	–3
07.99 Balance, end of year	39	46	55

Program and Financing (in millions of dollars)

Identification code 12–1500–0–1–352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Payments under the Hatch Act	180	180	180
00.02 Cooperative forestry research	22	22	22
00.03 Payments to 1890 colleges and Tuskegee University	35	35	36
00.04 Special research grants	131	33	33
00.05 National research initiative competitive grants	150	240	200
00.06 Animal health and disease research	5	5	5
00.07 Federal administration	22	10	10
00.08 Higher education	27	29	30
00.09 Native American Institutions Endowment Fund	9	9	11
09.00 Reimbursable program	12	16	16
10.00 Total new obligations	593	579	543
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	116	86	83
22.00 New budget authority (gross)	563	576	542
23.90 Total budgetary resources available for obligation	679	662	625
23.95 Total new obligations	–593	–579	–543
24.40 Unobligated balance carried forward, end of year	86	83	82
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	549	558	523
40.20 Appropriation (special fund)	2	2	3
43.00 Appropriation (total discretionary)	551	560	526
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	15	16	16
68.10 Change in uncollected customer payments from Federal sources (unexpired)	–3		
68.90 Spending authority from offsetting collections (total discretionary)	12	16	16
70.00 Total new budget authority (gross)	563	576	542
Change in obligated balances:			
72.40 Obligated balance, start of year	482	543	562
73.10 Total new obligations	593	579	543
73.20 Total outlays (gross)	–527	–560	–544
73.40 Adjustments in expired accounts (net)	–19		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	3		
74.10 Change in uncollected customer payments from Federal sources (expired)	11		
74.40 Obligated balance, end of year	543	562	561

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	213	303	286
86.93 Outlays from discretionary balances	307	252	256
86.98 Outlays from mandatory balances	7	5	2
87.00 Total outlays (gross)	527	560	544

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	–12	–16	–16
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	3		
88.96 Portion of offsetting collections (cash) credited to expired accounts	–3		

Net budget authority and outlays:

89.00 Budget authority	551	560	526
90.00 Outlays	515	544	528

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value	28	30	
92.02 Total investments, end of year: Federal securities:			
Par value	30		

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority	1	1	1
99.01 Outlays	1	1	1

Note.—In 2004 funding for critical issues and rural development centers is included in the account for integrated activities.

Cooperative State Research, Education, and Extension Service participates in a nationwide system of agricultural research and education program planning and coordination between State institutions and the U.S. Department of Agriculture. It assists in maintaining cooperation among the State institutions, and between the State institutions and their Federal research partners. The Agency administers grants and payments to State institutions to supplement State and local funding for agricultural research and higher education.

Payments under the Hatch Act.—Funds under the Hatch Act are allocated on a formula basis to agricultural experiment stations of the land-grant colleges in the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia, and Northern Mariana Islands.

Cooperative forestry research.—These funds are allocated by formula to land-grant colleges or agricultural experiment stations in the 50 States, Puerto Rico, Guam, the Virgin Islands, and other State-supported colleges and universities having a forestry school and offering graduate training in forestry sciences.

Payments to 1890 colleges and Tuskegee University and West Virginia State College.—Funds allocated on a formula basis support agricultural research and broaden the curricula at the eighteen 1890 land-grant colleges, including Tuskegee University and West Virginia State College.

Special research grants.—This program addresses research areas of national interest. Funding is proposed for grant programs in IR–4 minor crop pest management, pest management alternatives, and sustainable agriculture. Funding is also proposed for integrated pest management. Advances in these areas will provide producers with safe, alternative pest control methods resulting in more farmers increasing the number of acres on which Integrated Pest Management (IPM) methods are used. Funding proposed for IR–4 minor crop pest management and minor use animal drugs will address the growing need for registration of safe pesticides and drugs for minor crops and animals and lead to reduced levels of chemical and drug residues in food products by half. These pest management programs will be coordinated to address Food Quality and Protection Act issues. The IR–4 and IPM programs are contained under improved pest control funding. Improved pest control also includes Pest Management Alternatives, and Expert IPM Decision Support System Programs.

A grant program for global change is proposed for research at universities as part of a coordinated Federal initiative. Funding is also proposed for the National Biological Impact Assessment Program, and aquaculture centers. The 2004 budget eliminates funding for unrequested earmarks.

National research initiative competitive grants.—Funding is being proposed for the National Research Initiative (NRI). Research scientists throughout the U.S. scientific community compete for funding under this program. The performance goal has been to attract the widest possible involvement of U.S. scientists in agricultural research to increase the knowledge base related to U.S. agriculture, food, and the environment and maintain world leadership in agricultural science and engineering. NRI funding has resulted in increased participation by universities which are not traditionally considered agricultural schools and of highly skilled researchers in projects addressing agricultural issues. The outcomes include the efficient communication of research results to scientific, engineering, and community user groups. These grants support research in plants and animals; natural resources and the environment; nutrition, food safety, and health; markets, trade, and rural development; and processing for adding value or developing new products.

Animal health and disease research.—Funds, distributed by formula, support livestock and poultry disease research in sixty-seven colleges of veterinary medicine and in eligible agricultural experiment stations.

1994 Institutions Research.—Funding is proposed to continue the competitive research grants program to build the research capacity at the thirty 1994 institutions by supporting agricultural research activities that address tribal, national and multistate priorities.

Federal administration.—A coordinating and review staff assists in maintaining cooperation within and among the States, and between the States and their Federal research partners. This staff also administers research and education grants and payments to States. Federal administration is funded from a combination of program set-asides from formula and grant programs and from direct appropriation for administration.

Higher education.—Funding is proposed for graduate fellowships grants, competitive challenge grants, Hispanic-serving institutions education grants program, and a multicultural scholars program. Funding is also proposed for Native American institutions, Alaska Native-serving and Native Hawaiian-serving Institutions, and Secondary Agriculture Education and 2-year Post-secondary programs. Proposed funding for these higher education programs would support approximately 180 grants. These programs will enable universities to broaden their curricula; increase faculty development; student research projects; and the number of new scholars recruited in the food and agricultural sciences. In addition, an increased number of graduate students, including minority graduate students, will be enrolled in the agricultural sciences. Funding is also proposed for a capacity building program at the 1890 institutions as part of the USDA initiative to strengthen these institutions through a broadening of curricula, increased faculty development and student research projects. Proposed funding would support approximately 43 teaching and research grants. The 2004 budget includes increases for Graduate fellowship grants and the 1994 Institutions grants.

Reimbursable program.—Funds support basic and applied agriculture research and activities performed for other USDA, Federal, and non-Federal agencies.

Native American Institutions Endowment Fund.—This program provides for an endowment for the 1994 land-grant institutions (31 Tribally controlled colleges) to strengthen the infrastructure of these institutions and develop Indian expertise for the food and agricultural sciences and businesses and

their own communities. At 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 fund, distribute the adjusted income on a formula basis to the 1994 land-grant institutions. The 2004 budget includes an increase for the endowment fund.

Object Classification (in millions of dollars)

Identification code 12-1500-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	11	11	11
12.1 Civilian personnel benefits	2	2	2
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	1	1	1
25.3 Other purchases of goods and services from Government accounts	4	4	4
26.0 Supplies and materials	1	1	1
41.0 Grants, subsidies, and contributions	561	543	507
99.0 Direct obligations	581	563	527
99.0 Reimbursable obligations	12	16	16
99.9 Total new obligations	593	579	543

Personnel Summary

Identification code 12-1500-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	181	216	216
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	9	9	9

BUILDINGS AND FACILITIES

Program and Financing (in millions of dollars)

Identification code 12-1501-0-1-352	2002 actual	2003 est.	2004 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	3	3
24.40 Unobligated balance carried forward, end of year	3	3	3
Change in obligated balances:			
72.40 Obligated balance, start of year	41	17	13
73.20 Total outlays (gross)	-24	-4	-4
74.40 Obligated balance, end of year	17	13	9
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	24	4	4
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	24	4	4

Funds provide grants to States and other eligible recipients for the acquisition of land, construction, repair, improvement, extension, alteration and purchase of fixed equipment or facilities to carry out agricultural research, extension, and teaching programs. No funding is proposed in 2004.

Personnel Summary

Identification code 12-1501-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1		

EXTENSION ACTIVITIES

For payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and Amer-

General and special funds—Continued

EXTENSION ACTIVITIES—Continued

ican Samoa, \$422,268,000, as follows: payments for cooperative extension work under the Smith-Lever Act, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93-471, for retirement and employees' compensation costs for extension agents, \$275,940,000; payments for extension work at the 1994 Institutions under the Smith-Lever Act, \$3,273,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, \$60,909,000; payments for the pest management program under section 3(d) of the Act, \$10,759,000; payments to upgrade research, extension, and teaching facilities at the 1890 land-grant colleges, including Tuskegee University and West Virginia State College, as authorized by section 1447 of Public Law 95-113, \$13,500,000, to remain available until expended; payments for youth-at-risk programs under section 3(d) of the Smith-Lever Act, \$8,481,000; for youth farm safety education and certification extension grants, to be awarded competitively under section 3(d) of the Smith-Lever Act, \$499,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, \$4,093,000; payments for Indian reservation agents under section 3(d) of the Smith-Lever Act, \$1,996,000; payments for sustainable agriculture programs under section 3(d) of the Act, \$3,792,000; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act and Tuskegee University and West Virginia State College, \$32,117,000, of which \$1,724,884 shall be made available only for the purpose of ensuring that each institution shall receive no less than \$1,000,000; and for necessary expenses of Extension Activities, \$6,909,000. (7 U.S.C. 343(b)(3), 7 U.S.C. 3222(b), 16 U.S.C. 1671 et seq.; 7 U.S.C. 321-326 and 328).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0502-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Smith-Lever Act, 3(b) and 3(c)	276	276	276
00.02 Youth at risk	8	8	8
00.04 Expanded food and nutrition education program (EFNEP)	59	59	61
00.05 Pest management	11	11	11
00.06 Farm safety	5		
00.09 Indian reservation extension agents	2	2	2
00.12 Rural development	1		
00.13 Payments to 1890 colleges and Tuskegee University	31	31	32
00.15 Renewable resources extension act	4	4	4
00.16 Federal administration	17	8	7
00.18 Rural health and safety education	3		
00.19 1890 facilities (section 1447)	4	14	14
00.21 Sustainable agriculture	5	4	4
00.22 1994 institutions activities	3	3	3
00.23 Youth Farm Safety Program	1	1	1
00.24 Agricultural Risk Grants	2		
00.25 Grants to Youth Serving Organizations	8		
09.00 Reimbursable program	17	25	25
10.00 Total new obligations	457	446	448
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	15	12
22.00 New budget authority (gross)	466	443	447
23.90 Total budgetary resources available for obligation	472	458	459
23.95 Total new obligations	-457	-446	-448
24.40 Unobligated balance carried forward, end of year	15	12	11
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	439	418	422
Mandatory:			
62.00 Transferred from other accounts	10		
62.50 Appropriation (total mandatory)	10		
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	17	25	25
70.00 Total new budget authority (gross)	466	443	447

Change in obligated balances:			
72.40 Obligated balance, start of year	244	223	204
73.10 Total new obligations	457	446	448
73.20 Total outlays (gross)	-449	-465	-473
73.40 Adjustments in expired accounts (net)	-28		
74.10 Change in uncollected customer payments from Federal sources (expired)	-1		
74.40 Obligated balance, end of year	223	204	179
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	273	275	278
86.93 Outlays from discretionary balances	173	189	195
86.98 Outlays from mandatory balances	3	1	
87.00 Total outlays (gross)	449	465	473
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-17	-25	-25
Net budget authority and outlays:			
89.00 Budget authority	449	418	420
90.00 Outlays	432	440	448
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	1	1	1
99.01 Outlays	1	1	1

Note.—In 2004 funding for rural development centers is included in the account for integrated activities.

The Cooperative Extension System, a national educational network, is a dynamic organization pledged to meeting the country's needs for research-based educational programs that will enable people to make practical decisions to improve their lives. To accomplish its mission, the Cooperative Extension System adjusts programs to meet the shifting needs and priorities of the people it serves.

The nonformal educational network combines the expertise and resources of federal, state, and local partners. The partners in this unique System are: (a) The Cooperative State Research, Education, and Extension Service at the U.S. Department of Agriculture; (b) Extension professionals at land-grant universities throughout the United States and its territories; and (c) Extension professionals in nearly all of the Nation's 3,150 counties. Thousands of paraprofessionals and nearly 3 million volunteers support this partnership and magnify its impact. Strong linkages with both public and private external groups are also crucial to the Cooperative Extension System's strength and vitality.

Programs supported with Smith-Lever 3(b) and (c) legislated formula funds, are the major educational efforts central to the mission of the System and common to most Extension units. They are the ongoing priority efforts of the System, involving many discipline-based and multi-disciplinary programs. These programs are the foundation of the Extension organization and partnership that are intended to increase the number of community-based projects, families, and individuals reached to disseminate research findings as widely and quickly as possible. The use of electronic mail, satellite transmission of courses, and computer-assisted instruction are encouraged to communicate ideas.

Extension resources are provided to the States by these formula funds and competitively-awarded programs such as sustainable agriculture. Smith-Lever 3(b) and (c) funds and payments to the 1890 colleges and Tuskegee University and West Virginia State College provide funds to support the Extension infrastructure.

Funds for designated programs, funded by Smith-Lever 3(d) such as youth-at-risk and expanded food and nutrition education program (EFNEP), provide support for the Cooperative Extension System to address identified priority issues.

In 2004 funding has been requested for: the Expanded Food and Nutrition Education Program, pest management, children, youth and families at risk, a youth farm safety education and certification pilot project, extension services on

Indian reservations, sustainable agriculture, and 1994 (Native American) institutions.

Object Classification (in millions of dollars)			
Identification code 12-0502-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	10	10	10
12.1 Civilian personnel benefits	2	2	2
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	4	4	4
25.3 Other purchases of goods and services from Government accounts	3	3	3
41.0 Grants, subsidies, and contributions	420	401	403
99.0 Direct obligations	440	421	423
99.0 Reimbursable obligations	17	25	25
99.9 Total new obligations	457	446	448

Personnel Summary			
Identification code 12-0502-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	175	215	215

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), \$4,003,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 12-0601-0-1-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.10 Direct Program Activity		3	4
10.00 Total new obligations (object class 41.0)		3	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		4	4
22.00 New budget authority (gross)	3	3	4
23.90 Total budgetary resources available for obligation	3	7	8
23.95 Total new obligations		-3	-4
24.40 Unobligated balance carried forward, end of year	4	4	4
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3	3	4
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	2
73.10 Total new obligations		3	4
73.20 Total outlays (gross)		-3	-4
74.40 Obligated balance, end of year	2	2	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		3	4
Net budget authority and outlays:			
89.00 Budget authority	3	3	4
90.00 Outlays		3	4

Outreach for Socially Disadvantaged Farmers Grants.—This competitive program is authorized under section 2501 of Title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. The Secretary of Agriculture is authorized to make grants to eligible institutions and organizations so that they may provide outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to

own and operate farms and ranches and to participate in agricultural programs.

Personnel Summary			
Identification code 12-0601-0-1-351	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	3	3	3

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law, \$694,897,000, of which \$4,139,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: Provided, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: Provided further, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: Provided further, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 2004, the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)			
Identification code 12-1600-0-1-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	170	185	185
Receipts:			
02.00 Agricultural quarantine inspection fees	231	331	285
04.00 Total: Balances and collections	401	516	470
Appropriations:			
05.00 Salaries and expenses	-216	-331	-285
05.99 Total appropriations	-216	-331	-285
07.99 Balance, end of year	185	185	185

Program and Financing (in millions of dollars)			
Identification code 12-1600-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Pest and disease exclusion	192	193	195
00.02 Plant and animal health monitoring	92	141	141

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1600-0-1-352	2002 actual	2003 est.	2004 est.
00.03 Pest and disease management programs	220	323	296
00.04 Animal care	16	15	15
00.05 Scientific and technical services	55	66	72
00.06 Contingencies	6	4	4
00.07 Emergency program funding	191	172	.....
00.09 Supplemental Appropriations	40	65	.....
00.10 Regional Office Consolidation	6	.....	.....
00.11 Physical/Operational Security .....	.....	.....	6
01.00 Total direct program	818	979	729
09.01 Reimbursable program	96	88	82
10.00 Total new obligations	914	1,067	811
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	312	346	211
22.00 New budget authority (gross)	945	932	885
22.10 Resources available from recoveries of prior year obligations	9	.....	.....
23.90 Total budgetary resources available for obligation	1,266	1,278	1,096
23.95 Total new obligations	-914	-1,067	-811
23.98 Unobligated balance expiring or withdrawn	-6	.....	.....
24.40 Unobligated balance carried forward, end of year	346	211	285
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	523	692	695
40.20 Appropriation (special fund)	85	.....	.....
42.00 Transferred from other accounts	200	.....	.....
43.00 Appropriation (total discretionary)	808	692	695
Mandatory:			
60.20 Appropriation (special fund)	131	331	285
61.00 Transferred to other accounts	-90	-179	-177
62.50 Appropriation (total mandatory)	41	152	108
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	74	88	82
68.10 Change in uncollected customer payments from Federal sources (unexpired)	22	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	96	88	82
70.00 Total new budget authority (gross)	945	932	885
Change in obligated balances:			
72.40 Obligated balance, start of year	145	214	125
73.10 Total new obligations	914	1,067	811
73.20 Total outlays (gross)	-821	-1,156	-898
73.40 Adjustments in expired accounts (net)	-1	.....	.....
73.45 Recoveries of prior year obligations	-9	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-22	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	8	.....	.....
74.40 Obligated balance, end of year	214	125	38
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	536	676	673
86.93 Outlays from discretionary balances	256	322	114
86.97 Outlays from new mandatory authority	29	144	103
86.98 Outlays from mandatory balances .....	.....	14	8
87.00 Total outlays (gross)	821	1,156	898
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-84	-88	-82
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-22	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	10	.....	.....

Net budget authority and outlays:				
89.00	Budget authority	849	844	803
90.00	Outlays	737	1,068	816
Additional net budget authority and outlays to cover cost of fully accruing retirement:				
99.00	Budget authority	13	16	16
99.01	Outlays	13	16	16

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority	849	844	803
Outlays	737	1,068	816
Legislative proposal, not subject to PAYGO:			
Budget Authority .....	.....	.....	-8
Outlays .....	.....	.....	-8
Total:			
Budget Authority	849	844	795
Outlays	737	1,068	808

The major objectives of the Animal and Plant Health Inspection Service (APHIS) are to protect the animal and plant resources of the Nation from destructive pests and diseases. This mission is carried out under the five major areas of activity, as follows:

Pest and disease exclusion.—The Agency develops protocols for trade and travel to prevent the entry of plant or animal pests and diseases into the United States and conducts quarantines and treatments of regulated products. APHIS develops and conducts preclearance programs to ensure that agricultural products destined for U.S. ports-of-entry do not present a risk to U.S. agriculture. APHIS engages in cooperative programs in foreign countries to control pests of imminent concern to the United States. APHIS also certifies plants and plant products for export and regulates imports and exports of designated endangered plant species. The 2004 budget proposes significant increases to enhance overseas surveillance and eradication efforts and to identify exotic animal diseases more effectively.

Plant and animal health monitoring.—The Agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests. The plant and animal health monitoring programs are primarily cooperative efforts of the Federal and State governments, and industry. The Agency also carries out surveys in cooperation with the States to detect harmful plant and animal pests and diseases and to determine if there is a need for pest eradication programs.

Pest and disease management programs.—The Agency carries out programs to control and eradicate infestations and animal diseases that threaten the United States; to reduce agricultural losses caused by predatory animals, birds, and rodents; to provide technical assistance to States, counties, farmer or rancher groups, and foundations; and to ensure compliance with interstate movement and disease control regulations. Interstate shipments of plants, livestock, and related materials are monitored and regulated to prevent the spread of disease. APHIS protects agriculture from detrimental animal predators through identification, demonstration, and application of the most appropriate methods of control. The budget implements a consistent set of cost-share criteria among Federal and non-Federal partners to respond to a plant and animal infestation. In addition, the 2004 budget includes a significant increase to expand surveillance of chronic wasting disease in captive and free-ranging cervids and to increase security measures for hazardous materials used to control wildlife.

Animal care.—The Agency conducts regulatory activities which ensure the humane care and handling of animals used in research, exhibition, or the wholesale pet trade. The Agency is also responsible for administering the Horse Protection

Act, which prohibits the showing, selling, or exhibition of sore horses.

Scientific and technical services.—APHIS develops methods to control animals and pests that are detrimental to agriculture, other wildlife, and public safety. The agency regulates genetic research to guard against the release of potentially harmful organisms into the environment. APHIS also conducts veterinary diagnostic laboratory activities and biologic regulatory enforcement to ensure that the products developed for combatting disease are potent, safe, and pure. It also provides and directs technology development in coordination with other groups in APHIS and Plant Protection and Quarantine (PPQ) officials to support PPQ programs of the Agency and its cooperators at the State, national, and international levels.

The 2004 budget proposes significant increases to continue enhanced biosecurity efforts and laboratory network activities implemented with 2002 emergency supplemental funds in response to the September 11, 2001, terrorist attacks.

Funding to support inspections of people, cargo and transport from overseas related to agricultural products and a portion of funds for the Plum Island Animal Disease Center is included in the budget of the Department of Homeland Security.

Object Classification (in millions of dollars)

Identification code 12-1600-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	151	246	217
11.3 Other than full-time permanent	1		
11.5 Other personnel compensation	47	59	62
11.9 Total personnel compensation	199	305	279
12.1 Civilian personnel benefits	65	86	86
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	31	27	27
22.0 Transportation of things	7	9	9
23.2 Rental payments to others	8	15	15
23.3 Communications, utilities, and miscellaneous charges	18	10	10
24.0 Printing and reproduction	2	3	3
25.2 Other services	329	333	166
26.0 Supplies and materials	47	56	34
31.0 Equipment	34	71	48
Grants, subsidies, and contributions:			
41.0 United States-Colombia Commission to Prevent Foot-and-Mouth Disease	1	2	1
41.0 Joint Screwworm eradication programs	9	12	9
41.0 Joint Commission on the Mediterranean Fruit Fly	6	14	6
41.0 Other grants, subsidies, and contributions	27	34	34
42.0 Other insurance claims and indemnities	34	1	1
99.0 Direct obligations	818	979	729
99.0 Reimbursable obligations	96	88	82
99.9 Total new obligations	914	1,067	811

Personnel Summary

Identification code 12-1600-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	4,359	5,122	4,573
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	748	748	725

SALARIES AND EXPENSES
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-1600-2-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.04 Animal care			-8
01.00 Total direct program			-8
09.01 Reimbursable program			8
10.00 Total new obligations			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			-8
68.00 Spending authority from offsetting collections: Offsetting collections (cash)			8
70.00 Total new budget authority (gross)			
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources			-8
Net budget authority and outlays:			
89.00 Budget authority			-8
90.00 Outlays			-8

Object Classification (in millions of dollars)

Identification code 12-1600-2-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent			-4
11.3 Other than full-time permanent			-3
11.5 Other personnel compensation			-1
11.9 Total personnel compensation			-8
99.0 Reimbursable obligations: Reimbursable obligations			8
99.9 Total new obligations			

Personnel Summary

Identification code 12-1600-2-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			-78
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment			78

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, \$4,996,000, to remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1601-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	8	10	5
10.00 Total new obligations (object class 25.2)	8	10	5
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	12	22	22

General and special funds—Continued

BUILDINGS AND FACILITIES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1601-0-1-352	2002 actual	2003 est.	2004 est.
22.00 New budget authority (gross)	18	10	5
23.90 Total budgetary resources available for obligation	30	32	27
23.95 Total new obligations	-8	-10	-5
24.40 Unobligated balance carried forward, end of year	22	22	22
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	18	10	5
Change in obligated balances:			
72.40 Obligated balance, start of year	11	17	9
73.10 Total new obligations	8	10	5
73.20 Total outlays (gross)	-2	-18	-9
74.40 Obligated balance, end of year	17	9	5
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	2	1
86.93 Outlays from discretionary balances	1	16	8
87.00 Total outlays (gross)	2	18	9
Net budget authority and outlays:			
89.00 Budget authority	18	10	5
90.00 Outlays	2	18	9

The buildings and facilities account provides for construction, repairs, preventive maintenance, and alterations, as needed, for APHIS operated facilities, which include animal quarantine stations, border inspection stations, sterile insect rearing facilities, and laboratories.

The 2004 budget proposes \$5 million for this program, which consists of repairs, alterations, preventive maintenance, and renovations for currently owned APHIS facilities

Trust Funds

MISCELLANEOUS TRUST FUNDS

Unavailable Collections (in millions of dollars)

Identification code 12-9971-0-7-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Miscellaneous contributed funds	15	13	13
Appropriations:			
05.00 Miscellaneous trust funds	-15	-13	-13
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-9971-0-7-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	26	14	14
10.00 Total new obligations	26	14	14
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	19	8	8
22.00 New budget authority (gross)	15	13	13
23.90 Total budgetary resources available for obligation	34	21	21
23.95 Total new obligations	-26	-14	-14
24.40 Unobligated balance carried forward, end of year	8	8	8
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	15	13	13
Change in obligated balances:			
72.40 Obligated balance, start of year	-10	2	2

73.10 Total new obligations	26	14	14
73.20 Total outlays (gross)	-13	-12	-13
74.40 Obligated balance, end of year	2	2	2

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	8	7	8
86.98 Outlays from mandatory balances	5	5	5
87.00 Total outlays (gross)	13	12	13

Net budget authority and outlays:

89.00 Budget authority	15	13	13
90.00 Outlays	13	12	13

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority	1	1	1
99.01 Outlays	1	1	1

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others:

Miscellaneous contributed funds.—Funds are received from States, local organizations, individuals, and others and are available for plant and animal quarantine inspection and cooperative plant and animal disease and pest control activities (7 U.S.C. 450b, 2220). Commencing in 1979, fees were collected for the importation of commercial birds.

Object Classification (in millions of dollars)

Identification code 12-9971-0-7-352	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent	4	5	5
11.3 Other than full-time permanent	3	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	8	7	7
12.1 Civilian personnel benefits	15	4	4
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	1	1	1
26.0 Supplies and materials	1	1	1
99.9 Total new obligations	26	14	14

Personnel Summary

Identification code 12-9971-0-7-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	108	108	108

FOOD SAFETY AND INSPECTION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, including not to exceed \$50,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$797,149,000, of which no less than \$713,677,000 shall be available for Federal food safety inspection; and in addition, \$1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1327 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1387): Provided, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 450, 1901-06; 10 U.S.C. 2306; 18 U.S.C. 1114; 21 U.S.C. 451-470, 601-624, 641-645, 661, 671-680, 691-692; 694-695; Public Law 99-641.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-3700-0-1-554	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program	704	763	797
09.01 Reimbursable program	99	99	99
10.00 Total new obligations	803	862	896
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	29	22
22.00 New budget authority (gross)	832	855	896
23.90 Total budgetary resources available for obligation	842	884	918
23.95 Total new obligations	-803	-862	-896
23.98 Unobligated balance expiring or withdrawn	-12		
24.40 Unobligated balance carried forward, end of year	29	22	22
New budget authority (gross), detail:			
Discretionary:			
Appropriation:			
40.00 Appropriation	731	756	797
40.00 Appropriation			
40.76 Reduction pursuant to P.L. 107-206	-1		
43.00 Appropriation (total discretionary)	730	756	797
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	102	99	99
70.00 Total new budget authority (gross)	832	855	896
Change in obligated balances:			
72.40 Obligated balance, start of year	69	73	83
73.10 Total new obligations	803	862	896
73.20 Total outlays (gross)	-814	-852	-896
73.40 Adjustments in expired accounts (net)	15		
74.40 Obligated balance, end of year	73	83	83
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	764	835	876
86.93 Outlays from discretionary balances	50	17	20
87.00 Total outlays (gross)	814	852	896
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1		
88.40 Non-Federal sources	-101	-99	-99
88.90 Total, offsetting collections (cash)	-102	-99	-99
Net budget authority and outlays:			
89.00 Budget authority	730	756	797
90.00 Outlays	713	753	797
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	53	41	41
99.01 Outlays	53	41	41

Summary of Budget Authority and Outlays

(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Enacted/requested:			
Budget Authority	730	756	797
Outlays	712	753	797
Legislative proposal, not subject to PAYGO:			
Budget Authority			-122
Outlays			-122
Total:			
Budget Authority	730	756	675
Outlays	712	753	675

The primary objectives of the Food Safety and Inspection Service (FSIS) are to ensure that meat, poultry, shell egg, and egg products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat In-

spection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act. Providing adequate resources for Federal food safety agencies is a priority of the Administration, and the 2004 budget proposes a \$41 million increase for inspection of meat, poultry, shell egg and egg products. This increase will cover pay cost increases for Federal and State inspection programs, and initiatives for: continued improvements toward a science-driven, risk-based food safety program, and strengthening information technology and education. In addition to the current risk-based food safety pilot program, FSIS will move beyond the pilot by expanding opportunities to participate in the program to all poultry plants on a voluntary basis.

Legislation will be proposed to charge user fees to reimburse all inspection beyond a primary 8 hour shift at all establishments inspected by the Food Safety and Inspection Service (FSIS). Currently, fees to reimburse the cost of overtime inspection required at some FSIS inspected establishments, but not at others. The Federal government would continue to pay the full costs for a primary, eight hour inspection shift.

FEDERALLY FUNDED INSPECTION ACTIVITIES

	2002 actual	2003 est.	2004 est.
Federally inspected establishments:			
Slaughter plants	118	128	128
Processing plants	4,152	4,175	4,175
Combination slaughter and processing plants	964	980	980
Talmadge-Aiken plants	359	329	329
Import establishments	118	115	115
Egg plants	74	72	72
Other plants	575	580	580
Federally inspected and passed production (millions of pounds):			
Meat slaughter	42,237	45,000	45,000
Poultry slaughter	50,444	51,300	52,300
Egg products	3,727	3,750	3,800
Import/export activity (millions of pounds):			
Meat and poultry imported	3,910	4,105	4,310
Meat and poultry exported	11,252	11,814	12,405
Inspection Review:			
Consumer safety officer assessments	900	2,000	2,500
In-depth verification reviews	21	23	25
States and territories with cooperative programs:^a			
Intrastate inspection	28	28	28
Talmadge-Aiken inspection	9	9	9
Number of slaughter and/or processing plants (excludes exempt plants)	2,081	2,100	2,100
Pounds inspected slaughter (millions)	502	502	502
Compliance activities:			
Corrective action reviews	29,199	29,000	30,000
Corrective actions completed	536	500	500
Product Testing (samples analyzed):			
Food chemistry	6,436	6,500	6,500
Food microbiology	83,797	85,000	86,000
Chemical residues	45,509	46,000	46,000
Antibiotic residues	252,599	253,000	253,000
Pathology samples	5,877	5,900	5,900
Egg Products:			
Food microbiology	1,767	1,800	1,800
Chemical residues	1,632	1,600	1,600
Consumer Education and public outreach:			
Meat and poultry hotline calls received	85,572	86,000	86,500
Website visits	980,787	982,000	983,000
Electronic messages received	6,955	7,000	7,100
Publication subscriptions	17,343	17,400	17,500
Epidemiological Investigations:			
Cooperative efforts with State and public health offices	37	37	37
Illnesses reported and treated ^b	770	800	800
Field Automation and Information Management Project:			
Number of computers to be provided to federal field inspection staff	568	1,750	725
Number of computers to be provided to state field inspection staff	26	40	740

^a States with cooperative agreements which are operating programs.

^b Data must be collected over a number of years to chart national trends and estimate the incidence of foodborne illness and treatment.

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in millions of dollars)

Identification code 12-3700-0-1-554	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	398	419	437
11.3 Other than full-time permanent	15	16	17
11.5 Other personnel compensation	20	20	21
11.9 Total personnel compensation	433	455	475
12.1 Civilian personnel benefits	136	135	145
13.0 Benefits for former personnel	2	1	2
21.0 Travel and transportation of persons	26	26	30
22.0 Transportation of things	4	2	3
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	9	10	11
24.0 Printing and reproduction	1	2	2
25.1 Advisory and assistance services	8	11	13
25.2 Other services	12	6	7
25.3 Other purchases of goods and services from Government accounts	13	26	25
25.4 Operation and maintenance of facilities		2	2
25.7 Operation and maintenance of equipment		1	
25.8 Subsistence and support of persons		1	1
26.0 Supplies and materials	9	12	11
31.0 Equipment	9	28	26
41.0 Grants, subsidies, and contributions	39	43	42
99.0 Direct obligations	703	763	797
99.5 Reimbursable obligations	99	99	99
99.5 Below reporting threshold	1		
99.9 Total new obligations	803	862	896

Personnel Summary

Identification code 12-3700-0-1-554	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	9,259	9,428	9,582
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	286	216	216

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-3700-2-1-554	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program			-122
09.01 Reimbursable program			122
10.00 Total new obligations			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			-122
68.00 Spending authority from offsetting collections: Offsetting collections (cash)			122
70.00 Total new budget authority (gross)			
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources			-122
Net budget authority and outlays:			
89.00 Budget authority			-122
90.00 Outlays			-122

Object Classification (in millions of dollars)

Identification code 12-3700-2-1-554	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent			-68
11.3 Other than full-time permanent			-3
11.5 Other personnel compensation			-3
11.9 Total personnel compensation			-74
12.1 Civilian personnel benefits			-21
21.0 Travel and transportation of persons			-5
23.3 Communications, utilities, and miscellaneous charges			-2
25.1 Advisory and assistance services			-9
25.2 Other services			-1
25.3 Other purchases of goods and services from Government accounts			-4
26.0 Supplies and materials			-3
31.0 Equipment			-3
99.0 Direct obligations			-122
99.0 Reimbursable obligations			122
99.9 Total new obligations			

Personnel Summary

Identification code 12-3700-2-1-554	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			-1,592
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment			1,592

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Unavailable Collections (in millions of dollars)

Identification code 12-8137-0-7-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Fees for inspection and grading of farm products		3	3
Appropriations:			
05.00 Expenses and refunds, inspection and grading of farm products		-3	-3
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8137-0-7-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	5	3	3
10.00 Total new obligations	5	3	3
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	7	1	
22.00 New budget authority (gross)		3	3
23.90 Total budgetary resources available for obligation	7	4	3
23.95 Total new obligations	-5	-3	-3
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)		3	3
Change in obligated balances:			
72.40 Obligated balance, start of year		1	1
73.10 Total new obligations	5	3	3
73.20 Total outlays (gross)	-5	-3	-3
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		3	3

86.98	Outlays from mandatory balances	5		
87.00	Total outlays (gross)	5	3	3

Net budget authority and outlays:

89.00	Budget authority		3	3
90.00	Outlays	5	3	3

Under authority of the Agricultural Marketing Act of 1946, Federal meat and poultry inspection services are provided upon request and for a fee in cases where inspection is not mandated by statute. This service includes: certifying products for export beyond the requirements of export certificates; inspecting certain animals and poultry intended for human food where inspection is not required by statute, such as buffalo, rabbit, and quail; and inspecting products intended for animal consumption.

Object Classification (in millions of dollars)

Identification code 12-8137-0-7-352	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	2	1	1
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	2	2	2
12.1	Civilian personnel benefits	1		
99.0	Direct obligations	4	2	2
99.5	Below reporting threshold	1	1	1
99.9	Total new obligations	5	3	3

Personnel Summary

Identification code 12-8137-0-7-352	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	34	36	36

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$25,000 for employment under 5 U.S.C. 3109, \$41,688,000: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 71, 74-79, 84-87, 181-229, 1621-27)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-2400-0-1-352	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Standardization	4	5	5
00.02	Compliance	5	6	6
00.03	Methods development	6	7	7
00.04	Packers and stockyards program	18	22	24
10.00	Total new obligations	33	40	42

Budgetary resources available for obligation:

22.00	New budget authority (gross)	33	40	42
23.95	Total new obligations	-33	-40	-42

New budget authority (gross), detail:

Discretionary:				
40.00	Appropriation	33	40	42

Change in obligated balances:

72.40	Obligated balance, start of year	7	5	6
73.10	Total new obligations	33	40	42
73.20	Total outlays (gross)	-33	-39	-42
73.40	Adjustments in expired accounts (net)	-2		
74.40	Obligated balance, end of year	5	6	6

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	28	34	36
86.93	Outlays from discretionary balances	5	5	6

87.00	Total outlays (gross)	33	39	42
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Net budget authority and outlays:

89.00	Budget authority	33	40	42
90.00	Outlays	32	39	42

Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00	Budget authority	2	2	2
99.01	Outlays	2	2	2

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2002 actual	2003 est.	2004 est.
Budget Authority	33	40	42
Outlays	33	39	42
Legislative proposal, not subject to PAYGO:			
Budget Authority		-27	-29
Outlays		-27	-29
Total:			
Budget Authority	33	13	13
Outlays	33	12	13

The Grain Inspection, Packers and Stockyards Administration (GIPSA) establishes official United States standards for grain, promotes the uniform application thereof by official inspection personnel, provides for an official inspection system for grain, and regulates the weighing and certification of the weight of grain shipped in interstate or foreign commerce as authorized by the U.S. Grain Standards Act (USGSA), as amended, and the regulations thereof, and the Agricultural Marketing Act of 1946 (AMA).

Standardization activities include establishing and updating U.S. grain standards, research, and developing and improving methods to ensure the accurate and uniform application of the standards.

The compliance activities ensure the accurate and uniform application of the USGSA and applicable provisions of the AMA. The compliance program functions include: (1) evaluating alleged violations and initiating preliminary investigations; (2) initiating the implementation of corrective actions; (3) conducting management and technical reviews; (4) administering the designations and delegations of State and private agencies to perform official functions and monitoring the performance of the agencies; (5) identifying and, where appropriate, waiving and monitoring conflicts of interest; (6) licensing personnel of delegated States and designated agencies; (7) registering persons/firms engaged in the business of buying grain for sale in foreign commerce, and in the business of handling, weighing, or transporting of grain for sale in foreign commerce; (8) responding to audits of Grain Inspection programs; and (9) reviewing and, when appropriate, approving official agencies' fee schedules.

The Office of International Affairs briefs foreign buyers, assesses foreign inspection and weighing techniques, and responds to foreign quality and quantity complaints.

General and special funds—Continued

SALARIES AND EXPENSES—Continued

An advisory committee consisting of members from the grain industry exists to advise the Agency regarding efficient and economical implementation of the USGSA.

The Grain Quality Improvement Act of 1986 was enacted on November 10, 1986, to improve the quality of U.S. grain by prohibiting the introduction and reintroduction of dockage and foreign material to grain.

For 2004, authorizing legislation will be submitted to permit, subject to appropriations, the collection and use of fees to cover the cost of standardization activities.

The goal of the Packers and Stockyards program is to ensure the integrity of the livestock, meat, and poultry markets and the marketplace in order to protect producers against unfair, deceptive, or discriminatory practices as well as those that are predatory or monopolistic in nature. Consumers and members of the livestock, poultry, and meat industries are also protected against unfair business practices in the marketing of livestock, meat and poultry, and from restrictions on competition which could unduly affect prices. The Agency also carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for pre-notification of security interests against farm products.

Authorizing legislation will be submitted that would establish a license fee that, subject to appropriations, would allow the collection and expenditure of funds for all costs associated with administering the Packers and Stockyards Act.

MAIN WORKLOAD FACTORS

	2002 actual	2003 est.	2004 est.
U.S. standards in effect at end of year	19	19	19
Standards reviews in progress	3	3	3
Standards reviews completed	3	3	3
Inspection techniques developed	63	80	40
On-site investigations	8	7	7
Designations renewed	20	20	18
Registration certificates issued	83	83	81
Investigations	1,435	1,550	1,550
Market agencies/dealers registered	6,024	6,050	6,050
Stockyards posted	1,510	1,435	1,435
Slaughtering and processing packers subject to the Act (estimated)	6,000	6,000	6,000
Distributors, brokers, and dealers subject to the Act (estimated)	6,800	6,800	6,800
Poultry operations subject to the Act	205	205	205

Object Classification (in millions of dollars)

Identification code 12-2400-0-1-352	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	20	22	23
12.1 Civilian personnel benefits	5	6	6
21.0 Travel and transportation of persons	1	2	2
23.3 Communications, utilities, and miscellaneous charges	1	1	2
25.2 Other services	3	5	5
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	3	3
99.9 Total new obligations	33	40	42

Personnel Summary

Identification code 12-2400-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	327	375	375

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-2400-2-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Standardization		-5	-5
00.04 Packers and stockyards program		-22	-24
09.01 Reimbursable program		27	29
10.00 Total new obligations			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		-27	-29
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		27	29
70.00 Total new budget authority (gross)			
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources		-27	-29
Net budget authority and outlays:			
89.00 Budget authority		-27	-29
90.00 Outlays		-27	-29

Legislation will be proposed to establish a fee for the standardization activities of the Grain Inspection, Packers and Stockyards Administration, and a licensing fee to cover the costs of administering meat packers and stockyards activities.

This is one of the proposals in the budget to charge fees to users directly availing themselves of, or subject to, a government service, program or activity, in order to cover the government's costs. Legislation will be proposed to authorize the fees.

Object Classification (in millions of dollars)

Identification code 12-2400-2-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent		-14	-16
12.1 Civilian personnel benefits		-5	-5
21.0 Travel and transportation of persons		-1	-1
23.3 Communications, utilities, and miscellaneous charges		-1	-1
25.2 Other services		-3	-3
26.0 Supplies and materials		-1	-1
31.0 Equipment		-2	-2
99.0 Direct obligations		-27	-29
99.0 Reimbursable obligations		27	29
99.9 Total new obligations			

Personnel Summary

Identification code 12-2400-2-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment		-252	-252
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment		252	252

Public enterprise funds:

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Not to exceed \$42,463,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: Provided, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress. (7 U.S.C. 71, 74-79, 84-87, 1621-27)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-4050-0-3-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
09.00 Reimbursable program	34	42	42
10.00 Total new obligations	34	42	42
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	4	4
22.00 New budget authority (gross)	34	42	42
23.90 Total budgetary resources available for obligation	39	46	46
23.95 Total new obligations	-34	-42	-42
24.40 Unobligated balance carried forward, end of year	4	4	4
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	34	42	42
Change in obligated balances:			
72.40 Obligated balance, start of year	-3	-4	-4
73.10 Total new obligations	34	42	42
73.20 Total outlays (gross)	-34	-42	-42
74.40 Obligated balance, end of year	-4	-4	-4
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	34	42	42
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-34	-42	-42
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1		

The Grain Inspection, Packers and Stockyards Administration (GIPSA) provides a uniform system for the inspection and weighing of grain. Services provided under this system are financed through a fee supported revolving fund. This authority has been extended through September 2005.

Fee supported programs include direct services, supervision activities and administrative functions. Direct services include official grain inspection and weighing by GIPSA employees at certain export ports as well as the inspection of U.S. grain shipped through Canada. The Agency supervises the inspection and weighing activities performed by its own employees. The Agency also oversees the inspection and weighing of grain performed by employees of 8 delegated States and 51 designated State and private agencies. The Agency provides an appeal service of original grain inspections and a registration system for grain exporting firms. Through support from the Association of American Railroads and user fees, GIPSA conducts a railroad track scale testing program. In addition, the agency provides grading services, on request, for rice and grain related products under the authority of the Agricultural Marketing Act of 1946 (AMA).

	2002 actual	2003 est.	2004 est.
Export grain inspected and/or weighed (million metric tons):			
By Federal personnel	81.6	81.7	85.9
By delegated States	24.3	24.3	25.5
Quantity of grain inspected (all official inspections) domestically million metric tons	131.1	119.0	133.3
Number of inspections and reinspections:			
By Federal personnel	101,568	100,000	100,000
By delegated state/official agency licenses	1,728,016	1,700,000	1,700,000
Number of appeals	3,700	3,700	3,700
Number of appeals carried to the Board of Appeals and Review	530	530	530
Quantity of rice inspected (million metric tons)	2.8	2.9	2.8
Quantity of rice exports (million metric tons)	3.5	3.6	2.8

Object Classification (in millions of dollars)

Identification code 12-4050-0-3-352	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent	17	22	22
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	5	6	6
11.9 Total personnel compensation	23	29	29
12.1 Civilian personnel benefits	5	6	6
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	2	3	3
26.0 Supplies and materials	1	1	1
99.9 Total new obligations	34	42	42

Personnel Summary

Identification code 12-4050-0-3-352	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	408	455	455

AGRICULTURAL MARKETING SERVICE

Federal Funds

General and special funds:

MARKETING SERVICES

For necessary expenses to carry out services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$90,000 for employment under 5 U.S.C. 3109, \$75,071,000, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law. (7 U.S.C. 91-99, 136i-136l, 138-138l, 291-292, 415b-415d, 471-476, 501-508, 581-599, 951-957, 1031-1056, 1291, 1551-56, 1621-27, 2204(b)(c), 4401-06, 6501-22; 15 U.S.C. 714-714p; 21 U.S.C. 1031-56; 26 U.S.C. 6804, 7233, 7263, 7492-93, 7701; 49 U.S.C. 1653.)

LIMITATION ON ADMINISTRATIVE EXPENSES LEVEL

Not to exceed \$62,577,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: Provided, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress. (7 U.S.C. 15b, 51-65, 511-511q, 511r)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-2500-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Market news service	29	30	30
00.02 Inspection and standardization	6	6	6
00.03 Market protection and promotion	29	33	34
00.04 Wholesale market development	3	3	3
00.05 Transportation services	3	3	3
09.01 Reimbursable program	41	64	66
10.00 Total new obligations	111	139	142

General and special funds—Continued**MARKETING SERVICES—Continued****LIMITATION ON ADMINISTRATIVE EXPENSES LEVEL—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 12-2500-0-1-352	2002 actual	2003 est.	2004 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	13	18	18
22.00 New budget authority (gross)	117	140	142
23.90 Total budgetary resources available for obligation	130	158	160
23.95 Total new obligations	-111	-139	-142
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	18	18	19
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	71	75	76
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	46	65	66
70.00 Total new budget authority (gross)	117	140	142
Change in obligated balances:			
72.40 Obligated balance, start of year	2	9	23
73.10 Total new obligations	111	139	142
73.20 Total outlays (gross)	-121	-126	-146
73.40 Adjustments in expired accounts (net)	18	2	2
74.10 Change in uncollected customer payments from Federal sources (expired)	-1	-1	-1
74.40 Obligated balance, end of year	9	23	20
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	117	127	133
86.93 Outlays from discretionary balances	4	-1	13
87.00 Total outlays (gross)	121	126	146
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-46	-65	-66
Net budget authority and outlays:			
89.00 Budget authority	71	75	76
90.00 Outlays	75	61	80
Memorandum (non-add) entries:			
92.02 Total investments, end of year: Federal securities: Par value	13	13	13

Agricultural Marketing Service activities assist producers and handlers of agricultural commodities by providing a variety of marketing services. These services continue to become more complex as the volume of agricultural commodities increases, as a greater number of new processed commodities are developed, and as the agricultural market structure undergoes extensive changes. Marketing changes include increased concentration in food retailing, direct buying, decentralization of processing, growth of interregional competition, vertical integration, and contract farming.

The individual Marketing Services activities include:

Market news service.—The market news program provides the agricultural community with information pertaining to the movement of agricultural products. This nationwide service provides daily reports on the supply, demand, and price of over 700 commodities on domestic and foreign markets.

Inspection, grading and standardization.—Nationally uniform standards of quality for agricultural products are established and applied to specific lots of products to: promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; and encourage better preparation of uniform quality products for market. Grading services are provided for cotton and domestic and imported tobacco.

Quarterly inspection of egg handlers and hatcheries is conducted to ensure the proper disposition of shell eggs unfit for human consumption.

MARKET NEWS PROGRAM

	2002 actual	2003 est.	2004 est.
Percentage of reports released on time	93%	93%	93%

COTTON AND TOBACCO USER FEE PROGRAM

	2002 actual	2003 est.	2004 est.
Cotton classed (samples in millions)	20.4	16	16
Tobacco graded at auction markets and contract delivery stations (million pounds)	648	334	334
Imported tobacco inspected at markets and ports of entry (million kilograms)	175	175	175

FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES

	2002 actual	2003 est.	2004 est.
States and Commonwealths with cooperative agreements	40	40	40
Percentage of noncomplying shell egg lots that are reprocessed or diverted	100%	100%	100%

STANDARDIZATION ACTIVITIES

	2002 actual	2003 est.	2004 est.
International and U.S. standards in effect, end of fiscal year	598	600	600
Number of commodities covered	225	225	225

Market protection and promotion.—This program consists of: (1) the research and promotion programs which are designed to improve the competitive position and expand markets for cotton, eggs and egg products, honey, pork, beef, dairy products, potatoes, watermelons, mushrooms, soybeans, fluid milk, popcorn, blueberries, avocado, and peanut; (2) the Federal Seed Act; and (3) the administration of the Capper-Volstead Act and the Agricultural Fair Practices Act.

The pesticide recordkeeping program monitors compliance of private certified applicators with Federal regulations requiring them to keep records of restricted pesticides used in agricultural production.

The pesticide data program develops comprehensive, statistically defensible information on pesticide residues in food to improve government dietary risk procedures.

Federal seed inspectors conduct tests on seed samples to help ensure truthful labeling of agricultural and vegetable seeds sold in interstate commerce.

The Capper-Volstead Act and the Agricultural Fair Practices Act protect producers against discriminatory practices by handlers, permit producers to engage in cooperative efforts, and ensure that such cooperatives do not engage in practices that monopolize or restrain trade.

The national organic program certifies that organically produced food products meet national standards.

MARKET PROTECTION AND PROMOTION ACTIVITIES

	2002 actual	2003 est.	2004 est.
Pesticide data program:			
Number of analyses performed	100,000	100,000	100,000
Percentage of sampling and analysis goal	100%	100%	100%
Pesticide recordkeeping:			
Number of State/Federal inspections conducted	5,124	4,900	4,900
Percentage of sampling goal attained	98%	98%	98%
Seed Act:			
Interstate investigations:			
Completed	491	441	391
Pending	695	750	795
Seed samples tested	1,502	1,600	1,600
Percentage of cases submitted that are completed	94%	92%	92%
Plant Variety Protection Act:			
Percentage of application processing goal completed	100%	100%	100%
Number of applications received	274	256	256
Certificates of protection issued	389	389	389
Research and promotion collections (dollars in millions)	673	687	687
Percentage of board budgets and marketing plans approved within time frame goal	91%	91%	91%

Wholesale market development.—This program is designed to enhance the marketing of agricultural commodities in the

United States by conducting research into more efficient marketing methods for agricultural commodities and by providing technical assistance to urban areas interested in improving their food distribution facilities.

Transportation Services.—The activities are designed to ensure that the Nation's transportation systems will adequately serve the needs of agriculture and rural areas of the United States.

WHOLESALE MARKET DEVELOPMENT ACTIVITIES

	2002 actual	2003 est.	2004 est.
Number of projects completed	8	8	8

TRANSPORTATION SERVICES ACTIVITIES

	2002 actual	2003 est.	2004 est.
Number of projects completed	10	10	10

Object Classification (in millions of dollars)

Identification code 12-2500-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	28	29	30
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	29	30	31
12.1 Civilian personnel benefits	7	8	8
21.0 Travel and transportation of persons	3	3	3
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	3	3	3
25.2 Other services	18	20	20
25.3 Other purchases of goods and services from Government accounts	4	4	4
25.7 Operation and maintenance of equipment	2	2	2
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	3	3
99.0 Direct obligations	70	75	76
99.0 Reimbursable obligations	41	64	66
99.9 Total new obligations	111	139	142

Personnel Summary

Identification code 12-2500-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	552	566	566
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	649	649	649

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,347,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-2501-0-1-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity		1	1
10.00 Total new obligations (object class 41.0)	1	1	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1	1	1
23.95 Total new obligations	-1	-1	-1

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	1	1	1

Change in obligated balances:

72.40 Obligated balance, start of year	2	3	1
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1
74.40 Obligated balance, end of year	3	1	1

Outlays (gross), detail:

86.93 Outlays from discretionary balances	1	1	1
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Net budget authority and outlays:

89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

Grants are made on a matching fund basis to State departments of agriculture to carry out specifically approved programs designed to enhance marketing efficiency. Under this activity, specialists work with farmers, marketing firms, and other agencies in solving marketing problems and in using research results.

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

Unavailable Collections (in millions of dollars)

Identification code 12-5070-0-2-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.00 Deposits of Perishable Agricultural Commodities Act fees	9	8	8
Appropriations:			
05.00 Perishable Agricultural Commodities Act fund	-9	-8	-8
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-5070-0-2-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity		9	9
10.00 Total new obligations		9	9
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	10	10
22.00 New budget authority (gross)	9	8	8
23.90 Total budgetary resources available for obligation	10	18	18
23.95 Total new obligations		-9	-9
24.40 Unobligated balance carried forward, end of year	10	10	9

New budget authority (gross), detail:

Mandatory:			
60.20 Appropriation (special fund)	9	8	8

Change in obligated balances:

72.40 Obligated balance, start of year	1	2	1
73.10 Total new obligations	9	9	9
73.20 Total outlays (gross)		-8	-8
74.40 Obligated balance, end of year	2	1	1

Outlays (gross), detail:

86.97 Outlays from new mandatory authority		8	8
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Net budget authority and outlays:

89.00 Budget authority	9	8	8
90.00 Outlays	-1	8	8

Memorandum (non-add) entries:

92.02 Total investments, end of year: Federal securities: Par value	12		
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Additional net budget authority and outlays to cover cost of fully accruing retirement:

99.00 Budget authority		1	1
99.01 Outlays		1	1

General and special funds—Continued

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND—Continued

License fees are deposited in this special fund and are used to meet the costs of administering the Perishable Agricultural Commodities and the Produce Agency Acts (7 U.S.C. 491–497, 499a–499s).

The Acts are intended to ensure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal agreements between the two parties, (b) formal decisions involving payment of reparation awards, and/or (c) suspension or revocation of license and/or publication of the facts. Beginning October 1, 1994, an additional fee was instituted for the filing of formal and informal complaints of violations of the Act. The November 1995 amendments to the Perishable Agricultural Commodities Act: (1) increase the license fee and phase out fees for wholesale grocers and retailers by 1999; (2) provide permanent authority to the Secretary of Agriculture to set license and reparation complaint filing fees; and (3) repeal the 25 percent maximum funding reserve cap.

A 1984 amendment to the Perishable Agricultural Commodities Act requires traders to have trust assets on hand to meet their obligations to fruit and vegetable suppliers. To preserve their trust and establish their rights ahead of other creditors, unpaid suppliers file notice with both the Department and their debtors that payment is due.

PERISHABLE AGRICULTURAL COMMODITIES ACT ACTIVITIES

	2002 actual	2003 est.	2004 est.
Percentage of informal reparation complaints completed within time frame goal	85%	85%	85%

Object Classification (in millions of dollars)

Identification code 12–5070–0–2–352	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	5	5	5
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	1		
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	1	1	1
25.3 Other purchases of goods and services from Government accounts	1	1	1
33.0 Investments and loans	–10		
99.9 Total new obligations		9	9

Personnel Summary

Identification code 12–5070–0–2–352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	95	95	95

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612e), shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than \$15,392,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)

Identification code 12–5209–0–2–605	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	10,436	10,084	10,003
Receipts:			
02.00 30 percent of customs duties, Funds for strengthening markets, income and supply	5,787	5,716	6,224
02.40 General fund payment. Funds for strengthening markets, income and supply		1	1
02.80 Funds for strengthening markets, income, and supply, offsetting collections	1	1	1
02.99 Total receipts and collections	5,788	5,718	6,226
04.00 Total: Balances and collections	16,224	15,802	16,229
Appropriations:			
05.00 Funds for strengthening markets, income, and supply (section 32)	–6,140	–5,799	–5,823
05.99 Total appropriations	–6,140	–5,799	–5,823
07.99 Balance, end of year	10,084	10,003	10,406

Program and Financing (in millions of dollars)

Identification code 12–5209–0–2–605	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
Commodity program payments:			
00.01 Child nutrition program purchases	400	15	400
00.02 Emergency surplus removal	207	185	416
00.03 Direct payment program	173		
00.04 Fruit and Vegetable Pilot Program	6		
00.05 Lamb grading and certification support	1	1	
00.06 Livestock Compensation Program		937	
00.07 State option contract		5	5
00.08 Removal of defective commodities		1	1
00.91 Subtotal, Commodity program payments	787	1,144	822
01.01 Administrative expenses	17	26	26
01.92 Total direct program	804	1,170	848
09.11 Reimbursable program	1	1	1
10.00 Total new obligations	805	1,171	849

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	108	192	
22.00 New budget authority (gross)	889	979	1,149
23.00 Total budgetary resources available for obligation	997	1,171	1,149
23.95 Total new obligations	–805	–1,171	–849
24.40 Unobligated balance carried forward, end of year	192		300

New budget authority (gross), detail:

Mandatory:			
60.20 Appropriation (special fund)	6,139	5,798	5,822
61.00 Transferred to other accounts	–5,251	–4,820	–4,674
62.50 Appropriation (total mandatory)	888	978	1,148
69.00 Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	889	979	1,149

Change in obligated balances:

72.40 Obligated balance, start of year	148	36	36
73.10 Total new obligations	805	1,171	849
73.20 Total outlays (gross)	–915	–1,170	–848
74.40 Obligated balance, end of year	36	36	36

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	660	942	673
86.98 Outlays from mandatory balances	255	228	175
87.00 Total outlays (gross)	915	1,170	848

Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	–1	–1	–1

Net budget authority and outlays:

89.00 Budget authority	888	978	1,148
90.00 Outlays	916	1,169	847

Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority	1	1
99.01	Outlays	1	1

Under section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each calendar year is automatically appropriated for expanding outlets for nonbasic commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Most of the funds are transferred to the Food and Nutrition Service and are used to purchase commodities under section 6 of the National School Lunch Act and other authorities specified in the child nutrition appropriation. If unforeseen commodity surpluses should develop, unobligated reserve balances are available for surplus removal.

Object Classification (in millions of dollars)			
Identification code 12-5209-0-2-605	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1	Personnel compensation: Full-time permanent	9	12
12.1	Civilian personnel benefits	2	3
21.0	Travel and transportation of persons	1	1
22.0	Transportation of things	1	1
23.3	Communications, utilities, and miscellaneous charges	1	1
25.2	Other services	4	4
25.3	Other purchases of goods and services from Government accounts	2	2
25.7	Operation and maintenance of equipment	1	1
26.0	Supplies and materials: Grants of commodities to States	782	1,144
31.0	Equipment	1	1
99.0	Direct obligations	804	1,170
99.0	Reimbursable obligations	1	1
99.9	Total new obligations	805	1,171

Personnel Summary			
Identification code 12-5209-0-2-605	2002 actual	2003 est.	2004 est.
Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employment	168	177
Reimbursable:			
2001	Total compensable workyears: Civilian full-time equivalent employment	13	13

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Unavailable Collections (in millions of dollars)			
Identification code 12-8015-0-7-352	2002 actual	2003 est.	2004 est.
01.99	Balance, start of year	2	2
Receipts:			
02.20	Deposits of fees from inspection and grading of farm products	122	118
02.41	Payments from general fund, Wool research, development, and promotion	2	2
02.42	Interest on investments in public debt securities, AMS	1	
02.99	Total receipts and collections	125	120
04.00	Total: Balances and collections	127	122
Appropriations:			
05.00	Expenses and refunds, inspection and grading of farm products	-125	-120
07.99	Balance, end of year	2	2

Program and Financing (in millions of dollars)

Identification code 12-8015-0-7-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01	Dairy products	5	6
00.02	Fruits and vegetables	53	54
00.03	Meat grading	22	23
00.04	Poultry products	23	25
00.05	Miscellaneous agricultural commodities	15	12
10.00	Total new obligations	118	120
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	7	18
22.00	New budget authority (gross)	130	120
23.90	Total budgetary resources available for obligation	137	138
23.95	Total new obligations	-118	-120
24.40	Unobligated balance carried forward, end of year	18	20

New budget authority (gross), detail:			
Mandatory:			
60.26	Appropriation (trust fund)	125	120
62.00	Transferred from other accounts	5	
62.50	Appropriation (total mandatory)	130	120

Change in obligated balances:			
72.40	Obligated balance, start of year	21	24
73.10	Total new obligations	118	120
73.20	Total outlays (gross)	-116	-115
74.40	Obligated balance, end of year	24	29

Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	116	115
86.98	Outlays from mandatory balances		5
87.00	Total outlays (gross)	116	115

Net budget authority and outlays:			
89.00	Budget authority	130	120
90.00	Outlays	116	115

Memorandum (non-add) entries:			
92.02	Total investments, end of year: Federal securities: Par value	36	

Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority	6	6
99.01	Outlays	6	6

Expenses and refunds, inspection and grading of farm products.—The commodity grading programs provide grading, examination, and certification services for a wide variety of fresh and processed food commodities using federally approved grade standards and purchase specifications. Commodities graded include poultry, livestock, meat, dairy products, and fresh and processed fruits and vegetables. These programs use official grade standards which reflect the relative quality of a particular food commodity based on laboratory testing and characteristics such as taste, color, weight, and physical condition. Producers voluntarily request grading and certification services which are provided on a fee for service basis.

WORKLOAD INDICATORS

	2002 actual	2003 est.	2004 est.
Weighted average cost per cwt. (1990 index) .....	.08	.08	.08

Object Classification (in millions of dollars)

Identification code 12-8015-0-7-352	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1	Full-time permanent	58	60
11.3	Other than full-time permanent	5	5
11.5	Other personnel compensation	9	9
11.9	Total personnel compensation	72	74
12.1	Civilian personnel benefits	17	17
13.0	Benefits for former personnel	1	1

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-8015-0-7-352	2002 actual	2003 est.	2004 est.
21.0 Travel and transportation of persons	6	7	7
23.2 Rental payments to others	2	2	2
23.3 Communications, utilities, and miscellaneous charges	2	2	2
24.0 Printing and reproduction	1	1	1
25.2 Other services	15	10	10
25.3 Other purchases of goods and services from Government accounts	1	2	2
26.0 Supplies and materials	1	2	2
31.0 Equipment	1	2	2
99.9 Total new obligations	118	120	120

Personnel Summary

Identification code 12-8015-0-7-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,530	1,507	1,507

MILK MARKET ORDERS ASSESSMENT FUND

Unavailable Collections (in millions of dollars)

Identification code 12-8412-0-8-351	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.80 Milk market orders assessment fund, offsetting collections	44	44	44
Appropriations:			
05.00 Milk market orders assessment fund	-44	-44	-44
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8412-0-8-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
09.01 Administration	37	41	44
09.02 Marketing service	8	7	7
10.00 Total new obligations	45	48	51
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	37	36	32
22.00 New budget authority (gross)	44	44	44
23.90 Total budgetary resources available for obligation	81	80	76
23.95 Total new obligations	-45	-48	-51
24.40 Unobligated balance carried forward, end of year	36	32	25
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	44	44	44
Change in obligated balances:			
72.40 Obligated balance, start of year	44	46	50
73.10 Total new obligations	45	48	51
73.20 Total outlays (gross)	-43	-44	-44
74.40 Obligated balance, end of year	46	50	57
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	43	44	44
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-44	-44	-44
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-1		

Note.—The administration fund totals are comprised of 31 separate independent order accounts in 1998.

The Secretary of Agriculture is authorized by the Agricultural Marketing Agreement Act of 1937, as amended—under certain conditions—to issue Federal milk marketing orders establishing minimum prices which handlers are required to pay for milk purchased from producers. The Secretary has reduced the number of milk marketing orders from 31 to 11, consistent with the 1996 Farm Bill authorities.

Market administrators are appointed by the Secretary and are responsible for carrying out the terms of specific marketing orders. Their operating expenses, partly financed by assessments on regulated handlers and partly by deductions from producers, are reported in these schedules. These funds are collected locally, deposited in local banks, and disbursed directly by the market administrator.

Expenses of local offices are met from an administrative fund and a marketing service fund, which are prescribed in each order. The administrative fund is derived from prorated handler assessments. The marketing service fund of the individual order disseminates market information to producers who are not members of a qualified cooperative. It also provides for the verification of the weights, sampling, and testing of milk from these producers. The cost of these services is borne by such producers.

The maximum rates for administrative assessment and for marketing services are set forth in each order and adjustments below these rates are made from time to time upon recommendations by the market administrator and upon approval of the Agricultural Marketing Service to provide reserves at about a 6-month operating level. Upon termination of any order, the statute provides for distributing the proceeds from net assets pro rata to contributing handlers or producers, as the case may be.

WORKLOAD INDICATORS

	2002 actual	2003 est.	2004 est.
Percentage of formal and informal rulemaking completed within internal timeframes	85%	85%	85%

Object Classification (in millions of dollars)

Identification code 12-8412-0-8-351	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	27	29	31
12.1 Civilian personnel benefits	6	7	7
21.0 Travel and transportation of persons	3	3	3
23.2 Rental payments to others	3	3	3
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	1	1	1
26.0 Supplies and materials	1	1	2
31.0 Equipment	2	2	2
99.9 Total new obligations	45	48	51

Personnel Summary

Identification code 12-8412-0-8-351	2002 actual	2003 est.	2004 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	440	443	443

RISK MANAGEMENT AGENCY

Federal Funds

General and special funds:

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), \$78,488,000: Provided, That not to exceed \$1,000 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-2707-0-1-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	74	71	78
10.00 Total new obligations	74	71	78
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	74	71	78
23.95 Total new obligations	-74	-71	-78
23.98 Unobligated balance expiring or withdrawn	-1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	75	71	78
40.76 Reduction pursuant to P.L. 107-206	-1		
43.00 Appropriation (total discretionary)	74	71	78
Change in obligated balances:			
72.40 Obligated balance, start of year	39	24	22
73.10 Total new obligations	74	71	78
73.20 Total outlays (gross)	-84	-73	-76
73.40 Adjustments in expired accounts (net)	-4		
74.40 Obligated balance, end of year	24	22	24
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	45	50	55
86.93 Outlays from discretionary balances	39	23	21
87.00 Total outlays (gross)	84	73	76
Net budget authority and outlays:			
89.00 Budget authority	74	71	78
90.00 Outlays	84	73	76
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	5	6	7
99.01 Outlays	5	6	7

This appropriation finances the administrative and operating expenses of the Risk Management Agency (RMA), which provides crop insurance to farmers.

The Federal government reimburses private insurance companies for certain administrative expenses incurred while delivering the crop insurance program.

Current law provides this through mandatory funding. The 2004 budget includes a proposal that would reduce the reimbursement rate for crop insurance policies from 24.5 to 20 percent through appropriations language to amend the Federal Crop Insurance Act. This proposal would increase efficiency in the delivery of crop insurance.

Object Classification (in millions of dollars)

Identification code 12-2707-0-1-351	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent	33	35	38
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	34	36	39
12.1 Civilian personnel benefits	8	8	8
21.0 Travel and transportation of persons	2	2	2
23.2 Rental payments to others			1
23.3 Communications, utilities, and miscellaneous charges	2	1	1
25.2 Other services	24	20	25
26.0 Supplies and materials	2	2	2
31.0 Equipment	2	2	
99.9 Total new obligations	74	71	78

Personnel Summary

Identification code 12-2707-0-1-351	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	510	568	568

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act, such sums as may be necessary, to remain available until expended (7 U.S.C. 1516).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-4085-0-3-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.03 Change in delivery and other expenses		-115	-68
01.01 Indemnities	3,160	4,366	3,090
09.01 Reimbursable program	685	681	653
10.00 Total new obligations	3,845	4,932	3,675
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,225	1,017	71
22.00 New budget authority (gross)	3,637	3,986	4,156
23.90 Total budgetary resources available for obligation	4,862	5,003	4,227
23.95 Total new obligations	-3,845	-4,932	-3,675
24.40 Unobligated balance carried forward, end of year	1,017	71	552
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation rescinded		-115	-68
Mandatory:			
60.00 Appropriation	2,820	2,911	3,368
61.00 Transferred to other accounts	-2		
62.50 Appropriation (total mandatory)	2,818	2,911	3,368
69.00 Offsetting collections (cash)	819	1,190	856
70.00 Total new budget authority (gross)	3,637	3,986	4,156
Change in obligated balances:			
72.40 Obligated balance, start of year	1,225	1,305	1,921
73.10 Total new obligations	3,845	4,932	3,675
73.20 Total outlays (gross)	-3,765	-4,316	-3,559
74.40 Obligated balance, end of year	1,305	1,921	2,037
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		-115	-68
86.97 Outlays from new mandatory authority	2,105	2,158	2,090
86.98 Outlays from mandatory balances	1,660	2,273	1,537
87.00 Total outlays (gross)	3,765	4,316	3,559
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-819	-1,190	-856

Public enterprise funds—Continued**FEDERAL CROP INSURANCE CORPORATION FUND—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 12-4085-0-3-351	2002 actual	2003 est.	2004 est.
Net budget authority and outlays:			
89.00 Budget authority	2,818	2,796	3,300
90.00 Outlays	2,947	3,126	2,703

The Federal Crop Insurance Corporation (FCIC), a wholly-owned government corporation, provides multi-peril and catastrophic crop insurance protection against losses from unavoidable natural events. The Federal Crop Insurance Reform Act of 1994 (Reform Act) and the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) brought many changes to the program. With the reduced price support activities promulgated by the 1996 Act, the crop insurance program is an integral part of the broad-based safety net and includes programs involving revenue insurance, and education in the use of futures markets to manage risks.

Commercial insurance companies deliver crop insurance policies to the producer in all states. For producers who obtain Catastrophic Crop Insurance (CAT), which compensates the farmer for losses up to 50 percent of the individual's average yield at 55 percent of the expected market price, the premium is entirely subsidized. The cost to the producer for this type of coverage is an annual administrative fee of \$100 per crop per county.

Additional coverage is available to producers who wish to insure crops above the 50 percent coverage level/55 percent price level. Policyholders can elect to be paid up to 100 percent of the market price established by FCIC for each unit of production their actual yield is less than the individual yield guarantee. Premium rates for additional coverage depend on the level of coverage of protection selected and vary from crop to crop and county to county. Producers are assessed a fee of \$30 per crop, per county, in addition to a share of premium. The additional levels of insurance coverage are more attractive to farmers due to availability of optional units, other policy provisions not available with CAT coverage, and the ability to obtain a level of protection that permits them to use crop insurance as loan collateral and to achieve greater financial security.

As mandated by the 1996 Act, revenue insurance programs are available under which producers of wheat, certain feed grains, soybeans, rice, and cotton are protected against loss of revenue stemming from low prices, poor yields, or a combination of both. Two of the revenue insurance plans were privately developed and submitted to FCIC: Crop Revenue Coverage (CRC) and Revenue Assurance (RA). The Income Protection (IP) plan was developed by FCIC. These three plans have many similar features and some very distinctive features. All provide a guaranteed revenue by combining coverage on both yield and price variability. CRC and RA also provide protection against price increases at the time of harvest from an initial price guarantee established near the time of planting. Indemnities are due when any combination of yield and price result in revenue that is less than the revenue guarantee. Revenue protection for all products is provided by extending traditional multi-peril crop insurance protection, based on actual production history, to include price variability. The price component common to CRC, RA, and IP uses the commodity futures market for price discovery. These programs all seek to help ensure a certain level of annual income and are offered through private insurance companies. For 1999, a Group Risk Income Protection plan was developed by the private sector to provide protection against decline in county revenue, based on futures market prices and NASS county average yields, as adjusted by FCIC. FCIC is also

piloting an Adjusted Gross Revenue (AGR) program, which is designed to insure a portion of a producers gross revenue based on their Schedule F Farm and Income Tax reports.

A legislative proposal amending the Federal Crop Insurance Act is included in the 2004 Budget. It is designed to promote efficiency in the delivery of crop insurance by eliminating unnecessary expenditures.

On June 20, 2000, based on the Agricultural Risk Protection Act of 2000 (ARPA), the Risk Management Agency (RMA) began improving basic products by implementing higher premium subsidies to make additional coverage more affordable to producers, making adjustments in actual production history guarantees to address multiple year disasters, and revising administrative fees for CAT and additional coverage. On September 17, 2001, RMA published an interim rule in the Federal Register in accordance with ARPA, that allows RMA to reimburse developers of private crop insurance products for their research and development costs and maintenance costs once the FCIC's Board of Directors (Board) approves the products. During 2002, RMA awarded over \$21 million in projects, as authorized by ARPA, to accomplish many of the research and development mandates required by ARPA. These projects were awarded to public and private entities, including a pool of contractors in a base research and development contract that was initiated with a period of performance through September 30, 2002. On November 15, 2001, the Board approved two livestock pilot programs—Livestock gross margin and Livestock risk protection—as allowed by ARPA. The pilot livestock programs cover swine in the State of Iowa and were made available beginning in 2002.

RMA continues to improve and update the terms and conditions of all crop insurance policies, which better clarifies and defines the insurance protection provided by the insurance policies and the duties and responsibilities of the policyholder and insurance provided.

In crop year 2002, 206.3 million acres were insured, with an estimated \$3,000 million in total premium income, including \$1,793 million in premium subsidy.

The Corporation's budget is presented in accordance with generally accepted accounting principles, the Financial Accounting Standards Board (FASB) Statement No. 60, "Accounting and Reporting by Insurance Enterprises," and Statement No. 5, "Accounting for Contingencies."

The following table compares the scope of the insurance operations planned for 2004. Amounts in the 2002 column are as of September 30, 2002, and pertain to the 2002 crop year.

	2002 crop year estimate	2003 crop year estimate	2004 crop year estimate
Number of States	50	50	50
Number of counties	3,022	3,022	3,022
Insurance in force (millions)	35,904	36,075	37,948
Insured acreage (millions)	206	208	208
Producer premium (millions) ¹	1,207	1,127	1,183
Premium subsidy (millions) ¹	1,793	1,699	1,782
Total premium (millions) ¹	3,000	2,826	2,965
Indemnities (million) ¹	4,260	3,038	3,188
Loss ratio	1.420	1.075	1.075

¹ Includes amounts that will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance loss.

Financing.—The Corporation is authorized under the Federal Crop Insurance Act, as amended, to use funds from the issuance of capital stock which provides working capital for the Corporation.

Receipts, which are for deposit to this fund, come mainly from premiums paid by farmers. The principal payments from this fund are for indemnities to insured farmers, and administrative expenses for approved insurance providers.

Premium subsidies are authorized by section 508(b) of the Federal Crop Insurance Act, as amended, and are received through appropriations.

PREMIUM AND SUBSIDY

[In millions of dollars]

	2002 fiscal year actual	2003 fiscal year estimate	2004 fiscal year estimate
Premiums:			
Additional coverage premium subsidy	1,542	1,464	1,527
Catastrophic coverage—Reinsurance premium subsidy	240	236	243
Subtotal, premium subsidy	1,782	1,700	1,770
Producer premium	1,200	1,139	1,175
Total premiums	1,782	2,839	2,945
Indemnities:			
Additional coverage	2,908	3,911	2,843
Catastrophic coverage—Reinsurance	252	340	247
Total indemnities	3,160	4,251	3,090

For crop years 1948 through 2001, indemnities (\$26,425 million) exceeded premium income (\$24,213 million) by \$2,212 million; the loss ratio for the period was 1.09.

The following table summarizes the insurance operations for 2002, 2003, and 2004:

NET INCOME OR LOSS (–) ON INSURANCE OPERATIONS

[In millions of dollars]

	2002 fiscal year est.	2003 fiscal year est.	2004 fiscal year est.
Producer premium less indemnities	–1,960	–3,112	–1,915
Interest expense, net	1	0	0
Delivery expenses ¹	–626	–613	–643
Other income or expense, net	149	881	295
ARPA costs	–41	–67	–77
Reinsurance underwriting gain (+) or loss (–)	–342	0	370
Net income or loss (–)	–2,820	–2,911	–3,300

¹ Figures reflect delivery expenses borne by the Fund in accordance with the Agricultural Research, Extension and Education Reform Act of 1998, P.L. 105–185.

Statement of Operations (in millions of dollars)

Identification code 12–4085–0–3–351	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue	914	819	1,190	856
0102 Expense	–3,976	–4,927	–4,932	–3,743
0105 Net income or loss (–)	–3,062	–4,108	–3,742	–2,887
0199 Total comprehensive income	–3,062	–4,108	–3,742	–2,887

Balance Sheet (in millions of dollars)

Identification code 12–4085–0–3–351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	2,353	2,567	2,567	2,567
1206 Non-Federal assets: Receivables, net	1,357	750	750	750
1803 Other Federal assets: Property, plant and equipment, net	1	1	1	1
1999 Total assets	3,711	3,318	3,318	3,318
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable		1	1	1
2105 Other	–1	175	175	175
Non-Federal liabilities:				
2201 Accounts payable	93	70	70	70
2207 Other	3,427	1,750	1,750	1,750
2999 Total liabilities	3,519	1,996	1,996	1,996
NET POSITION:				
3100 Appropriated capital	252	700	700	700
3300 Cumulative results of operations	–60	622	622	622
3999 Total net position	192	1,322	1,322	1,322
4999 Total liabilities and net position	3,711	3,318	3,318	3,318

Object Classification (in millions of dollars)

Identification code 12–4085–0–3–351	2002 actual	2003 est.	2004 est.
Direct obligations:			
25.2 Other services			–68
42.0 Insurance claims and indemnities (reinsured buyup)	3,160	4,251	3,090
99.0 Direct obligations	3,160	4,251	3,022
42.0 Reimbursable obligations: Insurance claims and indemnities	685	681	653
99.9 Total new obligations	3,845	4,932	3,675

FARM SERVICE AGENCY

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, \$1,016,836,000: Provided, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: Provided further, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: Provided further, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$1,000,000 shall be available for employment under 5 U.S.C. 3109.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12–0600–0–1–351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Farm programs	595	643	611
00.02 Conservation and environment	97	130	141
00.04 Commodity operations	1	1	1
00.05 Administrative and information technology	232	242	243
00.06 Civil rights and equal employment opportunity	19	22	21
03.00 Subtotal, direct program	944	1,038	1,017
Reimbursable program:			
09.01 Farm loans	273	279	290
09.02 Other programs	158	129	155
09.99 Subtotal, reimbursable program	431	408	445
10.00 Total new obligations	1,375	1,446	1,462

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	4	2	
22.00 New budget authority (gross)	1,369	1,444	1,462
22.10 Resources available from recoveries of prior year obligations	3		
23.90 Total budgetary resources available for obligation	1,376	1,446	1,462
23.95 Total new obligations	–1,375	–1,446	–1,462
24.40 Unobligated balance carried forward, end of year	2		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	939	1,036	1,017
40.76 Reduction pursuant to P.L. 107–206	–1		
43.00 Appropriation (total discretionary)	938	1,036	1,017
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	413	408	445
68.10 Change in uncollected customer payments from Federal sources (unexpired)	18		
68.90 Spending authority from offsetting collections (total discretionary)	431	408	445

General and special funds—Continued**SALARIES AND EXPENSES—Continued**
(INCLUDING TRANSFERS OF FUNDS)—Continued**Program and Financing** (in millions of dollars)—Continued

Identification code 12-0600-0-1-351	2002 actual	2003 est.	2004 est.
70.00 Total new budget authority (gross)	1,369	1,444	1,462
Change in obligated balances:			
72.40 Obligated balance, start of year	166	180	159
73.10 Total new obligations	1,375	1,446	1,462
73.20 Total outlays (gross)	-1,322	-1,465	-1,518
73.40 Adjustments in expired accounts (net)	-18		
73.45 Recoveries of prior year obligations	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-18		
74.40 Obligated balance, end of year	180	159	101
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,219	1,337	1,357
86.93 Outlays from discretionary balances	103	128	161
87.00 Total outlays (gross)	1,322	1,465	1,518
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-385	-377	-414
88.40 Non-Federal sources	-28	-31	-31
88.90 Total, offsetting collections (cash)	-413	-408	-445
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-18		
Net budget authority and outlays:			
89.00 Budget authority	938	1,036	1,017
90.00 Outlays	909	1,057	1,073
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	67	73	87
99.01 Outlays	67	73	87

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, P.L. 103-354. The Department of Agriculture Reorganization Act of 1994 was amended on April 4, 1996, by the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), P.L. 104-127. The FSA administers a variety of activities, such as farm income support programs through various loans and payments; the Conservation Reserve Program (CRP); the Emergency Conservation Program; the Hazardous Waste Management Program; the Commodity Operation Programs including the warehouse examination function; farm ownership, farm operating, emergency disaster, and other loan programs; price support and production control programs for tobacco and peanuts; 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. The Agency also assists in the administration of several conservation cost-share programs financed by the Commodity Credit Corporation (CCC), including the Environmental Quality Incentives Program (EQIP). In addition, FSA currently provides certain administrative support services to the Foreign Agricultural Service (FAS) and to the Risk Management Agency (RMA).

This consolidated administrative expenses account includes funds to cover expenses of programs administered by, and functions assigned to, the Agency. The funds consist of a direct appropriation, transfers from program loan accounts under credit reform procedures, user fees, and advances and reimbursements from other sources. This is a consolidated account for administrative expenses of national, regional, State, and county offices.

USDA's Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and Rural Development (RD) offices act as separate franchises, with offices often located adjacent to each other. Prior efforts to improve the efficiency of USDA's county-based offices have resulted in significant co-location, and introduction of new information technology to simplify customer transactions. However, the separate hierarchical structures at State, regional, and headquarter levels are set in law, and this hinders further attempts to achieve additional efficiencies.

This budget proposes changes that will allow the agencies to operate together more efficiently within the current organizational constraints. These changes will also increase the provision of core customer services, including technical assistance visits and eligibility determinations, while maintaining or reducing the number of personnel and/or the cost associated with the provision of the service. Specifically, the Administration proposes that the FSA, Rural Development, and NRCS field offices seek the following improvements:

- Capitalize on the significant investments made in information technology (IT) and establish a merged structure to provide IT support to the Service Centers. This will reduce overlap, duplication of effort, and disjointed systems.
- Restructure the administrative support offices to improve efficiency of service provision of personnel, travel, payroll, and procurement.
- Review the field office structure to determine the correct level of offices necessary to provide services.
- Begin centralizing loan servicing functions that do not need to be performed at the field level. These functions include mass mailings, general information collection and storage, collecting payments, and sending out statements.
- FSA along with Rural Development will conduct a review and develop a pilot loan asset sale. The sale will include a loan mix that results in the greatest budgetary savings to the Federal government.

Farm programs.—These programs provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber. Objectives of the Agency include providing direct and counter-cyclical payments, providing marketing assistance loans and loan deficiency payments enabling recipients to continue farming operations without marketing their product immediately after harvest, stabilizing the price and production of tobacco, and providing a financial assistance safety net to eligible producers when natural disasters result in a catastrophic loss of production or prevent planting of noninsured crops, and timely approval of crop prices, average yields, and payment factors for the Noninsured Crop Disaster Assistance Program (NAP).

Farm program activities include the following functions dealing with the administration of programs carried out through the farmer committee system of the FSA: (a) developing program regulations and procedures; (b) collecting and compiling basic data for individual farms; (c) establishing individual farm allotments for tobacco and farm planting history; (d) notifying producers of established allotments and farm planting histories; (e) determining farm marketing quotas for tobacco and peanuts; (f) conducting referendums and certifying results; (g) accepting farmer certifications and checking compliance for specific purposes; (h) issuing marketing cards so that production from the allotted acreage can be marketed without penalty; (i) processing commodity loan documents and issuing checks; (j) processing direct and counter-cyclical payments and issuing checks; (k) certifying payment eligibility and monitoring payment limitations; and (l) processing farm storage facility loans and issuing checks.

Conservation and environment.—These programs assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farmland and ranches while protecting the human and natural environment. Objectives of the Agency include improving environmental quality, protecting natural resources, and enhancing habitat for fish and wildlife, including threatened and endangered species, providing Emergency Conservation Program funding for farmers and ranchers to rehabilitate damaged farmland and for carrying out emergency conservation measures during periods of severe drought or flooding, protecting the public health of communities through implementation of the Hazardous Waste Management Program, assisting NRCS with EQIP program policy and procedure development, and implementing administrative processes and procedures for contracting, financial reporting, and other financial operations. This activity includes: (a) processing producer requests for conservation cost-sharing and issuing conservation reserve rental payments; and (b) issuing checks for other conservation programs.

Commodity operations.—This activity includes: (a) overall management of CCC-owned commodities; (b) purchasing commodities; (c) donating commodities; (d) selling commodities; (e) accounting for loans and commodities; and (f) commercial warehouse activities, which include improving the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs and administering the U.S. Warehouse Act (USWA). The Agency provides for the examination of warehouses licensed under the U.S. Warehouse Act and non-licensed warehouses storing CCC-owned or pledged commodities. Examiners perform periodic examinations of the facilities and the warehouse records to ensure protection of depositors against potential losses of the stored commodities and to ensure compliance with the U.S. Warehouse Act and any CCC storage agreements.

Farm loans (reimbursable).—Provides for administering the direct and guaranteed loan programs covered under the Agricultural Credit Insurance Fund (ACIF). Objectives of the Agency include improving the economic viability of farmers and ranchers, reducing losses in direct loan programs, responding to loan making and servicing requests, and maximizing financial and technical assistance to under-served groups. Activities include reviewing applications, servicing the loan portfolio, and providing technical assistance and guidance to borrowers. These administrative expenses are transferred to this consolidated account from the ACIF. Appropriations representing subsidy amounts necessary to support the individual program loan levels under Federal Credit Reform are made to the ACIF account.

Other reimbursable activities.—FSA collects a fee or is reimbursed for performing a variety of services for other Federal agencies, CCC, industry, and others, including certain administrative support services for the Risk Management Agency and the Foreign Agricultural Service, and for county office services provided to Federal and non-Federal entities, including a variety of services to producers.

23.3	Communications, utilities, and miscellaneous charges	13	17	17
24.0	Printing and reproduction	1	1	1
25.2	Other services	88	107	93
26.0	Supplies and materials	6	7	7
31.0	Equipment	20	11	11
41.0	Grants, subsidies, and contributions	600	659	646
42.0	Insurance claims and indemnities		1	1
99.0	Direct obligations	944	1,038	1,017
99.0	Reimbursable obligations	431	408	445
99.9	Total new obligations	1,375	1,446	1,462

Personnel Summary

Identification code 12-0600-0-1-351		2002 actual	2003 est.	2004 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	2,467	2,463	2,444
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	3,394	3,398	3,473

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101-5106), \$4,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0170-0-1-351		2002 actual	2003 est.	2004 est.
Obligations by program activity:				
00.01	State Mediation grants	3	4	4
10.00	Total new obligations (object class 41.0)	3	4	4
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	3	4	4
23.95	Total new obligations	-3	-4	-4
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	3	4	4
Change in obligated balances:				
72.40	Obligated balance, start of year	2	2	3
73.10	Total new obligations	3	4	4
73.20	Total outlays (gross)	-3	-3	-3
74.40	Obligated balance, end of year	2	3	4
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1	1	1
86.93	Outlays from discretionary balances	2	2	2
87.00	Total outlays (gross)	3	3	3
Net budget authority and outlays:				
89.00	Budget authority	3	4	4
90.00	Outlays	3	3	3

This grant program is authorized by Title V of the Agricultural Credit Act of 1987, P.L. 100-233, as amended. 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 (P.L. 103-354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticide use. Grants are made to States whose agricultural mediation programs have been certified by the Farm Service Agency. A grant will not exceed 70 percent of the total fiscal year funds that a qualifying State requires to operate and

Object Classification (in millions of dollars)

Identification code 12-0600-0-1-351		2002 actual	2003 est.	2004 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	157	169	173
11.3	Other than full-time permanent	3	3	3
11.5	Other personnel compensation	5	6	6
11.9	Total personnel compensation	165	178	182
12.1	Civilian personnel benefits	36	39	41
13.0	Benefits for former personnel	1		
21.0	Travel and transportation of persons	11	12	12
22.0	Transportation of things	2	3	3
23.2	Rental payments to others	1	3	3

General and special funds—Continued

STATE MEDIATION GRANTS—Continued

administer its agricultural mediation program. In no case will the total amount of a grant exceed \$500,000 annually.

GRANT OBLIGATIONS

	2002 actual	2003 est.	2004 est.
Number of States receiving grants	27	29	32
Amount of grants (in millions of dollars)	3.5	3.5	4

TREE ASSISTANCE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2701-0-1-351	2002 actual	2003 est.	2004 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	6	5	2
73.20 Total outlays (gross)		-2	-2
74.40 Obligated balance, end of year	5	2	2
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		2	2
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		2	2

Funding of \$14 million for the Tree assistance program (TAP) was provided by the 1998 Emergency Supplemental Appropriations Act, P.L. 105-174, for obligation through September 30, 1998. The 1999 Appropriations Act, P.L. 105-277, extended the use of unobligated 1998 TAP funds through September 30, 1999, with any unobligated balance expiring.

TAP provided cost-share payments of up to 100 percent to orchard and vineyard growers who replanted or rehabilitated orchard trees and vineyards lost to damaging weather, including freezes, excessive rainfalls, floods, droughts, tornadoes, and earthquakes. Eligible owners could not receive more than \$25,000 per person. No outlays occurred during 2002. The 1997 TAP expired at the end of 2002, and the 1998 and 1999 TAP will expire at the end of 2003 and 2004, respectively.

The Farm Security and Rural Investment Act of 2002 reauthorized the program, with some modifications. No funding is requested for 2004.

CONSERVATION RESERVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3319-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Technical assistance		2	
10.00 Total new obligations (object class 25.2)		2	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	2	
23.95 Total new obligations		-2	
24.40 Unobligated balance carried forward, end of year	2		
Change in obligated balances:			
73.10 Total new obligations		2	
73.20 Total outlays (gross)		-2	
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	2		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

The Conservation Reserve Program (CRP) was originally mandated by the Food Security Act of 1985. The Federal Agriculture Improvement and Reform Act of 1996 and the Farm Security and Rural Investment Act of 2002 reauthorized the program but changed the funding source from direct appropriation to the Commodity Credit Corporation. Only very minimal CCC funds were used for program operations in 1996 since annual rental payments had been made very early in the fiscal year using CRP appropriated funds.

Annual rental payments, cost-share payments, and technical assistance for acres enrolled in the program are paid through the Commodity Credit Corporation. Just under \$2 million in unobligated appropriated funds were available at the end of 2002; these funds are expected to be exhausted in 2003 for technical assistance. In providing technical assistance, the Natural Resources Conservation Service determines eligibility, develops conservation plans, and helps install approved practices. The Forest Service and cooperating State forestry agencies develop plans for tree planting and assist in carrying them out. The Cooperative State Research, Education, and Extension Service provides information and educational assistance to inform landowners and operators about the program. Local soil and water conservation districts approve conservation plans. To ensure maximum program benefits, USDA consults with land grant universities, State soil and water agencies, State fish and wildlife agencies, the U.S. Fish and Wildlife Services, and others.

CRP program payments are included under the Commodity Credit Corporation account.

AGRICULTURAL CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3315-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 ACP Payments	6		
10.00 Total new obligations (object class 41.0)	6		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	1	1
22.00 New budget authority (gross)	6		
22.10 Resources available from recoveries of prior year obligations	3		
22.21 Unobligated balance transferred to other accounts	-6		
23.90 Total budgetary resources available for obligation	7	1	1
23.95 Total new obligations	-6		
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
68.10 Spending authority from offsetting collections (change in uncollected customer payments from federal sources) (unexpired)	6		
Change in obligated balances:			
72.40 Obligated balance, start of year	11	7	5
73.10 Total new obligations	6		
73.20 Total outlays (gross)	-1	-2	-2
73.45 Recoveries of prior year obligations	-3		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-6		
74.40 Obligated balance, end of year	7	5	3
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1	2	2
Offsets:			
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-6		
Net budget authority and outlays:			
89.00 Budget authority			

90.00	Outlays	1	2	2
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This program was terminated at the beginning of 1997 in accordance with the Federal Agriculture Improvement and Reform Act of 1996. The objectives of the Agricultural Conservation Program (ACP) were incorporated into the Environmental Quality Incentives Program which is funded by the Commodity Credit Corporation and administered under the lead of the Natural Resources Conservation Service.

The primary objectives of the program were to conserve soil and water resources. Along with annual agreements, cost sharing was authorized for long-term agreements of 3–10 years. At the end of 2002, there were \$6.2 million in unliquidated obligations for ACP agreements.

EMERGENCY CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12–3316–0–1–453	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 ECP payments	32	52	43
10.00 Total new obligations (object class 41.0)	32	52	43
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	106	74	71
22.00 New budget authority (gross)		49	
23.90 Total budgetary resources available for obligation	106	123	71
23.95 Total new obligations	– 32	– 52	– 43
24.40 Unobligated balance carried forward, end of year	74	71	28
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		49	
Change in obligated balances:			
72.40 Obligated balance, start of year	29	29	2
73.10 Total new obligations	32	52	43
73.20 Total outlays (gross)	– 32	– 79	– 45
74.40 Obligated balance, end of year	29	2	
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		33	
86.93 Outlays from discretionary balances	32	46	45
87.00 Total outlays (gross)	32	79	45
Net budget authority and outlays:			
89.00 Budget authority		49	
90.00 Outlays	32	79	45

This program was authorized by the Agricultural Credit Act of 1978 (16 U.S.C. 2201–05). It provides funds for sharing the cost of emergency measures to deal with cases of severe damage to farmlands and rangelands resulting from natural disasters.

Title VIII of the 2001 Agriculture Appropriations Act, P.L. 106–387, provided \$80 million for the Emergency Conservation Program. This funding is available until expended. No funding was provided in the 2002 Agriculture Appropriations Act for ECP. However, the program continued to operate from unobligated funds carried forward from 2001 and recovers throughout the fiscal year. Under the 2002 program, cost-sharing and technical assistance were provided in 44 States to treat farmlands damaged by floods, drought, ice storms, tornadoes, and other natural disasters.

The 2004 budget proposes no funding for this program.

Credit accounts:

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, \$1,140,149,000, of which \$1,000,000,000 shall be for guaranteed loans and \$140,149,000 shall be for direct loans; operating loans, \$2,316,249,000, of which \$1,400,000,000 shall be for unsubsidized guaranteed loans, \$266,249,000 shall be for subsidized guaranteed loans and \$650,000,000 shall be for direct loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, \$2,000,000; and for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, \$60,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, \$36,345,000, of which \$5,400,000 shall be for guaranteed loans, and \$30,945,000 shall be for direct loans; operating loans, \$174,350,000, of which \$46,620,000 shall be for unsubsidized guaranteed loans, \$34,000,000 shall be for subsidized guaranteed loans, and \$93,730,000 shall be for direct loans.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$298,136,000, of which \$290,136,000 shall be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

Funds appropriated by this Act to the Agricultural Credit Insurance Program Account for farm ownership and operating direct loans and guaranteed loans may be transferred among these programs: Provided, That the Committees on Appropriations of both Houses of Congress are notified at least 15 days in advance of any transfer.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers and manufacturers of dairy products under a dairy indemnity program, \$100,000, to remain available until expended: Provided, That such program is carried out by the Secretary in the same manner as the dairy indemnity program described in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–12).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12–1140–0–1–351	2002 actual	2003 est.	2004 est.
0101 Agriculture credit insurance, downward reestimates of subsidies	2	3	4
0102 Negative subsidies/subsidy reestimates	53	249	

Program and Financing (in millions of dollars)

Identification code 12–1140–0–1–351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct loan subsidy	71	115	125
00.02 Guaranteed loan subsidy	112	97	86
00.05 Reestimates of direct loan subsidy	946	136	
00.06 Interest on reestimates of direct loan subsidy	275	7	
00.07 Reestimates of guaranteed loan subsidy	59	1	
00.08 Interest on reestimates of guaranteed loan subsidy	6		
Administrative expenses:			
00.09 Administrative expenses—salaries and expenses ...	271	279	290
00.10 Administrative expenses—non-recoverable costs ...	8	8	8
10.00 Total new obligations	1,748	643	509
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	73	68	68
22.00 New budget authority (gross)	1,746	643	509

Credit accounts—Continued

DAIRY INDEMNITY PROGRAM—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1140-0-1-351	2002 actual	2003 est.	2004 est.
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	1,820	711	577
23.95 Total new obligations	-1,748	-643	-509
23.98 Unobligated balance expiring or withdrawn	-5		
24.40 Unobligated balance carried forward, end of year	68	68	68
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	468	499	509
41.00 Transferred to other accounts	-8		
43.00 Appropriation (total discretionary)	460	499	509
Mandatory:			
60.00 Appropriation	1,286	144	
70.00 Total new budget authority (gross)	1,746	643	509
Change in obligated balances:			
72.40 Obligated balance, start of year		12	8
73.10 Total new obligations	1,748	643	509
73.20 Total outlays (gross)	-1,744	-647	-510
73.40 Adjustments in expired accounts (net)	-3		
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	12	8	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	449	475	485
86.93 Outlays from discretionary balances	9	28	25
86.97 Outlays from new mandatory authority	1,286	144	
87.00 Total outlays (gross)	1,744	647	510
Net budget authority and outlays:			
89.00 Budget authority	1,746	643	509
90.00 Outlays	1,744	647	510

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1140-0-1-351	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm ownership	147	100	140
115002 Farm operating	611	600	650
115003 Emergency disaster	25		
115004 Indian tribe land acquisition	2	2	2
115005 Boll weevil eradication	100	100	60
115006 Seed cotton			
115901 Total direct loan levels	885	802	852
Direct loan subsidy (in percent):			
132001 Farm ownership	2.63	11.61	22.08
132002 Farm operating	8.93	17.25	14.42
132003 Emergency disaster	13.45	20.39	13.83
132004 Indian tribe land acquisition	5.92	8.95	-0.78
132005 Boll weevil eradication	-2.18	-2.70	-6.07
132006 Seed cotton	0.00	0.00	0.00
132901 Weighted average subsidy rate	6.78	13.97	14.20
Direct loan subsidy budget authority:			
133001 Farm ownership	4	12	31
133002 Farm operating	55	103	94
133003 Emergency disaster	3		
133004 Indian tribe land acquisition			
133005 Boll weevil eradication	-2	-3	-4
133006 Seed cotton			
133901 Total subsidy budget authority	60	112	121
Direct loan subsidy outlays:			
134001 Farm ownership	5	12	31
134002 Farm operating	56	104	94
134003 Emergency disaster	28		
134004 Indian tribe land acquisition			
134005 Boll weevil eradication	-2	-3	-4

134006 Seed cotton			
134901 Total subsidy outlays	87	113	121
Direct loan upward reestimate subsidy budget authority:			
135001 Farm ownership	163	129	
135002 Farm operating	776	57	
135003 Emergency disaster	169	12	
135004 Indian tribe land acquisition	3		
135005 Boll weevil eradication	16	30	
135006 Seed cotton		10	
135007 Soil and water	4		
135008 Farm ownership credit sales	89		
135901 Total upward reestimate budget authority	1,220	238	
Direct loan upward reestimate subsidy outlays:			
136001 Farm ownership	163	129	
136002 Farm operating	776	57	
136003 Emergency disaster	169	12	
136004 Indian tribe land acquisition	3		
136005 Boll weevil eradication	16	30	
136006 Seed cotton		10	
136007 Soil and water	4		
136008 Farm ownership credit sales	89		
136901 Total upward reestimate outlays	1,220	238	
Direct loan downward reestimate subsidy budget authority:			
137001 Farm ownership		-5	
137002 Farm operating		-146	
137003 Emergency disaster	-16	-6	
137004 Indian tribe land acquisition		-4	
137005 Boll weevil eradication	-9	-43	
137006 Seed cotton			
137007 Soil and water		-4	
137008 Farm ownership credit sales	-2	-87	
137901 Total downward reestimate budget authority	-27	-295	
Direct loan downward reestimate subsidy outlays:			
138001 Farm ownership		-5	
138002 Farm operating		-146	
138003 Emergency disaster	-16	-6	
138004 Indian tribe land acquisition		-4	
138005 Boll weevil eradication	-9	-43	
138006 Seed cotton			
138007 Soil and water		-4	
138008 Seed loans	-2	-87	
138901 Total downward reestimate subsidy outlays	-27	-295	

Guaranteed loan levels supportable by subsidy budget authority:

215001 Farm ownership, unsubsidized	1,161	1,000	1,000
215002 Farm operating, unsubsidized	1,548	1,700	1,400
215003 Farm operating, subsidized	511	300	266
215901 Total loan guarantee levels	3,220	3,000	2,666
Guaranteed loan subsidy (in percent):			
232001 Farm ownership, unsubsidized	0.45	0.75	0.54
232002 Farm operating, unsubsidized	3.51	3.17	3.33
232003 Farm operating, subsidized	13.56	11.80	12.77
232901 Weighted average subsidy rate	3.98	3.23	3.23
Guaranteed loan subsidy budget authority:			
233001 Farm ownership, unsubsidized	5	8	5
233002 Farm operating, unsubsidized	54	54	47
233003 Farm operating, subsidized	69	35	34
233901 Total subsidy budget authority	128	97	86
Guaranteed loan subsidy outlays:			
234001 Farm ownership, unsubsidized	5	7	5
234002 Farm operating, unsubsidized	48	52	47
234003 Farm operating, subsidized	63	32	34
234901 Total subsidy outlays	116	91	86
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Farm ownership, unsubsidized	17	1	
235002 Farm operating, unsubsidized	26		
235003 Farm operating, subsidized	24	6	
235901 Total upward reestimate budget authority	67	7	
Guaranteed loan upward reestimate subsidy outlays:			
236001 Farm ownership, unsubsidized	17	1	
236002 Farm operating, unsubsidized	26		
236003 Farm operating, subsidized	24	6	
236901 Total upward reestimate subsidy outlays	67	7	
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Farm ownership, unsubsidized		-16	

237002 Farm operating, unsubsidized	-12	-36	
237003 Farm operating, subsidized	-10	-3	
237901 Total downward reestimate subsidy budget authority	-22	-55	
Guaranteed loan downward reestimate subsidy outlays:			
238001 Farm ownership, unsubsidized		-16	
238002 Farm operating, unsubsidized	-12	-36	
238003 Farm operating, subsidized	-10	-3	
238901 Total downward reestimate subsidy outlays	-22	-55	
Administrative expense data:			
351001 Budget authority	280	287	290
358001 Outlays from balances			
359001 Outlays from new authority	280	287	290

The Agricultural credit insurance fund program account's loans are authorized by title III of the Consolidated Farm and Rural Development Act, as amended.

This program account includes subsidies to provide direct and guaranteed loans for farm ownership, farm operating, and emergency loans to individuals. Indian tribes and tribal corporations are eligible for Indian land acquisition loans. Boll weevil eradication loans are available to eliminate the cotton boll weevil pest from infested areas.

Additional funding was provided by a 2000 supplemental appropriation, P.L. 106-113, for direct and guaranteed farm ownership, direct and guaranteed operating, and emergency disaster loans. Funding is available until expended.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including credit sales of acquired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Under the Dairy indemnity program (DIP), payments are made to farmers and manufacturers of dairy products who are directed to remove their milk or milk products from commercial markets because they contain residues of chemicals that have been registered and approved by the Federal Government, other chemicals, nuclear radiation, or nuclear fallout. Indemnification may also be paid for cows producing such milk.

In 2002, \$124.3 thousand was paid to producers who filed claims under the program.

The 2004 budget requests \$100 thousand for this program.

Object Classification (in millions of dollars)

Identification code 12-1140-0-1-351	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts	279	287	298
41.0 Grants, subsidies, and contributions	1,469	356	211
99.9 Total new obligations	1,748	643	509

AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4212-0-3-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	1,008	977	902
00.02 Advances on behalf of borrowers	3	3	3
00.04 Interest on Treasury borrowing	334	310	210
00.05 Capital investments	4	4	4
00.10 Civil rights and other obligations	2		
00.91 Subtotal, Operating program	1,351	1,294	1,119
08.01 Negative subsidy receipts	-2	-3	-4

Reestimates:			
08.02 Downward reestimate of subsidy	25	126	
08.04 Downward reestimate of subsidy—interest	2	73	
08.91 Subtotal, reestimates	25	196	-4
10.00 Total new obligations	1,376	1,490	1,115

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	718	2,534	
22.00 New financing authority (gross)	3,589	2,598	2,280
22.10 Resources available from recoveries of prior year obligations	17		
22.40 Capital transfer to general fund		-2,474	
22.60 Portion applied to repay debt	-415	-1,168	-1,165
23.90 Total budgetary resources available for obligation	3,909	1,490	1,115
23.95 Total new obligations	-1,376	-1,490	-1,115
24.40 Unobligated balance carried forward, end of year	2,534		

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	1,176	1,006	1,006
69.00 Offsetting collections (cash)	2,414	1,592	1,274
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		
69.90 Spending authority from offsetting collections (total mandatory)	2,413	1,592	1,274
70.00 Total new financing authority (gross)	3,589	2,598	2,280

Change in obligated balances:

72.40 Obligated balance, start of year	135	165	210
73.10 Total new obligations	1,376	1,490	1,115
73.20 Total financing disbursements (gross)	-1,330	-1,445	-1,134
73.45 Recoveries of prior year obligations	-17		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.40 Obligated balance, end of year	165	210	191
87.00 Total financing disbursements (gross)	1,330	1,445	1,134

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources: Payments from program account			
88.00	-1,307	-351	-121
88.25 Interest on uninvested funds	-130	-111	-115
Non-Federal sources:			
88.40 Repayments of principal	-801	-909	-863
88.40 Repayments of interest	-170	-221	-175
88.40 Interest and principal repayments—judgments	-1		
88.40 Proceeds from sale of acquired property	-4		
88.40 Credit Report Fees	-1		
88.90 Total, offsetting collections (cash)	-2,414	-1,592	-1,274
Against gross financing authority only:			
88.95 Change in receivables from program accounts	1		

Net financing authority and financing disbursements:

89.00 Financing authority	1,176	1,006	1,006
90.00 Financing disbursements	-1,084	-147	-140

Status of Direct Loans (in millions of dollars)

Identification code 12-4212-0-3-351	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	885	802	852
1121 Limitation available from carry-forward	348	225	50
1143 Unobligated limitation carried forward (P.L.106-113) (-)	-225	-50	
1150 Total direct loan obligations	1,008	977	902
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	4,313	4,560	4,579
1231 Disbursements: Direct loan disbursements	962	928	857
1251 Repayments: Repayments and prepayments	-665	-858	-961
Write-offs for default:			
1263 Direct loans	-50	-51	-54
1264 Other adjustments, net			
1290 Outstanding, end of year	4,560	4,579	4,421

Credit accounts—Continued

AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT—Continued

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including credit sales of acquired property that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

This account finances direct loans for farm ownership, farm operating, emergency disaster, Indian land, boll weevil eradication, and credit sales of acquired property.

Balance Sheet (in millions of dollars)

Identification code 12-4212-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	651	2,601	500	500
Investments in US securities:				
1106 Receivables, net	1,231	243	385	385
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	4,305	4,416	4,521	4,271
1402 Interest receivable	171	181	190	200
1403 Accounts receivable from foreclosed property	4	4	4	4
1405 Allowance for subsidy cost (-)	-1,564	-1,526	-1,525	-1,525
1499 Net present value of assets related to direct loans	2,916	3,075	3,190	2,950
1603 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Allowance for estimated uncollectible loans and interest (-)	-83	-81	-80	-75
1999 Total assets	4,715	5,838	3,995	3,760
LIABILITIES:				
Federal liabilities: Resources payable to Treasury				
2104 Treasury	4,678	5,544	3,980	3,745
Non-Federal liabilities: Other				
2207 Other	37	294	15	15
2999 Total liabilities	4,715	5,838	3,995	3,760
NET POSITION:				
3999 Total net position				
4999 Total liabilities and net position	4,715	5,838	3,995	3,760

AGRICULTURAL CREDIT INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4213-0-3-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Default claims	52	50	50
00.02 Interest assistance on guaranteed loans	119	150	150
00.04 Interest payments to Treasury		5	5
00.05 Capital investments	1	2	2
00.91 Subtotal, Operating program	172	207	207
Reestimates:			
08.02 Downward reestimate of subsidy	19	37	
08.04 Downward reestimate of subsidy—interest	7	13	
08.91 Subtotal, reestimates	26	50	
10.00 Total new obligations	198	257	207
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	102	190	82
22.00 New financing authority (gross)	228	149	138
22.10 Resources available from recoveries of prior year obligations	60		

23.90 Total budgetary resources available for obligation	390	339	220
23.95 Total new obligations	-198	-257	-207
24.40 Unobligated balance carried forward, end of year	190	82	13

New financing authority (gross), detail:

Mandatory:			
69.00 Offsetting collections (cash)	228	149	138

Change in obligated balances:

72.40 Obligated balance, start of year	407	414	528
73.10 Total new obligations	198	257	207
73.20 Total financing disbursements (gross)	-132	-143	-143
73.45 Recoveries of prior year obligations	-60		
74.40 Obligated balance, end of year	414	528	594
87.00 Total financing disbursements (gross)	132	143	143

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-183	-98	-86
88.25 Interest on uninvested funds	-27	-25	-25
88.40 Fees and premiums	-18	-26	-27
88.90 Total, offsetting collections (cash)	-228	-149	-138

Net financing authority and financing disbursements:

89.00 Financing authority			
90.00 Financing disbursements	-95	-6	5

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4213-0-3-351	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	2,755	3,000	2,666
2121 Limitation available from carry-forward		63	
2143 Uncommitted limitation carried forward	-204		
2150 Total guaranteed loan commitments	2,551	3,063	2,666
2199 Guaranteed amount of guaranteed loan commitments	2,296	2,757	2,399
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	9,111	9,378	10,057
2231 Disbursements of new guaranteed loans	2,553	3,000	2,666
2251 Repayments and prepayments	-1,897	-2,250	-2,250
Adjustments:			
2261 Terminations for default that result in loans receivable	-1	-2	-2
2263 Terminations for default that result in claim payments	-69	-69	-75
2264 Other adjustments, net	-319		
2290 Outstanding, end of year	9,378	10,057	10,396

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	8,441	9,053	9,364
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	12	10	10
2331 Disbursements for guaranteed loan claims	1	2	2
2351 Repayments of loans receivable	-1	-1	-1
2361 Write-offs of loans receivable	-2	-1	-1
2390 Outstanding, end of year	10	10	10

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances commitments made for farm ownership and operating guaranteed loan programs.

Balance Sheet (in millions of dollars)

Identification code 12-4213-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	271	604	293	300
Investments in US securities:				
1106 Receivables, net	249	14	259	252
1206 Non-Federal assets: Receivables, net	1			
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross		10	10	10
1502 Interest receivable		1		
1505 Allowance for subsidy cost (-)		-9		
1599 Net present value of assets related to defaulted guaranteed loans		2	10	10
1999 Total assets	521	620	562	562
LIABILITIES:				
Federal liabilities:				
2104 Resources payable to Treasury		6		
2105 Other		56		
Non-Federal liabilities:				
2201 Accounts payable	515	414	562	562
2204 Liabilities for loan guarantees	6	144		
2999 Total liabilities	521	620	562	562
4999 Total liabilities and net position	521	620	562	562

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4140-0-3-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Capital investment:			
00.08 Loan recoverable costs	8	8	8
00.09 Minor Capital Improvements	1	1	1
00.10 Costs incident to acquisition of property	1	1	1
00.91 Direct Program by Activities—Subtotal (1 level)	10	10	10
Operating expenses:			
01.08 Administrative expenses—Department of Justice fees	1	1	1
01.13 Interest assistance—guaranteed loans	7	4	4
01.17 Unclassified costs		1	1
01.18 Civil rights settlements	1	1	1
01.91 Total operating expenses	9	7	7
10.00 Total new obligations	19	17	17
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	65		
22.00 New budget authority (gross)	62	38	17
22.10 Resources available from recoveries of prior year obligations	22		
22.40 Capital transfer to general fund	-65		
22.70 Balance of authority to borrow withdrawn	-65	-20	
23.90 Total budgetary resources available for obligation	19	18	17
23.95 Total new obligations	-19	-17	-17
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	862	838	784
69.27 Capital transfer to general fund	-800	-800	-767
69.90 Spending authority from offsetting collections (total mandatory)	62	38	17
Change in obligated balances:			
72.40 Obligated balance, start of year	45	30	7
73.10 Total new obligations	19	17	17
73.20 Total outlays (gross)	-12	-38	-17
73.45 Recoveries of prior year obligations	-22		
74.40 Obligated balance, end of year	30	7	7
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	12	38	17

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Rent on acquired property	-1	-1	-1
88.40 Guaranteed loans purchased from holders—principal	-2	-1	-1
88.40 Guaranteed loans purchased from holders—interest	-1		
88.40 Interest on loans	-258	-285	-285
88.40 Guaranteed loss recoveries	-1	-1	-1
88.40 Interest on judgments	-1	-2	-2
88.40 Interest shared appreciation	-3		
88.40 Repayments on loans—principal	-547	-484	-430
88.40 Judgments—principal	-9	-9	-9
88.40 Shared appreciation recapture	-25	-14	-14
88.40 Sale of acquired property/chattels	-20	-40	-40
88.40 Undistributed receipts	6	-1	-1
88.90 Total, offsetting collections (cash)	-862	-838	-784
Net budget authority and outlays:			
89.00 Budget authority	-800	-800	-767
90.00 Outlays	-850	-800	-767

Status of Direct Loans (in millions of dollars)

Identification code 12-4140-0-3-351	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	4,463	3,783	3,175
1251 Repayments: Repayments and prepayments	-550	-430	-405
1261 Adjustments: Capitalized interest	17	13	12
Write-offs for default:			
1263 Direct loans	-124	-191	-184
1264 Other adjustments, net ¹	-23		
1290 Outstanding, end of year	3,783	3,175	2,598

¹ Amounts shown are based on payment of delinquent installments, advances on behalf of borrowers, acquired property and chattels, loans in kind, and judgments.

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4140-0-3-351	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	411	297	247
2251 Repayments and prepayments	-118	-50	-35
2264 Adjustments: Other adjustments, net	4		
2290 Outstanding, end of year	297	247	212
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	267	222	191

As required by the Federal Credit Reform Act of 1990, this account records for the farm loan programs all cash flows to and from the Government resulting from direct loans obligated, loan guarantees committed, and grants made prior to 1992. New loan activity in 1992 and beyond (including credit sales of acquired property that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts. Payments to settle certain discrimination claims against USDA may also be made from this account.

Statement of Operations (in millions of dollars)

Identification code 12-4140-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue	146	405	150	
0102 Expense	-165	-156	-110	
0105 Net income or loss (-)	-19	249	40	

Balance Sheet (in millions of dollars)

Identification code 12-4140-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	109	30	90	90

Credit accounts—Continued

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 12-4140-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	4,463	3,783	3,175	2,598
1602 Interest receivable	135	628	464	380
1603 Allowance for estimated uncollectible loans and interest (-)	-900	-777	-250	-250
1604 Direct loans and interest receivable, net	3,698	3,634	3,389	2,728
1605 Accounts receivable/judgments receivable		189		
1606 Foreclosed property	54	44	54	54
1699 Value of assets related to direct loans	3,752	3,867	3,443	2,782
1701 Defaulted guaranteed loans, gross		13		
1999 Total assets	3,861	3,910	3,533	2,872
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	3,745	3,866	3,427	2,766
Non-Federal liabilities:				
2201 Accounts payable	106	22	96	96
2204 Liabilities for loan guarantees		13		
2207 Other	10	9	10	10
2999 Total liabilities	3,861	3,910	3,533	2,872
4999 Total liabilities and net position	3,861	3,910	3,533	2,872

Object Classification (in millions of dollars)

Identification code 12-4140-0-3-351	2002 actual	2003 est.	2004 est.
25.2 Other services	11	5	5
33.0 Investments and loans	8	8	8
43.0 Interest and dividends		4	4
99.9 Total new obligations	19	17	17

COMMODITY CREDIT CORPORATION

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

Federal Funds

Public enterprise funds:

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 2004, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed.

HAZARDOUS WASTE MANAGEMENT

(LIMITATION ON EXPENSES)

For fiscal year 2004, the Commodity Credit Corporation shall not expend more than \$5,000,000 for site investigation and cleanup expenses, and operations and maintenance expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and

section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-4336-0-3-999	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Commodity purchases and related inventory transactions	2,481	3,603	3,033
00.02 Storage, transportation and other obligations	162	365	348
00.03 Export enhancement program	2	28	28
00.04 Market access program	97	114	109
00.05 Dairy export incentive program	25	36	57
00.06 Section 416/Food for progress ocean transportation	302	81	59
00.07 Foreign market development cooperative	31	35	35
00.08 Quality Samples Program		3	3
00.10 Feed grains	3,126	1,319	3,172
00.11 Wheat	1,040	661	1,452
00.12 Rice	383	818	931
00.13 Cotton	1,362	2,308	2,659
00.14 Dairy Program		2,400	1,100
00.15 Tobacco Program	6		
00.16 Peanut Program		1,381	435
00.17 Wool and Mohair Program		26	15
00.19 Lentils Program		4	4
00.21 Dry Peas Program		1	3
00.22 Crop Option Pilot Program	2	2	
00.23 Non-Insured Assistance Program	181	244	257
00.24 Oilseeds Payment Program	2,719	1,159	1,079
00.25 Marketing Loan Writeoffs	642	298	354
00.26 Certificates Issued	134		
00.27 Crop Disaster Program	230	1	
00.28 Other Market Loss Assistance Payments		184	
00.29 State Payment Transfers	6		
00.31 Livestock Assistance Programs	3		
00.32 Disaster reserve assistance/American Indian livestock feed	2	6	
00.33 Disaster reserve flood compensation	12	14	
00.35 Conservation reserve program (CRP)	1,785	1,883	2,022
00.36 Environmental Quality Incentives Program (EQIP)	164		
00.39 Farmland Protection Program	1		
00.46 Agricultural Management Assistance Program	3	8	7
00.47 Reimbursable Agreement/Transfers to State and Federal Agencies	55	56	56
00.48 Treasury	217	203	383
00.49 Other Interst	17	20	19
00.50 EQIP Technical Assistance	36		
00.52 CRP Technical Assistance		133	97
00.53 EQIP Education Assistance	2		
00.57 Agricultural Management Assistance Program Technical Assistance	2	5	7
01.92 Total support and related programs	15,230	17,399	17,724
09.01 Commodity loans	10,131	8,652	8,934
09.03 Reimbursable Program	441	563	543
09.04 P. L. 480 ocean transportation	522	650	671
09.09 Subtotal, reimbursable programs	11,094	9,865	10,148
10.00 Total new obligations	26,324	27,264	27,872
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	868		
22.00 New budget authority (gross)	27,440	27,089	27,821
22.10 Resources available from recoveries of prior year obligations	50		1
22.60 Portion applied to repay debt	-2,034	175	50
23.90 Total budgetary resources available for obligation	26,324	27,264	27,872
23.95 Total new obligations	-26,324	-27,264	-27,872
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation rescinded		-175	-50
Mandatory:			
Appropriation:			
60.00 Appropriation	22,821	17,684	17,275
60.00 Appropriation			
60.35 Appropriation rescinded	-14		
60.47 Portion applied to repay debt	-21,194	-16,175	-15,279
60.76 Reduction pursuant to P.L. 107-206	-7		
61.00 Transferred to other accounts	-1,606	-1,509	-1,996

62.50	Appropriation (total mandatory)			
67.10	Authority to borrow	16,745	15,353	15,021
69.00	Offsetting collections (cash)	10,695	11,911	12,850
70.00	Total new budget authority (gross)	27,440	27,089	27,821
Change in obligated balances:				
72.40	Obligated balance, start of year	3,513	3,595	3,201
73.10	Total new obligations	26,324	27,264	27,872
73.20	Total outlays (gross)	-26,609	-27,658	-28,210
73.40	Adjustments in expired accounts (net)	417		
73.45	Recoveries of prior year obligations	-50		-1
74.40	Obligated balance, end of year	3,595	3,201	2,863
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority		-175	-50
86.97	Outlays from new mandatory authority	7,871	15,484	15,011
86.98	Outlays from mandatory balances	18,738	12,349	13,249
87.00	Total outlays (gross)	26,609	27,658	28,210
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Sales to special activities	-441	-563	-543
88.00	Interest Revenue	-16		
88.00	Other Revenue	-1		
88.00	Advances from Foreign Assistance Programs (P.L. 480)	-966	-1,213	-1,213
Non-Federal sources:				
88.40	Sales and other proceeds	-307	-360	-157
88.40	Interest Revenue	-63	-77	-114
88.40	Other Revenue	-462		
88.40	Loans Repaid	-6,644	-8,094	-9,098
88.40	Commodity Certificates Redeemed	-1,750	-1,555	-1,671
88.40	Export Credit Sales Program Repayments	-17	-22	-29
88.40	Interest Revenue	-28	-27	-25
88.90	Total, offsetting collections (cash)	-10,695	-11,911	-12,850
Net budget authority and outlays:				
89.00	Budget authority	16,745	15,178	14,971
90.00	Outlays	15,914	15,747	15,360

Status of Direct Loans (in millions of dollars)

Identification code 12-4336-0-3-999	2002 actual	2003 est.	2004 est.
SHORT TERM CREDIT LOANS			
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	334	312
1231	Disbursements: Direct loan disbursements		
1251	Repayments: Repayments and prepayments	-17	-22
1264	Write-offs for default: Other adjustments, net	351	
1290	Outstanding, end of year	334	312
COMMODITY LOANS			
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans		
1131	Direct loan obligations exempt from limitation	10,131	8,652
1150	Total direct loan obligations	10,131	8,652
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	1,600	2,012
1231	Disbursements: Direct loan disbursements	10,131	8,652
1251	Repayments: Repayments and prepayments	-10,079	-8,094
1264	Write-offs for default: Other adjustments, net	1,548	-146
1290	Outstanding, end of year	1,600	2,012

The Commodity Credit Corporation (CCC) was created to stabilize, support, and protect farm income and prices; help maintain balanced and adequate supplies of agricultural commodities, their products, foods, feeds, and fibers; and help in their orderly distribution.

The Corporation's capital stock of \$100 million is held by the U.S. Treasury. Under present law, up to \$30 billion may be borrowed from the U.S. Treasury to finance operations.

Current, indefinite appropriation authority is requested to cover all net realized losses. Appropriations to the Corporation

for net realized losses have no effect on budget authority, as they are used to repay debt directly with the Treasury.

Budget assumptions.—The following general assumptions form the basis for the Corporation's 2003 and 2004 budget estimates: (a) national income will rise both in 2003 and 2004 from the present level; (b) 2003 crop production will increase from 2002 crop levels for some commodities; (c) generally, exports of agricultural commodities in 2004 are expected to be lower than 2003 levels; (d) yields for the 2003 crops are based on recent averages adjusted for trends; and (e) acreage allotments and marketing quotas will be in effect for the 2003 crops of certain kinds of tobacco.

It is difficult to accurately forecast requirements for the year ending September 30, 2004, since the projections are subject to complex and unpredictable factors such as weather, other factors which affect the volume of production of crops not yet planted, feed and food needs here and overseas, and available dollar exchange.

Title II of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, reauthorizes funding for the Conservation Reserve Program (CRP) through calendar year 2007. Up to 39.2 million acres may be enrolled at any one time. CRP is USDA's largest conservation/environmental program. The purpose of CRP, administered by FSA, is to cost-effectively assist farm owners and operators in conserving and improving soil, water, air, and wildlife resources by converting highly erodible and other environmentally sensitive acreage normally devoted to the production of agricultural commodities to a long-term resource-conserving cover. CRP participants enroll contracts for periods from 10 to 15 years in exchange for annual rental payments and cost-share and technical assistance for installing approved conservation practices.

CRP continuous signup acreage, which contributes to the USDA Conservation Buffer Initiative and the Conservation Reserve Enhancement Program (CREP), is estimated to enroll 4 million acres. During 2002, about 425,000 acres were signed up for continuous practices in signup 24. Funding for technical assistance for this signup was authorized in Section 736 of the FY 2002 Agriculture Appropriations Act, which provided \$13 million from funds appropriated for the Environmental Quality Incentives Program.

The 2001 Appropriations Act authorized the Secretary to enroll 500,000 acres during 2001 and 2002 for a Farmable Wetlands Pilot Program and required that the acreage enrolled not reduce the continuous-signup or CREP acreage. This authorization was expanded in the 2002 Farm Bill to include 1 million acres and all states.

A one-year contract extension for CRP participants with contracts of original duration of less than 15 years that were scheduled to expire September 20, 2002, was assumed. A general signup is planned for 2003.

Appropriations are made to reimburse the Corporation for net realized losses sustained in carrying out its operations:

Program	2004 ESTIMATE		
	Gross obligations	Net outlays	Net realized loss for year
Farm income, marketing assistance loans, and price support:			
Commodity loans	8,934	2,305	0
Feed grain payments	3,172	3,172	3,172
Wheat payments	1,452	1,452	1,452
Rice payments	931	931	931
Cotton payments	2,659	2,659	2,659
Export enhancement program	28	28	28
Other support and related	6,745	1,861	5,136
Other items not distributed by program:			
Interest	402	213	263
All other	217	468	217
Total, farm income, marketing assistance loans, and price-support programs	24,540	13,089	13,858
Conservation programs:			
Conservation reserve program	2,119	2,119	2,190

Public enterprise funds—Continued

HAZARDOUS WASTE MANAGEMENT—Continued
(LIMITATION ON EXPENSES)—Continued

2004 ESTIMATE—Continued

(In millions of dollars)

Program	Gross obligations	Net outlays	Net realized loss for year
Environmental quality incentives program	0	149	849
Wetlands reserve program	0	47	360
Farmland protection program	0	3	128
Soil and water conservation program	0	3	3
Other conservation programs	0	0	277
Total, conservation programs	2,119	2,321	3,807
Total, Commodity Credit Corporation	26,659	15,410	17,665

PROGRAMS OF THE CORPORATION

Price support, marketing assistance loans, and related stabilization programs.—The Corporation conducts programs to support farm income and prices and stabilize the market for agricultural commodities. Price support is provided to producers of agricultural commodities through loans, purchases, payments, and other means. This is done mainly under the Commodity Credit Corporation Charter Act, as amended, the Agricultural Act of 1949 (the 1949 Act), as amended, and the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill).

Price support is mandatory for tobacco and dairy products. Marketing assistance loans are mandatory for wheat, feed grains, oilseeds, upland cotton, peanuts, and rice. Loans are also required to be made for sugar, honey, wool, mohair, extra long staple cotton, and the pulse crops.

One method of providing support is loans to and purchases from producers. With limited exceptions, loans made on commodities are nonrecourse. The commodities serve as collateral for the loan and on maturity the producer may deliver or forfeit such collateral to satisfy the loan obligation without further payment.

Direct purchases may be made from processors as well as producers, depending on the commodity involved. Also, special purchases are made under various laws for the removal of surpluses; for example, the Act of August 19, 1958, as amended, and section 416 of the Agricultural Act of 1949, as amended. The Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill) rescinds Production Flexibility Contracts. Therefore, no PFC payments will be made after fiscal year 2002.

Direct Payments and Counter-Cyclical Payments. The 2002 Farm Bill establishes direct payments and counter-cyclical payments for May 2002 through 2007. The eligible commodities for both direct payments and counter-cyclical payments are wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, other oilseeds, and peanuts.

Direct Payments are payments to producers for which payment yields and base acres are established. The commodity payment amount is calculated as follows: Payment Amount = specified rate × payment acres × payment yield. At the option of the producer, the producer can choose to receive advance payments (up to 50%) during the producer's selected month. The month selected may be any month during the period beginning on December 1 of the calendar year before the calendar year in which the crop of the covered commodity is harvested through the month within which the direct payment would otherwise be made.

Counter-Cyclical Payments are payments to producers for which payment yields and base acres are established for eligible commodities if it is determined that the effective commodity price is less than the target commodity price. Counter-cyclical payments will be made for the crop as soon as practicable after the end of the 12-month marketing year for the eligible commodity. If, before the end of the 12-month

marketing year it is determined that counter-cyclical payments will be required for the eligible commodity, producers will be provided the option to receive partial payment of the projected counter-cyclical payment.

Marketing assessments. The 1949 Act mandated assessments for tobacco, and the 1996 Act required such assessments for peanuts and sugar. The 2000 Act suspended sugar marketing assessment collections through 2001. The 2002 Farm Bill did not resume the sugar marketing assessment collections. Tobacco marketing assessments were authorized through crop year 1998.

Marketing assistance loans. The 2002 Farm Bill authorized producers of eligible crops to receive non-recourse marketing assistance loans from the government for any quantity of a loan commodity produced on the farm by pledging their production as loan collateral. This loan shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. The loan cannot be extended. As a condition of the receipt of a marketing assistance loan, the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 and applicable wetland protection requirements under subtitle C of title XII of the Act during the term of the loan. Producers of eligible commodities can repay a marketing assistance loan at a rate that is the lesser of (1) the loan rate established for the commodity plus interest; or (2) a rate that the Secretary determines. Special rules apply to upland cotton, rice, and extra long staple cotton. Crops eligible for marketing assistance loans include wheat, corn, barley, oats, grain sorghum, rice, upland cotton, soybeans, extra long staple cotton, other oilseeds, dry peas, lentils, small chickpeas, honey, wool, and mohair.

Peanut price support program. Under the 2002 Farm Bill, peanuts qualify for direct payments, counter-cyclical payments, marketing assistance loans and loan deficiency payments for the 2002 through 2007 crops.

The 2002 Farm Bill terminates the marketing quota programs and repeals price support programs. The prior quota programs will stay in effect for the 2001 crop only, with quoto buyout compensation payments being made during fiscal years 2002 through 2006. The prior price support programs will remain in effect for the 2002 crop only notwithstanding any other provision of law or crop insurance policy.

The 2002 Farm Bill established marketing assistance loans for the 2002 through 2007 crops, with the loan rate for peanuts of \$355 per ton. The payment rate shall be the amount by which the established loan rate exceeds the rate at which a loan may be repaid. The Farm Bill also requires that for crop years 2002 through 2006 CCC will pay storage, handling, and other associated costs to ensure proper storage of peanuts for which a loan is made. This authority terminates beginning with the 2007 crop.

Tobacco program. The Appropriations Act of 2002 defines "eligible tobacco" as fire-cured tobacco types 22 and 23, dark air-cured tobacco types 35 and 36, and Virginia sun-cured tobacco type 37. It also directed the Secretary to use CCC funds to make payments based on individual tobacco quotas and allotments. USDA is authorized to provide ongoing support to tobacco producers through price support programs and the allotment and quota program. Legislative authority for these activities originated in the Agricultural Act of 1949 and the Agricultural Adjustment Act of 1938, respectively. These payments will be calculated and the total distributed with one-third going to the person that owns the qualifying acres, one-third to the person that controls the qualifying acres, and one-third to the person that grows, could have grown or can grow on the qualifying acres. The same standards of payments will be used as set forth in the Agricultural Risk Protection Act of 2000. No changes to the program were made under the 2002 Farm Bill.

Sugar program. Sugar qualifies for price support. The 2002 Farm Bill extended the national average sugar loan rates to cover through the 2007 crops at 18 cents per pound for raw cane sugar and 22.9 cents per pound for refined beet sugar. Loans are available to processors of domestically grown sugarcane and sugar beets for a term of nine months that does not begin or extend beyond the end/beginning of a fiscal year. The non-recourse loans are extended through the 2007 crop for processors of domestically produced sugar beets and sugarcane including for in-process sugar. Loans for in-process sugar have a loan rate of 80% of the loan rate for raw cane sugar or refined beet sugar (based on the source material used). If forfeitures occur, the processor shall convert the in-process into final product at no cost to the CCC. Upon transfer, the processor will receive payment based on the loan rate less 80% of raw cane or refined beet sugar rate times the quantity of sugar transferred. The loan program is assumed to continue through the 2012 crop. The 2002 Farm Bill did not resume the sugar marketing assessment collections but authorized marketing allotments. The 2002 Act provides assistance for sugar donations in the amount of 10,000 tons to compensate sugar producers who suffer losses incurred beyond existing CCC administered programs.

Dairy program. Dairy qualifies for milk price supports, recourse loans, and dairy market loss payments. The 2002 Act extended the Dairy Price Support Program from January 1, 2002 to May 31, 2002. The 2002 Farm Bill extended the Dairy Price Support Program from June 1, 2002 through December 31, 2007 at a rate of \$9.90 per hundredweight for milk containing 3.67% butterfat. The support program is carried out through the purchase of butter, nonfat dry milk, and cheese at prices that enable processors to pay dairy farmers, on average, the support price for milk. As under previous law, the Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that minimizes CCC expenditures or other objectives, as the Secretary considers appropriate. Cash CCC inventory sales (with some exceptions) shall be at any price that the Secretary determines will maximize CCC returns. The 2002 Farm Bill repealed all legislative authority for the Dairy Recourse Loan Program but established a new Milk Income Loss Contract Program, under which the Secretary may contract with eligible producers up to September 30, 2005, to make monthly payments when milk prices fall below specified levels.

Market loss assistance payments. The 2002 Appropriations Act provided \$75 million to apple producers for market loss assistance. The 2002 Farm Bill provided \$94 million in additional assistance, increasing apple market loss assistance to \$169 million. The 2002 Farm Bill also provided a \$10 million grant to the state of New York for market loss assistance to onion producers who suffered losses to onion crops during 1 or more of the 1996 through 2000 crop years.

Payment Limitations. In general, the 2002 Farm Bill revised the Food Security Act of 1985 (7 U.S.C. 1308) for payment limitations. The total amount of direct payments made to a person during any crop year for 1 or more covered commodities may not exceed \$40,000. The total amount of counter-cyclical payments made to a person during any crop year for 1 or more covered commodities may not exceed \$65,000. Separate limits apply to direct and counter-cyclical payments for peanuts. The total amount of gains and payments that a person may receive during any crop year under marketing assistance loan and loan deficiency payment provisions may not exceed \$75,000. Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described above if the average adjusted annual gross income of the individual or entity exceeds \$2,500,000, unless not less than 75 percent of the average adjusted gross income of the individual or entity is derived

from farming, ranching, or forestry operations, as determined by the Secretary. This shall apply during the 2003 through 2007 crop years.

Noninsured Assistance Program. The Agricultural Risk Protection Act of 2000 eliminated the area loss requirement for triggers and made other changes. It also included a provision that all types or varieties of a crop or commodity may be considered to be a single eligible crop for NAP assistance.

Bioenergy Program. The 2004 President's Budget assumes CCC will continue to make incentive payments, under the Bioenergy Program, to ethanol, biodiesel, and other bioenergy producers to expand production of bio-based fuels. Payments shall be made on a portion of the increase in agricultural commodities purchased for expanded bioenergy production, with smaller and cooperatively-owned facilities receiving higher payment rates. This program is authorized by the CCC Charter Act. The 2002 Farm Bill extends the program through FY 2006 at the program level of \$150 million per year. The budget assumes a reduction in funding to \$100 million.

Foreign Market Development and Food Assistance Programs.

Dairy Export Incentive Program (DEIP). DEIP provides cash bonus payments to exporters to facilitate commercial sales of U.S. dairy products in overseas markets. Estimates of the quantity of dairy products to be exported under DEIP and associated expenditures were formulated within the maximum allowable expenditure and quantity levels specified in conjunction with provisions of the Uruguay Round Agreement. Consequently, current baseline projections assume that DEIP will not exceed \$116.6 million annually during FYs 2002–2012. Actual DEIP subsidies are further limited on a product-by-product basis under the Uruguay Round.

Export Enhancement Program (EEP). Current baseline projections assume an EEP annual program level for FYs 2003–2013 will be \$28 million. However, the 2002 Farm Bill authorizes funding up to \$478 annually for EEP through 2007, which will be available for EEP programming should market conditions warrant. Actual subsidies for EEP are further limited on a product-by-product basis under the Uruguay Round.

Market Access Program (MAP). Under the MAP, CCC Funds are used to reimburse participating organizations for a portion of the costs of carrying out overseas marketing and promotional activities. The 2002 Farm Bill continued the authority for the MAP program and increased the funding as follows: \$100 million for FY 2002, \$110 million for FY 2003, \$125 million for FY 2004, \$140 million for FY 2005, and \$200 million for FY 2006 and 2007.

Foreign Market Development Cooperator Program (FMD) and Quality Samples Program. Under the FMD program, cost-share assistance is provided to nonprofit commodity and agricultural trade associations to support overseas market development activities that are designed to remove long-term impediments to increased U.S. trade. The 2002 Farm Bill increased the available funds for this program to \$34.5 million for each of fiscal years 2002 through 2007.

CCC will fund the Quality Samples Program at an authorized annual level of \$2.5 million. Under this initiative, samples of U.S. agricultural products will be provided to foreign importers to promote a better understanding and appreciation for the high quality of U.S. products.

Global Food for Education Initiative (GFEI). During 2001 and 2002, Section 416(b) authority was used to support the GFEI. Under the initiative commodities were provided to support school-feeding programs in developing countries with the objectives of reducing hunger, improving health, and promoting school enrollment, attendance, and performance. The 2002 Farm Bill authorized a successor program, the McGovern-Dole International Food for Education and Child Nutrition Program. The 2002 Farm Bill authorizes \$100 million

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in CCC funding to carry out the new program in FY 2003 and authorizes appropriated funding in subsequent years. The budget proposes \$50 million for the program in 2004 in a new account under the Foreign Agricultural Service.

Commodity Donations. The 2002 Farm Bill authorizes the donation of surplus commodity inventory to domestic nutrition programs. The Corporation may furnish commodities under the authority of section 416(b) of the Agricultural Act of 1949 to carry out programs of assistance in developing countries and friendly countries and pay costs associated with making the commodities available. The Corporation may also use its funds to furnish commodities overseas under the authority of the Food for Progress Act of 1985; however, not more than \$40 million of the funds of the Corporation (exclusive of the costs of commodities) may be used for each fiscal year. Commodities that are acquired by CCC in the normal course of its domestic support operations will be available for donation. The current CCC inventory has nonfat dry milk available for donation.

The Bill Emerson Humanitarian Trust. The Bill Emerson Humanitarian Trust (BEHT) is a commodity reserve that was established to ensure that the United States can meet its international food aid commitments. Commodities authorized for the 4-million-ton reserve include wheat, corn, grain sorghum, and rice. The Secretary is authorized to release up to 500,000 metric tons for urgent humanitarian relief in disasters in the case of unanticipated need and to release an additional 500,000 metric tons of eligible commodities that could have been released but were not released in previous years. The Secretary is authorized to release eligible commodities from the reserve when supplies are so limited that eligible commodities cannot be made available for programming under P.L. 480. The 2002 Farm Bill extended the authorization to replenish the BEHT through FY 2007. CCC is authorized to hold funds as well as commodities in the reserve.

Agricultural management assistance program.—The 2002 Farm Bill authorized the use of CCC funding of \$20 million for each fiscal year 2003 through 2007, and \$10 million for subsequent years to provide grants to qualified public and private entities for the purpose of educating agricultural producers about the full range of risk management activities, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, and other risk management strategies. The Secretary delegated authority to Natural Resources Conservation Service, Risk Management Agency, and the Agricultural Marketing Service.

Conservation programs.—Title II of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, authorizes funding for new and existing conservation programs implemented by the Farm Service Agency or the Natural Resources Conservation Service and funded through the Commodity Credit Corporation. The bill provides \$7 billion through 2007 to help farmers adopt and maintain conservation systems that protect water quality, reduce soil erosion, protect and enhance wildlife habitat and wetlands, conserve water, and sequester carbon.

The financial assistance for conservation programs where the Natural Resources Conservation Service (NRCS) is the lead agency, is transferred from CCC to NRCS's Farm Security and Rural Investment Programs account (see the NRCS section). Specifically, these programs include the Environmental Quality Incentives Program (EQIP), Wetlands Reserve Program (WRP), Wildlife Habitat Incentives program, Farmland Protection Program, Conservation Security Program, and Grasslands Reserve Program.

The Environmental Conservation Acreage Reserve Program (ECARP) has been renamed Comprehensive Conservation Enhancement Program (CCEP). Authority for Conservation Priority Areas is eliminated in the EQIP but retained in the Conservation Reserve Program (CRP).

The 2002 Farm Bill authorized EQIP funding at \$6.1 billion over 6 years with \$400 million in 2002 and increasing to \$1.3 billion in 2007. The program provides assistance to eligible farmers and ranchers to address soil, water, air, and related natural resource concerns on their lands, in an environmentally beneficial and cost-effective manner. Livestock-related conservation practices will receive 60 percent of the program funding. The 2002 EQIP program was funded at \$400 million with the 2002 appropriations act authorizing use of \$13 million for CRP technical assistance. This reduced the base EQIP program to \$387 million for 2002.

An additional \$25 million of EQIP funds was authorized in 2002 for the Ground and Surface Water Conservation Program (GSWC). GSWC funds in 2002 were targeted to states in the High Plains Aquifer to address this region's declining ground and surface water. A new water savings must be achieved on agricultural operations receiving funding. In 2003, GSWC funding is authorized at \$45 million and for 2004 through 2007; the authorization is \$60 million per year.

The Klamath Basin of Oregon and California has been authorized for \$50 million over the life of the 2002 Farm Bill. In 2002, the Klamath Basin EQIP funding was \$2.5 million. The program is designed to promote the installation of water conservation practices on agricultural lands to improve the quantity and quality of water in the Klamath Basin.

The WRP is authorized under Section 1237 of the Food Security Act of 1985, as amended. The 2002 Farm Bill reauthorized WRP, providing the Secretary the authority to enroll, to the extent practical, 250,000 acres annually, through 2007 with CCC funding. The program offers landowners an opportunity to voluntarily restore and protect wetlands, and associated lands, through long-term agreements, 30-year easements, or perpetual easements on marginal and high-risk agricultural lands. The Farm Security and Rural Investment Act of 2002 (FY 2002 Farm Bill) raised the total statutory acreage enrollment from 1,075,000 to 2,275,000. The total acreage enrollment at the end of 2002 was 1,274,000 acres.

The 2002 Farm Bill also authorized the use of \$275 million of CCC funds for implementation of the watershed rehabilitation provisions of the Watershed Protection and Flood Prevention Program (PL 83-566). The authorized annual CCC funding amounts start at \$45 million in 2003 and increase \$5 million each year to \$65 million in 2007. The 2003 and 2004 budgets, however, do not fund the Small Watershed Rehabilitation Program with CCC funds. Instead, the 2004 budget requests \$10 million from discretionary appropriations to fund this program. No funding for the Small Watershed Rehabilitation Program was requested in the 2003 budget.

Section 14 of PL 83-566 authorizes the Secretary to provide technical and financial assistance to project sponsors to rehabilitate aging dams that were originally constructed under the following USDA water resource programs: Flood Control Act of 1944 (PL 78-534), Watershed Protection and Flood Protection Act of 1954 (PL 83-566), Pilot Watershed Program (1953-54), and the Resource Conservation and Development Program (RC&D). Federal funds are limited to 65% of the total rehabilitation project cost. A priority ranking system identifies sponsor applications that address dams that pose the greatest threat to public health and safety. Dams will be rehabilitated to extend the life of the dams and meet all safety and performance standards.

The Farmland Protection Program (FPP) is a voluntary program that helps farmers and ranchers keep their land in agriculture. The program provides matching funds to State, Tribal, or local governments or non-governmental organiza-

tions with existing farmland protection programs. USDA works with State, Tribal, or local governments or non-governmental organizations to acquire conservation easements from landowners. Participating landowners choose to keep their land in agriculture and agree not to convert the land to agricultural uses. Landowners retain all rights to use the property for agriculture. Through 2001, more than 108,000 acres have been protected in 28 states. The 2002 Farm Bill authorized \$597 million of CCC funds for FPP. Between 2002 and 2007, it is estimated that these funds will protect an additional 1.2 million acres from conversion to non-agricultural uses.

Wildlife Habitat Incentives Program (WHIP) is a voluntary program that provides technical and financial assistance to landowners to develop habitat for fish, upland and wetland wildlife, threatened and endangered species, and other types of wildlife. Program expenditures on habitat improvement projects through 2001 totaled \$62.5 million. The 2002 Farm Bill extended the program through 2007 and authorized an additional \$360 million for WHIP. Of this total, \$15 million were utilized during 2002 bringing the total program enrollment to 12,500 contracts covering almost two million acres.

The Agricultural Risk Protection Act of 2000 authorized CCC funding of \$10 million for 2001 and subsequent years for the Agricultural Management Assistance Program (AMAP). AMAP provides cost-share assistance to producers in not less than 10, nor more than 15, States in which the Federal Crop Insurance Program is historically low as determined by the Secretary of Agriculture. The 2002 Farm Bill increased CCC funding to \$20 million annually. The Secretary delegated authority to Natural Resources Conservation Service, Risk Management Agency, and the Agricultural Marketing Service.

The 2002 Farm Bill authorized the Conservation Security Program (CSP) to provide payments to producers for using conservation systems that address a wide range of priority resource concerns. CSP will focus on land-based conservation practices, and specifically excludes livestock waste handling facilities. Producers can participate at one of three tiers; higher tiers require greater conservation efforts. Participants must use the most cost-effective practices that meet USDA's conservation standards. The 2004 budget proposes to legislatively limit the total amount CSP can spend over ten years (from FY 2003 through FY 2011) to \$2 billion.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands, on all highly erodible cropland, other environmentally sensitive cropland, and certain marginal pastureland meeting the eligibility criteria. In addition to cropland in areas adjacent to lakes and streams that can be devoted to filter strips, and cropland subject to overflow and suffering from scour erosion, eligible land may include cropland contributing to water quality problems, and other lands posing environmental threats. Also eligible for the CRP are water quality or wildlife habitat impaired areas that do not meet the highly erodible land (HEL) criteria, such as the Chesapeake Bay, Great Lakes, and Long Island Sound watershed regions.

Loan operations.—The following table reflects commodity loan operations of the Corporation:

Item	[In millions of dollars]		
	2002 actual	2003 est.	2004 est.
Loans outstanding, gross, start of year:			
Commodity Credit Corporation	1,896	1,600	2,012
Additional loans made	10,131	8,652	8,934
Deduct:			
Loans repaid	10,079	8,093	9,098
Acquisition of loan collateral	164	147	113
Write-offs	184	0	0
Total loans outstanding, gross, end of year	1,600	2,012	1,725

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs:

AGRICULTURAL COMMODITIES				
[In millions of dollars]				
Item	2002 actual	2003 est.	2004 est.	
On hand, start of year, gross	2,285	2,479	2,426	
Acquisitions:				
Forfeiture of loan collateral	164	147	113	
Excess of collateral acquired over loans canceled	6	8	4	
Purchases	5,331	3,557	2,990	
Transfers and exchanges	-27	0	0	
Carrying charges:				
Charges to inventory	35	38	39	
Storage and handling (non-add)	(67)	(59)	(54)	
Transportation (non-add)	(16)	(16)	(12)	
Total acquisitions	5,509	3,750	3,146	
Dispositions:				
Domestic donations to:				
Families	39	48	69	
Institutions	24	228	32	
School lunch	0	19	19	
Total domestic donations	63	295	120	
Export donations	596	279	228	
Sales and transfers:				
Special programs: Title II, Public Law 480	441	563	543	
Title III, Public Law 480	0	0	0	
Other sales	2,146	1,915	1,828	
Net loss or gain (-) on sales and transfers	2,069	750	489	
Total sales and transfers	4,656	3,228	2,860	
Total dispositions	5,315	3,803	3,208	
On hand, end of year, gross	2,479	2,426	2,364	
Allowances for losses	-1,115	-1,092	-1,064	
On hand, end of year, net	1,364	1,334	1,300	

Other data.—The following table reflects other data which are applicable to price support and related programs:

DATA ON SUPPORT AND RELATED PROGRAMS				
[In millions of dollars]				
Item	2002 actual	2003 est.	2004 est.	
Loans made	10,131	8,652	8,934	
Loans repaid	10,079	8,094	9,098	
Loan collateral forfeited	164	147	113	
Loans outstanding, end of year	1,600	2,012	1,735	
Acquisitions	5,509	3,750	3,147	
Cost of commodities sold	4,656	3,228	2,860	
Cost of commodities donated	659	575	348	
Inventory, end of year	2,479	2,426	2,364	
Investment in loans and inventory, end of year	4,079	4,437	4,098	
Direct producer payments	11,963	12,682	13,328	
Net expenditures	15,680	15,735	15,191	
Realized losses	16,993	16,589	17,665	

Operating expenses.—The Corporation carries out its functions through utilization of employees and facilities of other Government agencies. Administrative expenses are incurred by: the Farm Service Agency (FSA); the Foreign Agricultural Service; the Natural Resources Conservation Service; the Risk Management Agency; other agencies of the Department engaged in the Corporation's activities; and the Office of the Inspector General for audit functions. Additional expenses are incurred by FSA county offices for work related to programs of the Corporation, other FSA expenses offset by revenue, custodian, and agency expenses of the Federal Reserve banks and lending agencies, and miscellaneous costs.

Expenses are incurred for acquisition, operation, maintenance, improvement, or disposition of existing property that the Corporation owns or in which it has an interest. These expenses are treated as program expenses. Such program ex-

Public enterprise funds—Continued

HAZARDOUS WASTE MANAGEMENT—Continued

PROGRAMS OF THE CORPORATION—Continued

penses include inspection, classing, and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors; and special services performed by Federal agencies within and outside this Department. Most of these general expenses, including storage and handling, transportation, inspection, classing and grading, and producer storage payments, are included in program costs. They are shown in the program and financing schedule in the entries entitled "Storage, transportation, and other obligations not included above," and "Producer storage payments."

Section 161 of the 1996 Act amended the CCC Charter Act to significantly limit the use of CCC funds. CCC no longer has authority to purchase personal property except within authorized limitations. CCC spending for equipment or services relating to automated data processing (ADP), information technologies, or related items (including telecommunications equipment and computer hardware and software, but excluding reimbursable agreements) was limited to \$170 million in 1996, and \$275 million for the six-year period including 1997 through 2002, unless additional amounts for such contracts and agreements are provided in advance in appropriation acts. The 1996 Act also requires that CCC submit an itemized report to Congress on a quarterly basis of all expenditures, excluding program payments, of over \$10,000. Subsequent legislation reduced allowable ADP expenditures through 2002 to \$188 million. CCC carried only \$88,000 of the remaining ADP cap into fiscal year 2003.

Section 161 of the 1996 Act also amended section 11 of the CCC Charter Act to limit the use of CCC funds for the transfer and allotment of funds to State and Federal agencies. Beginning on October 1, 1996, the total of these allotments and transfers under that section in a fiscal year, including agreements for ADP or information resource management activities, may not exceed the total of such allotments and transfers in fiscal year 1995. The obligations for these Section 11 activities in 1995 were \$46 million. The 1995 cap was revised to \$36.209 million effective 1999 to exclude the Emerging Markets Program because such transfers are not made pursuant to Section 11 of the CCC Charter Act. In 2001, the Section 11 cap was increased to \$56 million to include FSA loan service fees and the cap remains at \$56 million in fiscal year 2003.

The Corporation receives reimbursement for grain requisitioned pursuant to Public Law 87-152 by the States from Corporation stocks to feed resident wildlife threatened with starvation through the appropriation reimbursement for net realized losses. There have been no requisitions in recent years, however. The Corporation receives reimbursement for the commodity costs and other costs, including administrative costs, for commodities supplied to domestic nutrition programs and international food aid programs.

FINANCING

Borrowing authority.—The Corporation has an authorized capital stock of \$100 million held by the U.S. Treasury and, effective in 1988, authority to have outstanding borrowings up to \$30 billion at any one time.

Funds are borrowed from the Treasury and may also be borrowed from private lending agencies and others. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made to the Corporation by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the Act of March 8, 1938.

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest is also paid on other notes and obligations at a rate prescribed by the Corporation and approved by the Secretary of the Treasury.

The Department of Agriculture and Related Agencies Appropriation Act, 1966, made provision for terminating interest after June 30, 1964 on the portion of the Corporation's borrowings from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after the end of the fiscal year in which such losses are realized.

POSITION WITH RESPECT TO BORROWING AUTHORITY, END OF YEAR

Item	[In millions of dollars]		
	2002 actual	2003 est.	2004 est.
Statutory borrowing authority	30,000	30,000	30,000
Deduct: Borrowings from Treasury	17,827	18,223	25,062
Net statutory borrowing authority available	12,173	11,777	4,938

Note.—Accounts payable, accrued liabilities, and other outstanding obligations not reflected on this table do not become charges against the statutory borrowing authority until they result in borrowings from the Treasury.

Contract authority.—Price support and other programs required by statute may result in the Corporation incurring obligations in excess of available funds and borrowing authority. Such obligations are liquidated from subsequent appropriations and other funds that may become available to the Corporation. Any increase in obligations in excess of available fund resources is reported as contract authority in the year involved; a decrease is reported as the application of appropriations and other funds to liquidate the authority.

Appropriations.—Under section 2 of Public Law 87-155 annual appropriations are authorized for each fiscal year to reimburse the Corporation for net realized losses incurred as of the close of each year.

The special activities are financed as indicated in the program descriptions above. In addition to certain reimbursements from other agencies, appropriations are made for foreign assistance programs.

Deficit.—The net realized losses of the Corporation have previously been reimbursed as follows:

SUPPORT AND RELATED PROGRAMS

	[In millions of dollars]	
	2002 actual	2003 est.
Realized losses, 1933 to 2002, inclusive		356,948
Reimbursements by the Treasury:		
Reimbursements of realized losses:		
Appropriations (63 times)	336,777	
Note cancellations (6 times)	2,698	
Less dividends paid to Treasury (4 times)	—138	
Total reimbursements for net realized losses	339,337	
Other reimbursements:		
Appropriations (2 times)	542	
Note cancellation (1 time)	56	
Total other reimbursements	598	
Total		339,935
Realized deficit as of September 30, 2002, support and related programs		17,013

Commodity Certificates. Subtitle B of the 2000 Act allows for the use of commodity certificates. In making in-kind payments, CCC may (a) "acquire and use commodities that have been pledged to the Commodity Credit Corporation as collateral for loans made by the Corporation;" (b) "use other commodities owned by the Commodity Credit Corporation;" and (c) "redeem negotiable marketing certificates for cash under terms and conditions established. Commodity certificates discourage producers from forfeiting commodities pledged as collateral for CCC commodity loans. Certificates are used to repay 1998-2002 crop marketing assistance loans when the

adjusted world price (for rice and upland cotton) or the posted county price (for wheat, feed grains, soybeans, and designated minor oilseeds) is lower than the applicable loan rate.

Statement of Operations (in millions of dollars)

Identification code 12-4336-0-3-999	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue	1,507	3,435	2,901	2,765
0102 Expense	-24,887	-20,428	-20,176	-20,376
0105 Net income or loss (-)	-23,380	-16,993	-17,275	-17,611

Balance Sheet (in millions of dollars)

Identification code 12-4336-0-3-999	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	-1,220	2,453	1,800	1,800
Investments in US securities:				
1106 Receivables, net	925	44	44	44
1107 Advances and prepayments	20	20	20	20
Non-Federal assets:				
1206 Receivables, net	413	411	-240	-496
1207 Advances and prepayments	175	104	118	118
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	1,896	1,570	1,813	1,563
1602 Interest receivable	275	8,983	9,620	10,394
1603 Allowance for estimated uncollectible loans and interest (-)	-285	-158	-198	-171
1604 Direct loans and interest receivable, net	1,886	10,395	11,235	11,786
1699 Value of assets related to direct loans	1,886	10,395	11,235	11,786
Other Federal assets:				
1802 Inventories and related properties	878	1,364	1,335	1,300
1803 Property, plant and equipment, net	19	19	22	22
1999 Total assets	3,076	14,810	14,334	14,594
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	475	676	475	475
2102 Interest payable	123	6,450	915	965
2103 Debt	22,732	20,425	20,254	20,465
2105 Other	731	1,910	527	527
Non-Federal liabilities:				
2201 Accounts payable	27	3	23	22
2207 Other	2,696	2,711	1,334	1,334
2999 Total liabilities	26,784	32,175	23,528	23,788
NET POSITION:				
3300 Cumulative results of operations	-23,708	-17,365	-9,194	-9,194
3999 Total net position	-23,708	-17,365	-9,194	-9,194
4999 Total liabilities and net position	3,076	14,810	14,334	14,594

Note.—In addition to obligations other than liabilities, the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established.

Object Classification (in millions of dollars)

Identification code 12-4336-0-3-999	2002 actual	2003 est.	2004 est.
Direct obligations:			
22.0 Transportation of things	319	99	72
Other services:			
25.2 Other services	173	485	443
26.0 Other services: Storage and handling	67	59	54
26.0 Supplies and materials: Costs of commodities sold or donated: P. L. 480	2,482	3,603	3,033
41.0 Grants, subsidies, and contributions	11,955	12,930	13,721
43.0 Interest and dividends	234	223	402
99.0 Direct obligations	15,230	17,399	17,725
Reimbursable obligations:			
22.0 Transportation of things: P. L. 480 ocean transportation	522	650	670
26.0 Supplies and materials: Cost of commodities sold or donated: P. L. 480	441	563	543
33.0 Investments and loans	10,131	8,652	8,934

99.0 Reimbursable obligations	11,094	9,865	10,147
99.9 Total new obligations	26,324	27,264	27,872

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, \$4,312,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which \$3,327,000 may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", and of which \$985,000 may be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1336-0-1-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	97	294	297
00.07 Reestimates of subsidy	118	376	.....
00.08 Interest on reestimates	8	173	.....
00.09 Administrative expenses	4	4	4
10.00 Total new obligations	227	847	301
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2,405	625	625
22.00 New budget authority (gross)	417	847	301
22.40 Capital transfer to general fund	-1,970	.....	.....
23.90 Total budgetary resources available for obligation	852	1,472	926
23.95 Total new obligations	-227	-847	-301
24.40 Unobligated balance carried forward, end of year	625	625	625
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4	4	4
Mandatory:			
Appropriation:			
60.00 Appropriation	265	294	297
60.00 Appropriation—upward reestimate	148	549	.....
62.50 Appropriation (total mandatory)	413	843	297
70.00 Total new budget authority (gross)	417	847	301
Change in obligated balances:			
72.40 Obligated balance, start of year	105	69	65
73.10 Total new obligations	227	847	301
73.20 Total outlays (gross)	-261	-851	-293
74.40 Obligated balance, end of year	69	65	73
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4	4	4
86.97 Outlays from new mandatory authority	204	784	238
86.98 Outlays from mandatory balances	53	63	51
87.00 Total outlays (gross)	261	851	293
Net budget authority and outlays:			
89.00 Budget authority	417	847	301
90.00 Outlays	262	851	293
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)			
Identification code 12-1336-0-1-351	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Export guarantee program	3,266	4,225	4,155
215901 Total loan guarantee levels	3,266	4,225	4,155

Public enterprise funds—ContinuedCOMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM
ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in
millions of dollars)—Continued

Identification code 12-1336-0-1-351	2002 actual	2003 est.	2004 est.
Guaranteed loan subsidy (in percent):			
232001 Export guarantee program	6.80	6.96	7.14
232901 Weighted average subsidy rate	6.80	6.96	7.14
Guaranteed loan subsidy budget authority:			
233001 Export guarantee program	222	294	297
233901 Total subsidy budget authority	222	294	297
Guaranteed loan subsidy outlays:			
234001 Export guarantee program	110	298	289
234901 Total subsidy outlays	110	298	289
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Export guarantee program	148	549	.....
235901 Total upward reestimate budget authority	148	549	.....
Guaranteed loan upward reestimate subsidy outlays:			
236001 Export guarantee program	148	549	.....
236901 Total upward reestimate subsidy outlays	148	549	.....
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Export guarantee program	-126	-552	.....
237901 Total downward reestimate subsidy budget authority	-126	-552	.....
Guaranteed loan downward reestimate subsidy outlays:			
238001 Export guarantee program	-126	-552	.....
238901 Total downward reestimate subsidy outlays	-126	-552	.....
Administrative expense data:			
351001 Budget authority—administrative expenses	4	4	4
359001 Outlays from new authority	4	4	4

This is the program account for the GSM-102 and GSM-103 CCC Export Credit Guarantee Programs. The Export Credit Guarantee Program (GSM-102) covers credit terms of up to 3 years. The Intermediate Export Credit Guarantee Program (GSM-103) covers longer credit terms of between 3 and 10 years. Under these programs, CCC does not provide financing, but guarantees payments due from foreign banks and buyers. Because payment is guaranteed, financial institutions in the United States can offer competitive credit terms to foreign banks, usually with interest rates based on the London Inter-Bank Offered Rate (LIBOR). If the foreign bank fails to make any payment as agreed, the exporter or assignee must submit a notice of default to the CCC. A claim for loss must be filed, and the CCC will promptly pay claims found to be in good order. CCC usually guarantees 98 percent of the principal payment due and interest based on a percentage of the one-year Treasury rate.

A portion of the guarantees made available under the GSM-102 program is provided as Supplier Credit Guarantees. Under this activity, CCC guarantees a portion of payment due from importers under short-term financing (for up to 180 days) that exporters have extended directly to the importers for the purchase of U.S. agricultural commodities and products. CCC does not provide financing, but guarantees payment due from an importer. A substantially smaller portion of the value of exports (currently 60 percent) is guaranteed under Supplier Credit Guarantees than under regular GSM-102 guarantees where CCC is guaranteeing foreign bank obligations.

A portion of the GSM-102 guarantees is also made available as Facilities Guarantees. Under this activity, CCC guarantees export financing for capital goods and services to im-

prove handling, marketing, processing, storage, or distribution of imported agricultural commodities and products.

The subsidy estimates for the GSM-102 and GSM-103 programs are determined in large part by the obligor's sovereign or non-sovereign country risk grade. These grades are developed annually by the International Credit Risk Assessment System Committee (ICRAS). In unusual circumstances, an ICRAS grade for a country may change during the fiscal year. The default estimates for GSM guarantees are determined in large part by the risk premia assigned for each risk grade.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the credit guarantees committed in 1992 and beyond (including modifications of credit guarantees that result from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. The 2004 budget displays the GSM loan guarantee volume and the subsidy level that can be justified by forecast economic conditions, the expected supply/demand conditions of countries requesting GSM loan guarantees.

Object Classification (in millions of dollars)

Identification code 12-1336-0-1-351	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts	4	4	4
41.0 Grants, subsidies, and contributions	223	843	297
99.9 Total new obligations	227	847	301

COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING
ACCOUNT

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-4337-0-3-351	2002 actual	2003 est.	2004 est.
0101 Commodity Credit Corporation export guarantees, downward reestimates of subsidies	126	552	.....

Program and Financing (in millions of dollars)

Identification code 12-4337-0-3-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
New loans:			
00.01 Default claims	40	325	325
00.02 Interest on debt to Treasury	93	104	104
00.91 Subtotal, new loans	133	429	429
Reestimates:			
08.02 Reestimates of guaranteed loan subsidy	118	389	.....
08.04 Interest on reestimates of guaranteed loan subsidy	8	163	.....
08.91 Subtotal, reestimates	126	552	.....
10.00 Total new obligations	259	981	429
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	589	1,002	95
22.00 New financing authority (gross)	672	1,121	578
22.40 Capital transfer to general fund .....	.....	-1,047	.....
23.90 Total budgetary resources available for obligation	1,261	1,076	673
23.95 Total new obligations	-259	-981	-429
24.40 Unobligated balance carried forward, end of year	1,002	95	244

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	221	.....	.....
Discretionary:			
68.10 Spending authority from offsetting collections:			
Change in uncollected customer payments from Federal sources (unexpired)	-105	.....	.....
Mandatory:			
69.00 Offsetting collections (cash)	495	1,121	578

69.10	Receivable from Federal sources	61		
69.90	Spending authority from offsetting collections (total mandatory)	556	1,121	578
70.00	Total new financing authority (gross)	672	1,121	578
Change in obligated balances:				
72.40	Obligated balance, start of year	-105	-61	628
73.10	Total new obligations	259	981	429
73.20	Total financing disbursements (gross)	-259	-292	-292
74.00	Change in uncollected customer payments from Federal sources (unexpired)	44		
74.40	Obligated balance, end of year	-61	628	765
87.00	Total financing disbursements (gross)	259	292	292
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account	-258	-847	-289
88.25	Interest on uninvested funds	-61	-65	-68
Non-Federal sources:				
88.40	Loan origination fee	-21	-29	-29
88.40	Principal collections	-53	-66	-72
88.40	Interest collections	-102	-114	-120
88.90	Total, offsetting collections (cash)	-495	-1,121	-578
Against gross financing authority only:				
88.95	Change in receivables from program accounts	44		
Net financing authority and financing disbursements:				
89.00	Financing authority	221		
90.00	Financing disbursements	-236	-829	-286

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4337-0-3-351	2002 actual	2003 est.	2004 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	3,926	4,225	4,155
2150	Total guaranteed loan commitments	3,926	4,225	4,155
2199	Guaranteed amount of guaranteed loan commitments	3,800	4,090	4,020
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	4,915	4,762	4,682
2231	Disbursements of new guaranteed loans	3,926	4,225	4,155
2251	Repayments and prepayments	-3,745	-3,980	-3,934
2261	Adjustments: Terminations for default that result in loans receivable	-334	-325	-318
2290	Outstanding, end of year	4,762	4,682	4,585
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	4,667	4,588	4,507
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	485	779	1,038
2331	Disbursements for guaranteed loan claims	334	325	318
2351	Repayments of loans receivable	-40	-66	-81
2390	Outstanding, end of year	779	1,038	1,275

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4337-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.	
ASSETS:					
Federal assets:					
Fund balances with Treasury:					
1101	Fund balances with Treasury	589	942	757	755

1101	Accounts Receivable, net	1,612	1,326	1,250	1,100
1101	Adjustments	168			
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:					
1501	Defaulted guaranteed loans receivable, gross	484	779	1,038	1,275
1599	Net present value of assets related to defaulted guaranteed loans	484	779	1,038	1,275
1999	Total assets	2,853	3,047	3,045	3,130
LIABILITIES:					
2103	Federal liabilities: Debt	2,538	2,408	2,110	2,500
2204	Non-Federal liabilities: Liabilities for loan guarantees	315	639	935	630
2999	Total liabilities	2,853	3,047	3,045	3,130
4999	Total liabilities and net position	2,853	3,047	3,045	3,130

COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4338-0-3-351	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Operating Expenses		1	1
10.00	Total new obligations (object class 25.3)		1	1
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	84	80	
22.00	New budget authority (gross)	-3	1	1
22.40	Capital transfer to general fund		-80	
23.90	Total budgetary resources available for obligation	81	1	1
23.95	Total new obligations		-1	-1
24.40	Unobligated balance carried forward, end of year	80		
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	498	479	450
69.27	Capital transfer to general fund	-501	-478	-449
69.90	Spending authority from offsetting collections (total mandatory)	-3	1	1
Change in obligated balances:				
72.40	Obligated balance, start of year		1	
73.10	Total new obligations		1	1
73.20	Total outlays (gross)	3	-1	-1
74.40	Obligated balance, end of year	1		
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	-3	1	1
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Repayments of principal	-498	-240	-256
88.40	Interest received on loans		-239	-194
88.90	Total, offsetting collections (cash)	-498	-479	-450
Net budget authority and outlays:				
89.00	Budget authority	-501	-478	-449
90.00	Outlays	-499	-478	-449

Note.—Includes amounts for activities previously funded in the Commodity Credit Corporation Fund.

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4338-0-3-351	2002 actual	2003 est.	2004 est.	
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	3,969	3,785	3,584
2351	Repayments of loans receivable	-184	-201	-198
2390	Outstanding, end of year	3,785	3,584	3,386

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING ACCOUNT—Continued

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts.

Statement of Operations (in millions of dollars)

Identification code 12-4338-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue	120	125	130	
0102 Expense				
0105 Net income or loss (-)	120	125	130	

Balance Sheet (in millions of dollars)

Identification code 12-4338-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
Fund balances with Treasury:				
1101 Fund balances with Treasury	84	81	81	81
1101 Undeposited Collections	59			
1206 Non-Federal assets: Foreign Loans Receivables	5,375	5,308	5,308	5,308
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1702 Interest receivable	30	28	28	28
1703 Allowance for estimated uncollectible loans and interest (-)	-2,795	-2,566	-2,566	-2,566
1799 Value of assets related to loan guarantees	-2,765	-2,538	-2,538	-2,538
1999 Total assets	2,753	2,851	2,851	2,851
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	1	1	1	1
2104 Resources payable to Treasury	2,722	2,389	2,389	2,389
2207 Non-Federal liabilities: Other	30	461	461	461
2999 Total liabilities	2,753	2,851	2,851	2,851
4999 Total liabilities and net position	2,753	2,851	2,851	2,851

FARM STORAGE FACILITY LOANS PROGRAM ACCOUNT

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-3301-0-1-351	2002 actual	2003 est.	2004 est.
0101 Farm storage facility loans program, downward reestimates of subsidies	1	8	
0102 Negative subsidies/subsidy reestimates			1

Program and Financing (in millions of dollars)

Identification code 12-3301-0-1-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Farm Storage Loan Subsidy	1	2	1
00.02 Sugar Storage Loan Subsidy			-1
10.00 Total new obligations (object class 41.0)	1	2	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	12	
22.00 New budget authority (gross)	4	2	1
22.40 Capital transfer to general fund		-12	
23.90 Total budgetary resources available for obligation	14	2	1
23.95 Total new obligations	-1	-2	
24.40 Unobligated balance carried forward, end of year	12		

New budget authority (gross), detail:

Mandatory:			
60.00 Appropriation	4	2	1

Change in obligated balances:

72.40 Obligated balance, start of year	2	1	
73.10 Total new obligations	1	2	
73.20 Total outlays (gross)	-2	-2	-1
74.40 Obligated balance, end of year	1		

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	2	2	1
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Net budget authority and outlays:

89.00 Budget authority	4	2	1
90.00 Outlays	2	2	1

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-3301-0-1-351	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm Storage facility loans	125	125	95
115002 Sugar Storage Facility Loans		22	22
115901 Total direct loan levels	125	147	117
Direct loan subsidy (in percent):			
132001 Farm Storage facility loans	2.42	1.28	1.22
132002 Sugar Storage Facility Loans	0.00	1.26	-3.87
132901 Weighted average subsidy rate	2.40	1.36	0.00
Direct loan subsidy budget authority:			
133001 Farm Storage facility loans	3	2	1
133002 Sugar Storage Facility Loans			-1
133901 Total subsidy budget authority	3	2	
Direct loan subsidy outlays:			
134001 Farm Storage facility loans	2	2	1
134002 Sugar Storage Facility Loans			-1
134901 Total subsidy outlays	2	2	
Direct loan downward reestimate subsidy budget authority:			
137001 Farm Storage facility loans	-1	-8	
137901 Total downward reestimate budget authority	-1	-8	
Direct loan downward reestimate subsidy outlays:			
138001 Farm Storage facility loans	-1	-8	
138901 Total downward reestimate subsidy outlays	-1	-8	

Farm Storage Facility Loan (FSFL) Program. The FSFL program was established by CCC in 1949 to offer low-cost financing to producers for the construction or upgrade of on-farm storage facilities. The program was discontinued in the early 1980's when studies showed sufficient storage space was available. The FSFL was re-established in 2000 due to a severe shortage of sufficient available storage. The program was implemented in 2000 by CCC under Section 504(c) of the Federal Credit Reform Act of 1990. The program provides producers financing with five- to ten-year repayment terms and low interest rates. The program gives producers greater marketing flexibility when farm storage is limited and/or transportation difficulties cause storage problems, allows farmers to benefit from new marketing and technological advances, and maximizes their returns through identity-preserved marketing.

Sugar Storage Facility Loans. The 2002 Farm Bill directs that the CCC establish a sugar storage facility loan program to provide financing for processors of domestically produced sugarcane and sugar beets to construct or upgrade storage and handling facilities for raw sugars and refined sugars. The loan term would be for a minimum of 7 years with the amount and terms being determined as any other commercial loan.

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as adminis-

trative expenses of this program. The subsidy amounts are estimated on a prevent value basis; the administrative expenses are estimated on a cash basis.

FARM STORAGE FACILITY DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4158-0-3-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct loans	48	147	117
00.03 Interest to Treasury		15	15
00.91 Direct Program by Activities—Subtotal (1 level)	48	162	132
08.01 Payment of negative subsidy to receipt account			1
08.02 Payment of downward re-estimate to receipt account	1	7	
08.04 Payment of interest on downward re-estimate to receipt account		1	
08.91 Direct Program by Activities—Subtotal (1 level)	1	8	1
10.00 Total new obligations	49	170	133
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	18	81	
22.00 New financing authority (gross)	114	140	160
22.40 Capital transfer to general fund		-51	
22.60 Portion applied to repay debt	-3		-29
23.90 Total budgetary resources available for obligation	129	170	131
23.95 Total new obligations	-49	-170	-133
24.40 Unobligated balance carried forward, end of year	81		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	100	138	138
Offsetting collections (cash):			
69.00 Payments from program account	33	2	1
69.00 Interest from Treasury		25	25
69.00 Principal		36	36
69.00 Interest		8	8
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		
69.27 Capital transfer to general fund		-69	-48
69.47 Portion applied to repay debt	-18		
69.90 Spending authority from offsetting collections (total mandatory)	14	2	22
70.00 Total new financing authority (gross)	114	140	160
Change in obligated balances:			
72.40 Obligated balance, start of year	99	38	98
73.10 Total new obligations	49	170	133
73.20 Total financing disbursements (gross)	-111	-110	-140
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.40 Obligated balance, end of year	38	98	89
87.00 Total financing disbursements (gross)	111	110	140
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-2	-2	-1
88.25 Interest on uninvested funds	-9	-25	-25
Non-Federal sources:			
88.40 Principal collections	-22	-36	-36
88.40 Interest collections		-8	-8
88.90 Total, offsetting collections (cash)	-33	-71	-70
Against gross financing authority only:			
88.95 Change in receivables from program accounts	1		
Net financing authority and financing disbursements:			
89.00 Financing authority	82	69	90
90.00 Financing disbursements	77	39	70

Status of Direct Loans (in millions of dollars)

Identification code 12-4158-0-3-351	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	65	147	118
1150 Total direct loan obligations	65	147	118
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	78	122	187
1231 Disbursements: Direct loan disbursements	66	95	95
1251 Repayments: Repayments and prepayments	-22	-29	-41
1263 Write-offs for default: Direct loans		-1	-1
1290 Outstanding, end of year	122	187	240

Balance Sheet (in millions of dollars)

Identification code 12-4158-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury		122	145	150
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	32	122	187	240
1402 Interest receivable		10	14	20
1405 Allowance for subsidy cost (-)	-2	-4		-4
1499 Net present value of assets related to direct loans	30	128	201	256
1999 Total assets	30	250	346	406
LIABILITIES:				
Federal liabilities:				
2104 Resources payable to Treasury	30	250	326	394
2105 Other			20	12
2999 Total liabilities	30	250	346	406
4999 Total liabilities and net position	30	250	346	406

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

APPLE LOANS PROGRAM ACCOUNT

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-3302-0-1-351	2002 actual	2003 est.	2004 est.
0101 Apple loan program, downward reestimates of subsidies	2		

Program and Financing (in millions of dollars)

Identification code 12-3302-0-1-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.05 Reestimates of direct loan subsidy		1	
10.00 Total new obligations (object class 41.0)		1	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1	
23.95 Total new obligations		-1	
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation		1	
Change in obligated balances:			
73.10 Total new obligations		1	
73.20 Total outlays (gross)		-1	

Public enterprise funds—Continued

APPLE LOANS PROGRAM ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-3302-0-1-351	2002 actual	2003 est.	2004 est.
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		1	
Net budget authority and outlays:			
89.00 Budget authority		1	
90.00 Outlays		1	
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)			
Identification code 12-3302-0-1-351	2002 actual	2003 est.	2004 est.
Direct loan subsidy (in percent):			
132001 Apple loan program	0.00	0.00	
132901 Weighted average subsidy rate	0.00	0.00	
Direct loan upward reestimate subsidy budget authority:			
135001 Apple loan program		1	
135901 Total upward reestimate budget authority		1	
Direct loan upward reestimate subsidy outlays:			
136001 Apple loan program		1	
136901 Total upward reestimate outlays		1	
Direct loan downward reestimate subsidy budget authority:			
137001 Apple loan program	-2		
137901 Total downward reestimate budget authority	-2		
Direct loan downward reestimate subsidy outlays:			
138001 Apple loan program	-2		
138901 Total downward reestimate subsidy outlays	-2		

The Agricultural Risk Protection Act of 2000 authorized up to \$5 million for the cost to provide loans to producers of apples for economic losses as the result of low prices for apples. Although the program is funded through CCC, program management is performed through farm loan programs. No funding was provided for this program in 2002 or 2003, and none is requested for 2004.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

APPLE LOANS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4211-0-3-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Payment to Treasury—Interest	2	2	1
00.05 Upward reestimates of subsidy		1	
00.91 Direct Program by Activities—Subtotal	2	3	1
08.02 Downward reestimates of subsidy	2		
10.00 Total new obligations	4	3	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	34	12	3
22.00 New financing authority (gross)	-18	7	5
22.40 Capital transfer to general fund		-10	
22.60 Portion applied to repay debt		-3	-4
23.90 Total budgetary resources available for obligation	16	6	4
23.95 Total new obligations	-4	-3	-1

24.40 Unobligated balance carried forward, end of year	12	3	3
New financing authority (gross), detail:			
Mandatory:			
60.00 Appropriation		1	
60.47 Portion applied to repay debt	-25		
62.50 Appropriation (total mandatory)	-25	1	
67.10 Authority to borrow	2	1	1
69.00 Offsetting collections (cash)	5	5	4
70.00 Total new financing authority (gross)	-18	7	5
Change in obligated balances:			
72.40 Obligated balance, start of year	1		
73.10 Total new obligations	4	3	1
73.20 Total financing disbursements (gross)	-5	-3	-1
87.00 Total financing disbursements (gross)	5	3	1

Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources		-1	
88.25 Interest on uninvested funds	-2	-1	-1
88.40 Principal repayments	-3	-3	-3
88.90 Total, offsetting collections (cash)	-5	-5	-4
Net financing authority and financing disbursements:			
89.00 Financing authority	-23	2	1
90.00 Financing disbursements		-2	-3

Status of Direct Loans (in millions of dollars)

Identification code 12-4211-0-3-351	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	11	9	6
1231 Disbursements: Direct loan disbursements	1		
1251 Repayments: Repayments and prepayments	-3	-3	-3
1290 Outstanding, end of year	9	6	3

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4211-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	35	10	9	1
Investments in US securities:				
1106 Receivables, net		1	1	
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	11	8	5	3
1405 Allowance for subsidy cost (-)	-1	1	-4	
1499 Net present value of assets related to direct loans	10	9	1	3
1999 Total assets	45	20	11	4
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	45	20	11	4
2999 Total liabilities	45	20	11	4
4999 Total liabilities and net position	45	20	11	4

EMERGENCY BOLL WEEVIL PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-3303-0-1-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.05 Reestimates of direct loan subsidy		1	
10.00 Total new obligations (object class 41.0)		1	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1	
23.95 Total new obligations		-1	
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation		1	
Change in obligated balances:			
73.10 Total new obligations		1	
73.20 Total outlays (gross)		-1	
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		1	
Net budget authority and outlays:			
89.00 Budget authority		1	
90.00 Outlays		1	

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-3303-0-1-351	2002 actual	2003 est.	2004 est.
Direct loan subsidy (in percent):			
132001 Emergency boll weevil loans	0.00	0.00	
132901 Weighted average subsidy rate	0.00	0.00	
133901 Total subsidy budget authority			
Direct loan upward reestimate subsidy budget authority:			
135001 Emergency boll weevil loans	1	1	
135901 Total upward reestimate budget authority	1	1	
Direct loan upward reestimate subsidy outlays:			
136001 Emergency boll weevil loans	1	1	
136901 Total upward reestimate outlays	1	1	

EMERGENCY BOLL WEEVIL DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4221-0-4-351	2002 actual	2003 est.	2004 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New financing authority (gross)	1	2	1
22.40 Capital transfer to general fund	-1		
23.90 Total budgetary resources available for obligation	1	2	1
New financing authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	1	2	1
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-1	
88.40 Non-Federal sources		-1	-1
88.90 Total, offsetting collections (cash)	-1	-2	-1
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	1	-2	-1

Status of Direct Loans (in millions of dollars)

Identification code 12-4221-0-4-351	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	10	10	9
1231 Disbursements: Direct loan disbursements			
1251 Repayments: Repayments and prepayments		-1	-1
1263 Write-offs for default: Direct loans			
1290 Outstanding, end of year	10	9	8

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4221-0-4-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Investments in US securities:				
1106 Federal assets: Receivables, net		1		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	10	10	9	8
1405 Allowance for subsidy cost (-)	-6	-7	-6	-6
1499 Net present value of assets related to direct loans	4	3	3	2
1999 Total assets	4	4	3	2
LIABILITIES:				
2103 Federal liabilities: Debt	4	4	3	2
2999 Total liabilities	4	4	3	2
4999 Total liabilities and net position	4	4	3	2

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed \$100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, \$703,605,000, to remain available until expended (7 U.S.C. 2209b), of which not less than \$8,820,000 is for snow survey and water forecasting, and not less than \$10,292,000 is for operation and establishment of the plant materials centers, and of which not less than \$21,500,000 shall be for the grazing lands conservation initiative: Provided, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed \$250,000: Provided further, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)): Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$25,000 shall be available for

CONSERVATION OPERATIONS—Continued

employment under 5 U.S.C. 3109: Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service. (7 U.S.C. 2201–02; 16 U.S.C. 590e–2, 1101–5; 33 U.S.C. 7016–11.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12–1000–0–1–302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Technical assistance	696	617	599
00.02 Soil surveys	84	84	86
00.03 Snow survey and water forecasting	9	9	9
00.04 Plant materials centers	10	10	10
00.05 Bioenergy transfer	5	14	14
09.00 Reimbursable program	118	56	56
10.00 Total new obligations	922	790	774
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	17	16	–1
22.00 New budget authority (gross)	906	773	774
22.10 Resources available from recoveries of prior year obligations	15		
23.90 Total budgetary resources available for obligation	938	789	773
23.95 Total new obligations	–922	–790	–774
24.40 Unobligated balance carried forward, end of year	16	–1	–1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	779	822	704
40.73 Reduction pursuant to P.L. 107–206	–1		
41.00 Transferred to other accounts		–119	
43.00 Appropriation (total discretionary)	778	703	704
Mandatory:			
62.00 Transferred from other accounts	5	14	14
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	184	56	56
68.10 Change in uncollected customer payments from Federal sources (unexpired)	–61		
68.90 Spending authority from offsetting collections (total discretionary)	123	56	56
70.00 Total new budget authority (gross)	906	773	774
Change in obligated balances:			
72.40 Obligated balance, start of year	165	149	123
73.10 Total new obligations	922	790	774
73.20 Total outlays (gross)	–984	–816	–779
73.45 Recoveries of prior year obligations	–15		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	61		
74.40 Obligated balance, end of year	149	123	118
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	879	675	676
86.93 Outlays from discretionary balances	105	127	89
86.97 Outlays from new mandatory authority		14	14
87.00 Total outlays (gross)	984	816	779
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	–167	–35	–35
88.40 Non-Federal sources	–17	–21	–21
88.90 Total, offsetting collections (cash)	–184	–56	–56
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	61		
Net budget authority and outlays:			
89.00 Budget authority	783	717	718
90.00 Outlays	800	760	723

Additional net budget authority and outlays to cover cost of fully accruing retirement:

	2002 actual	2003 est.	2004 est.
99.00 Budget authority	53	55	64
99.01 Outlays	53	55	64

Technical assistance.—Technical assistance is provided through 2,955 conservation districts or special districts to land users and decisionmakers, including individual land-owners and operators, community groups, units of government, Indian tribes, and others for the planning of conservation programs and installation of needed conservation systems on the land, including design, layout, installation, and consultation services.

Technical assistance targeted towards nutrient management and water quality concerns associated with animal feeding will continue at the 2003 level of \$70 million. These funds will help livestock producers develop comprehensive nutrient management plans.

MAIN WORKLOAD FACTORS

	2002 Actual	2003 est.	2004 est.
Customers served, number	3.1 million	3.2 million	3.2 million
Customers receiving technical assistance for planning & application number	407,000	450,000	450,000
Conservation systems planned to the RMS level, acres	21.7 million	22 million	22 million
Conservation plans applied to the RMS level, acres	22.0 million	22 million	22 million

Inventory and monitoring, resource appraisal, and program development activities are also funded through this account. Resource inventories are conducted to provide soil, water, and related resource data for evaluating land-use changes and trends; and for guidance in the development and implementation of Federal, State, and local resource conservation programs. The 2004 budget requests an increase of \$10 million to enhance NRCS's monitoring and evaluation capabilities to track and report on the effectiveness of conservation programs authorized by the 2002 Farm Bill. Resource appraisal and program development provides periodic reports to the public and Congress as required by the Soil and Water Resources Conservation Act of 1977 as amended.

Soil surveys.—Soil surveys and investigations are made on the soil resources of the Nation's private lands. NRCS provides this information as electronic and printed publications for use by the American public and other Federal, State and local agencies in making land-use decisions. NRCS uses the information for program development, resource conservation planning, and installation of planned practices. NRCS provides national leadership for the National Cooperative Soil Survey and digitizing of soil surveys in cooperation with States, and other users of soil survey data. Legislation requires that the Secretary shall make a reasonable effort to assure that "a substantial portion of the survey costs for NRCS are to be reimbursed by survey recipients."

MAIN WORKLOAD FACTORS

	2002 actual	2003 est.	2004 est.
Acres mapped annually (millions)	20.46	22.0	20.0
Soil surveys ready for publication (number)	66	80	80

Snow survey water forecasting.—Water supply forecasts prepared from snow surveys in western states are used in making efficient seasonal use of water for irrigation, flood control, fish and wildlife, recreation, power generation, municipal and industrial water supply, and water quality management.

Operation of plant materials centers.—The selection and evaluation of plant materials are made at 26 plant materials centers through field trials to determine their suitability for erosion control, conservation, and other environmental improvements. Native plant species will be preferred and exotic species introductions phased out for this program.

Object Classification (in millions of dollars)

Identification code 12-1000-0-1-302	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	440	391	383
11.3 Other than full-time permanent	10	9	9
11.5 Other personnel compensation	5	4	4
11.9 Total personnel compensation	455	404	396
12.1 Civilian personnel benefits	131	118	117
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	15	13	13
22.0 Transportation of things	4	3	3
23.2 Rental payments to others	22	19	19
23.3 Communications, utilities, and miscellaneous charges	30	27	26
24.0 Printing and reproduction	4	3	3
25.2 Other services	98	107	105
26.0 Supplies and materials	14	13	12
31.0 Equipment	28	25	22
42.0 Insurance claims and indemnities	1	1	1
99.0 Direct obligations	803	734	718
99.0 Reimbursable obligations	116	55	55
99.5 Below reporting threshold	3	1	1
99.9 Total new obligations	922	790	774

Personnel Summary

Identification code 12-1000-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	8,576	7,527	7,176
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	1,138	358	358

FARM BILL TECHNICAL ASSISTANCE

For necessary expenses of the Natural Resources Conservation Service in providing technical assistance and administrative support for programs authorized under subtitle D of title XII of the Food Security Act of 1985, \$432,160,000, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 12-1006-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Farm Bill Technical Assistance		333	432
10.00 Total new obligations		333	432
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		333	432
23.95 Total new obligations		-333	-432
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		214	432
42.00 Transferred from other accounts		119	
43.00 Appropriation (total discretionary)		333	432
Change in obligated balances:			
72.40 Obligated balance, start of year			40
73.10 Total new obligations		333	432
73.20 Total outlays (gross)		-293	-413
74.40 Obligated balance, end of year		40	59
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		293	380
86.93 Outlays from discretionary balances			33
87.00 Total outlays (gross)		293	413
Net budget authority and outlays:			
89.00 Budget authority		333	432
90.00 Outlays		293	413

The Farm Bill Technical Assistance account funds all of the technical assistance costs of certain conservation programs authorized by the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). These are the same conservation programs included in NRCS's Farm Security and Rural Investment Programs account—the Environmental Quality Incentives Program, Ground and Surface Water Conservation, Klamath Basin Water Conservation, Farmland Protection Program, Wildlife Habitat Incentives Program, Wetlands Reserve Program, Grassland Reserve Program, and Conservation Security Program. The Farm Security and Rural Investment Programs account funds the financial assistance needed to deliver conservation measures on agricultural lands.

The Farm Bill Technical Assistance account will fund the technical assistance needed to plan, design, layout, and install conservation systems funded by the 2002 Farm Bill programs. This will include both NRCS's technical assistance costs, as well as the costs for certified, non-federal technical service providers to provide technical assistance to farmers and ranchers for 2002 Farm Bill programs.

Object Classification (in millions of dollars)

Identification code 12-1006-0-1-302	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent		188	230
11.3 Other than full-time permanent		7	16
11.5 Other personnel compensation		1	1
11.9 Total personnel compensation		196	247
12.1 Civilian personnel benefits		48	62
21.0 Travel and transportation of persons		5	7
22.0 Transportation of things		1	1
23.2 Rental payments to others		14	18
23.3 Communications, utilities, and miscellaneous charges		12	16
25.2 Other services		45	67
26.0 Supplies and materials		5	6
31.0 Equipment		7	8
99.9 Total new obligations		333	432

Personnel Summary

Identification code 12-1006-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment		3,624	4,596

FARM SECURITY AND RURAL INVESTMENT PROGRAMS

Program and Financing (in millions of dollars)

Identification code 12-1004-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Wetlands Reserve Program	263	250	250
00.02 Environmental Quality Incentives Program	199	595	850
00.03 Ground and Surface Water Conservation	25	38	51
00.04 Klamath Basin	2	8	8
00.05 Wildlife Habitat Incentives Program	15	26	42
00.06 Farmland Protection Program	50	85	112
00.07 Conservation Security Program			19
00.08 Grassland Reserve Program		72	85
10.00 Total new obligations	554	1,074	1,417
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	567	1,075	1,418
23.95 Total new obligations	-554	-1,074	-1,417
23.98 Unobligated balance expiring or withdrawn	-13	-1	-1
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation rescinded		-145	-259
Mandatory:			
62.00 Transferred from other accounts	567	1,220	1,677
70.00 Total new budget authority (gross)	567	1,075	1,418

FARM SECURITY AND RURAL INVESTMENT PROGRAMS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1004-0-1-302	2002 actual	2003 est.	2004 est.
Change in obligated balances:			
72.40		341	802
Obligated balance, start of year			
73.10	554	1,074	1,417
Total new obligations			
73.20	-213	-613	-1,091
Total outlays (gross)			
74.40	341	802	1,128
Obligated balance, end of year			
Outlays (gross), detail:			
86.90		-39	-70
Outlays from new discretionary authority			
86.93			-58
Outlays from discretionary balances			
86.97	213	378	557
Outlays from new mandatory authority			
86.98		274	662
Outlays from mandatory balances			
87.00	213	613	1,091
Total outlays (gross)			
Net budget authority and outlays:			
89.00	567	1,075	1,418
Budget authority			
90.00	213	613	1,091
Outlays			

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) reauthorizes a number of USDA's conservation programs. NRCS is responsible for implementing many of these programs. All of the financial assistance for programs where NRCS is the lead implementation agency is transferred from the Commodity Credit Corporation (CCC) to the Farm Security and Rural Investment Programs account. This account will fund only the cost share, monitoring, easement, and other financial assistance activities associated with the programs under title II of the 2002 Farm Bill.

The following programs are funded in this account.

Wetlands Reserve Program (WRP) is authorized under Section 1237 of the Food Security Act of 1985, as amended. The authority provides for a total acreage enrollment cap of 2,275,000 acres. The purpose of the WRP is to preserve, protect, and restore valuable wetlands.

Environmental Quality Incentives Program (EQIP) was reauthorized in the Farm Security and Rural Investment Act of 2002. Funding is authorized at \$5.8 billion over 6 years with \$400 million in FY 2002 increasing to \$1.3 billion in FY 2007. The purpose of the program is to promote agricultural production and environmental quality as compatible national goals.

Ground and Surface Water Program (GSW) is authorized by Section 1240I of Title XII of the Food Security Act of 1985. Funding is authorized at \$310 million over six years. The purpose of the program is to promote ground and surface water conservation by providing cost-share payments and incentive payments to producers to carry out eligible water conservation activities.

Klamath Basin. is authorized by Section 1240I of Title XII of the Food Security Act of 1985. Funding is authorized at \$50 million over 6 years. The purpose of the Klamath Basin program is to carry out water conservation activities in the Klamath Basin located in California and Oregon.

Farmland Protection Program (FPP) The Farm Security and Rural Investment Act of 2002 repealed the Farmland Protection Program authorized by the Federal Agriculture Improvement and Reform Act of 1996 and authorized a new Farmland Protection Program. Funding is authorized at \$597 million over 6 years. The purpose of the program is to protect soil by limiting nonagricultural use of prime and unique farm and ranch land.

Wildlife Habitat Incentives Program (WHIP) is authorized by Section 1240N of the Food Security Act of 1985. Funding is authorized at \$360 million over 6 years. The purpose of the program is to develop habitat for upland wildlife, wetlands wildlife, threatened and endangered species, fish, and other types of wildlife.

Conservation Security Program (CSP) is authorized by the Farm Security and Rural Investment Act of 2002. The purpose of the program is to provide financial and technical assistance for the conservation, protection, and improvement of natural resources on Tribal and private working lands. The program provides payments for producers who practice good stewardship on their agricultural lands and incentives for those who want to do more.

Grassland Reserve Program (GRP) is authorized by Section 1238N of Title XII, of Food Security Act of 1985. Funding is authorized at \$254 million over 5 years. The purpose of the program is to assist landowners in restoring and protecting grassland.

Object Classification (in millions of dollars)

Identification code 12-1004-0-1-302	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1	23		
Personnel compensation: Full-time permanent			
12.1	6		
Civilian personnel benefits			
21.0	1		
Travel and transportation of persons			
23.2	1		
Rental payments to others			
23.3			
Communications, utilities, and miscellaneous charges	1		
25.2	16		
Other services			
31.0	1		
Equipment			
32.0	230	237	242
Land and structures			
41.0	273	837	1,175
Grants, subsidies, and contributions			
99.0	552	1,074	1,417
Direct obligations			
99.5	2		
Below reporting threshold			
99.9	554	1,074	1,417
Total new obligations			

Personnel Summary

Identification code 12-1004-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
1001	431		
Total compensable workyears: Civilian full-time equivalent employment			

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001-1009), \$5,000,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$110,000 shall be available for employment under 5 U.S.C. 3109 (7 U.S.C. 2201-02; 16 U.S.C. 1101-5; 33 U.S.C. 7016-11.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1066-0-1-301	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01	11		5
Direct program			
10.00	11		5
Total new obligations			
Budgetary resources available for obligation:			
22.00	11	1	6
New budget authority (gross)			
23.95	-11		-5
Total new obligations			
New budget authority (gross), detail:			
Discretionary:			
40.00	11		5
Appropriation			
68.00		1	1
Spending authority from offsetting collections: Offsetting collections (cash)			
70.00	11	1	6
Total new budget authority (gross)			

Change in obligated balances:			
72.40	Obligated balance, start of year	2	2
73.10	Total new obligations	11	5
73.20	Total outlays (gross)	-11	-3
74.40	Obligated balance, end of year	2	1
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	9	1
86.93	Outlays from discretionary balances	2	2
87.00	Total outlays (gross)	11	3
Offsets:			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	-1	-1
Net budget authority and outlays:			
89.00	Budget authority	11	5
90.00	Outlays	11	2
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority	1	1
99.01	Outlays	1	1

Under the authorities of Public Law 83-566, watershed planning assistance is provided to States and communities to address specific resource problems on a watershed scale. The funds are used to cooperate with other agencies and the States in providing local decision makers with resource data, derived from cooperative river basin surveys and flood-plain management studies, for use in decision making. Watershed plans are used to develop the small watershed projects.

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or through State and local resources. After work plans are approved by the Department or Congress (projects where the estimated Federal contribution will exceed \$5 million require congressional approval), financial assistance is provided for specific works of improvements. Since 1944, the Federal government has invested over \$8.5 billion to develop a watershed infrastructure through the Small Watershed program. The investment yields annual benefits estimated at \$800 million.

Object Classification (in millions of dollars)

Identification code 12-1066-0-1-301	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1	Personnel compensation: Full-time permanent	7	3
12.1	Civilian personnel benefits	2	1
25.2	Other services	1	1
99.0	Direct obligations	10	5
99.5	Below reporting threshold	1	.....
99.9	Total new obligations	11	5

Personnel Summary

Identification code 12-1066-0-1-301	2002 actual	2003 est.	2004 est.
Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employment	111	47
Reimbursable:			
2001	Total compensable workyears: Civilian full-time equivalent employment	5	2

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, the provisions of the Act of April 27, 1935, \$40,000,000, to remain available until expended: Provided, That this appropriation shall be available for employment pursuant to the sec-

ond sentence of section 706(a) of the Organic Act of 1944, and not to exceed \$200,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction: Provided further, That the amount of federal funds that may be made available to an eligible local organization for construction of a particular rehabilitation project shall be equal to 65 percent of the total rehabilitation costs, but not to exceed 100 percent of actual construction costs incurred in the rehabilitation: Provided further, That consistent with existing statute, rehabilitation assistance provided may not be used to perform operation and maintenance activities specified in the agreement for the covered water resource projects entered into between the Secretary and the eligible local organization responsible for the works of improvement. (7 U.S.C. 2209b, 2225; 16 U.S.C. 590a-f, 1001-1005, 1007-1009.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1072-0-1-301	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01	Watershed operations (P.L. 534)	18	1
00.03	Emergency watershed protection operations	79	216
00.04	Small watershed operations (P.L. 566)	97	6
09.01	Reimbursable program	16	8
10.00	Total new obligations	210	231
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	86	119
22.00	New budget authority (gross)	222	112
22.10	Resources available from recoveries of prior year obligations	21	.....
23.90	Total budgetary resources available for obligation	329	231
23.95	Total new obligations	-210	-231
24.40	Unobligated balance carried forward, end of year	119	.....
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	201	110
40.71	Reduction pursuant to P.L. XXX-XX	-1	.....
43.00	Appropriation (total discretionary)	200	110
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	21	2
68.10	Change in uncollected customer payments from Federal sources (unexpired)	1	.....
68.90	Spending authority from offsetting collections (total discretionary)	22	2
70.00	Total new budget authority (gross)	222	112
Change in obligated balances:			
72.40	Obligated balance, start of year	221	214
73.10	Total new obligations	210	231
73.20	Total outlays (gross)	-195	-228
73.45	Recoveries of prior year obligations	-21	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-1	.....
74.40	Obligated balance, end of year	214	217
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	100	67
86.93	Outlays from discretionary balances	95	161
87.00	Total outlays (gross)	195	228
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources	-14	-3
88.40	Non-Federal sources	-7	-2
88.90	Total, offsetting collections (cash)	-21	-2

WATERSHED AND FLOOD PREVENTION OPERATIONS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1072-0-1-301	2002 actual	2003 est.	2004 est.
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
Net budget authority and outlays:			
89.00 Budget authority	200	110	40
90.00 Outlays	174	226	209
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	4	4	4
99.01 Outlays	4	4	4

These programs provide for cooperative actions between the Federal Government and States and their political subdivisions to reduce damage from floodwater, sediment, and erosion, for the conservation, development, utilization, and disposal of water, and for the conservation and proper utilization of land. Funds in Watershed and Flood Prevention Operations can be used for either flood prevention projects or flood damage rehabilitation efforts, depending upon the needs and opportunities. In order to improve the environmental and economic benefits of these projects, NRCS intends to focus on developing and funding non-structural flood prevention measures.

Emergency watershed protection operations.—This program authorizes the Secretary of Agriculture to undertake such emergency measures for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever natural elements or forces cause a sudden impairment of that watershed. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, wind, earthquake, or other natural causes and consequently life and property are endangered by floodwater, erosion, or sediment discharge. The emergency area need not be declared a national disaster area to be eligible for emergency watershed protection. Emergency watershed protection is applicable to small scale, localized disasters as well as large scale disasters. State environmental, natural resource, fish and game, and other agencies participate in planning and coordinating emergency work. To the extent financial resources are available, funding provided for the small watershed operations account can be used to meet these types of emergency needs should they occur in 2004.

To improve the delivery and defensibility of the program, NRCS published a draft programmatic environmental impact statement (EIS) for public review and comment to assess various program alternatives. Through the EIS public feedback and information gathering process, NRCS ultimately will be able to make the program more beneficial to communities and the environment. NRCS will also consider these EIS comments in making any necessary revisions to its regulations.

Watershed operations authorized by Public Law 534.—The Department cooperates with soil conservation districts and other local organizations in planning and installing flood prevention improvements in 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares the cost of improvements for flood prevention, agricultural water management, recreation, and fish and wildlife development.

Given the program's low economic returns and environmental benefits, no funding is proposed for 2004.

Small watershed operations authorized by Public Law 566.—The Department provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement. At least 50

percent of the funding provided will be used for financial assistance.

Funding provided to the Watershed Surveys and Planning program will be used to address one of the most critical strategic objectives of the NRCS Government Performance and Results Act (GPRA) Strategic Plan: "Restoring healthy watersheds, providing clean and abundant water supplies for people and environment." Program activities reflect high priority natural resource concerns such as: agriculture-induced water quality impacts, wetlands restoration, and flood damage risk reduction.

Loans through the Agricultural Credit Insurance Fund have been made in previous years to the local sponsors in order to fund the local cost of Public Law 566 or 534 projects. No funding for these loans is assumed in 2004.

The following tabulation shows the status of Public Law 566 projects:

MAIN WORKLOAD FACTORS

	2002 actual	2003 est.	2004 est.
Status of operational projects:			
Projects receiving land treatment	223	230	20
Structural projects	180	180	0
Land treatment and structural	145	147	0
Subtotal active projects	548	557	20
Projects continuing post-installation assistance	887	884	0
Inactive projects	19	20	0
Project life completed	40	42	1,647
Deauthorized projects	159	159	0
Total operational projects	1,653	1,662	1,647
New projects approved during year	3	9	5

Object Classification (in millions of dollars)

Identification code 12-1072-0-1-301	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	33	28	6
11.5 Other personnel compensation	1	3	
11.9 Total personnel compensation	34	31	6
12.1 Civilian personnel benefits	8	7	1
21.0 Travel and transportation of persons	1	1	
23.2 Rental payments to others	1	1	
23.3 Communications, utilities, and miscellaneous charges	3	1	1
Other services:			
25.2 Other services	6	6	
25.2 Other services	57	96	9
26.0 Supplies and materials	1	1	
31.0 Equipment	2	3	
32.0 Land and structures	4		
41.0 Grants, subsidies, and contributions	75	75	21
99.0 Direct obligations	192	222	38
99.0 Reimbursable obligations	15	8	5
99.5 Below reporting threshold	3	1	2
99.9 Total new obligations	210	231	45

Personnel Summary

Identification code 12-1072-0-1-301	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	603	566	100
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	46		14

WATERSHED REHABILITATION PROGRAM

For necessary expenses to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act, as amended, \$10,000,000, to remain available until expended. (16 U.S.C. 1001 et seq., 1012.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 12-1002-0-1-301	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	10		10
10.00 Total new obligations	10		10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	10		10
23.95 Total new obligations	-10		-10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	10		10
40.35 Appropriation rescinded		-45	-50
43.00 Appropriation (total discretionary)	10	-45	-40
Mandatory:			
62.00 Transferred from other accounts		45	50
70.00 Total new budget authority (gross)	10		10
Change in obligated balances:			
72.40 Obligated balance, start of year		4	2
73.10 Total new obligations	10		10
73.20 Total outlays (gross)	-6	-2	-8
74.40 Obligated balance, end of year	4	2	4
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6		7
86.93 Outlays from discretionary balances		2	1
87.00 Total outlays (gross)	6	2	8
Net budget authority and outlays:			
89.00 Budget authority	10		10
90.00 Outlays	6	2	8

Under the authorities of Public Law 106-472 assistance is provided to communities to address concerns about local aging dams. NRCS may provide technical and financial assistance for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams.

Object Classification (in millions of dollars)			
Identification code 12-1002-0-1-301	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	4		3
12.1 Civilian personnel benefits	1		1
25.2 Other services	1		
41.0 Grants, subsidies, and contributions	3		5
99.0 Direct obligations	9		9
99.5 Below reporting threshold	1		1
99.9 Total new obligations	10		10

Personnel Summary			
Identification code 12-1002-0-1-301	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	64		48

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of sections 31 and 32(l) of title III of the Bankhead-Jones Farm Tenant Act; the Act of April 27, 1935 (16 U.S.C. 590a-f); and subtitle H of title XV of the Agriculture and

Food Act of 1981, \$49,943,000, to remain available until expended: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944, and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 1010-1011, 2225; 16 U.S.C. 590a-f; 3451-3460.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 12-1010-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.02 Technical assistance	49	50	50
09.01 Reimbursable program		1	1
10.00 Total new obligations	49	51	51
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	1	
22.00 New budget authority (gross)	48	50	51
23.90 Total budgetary resources available for obligation	50	51	51
23.95 Total new obligations	-49	-51	-51
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	48	49	50
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		1	1
70.00 Total new budget authority (gross)	48	50	51
Change in obligated balances:			
72.40 Obligated balance, start of year	9	9	11
73.10 Total new obligations	49	51	51
73.20 Total outlays (gross)	-49	-50	-52
74.40 Obligated balance, end of year	9	11	11
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	44	45	46
86.93 Outlays from discretionary balances	5	5	6
87.00 Total outlays (gross)	49	50	52
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources		-1	-1
Net budget authority and outlays:			
89.00 Budget authority	48	49	50
90.00 Outlays	49	49	51
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	3	3	3
99.01 Outlays	3	3	3

The Resource Conservation and Development (RC&D) Program began in February 1964 under authority of Section 102 of the Food and Agricultural Act of 1962 (P.L. 87-703) and other Departmental authorities. Sections 1528-1538 of the Agricultural and Food Act of 1981 have replaced these authorities. This act authorized a program to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and implement programs for resource conservation and development. Through the establishment of RC&D areas, led by a council, the program establishes or improves coordination systems in rural communities and builds rural community leadership skills to effectively utilize Federal, State and local programs for the communities' benefit. The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) permanently reauthorized RC&D.

Designated RC&D areas are provided technical assistance to help States and local units of government prepare plans

RESOURCE CONSERVATION AND DEVELOPMENT—Continued

for resource development and economic improvement and to plan and install community-related conservation projects. Financial contributions, loans, and other Federal assistance may be used to help carry out projects specified in RC&D area plans. Program financial resources are focused on the RC&D coordinators who assist the local area councils. These coordinators help the area councils develop plans and proposals to compete for financial assistance from other Federal, State and private sources.

The following tabulation shows the status of RC&D areas authorized to receive technical and financial assistance.

MAIN WORKLOAD FACTORS

	2002 actual	2003 est.	2004 est.
Areas authorized at beginning of year	348	368	388
Areas authorized at end of year	368	388	388
Project plans adopted	3,962	3,000	3,000
Projects completed	4,145	3,000	3,000

Object Classification (in millions of dollars)

Identification code 12-1010-0-1-302	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	28	28	28
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	29	29	29
12.1 Civilian personnel benefits	7	7	7
21.0 Travel and transportation of persons	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	6	7	7
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.0 Direct obligations	48	49	49
99.0 Reimbursable obligations	1	1	1
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	49	51	51

Personnel Summary

Identification code 12-1010-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	504	491	501
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	2	5	5

GREAT PLAINS CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2268-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	2	1	
10.00 Total new obligations	2	1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	1	
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	3	1	
23.95 Total new obligations	-2	-1	
24.40 Unobligated balance carried forward, end of year	1		
Change in obligated balances:			
72.40 Obligated balance, start of year	4	2	1
73.10 Total new obligations	2	1	
73.20 Total outlays (gross)	-2	-2	-1

73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	2	1	
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	2	2	1
Net budget authority and outlays:			
89.00 Budget authority		2	1
90.00 Outlays	2	2	1

The 1996 Farm Bill combined the authority for this and several other conservation programs into the Environmental Quality Incentives Program. Prior-year account balances are maintained in this account until expended.

This program provides cost-share assistance to participating landowners or operators in the Great Plains area in the development and installation of long-term conservation plans and practices for their land under contracts entered into in prior years. It is a voluntary program in 556 designated counties of 10 Great Plains States. Contracts with individual landowners range in time from 3 to 10 years.

MAIN WORKLOAD FACTORS

	2002 actual	2003 est.	2004 est.
Program participants:			
Number of contracts serviced during year	658	200	50
Number of acres under contracts	2,443,000	740,000	185,000

Co-landowners or operators finance the entire cost of installing recurring management-type practices and pay a specified part of the cost-shared practices installed on their land. Program regulations provide that cost-share rates offered in any contract cannot exceed 80 percent of the cost of installing eligible practices within the designated county. There is a cost-sharing limitation of \$35,000 for any contract.

Object Classification (in millions of dollars)

Identification code 12-2268-0-1-302	2002 actual	2003 est.	2004 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent	1		
99.5 Below reporting threshold	1	1	
99.9 Total new obligations	2	1	

Personnel Summary

Identification code 12-2268-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	18		

FORESTRY INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3336-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	11	2	
10.00 Total new obligations (object class 41.0)	11	2	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	2	
22.00 New budget authority (gross)	7		
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation	13	2	
23.95 Total new obligations	-11	-2	
24.40 Unobligated balance carried forward, end of year	2		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	7		

Change in obligated balances:				
72.40	Obligated balance, start of year	18	18	14
73.10	Total new obligations	11	2	
73.20	Total outlays (gross)	-7	-6	-6
73.45	Recoveries of prior year obligations	-4		
74.40	Obligated balance, end of year	18	14	8

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	4		
86.93	Outlays from discretionary balances	3	6	6
87.00	Total outlays (gross)	7	6	6

Net budget authority and outlays:				
89.00	Budget authority	7		
90.00	Outlays	7	6	6

No funds are proposed for the Forestry Incentives Program (FIP). The FIP was not reauthorized by the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). Prior-year account balances are maintained in this account until expended.

FIP shares up to 65 percent of the cost of tree planting and timber stand improvement. The percentage cost-shared depends on the rate set in a particular State and county by NRCS, after consulting with the State forester. The program is available in designated counties based on a Forest Service survey of total eligible private timberland available for production of timber products. Technical assistance is provided by the Forest Service.

WATER BANK PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3320-0-1-302				2002 actual	2003 est.	2004 est.
Obligations by program activity:						
00.01	Direct Program Activity			1		
10.00	Total new obligations (object class 99.5)			1		
Budgetary resources available for obligation:						
21.40	Unobligated balance carried forward, start of year			1		
23.95	Total new obligations			-1		
24.40	Unobligated balance carried forward, end of year	1				
Change in obligated balances:						
72.40	Obligated balance, start of year	7	3	1		
73.10	Total new obligations			1		
73.20	Total outlays (gross)	-3	-3	-1		
74.40	Obligated balance, end of year	3	1			
Outlays (gross), detail:						
86.93	Outlays from discretionary balances	3	3	1		
Net budget authority and outlays:						
89.00	Budget authority					
90.00	Outlays	3	3	1		

The objectives of the Water Bank Program are to conserve water; preserve, maintain, and improve the Nation's wetlands; increase waterfowl habitat in migratory waterfowl nesting, breeding, and feeding areas in the United States; and secure recreational and environmental benefits for the Nation. The program was authorized by the Water Bank Act of 1970, as amended by Public Law 96-182, approved January 2, 1980. Funding for the expiring 1985 Water Bank agreements were transferred from the Wetlands Reserve Program 1995 appropriation to this account as authorized under the Water Bank Extension Act of 1994. For 2004, the budget does not request program funding.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3318-0-1-304				2002 actual	2003 est.	2004 est.
Obligations by program activity:						
00.01	Direct program activity			1		
10.00	Total new obligations (object class 99.5)			1		
Budgetary resources available for obligation:						
21.40	Unobligated balance carried forward, start of year			1	1	
23.95	Total new obligations				-1	
24.40	Unobligated balance carried forward, end of year	1				
Change in obligated balances:						
72.40	Obligated balance, start of year			1	1	1
73.10	Total new obligations				1	
73.20	Total outlays (gross)			-1	-1	-1
74.40	Obligated balance, end of year	1		1		
Outlays (gross), detail:						
86.93	Outlays from discretionary balances			1	1	1
Net budget authority and outlays:						
89.00	Budget authority					
90.00	Outlays			1	1	1

The Colorado River Basin Salinity Control Program (CRBSC), was authorized under section 202(c) of Title II of the Colorado River Basin Salinity Control Act, as amended by section 334, subtitle D, Title III of the Federal Agriculture Improvement Act (FAIR Act) of 1996. The FAIR Act, combined authority of the Agricultural Conservation Program (ACP), Water Quality Incentive Program (WQIP), Great Plains Conservation Program (GPCP), and the Colorado River Basin Salinity Control Program (CRBSC), into the Environmental Quality Incentives Program (EQIP). The FAIR Act also repealed CRBSC authority, while maintaining program account balances until expended.

Beginning in 1996, EQIP was implemented on an interim program level for CRBSC. Program funding provided cost-share assistance to landowners and others in the Colorado River Basin States to include: Colorado, Utah and Wyoming. The program's main objective is to enhance the supply and quality of water in the Colorado River for delivery to downstream users in the U.S. and Mexico.

Personnel Summary

Identification code 12-3318-0-1-304				2002 actual	2003 est.	2004 est.
Direct:						
1001	Total compensable workyears: Civilian full-time equivalent employment			7		

WETLANDS RESERVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-1080-0-1-302				2002 actual	2003 est.	2004 est.
Obligations by program activity:						
00.03	Technical assistance			1	2	
10.00	Total new obligations (object class 99.5)			1	2	
Budgetary resources available for obligation:						
21.40	Unobligated balance carried forward, start of year			2	2	
22.10	Resources available from recoveries of prior year obligations			1		
23.90	Total budgetary resources available for obligation			3	2	
23.95	Total new obligations			-1	-2	
24.40	Unobligated balance carried forward, end of year	2				
Change in obligated balances:						
72.40	Obligated balance, start of year			5	4	3

WETLANDS RESERVE PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1080-0-1-302	2002 actual	2003 est.	2004 est.
73.10 Total new obligations	1	2	
73.20 Total outlays (gross)	-1	-3	-3
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	4	3	
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1	3	3
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	3	3

The Wetlands Reserve Program (WRP) is authorized by Section 1237 of the Food Security Act of 1985 (P.L. 99-198), as amended by the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624), the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001 (P.L. 106-387), and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). WRP is a mandatory Commodity Credit Corporation (CCC) program administered by the Natural Resources Conservation Service (NRCS). However, the Farm Service Agency (FSA), with CCC financial responsibility, handles program payments and financial reporting.

Information displayed in this section represents unobligated balances from the non-CCC account in which WRP was funded prior to the 1996 Farm Bill.

WILDLIFE HABITAT INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3322-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct Program Activity	4	1	
10.00 Total new obligations	4	1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation	5	1	
23.95 Total new obligations	-4	-1	
24.40 Unobligated balance carried forward, end of year	1		
Change in obligated balances:			
72.40 Obligated balance, start of year	31	25	22
73.10 Total new obligations	4	1	
73.20 Total outlays (gross)	-6	-4	-4
73.45 Recoveries of prior year obligations	-4		
74.40 Obligated balance, end of year	25	22	18
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	6	4	4
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	6	4	4

Section 1240N of the Food Security Act of 1985, as amended by 2502 of the Farm Security and Rural Investment Act of 2002 (2002 farm bill), authorized the Wildlife Habitat Incentives Program (WHIP) as a voluntary approach to improving wildlife habitat in our nation. The Natural Resources Conservation Service (NRCS) provides program administration for WHIP.

WHIP is a voluntary program that provides assistance to eligible participants to develop upland wildlife, wetland wildlife, threatened and endangered species, fish and other types of wildlife habitat in an environmentally beneficial and cost effective manner. The purpose of the program is to create high-quality wildlife habitats that support wildlife populations of local, state, and national significance.

WHIP supports the USDA strategic plan goal to maintain and enhance the nation's natural resources and the environment. Although the primary purpose of the program is wildlife habitat development and enhancement, the benefits are not limited to wildlife. The practices are often compatible with and beneficial to farming and ranching enterprises. Some practices enhance farm profitability by improving grazing conditions, reducing management expenses, and by producing non-crop income from the lease of rights to harvest and observe wild game and fish. The program has been utilized to control invasive species, re-establish native vegetation, manage non-industrial forestland, stabilize stream banks, protect, develop or enhance unique habitats, and remove barriers that impede migration of certain species.

NRCS and the participant enter into a cost-share agreement for wildlife habitat development. This agreement generally lasts from 5 to 10 years from the date the agreement is signed. WHIP funds are distributed to state NRCS offices based on state wildlife habitat priorities. Partnerships with other entities are preferred: WHIP may be implemented in cooperation with other federal, state, or local agencies, conservation districts, or private conservation groups. State priorities are developed through a locally led process to identify wildlife resource needs and are finalized in consultation with the State Technical Committee.

The 2002 farm bill reauthorized WHIP through 2007. Funding for WHIP is now provided through NRCS's Farm Security and Rural Investment Account. Information displayed in this section represents unobligated balances remaining from the 1996 farm bill.

Object Classification (in millions of dollars)

Identification code 12-3322-0-1-302	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	1		
41.0 Grants, subsidies, and contributions	2	1	
99.0 Direct obligations	3	1	
99.5 Below reporting threshold	1		
99.9 Total new obligations	4	1	

Personnel Summary

Identification code 12-3322-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	33		

RURAL CLEAN WATER PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3337-0-1-304	2002 actual	2003 est.	2004 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	5	5
24.40 Unobligated balance carried forward, end of year	5	5	5
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

This experimental Rural Clean Water Program, authorized by Public Law 96-108 and Public Law 96-528, was a coopera-

tive endeavor among farmers, various USDA agencies, and other organizations to develop and test means of controlling agricultural nonpoint source water pollution in rural areas.

Recommended project areas were developed by local and State committees and approved by the Secretary of Agriculture in consultation with the Administrator of the Environmental Protection Agency. Full funding was provided in previous appropriations for all approved projects. The implementation period for all projects has ended, and no additional obligations will be incurred. The final payments have been made and the program will be closed out in 2002. Similar activities will be carried out through the mandatory Environmental Quality Incentives Program.

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION
GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-2086-0-1-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.07 Reestimates of guaranteed loan subsidy		1	
10.00 Total new obligations (object class 41.0)		1	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1	
23.95 Total new obligations		-1	
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation		1	
Change in obligated balances:			
72.40 Obligated balance, start of year	3		
73.10 Total new obligations		1	
73.20 Total outlays (gross)	-3	-1	
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		1	
86.98 Outlays from mandatory balances	3		
87.00 Total outlays (gross)	3	1	
Net budget authority and outlays:			
89.00 Budget authority		1	
90.00 Outlays	3	1	

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2086-0-1-351	2002 actual	2003 est.	2004 est.
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Agricultural resource conservation demonstration program	3	1	
235901 Total upward reestimate budget authority	3	1	
Guaranteed loan upward reestimate subsidy outlays:			
236001 Agricultural resource conservation demonstration program	3	1	
236901 Total upward reestimate subsidy outlays	3	1	

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Credit accounts:

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION
GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4177-0-3-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Interest assistance on guaranteed loans	2	1	1
10.00 Total new obligations	2	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	3	4
22.00 New financing authority (gross)	4	1	1
23.90 Total budgetary resources available for obligation	5	4	5
23.95 Total new obligations	-2	-1	-1
24.40 Unobligated balance carried forward, end of year	3	4	4
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	1		1
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	3	1	
70.00 Total new financing authority (gross)	4	1	1
Change in obligated balances:			
73.10 Total new obligations	2	1	1
73.20 Total financing disbursements (gross)	-2	-1	-1
87.00 Total financing disbursements (gross)	2	1	1
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources	-3	-1	
Net financing authority and financing disbursements:			
89.00 Financing authority	1		1
90.00 Financing disbursements	-1		1

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4177-0-3-351	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	24	22	12
2251 Repayments and prepayments	-2	-10	-7
2290 Outstanding, end of year	22	12	5
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	22	12	5

This program, also known as "Farms for the Future," provides guarantees and interest assistance on loans made to State trust funds, who in turn finance acquisitions to preserve farmland in selected states. No guarantees have been made since 1993.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4177-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	1	3	3	3
1999 Total assets	1	3	3	3
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	1	1	1	1
2204 Non-Federal liabilities: Liabilities for loan guarantees		2	2	2

Credit accounts—Continued

**AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION
GUARANTEED LOAN FINANCING ACCOUNT—Continued**

Balance Sheet (in millions of dollars)—Continued

Identification code 12-4177-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
2999 Total liabilities	1	3	3	3
4999 Total liabilities and net position	1	3	3	3

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Collections (in millions of dollars)

Identification code 12-8210-0-7-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	4	5	6
Receipts:			
02.20 Miscellaneous contributed funds	12	1	1
04.00 Total: Balances and collections	16	6	7
Appropriations:			
05.00 Miscellaneous contributed funds, Natural Resources Conservation Service	-11		
07.99 Balance, end of year	5	6	7

Program and Financing (in millions of dollars)

Identification code 12-8210-0-7-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	4	10	
10.00 Total new obligations	4	10	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	10	
22.00 New budget authority (gross)	11		
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	13	10	
23.95 Total new obligations	-4	-10	
24.40 Unobligated balance carried forward, end of year	10		
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	11		
Change in obligated balances:			
72.40 Obligated balance, start of year	2	1	7
73.10 Total new obligations	4	10	
73.20 Total outlays (gross)	-4	-4	-4
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	1	7	3
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	2		
86.98 Outlays from mandatory balances	2	4	4
87.00 Total outlays (gross)	4	4	4
Net budget authority and outlays:			
89.00 Budget authority	11		
90.00 Outlays	4	4	4

Funds received from State and local organizations, and others are available for work under cooperative agreements for soil survey, watershed protection, and resource conservation and development activities.

Object Classification (in millions of dollars)

Identification code 12-8210-0-7-302	2002 actual	2003 est.	2004 est.
25.2 Direct obligations: Other services	3	10	
99.5 Below reporting threshold	1		

99.9 Total new obligations	4	10	
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Personnel Summary

Identification code 12-8210-0-7-302	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	5	1	1

RURAL DEVELOPMENT

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs in the Rural Development mission area, including activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; \$147,520,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$1,000,000 may be used for employment under 5 U.S.C. 3109: Provided further, That not more than \$10,000 may be expended to provide modest nonmonetary awards to non-USDA employees: Provided further, That any balances available from prior years for the Rural Utilities Service, Rural Housing Service, and the Rural Business-Cooperative Service salaries and expenses accounts shall be transferred to and merged with this appropriation.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0403-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program	130	141	148
09.01 Reimbursable program	482	509	552
10.00 Total new obligations	612	650	700
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	615	650	700
23.95 Total new obligations	-612	-650	-700
23.98 Unobligated balance expiring or withdrawn	-4		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	133	141	148
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	481	509	552
68.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
68.90 Spending authority from offsetting collections (total discretionary)	482	509	552
70.00 Total new budget authority (gross)	615	650	700
Change in obligated balances:			
72.40 Obligated balance, start of year	124	126	138
73.10 Total new obligations	612	650	700
73.20 Total outlays (gross)	-623	-638	-691
73.40 Adjustments in expired accounts (net)	-10		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.10 Change in uncollected customer payments from Federal sources (expired)	24		
74.40 Obligated balance, end of year	126	138	148
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	507	546	588
86.93 Outlays from discretionary balances	116	92	103
87.00 Total outlays (gross)	623	638	691

Offsets:			
	Against gross budget authority and outlays:		
88.00	Offsetting collections (cash) from: Federal sources	-497	-509
	Against gross budget authority only:		
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-1	
88.96	Portion of offsetting collections (cash) credited to expired accounts	16	
Net budget authority and outlays:			
89.00	Budget authority	133	141
90.00	Outlays	126	129
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00	Budget authority	40	44
99.01	Outlays	40	44

Since 2001, Rural Development has had a consolidated Salaries and Expenses account to administer all Rural Development programs, including programs administered by the Rural Utilities Service (RUS), the Rural Housing Service (RHS), and the Rural Business-Cooperative Service (RBS).

RUS provides grants, direct loans and loan guarantees to suppliers of electric, telecommunications (for general purpose and for distance learning/telemedicine), and water and wastewater services in rural areas. Through the water and wastewater program, RUS also provides technical assistance. The programs are administered in Washington, DC. The Rural Development field office staff performs the services related to the water and wastewater grant and loan programs. For the electric and telecommunication loans, general field representatives visit borrowers periodically and maintain liaisons between the borrowers and headquarters.

RHS was formed from the Rural Housing section of the Farmers Home Administration and the Community Facilities Division of the Rural Development Administration. RHS delivers rural housing and community facility programs through a system of State, area, and local offices.

RBS includes programs from the former Rural Development Administration, rural development programs from the former Rural Electrification Administration, and the Agricultural Cooperative Service. This agency delivers loan and grant programs, as well as technical assistance, to cooperatives and rural businesses.

In 2004, Rural Development along with the Farm Service Agency will conduct a review and develop a pilot loan asset sale. The sale should include both performing and non-performing loans with a loan mix that results in the greatest budgetary savings for the Federal government. Although the exact mix of loans has not been determined, a placeholder has been included in the 2004 Budget to reflect the sale.

Object Classification (in millions of dollars)

Identification code 12-0403-0-1-452	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent	73	74
11.3	Other than full-time permanent	2	2
11.5	Other personnel compensation	1	1
11.9	Total personnel compensation	76	77
12.1	Civilian personnel benefits	18	22
21.0	Travel and transportation of persons	4	4
23.2	Rental payments to others	3	4
23.3	Communications, utilities, and miscellaneous charges	4	6
24.0	Printing and reproduction	1	1
25.2	Other services	10	11
25.3	Other purchases of goods and services from Government accounts	2	5
25.4	Operation and maintenance of facilities	7	7
25.7	Operation and maintenance of equipment	1	1
26.0	Supplies and materials	2	1
31.0	Equipment	2	1
99.0	Direct obligations	130	140
99.0	Reimbursable obligations	482	510

99.9	Total new obligations	612	650	700
Personnel Summary				
Identification code 12-0403-0-1-452		2002 actual	2003 est.	2004 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	1,431	1,475	1,476
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	5,381	5,549	5,552

RURAL COMMUNITY ADVANCEMENT PROGRAM
(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, 1926d, and 1932, except for sections 381E-H and 381N of the Consolidated Farm and Rural Development Act, \$477,864,000, to remain available until expended, of which \$17,000,000 shall be for rural community programs described in section 381E(d)(1) of such Act; of which \$384,584,000 shall be for the rural utilities programs described in sections 381E(d)(2), 306C(a)(2), and 306D of such Act; and of which \$76,280,000 shall be for the rural business and cooperative development programs described in sections 381E(d)(3) and 310B(f) of such Act: Provided, That of the total amount appropriated in this account, \$13,000,000 shall be for loans and grants to benefit Federally Recognized Native American Tribes, including grants for drinking water and waste disposal systems pursuant to section 306C of such Act, of which \$250,000 shall be available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: Provided further, That of the amount appropriated for the rural business and cooperative development programs, not to exceed \$500,000 shall be made available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: Provided further, That of the amount appropriated for rural utilities programs, not to exceed \$11,800,000 shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of such Act; not to exceed \$11,800,000 shall be for water and waste disposal systems for rural and native villages in Alaska pursuant to section 306D of such Act, with up to 1 percent available to administer the program and up to 1 percent available to improve interagency coordination may be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses"; not to exceed \$16,215,000 shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of such Act; and not to exceed \$9,500,000 shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: Provided further, That of the total amount appropriated, not to exceed \$22,132,000 shall be available through June 30, 2004, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones; of which \$1,000,000 shall be for the rural community programs described in section 381E(d)(1) of such Act, of which \$12,582,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act, and of which \$8,550,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act: Provided further, That any prior year balances for high cost energy grants authorized by section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 901(19)) shall be transferred to and merged with the "Rural Utilities Service, High Energy Costs Grants" account.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-0400-0-1-452	2002 actual	2003 est.	2004 est.
0101	Rural water and waste disposal, negative subsidies		5
0102	Rural water and waste water, negative subsidies and downward reestimates	21	
0104	Rural community facilities, downward reestimates of subsidies	15	

General and special funds—Continued

RURAL COMMUNITY ADVANCEMENT PROGRAM—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

General Fund Credit Receipt Accounts (in millions of dollars)—Continued

Identification code 12-0400-0-1-452	2002 actual	2003 est.	2004 est.
0106 Rural business and industry, downward reestimates of subsidies	17		

Program and Financing (in millions of dollars)

Identification code 12-0400-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Loan program:			
00.01 Direct loan subsidy	101	111	35
00.02 Guaranteed loan subsidy	32	43	29
00.05 Reestimates of Direct Loan Subsidy	31		
00.06 Interest on Reestimates of Direct Loan Subsidy	4		
00.07 Reestimates of Guaranteed Loan Subsidy	34		
00.08 Interest on Reestimates of Guaranteed Loan Subsidy	5		
Grant program:			
00.11 Water and waste disposal systems grants	933	592	355
00.13 Emergency Community Water Assistance Grants	3		
00.14 Solid waste management grants	4	4	4
00.15 Community facility grants	15	18	17
00.16 Community facility grants—emergency supplemental	11		
00.17 Hazardous weather early warning grants	4	1	
00.18 Economic impact initiative grants	36	1	
00.19 High Energy Cost Grants	25	5	
00.20 Rural business enterprise grants	43	45	44
00.21 Rural business opportunity grants	5	3	3
00.24 Department of Energy Matching Grant	3		
00.26 Rural Community Development Initiative Grants		12	
10.00 Total new obligations (object class 41.0)	1,289	835	487

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	83	52	8
22.00 New budget authority (gross)	1,240	792	478
22.10 Resources available from recoveries of prior year obligations	30		
22.21 Unobligated balance transferred to other accounts	-10		
23.90 Total budgetary resources available for obligation	1,343	844	487
23.95 Total new obligations	-1,289	-835	-487
24.40 Unobligated balance carried forward, end of year	52	8	

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	806	792	478
Mandatory:			
60.00 Appropriation	74		
62.00 Transferred from other accounts	360		
62.50 Appropriation (total mandatory)	434		
70.00 Total new budget authority (gross)	1,240	792	478

Change in obligated balances:

72.40 Obligated balance, start of year	2,205	2,614	2,745
73.10 Total new obligations	1,289	835	487
73.20 Total outlays (gross)	-842	-704	-632
73.31 Obligated balance transferred to other accounts	-5		
73.40 Adjustments in expired accounts (net)	-1		
73.45 Recoveries of prior year obligations	-30		
74.40 Obligated balance, end of year	2,614	2,745	2,600

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	91	50	36
86.93 Outlays from discretionary balances	674	583	492
86.97 Outlays from new mandatory authority	3		
86.98 Outlays from mandatory balances	74	71	104
87.00 Total outlays (gross)	842	704	632

Net budget authority and outlays:

89.00 Budget authority	1,240	792	478
90.00 Outlays	842	704	632

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-0400-0-1-452	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct water and waste disposal	1,148	830	1,055
115002 Direct community facility	337	261	250
115003 Direct business and industry			
115901 Total direct loan levels	1,485	1,091	1,305
Direct loan subsidy (in percent):			
132001 Direct water and waste disposal	6.88	11.34	3.33
132002 Direct community facility	5.43	6.24	-0.71
132003 Direct business and industry	0.00	0.00	0.00
132901 Weighted average subsidy rate	6.60	10.08	2.53
Direct loan subsidy budget authority:			
133001 Direct water and waste disposal	80	94	35
133002 Direct community facility	18	16	-2
133003 Direct business and industry			
133901 Total subsidy budget authority	98	110	33
Direct loan subsidy outlays:			
134001 Direct water and waste disposal	80	96	86
134002 Direct community facility	18	22	17
134003 Direct business and industry	2		
134901 Total subsidy outlays	100	118	103
Direct loan upward reestimate subsidy budget authority:			
135001 Direct water and waste disposal	31		
135002 Direct community facility			
135003 Direct business and industry	5		
135901 Total upward reestimate budget authority	36		
Direct loan upward reestimate subsidy outlays:			
136001 Direct water and waste disposal	31		
136002 Direct community facility			
136003 Direct business and industry	5		
136901 Total upward reestimate outlays	36		
Direct loan downward reestimate subsidy budget authority:			
137001 Direct water and waste disposal	-21		
137002 Direct community facility	-15		
137003 Direct business and industry	-1		
137901 Total downward reestimate budget authority	-37		
Direct loan downward reestimate subsidy outlays:			
138001 Direct water and waste disposal	-21		
138002 Direct community facility	-15		
138003 Direct business and industry	-1		
138901 Total downward reestimate subsidy outlays	-37		
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Water and waste disposal loan guarantees	2	75	75
215002 Community facility loan guarantees	210	210	210
215003 Business and industry loan guarantees	858	1,036	602
215901 Total loan guarantee levels	1,070	1,321	887
Guaranteed loan subsidy (in percent):			
232001 Water and waste disposal loan guarantees	-0.80	-0.81	-0.90
232002 Community facility loan guarantees	-0.68	-0.54	-0.60
232003 Business and industry loan guarantees	3.74	3.97	4.86
232901 Weighted average subsidy rate	2.90	2.95	3.04
Guaranteed loan subsidy budget authority:			
233001 Water and waste disposal loan guarantees		-1	-1
233002 Community facility loan guarantees	-1	-1	-1
233003 Business and industry loan guarantees	32	41	29
233901 Total subsidy budget authority	31	39	27
Guaranteed loan subsidy outlays:			
234001 Water and waste disposal loan guarantees			
234002 Community facility loan guarantees			
234003 Business and industry loan guarantees	29	42	58
234901 Total subsidy outlays	29	42	58
Guaranteed loan upward reestimate subsidy budget authority:			
235003 Business and industry loan guarantees	38		
235901 Total upward reestimate budget authority	38		
Guaranteed loan upward reestimate subsidy outlays:			
236003 Business and industry loan guarantees	38		

236901 Total upward reestimate subsidy outlays	38	.....	.....
Guaranteed loan downward reestimate subsidy budget authority:			
237003 Business and industry loan guarantees	-17	.....	.....
237901 Total downward reestimate subsidy budget authority	-17	.....	.....
Guaranteed loan downward reestimate subsidy outlays:			
238002 Community facility loan guarantees			
238003 Business and industry loan guarantees	-17	.....	.....
238901 Total downward reestimate subsidy outlays	-17	.....	.....

This account consolidates under the Rural Community Advancement Program (RCAP) funding for the direct and guaranteed water and waste disposal loans, water and waste disposal grants, emergency community water assistance grants, solid waste management grants, direct and guaranteed community facility loans, community facility grants, direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. This is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, as amended, Public Law 104-127 (the 1996 Act). Consolidating funding for these loan and grant programs under RCAP provides greater flexibility to tailor financial assistance to applicant needs. Funding in 2004 for all programs is projected to be at or slightly above the 2003 enacted level except for water and waste disposal grants and business and industry guaranteed loans.

RCAP is composed of the following three funding streams: Rural Community Facilities, Rural Utilities, and Rural Business and Cooperative Development. Funds for Native American Communities are provided as part of the whole amount appropriated for these streams as part of the Native Americans Initiative. The funds are allocated to all two of the funding streams.

Water and waste disposal loans are authorized under 7 U.S.C. 1926. The program provides direct loans to municipalities, counties, special purpose districts, certain Indian Tribes, and non-profit corporations to develop water and waste disposal systems in rural areas and towns with populations of less than 10,000. The program also guarantees water and waste disposal loans made by banks and other eligible lenders. Total loan level is projected to be \$820 million for these programs in 2004.

Water and waste disposal grants are authorized under Section 306(a)(2) of the Consolidated Farm and Rural Development Act, as amended. Grants are authorized to be made to associations, including nonprofit corporations, municipalities, counties, public and quasi-public agencies, and certain Indian tribes. The grants can be used to finance development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas and cities or towns with populations of less than 10,000. The amount of any development grant may not exceed 75 percent of the eligible development cost of the project. \$346 million is projected for this program in 2004.

Emergency community water assistance grants are authorized under Section 306A of the Consolidated Farm and Rural Development Act, as amended. Grants are made to public bodies and nonprofit organizations for construction or extension of water lines, repair or maintenance of existing systems, replacement of equipment, and payment of costs to correct emergency situations. These grants are funded on an as needed basis using RCAP flexibility of funds authorization.

Solid waste management grants are authorized under Section 310B(b) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to non-profit organizations to provide regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources, and for improving the planning and management of solid waste

disposal facilities. \$4 million is projected for this program in 2004.

Community facility loans and grants are authorized under sections 306(a)(1) and 306(a)(19) of the Consolidated Farm and Rural Development Act, as amended. Loans are provided to local governments and nonprofit organizations for the construction and improvement of community facilities providing essential services in rural areas of not more than 20,000 population, such as hospitals and fire stations. Total program level in 2004 is projected to be \$477 million.

Business and industry guaranteed and direct loans are authorized under section 310B(a)(1) of the Consolidated Farm and Rural Development, as amended. These loans are made to public, private or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas. For direct loans no funds were requested or provided in 2002 and 2003 and no funds are requested in 2004. \$606 million in loan guarantees are projected for 2004.

Rural business enterprise grants are authorized under sections 310B(c) and 310B(f) of the Consolidated Farm and Rural Development Act, as amended. These grants enable public and nonprofit organizations to operate rural economic development projects. In general, these grants provide investments in the human and physical resources of rural communities. Past projects have enabled rural communities to acquire and develop land, create technical assistance programs, encourage small business growth and create new jobs.

Rural Business Opportunity Grants are authorized under section 306(a)(11)(A) of the Consolidated Farm and Rural Development Act, as amended. These grants enable public bodies and private nonprofit organizations to provide for technical assistance, training, and planning activities that improve economic conditions in rural area. \$3 million is projected for this purpose.

RURAL HOUSING SERVICE

Federal Funds

General and special funds:

RURAL HOUSING ASSISTANCE GRANTS

For grants and contracts for very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, 1479(c), 1490e, and 1490m, \$41,500,000, to remain available until expended: Provided, That of the total amount appropriated, \$1,800,000 shall be available through June 30, 2004, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)			
Identification code 12-1953-0-1-604	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.03 Very low-income housing repair grants	31	32	32
00.04 Very low-income housing repair natural disaster grants		5	
00.05 Supervisory and technical assistance grants	1	1	
00.07 Rural housing preservation grants	9	10	10
00.08 Compensation and constructio defects		1	
00.09 Preessing housing grants		5	
10.00 Total new obligations (object class 41.0)	41	54	42
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	12	12	
22.00 New budget authority (gross)	39	42	42

General and special funds—Continued

RURAL HOUSING ASSISTANCE GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1953-0-1-604	2002 actual	2003 est.	2004 est.
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	53	54	42
23.95 Total new obligations	-41	-54	-42
24.40 Unobligated balance carried forward, end of year	12		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	39	42	42
Change in obligated balances:			
72.40 Obligated balance, start of year	45	38	39
73.10 Total new obligations	41	54	42
73.20 Total outlays (gross)	-48	-53	-51
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	38	39	31
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	29	28	29
86.93 Outlays from discretionary balances	19	25	22
87.00 Total outlays (gross)	48	53	51
Net budget authority and outlays:			
89.00 Budget authority	39	42	42
90.00 Outlays	46	53	51

The rural housing for domestic farm labor grant program is authorized under section 516 of the Housing Act of 1949, as amended. This program is funded under this heading until 2001. Starting in 2001, it is funded under the Farm Labor Program Account.

The very low-income housing repair grant program is authorized under section 504 of the Housing Act of 1949, as amended. This grant program enables very low-income elderly residents in rural areas to improve or modernize their dwellings, to make the dwelling safer or more sanitary, or to remove health and safety hazards. The Budget provides \$32 million for this program in 2004.

The supervisory and technical assistance grant program is carried out under the provisions of section 509(f) and 525 of the Housing Act of 1949, as amended. Under section 509, grants are made to public and private nonprofit organizations for packaging loan applications for housing under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949, as amended. The assistance is to be directed to underserved areas where at least 20 percent or more of the population is at or below the poverty level, and at least 10 percent or more of the population resides in substandard housing. Under section 525, grants are made to public and private nonprofit organizations and other associations for the developing, conducting, administering or coordinating of technical and supervisory assistance programs to demonstrate the benefits of Federal, State, and local housing programs for low-income families in rural areas. No new funds are provided for this program in 2004.

The compensation for construction defects program is carried out under the provisions of section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with RHS financial assistance. Requests for compensation for construction defects must be made within 18 months after the date financial assistance was granted. Because current demand for these funds does not exceed current resources available, no new funds are provided for this program.

The rural housing preservation grant program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible nonprofit groups, Indian tribes, or government agencies for rehabilitation of single family housing owned by low- and very low-income families and the rehabilitation of rental and cooperative housing for low- and very low-income families. \$10 million is provided for this program in 2004.

FARM LABOR PROGRAM ACCOUNT

For the cost of direct loans, grants, and contracts, as authorized by 42 U.S.C. 1484 and 1486, \$35,018,000, to remain available until expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1954-0-1-604	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct loan subsidy	22	18	18
00.02 Farm labor housing grants	15	17	17
10.00 Total new obligations (object class 41.0)	37	35	35
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5		
22.00 New budget authority (gross)	31	35	35
23.90 Total budgetary resources available for obligation	36	35	35
23.95 Total new obligations	-37	-35	-35
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	31	35	35
Change in obligated balances:			
72.40 Obligated balance, start of year	25	59	82
73.10 Total new obligations	37	35	35
73.20 Total outlays (gross)	-2	-12	-23
74.40 Obligated balance, end of year	59	82	96
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	2	12	23
Net budget authority and outlays:			
89.00 Budget authority	31	35	35
90.00 Outlays	3	12	23

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1954-0-1-604	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm Labor Program	47	36	42
115901 Total direct loan levels	47	36	42
Direct loan subsidy (in percent):			
132001 Farm Labor Program	47.31	49.02	42.73
132901 Weighted average subsidy rate	47.31	49.02	42.73
Direct loan subsidy budget authority:			
133001 Farm Labor Program	22	18	18
133901 Total subsidy budget authority	22	18	18
Direct loan subsidy outlays:			
134001 Farm Labor Program	2	7	12
134901 Total subsidy outlays	2	7	12

The account consists of direct farm labor housing loans and domestic farm labor housing grants.

The direct farm labor loan program is authorized under section 514 and the rural housing for domestic farm labor

grant program is authorized under section 516 of the Housing Act of 1949, as amended. The loans, grants, and contracts are made to public and private nonprofit organizations for low-rent housing and related facilities for domestic farm labor. Grants assistance may not exceed 90 percent of the cost of a project. Loans and grants may be used for construction of new structures, site acquisition and development, rehabilitation of existing structures, and purchase of furnishings and equipment for dwellings, dining halls, community rooms, and infirmaries. Total program level provided in 2004 is \$59 million (\$17 million in grants and \$42 million in loan level).

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, \$740,000,000; and, in addition, such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: Provided, That of this amount, not more than \$5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed \$10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: Provided further, That agreements entered into or renewed during fiscal year 2004 shall be funded for a 5-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-0137-0-1-604	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	705	715	740
10.00 Total new obligations (object class 41.0)	705	715	740
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	3	.....
22.00 New budget authority (gross)	701	712	740
23.90 Total budgetary resources available for obligation	707	715	740
23.95 Total new obligations	-705	-715	-740
24.40 Unobligated balance carried forward, end of year	3	.....	.....
New budget authority (gross), detail:			
Discretionary:			
Appropriation:			
40.00 Appropriation	701	712	740
40.00 Appropriation	59	60	60
40.47 Portion substituted for borrowing authority	-59	-60	-60
43.00 Appropriation (total discretionary)	701	712	740
Change in obligated balances:			
Obligated balance, start of year:			
72.40 Unpaid obligations, appropriation, start of year	2,102	2,215	2,301
72.40 Obligated balance, authority to borrow, start of year	625	566	506
73.10 Total new obligations	705	715	740
73.20 Total outlays (gross)	-651	-689	-717
Obligated balance, end of year:			
74.40 Obligated balance, appropriation, end of year	2,215	2,301	2,385
74.40 Obligated balance, authority to borrow, end of year	566	506	446
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	24	25	26
86.93 Outlays from discretionary balances	627	664	691
87.00 Total outlays (gross)	651	689	717
Net budget authority and outlays:			
89.00 Budget authority	701	712	740

90.00 Outlays	651	689	717
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The rental assistance program is authorized under section 521(a)(2) of the Housing Act of 1949, as amended, and is designed to reduce rents paid by very low-income and low-income families living in RHS-financed rural rental and farm labor housing projects. Funding under this account is provided for renewals of existing rental assistance contracts, assistance for newly constructed units financed by the section 515 rural rental and cooperative housing program or the 514/516 farm labor housing loan and grant programs, and for additional servicing assistance for existing projects. Assistance is also provided in lieu of debt forgiveness or payments for eligible households to subsidize tenant rents in projects purchased by eligible nonprofit organizations or public agencies as authorized by section 502(c)(5)(D) of the Act.

From 1978 through 1991, the rental assistance program was funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for this program.

RURAL HOUSING VOUCHER PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2002-0-1-604	2002 actual	2003 est.	2004 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	1
73.20 Total outlays (gross) .....	.....	.....	.....
74.40 Obligated balance, end of year	2	1	1
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	.....	.....

Prior year obligated balances reflect funding for rental assistance for newly constructed units provided in limited amounts in 1984 and 1985. From 1986 through 1991 rental assistance for newly constructed units, as well as existing rental assistance contract renewals and additional servicing assistance for existing projects, had been funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for the rental assistance program.

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$34,000,000, to remain available until expended (7 U.S.C. 2209b).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-2006-0-1-604	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	29	61	34
10.00 Total new obligations (object class 41.0)	29	61	34
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	21	30	3
22.00 New budget authority (gross)	35	34	34
22.10 Resources available from recoveries of prior year obligations	3	.....	.....
23.90 Total budgetary resources available for obligation	59	64	37
23.95 Total new obligations	-29	-61	-34
24.40 Unobligated balance carried forward, end of year	30	3	3

General and special funds—Continued

MUTUAL AND SELF-HELP HOUSING GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2006-0-1-604	2002 actual	2003 est.	2004 est.
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	35	34	34
Change in obligated balances:			
72.40 Obligated balance, start of year	37	37	56
73.10 Total new obligations	29	61	34
73.20 Total outlays (gross)	-26	-42	-38
73.45 Recoveries of prior year obligations	-3		
74.40 Obligated balance, end of year	37	56	52
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4	4	4
86.93 Outlays from discretionary balances	22	38	34
87.00 Total outlays (gross)	26	42	38
Net budget authority and outlays:			
89.00 Budget authority	35	34	34
90.00 Outlays	26	42	38

This program is authorized under section 523 of the Housing Act of 1949, as amended. Grants and contracts are made for the purpose of providing technical and supervisory assistance to groups of families to enable them to build their own homes through the mutual exchange of labor.

RURAL COMMUNITY GRANTS

Program and Financing (in millions of dollars)

Identification code 12-1956-0-1-452	2002 actual	2003 est.	2004 est.
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation rescinded		-10	-10
Mandatory:			
62.00 Transferred from other accounts		10	10
70.00 Total new budget authority (gross)			
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		-7	-7
86.93 Outlays from discretionary balances			-2
86.97 Outlays from new mandatory authority		7	7
86.98 Outlays from mandatory balances			2
87.00 Total outlays (gross)			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

Rural firefighters and emergency personnel grants are authorized under 7 U.S.C. 2655. Grants are provided to local government and Indian tribes to pay the cost of training firefighters and emergency personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas. Not less than 60 percent of the amounts made available for training grants shall be used to provide grants to fund partial scholarships for training of individuals at training centers. The remaining funding may be made available for grants to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002, provides mandatory funding for this program. The Act provides \$10,000,000 for each of fiscal years 2003 through 2007, to remain available

until expended, from the funds of the Commodity Credit Corporation. The 2004 Budget proposes to block the 2003 and 2004 funding for this program because other programs in Forest Service, Federal Emergency Management Agency, and the Bureau of Land Management provide significant funding for this purpose.

RURAL COMMUNITY FIRE PROTECTION GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2067-0-1-452	2002 actual	2003 est.	2004 est.
Change in obligated balances:			
73.20 Total outlays (gross)		-1	
73.40 Adjustments in expired accounts (net)		1	
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1		

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2106). Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other Native American groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

Credit accounts:

RURAL COMMUNITY FACILITY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4225-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	409	276	250
00.02 Interest on Treasury borrowing	71	80	96
00.91 Direct Program by Activities—Subtotal (1 level)	480	356	346
08.02 Downward reestimate paid to receipt account	11		
08.04 Interest on downward reestimate paid to receipt account	4		
08.91 Direct Program by Activities—Subtotal (1 level)	15		
10.00 Total new obligations	495	356	346
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	23	
22.00 New financing authority (gross)	495	333	346
22.10 Resources available from recoveries of prior year obligations	29		
22.70 Balance of authority to borrow withdrawn	-18		
23.90 Total budgetary resources available for obligation	516	356	346
23.95 Total new obligations	-495	-356	-346
24.40 Unobligated balance carried forward, end of year	23		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	392	202	206
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	130	143	155
68.10 Change in uncollected customer payments from Federal sources (unexpired)	2	-12	-15
68.47 Portion applied to repay debt	-29		
68.90 Spending authority from offsetting collections (total discretionary)	103	131	140
70.00 Total new financing authority (gross)	495	333	346

Change in obligated balances:

72.40	Obligated balance, start of year	463	639	662
73.10	Total new obligations	495	356	346
73.20	Total financing disbursements (gross)	-288	-345	-338
73.45	Recoveries of prior year obligations	-29		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-2	12	15
74.40	Obligated balance, end of year	639	662	685
87.00	Total financing disbursements (gross)	288	345	338

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources	-18	-22	-17
88.25	Interest on uninvested funds	-13	-15	-17
Non-Federal sources:				
88.40	Repayment of principal	-51	-35	-41
88.40	Interest received on loans	-48	-71	-80
88.90	Total, offsetting collections (cash)	-130	-143	-155
Against gross financing authority only:				
88.95	Change in receivables from program accounts	-2	12	15

Net financing authority and financing disbursements:

89.00	Financing authority	363	202	206
90.00	Financing disbursements	157	202	183

Status of Direct Loans (in millions of dollars)

Identification code 12-4225-0-3-452	2002 actual	2003 est.	2004 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	234	250	250
1121	Limitation available from carry-forward	177	11	
1143	Unobligated limitation carried forward (P.L. xx) (-)	-12		
1150	Total direct loan obligations	399	261	250
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	988	1,137	1,395
1231	Disbursements: Direct loan disbursements	202	293	267
1251	Repayments: Repayments and prepayments	-51	-35	-41
1264	Write-offs for default: Other adjustments, net	-2		
1290	Outstanding, end of year	1,137	1,395	1,621

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account provides funding to non-profit organizations and local governments for the construction and improvement of community facilities providing essential services in rural areas, such as hospitals, telecommunications applications, child care centers and fire stations.

Balance Sheet (in millions of dollars)

Identification code 12-4225-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	20	29	39	45
Investments in US securities:					
1106	Receivables, net	55	1	47	50
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross	988	1,137	1,375	1,589
1402	Interest receivable	13	16	20	25
1404	Foreclosed property		2		
1405	Allowance for subsidy cost (-)	-116	-111	-135	-145
1499	Net present value of assets related to direct loans	885	1,044	1,260	1,469
1999	Total assets	960	1,074	1,346	1,564
LIABILITIES:					
Federal liabilities:					
2101	Accounts payable	902	1,067	1,290	1,508

2105	Other	55	4	55	55
2203	Non-Federal liabilities: Liability for deposit funds	3	3	1	1
2999	Total liabilities	960	1,074	1,346	1,564
4999	Total liabilities and net position	960	1,074	1,346	1,564

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4228-0-3-452	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Direct program activity	6		
08.01	Negative subsidy paid to receipt account	1		
10.00	Total new obligations	7		
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	2	1	4
22.00	New financing authority (gross)	6	2	2
23.90	Total budgetary resources available for obligation	8	3	6
23.95	Total new obligations	-7		
24.40	Unobligated balance carried forward, end of year	1	4	6

New financing authority (gross), detail:

Discretionary:				
47.00	Authority to borrow	5		
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1	2	2
70.00	Total new financing authority (gross)	6	2	2

Change in obligated balances:

72.40	Obligated balance, start of year	1	1	2
73.10	Total new obligations	7		
73.20	Total financing disbursements (gross)	-6	-1	-1
74.40	Obligated balance, end of year	1	2	2
87.00	Total financing disbursements (gross)	6	1	1

Offsets:

Against gross financing authority and financing disbursements:				
88.40	Offsetting collections (cash) from: Non-Federal sources, Guarantee Fees	-1	-2	-2

Net financing authority and financing disbursements:

89.00	Financing authority	5		
90.00	Financing disbursements	5	-1	-1

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4228-0-3-452	2002 actual	2003 est.	2004 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	210	210	210
2142	Uncommitted loan guarantee limitation			
2150	Total guaranteed loan commitments	210	210	210
2199	Guaranteed amount of guaranteed loan commitments	168	168	168
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	227	301	422
2231	Disbursements of new guaranteed loans	59	155	164
2251	Repayments and prepayments	-27	-34	-40
2264	Adjustments: Other adjustments, net	42		
2290	Outstanding, end of year	301	422	546
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	241	338	437

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed

Credit accounts—Continued

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING
ACCOUNT—Continued

in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for essential community facilities in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4228-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	4	3	11	11
Investments in US securities:				
1106 Receivables, net		8		
1999 Total assets	4	11	11	11
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	1			
2104 Resources payable to Treasury		6	7	7
2204 Non-Federal liabilities: Liabilities for loan guarantees	3	5	4	4
2999 Total liabilities	4	11	11	11
4999 Total liabilities and net position	4	11	11	11

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows: \$4,091,634,000 for loans to section 502 borrowers, as determined by the Secretary, of which not more than \$2,725,172,000 shall be for unsubsidized guaranteed loans; \$35,003,000 for section 504 housing repair loans; \$70,830,000 for section 515 rental housing; \$100,000,000 for section 538 guaranteed multi-family housing loans; \$5,045,000 for section 524 site loans; \$11,500,000 for credit sales of acquired property, of which up to \$1,500,000 may be for multi-family credit sales; and \$5,000,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, \$165,921,000, of which not more than \$39,903,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, \$9,612,000; repair and rehabilitation of section 515 rental housing, \$30,464,000, section 538 multi-family housing guaranteed loans, \$5,950,000; multi-family credit sales of acquired property, \$663,000; and section 523 self-help housing land development loans, \$154,000: Provided, That of the total amount appropriated in this paragraph, \$7,100,000 shall be available through June 30, 2004, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$482,787,000, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-2081-0-1-371	2002 actual	2003 est.	2004 est.
0101 Negative subsidies/subsidy reestimates	268	665	

Program and Financing (in millions of dollars)

Identification code 12-2081-0-1-371	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Loan program:			
00.01 Direct loan subsidy	205	241	168
00.02 Guaranteed loan subsidy	36	24	46
00.05 Reestimates of direct loan subsidy	112	2	
00.06 Interest on reestimates of direct loan subsidy	56		
00.09 Administrative expenses	422	443	483
00.11 Modular housing demonstration grants	2	2	
10.00 Total new obligations	834	712	696
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	23	17	
22.00 New budget authority (gross)	832	695	696
23.90 Total budgetary resources available for obligation	855	712	696
23.95 Total new obligations	-834	-712	-696
23.98 Unobligated balance expiring or withdrawn	-4		
24.40 Unobligated balance carried forward, end of year	17		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	669	692	696
41.00 Transferred to other accounts	-5		
43.00 Appropriation (total discretionary)	664	692	696
Mandatory:			
60.00 Appropriation	168	2	
70.00 Total new budget authority (gross)	832	694	696
Change in obligated balances:			
72.40 Obligated balance, start of year	198	181	181
73.10 Total new obligations	834	712	696
73.20 Total outlays (gross)	-837	-712	-715
73.40 Adjustments in expired accounts (net)	-13		
74.40 Obligated balance, end of year	181	181	162
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	566	603	614
86.93 Outlays from discretionary balances	103	107	101
86.97 Outlays from new mandatory authority	168	2	
87.00 Total outlays (gross)	837	712	715
Net budget authority and outlays:			
89.00 Budget authority	832	695	696
90.00 Outlays	837	712	715

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2081-0-1-371	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct 502 single family housing	1,080	957	1,366
115002 Direct 502 supplemental			
115003 Direct 502 modular housing			
115004 Direct 515 multi-family housing	114	60	71
115005 Direct 515 natural disaster	8		
115006 Direct 504 housing repair	32	35	35
115007 Direct 504 supplemental			
115008 Direct Farm Labor Housing			
115009 Direct Farm Labor Housing Supp.			
115010 Direct 524 site development		5	5
115011 Single family credit sales	2	10	10
115012 Multi-family credit sales	2	2	2
115013 Direct 523 self-help housing		5	5
115901 Total direct loan levels	1,238	1,074	1,494
Direct loan subsidy (in percent):			
132001 Direct 502 single family housing	13.16	19.37	9.27
132002 Direct 502 supplemental	13.16	19.37	9.27
132003 Direct 502 modular housing	17.68	17.92	12.37
132004 Direct 515 multi-family housing	42.32	46.63	43.01
132005 Direct 515 natural disaster	42.32	46.63	43.01
132006 Direct 504 housing repair	32.13	31.02	27.46
132007 Direct 504 supplemental	32.13	31.02	27.46
132008 Direct Farm Labor Housing	0.00	0.00	0.00
132009 Direct Farm Labor Housing Supp.	0.00	0.00	0.00
132010 Direct 524 site development	0.55	1.09	-0.03

132011 Single family credit sales	-4.82	-9.58	-17.46
132012 Multi-family credit sales	42.17	46.68	44.20
132013 Direct 523 self-help housing	5.08	4.41	3.08
132901 Weighted average subsidy rate	16.48	20.86	11.11
Direct loan subsidy budget authority:			
133001 Direct 502 single family housing	142	185	127
133002 Direct 502 supplemental			
133003 Direct 502 modular housing			
133004 Direct 515 multi-family housing	48	28	30
133005 Direct 515 natural disaster	3		
133006 Direct 504 housing repair	10	11	10
133007 Direct 504 supplemental			
133008 Direct Farm Labor Housing			
133009 Direct Farm Labor Housing Supp.			
133010 Direct 524 site development			
133011 Single family credit sales		-1	-2
133012 Multi-family credit sales	1	1	1
133013 Direct 523 self-help housing			
133901 Total subsidy budget authority	204	224	166
Direct loan subsidy outlays:			
134001 Direct 502 single family housing	137	174	136
134002 Direct 502 supplemental			
134003 Direct 502 modular housing	2		
134004 Direct 515 multi-family housing	48	53	42
134005 Direct 515 natural disaster	4	4	6
134006 Direct 504 housing repair	10	10	9
134007 Direct 504 supplemental		3	1
134008 Direct Farm Labor Housing	6	4	2
134009 Direct Farm Labor Housing Supp.	1	1	
134010 Direct 524 site development			
134011 Single family credit sales			
134012 Multi-family credit sales	1	1	1
134013 Direct 523 self-help housing			
134901 Total subsidy outlays	209	250	197
Direct loan upward reestimate subsidy budget authority:			
135001 Direct 502 single family housing	148		
135004 Direct 515 multi-family housing	3	2	
135006 Direct 504 housing repair	1		
135008 Direct Farm Labor Housing	1		
135011 Single family credit sales	15		
135012 Multi-family credit sales			
135901 Total upward reestimate budget authority	168	2	
Direct loan upward reestimate subsidy outlays:			
136001 Direct 502 single family housing	148		
136004 Direct 515 multi-family housing	3	2	
136006 Direct 504 housing repair	1		
136006 Upward reestimates subsidy outlays			
136008 Direct Farm Labor Housing	1		
136011 Single family credit sales	15		
136012 Multi-family credit sales			
136901 Total upward reestimate outlays	168	2	
Direct loan downward reestimate subsidy budget authority:			
137001 Direct 502 single family housing	-51	-601	
137004 Direct 515 multi-family housing	-135	-64	
137006 Direct 504 housing repair	-3		
137008 Direct Farm Labor Housing	-4		
137011 Single family credit sales	-1		
137012 Multi-family credit sales	-1		
137901 Total downward reestimate budget authority	-195	-665	
Direct loan downward reestimate subsidy outlays:			
138001 Direct 502 single family housing	-51	-601	
138004 Direct 515 multi-family housing	-135	-64	
138006 Direct 504 housing repair	-3		
138008 Direct Farm Labor Housing	-4		
138011 Single family credit sales	-1		
138012 Multi-family credit sales	-1		
138901 Total downward reestimate subsidy outlays	-195	-665	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Guaranteed 502 single family housing—New loans	2,419	1,590	2,500
215002 Guaranteed 502 refinancings		225	225
215003 Guarantee 538 multi-family housing	100	100	100
215901 Total loan guarantee levels	2,519	1,915	2,825
Guaranteed loan subsidy (in percent):			
232001 Guaranteed 502 single family housing—New loans	1.31	1.22	1.57
232002 Guaranteed 502 refinancings	0.00	0.18	0.29
232003 Guarantee 538 multi-family housing	3.93	4.50	5.95
232901 Weighted average subsidy rate	1.43	1.25	1.63

Guaranteed loan subsidy budget authority:			
233001 Guaranteed 502 single family housing—New loans	32	19	39
233002 Guaranteed 502 refinancings			1
233003 Guarantee 538 multi-family housing	4	4	6
233901 Total subsidy budget authority	36	24	46
Guaranteed loan subsidy outlays:			
234001 Guaranteed 502 single family housing—New loans	32	14	33
234002 Guaranteed 502 refinancings			1
234003 Guarantee 538 multi-family housing	4		1
234901 Total subsidy outlays	36	14	35
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Guaranteed 502 single family housing—unsubsidized	-72		
237002 Guarantee 538 multi-family housing			
237901 Total downward reestimate subsidy budget authority	-72		
Guaranteed loan downward reestimate subsidy outlays:			
238001 Guaranteed 502 single family housing—unsubsidized	-72		
238002 Guarantee 538 multi-family housing			
238901 Total downward reestimate subsidy outlays	-72		
Administrative expense data:			
351001 Budget authority	422	443	483
358001 Outlays from balances			
359001 Outlays from new authority	422	443	483

Rural housing insurance fund—This fund was established in 1965 (Public Law 89-117) pursuant to section 517 of title V of the Housing Act of 1949, as amended.

The programs funded through the Rural Housing Insurance Fund Program account are: section 502 very low and low to moderate income homeownership loans and guarantees; section 504 very low-income housing repair loans; section 515 rural rental housing loans; section 524 housing site loans, single family and multi-family housing credit sales of acquired property, and section 538 multi-family housing guarantees. The section 523 self-help housing land development loan program was included under this heading beginning in 1997. Previously, this loan program was accounted for under the separate heading of "Self-Help Housing Land Development Fund Program Account." Starting in 2001, section 514 domestic farm labor housing loans and grants are funded under the new Farm Labor Program Account in order to provide flexibility between loans and the farm labor housing grants.

Loan programs are limited to rural areas that include towns, villages, and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

For 2004, funds for section 515 rural rental housing loans will be limited to repair and rehabilitation only and \$71 million is included for this purpose. This is a change from the 2002 budget; it emphasizes the need for repair and rehabilitation of existing rural rental housing. During the hiatus of providing new construction, RHS will study its multifamily housing portfolio and determine ways to operate and manage the portfolio more efficiently so that new construction may be provided in future years at less cost to the taxpayers.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including credit sales of acquired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Credit accounts—Continued

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Object Classification (in millions of dollars)			
Identification code 12-2081-0-1-371	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts	412	269	213
41.0 Grants, subsidies, and contributions	422	443	483
99.9 Total new obligations	834	712	696

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4215-0-3-371	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans including upward adjustments of prior year obligations	1,294	1,150	1,536
00.02 Advances on behalf of borrowers	48	91	91
00.03 Collateral acquired by default	4	10	16
00.04 Interest on Treasury borrowing	679	715	761
00.06 Other expenses	6	11	14
00.91 Subtotal, Operating program	2,031	1,977	2,418
08.02 Downward subsidy reestimates paid to receipt account	141	442	.....
08.04 Interest on downward reestimates paid to receipt account	55	223	.....
08.91 Subtotal, Reestimates	195	665	.....
10.00 Total new obligations	2,227	2,642	2,418
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	109	113	.....
22.00 New financing authority (gross)	2,271	2,642	2,418
22.10 Resources available from recoveries of prior year obligations	69	.....	.....
22.60 Portion applied to repay debt	-109	-113	.....
23.90 Total budgetary resources available for obligation	2,340	2,642	2,418
23.95 Total new obligations	-2,227	-2,642	-2,418
24.40 Unobligated balance carried forward, end of year	113	.....	.....

New financing authority (gross), detail:

Discretionary:			
47.00 Authority to borrow	1,253	1,556	1,432
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	1,697	1,682	1,730
68.10 Change in uncollected customer payments from Federal sources (unexpired)	6	.....	-25
68.47 Portion applied to repay debt	-685	-596	-719
68.90 Spending authority from offsetting collections (total discretionary)	1,018	1,086	986
70.00 Total new financing authority (gross)	2,271	2,642	2,418

Change in obligated balances:

72.40 Unpaid obligations, fund balance with Treasury, start of year	489	552	499
73.10 Total new obligations	2,227	2,642	2,418
73.20 Total financing disbursements (gross)	-2,089	-2,695	-2,292
73.45 Recoveries of prior year obligations	-69	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-6	.....	25
74.40 Obligated balance, end of year	552	499	648
87.00 Total financing disbursements (gross)	2,089	2,695	2,292

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: payments from program account	-377	-260	-211
88.25 Interest on uninvested funds	-97	-101	-100

Non-Federal sources:			
88.40 Non-Federal sources: Repayments of principal	-683	-730	-773
88.40 Interest received on loans	-473	-504	-534
88.40 Payments on judgments	-12	-13	-15
88.40 Proceeds on sale of acquired property	-25	-30	-35
88.40 Recaptured income	-27	-33	-47
88.40 Fees	-6	-6	-7
88.40 Miscellaneous collections	3	-5	-8
88.90 Total, offsetting collections (cash)	-1,697	-1,682	-1,730
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-6	.....	25
Net financing authority and financing disbursements:			
89.00 Financing authority	568	960	713
90.00 Financing disbursements	392	1,013	562

Status of Direct Loans (in millions of dollars)

Identification code 12-4215-0-3-371	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	1,295	1,110	1,536
1121 Limitation available from carry-forward	51	39	.....
1131 Direct loan obligations exempt from limitation .....	.....	.....	.....
1142 Unobligated direct loan limitation (-)	-15	.....	.....
1143 Unobligated limitation carried forward (P.L. xx) (-)	-42	.....	.....
1150 Total direct loan obligations	1,289	1,150	1,536
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	11,697	12,088	12,469
1231 Disbursements: Direct loan disbursements	1,175	1,203	1,408
1251 Repayments: Repayments and prepayments	-683	-730	-773
1261 Adjustments: Capitalized interest	18	31	33
Write-offs for default:			
1263 Direct loans	-97	-100	-103
1264 Other adjustments, net	-22	-23	-17
1290 Outstanding, end of year	12,088	12,469	13,017

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond including credit sales of acquired property. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances direct rural housing loans for: section 502 very low- and low-to-moderate-income home ownership loan program; section 504 very low income housing repair loan program; section 514 domestic farm labor housing loan program; section 515 rural rental housing loan program; sections 523 self-help housing loans, and 524 site development loans; and single family and multi-family housing credit sales of acquired property.

Loan programs are limited to rural areas that include towns, villages and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low and moderate-income borrowers.

Balance Sheet (in millions of dollars)

Identification code 12-4215-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	245	294	199	264
Investments in US securities:				
1106 Receivables, net	211	.....	.....	.....
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	11,697	12,088	12,469	13,017
1402 Interest receivable	65	75	78	80
1404 Foreclosed property	18	33	36	40
1405 Allowance for subsidy cost (-)	-2,693	-1,904	-1,445	-1,506

1499	Net present value of assets related to direct loans	9,087	10,292	11,138	11,631
1999	Total assets	9,543	10,586	11,337	11,895
LIABILITIES:					
Federal liabilities:					
2103	Debt	9,267	9,708	10,545	11,173
2104	Liability for subsidy related to undistributed loans	211			
2105	Other	5	816	728	656
2207	Non-Federal liabilities: Other	60	62	64	66
2999	Total liabilities	9,543	10,586	11,337	11,895
4999	Total liabilities and net position	9,543	10,586	11,337	11,895

RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4216-0-3-371	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Default claims	82	99	102
00.02	Interest assistance paid to lenders		3	4
00.91	Subtotal, Operating program	82	102	106
08.02	Downward subsidy reestimate paid to receipt account	56		
08.04	Interest on downward reestimate paid to receipt account	16		
08.91	Subtotal, Reestimates	72		
10.00	Total new obligations	155	102	106
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	369	319	288
22.00	New financing authority (gross)	103	71	98
23.90	Total budgetary resources available for obligation	472	390	386
23.95	Total new obligations	-155	-102	-106
24.40	Unobligated balance carried forward, end of year	319	288	280
New financing authority (gross), detail:				
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	106	61	87
68.10	Change in uncollected customer payments from Federal sources (unexpired)	-3	10	11
68.90	Spending authority from offsetting collections (total discretionary)	103	71	98
Change in obligated balances:				
72.40	Obligated balance, start of year	-3		-10
73.10	Total new obligations	155	102	106
73.20	Total financing disbursements (gross)	-155	-102	-106
74.00	Change in uncollected customer payments from Federal sources (unexpired)	3	-10	-11
74.40	Obligated balance, end of year		-10	-21
87.00	Total financing disbursements (gross)	155	102	106

Identification code 12-4216-0-3-371	2002 actual	2003 est.	2004 est.	
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources	-36	-14	-34
88.25	Interest on uninvested funds	-20	-18	-16
88.40	Non-Federal sources: guarantee fees	-50	-29	-37
88.90	Total, offsetting collections (cash)	-107	-61	-87
Against gross financing authority only:				
88.95	Change in receivables from program accounts	3	-10	-11
Net financing authority and financing disbursements:				
89.00	Financing authority			
90.00	Financing disbursements	48	41	19

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4216-0-3-371	2002 actual	2003 est.	2004 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	2,724	2,850	2,825
2121	Limitation available from carry-forward	14	3	
2142	Uncommitted loan guarantee limitation	-206	-935	
2143	Uncommitted limitation carried forward	-4		
2150	Total guaranteed loan commitments	2,528	1,918	2,825
2199	Guaranteed amount of guaranteed loan commitments	2,267	1,724	2,543
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	12,673	13,602	13,965
2231	Disbursements of new guaranteed loans	2,444	2,016	2,516
2251	Repayments and prepayments	-1,436	-1,554	-1,668
Adjustments:				
2263	Terminations for default that result in claim payments	-81	-99	-102
2264	Other adjustments, net	2		
2290	Outstanding, end of year	13,602	13,965	14,711
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	12,241	12,568	13,240

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loan commitments made in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances the nonsubsidized guaranteed section 502 low-to-moderate-income home ownership loan program and section 538 multi-family housing loan program. The guaranteed programs enable RHS to utilize private sector resources for the making and servicing of loans while the Agency provides a financial guarantee to encourage private sector activity.

Balance Sheet (in millions of dollars)

Identification code 12-4216-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	366	319	278
Investments in US securities:				
1106	Receivables, net	3	21	10
1999	Total assets	369	340	288
LIABILITIES:				
Non-Federal liabilities:				
2204	Liabilities for loan guarantees	366	327	278
2207	Other	3	13	10
2999	Total liabilities	369	340	288
4999	Total liabilities and net position	369	340	288

RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4141-0-3-371	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
Capital investment:				
00.02	Advances on behalf of borrowers	63	76	75
00.05	Collateral acquired by default	2	2	2
00.91	Total capital investment	65	78	77
Operating expenses:				
01.03	Interest on FFB borrowings	282	224	158
01.04	Premiums paid FFB at redemption of certificates of beneficial ownership	137	65	
01.06	Interest credits on loans sold to investors	1	1	1
01.07	Other costs incident to loans	4	3	3

Credit accounts—Continued

**RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT—
Continued**

Program and Financing (in millions of dollars)—Continued

Identification code 12-4141-0-3-371	2002 actual	2003 est.	2004 est.
01.91 Total operating expenses	424	293	162
10.00 Total new obligations	489	371	239
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	92		
22.00 New budget authority (gross)	489	371	239
22.10 Resources available from recoveries of prior year obligations	11		
22.60 Portion applied to repay debt	-102		
23.90 Total budgetary resources available for obligation	489	371	239
23.95 Total new obligations	-489	-371	-239
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	1,866	1,703	1,529
69.27 Capital transfer to general fund	-9	-257	-1,290
69.47 Portion applied to repay debt	-1,368	-1,075	
69.90 Spending authority from offsetting collections (total mandatory)	489	371	239
Change in obligated balances:			
72.40 Unpaid fund balance with treasury, end of year	341	230	204
73.10 Total new obligations	489	371	239
73.20 Total outlays (gross)	-589	-397	-239
73.45 Recoveries of prior year obligations	-11		
74.40 Obligated balance, end of year	230	204	204
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	359	278	179
86.98 Outlays from mandatory balances	230	119	60
87.00 Total outlays (gross)	589	397	239
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-4		
Non-Federal sources:			
88.40 Repayments of loans and advances	-1,023	-898	-792
88.40 Proceeds from sale of acquired property	-32	-36	-33
88.40 Payments on judgments	-17	-15	-13
88.40 Interest payments from borrowers	-672	-597	-530
88.40 Recapture of subsidies	-119	-149	-153
88.40 Income from residual investment in loan asset sale	-37	-7	-7
88.40 Fees and other revenue	38	-1	-1
88.90 Total, offsetting collections (cash)	-1,866	-1,703	-1,529
Net budget authority and outlays:			
89.00 Budget authority	-1,377	-1,332	-1,290
90.00 Outlays	-1,276	-1,306	-1,290

Status of Direct Loans (in millions of dollars)

Identification code 12-4141-0-3-371	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	16,183	14,995	13,993
1251 Repayments: Repayments and prepayments	-1,023	-898	-792
1261 Adjustments: Capitalized interest	19	20	21
Write-offs for default:			
1263 Direct loans	-126	-105	-83
1264 Other adjustments, net	-58	-19	-12
1290 Outstanding, end of year	14,995	13,993	13,127

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4141-0-3-371	2002 actual	2003 est.	2004 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	18	16	14
2251 Repayments and prepayments	-2	-2	-2

2290 Outstanding, end of year	16	14	12
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	14	12	11

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

Statement of Operations (in millions of dollars)

Identification code 12-4141-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue	876	818	765	746
0102 Expense	-813	-572	-426	-280
0105 Net income or loss (-)	63	246	339	466

Balance Sheet (in millions of dollars)

Identification code 12-4141-0-3-371	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	433	230	204	204
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	16,183	14,995	13,993	13,127
1602 Interest receivable	546	631	668	725
1603 Allowance for estimated uncollectible loans and interest (-)	-3,045	-5,674	-5,324	-5,030
1604 Direct loans and interest receivable, net	13,684	9,952	9,337	8,822
1606 Foreclosed property	49	39	36	33
1699 Value of assets related to direct loans	13,733	9,991	9,373	8,855
1901 Other Federal assets: Other assets	3	4	4	4
1999 Total assets	14,169	10,225	9,581	9,063
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	264	142	116	116
2103 Debt	4,375	2,905	1,830	1,830
2104 Resources payable to Treasury	9,415	7,104	7,565	7,052
Non-Federal liabilities:				
2203 Debt	2	1	1	1
2204 Liabilities for loan guarantees	4	3	3	2
2207 Other	109	70	66	62
2999 Total liabilities	14,169	10,225	9,581	9,063
4999 Total liabilities and net position	14,169	10,225	9,581	9,063

Object Classification (in millions of dollars)

Identification code 12-4141-0-3-371	2002 actual	2003 est.	2004 est.
25.2 Other services	4	3	3
33.0 Investments and loans	65	78	77
41.0 Grants, subsidies, and contributions	1	1	1
43.0 Interest and dividends	419	289	158
99.9 Total new obligations	489	371	239

RURAL BUSINESS-COOPERATIVE SERVICE

Federal Funds

General and special funds:

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY GRANTS

Program and Financing (in millions of dollars)

Identification code 12-0402-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	13	16	
10.00 Total new obligations (object class 41.0)	13	16	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	16	
22.00 New budget authority (gross)	15		
23.90 Total budgetary resources available for obligation	29	16	
23.95 Total new obligations	-13	-16	
24.40 Unobligated balance carried forward, end of year	16		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	15		
Change in obligated balances:			
72.40 Obligated balance, start of year	13	13	15
73.10 Total new obligations	13	16	
73.20 Total outlays (gross)	-13	-14	-13
74.40 Obligated balance, end of year	13	15	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6		
86.93 Outlays from discretionary balances	7	14	13
87.00 Total outlays (gross)	13	14	13
Net budget authority and outlays:			
89.00 Budget authority	15		
90.00 Outlays	13	14	13

The goal of the Empowerment Zone/Enterprise Community (EZ/EC) initiative is to revitalize rural communities in a manner that attracts private sector investment and thereby provides self-sustaining community and economic development. Appropriated funding in 1999 through 2002 was provided for EZ/EC's designated as part of the second round of this initiative. No additional funds were requested in 2003 because sufficient carryover balances were available. No funds are requested for 2004.

The flexible grant funding is available for a wide variety of community and economic development purposes that link human capital needs with economic development initiatives. The purposes may include revolving loan funds for business capitalization or community development, job training and job counseling, infrastructure investment, home ownership and home ownership counseling, health care and related facilities, child care and administrative costs linked to redevelopment efforts.

Similar to the first round, the second round was a multi-year effort based on a comprehensive development plan involving community residents, the private sector, the non-profit community and local, State and Federal governments. Experience from the initial round of urban and rural designations demonstrated significant successes that are stimulating billions of dollars in private sector investment, reviving communities that had given up hope for economic opportunity and creating thousands of jobs, moving people from dependency to active participation in the economy.

RURAL COOPERATIVE DEVELOPMENT GRANTS

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7

U.S.C. 1932(e)), \$11,000,000, of which \$2,000,000 shall be for cooperative agreements for the appropriate technology transfer for rural areas program; of which not to exceed \$1,500,000 shall be for cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers; of which not to exceed \$500,000 shall be for cooperative research agreements; and of which not to exceed \$2,000,000, to remain available until expended, shall be for value-added agriculture product market development grants, as authorized by section 6401 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note).

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1900-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Rural Cooperative Development Grants	5	7	7
00.10 Value-added Agricultural Product Marketing (mandatory)		50	
00.11 Value added Agricultural Product Marketing (discretionary)			2
00.12 Appropriate Technology Transfer for Rural Areas	3	2	2
10.00 Total new obligations (object class 41.0)	8	59	11
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		40	
22.00 New budget authority (gross)	48	19	11
23.90 Total budgetary resources available for obligation	48	59	11
23.95 Total new obligations	-8	-59	-11
24.40 Unobligated balance carried forward, end of year	40		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	8	9	11
40.35 Appropriation rescinded		-30	-40
43.00 Appropriation (total discretionary)	8	-21	-29
Mandatory:			
62.00 Transferred from other accounts	40	40	40
70.00 Total new budget authority (gross)	48	19	11
Change in obligated balances:			
72.40 Obligated balance, start of year	34	24	42
73.10 Total new obligations	8	59	11
73.20 Total outlays (gross)	-18	-41	-23
74.40 Obligated balance, end of year	24	42	30
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	-20	-26
86.93 Outlays from discretionary balances	16	1	-1
86.97 Outlays from new mandatory authority		30	30
86.98 Outlays from mandatory balances		30	20
87.00 Total outlays (gross)	18	41	23
Net budget authority and outlays:			
89.00 Budget authority	48	19	11
90.00 Outlays	18	41	23

Grants for rural cooperative development were authorized under section 310B(e) of the Consolidated Farm and Rural Development Act by Public Law 104-127, April 4, 1996. These grants are made available to nonprofit corporations and institutions of higher education to fund the establishment and operation of centers for rural cooperative development. The primary purpose of the centers is the improvement of economic conditions of rural areas through the development of new cooperatives and improving operations of existing cooperatives. RBS can fund up to 75 percent of any project and associated administrative costs and requires at least a 25 percent matching share from the applicant which must be from non-Federal sources.

The Appropriate Technology Transfer to Rural Areas (ATTRA) program was first authorized by the Food Security

General and special funds—Continued

RURAL COOPERATIVE DEVELOPMENT GRANTS—Continued

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.

Funds are requested for cooperative research agreements to help the Rural Development mission area maintain a predictable level of research on agricultural and non-agricultural cooperative issues.

Additionally, USDA provides value added marketing grants for cooperatives. These were first funded in the Agriculture Risk Protection Act of 2000. The 2002 Farm Bill provided \$40 million for this purpose each year from 2002 through 2007. \$30 million of the 2003 funds are blocked from being spent because there is sufficient carryover balances to meet 2003 demand. The full \$40 million is blocked in 2004 as well. However, \$2 million in discretionary 2004 funds is provided for this purpose.

RURAL ECONOMIC DEVELOPMENT GRANTS

Program and Financing (in millions of dollars)

Identification code 12-3105-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	3	4	4
10.00 Total new obligations (object class 41.0)	3	4	4
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9	22	36
22.00 New budget authority (gross)	15	17	17
23.90 Total budgetary resources available for obligation	24	39	53
23.95 Total new obligations	-3	-4	-4
24.40 Unobligated balance carried forward, end of year	22	36	48
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	3	16	17
69.10 Change in uncollected customer payments from Federal sources (unexpired)	12	1	.....
69.90 Spending authority from offsetting collections (total mandatory)	15	17	17
Change in obligated balances:			
72.40 Obligated balance, start of year .....	.....	-13	-14
73.10 Total new obligations	3	4	4
73.20 Total outlays (gross)	-3	-4	-15
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-12	-1	.....
74.40 Obligated balance, end of year	-13	-14	-26
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	3	4	15
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-3	-16	-17
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-12	-1	.....
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	-12	-2

This grant program is authorized under section 313 of the Rural Electrification Act, as amended, and provides funds for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects and other expenses for the purpose of fostering rural development.

Funding for this program is provided from the interest differential on Rural Utilities Service borrowers' cushion of credit accounts.

NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER

Program and Financing (in millions of dollars)

Identification code 12-1906-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity .....	.....	2	1
10.00 Total new obligations (object class 41.0) .....	.....	2	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	6	5
22.00 New budget authority (gross)	1	.....	.....
23.90 Total budgetary resources available for obligation	6	6	5
23.95 Total new obligations .....	.....	-2	-1
24.40 Unobligated balance carried forward, end of year	6	5	4
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	1	.....	.....
Change in obligated balances:			
72.40 Obligated balance, start of year	2	1	1
73.10 Total new obligations .....	.....	2	1
73.20 Total outlays (gross)	-1	-2	-1
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1	2	1
Net budget authority and outlays:			
89.00 Budget authority	1	.....	.....
90.00 Outlays	1	2	1

The Federal Agriculture Improvement Act of 1996 established the National Sheep Industry Improvement Center to promote activities to strengthen and enhance production or marketing of sheep and goat products in the United States. The Center may provide loans or grants to eligible entities to provide assistance to the industry for infrastructure development, business development, production, resource development, and market and environmental research. The 1996 Act provided \$20 million in mandatory funding for the establishment and operation of the Center and authorized additional discretionary funding of \$30 million. In 2000, \$10 million was granted to an intermediary to provide assistance to the sheep and lamb industry. An additional \$5 million was provided in 2001 to help the domestic lamb industry adjust to foreign competition. In 2002, an additional \$1 million was provided. No additional funds are requested in 2004.

RURAL STRATEGIC INVESTMENT PROGRAM GRANTS

Program and Financing (in millions of dollars)

Identification code 12-1955-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.02 Grants	80
00.09 Administrative Expenses	5
10.00 Total new obligations (object class 41.0)	85
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	85
22.00 New budget authority (gross)	85	.....
23.90 Total budgetary resources available for obligation	85	85
23.95 Total new obligations	-85
24.40 Unobligated balance carried forward, end of year	85	.....

New budget authority (gross), detail:			
Discretionary:			
40.35	Appropriation rescinded	-15	
Mandatory:			
62.00	Transferred from other accounts	100	
70.00	Total new budget authority (gross)	85	
Change in obligated balances:			
73.10	Total new obligations		85
73.20	Total outlays (gross)		-43
74.40	Obligated balance, end of year		43
Outlays (gross), detail:			
86.93	Outlays from discretionary balances		-7
86.98	Outlays from mandatory balances		50
87.00	Total outlays (gross)		43
Net budget authority and outlays:			
89.00	Budget authority	85	
90.00	Outlays		43

The Rural Strategic Investment Program is authorized under 7 U.S.C. 2009dd. The Rural Strategic Investment Program will provide rural communities with flexible resources to develop comprehensive, collaborative, and locally-based strategic planning processes; and will implement innovative community and economic development strategies that optimize regional competitive advantages. The program was authorized and funded in section 6030 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002. The Act provides that if the Secretary approves a national strategic investment plan submitted by the National Board, the Secretary shall transfer \$100,000,000 for planning grants and innovation grants to Regional Boards from the Commodity Credit Corporation, to remain available until expended. However, in 2003 \$15,000,000 of these funds were blocked to reflect a total amount of \$85,000,000 for this purpose.

Credit accounts:

RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4223-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.02	Interest on Treasury borrowings	6	6
08.02	Downward reestimates paid to receipt account	1	
10.00	Total new obligations	7	6
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	10	8
22.00	New financing authority (gross)	5	13
22.10	Resources available from recoveries of prior year obligations	3	
22.70	Balance of authority to borrow withdrawn	-3	-5
23.90	Total budgetary resources available for obligation	15	17
23.95	Total new obligations	-7	-6
24.40	Unobligated balance carried forward, end of year	8	13
New financing authority (gross), detail:			
Discretionary:			
47.00	Authority to borrow	1	
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	19	16
68.10	Change in uncollected customer payments from Federal sources (unexpired)	-2	-3
68.47	Portion applied to repay debt	-13	
68.90	Spending authority from offsetting collections (total discretionary)	4	13
70.00	Total new financing authority (gross)	5	13

Change in obligated balances:			
72.40	Obligated balance, start of year	45	7
73.10	Total new obligations	7	6
73.20	Total financing disbursements (gross)	-44	-10
73.45	Recoveries of prior year obligations	-3	
74.00	Change in uncollected customer payments from Federal sources (unexpired)	2	3
74.40	Obligated balance, end of year	7	6
87.00	Total financing disbursements (gross)	44	10
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources	-7	
88.25	Interest on uninvested funds	-2	-6
Non-Federal sources:			
88.40	Repayments of principal	-5	-6
88.40	Interest received on loans	-5	-4
88.90	Total, offsetting collections (cash)	-19	-16
Against gross financing authority only:			
88.95	Change in receivables from program accounts	2	3
Net financing authority and financing disbursements:			
89.00	Financing authority	-12	
90.00	Financing disbursements	24	-6

Status of Direct Loans (in millions of dollars)

Identification code 12-4223-0-3-452	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	82	121
1231	Disbursements: Direct loan disbursements	44	4
1251	Repayments: Repayments and prepayments	-5	-6
1290	Outstanding, end of year	121	119

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of these programs is funded through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

Direct business and industry loans are made to public, private, or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas. No funds were requested or provided for this program in 2002 and 2003, and no program is proposed in 2004.

Balance Sheet (in millions of dollars)

Identification code 12-4223-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	11	6	14
Investments in US securities:				
1106	Receivables, net	10	5	
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	82	112	106
1402	Interest receivable	4	1	5
1405	Allowance for subsidy cost (-)	-31	-34	
1499	Net present value of assets related to direct loans	55	79	111
1999	Total assets	76	90	125
LIABILITIES:				
Federal liabilities:				
2101	Accounts payable	1	5	5
2104	Resources payable to Treasury	71	85	120
2105	Other	4		
2999	Total liabilities	76	90	125
4999	Total liabilities and net position	76	90	125

Credit accounts—Continued

RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4227-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Guaranteed loan costs:			
00.01 Default claims	32	33	33
00.02 Purchase from Secondary Market	72		
00.03 Interest to Treasury	3	7	6
00.91 Direct Program by Activities—Subtotal (Guaranteed loan costs)	107	40	39
Reestimates:			
08.02 Downward reestimate paid to receipt account	17		
10.00 Total new obligations	124	40	39
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	91	101	128
22.00 New financing authority (gross)	134	67	89
23.90 Total budgetary resources available for obligation	225	168	217
23.95 Total new obligations	-124	-40	-39
24.40 Unobligated balance carried forward, end of year	101	128	178
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	34		
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	100	67	89
70.00 Total new financing authority (gross)	134	67	89
Change in obligated balances:			
73.10 Total new obligations	124	40	39
73.20 Total financing disbursements (gross)	-124	-40	-39
87.00 Total financing disbursements (gross)	124	40	39
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-67	-42	-58
88.25 Interest on uninvested funds	-6	-5	-6
Non-Federal sources:			
88.40 Interest and principal on purchased loans from secondary market	-14	-8	-8
88.40 Guarantee fees	-13	-12	-17
88.90 Total, offsetting collections (cash)	-100	-67	-89
Net financing authority and financing disbursements:			
89.00 Financing authority	34		
90.00 Financing disbursements	24	-27	-50

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4227-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	704	733	602
2121 Limitation available from carry-forward	499	345	
2142 Uncommitted loan guarantee limitation			
2143 Uncommitted limitation carried forward	-359		
2150 Total guaranteed loan commitments	844	1,078	602
2199 Guaranteed amount of guaranteed loan commitments	667	852	476
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	3,504	3,884	4,266
2231 Disbursements of new guaranteed loans	839	817	1,206
2251 Repayments and prepayments	-413	-380	-415
Adjustments:			
2263 Terminations for default that result in claim payments	-51	-55	-60
2264 Other adjustments, net	5		
2290 Outstanding, end of year	3,884	4,266	4,997

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	3,107	3,417	4,006
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of this program is funded through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for industrial development in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4227-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	91	101	143	143
Investments in US securities:					
1106	Receivables, net	99	102	98	98
1999	Total assets	190	203	241	241
LIABILITIES:					
Federal liabilities:					
2101	Accounts payable				
2104	Resources payable to Treasury	16	49	30	30
2105	Other		8		
2204	Non-Federal liabilities: Liabilities for loan guarantees	174	146	211	211
2999	Total liabilities	190	203	241	241
4999	Total liabilities and net position	190	203	241	241

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For the principal amount of direct loans, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), \$40,000,000.

For the cost of direct loans, \$17,308,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That of the total amount appropriated, \$2,447,000 shall be available through June 30, 2004, for the cost of direct loans for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses to carry out the direct loan programs, \$4,850,000 shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-2069-0-1-452	2002 actual	2003 est.	2004 est.	
0101	Negative subsidies/subsidy reestimates	3		

Program and Financing (in millions of dollars)

Identification code 12-2069-0-1-452	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Direct loan subsidy	13	20	17
00.05	Reestimates of direct loan subsidy	1		
00.09	Administrative expense	4	4	5
10.00	Total new obligations	18	24	22
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	18	24	22

23.95	Total new obligations	-18	-24	-22
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	20	24	22
41.00	Transferred to other accounts	-3		
43.00	Appropriation (total discretionary)	17	24	22
Mandatory:				
60.00	Appropriation	1		
70.00	Total new budget authority (gross)	18	24	22
Change in obligated balances:				
72.40	Obligated balance, start of year	51	47	45
73.10	Total new obligations	18	24	22
73.20	Total outlays (gross)	-21	-26	-23
73.40	Adjustments in expired accounts (net)	-1		
74.40	Obligated balance, end of year	47	45	44

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	5	5	6
86.93	Outlays from discretionary balances	15	21	17
86.97	Outlays from new mandatory authority	1		
87.00	Total outlays (gross)	21	26	23
Net budget authority and outlays:				
89.00	Budget authority	18	24	22
90.00	Outlays	21	26	23

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2069-0-1-452	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural development loan fund program	31	40	40
115901 Total direct loan levels	31	40	40
Direct loan subsidy (in percent):			
132001 Rural development loan fund program	43.21	48.26	43.27
132901 Weighted average subsidy rate	43.21	48.26	43.27
Direct loan subsidy budget authority:			
133001 Rural development loan fund program	13	20	17
133901 Total subsidy budget authority	13	20	17
Direct loan subsidy outlays:			
134001 Rural development loan fund program	16	22	18
134901 Total subsidy outlays	16	22	18
Direct loan upward reestimate subsidy budget authority:			
135001 Rural development loan fund program	1		
135901 Total upward reestimate budget authority	1		
Direct loan upward reestimate subsidy outlays:			
136001 Rural development loan fund program	1		
136901 Total upward reestimate outlays	1		
Direct loan downward reestimate subsidy budget authority:			
137001 Rural development loan fund program	-3		
137901 Total downward reestimate budget authority	-3		
Direct loan downward reestimate subsidy outlays:			
138001 Rural development loan fund program	-3		
138901 Total downward reestimate subsidy outlays	-3		
Administrative expense data:			
351001 Budget authority	4	4	5
359001 Outlays from new authority	4	4	5

This account finances loans to intermediary borrowers, who in turn relend the funds to small rural businesses, community development corporations, and other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need. In 2004 the Budget provides \$40 million in loans for this purpose.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs asso-

ciated with the direct loans obligated in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-2069-0-1-452	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts	4	4	5
41.0 Grants, subsidies, and contributions	14	20	17
99.9 Total new obligations	18	24	22

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4219-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	31	40	40
00.03 Interest on Treasury borrowing	13	23	23
00.91 Direct Program by Activities—Subtotal (1 level)	44	63	63
Non-operating program:			
08.02 Downward subsidy reestimate paid to receipt account	2		
08.04 Interest on downward reestimate paid to receipt account	1		
08.91 Direct Program by Activities—Subtotal (1 level)	3		
10.00 Total new obligations	47	63	63

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year		3	
22.00 New financing authority (gross)	49	62	63
22.10 Resources available from recoveries of prior year obligations	2		
22.60 Portion applied to repay debt		-3	
23.90 Total budgetary resources available for obligation	51	62	63
23.95 Total new obligations	-47	-63	-63
24.40 Unobligated balance carried forward, end of year	3		

New financing authority (gross), detail:

Discretionary:			
47.00 Authority to borrow	20	13	13
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	33	40	40
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-4	-2	-1
68.47 Portion applied to repay debt		11	11
68.90 Spending authority from offsetting collections (total discretionary)	29	49	50
70.00 Total new financing authority (gross)	49	62	63

Change in obligated balances:

72.40 Obligated balance, start of year	52	52	50
73.10 Total new obligations	47	63	63
73.20 Total financing disbursements (gross)	-49	-67	-66
73.45 Recoveries of prior year obligations	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	4	2	1
74.40 Obligated balance, end of year	52	50	49
87.00 Total financing disbursements (gross)	49	67	66

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-17	-22	-18
88.25 Interest on uninvested funds	-2	-3	-7
Non-Federal sources:			
88.40 Non-Federal sources—repayment of principal	-11	-11	-11
88.40 Non-Federal sources—interest on loans	-3	-4	-4
88.90 Total, offsetting collections (cash)	-33	-40	-40

Credit accounts—Continued

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4219-0-3-452	2002 actual	2003 est.	2004 est.
Against gross financing authority only:			
88.95 Change in receivables from program accounts	4	2	1
Net financing authority and financing disbursements:			
89.00 Financing authority	20	24	24
90.00 Financing disbursements	16	27	26

Status of Direct Loans (in millions of dollars)

Identification code 12-4219-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	31	40	40
1131 Direct loan obligations exempt from limitation			
1150 Total direct loan obligations	31	40	40
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	313	338	370
1231 Disbursements: Direct loan disbursements	34	43	43
1251 Repayments: Repayments and prepayments	-9	-11	-12
1290 Outstanding, end of year	338	370	401

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances loans to intermediary borrowers, who in turn relend the funds to small rural businesses, community development corporations, or other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need.

Balance Sheet (in millions of dollars)

Identification code 12-4219-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	11	15	12	
Investments in US securities:				
1106 Receivables, net	51	47	42	
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	313	335	370	
1402 Interest receivable	1	1	1	
1405 Allowance for subsidy cost (-)	-144	-150	-152	
1499 Net present value of assets related to direct loans	170	186	219	
1999 Total assets	232	248	273	
LIABILITIES:				
Federal liabilities:				
2104 Resources payable to Treasury	181	201	240	
2105 Other	51	47	33	
2999 Total liabilities	232	248	273	
4999 Total liabilities and net position	232	248	273	

RURAL DEVELOPMENT LOAN FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4233-0-3-452	2002 actual	2003 est.	2004 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.40 Capital transfer to general fund		-1	
23.90 Total budgetary resources available for obligation	1		
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	4	4	4
69.27 Capital transfer to general fund	-4	-4	-4
69.90 Spending authority from offsetting collections (total mandatory)			
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
73.20 Total outlays (gross)			
74.40 Obligated balance, end of year	1	1	1
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Loan repayments	-3	-3	-3
88.40 Borrower interest payments	-1	-1	-1
88.90 Total, offsetting collections (cash)	-4	-4	-4
Net budget authority and outlays:			
89.00 Budget authority	-4	-4	-4
90.00 Outlays	-4	-4	-4

Status of Direct Loans (in millions of dollars)

Identification code 12-4233-0-3-452	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	66	61	57
1231 Disbursements: Direct loan disbursements			
1251 Repayments: Repayments and prepayments	-3	-3	-3
1263 Write-offs for default: Direct loans	-2	-1	-1
1290 Outstanding, end of year	61	57	53

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

Statement of Operations (in millions of dollars)

Identification code 12-4233-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue	1	2	1	1
0102 Expense	-1	-2	-1	-1
0105 Net income or loss (-)				

Balance Sheet (in millions of dollars)

Identification code 12-4233-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets: Fund balances with				
1101 Treasury	2	2	1	1
Non-Federal assets: Receivables, net				
1206 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:	1	1	1	1
1601 Direct loans, gross	66	61	57	53
1603 Allowance for estimated uncollectible loans and interest (-)	-18	-18	-17	-16
1604 Direct loans and interest receivable, net	48	43	40	37

1699	Value of assets related to direct loans	48	43	40	37
1999	Total assets	51	46	42	39
LIABILITIES:					
2104	Federal liabilities: Resources payable to Treasury	51	46	42	39
2999	Total liabilities	51	46	42	39
4999	Total liabilities and net position	51	46	42	39

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT
(INCLUDING RESCISSION OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, \$15,002,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, \$2,792,000.

Of the funds derived from interest on the cushion of credit payments in fiscal year 2004, as authorized by section 313 of the Rural Electrification Act of 1936, \$2,792,000 shall not be obligated and \$2,792,000 are rescinded.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-3108-0-1-452	2002 actual	2003 est.	2004 est.
0101 Rural economic development loans, downward reestimates of subsidies	1		

Program and Financing (in millions of dollars)

Identification code 12-3108-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct loan subsidy	4	3	3
10.00 Total new obligations (object class 41.0)	4	3	3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	4	3	3
23.95 Total new obligations	-4	-3	-3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4	3	3
Change in obligated balances:			
72.40 Obligated balance, start of year	5	4	3
73.10 Total new obligations	4	3	3
73.20 Total outlays (gross)	-5	-4	-4
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	4	3	3

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	1	1
86.93 Outlays from discretionary balances	3	3	3
87.00 Total outlays (gross)	5	4	4

Net budget authority and outlays:			
89.00 Budget authority	4	3	3
90.00 Outlays	5	4	4

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-3108-0-1-452	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural economic development loans program	15	15	15
115901 Total direct loan levels	15	15	15

Direct loan subsidy (in percent):			
132001 Rural economic development loans program	24.16	21.36	18.61
132901 Weighted average subsidy rate	24.16	21.36	18.61
Direct loan subsidy budget authority:			
133001 Rural economic development loans program	4	3	3
133901 Total subsidy budget authority	4	3	3
Direct loan subsidy outlays:			
134001 Rural economic development loans program	5	4	3
134901 Total subsidy outlays	5	4	3
Direct loan downward reestimate subsidy budget authority:			
137001 Rural economic development loans program	-1		
137901 Total downward reestimate budget authority	-1		
Direct loan downward reestimate subsidy outlays:			
138001 Rural economic development loans program	-1		
138901 Total downward reestimate subsidy outlays	-1		

Rural economic development loans are made for the purpose of promoting rural economic development and job creation projects. Loans are made to electric and telecommunication borrowers, who in turn finance rural development projects in their service areas. Program costs are derived from interest earnings on borrowers' "cushion of credit" loan prepayments.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond. The subsidy amounts are estimated on a present value basis.

RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4176-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	15	15	15
00.03 Interest expense	5	8	9
00.91 Direct Program by Activities—Subtotal (1 level)	20	23	24
Reestimates:			
08.02 Subsidy re-estimates paid to the receipt account	1		
10.00 Total new obligations	21	23	24
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9	9	9
22.00 New financing authority (gross)	21	25	12
22.10 Resources available from recoveries of prior year obligations	4		
22.70 Balance of authority to borrow withdrawn	-3	-2	-2
23.90 Total budgetary resources available for obligation	31	32	19
23.95 Total new obligations	-21	-23	-24
24.40 Unobligated balance carried forward, end of year	9	9	-5

New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	11	13	
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	19	19	19
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-1		
68.47 Portion applied to repay debt	-8	-7	-7
68.90 Spending authority from offsetting collections (total discretionary)	10	12	12
70.00 Total new financing authority (gross)	21	25	12

Change in obligated balances:			
72.40 Obligated balance, start of year	16	12	12
73.10 Total new obligations	21	23	24
73.20 Total financing disbursements (gross)	-21	-23	-24
73.45 Recoveries of prior year obligations	-4		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		

Credit accounts—Continued

RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4176-0-3-452	2002 actual	2003 est.	2004 est.
74.40 Obligated balance, end of year	12	12	12
87.00 Total financing disbursements (gross)	21	23	24
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal Funds: Program Account	-5	-4	-3
88.25 Interest on uninvested funds	-1	-1	-1
88.40 Non-Federal sources: Repayment of Principal	-13	-14	-15
88.90 Total, offsetting collections (cash)	-19	-19	-19
Against gross financing authority only:			
88.95 Change in receivables from program accounts	1		
Net financing authority and financing disbursements:			
89.00 Financing authority	3	6	-7
90.00 Financing disbursements	4	4	5

Status of Direct Loans (in millions of dollars)

Identification code 12-4176-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	15	15	15
1150 Total direct loan obligations	15	15	15
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	73	82	83
1231 Disbursements: Direct loan disbursements	17	15	15
1251 Repayments: Repayments and prepayments	-8	-14	-14
1290 Outstanding, end of year	82	83	84

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4176-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	6	7	7	5
Investments in US securities:				
1106 Program Account	5	4	4	4
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	73	77	82	74
1405 Allowance for subsidy cost (-)	-11	-12	-17	86
1499 Net present value of assets related to direct loans	62	65	65	160
1999 Total assets	73	76	76	169
LIABILITIES:				
Federal liabilities:				
2104 Resources payable to Treasury	68	75	75	166
2105 Other	5	1	1	4
2999 Total liabilities	73	76	76	170
4999 Total liabilities and net position	73	76	76	169

RURAL BUSINESS INVESTMENT PROGRAMS ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-1907-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Guaranteed loans subsidy		56	
00.02 Grants		44	
10.00 Total new obligations (object class 41.0)		100	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		100	
22.00 New budget authority (gross)	100		
23.90 Total budgetary resources available for obligation	100	100	
23.95 Total new obligations		-100	
24.40 Unobligated balance carried forward, end of year	100		
New budget authority (gross), detail:			
Mandatory:			
62.00 Transferred from other accounts	100		
Change in obligated balances:			
72.40 Obligated balance, start of year			80
73.10 Total new obligations		100	
73.20 Total outlays (gross) (-)		-20	-38
74.40 Obligated balance, end of year		80	43
Outlays (gross), detail:			
86.98 Outlays from mandatory balances		20	38
Net budget authority and outlays:			
89.00 Budget authority	100		
90.00 Outlays		20	38

The Rural Business Investment Program is authorized under 7 U.S.C. 2009cc. The purpose of this program is to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas by encouraging developmental capital investments in smaller enterprises primarily located in rural areas. RBS may enter into participation agreements with rural business investment companies and may guarantee debentures of rural business investment companies to enable each rural business investment company to make developmental venture capital investments in smaller enterprises in rural areas. Grants will be made to rural business investment companies and other entities for the purpose of providing operational assistance to smaller enterprises financed by rural business investment companies. The Rural Business Investment Program was authorized and provided mandatory funding by section 6029 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002. The Act provides such sums as may be necessary for the cost of guaranteeing \$280 million of debentures and \$44 million to make grants, an estimated total of \$100,000,000, to remain available until expended from the funds of the Commodity Credit Corporation.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1907-0-1-452	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Rural Business Investment Program		280	
215901 Total loan guarantee levels		280	
Guaranteed loan subsidy (in percent):			
232001 Loan guarantee levels		20.00	0.00

232901 Weighted average subsidy rate	20.00	0.00
Guaranteed loan subsidy budget authority:		
233001 Loan guarantee levels	56	
233901 Total subsidy budget authority	56	
Guaranteed loan subsidy outlays:		
234001 Loan guarantee levels	11	20
234901 Total subsidy outlays	11	20

2290 Outstanding, end of year	56	152
Memorandum:		
2299 Guaranteed amount of guaranteed loans outstanding, end of year	45	122

Balance Sheet (in millions of dollars)

Identification code 12-4033-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury			12	34
1106 Investments in US securities:				
Receivables, net			45	25
1999 Total assets			57	59
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees			57	59
2999 Total liabilities			57	59
4999 Total liabilities and net position			57	59

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

RENEWABLE ENERGY PROGRAM

For the cost of direct loans and grants, as authorized by section 9006 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106), \$3,000,000, to remain available until expended, for direct renewable energy loans and grants: Provided, That the cost of direct loans and loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

Program and Financing (in millions of dollars)

Identification code 12-1908-0-1-451	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.10 Grants		18	3
10.00 Total new obligations (object class 41.0)		18	3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		18	3
23.95 Total new obligations		-18	-3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			3
40.35 Appropriation rescinded		-5	-23
43.00 Appropriation (total discretionary)		-5	-20
Mandatory:			
62.00 Transferred from other accounts		23	23
70.00 Total new budget authority (gross)		18	3
Change in obligated balances:			
72.40 Obligated balance, start of year			10
73.10 Total new obligations		18	3
73.20 Total financing disbursements (gross)		-8	-8
74.40 Obligated balance, end of year		10	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		-2	-9
86.93 Outlays from discretionary balances			-2
86.97 Outlays from new mandatory authority		10	10
86.98 Outlays from mandatory balances			9
87.00 Total outlays (gross)		8	8
Net budget authority and outlays:			
89.00 Budget authority		18	3

RURAL BUSINESS INVESTMENT PROGRAM GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4033-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Default claims			1
10.00 Total new obligations			1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			57
22.00 New financing authority (gross)		57	3
23.90 Total budgetary resources available for obligation		57	60
23.95 Total new obligations			-1
24.40 Unobligated balance carried forward, end of year		57	59
New financing authority (gross), detail:			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)		12	23
68.10 Change in uncollected customer payments from Federal sources (unexpired)		45	-20
68.90 Spending authority from offsetting collections (total discretionary)		57	3
Change in obligated balances:			
72.40 Obligated balance, start of year			-45
73.10 Total new obligations			1
73.20 Total financing disbursements (gross)			-1
74.00 Change in uncollected customer payments from Federal sources (unexpired)		-45	20
74.40 Obligated balance, end of year		-45	-25
87.00 Total financing disbursements (gross)			1
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources		-11	-20
88.25 Interest on uninvested funds			-1
88.40 Non-Federal sources: Guarantee fees		-1	-2
88.90 Total, offsetting collections (cash)		-12	-23
Against gross financing authority only:			
88.95 Change in receivables from program accounts		-45	20
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-12	-22

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4033-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders		280	
2150 Total guaranteed loan commitments		280	
2199 Guaranteed amount of guaranteed loan commitments		224	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			56
2231 Disbursements of new guaranteed loans		56	98
2251 Repayments and prepayments			-1
2263 Adjustments: Terminations for default that result in claim payments			-1

Credit accounts—Continued

RENEWABLE ENERGY PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1908-0-1-451	2002 actual	2003 est.	2004 est.
90.00 Outlays		8	8

Renewable Energy Systems and Energy Efficiency Improvements is authorized under 7 U.S.C. 8106. This program provides direct loans, loan guarantees, and grants to farmers, ranchers, and small rural businesses to purchase renewable energy systems and make energy efficiency improvements. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002, provides mandatory funding for this program. Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$23,000,000 for each of fiscal years 2003 through 2007. In 2003, \$5,000,000 of these funds are blocked from being spent because similar programs within RBS can provide this type of funding. Similarly, in 2004 the full \$23,000,000 is blocked. However, \$3,000,000 in discretionary funding is provided for this purpose.

Public enterprise funds:

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 12-4144-0-3-352	2002 actual	2003 est.	2004 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

The Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901 et seq.) was repealed by 116 Stat. 418. USDA is currently disposing of the assets of the fund as prescribed in the statute.

RURAL UTILITIES SERVICE

Federal Funds

General and special funds:

HIGH ENERGY COST GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2042-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity		10	
10.00 Total new obligations (object class 41.0)		10	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		10	
22.22 Unobligated balance transferred from other accounts	10		
23.90 Total budgetary resources available for obligation	10	10	
23.95 Total new obligations		-10	
24.40 Unobligated balance carried forward, end of year	10		
Change in obligated balances:			
72.40 Obligated balance, start of year			7
73.10 Total new obligations		10	
73.20 Total outlays (gross)	-5	-3	-5

73.32 Obligated balance transferred from other accounts	5		
74.40 Obligated balance, end of year		7	2

Outlays (gross), detail:

86.93 Outlays from discretionary balances	5	3	5
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Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	5	3	5

Funding was provided in 2001 and 2002 to support grants for areas that have high energy costs. These grants can be made to eligible entities or the Denali Commission to construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities serving communities in which the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy (as determined by the Energy Information Agency using the most recent data available). Grants are also available to establish and support a revolving fund to provide a more cost-effective means of purchasing fuel where the fuel cannot be shipped by means of surface transportation.

Credit accounts:

RURAL WATER AND WASTE DISPOSAL DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4226-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	1,159	829	1,055
00.02 Interest on Treasury borrowing	277	413	485
00.03 Expenses for loan asset sale			5
00.91 Direct Program by Activities—Subtotal (1 level)	1,436	1,242	1,545
08.01 Negative subsidy from loan asset sale			5
08.02 Downward reestimates paid to receipt account	16		
08.04 Interest on downward reestimate paid to receipt account	5		
08.91 Direct Program by Activities—Subtotal (1 level)	21		5
10.00 Total new obligations	1,457	1,242	1,550
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		110	208
22.00 New financing authority (gross)	1,561	1,285	1,640
22.10 Resources available from recoveries of prior year obligations	47	55	20
22.70 Balance of authority to borrow withdrawn	-40		
23.90 Total budgetary resources available for obligation	1,568	1,450	1,868
23.95 Total new obligations	-1,457	-1,242	-1,550
24.40 Unobligated balance carried forward, end of year	110	208	318

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	1,099	735	1,033
Spending authority from offsetting collections:			
Discretionary:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash)	488	549	587
68.00 Offsetting collections (cash)			66
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-7	1	10
68.47 Portion applied to repay debt	-19		-56
68.90 Spending authority from offsetting collections (total discretionary)	462	550	607
70.00 Total new financing authority (gross)	1,561	1,285	1,640

Change in obligated balances:

72.40 Obligated balance, start of year	1,809	2,285	2,191
73.10 Total new obligations	1,457	1,242	1,550
73.20 Total financing disbursements (gross)	-941	-1,280	-1,396

73.45	Recoveries of prior year obligations	-47	-55	-20
74.00	Change in uncollected customer payments from Federal sources (unexpired)	7	-1	-10
74.40	Obligated balance, end of year	2,285	2,191	2,315
87.00	Total financing disbursements (gross)	941	1,280	1,396

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources	-111	-98	-87
88.25	Interest on uninvested funds	-26	-39	-45
Non-Federal sources:				
88.40	Repayment of principal	-130	-153	-175
88.40	Interest Received on Loans	-221	-259	-280
88.40	Loan Asset Sale Proceeds			-66
88.90	Total, offsetting collections (cash)	-488	-549	-653
Against gross financing authority only:				
88.95	Change in receivables from program accounts	7	-1	-10

Net financing authority and financing disbursements:

89.00	Financing authority	1,080	735	977
90.00	Financing disbursements	454	731	743

Status of Direct Loans (in millions of dollars)

Identification code 12-4226-0-3-452				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	817	814	1,055
1121	Limitation available from carry-forward	40	15	
1131	Direct loan obligations exempt from limitation	326		
1142	Unobligated direct loan limitation (-)			
1143	Unobligated limitation carried forward (P.L. xx) (-)	-25		
1150	Total direct loan obligations	1,158	829	1,055
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	4,548	5,061	5,773
1231	Disbursements: Direct loan disbursements	643	864	889
1251	Repayments: Repayments and prepayments	-130	-152	-182
1290	Outstanding, end of year	5,061	5,773	6,480

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of these loans is provided through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

The water and waste disposal program makes loans and grants to finance water and waste disposal facilities in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4226-0-3-452				
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	7	40	20
Investments in US securities:				
1106	Receivables, net	274	3	
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	4,548	5,061	5,773
1402	Interest receivable	55	61	69
1405	Allowance for subsidy cost (-)	-710	-754	-921
1499	Net present value of assets related to direct loans	3,893	4,368	4,872
1999	Total assets	4,174	4,411	5,154
LIABILITIES:				
Federal liabilities:				
2103	Debt	3,888	4,374	4,957
2105	Other	275	26	183
2207	Non-Federal liabilities: Other	11	11	14

2999	Total liabilities	4,174	4,411	5,154	5,481
4999	Total liabilities and net position	4,174	4,411	5,154	5,481

RURAL WATER AND WASTE WATER DISPOSAL GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4218-0-3-452				
2002 actual 2003 est. 2004 est.				
Budgetary resources available for obligation:				
22.00	New financing authority (gross)		1	1
New financing authority (gross), detail:				
Discretionary:				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)		1	1
Change in obligated balances:				
73.20	Total financing disbursements (gross)		-1	-1
87.00	Total financing disbursements (gross)		1	1

Offsets:

Against gross financing authority and financing disbursements:				
88.40	Offsetting collections (cash) from: Fees		-1	-1

Net financing authority and financing disbursements:

89.00	Financing authority			
90.00	Financing disbursements			

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4218-0-3-452				
2002 actual 2003 est. 2004 est.				
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	75	75	75
2142	Uncommitted loan guarantee limitation			
2150	Total guaranteed loan commitments	75	75	75
2199	Guaranteed amount of guaranteed loan commitments	60	60	60
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	11	30	37
2231	Disbursements of new guaranteed loans	9	11	37
2251	Repayments and prepayments	-2	-4	-6
2264	Adjustments: Other adjustments, net	12		
2290	Outstanding, end of year	30	37	68
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	24	30	54

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for water systems, and waste disposal facilities in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4218-0-3-452				
2001 actual 2002 actual 2003 est. 2004 est.				
ASSETS:				
1101 Federal assets: Fund balances with Treasury				
		1	1	1
1999	Total assets	1	1	1
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury				
		1	1	1

Credit accounts—Continued

**RURAL WATER AND WASTE WATER DISPOSAL GUARANTEED LOANS
FINANCING ACCOUNT—Continued**

Balance Sheet (in millions of dollars)—Continued

Identification code 12-4218-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
2999 Total liabilities	1		1	1
4999 Total liabilities and net position	1		1	1

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS
PROGRAM ACCOUNT**

(INCLUDING TRANSFER OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) shall be made as follows: 5 percent rural electrification loans, \$240,000,000; municipal rate rural electric loans, \$100,000,000; loans made pursuant to section 306 of that Act, rural electric, \$1,600,000,000; Treasury rate direct electric loans, \$700,000,000; 5 percent rural telecommunications loans, \$145,000,000; cost of money rural telecommunications loans, \$250,000,000; and loans made pursuant to section 306 of that Act, rural telecommunications loans, \$100,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by sections 305 and 306 of the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of rural electric loans, \$60,000, and the cost of telecommunication loans, \$125,000: Provided, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$41,562,000 which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-1230-0-1-271	2002 actual	2003 est.	2004 est.
0101 Rural electrification and telephone loans, negative subsidies	26	23	20
0102 Rural electrification and telephone loans, downward reestimates of subsidies	83		

Program and Financing (in millions of dollars)

Identification code 12-1230-0-1-271	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct loan subsidy	6	12	
00.05 Reestimate of the direct loan subsidy	28		
00.06 Interest on reestimates of direct loan subsidy	6		
00.09 Administrative expenses subject to limitation	36	38	42
10.00 Total new obligations	76	50	42
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	76	50	42
23.95 Total new obligations	-76	-50	-42
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	42	50	42
Mandatory:			
60.00 Appropriation	34		
70.00 Total new budget authority (gross)	76	50	42
Change in obligated balances:			
72.40 Obligated balance, start of year		67	49
73.10 Total new obligations	76	50	42
73.20 Total outlays (gross)	-98	-70	-65
73.40 Adjustments in expired accounts (net)	-1		

74.40 Obligated balance, end of year	67	49	26
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	36	40	42
86.93 Outlays from discretionary balances	28	30	23
86.97 Outlays from new mandatory authority	34		
87.00 Total outlays (gross)	98	70	65
Net budget authority and outlays:			
89.00 Budget authority	76	50	42
90.00 Outlays	98	70	65

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1230-0-1-271	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Hardship electric	124	121	240
115002 Municipal electric	500	100	100
115003 Treasury electric	750	700	700
115004 FFB electric	2,700	1,600	1,500
115005 Hardship telephone	75	75	145
115006 Treasury telephone	300	300	250
115007 FFB telephone	120	120	100
115901 Total direct loan levels	4,569	3,016	3,035
Direct loan subsidy (in percent):			
132001 Hardship electric	2.98	5.71	-2.33
132002 Municipal electric	-0.09	4.03	-2.42
132003 Treasury electric	-0.04	-0.04	-0.06
132004 FFB electric	-1.13	-1.82	-2.13
132005 Hardship telephone	2.32	1.71	-4.44
132006 Treasury telephone	0.10	0.05	0.05
132007 FFB telephone	-0.85	-2.36	-1.99
132901 Weighted average subsidy rate	-0.57	-0.66	-1.58
Direct loan subsidy budget authority:			
133001 Hardship electric	4	7	-6
133002 Municipal electric		4	-2
133003 Treasury electric			
133004 FFB electric	-31	-29	-32
133005 Hardship telephone	2	1	-6
133006 Treasury telephone			
133007 FFB telephone	-1	-3	-2
133901 Total subsidy budget authority	-26	-20	-48
Direct loan subsidy outlays:			
134001 Hardship electric	4	5	5
134002 Municipal electric	17	11	11
134003 Treasury Electric			
134004 FFB electric	-25	-22	-37
134005 Hardship telephone	5	15	5
134006 Treasury Telephone			
134007 FFB telephone	-1	-1	-1
134901 Total subsidy outlays		8	-17
Direct loan upward reestimate subsidy budget authority:			
135001 Hardship electric	7		
135002 Municipal electric	22		
135003 Treasury electric			
135004 FFB electric	2		
135005 Hardship telephone	4		
135006 Treasury telephone	1		
135007 FFB Telephone			
135901 Total upward reestimate budget authority	36		
Direct loan upward reestimate subsidy outlays:			
136001 Hardship electric	7		
136002 Municipal electric	22		
136003 Treasury electric			
136004 FFB electric	2		
136005 Hardship telephone	4		
136006 Treasury telephone	1		
136007 FFB Telephone			
136901 Total upward reestimate outlays	36		
Direct loan downward reestimate subsidy budget authority:			
137001 Hardship electric	-3		
137002 Municipal electric	-4		
137003 Treasury electric	-2		
137004 FFB electric	-64		
137005 Hardship telephone	-4		
137006 Treasury telephone	-2		

137007 FFB telephone	-3		
137901 Total downward reestimate budget authority	-82		
Direct loan downward reestimate subsidy outlays:			
138001 Hardship electric	-3		
138002 Municipal electric	-4		
138003 Treasury electric	-2		
138004 FFB electric	-64		
138005 Hardship telephone	-4		
138006 Treasury telephone	-2		
138007 FFB telephone	-3		
138901 Total downward reestimate subsidy outlays	-82		
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Guaranteed electric		100	100
215901 Total loan guarantee levels		100	100
Guaranteed loan subsidy (in percent):			
232001 Guaranteed electric	0.00	0.08	0.06
232901 Weighted average subsidy rate	0.00	0.08	0.06
Administrative expense data:			
351001 Budget authority	36	38	42
359001 Outlays from new authority	36	38	42

The Rural Utilities Service conducts the rural electrification and the rural telecommunications loan programs. The rural electrification loan program is financed through RUS direct and guaranteed loans for the operation of generating plants, electric transmission, and distribution lines or systems. The rural telecommunications loan program is financed through RUS direct loans for construction, expansion, and operation of telecommunications lines and facilities or systems.

To support USDA's rural development goal of providing increased support to rural areas, the electric and telecommunications programs will target funds to needier areas (areas of persistent poverty). The budget proposes \$240,000,000 for hardship electric loans which can only be used for areas that are severely depressed (applicants must meet rate disparity thresholds and their consumers must fall below average per capita and household income thresholds). USDA will analyze loans made in 2002 and 2003 to determine the characteristics of the communities to which the loans are going, who the loans are supporting, benefits derived from the loans by the communities, and how many loans and dollars are going to support poverty areas. In addition, USDA will develop program goals and performance measures to better define the purpose of the program and support future needs of rural communities. These goals and measures will be used to develop the 2005 budget for the electric and telecommunications programs.

RUS will rescind loans obligated, but not issued, more than ten years ago. Most electric loans obligated more than ten years ago have either been issued or rescinded. However, current law prohibits the rescission of telecommunications loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all electric and telecommunications loan obligations that are more than ten years old.

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommunications programs, the subsidy costs associated with the direct and guaranteed loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-1230-0-1-271	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts	36	38	42
41.0 Grants, subsidies, and contributions	40	12	
99.9 Total new obligations	76	50	42

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4208-0-3-271	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	4,569	3,016	3,035
00.02 Interest on Treasury borrowing	639	793	857
00.91 Subtotal, Operating program	5,208	3,809	3,892
Non-operating program:			
08.01 Negative subsidy paid to receipt account	32	32	17
08.02 Downward reestimate paid to receipt account	70		
08.04 Interest on downward reestimate paid to receipt account	13		
08.91 Direct Program by Activities—Subtotal (1 level)	115	32	17
10.00 Total new obligations	5,323	3,841	3,909
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	363	
22.00 New financing authority (gross)	5,678	3,480	3,909
22.10 Resources available from recoveries of prior year obligations	34		
22.70 Balance of authority to borrow withdrawn	-34		
23.90 Total budgetary resources available for obligation	5,684	3,843	3,909
23.95 Total new obligations	-5,323	-3,841	-3,909
24.40 Unobligated balance carried forward, end of year	363		
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	4,969	2,691	2,908
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	976	1,190	1,408
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-22	-18	-21
68.47 Portion applied to repay debt	-245	-383	-386
68.90 Spending authority from offsetting collections (total discretionary)	709	789	1,001
70.00 Total new financing authority (gross)	5,678	3,480	3,909
Change in obligated balances:			
72.40 Obligated balance, start of year	6,209	8,315	8,385
73.10 Total new obligations	5,323	3,841	3,909
73.20 Total financing disbursements (gross)	-3,205	-3,790	-3,615
73.45 Recoveries of prior year obligations	-34		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	22	18	21
74.40 Obligated balance, end of year	8,315	8,385	8,700
87.00 Total financing disbursements (gross)	3,205	3,790	3,615
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payment from program account	-62	-31	-21
88.25 Interest on uninvested funds	-67	-91	-109
Non-Federal sources:			
88.40 Repayment of principal	-269	-252	-330
88.40 Interest received on loans	-566	-816	-948
88.40 Non-Federal sources	-12		
88.90 Total, offsetting collections (cash)	-976	-1,190	-1,408
Against gross financing authority only:			
88.95 Change in receivables from program accounts	22	18	21
Net financing authority and financing disbursements:			
89.00 Financing authority	4,724	2,308	2,522

Credit accounts—Continued

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4208-0-3-271	2002 actual	2003 est.	2004 est.
90.00 Financing disbursements	2,229	2,600	2,207

Status of Direct Loans (in millions of dollars)

Identification code 12-4208-0-3-271	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	4,569	3,016	3,035
1150 Total direct loan obligations	4,569	3,016	3,035
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	9,072	11,212	13,931
1231 Disbursements: Direct loan disbursements	2,409	2,971	2,724
1251 Repayments: Repayments and prepayments	-269	-252	-330
1290 Outstanding, end of year	11,212	13,931	16,325

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from electric and telecommunication direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4208-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	2	108	582	824
Investments in US securities:				
1106 Receivables, net	104	171	25	14
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	7,815	9,697	11,887	13,804
1402 Interest receivable	44	4	66	54
1405 Allowance for subsidy cost (-)	-435	-537	-585	-596
1499 Net present value of assets related to direct loans	7,424	9,164	11,368	13,262
1999 Total assets	7,530	9,443	11,975	14,100
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	54	.....	70	59
2102 Interest payable	46	.....	66	54
2103 Debt	7,348	9,430	11,814	13,973
2207 Non-Federal liabilities: Other	82	13	25	14
2999 Total liabilities	7,530	9,443	11,975	14,100
4999 Total liabilities and net position	7,530	9,443	11,975	14,100
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	156	129	261	363
Investments in US securities:				
1106 Receivables, net	48	14	24	15
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	1,232	1,492	2,026	2,503
1402 Interest receivable	3	1	5	3
1405 Allowance for subsidy cost (-)	-27	-24	-99	-109
1499 Net present value of assets related to direct loans	1,208	1,469	1,932	2,397
1999 Total assets	1,412	1,612	2,217	2,775
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	8	.....	9	13
2102 Interest payable	3	.....	5	3
2103 Debt	1,365	1,592	2,179	2,744

2207 Non-Federal liabilities: Other	36	20	24	15
2999 Total liabilities	1,412	1,612	2,217	2,775
4999 Total liabilities and net position	1,412	1,612	2,217	2,775

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS GUARANTEED LOANS FINANCING ACCOUNT

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4209-0-3-271	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	.....	100	100
2150 Total guaranteed loan commitments .....	.....	100	100
2199 Guaranteed amount of guaranteed loan commitments .....	.....	100	100
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	203	256	275
2231 Disbursements of new guaranteed loans	55	22	100
2251 Repayments and prepayments	-2	-3	-3
2290 Outstanding, end of year	256	275	372
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	256	275	372

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances loan guarantee commitments.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4230-0-3-271	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Interest expense on certificates of beneficial ownership	369	369	369
00.02 Interest expense, FFB direct	669	669	594
00.03 Other interest expense	7	21	21
00.05 Other	19	20	20
10.00 Total new obligations	1,064	1,079	1,004
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,045	1,076	1,001
22.10 Resources available from recoveries of prior year obligations	19	3	3
23.90 Total budgetary resources available for obligation	1,064	1,079	1,004
23.95 Total new obligations	-1,064	-1,079	-1,004
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance rescission proposal .....	.....	-3	-3
Mandatory:			
60.00 Appropriation .....	.....	55	348
60.36 Unobligated balance rescinded	-3	.....	.....
62.00 Transferred from other accounts	23	22	22
62.50 Appropriation (total mandatory)	20	77	370
69.00 Offsetting collections (cash)	2,859	2,427	2,223
69.27 Capital transfer to general fund	-738	.....	.....
69.47 Portion applied to repay debt	-1,096	-1,425	-1,589
69.90 Spending authority from offsetting collections (total mandatory)	1,025	1,002	634
70.00 Total new budget authority (gross)	1,045	1,076	1,001

Change in obligated balances:

72.40	Obligated balance, start of year	482	312	309
73.10	Total new obligations	1,064	1,079	1,004
73.20	Total outlays (gross)	-1,215	-1,079	-1,004
73.45	Recoveries of prior year obligations	-19	-3	-3
74.40	Obligated balance, end of year	312	309	306

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	1,045	1,079	1,004
86.98	Outlays from mandatory balances	170		
87.00	Total outlays (gross)	1,215	1,079	1,004

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Loans repaid	-1,421	-1,371	-1,252
88.40	Interest from loans	-1,198	-1,056	-971
88.40	Non-Federal sources	-240		
88.90	Total, offsetting collections (cash)	-2,859	-2,427	-2,223

Net budget authority and outlays:

89.00	Budget authority	-1,814	-1,351	-1,222
90.00	Outlays	-1,643	-1,348	-1,219

Status of Direct Loans (in millions of dollars)

Identification code 12-4230-0-3-271	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	21,009	19,412	17,837
1231	Disbursements: Direct loan disbursements	5	12	12
1251	Repayments: Repayments and prepayments	-1,672	-1,463	-1,344
1261	Adjustments: Capitalized interest	70		
Write-offs for default:				
1263	Direct loans		-119	-109
1264	Other adjustments, net		-5	-5
1290	Outstanding, end of year	19,412	17,837	16,391

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4230-0-3-271	2002 actual	2003 est.	2004 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	358	317	297
2263	Adjustments: Terminations for default that result in claim payments	-41	-20	-19
2290	Outstanding, end of year	317	297	278
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	317	297	278

STATUS OF AGENCY DEBT

(In millions of dollars)

	2002 actual	2003 est.	2004 est.
Agency debt held by FFB:			
Outstanding FFB direct, start of year	9,890	8,891	7,892
Outstanding Certificate of Beneficial Ownership (CBO's), start of year	4,270	4,270	4,270
New agency borrowing, FFB direct	1	0	0
Repayments and prepayments, FFB Direct	-1,000	-999	-886
Repayments, CBO's	0	0	0
Outstanding FFB direct, end of year	8,891	7,892	7,006
Outstanding CBO's, end of year	4,270	4,270	4,270

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommunications programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in RETRF in 1992 and beyond is recorded in corresponding program and financing accounts.

The Rural Utilities Service will continue to service all loans in this account providing business management and technical assistance to the borrowers on a regular basis over the life of the loans.

Rural electric.—This program is financed through RUS direct loans for the construction and operation of generating plants, electric transmission, and distribution lines or systems.

The following tables reflect statistics on loans made through the liquidating account only. Since 1992 new electric and telephone loans have been made through a separate program account.

ELECTRIC PROGRAM STATISTICS

(dollars in millions)

	2002 actual	2003 est.	2004 est.
Cumulative RUS financed direct loans	21,856	21,856	21,856
Cumulative FFB financed direct loans	27,084	27,037	26,987
Cumulative RUS funds advanced	21,831	21,832	21,834
Unadvanced RUS funds, end of year	22	20	18
Cumulative RUS principal repaid	14,873	15,527	16,181
Cumulative RUS interest paid	11,963	12,449	12,935
Cumulative loan guarantee commitments ¹	3,967	3,967	3,967
Number of borrowers	1,107	1,100	1,092

¹ Represents loans financed by private lenders, including refinanced direct loans, FFB.

Rural telecommunications.—This loan program is financed through RUS direct loans for the construction, expansion, and operation of telecommunications lines and facilities or systems.

TELECOMMUNICATIONS PROGRAM STATISTICS

(dollars in millions)

	2002 actual	2003 est.	2004 est.
Cumulative RUS financed direct loans	6,029	6,019	6,009
Cumulative FFB financed direct loans	582	582	582
Cumulative RUS funds advanced	5,894	5,902	5,910
Unadvanced RUS funds, end of period	138	130	122
Cumulative RUS principal repaid	3,850	4,064	4,171
Cumulative RUS interest paid	2,939	3,048	3,145
Cumulative loan guarantee commitments ¹	3	3	3
Number of borrowers	979	961	943

¹ Other lenders—privately financed direct loans, FFB.

Statement of Operations (in millions of dollars)

Identification code 12-4230-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.	
ELECTRIC PROGRAM:					
0111	Revenue	1,164	1,339	926	711
0112	Expense	-2,900	-1,339	-1,040	-1,006
0115	Net income or loss (-)	-1,736		-114	-295
TELEPHONE PROGRAM:					
0121	Revenue	113	-145	79	67
0122	Expense	-380	145	-84	-70
0125	Net income or loss (-)	-267		-5	-3
0191	Total revenues	1,277	1,194	1,005	778
0192	Total expenses	-3,280	-1,194	-1,124	-1,076
0195	Total income or loss (-)	-2,003		-119	-298
0199	Net loss (-)	-2,003		-119	-298

Balance Sheet (in millions of dollars)

Identification code 12-4230-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury	267	115	115	115
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross (Electric)	18,732	17,337	15,926	14,629
1602	Interest receivable	163	43	19	-3
1603	Allowance for estimated uncollectible loans and interest (-)	-1,415	-1,682	-1,546	-1,420
1604	Direct loans and interest receivable, net	17,480	15,698	14,399	13,206
1699	Value of assets related to direct loans	17,480	15,698	14,399	13,206

Credit accounts—Continued

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 12-4230-0-3-271	2001 actual	2002 actual	2003 est.	2004 est.
1999 Total assets	17,747	15,813	14,514	13,321
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	780	780	781	780
2102 Interest payable	156	.....	-156	-311
2103 Debt	17,774	16,709	15,643	14,578
2104 Resources payable to Treasury	-970	-1,715	-1,767	-1,733
2105 Other	7	39	13	7
2999 Total liabilities	17,747	15,813	14,514	13,321
4999 Total liabilities and net position	17,747	15,813	14,514	13,321
ASSETS:				
1101 Federal assets: Fund balances with Treasury	159	140	145	148
Non-Federal assets:				
1201 Investments in non-Federal securities, net	453	430	408	385
1206 Receivables, net	780	780	780	780
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross (telephone)	2,278	2,076	1,913	1,763
1602 Interest receivable	8	6	4	2
1603 Allowance for estimated uncollectible loans and interest (-)	-399	-245	-216	-191
1604 Direct loans and interest receivable, net	1,887	1,837	1,701	1,574
1699 Value of assets related to direct loans	1,887	1,837	1,701	1,574
1999 Total assets	3,279	3,187	3,034	2,887
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	2	.....	2	2
2103 Debt	1,757	1,751	1,744	1,737
2104 Resources payable to Treasury	1,506	1,424	1,277	1,144
2105 Other	4	4	11	4
2999 Total liabilities	3,269	3,179	3,034	2,887
NET POSITION:				
3300 Cumulative results of operations	10	8	.....	.....
3999 Total net position	10	8	.....	.....
4999 Total liabilities and net position	3,279	3,187	3,034	2,887

Object Classification (in millions of dollars)

Identification code 12-4230-0-3-271	2002 actual	2003 est.	2004 est.
25.2 Other services	19	20	20
33.0 Investments and loans	7	21	21
43.0 Interest and dividends	1,038	1,038	963
99.9 Total new obligations	1,064	1,079	1,004

**RURAL TELEPHONE BANK PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)**

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out its authorized programs.

For administrative expenses, including audits, necessary to continue to service existing loans, \$3,462,000, to be derived by transfer from the shareholder's equity, contained in the unobligated balances in the Rural Telephone Bank Liquidating Account, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-1231-0-1-452	2002 actual	2003 est.	2004 est.
0101 Rural telephone bank loans, downward reestimate of subsidies	3	4	.....

Program and Financing (in millions of dollars)

Identification code 12-1231-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct loan subsidy	4	.....	.....
00.05 Reestimates of direct loan subsidy	3	1	.....
00.06 Interest on reestimates of direct loan subsidy	1	.....	.....
00.09 Administrative expenses subject to limitation	3	3	3
10.00 Total new obligations	11	4	3

Budgetary resources available for obligation:

22.00 New budget authority (gross)	11	4	3
23.95 Total new obligations	-11	-4	-3

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	7	.....	.....
42.00 Transferred from other accounts .....	.....	3	3
43.00 Appropriation (total discretionary)	7	3	3
Mandatory:			
60.00 Appropriation	4	1	.....
70.00 Total new budget authority (gross)	11	4	3

Change in obligated balances:

72.40 Obligated balance, start of year	16	19	17
73.10 Total new obligations	11	4	3
73.20 Total outlays (gross)	-8	-6	-5
74.40 Obligated balance, end of year	19	17	15

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	3	3	3
86.93 Outlays from discretionary balances	1	2	2
86.97 Outlays from new mandatory authority	4	1	.....
87.00 Total outlays (gross)	8	6	5

Net budget authority and outlays:

89.00 Budget authority	11	4	3
90.00 Outlays	8	6	5

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1231-0-1-452	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural Telephone Bank	175	.....	.....
115901 Total direct loan levels	175	.....	.....
Direct loan subsidy (in percent):			
132001 Rural Telephone Bank	2.14	1.38	-4.32
132901 Weighted average subsidy rate	2.14	1.38	-4.32
Direct loan subsidy budget authority:			
133001 Rural Telephone Bank	4	.....	.....
133901 Total subsidy budget authority	4	.....	.....
Direct loan subsidy outlays:			
134001 Rural Telephone Bank	1	2	2
134901 Total subsidy outlays	1	2	2
Direct loan upward reestimate subsidy budget authority:			
135001 Rural Telephone Bank	4	1	.....
135901 Total upward reestimate budget authority	4	1	.....
Direct loan upward reestimate subsidy outlays:			
136001 Rural Telephone Bank	4	1	.....
136901 Total upward reestimate outlays	4	1	.....

Direct loan downward reestimate subsidy budget authority:			
137001 Rural Telephone Bank	- 3	- 4	
137901 Total downward reestimate budget authority	- 3	- 4	
Direct loan downward reestimate subsidy outlays:			
138001 Rural Telephone Bank	- 3	- 4	
138901 Total downward reestimate subsidy outlays	- 3	- 4	
Administrative expense data:			
351001 Budget authority	3	3	3
359001 Outlays from new authority	3	3	3

The President's budget proposes no more federally funded loans. Funding for the RTB's administrative expenses will be transferred from the unobligated balances in the RTB liquidating account.

RUS will rescind loans obligated, but not issued, more than ten years ago. Current law prohibits the rescission of Rural Telephone Bank loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all Rural Telephone Bank loan obligations that are more than ten years old.

As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank, the subsidy costs associated with the direct loans obligated in 1992 and beyond as well as administrative expenses for the program. The subsidy amounts are estimated on a present value basis; administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-1231-0-1-452	2002 actual	2003 est.	2004 est.
25.2 Other services	3	3	3
41.0 Grants, subsidies, and contributions	8	1	
99.9 Total new obligations	11	4	3

RURAL TELEPHONE BANK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4210-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	175		
00.02 Interest on Treasury borrowing	23	45	45
00.91 Direct Program by Activities—Subtotal (1 level)	198	45	45
08.02 Downward reestimates paid to receipt accounts	3	4	
10.00 Total new obligations	201	49	45
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	17	
22.00 New financing authority (gross)	188	46	45
22.10 Resources available from recoveries of prior year obligations	21	16	31
22.60 Portion applied to repay debt	3	-31	-31
23.90 Total budgetary resources available for obligation	218	48	45
23.95 Total new obligations	-201	-49	-45
24.40 Unobligated balance carried forward, end of year	17		
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	147	23	23
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	49	56	55
68.10 Change in uncollected customer payments from Federal sources (unexpired)	3	-2	-2
68.47 Portion applied to repay debt	-11	-31	-31

68.90 Spending authority from offsetting collections (total discretionary)	41	23	22
70.00 Total new financing authority (gross)	188	46	45

Change in obligated balances:

72.40 Obligated balance, start of year	1,001	1,091	873
73.10 Total new obligations	201	49	45
73.20 Total financing disbursements (gross)	- 86	- 253	- 164
73.45 Recoveries of prior year obligations	- 21	- 16	- 31
74.00 Change in uncollected customer payments from Federal sources (unexpired)	- 3	2	2
74.40 Obligated balance, end of year	1,091	873	725
87.00 Total financing disbursements (gross)	86	253	164

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payment from program account	- 5	- 3	- 2
88.25 Interest on uninvested funds	- 5	- 4	- 4
Non-Federal sources:			
88.40 Principal received on loans	- 17	- 16	- 16
88.40 Interest received on loans	- 19	- 23	- 23
88.40 Sale of RTB Stock	- 3	- 10	- 10
88.90 Total, offsetting collections (cash)	- 49	- 56	- 55
Against gross financing authority only:			
88.95 Change in receivables from program accounts	- 3	2	2

Net financing authority and financing disbursements:

89.00 Financing authority	136	- 8	- 8
90.00 Financing disbursements	37	197	109

Status of Direct Loans (in millions of dollars)

Identification code 12-4210-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	175		
1150 Total direct loan obligations	175		
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	338	395	536
1231 Disbursements: Direct loan disbursements	71	157	136
1251 Repayments: Repayments and prepayments	- 14	- 16	- 19
1290 Outstanding, end of year	395	536	653

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4210-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	10	23	36	67
Investments in US securities:				
1106 Receivables, net	16	1	17	15
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	281	324	536	617
1405 Allowance for subsidy cost (-)			-7	-9
1499 Net present value of assets related to direct loans	281	324	529	608
1999 Total assets	307	348	582	690
LIABILITIES:				
Federal liabilities:				
2103 Debt	291	348	582	690
2105 Other				
Non-Federal liabilities:				
2201 Accounts payable	16			
2207 Other				
2999 Total liabilities	307	348	582	690
4999 Total liabilities and net position	307	348	582	690

Credit accounts—Continued

RURAL TELEPHONE BANK LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4231-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Dividends	23	29	29
10.00 Total new obligations (object class 43.0)	23	29	29
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	769	943	1,018
22.00 New budget authority (gross)	188	107	96
22.10 Resources available from recoveries of prior year obligations	8		
22.21 Unobligated balance transferred to other accounts		-3	-3
23.90 Total budgetary resources available for obligation	965	1,047	1,111
23.95 Total new obligations	-23	-29	-29
24.40 Unobligated balance carried forward, end of year	943	1,018	1,082
New budget authority (gross), detail:			
Mandatory:			
61.00 Transferred to other accounts	-23	-22	-22
69.00 Offsetting collections (cash)	220	138	126
69.27 Capital transfer to general fund	-9		
69.47 Portion applied to repay debt		-9	-8
69.90 Spending authority from offsetting collections (total mandatory)	211	129	118
70.00 Total new budget authority (gross)	188	107	96
Change in obligated balances:			
72.40 Obligated balance, start of year	106	98	98
73.10 Total new obligations	23	29	29
73.20 Total outlays (gross)	-23	-29	-29
73.45 Recoveries of prior year obligations	-8		
74.40 Obligated balance, end of year	98	98	98
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	8	11	12
86.98 Outlays from mandatory balances	15	18	17
87.00 Total outlays (gross)	23	29	29
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities	-53		
Non-Federal sources:			
88.40 Loans repaid	-116	-90	-78
88.40 Interest from loans	-51	-48	-48
88.90 Total, offsetting collections (cash)	-220	-138	-126
Net budget authority and outlays:			
89.00 Budget authority	-32	-31	-30
90.00 Outlays	-197	-109	-97

Status of Direct Loans (in millions of dollars)

Identification code 12-4231-0-3-452	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	795	680	596
1231 Disbursements: Direct loan disbursements	1	6	5
1251 Repayments: Repayments and prepayments	-116	-90	-78
1290 Outstanding, end of year	680	596	523

As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank (RTB), all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts. Funding for salaries and expenses will be transferred from the unobligated balances in the RTB liquidating account in 2003.

The RTB provides a supplemental source of financing for rural telecommunications borrowers. The Bank charges an interest rate based on the cost of money to the Bank, as prescribed by law, but not less than 5 percent per annum.

In accordance with section 406(c) of the Rural Electrification Act of 1936, as amended, the first redemption of class A stock occurred on September 30, 1996. Redemption of class A stock will continue, as allowed by law, toward the full privatization of the Rural Telephone Bank required by law. The President's budget proposes that the Rural Telephone Bank make no more Federally-funded loans.

Administrative support is provided for the general operations of the Bank by RUS employees and the Office of the General Counsel.

PROGRAM STATISTICS

[dollars in millions]

	2002 actual	2003 est.	2004 est.
Cumulative net loans	2,545	2,595	2,645
Cumulative loan funds, advanced	2,469	2,475	2,480
Unadvanced loan funds, end of year	76	70	65
Cumulative principal repaid	1,789	1,879	1,957
Cumulative interest paid	2,343	2,385	2,433
Number of borrowers	311	300	295

Statement of Operations (in millions of dollars)

Identification code 12-4231-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
0101 Revenue	115	103	52	49
0102 Expense	-1		-1	-1
0105 Net income or loss (-)	114	103	51	48

Balance Sheet (in millions of dollars)

Identification code 12-4231-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	875	1,041	1,198	1,232
1402 Net value of assets related to post-1991 direct loans receivable: Interest receivable	3	2	2	2
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	794	680	596	523
1603 Allowance for estimated uncollectible loans and interest (-)	-6	-6	-5	-4
1604 Direct loans and interest receivable, net	788	674	591	519
1699 Value of assets related to direct loans	788	674	591	519
1999 Total assets	1,666	1,717	1,791	1,753
LIABILITIES:				
Federal liabilities:				
2103 Debt				
2104 Resources payable to Treasury	114		101	98
2207 Non-Federal liabilities: Other	1,118	1,205	1,211	1,316
2999 Total liabilities	1,232	1,205	1,312	1,414
NET POSITION:				
3300 Cumulative results of operations	434	512	479	339
3999 Total net position	434	512	479	339
4999 Total liabilities and net position	1,666	1,717	1,791	1,753

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa, et seq., \$25,000,000, to remain available until expended, to be available for loans, the principal amount of which shall not exceed \$50,000,000, and grants for telemedicine and distance learning services in rural areas. For the cost of direct and guaranteed broadband loans, as authorized by 7 U.S.C. 901, et seq., \$9,116,000, the principal

amount of loans not to exceed \$196,465,000: Provided, That the cost of all direct loans provided under this heading shall be as defined in section 502 of the Congressional Budget Act of 1974.

In addition, \$2,000,000, to remain available until expended, for a grant program to finance broadband transmission in areas that meet the definition of "rural area" used for the Broadband Loan Program authorized by 7.U.S.C. 901.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1232-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.02 Grants	30	51	27
00.03 Broadband loan subsidy		40	9
00.05 Reestimates of direct loan subsidy	1		
10.00 Total new obligations (object class 41.0)	31	91	36
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	44	
22.00 New budget authority (gross)	70	47	36
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	75	91	36
23.95 Total new obligations	-31	-91	-36
24.40 Unobligated balance carried forward, end of year	44		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	49	27	36
40.35 Appropriation rescinded			-20
43.00 Appropriation (total discretionary)	49	27	16
Mandatory:			
60.00 Appropriation	1		
62.00 Transferred from other accounts	20	20	20
62.50 Appropriation (total mandatory)	21	20	20
70.00 Total new budget authority (gross)	70	47	36
Change in obligated balances:			
72.40 Obligated balance, start of year	58	68	138
73.10 Total new obligations	31	91	36
73.20 Total outlays (gross)	-19	-21	-30
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	68	138	145
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		1	1
86.93 Outlays from discretionary balances	19	20	27
86.97 Outlays from new mandatory authority	1		
86.98 Outlays from mandatory balances			2
87.00 Total outlays (gross)	19	21	30
Net budget authority and outlays:			
89.00 Budget authority	70	47	36
90.00 Outlays	19	21	30

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1232-0-1-452	2002 actual	2003 est.	2004 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Distance Learning and Telemedicine	15	50	50
115002 Broadband	80	775	196
115901 Total direct loan levels	95	825	246
Direct loan subsidy (in percent):			
132001 Distance Learning and Telemedicine	-0.07	-1.15	0.00
132002 Broadband	-0.07	5.16	4.64
132901 Weighted average subsidy rate	0.00	4.73	3.66
Direct loan subsidy budget authority:			
133001 Distance Learning and Telemedicine		-1	
133002 Broadband		40	9

133901 Total subsidy budget authority	39	9
Direct loan subsidy outlays:		
134001 Distance Learning and Telemedicine		
134002 Broadband		2
134901 Total subsidy outlays		2
Direct loan upward reestimate subsidy budget authority:		
135002 Broadband	1	
135901 Total upward reestimate budget authority	1	
Direct loan upward reestimate subsidy outlays:		
136001 Distance Learning and Telemedicine		
136002 Broadband	1	
136901 Total upward reestimate outlays	1	

The loan and grant program provides access to advanced telecommunications services for improved education and health care in rural areas throughout the country. The loans and grants help education and health care providers bring the most modern technology, level of care, and education to rural America so its citizens can compete regionally, nationally, and globally. Additionally, the budget proposes blocking mandatory funding and providing discretionary funding for a program for loans to finance installation of broadband transmission capacity (i.e. the necessary fiber optic cable capacity needed in order to provide any enhanced services such as the Internet or high speed modems) to and through rural communities, as authorized by the Rural Electrification Act of 1936, 7 U.S.C. 901 et seq.

The budget also proposes continuing a program for one year for grants to finance installation of broadband transmission capacity to and through rural communities. USDA will issue a public notice for comment on how it will be administering this program.

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4146-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	95	825	246
00.02 Interest on Treasury borrowing	4	1	1
10.00 Total new obligations	99	826	247
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	10	13
22.00 New financing authority (gross)	108	829	252
23.90 Total budgetary resources available for obligation	109	839	265
23.95 Total new obligations	-99	-826	-247
24.40 Unobligated balance carried forward, end of year	10	13	18
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	95	825	246
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	16	4	6
68.47 Portion applied to repay debt	-3		
68.90 Spending authority from offsetting collections (total discretionary)	13	4	6
70.00 Total new financing authority (gross)	108	829	252
Change in obligated balances:			
72.40 Obligated balance, start of year	149	204	1,005
73.10 Total new obligations	99	826	247
73.20 Total financing disbursements (gross)	-45	-25	-25
74.40 Obligated balance, end of year	204	1,005	1,227
87.00 Total financing disbursements (gross)	45	25	25

Credit accounts—Continued

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND DIRECT LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4146-0-3-452	2002 actual	2003 est.	2004 est.
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources	-1	-2
88.25	Interest on uninvested funds	-2	-1
Non-Federal sources:			
88.40	Repayment of principal	-13	-2
88.40	Interest received on loans	-1	-1
88.90	Total, offsetting collections (cash)	-16	-4
Net financing authority and financing disbursements:			
89.00	Financing authority	92	825
90.00	Financing disbursements	28	21

Status of Direct Loans (in millions of dollars)

Identification code 12-4146-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	380	825
1142	Unobligated direct loan limitation (-)	-285	
1150	Total direct loan obligations	95	825
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	16	49
1231	Disbursements: Direct loan disbursements	45	24
1251	Repayments: Repayments and prepayments	-12	-2
1290	Outstanding, end of year	49	71

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4146-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
1101	Federal assets: Fund balances with Treasury	3		
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	14	49	48
1402	Interest receivable		1	1
1405	Allowance for subsidy cost (-)	1		-1
1499	Net present value of assets related to direct loans	15	49	48
1999	Total assets	18	49	48
LIABILITIES:				
2101	Federal liabilities: Accounts payable	18	49	48
2999	Total liabilities	18	49	48
4999	Total liabilities and net position	18	49	48

**LOCAL TELEVISION LOAN GUARANTEE PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)**

Program and Financing (in millions of dollars)

Identification code 12-1233-0-1-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.02	Loan guarantee subsidy	88	
00.09	Administrative expenses	2	

10.00	Total new obligations	2	88
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year		88
22.00	New budget authority (gross)	90	
23.90	Total budgetary resources available for obligation	90	88
23.95	Total new obligations	-2	-88
24.40	Unobligated balance carried forward, end of year	88	

New budget authority (gross), detail:

Discretionary:			
40.00	Appropriation	30	
40.35	Appropriation rescinded	-20	
43.00	Appropriation (total discretionary)	10	
Mandatory:			
62.00	Transferred from other accounts	80	
70.00	Total new budget authority (gross)	90	

Change in obligated balances:

72.40	Obligated balance, start of year			70
73.10	Total new obligations	2	88	
73.20	Total outlays (gross)	-2	-18	-39
74.40	Obligated balance, end of year		70	30

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	2		
86.93	Outlays from discretionary balances		2	3
86.98	Outlays from mandatory balances		16	36
87.00	Total outlays (gross)	2	18	39

Net budget authority and outlays:

89.00	Budget authority	90		
90.00	Outlays	2	18	39

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1233-0-1-452	2002 actual	2003 est.	2004 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001	Local television	1,135	
215901	Total loan guarantee levels	1,135	
Guaranteed loan subsidy (in percent):			
232001	Local television	7.75	8.25
232901	Weighted average subsidy rate	7.75	8.25
Guaranteed loan subsidy budget authority:			
233001	Local television	88	
233901	Total subsidy budget authority	88	
Guaranteed loan subsidy outlays:			
234001	Local television		18
234901	Total subsidy outlays		18
Administrative expense data:			
351001	Budget authority	2	
358001	Outlays from balances		
359001	Outlays from new authority	2	

The President's budget proposes no additional funds for the Local Television Loan Guarantee program.

The Local Television Loan program provides guaranteed loans to fund the provision of local television stations to rural residents.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-1233-0-1-452	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts	2		
41.0 Grants, subsidies, and contributions		88	
99.9 Total new obligations	2	88	

LOCAL TELEVISION LOAN GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4220-0-3-452	2002 actual	2003 est.	2004 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			90
22.00 New financing authority (gross)		90	4
23.90 Total budgetary resources available for obligation		90	94
24.40 Unobligated balance carried forward, end of year		90	94
New financing authority (gross), detail:			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	2	4	
68.10 Change in uncollected customer payments from Federal sources (unexpired)	6	-3	
68.90 Spending authority from offsetting collections (total discretionary)	8	1	
Mandatory:			
69.00 Offsetting collections (cash)	18	39	
69.10 Change in uncollected customer payments from Federal sources (unexpired)	64	-36	
69.90 Spending authority from offsetting collections (total mandatory)	82	3	
70.00 Total new financing authority (gross)	90	4	
Change in obligated balances:			
72.40 Obligated balance, start of year			-70
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-70	39	
74.40 Obligated balance, end of year	-70	-31	
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-18	-39	
88.25 Interest on uninvested funds	-1	-2	
88.40 Non-Federal sources	-1	-2	
88.90 Total, offsetting collections (cash)	-20	-43	
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-70	39	
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-20	-43	

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4220-0-3-452	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	103		
2121 Limitation available from carry-forward		1,067	
2131 Guaranteed loan commitments exempt from limitation	1,032		
2143 Uncommitted limitation carried forward	-1,135		
2150 Total guaranteed loan commitments		1,067	
2199 Guaranteed amount of guaranteed loan commitments		853	
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			205
2231 Disbursements of new guaranteed loans		213	480
2251 Repayments and prepayments		-8	-25

2290 Outstanding, end of year	205	660
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Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	165	528
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4220-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury			19	63
Investments in US securities:				
1106 Receivables, net			70	31
1999 Total assets			89	94
LIABILITIES:				
2105 Federal liabilities: Other			70	31
2204 Non-Federal liabilities: Liabilities for loan guarantees			19	63
2999 Total liabilities			89	94
4999 Total liabilities and net position			89	94

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4155-0-3-452	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Capital investment:			
01.01 Interest on FFB borrowings	249	123	73
01.05 Interest on Treasury borrowings	16	42	11
10.00 Total new obligations (object class 43.0)	265	165	84
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	265	156	65
22.70 Balance of authority to borrow withdrawn		9	19
23.90 Total budgetary resources available for obligation	265	165	84
23.95 Total new obligations	-265	-165	-84
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	1,482	208	608
60.47 Portion applied to repay debt	-1,217	-52	-543
62.50 Appropriation (total mandatory)	265	156	65
69.00 Offsetting collections (cash)	428	323	303
69.47 Portion applied to repay debt	-428	-323	-303
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new budget authority (gross)	265	156	65
Change in obligated balances:			
72.40 Obligated balance, start of year	159	55	50
73.10 Total new obligations	265	165	84
73.20 Total outlays (gross)	-368	-170	-116
74.40 Obligated balance, end of year	55	50	18
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	265	156	65
86.98 Outlays from mandatory balances	103	14	51
87.00 Total outlays (gross)	368	170	116

Credit accounts—Continued

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT—
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4155-0-3-452	2002 actual	2003 est.	2004 est.	
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Non-Federal sources	-260	-171	-160
88.40	Repayments of guaranteed loans purchased from investors	-3	-2	-2
88.40	Interest revenue	-163	-150	-141
88.40	Undistributed Charges	-2		
88.90	Total, offsetting collections (cash)	-428	-323	-303
Net budget authority and outlays:				
89.00	Budget authority	-163	-167	-238
90.00	Outlays	-59	-153	-187

Status of Direct Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	3,068	2,808	2,636
1251	Repayments: Repayments and prepayments	-260	-171	-161
1263	Write-offs for default: Direct loans		-1	-1
1290	Outstanding, end of year	2,808	2,636	2,474

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2002 actual	2003 est.	2004 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	98	80	64
2251	Repayments and prepayments	-11	-10	-8
2263	Adjustments: Terminations for default that result in claim payments	-7	-6	-5
2290	Outstanding, end of year	80	64	51
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	57	46	36

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419).

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities, and industrial development in rural areas. Communities unable to afford low interest loans for water and waste disposal facilities are also able to obtain water and waste disposal grants.

As required by the Federal Credit Reform Act of 1990, this account records, for these loan programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in these programs is recorded in corresponding program accounts and financing accounts.

In 1994, these loan programs were administered by the Rural Development Administration. Under reorganization of the Department of Agriculture, the water and waste direct and guaranteed loan programs are administered by the Rural Utilities Service, the community facility direct and guaranteed loan programs are administered by the Rural Housing Service, and the business and industry direct and guaranteed loan programs are administered by the Rural Business-Cooperative Service.

Statement of Operations (in millions of dollars)

Identification code 12-4155-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
0101	Revenue	483	265	186	144
0102	Expense	-732	-265	-365	-323
0105	Net income or loss (-)	-249		-179	-179

Balance Sheet (in millions of dollars)

Identification code 12-4155-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury	159	55	42	-9
1201	Non-Federal assets: Investments in non-Federal securities, net	34	34	34	34
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross	3,068	2,808	2,636	2,474
1602	Interest receivable	56	48	46	44
1603	Allowance for estimated uncollectible loans and interest (-)	-1,026	-33	-800	-812
1604	Direct loans and interest receivable, net	2,098	2,823	1,882	1,706
1699	Value of assets related to direct loans	2,098	2,823	1,882	1,706
1901	Other Federal assets: Other assets	18	12	10	8
1999	Total assets	2,309	2,924	1,968	1,739
LIABILITIES:					
Federal liabilities:					
2103	Debt	3,066	1,421	1,047	200
2104	Resources payable to Treasury	-930	1,433	857	1,506
Non-Federal liabilities:					
2202	Interest payable	158	55	50	18
2204	Liabilities for loan guarantees	2	3	4	5
2207	Other	13	12	10	10
2999	Total liabilities	2,309	2,924	1,968	1,739
4999	Total liabilities and net position	2,309	2,924	1,968	1,739

RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4142-0-3-452	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Interest on Treasury borrowing	3	3	3
10.00	Total new obligations (object class 43.0)	3	3	3
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	2		
22.00	New budget authority (gross)	1	3	3
23.90	Total budgetary resources available for obligation	3	3	3
23.95	Total new obligations	-3	-3	-3
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation	1	2	2
69.00	Offsetting collections (cash)		1	1
70.00	Total new budget authority (gross)	1	3	3
Change in obligated balances:				
72.40	Obligated balance, start of year	1	1	1
73.10	Total new obligations	3	3	3
73.20	Total outlays (gross)	-2	-2	-2
74.40	Obligated balance, end of year	1	1	1
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	1	2	2
86.98	Outlays from mandatory balances	1		
87.00	Total outlays (gross)	2	2	2

Offsets:
Against gross budget authority and outlays:

88.40	Offsetting collections (cash) from: Non-Federal sources	-1	-1
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Net budget authority and outlays:

89.00	Budget authority	1	2	2
90.00	Outlays	2	1	1

Status of Direct Loans (in millions of dollars)

Identification code 12-4142-0-3-452	2002 actual	2003 est.	2004 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	5	5	5
1251	Repayments: Repayments and prepayments			-1
1290	Outstanding, end of year	5	5	4

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4142-0-3-452	2002 actual	2003 est.	2004 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	4	4	4
2251	Repayments and prepayments			-1
2290	Outstanding, end of year	4	4	3

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	4	4	3
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The Rural Communication Development Fund was established pursuant to the Secretary's Memorandum No. 1988, approved May 22, 1979. No loans have been made through this account since before 1992.

Statement of Operations (in millions of dollars)

Identification code 12-4142-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
0101	Revenue	3	9	8	4
0102	Expense	-3	-9	-8	-4
0105	Net income or loss (-)				

Balance Sheet (in millions of dollars)

Identification code 12-4142-0-3-452	2001 actual	2002 actual	2003 est.	2004 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury	3	2	1	1
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross	5	5	4	4
1602	Interest receivable		1	1	1
1603	Allowance for estimated uncollectible loans and interest (-)	1	-3	-2	-2
1604	Direct loans and interest receivable, net	6	3	3	3
1699	Value of assets related to direct loans	6	3	3	3
1999	Total assets	9	5	4	4
LIABILITIES:					
Federal liabilities:					
2102	Interest payable	1	1	2	3
2103	Debt	25	25	25	24
2204	Non-Federal liabilities: Liabilities for loan guarantees	-17	-21	-23	-23
2999	Total liabilities	9	5	4	4
NET POSITION:					
3300	Cumulative results of operations				
3999	Total net position				
4999	Total liabilities and net position	9	5	4	4

FOREIGN AGRICULTURAL SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$158,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$140,798,000, of which \$5,000,000 is to support the Montreal Protocol Multilateral Fund: Provided, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1737) and the foreign assistance programs of the United States Agency for International Development.

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-2900-0-1-352	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
Direct program:				
00.01	Market access	30	32	33
00.02	Market development	34	36	37
00.03	Market intelligence	28	30	31
00.04	Financial marketing assistance	7	6	7
00.05	Long-term market and infrastructure development	23	27	28
00.06	Montreal Protocol Multilateral Funding			5
09.00	Reimbursable program	72	72	74
10.00	Total new obligations	194	203	215
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	14	15	15
22.00	New budget authority (gross)	197	203	215
23.90	Total budgetary resources available for obligation	211	218	230
23.95	Total new obligations	-194	-203	-215
23.98	Unobligated balance expiring or withdrawn	-1		
24.40	Unobligated balance carried forward, end of year	15	15	15
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	122	131	141
42.00	Transferred from other accounts	12		
43.00	Appropriation (total discretionary)	134	131	141
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	27	72	74
68.10	Change in uncollected customer payments from Federal sources (unexpired)	36		
68.90	Spending authority from offsetting collections (total discretionary)	63	72	74
70.00	Total new budget authority (gross)	197	203	215
Change in obligated balances:				
72.40	Obligated balance, start of year	49	44	45
73.10	Total new obligations	194	203	215
73.20	Total outlays (gross)	-203	-202	-215
73.40	Adjustments in expired accounts (net)	5		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-36		
74.10	Change in uncollected customer payments from Federal sources (expired)	35		
74.40	Obligated balance, end of year	44	45	45
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	193	192	204

General and special funds—ContinuedSALARIES AND EXPENSES—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2900-0-1-352	2002 actual	2003 est.	2004 est.
86.93 Outlays from discretionary balances	10	10	11
87.00 Total outlays (gross)	203	202	215
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-76	-72	-74
Against gross budget authority only:			
88.95 Change in uncollected customer payments from			
Federal sources (unexpired)	-36		
88.96 Portion of offsetting collections (cash) credited to			
expired accounts	49		
Net budget authority and outlays:			
89.00 Budget authority	134	131	141
90.00 Outlays	127	130	141
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	4	4	4
99.01 Outlays	4	4	4

The mission of the Foreign Agricultural Service (FAS) is to open, expand and maintain global market opportunities through international trade, cooperation, and sustainable development activities which secure the long-term economic vitality and global competitiveness of America's rural communities and related food and agricultural enterprises.

FAS conducts a demand-driven export strategy, deploying five major policy objectives to execute the strategy, while integrating commodity and country market priorities for allocating scarce export assistance resources. These objectives include:

Market access: FAS initiates, directs and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices of other countries that hinder U.S. agricultural exports to those markets. In virtually every foreign market, U.S. agricultural exports are subject to import duties and non-tariff trade restrictions. Trade information sent to Washington from FAS personnel overseas is used to map strategies for improving market access, pursuing U.S. rights under trade agreements, and developing programs and policies to make U.S. farm products more competitive.

Market development, promotion and outreach: FAS develops foreign markets for U.S. farm products through aggressive market expansion activities. It provides services to the U.S. and foreign agricultural trade sectors that are necessary to establish, build and maintain overseas markets for U.S. agricultural products. Public Law 83-690, approved August 28, 1954, includes authority to establish up to 25 Agricultural Trade Offices. Currently 17 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups and state export marketing officials in trade promotion. Promotional activities are carried out chiefly in cooperation with non-profit agricultural trade associations and firms on a cost-sharing basis. The largest of FAS's promotional programs are the Foreign Market Development Co-operator Program and Market Access Program. In addition, FAS sponsors U.S. participation in several major trade shows and a number of single-industry exhibitions each year. The Quality samples program provides samples of U.S. agricul-

tural products to foreign importers to help overcome marketing trade barriers. These programs are designed to create demand for U.S. agricultural products in foreign markets, introduce U.S. food and agricultural products to potential foreign customers, and show foreign customers how to use U.S. products.

FAS strategic outreach efforts focus on facilitating export readiness and help link both export-ready and new-to-export firms to market entry opportunities, and increase domestic awareness of export opportunities/global consumer quality and product safety expectations. These efforts are designed to strengthen the export knowledge/skills of producers and exporters so they can compete more effectively in the international marketplace. Outreach also includes targeting foreign buyers in educating them about the merits of U.S. products and how they can be purchased.

Market intelligence: FAS provides U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is done through a continuous program of reporting by 63 posts located throughout the world covering some 130 countries. Reporting includes information and/or data on foreign government policies, analysis of supply and demand conditions, commercial trade relationships and market opportunities. FAS analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities.

Financial marketing assistance: FAS administers a number of price/credit and risk assistance programs designed to leverage overseas market expansion for U.S. agricultural, fish, and forest products. These programs include CCC Export Credit Guarantee Programs, the Export Enhancement Program, and Dairy Export Incentive Program. These programs are designed to help developing nations make the transition from concessional financing to cash purchases, give U.S. producers the ability to counter export subsidies of foreign competitors and allow U.S. exporters to compete with sales terms offered by foreign competitors.

Long-term market and infrastructure development: FAS promotes trade capacity building, fosters world food security, and deploys USDA resources and expertise to advance market-based policies, trade and investment, sustainable agricultural systems, and agricultural research and education in developing countries and emerging markets. FAS also provides linkages to worldwide agricultural resources and international organizations to gain access to emerging technologies that can help create new U.S. agricultural products and markets. Direct program activities include administering the Cochran Fellowship Program and managing USDA's bilateral exchange and cooperative research programs with foreign governments and institutions. The Emerging Markets Program, under which technical assistance and related activities are carried out, facilitates international agribusiness relationships, enhances food systems in developing and transitional countries, and helps expand U.S. agricultural exports.

FAS also administers food assistance activities such as Public Law 480, Title I; Food for Progress; Section 416(b); and the McGovern-Dole International Food for Education and Child Nutrition Program. P.L. 480 Title I food aid is designed to help developing nations make the transition from donations and concessional financing to cash purchases while not displacing expected commercial sales. Food for Progress provides food to developing countries and emerging democracies that have made commitments to introduce or expand free enterprise into their agricultural economies. Section 416(b) provides overseas donations of surplus commodities owned by the CCC to assist developing and friendly countries. The

International Food for Education Program provides for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in foreign countries.

At the request of the Agency for International Development, international organizations and foreign governments, technical assistance and training in agriculture and rural development are provided on a reimbursable or advance of funds basis.

Montreal Protocol Multilateral Fund: The Montreal Protocol Multilateral Fund was created in 1991 to help developing countries switch from ozone depleting substances (ODS) to safer alternatives. Developing countries' commitment to comply with the Protocol's strict requirements is contingent on developed countries providing help through the Fund. With Fund assistance, developing countries as a group have exceeded initial reduction commitment by almost 25%.

Historically, the Department of State and EPA have provided nearly all U.S. payments to the Montreal Protocol Multilateral Fund. This has funded projects that are leading to the phase out of the production and use by developing countries of industrial chemicals that deplete the ozone layer, such as chlorofluorocarbons and halons. In the future, there will be an increasing focus on reducing the use of methyl bromide in developing countries. In recognition of the growing importance of agricultural issues in the Montreal Protocol process, USDA is requesting a \$5 million contribution to the Fund.

Object Classification (in millions of dollars)

Identification code 12-2900-0-1-352	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	55	57	59
11.3 Other than full-time permanent	2	2	2
11.5 Other personnel compensation	1	1	1
11.8 Special personal services payments	2	2	2
11.9 Total personnel compensation	60	62	64
12.1 Civilian personnel benefits	16	16	16
21.0 Travel and transportation of persons	5	5	5
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	6	7	8
23.3 Communications, utilities, and miscellaneous charges	1	2	2
24.0 Printing and reproduction	1	1	1
25.2 Other services	29	32	39
25.8 Subsidence and support of persons	1	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	3	3
99.0 Direct obligations	122	131	141
99.0 Reimbursable obligations	72	72	74
99.9 Total new obligations	194	203	215

Personnel Summary

Identification code 12-2900-0-1-352	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	792	804	804
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	179	181	201

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)

Program and Financing (in millions of dollars)

Identification code 12-1404-0-1-352	2002 actual	2003 est.	2004 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
24.40 Unobligated balance carried forward, end of year	1	1	1

Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
73.20 Total outlays (gross)	-1	-1	.....
74.40 Obligated balance, end of year	1	1	.....
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1	1	.....
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	1	.....

As authorized by the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, USDA uses foreign currencies to support research on problems of mutual interest to the United States and participating foreign countries. After 1991 no new foreign currency programs have been or are proposed to be initiated.

FOREIGN ASSISTANCE PROGRAMS

The funds and facilities of the Commodity Credit Corporation may, by law, be used in carrying out programs to encourage the export of agricultural commodities.

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83rd Congress, as amended (P.L. 480): Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104 (title I); for dispositions abroad (titles II and III); and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended. Agreements may provide for commodities to be made available on a multi-year basis. During 2003, Commodity Credit Corporation funds were authorized to carry out the McGovern-Dole International Food for Education Program. Beginning in 2004, the program is authorized to be funded through a direct appropriation.

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS

(INCLUDING TRANSFER OF FUNDS)

For ocean freight differential costs for the shipment of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 and under the Food for Progress Act of 1985, \$28,000,000, to remain available until expended: Provided, That funds made available for the cost of agreements under title I of the Agricultural Trade Development and Assistance Act of 1954 and for title I ocean freight differential may be used interchangeably between the two accounts with prior notice to the Committees on Appropriations of both Houses of Congress. (7 U.S.C. 1701b, 2209b.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-2271-0-1-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 P.L. 480 grant—Title I: Ocean freight differential (OFD)	27	28	28
09.00 Reimbursable program	1	1	1
10.00 Total new obligations	28	29	29
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	15	8	.....
22.00 New budget authority (gross)	21	29	29
22.40 Capital transfer to general fund .....	.....	-8	.....
23.90 Total budgetary resources available for obligation	36	29	29
23.95 Total new obligations	-28	-29	-29
24.40 Unobligated balance carried forward, end of year	8	.....	.....

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS—
Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2271-0-1-351	2002 actual	2003 est.	2004 est.
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	20	28	28
Mandatory:			
69.00 Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	21	29	29
Change in obligated balances:			
72.40 Obligated balance, start of year	25	10	11
73.10 Total new obligations	28	29	29
73.20 Total outlays (gross)	-42	-27	-37
74.40 Obligated balance, end of year	10	11	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	16	16	16
86.93 Outlays from discretionary balances	41	10	20
86.97 Outlays from new mandatory authority	1	1	1
87.00 Total outlays (gross)	42	27	37
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority	20	28	28
90.00 Outlays	42	26	36

This account funds the title I ocean freight differential program.

Object Classification (in millions of dollars)

Identification code 12-2271-0-1-351	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions	27	28	28
99.0 Reimbursable obligations: Reimbursable obligations	1	1	1
99.9 Total new obligations	28	29	29

PUBLIC LAW 480 TITLE II GRANTS

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, for commodities supplied in connection with dispositions abroad under title II of said Act, \$1,185,000,000, to remain available until expended. (7 U.S.C. 1691, 1721-26a, 1727-27e, 1731-36g-3, 1737, 2209b.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-2278-0-1-151	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.02 Title II	991	1,248	1,185
09.01 Reimbursable program	23		
10.00 Total new obligations	1,014	1,248	1,185
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	94	63	
22.00 New budget authority (gross)	887	1,185	1,185
22.22 Unobligated balance transferred from other accounts	96		
23.90 Total budgetary resources available for obligation	1,077	1,248	1,185
23.95 Total new obligations	-1,014	-1,248	-1,185
24.40 Unobligated balance carried forward, end of year	63		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	864	1,185	1,185
Mandatory:			
69.00 Offsetting collections (cash)	23		
70.00 Total new budget authority (gross)	887	1,185	1,185

Change in obligated balances:

72.40 Obligated balance, start of year	587	656	824
73.10 Total new obligations	1,014	1,248	1,185
73.20 Total outlays (gross)	-945	-1,080	-1,144
74.40 Obligated balance, end of year	656	824	865

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	337	622	622
86.93 Outlays from discretionary balances	585	458	522
86.97 Outlays from new mandatory authority	23		
87.00 Total outlays (gross)	945	1,080	1,144

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-23		

Net budget authority and outlays:

89.00 Budget authority	864	1,185	1,185
90.00 Outlays	922	1,080	1,144

This account funds the non-credit components of Public Law 480. Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to ports of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements.

Object Classification (in millions of dollars)

Identification code 12-2278-0-1-151	2002 actual	2003 est.	2004 est.
41.0 Direct obligations: Grants, subsidies, and contributions	991	1,248	1,185
99.0 Reimbursable obligations: Reimbursable obligations	23		
99.9 Total new obligations	1,014	1,248	1,185

McGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM GRANTS

For necessary expenses to carry out the provisions of section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 17360-1), \$50,000,000, to remain available until expended: Provided, That the Commodity Credit Corporation is authorized to provide the services, facilities, and authorities for the purpose of implementing such section, subject to reimbursement from amounts provided herein.

Program and Financing (in millions of dollars)				
Identification code 12-2903-0-1-151	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
Support and Related Programs:				
00.01	McGovern-Dole International Food for Education & Child Nutrition Program			50
10.00	Total new obligations (object class 41.0)			50
Budgetary resources available for obligation:				
Budgetary Resources Available for Obligation:				
22.00	New budget authority (gross)			50
23.95	Total new obligations			- 50
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation			50
Change in obligated balances:				
73.10	Total new obligations			50
73.20	Total outlays (gross)			- 50
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority			50
Net budget authority and outlays:				
89.00	Budget authority			50
90.00	Outlays			50

The Farm Security and Rural Investment Act of 2002 (Public Law 107-171) authorizes the McGovern-Dole International Food for Education and Child Nutrition Program. The program provides for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in foreign countries in order to improve food security, reduce the incidence of hunger and malnutrition, and improve literacy and primary education. Maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children also are authorized.

Credit accounts:

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of agreements under the Agricultural Trade Development and Assistance Act of 1954, and the Food for Progress Act of 1985, including the cost of modifying credit arrangements under said Acts, \$103,887,000, to remain available until expended.

In addition, for administrative expenses to carry out the credit program of title I, Public Law 83-480, and the Food for Progress Act of 1985, to the extent funds appropriated for Public Law 83-480 are utilized, \$4,041,000, of which \$1,066,000, may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", and of which \$2,975,000 may be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses". (7 U.S.C. 1691, 1701-04, 1731-36g-3, 2209b.)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-2277-0-1-351	2002 actual	2003 est.	2004 est.	
0108	P.L. 480 loan program, downward reestimates of subsidies		538	

Program and Financing (in millions of dollars)

Identification code 12-2277-0-1-351	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Direct credit subsidy	155	99	104
00.05	Re-estimates of subsidy	65	12	

00.06	Interest on re-estimates	17	1	
00.09	Administrative expenses	2	2	4
10.00	Total new obligations	239	114	108

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	288	254	
22.00	New budget authority (gross)	205	114	108
22.21	Unobligated balance transferred to other accounts	- 1		
22.40	Capital transfer to general fund		- 255	
23.90	Total budgetary resources available for obligation	492	113	108
23.95	Total new obligations	- 239	- 114	- 108
24.40	Unobligated balance carried forward, end of year	254		

New budget authority (gross), detail:

Discretionary:				
40.00	Appropriation	128	101	108
Mandatory:				
60.00	Appropriation	63	13	
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	27		
68.10	Change in uncollected customer payments from Federal sources (unexpired)	- 13		
68.90	Spending authority from offsetting collections (total discretionary)	14		
70.00	Total new budget authority (gross)	205	114	108

Change in obligated balances:

72.40	Obligated balance, start of year	69	71	43
73.10	Total new obligations	239	114	108
73.20	Total outlays (gross)	- 251	- 142	- 137
74.00	Change in uncollected customer payments from Federal sources (unexpired)	13		
74.40	Obligated balance, end of year	71	43	14

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	34	58	63
86.93	Outlays from discretionary balances	135	71	74
86.97	Outlays from new mandatory authority		13	
86.98	Outlays from mandatory balances	82		
87.00	Total outlays (gross)	251	142	137

Offsets:

Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	- 27		
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	13		

Net budget authority and outlays:

89.00	Budget authority	191	114	108
90.00	Outlays	224	142	137

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2277-0-1-351	2002 actual	2003 est.	2004 est.	
Direct loan levels supportable by subsidy budget authority:				
115001	P. L. 480 title I loans	155	132	132
115901	Total direct loan levels	155	132	132
Direct loan subsidy (in percent):				
132001	P. L. 480 title I loans	81.73	75.11	78.90
132901	Weighted average subsidy rate	81.73	75.11	78.90
Direct loan subsidy budget authority:				
133001	P. L. 480 title I loans	126	99	104
133901	Total subsidy budget authority	126	99	104
Direct loan subsidy outlays:				
134001	P. L. 480 title I loans	139	127	132
134901	Total subsidy outlays	139	127	132
Direct loan upward reestimate subsidy budget authority:				
135001	P. L. 480 title I loans	82	13	
135901	Total upward reestimate budget authority	82	13	
Direct loan upward reestimate subsidy outlays:				
136001	P. L. 480 title I loans	82	13	

Credit accounts—Continued

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)—Continued

Identification code 12-2277-0-1-351	2002 actual	2003 est.	2004 est.
136901 Total upward reestimate outlays	82	13	
Direct loan downward reestimate subsidy budget authority:			
137001 P. L. 480 title I loans		-538	
137901 Total downward reestimate budget authority		-538	
Direct loan downward reestimate subsidy outlays:			
138001 P. L. 480 title I loans		-538	
138901 Total downward reestimate subsidy outlays		-538	
Administrative expense data:			
351001 Budget authority	2	2	4
358001 Outlays from balances			
359001 Outlays from new authority	2	2	4

As required by the Federal Credit Reform Act of 1990, this account records, for the P.L. 480 Program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligation in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-2277-0-1-351	2002 actual	2003 est.	2004 est.
25.3 Other purchases of goods and services from Government accounts	2	2	4
41.0 Grants, subsidies, and contributions	237	112	104
99.9 Total new obligations	239	114	108

P.L. 480 DIRECT CREDIT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4049-0-3-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	85	132	132
00.02 Interest on Treasury borrowing	77	41	41
00.91 Direct Program by Activities—Subtotal (1 level)	162	173	173
08.02 Payment of downward reestimate to receipt account		360	
08.04 Payment of interest on downward reestimate to receipt account		178	
08.91 Direct Program by Activities—Subtotal (1 level)		538	
10.00 Total new obligations	162	711	173
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	159	246	
22.00 New financing authority (gross)	285	511	215
22.40 Capital transfer to general fund		-27	-42
22.60 Portion applied to repay debt	-36	-19	
23.90 Total budgetary resources available for obligation	408	711	173
23.95 Total new obligations	-162	-711	-173
24.40 Unobligated balance carried forward, end of year	246		

New financing authority (gross), detail:

Discretionary:			
47.00 Authority to borrow	29		
Mandatory:			
67.10 Authority to borrow		366	74

Spending authority from offsetting collections:

Discretionary:			
68.00 Offsetting collections (cash)	274		
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-18		
68.90 Spending authority from offsetting collections (total discretionary)	256		
Mandatory:			
69.00 Offsetting collections (cash)	281	277	
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-136	-136	
69.90 Spending authority from offsetting collections (total mandatory)	145	141	
70.00 Total new financing authority (gross)	285	511	215
Change in obligated balances:			
72.40 Obligated balance, start of year	43	46	29
73.10 Total new obligations	162	711	173
73.20 Total financing disbursements (gross)	-178	-864	-326
74.00 Change in uncollected customer payments from Federal sources (unexpired)	18	136	136
74.40 Obligated balance, end of year	46	29	12
87.00 Total financing disbursements (gross)	178	864	326

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-165	-140	-132
88.25 Interest on uninvested funds	-16	-1	-1
Non-Federal sources:			
88.40 Interest received on loans	-38	-62	-63
88.40 Principal received on loans	-55	-78	-81
88.90 Total, offsetting collections (cash)	-274	-281	-277
Against gross financing authority only:			
88.95 Change in receivables from program accounts	18	136	136

Net financing authority and financing disbursements:

89.00 Financing authority	29	366	74
90.00 Financing disbursements	-96	583	49

Status of Direct Loans (in millions of dollars)

Identification code 12-4049-0-3-351	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	168	132	132
1121 Limitation available from carry-forward	176		
1142 Unobligated direct loan limitation (-)	-246		
1150 Total direct loan obligations	98	132	132
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2,176	2,334	2,383
1231 Disbursements: Direct loan disbursements	122	127	132
1251 Repayments: Repayments and prepayments	-55	-78	-81
1261 Adjustments: Capitalized interest	91		
1290 Outstanding, end of year	2,334	2,383	2,434

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4049-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	203	278	250	250
Investments in US securities:				
1106 Receivables, net	64	58	58	58
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	2,176	2,334	2,364	2,412

1402	Interest receivable	24	79	24	24
1405	Allowance for subsidy cost (-)	-1,603	-1,388	-1,568	-1,568
1499	Net present value of assets related to direct loans	597	1,025	820	868
1901	Other Federal assets: Other assets	329			
1999	Total assets	1,193	1,361	1,128	1,176
LIABILITIES:					
Federal liabilities:					
2101	Accounts payable	31	23	31	31
2104	Resources payable to Treasury	753	732	753	753
2105	Other	409	606	344	392
2999	Total liabilities	1,193	1,361	1,128	1,176
4999	Total liabilities and net position	1,193	1,361	1,128	1,176

DEBT REDUCTION—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4143-0-3-351		2002 actual	2003 est.	2004 est.
Obligations by program activity:				
00.01	Direct Program Activity	20	33	67
00.02	Interest to Treasury	3		
10.00	Total new obligations	23	33	67
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	59	51	15
22.00	New financing authority (gross)	15	48	80
22.60	Portion applied to repay debt		-51	
23.90	Total budgetary resources available for obligation	74	48	95
23.95	Total new obligations	-23	-33	-67
24.40	Unobligated balance carried forward, end of year	51	15	28
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	3	3	
Spending authority from offsetting collections:				
Discretionary:				
Offsetting collections (cash):				
68.00	Offsetting collections (cash)	11	12	13
68.00	Offsetting collections—Debt Reduction	8	33	67
68.10	Change in uncollected customer payments from Federal sources (unexpired)	-7		
68.90	Spending authority from offsetting collections (total discretionary)	12	45	80
70.00	Total new financing authority (gross)	15	48	80
Change in obligated balances:				
72.40	Obligated balance, start of year	-1	4	
73.10	Total new obligations	23	33	67
73.20	Total financing disbursements (gross)	-25	-35	-67
74.00	Change in uncollected customer payments from Federal sources (unexpired)	7		
74.40	Obligated balance, end of year	4		
87.00	Total financing disbursements (gross)	25	35	67
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources	-8	-33	-67
88.25	Interest on uninvested funds	-2	-2	-2
88.40	Non-Federal sources	-9	-10	-11
88.90	Total, offsetting collections (cash)	-19	-45	-80
Against gross financing authority only:				
88.95	Change in receivables from program accounts	7		
Net financing authority and financing disbursements:				
89.00	Financing authority	3	3	
90.00	Financing disbursements	7	-10	-13

Status of Direct Loans (in millions of dollars)				
Identification code 12-4143-0-3-351		2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	8	3	
1150	Total direct loan obligations	8	3	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	132	236	231
1233	Disbursements: Purchase of loans assets from a liquidating account	8	3	
1251	Repayments: Repayments and prepayments	-7	-8	-10
1264	Write-offs for default: Other adjustments, net	103		
1290	Outstanding, end of year	236	231	221

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4143-0-3-351		2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury		30	30	30
Investments in US securities:					
1106	Receivables, net		10	10	10
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross	132	236	231	221
1405	Allowance for subsidy cost (-)	-87	-149	-178	-214
1499	Net present value of assets related to direct loans	45	87	53	7
1999	Total assets	45	127	93	47
LIABILITIES:					
Federal liabilities:					
2102	Interest payable		2	2	2
2103	Debt	45	45	45	45
2105	Other		80	46	
2999	Total liabilities	45	127	93	47
4999	Total liabilities and net position	45	127	93	47

P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, PROGRAM ACCOUNT

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-2273-0-1-351		2002 actual	2003 est.	2004 est.
0101	Negative subsidies/subsidy reestimates		195	

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2273-0-1-351		2002 actual	2003 est.	2004 est.
Direct loan downward reestimate subsidy budget authority:				
137001	Downward reestimates subsidy budget authority—P.L. 480 title I credits		-195	
137901	Total downward reestimate budget authority		-195	
Direct loan downward reestimate subsidy outlays:				
138001	Downward reestimates subsidy outlays		-195	
138901	Total downward reestimate subsidy outlays		-195	

Sales of U.S. commodities under the credit portion of the Food for Progress program were made to Russia in 1993. The assistance is subject to credit reform budgeting. No credit has been issued since.

Credit accounts—Continued

P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, PROGRAM ACCOUNT—Continued

P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4078-0-3-351	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.02 Interest to Treasury on borrowings	11	16	17
08.02 Payment of downward re-estimate to receipt account		112	
08.04 Payment of interest on downward re-estimate to receipt account		83	
08.91 Direct Program by Activities—Subtotal (1 level)		195	
10.00 Total new obligations	11	211	17
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	47	68	
22.00 New financing authority (gross)	78	297	102
22.40 Capital transfer to general fund		-154	-85
22.60 Portion applied to repay debt	-47		
23.90 Total budgetary resources available for obligation	78	211	17
23.95 Total new obligations	-11	-211	-17
24.40 Unobligated balance carried forward, end of year	68		
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow		207	12
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	78	90	90
70.00 Total new financing authority (gross)	78	297	102
Change in obligated balances:			
73.10 Total new obligations	11	211	17
73.20 Total financing disbursements (gross)	-11	-211	-17
87.00 Total financing disbursements (gross)	11	211	17
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-4	-4	-4
Non-Federal sources:			
88.40 Principal collections	-74	-74	-74
88.40 Interest collections		-12	-12
88.90 Total, offsetting collections (cash)	-78	-90	-90
Net financing authority and financing disbursements:			
89.00 Financing authority		207	12
90.00 Financing disbursements	-67	121	-73

Status of Direct Loans (in millions of dollars)

Identification code 12-4078-0-3-351	2002 actual	2003 est.	2004 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1150 Total direct loan obligations			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	465	409	353
1251 Repayments: Repayments and prepayments	-56	-56	-56
1290 Outstanding, end of year	409	353	297

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4078-0-3-351	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury		68		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	465	409	353	297
1402 Interest receivable	19	12	16	16
1405 Allowance for subsidy cost (-)	-347	-165	-165	-165
1499 Net present value of assets related to direct loans	137	256	204	148
1999 Total assets	137	324	204	148
LIABILITIES:				
Federal liabilities:				
2103 Debt	137	128	204	148
2105 Other		196		
2999 Total liabilities	137	324	204	148
4999 Total liabilities and net position	137	324	204	148

EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS, AGRICULTURE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-2274-0-1-151	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct Program Activity	4		
10.00 Total new obligations (object class 41.0)	4		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	77	93	
22.00 New budget authority (gross)	93		
22.40 Capital transfer to general fund	-73	-93	
23.90 Total budgetary resources available for obligation	97		
23.95 Total new obligations	-4		
24.40 Unobligated balance carried forward, end of year	93		
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash) (Principal and interest)	504	542	505
69.27 Capital transfer to general fund	-411	-542	-505
69.90 Spending authority from offsetting collections (total mandatory)	93		
Change in obligated balances:			
73.10 Total new obligations	4		
73.20 Total outlays (gross)			

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources—debt reduction	-8	-3	
88.40 Principal and interest collections	-496	-509	-438
88.90 Total, offsetting collections (cash)	-504	-512	-438
Net budget authority and outlays:			
89.00 Budget authority	-411	-512	-438
90.00 Outlays	-504	-512	-438

Status of Direct Loans (in millions of dollars)

Identification code 12-2274-0-1-151	2002 actual	2003 est.	2004 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	8,219	7,908	7,540
Repayments:			
Repayments and prepayments:			
1251 Repayments and prepayments	-295	-331	-287
1251 Payments from USDA debt reduction finance account	-8	-3	
1263 Write-offs for default: Direct loans	-8	-34	

1290 Outstanding, end of year 7,908 7,540 7,253

Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Funds appropriated for P.L. 480 are used to finance all sales made pursuant to agreements concluded under the authority of Title I. The Corporation may serve as the purchasing or shipping agent, or both, for the importing country or may award contracts for freight agent services on behalf of the Corporation to handle shipping of commodities under P.L. 480.

Sales are made to developing countries as defined in section 402(4) of P.L. 480 and must not displace expected commercial sales (secs. 403(e) and (h)). Agreements are made with developing countries for delivery in accordance with the terms of the agreement.

When U.S.-flag vessels are required to ship commodities under this title, the Corporation will pay the difference between U.S.-flag rates and foreign-flag rates. In limited cases, full transportation costs to port-of-entry or point-of-entry abroad may be included along with the cost of the commodity in the amount financed by CCC in order to ensure that U.S. food aid can reach the most needy recipients.

Financing sales of agricultural commodities for dollars on credit terms (title I).—Payment by developing countries or private entities may be made over a period of not more than 30 years with a deferral of principal payments for up to 5 years. Interest accrues at a concessional rate as determined appropriate.

Section 411 of P.L. 480 authorizes the President to waive payments of principal and interest under dollar credit sales agreements for countries that meet certain enumerated requirements. Such debt relief may be provided only if the President notifies Congress and may not exceed the amount approved for such purpose in an Act appropriating funds to carry out P.L. 480.

Financing sales of agricultural commodities for local currency, including for local currency on credit terms.—Payment by a recipient country may be made in local currencies for use in carrying out activities under section 104 of P.L. 480.

Foreign currency received in payment for credit extended may be used for payment of U.S. obligations abroad, subject to the appropriation process. The P.L. 480 program is reimbursed for the dollar value of currencies so used.

The financing of sales of agricultural commodities for local currencies on credit terms is subject to the same terms that are applicable to dollar credit financing.

Furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Funds appropriated to carry out title I may be used to furnish commodities to carry out the Food for Progress Act of 1985. Such commodities may be furnished on credit terms or on a grant basis in order to assist developing countries and countries that are emerging democracies that have made a commitment to introduce and expand free enterprise elements in their agricultural economies.

Commodities supplied in connection with dispositions abroad (title II).—Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, for-

tification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of land-locked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements.

The 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks provided for disaster recovery activities and assistance. Title II received \$95 million from the fund as of December 31, 2001.

Commodities supplied in connection with dispositions abroad (Title III).—Under Title III, agricultural commodities are furnished to least developed countries as defined in section 302(a). They are provided through foreign governments for direct feeding, development of emergency food reserves or may be sold with the proceeds of such sale used by the recipient country for specific economic development purposes.

The Corporation may pay, in connection with furnishing commodities under Title III, the same cost items as authorized under Title II. Although no funding is requested for Title III, up to 15 percent of funds from other titles under P.L. 480 may be transferred for this program.

Balance Sheet (in millions of dollars)

Identification code 12-2274-0-1-151	2001 actual	2002 actual	2003 est.	2004 est.
ASSETS:				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	8,219	7,851	7,490	7,203
1699 Value of assets related to direct loans	8,219	7,851	7,490	7,203
1999 Total assets	8,219	7,851	7,490	7,203
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	8,219	7,851	7,490	7,203
2999 Total liabilities	8,219	7,851	7,490	7,203
4999 Total liabilities and net position	8,219	7,851	7,490	7,203

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Collections (in millions of dollars)

Identification code 12-8232-0-7-352	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year			
Receipts:			
02.20 Deposits of miscellaneous contributed funds, International cooperation and development		4	4
Appropriations:			
05.00 Miscellaneous contributed funds		-4	-4
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8232-0-7-352	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	3	1	
10.00 Total new obligations (object class 41.0)	3	1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	2	3

Credit accounts—Continued

MISCELLANEOUS CONTRIBUTED FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-8232-0-7-352	2002 actual	2003 est.	2004 est.
22.00 New budget authority (gross)		4	4
23.90 Total budgetary resources available for obligation	5	6	7
23.95 Total new obligations	-3	-1	
24.40 Unobligated balance carried forward, end of year	2	3	7
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)		4	4
Change in obligated balances:			
72.40 Obligated balance, start of year	-3		-1
73.10 Total new obligations	3	1	
73.20 Total outlays (gross)		-4	-4
74.40 Obligated balance, end of year		-1	-5
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		4	4
Net budget authority and outlays:			
89.00 Budget authority		4	4
90.00 Outlays		4	4

Miscellaneous funds are received from other Federal agencies, international organizations, and developing countries, for USDA development assistance and international research projects (22 U.S.C. 2392).

FOOD AND NUTRITION SERVICE

Federal Funds

General and special funds:

NUTRITION PROGRAMS ADMINISTRATION

For necessary administrative expenses of the domestic nutrition assistance programs funded under this Act, \$144,849,000, of which \$5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp benefit delivery, and assisting in the prevention, identification, and prosecution of fraud and other violations of law, and of which not less than \$12,000,000 shall be available to improve integrity in the Food Stamp and Child Nutrition programs: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 shall be available for employment under 5 U.S.C. 3109.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-3508-0-1-605	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Nutrition programs administration	128	137	145
00.03 Congressional hunger center fellowships	2		
09.01 Reimbursable administrative services provided to Federal agencies	1	1	1
10.00 Total new obligations	131	138	146
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	131	138	146
23.95 Total new obligations	-131	-138	-146
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	130	137	145
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1

70.00	Total new budget authority (gross)	131	138	146
Change in obligated balances:				
72.40	Obligated balance, start of year	15	17	15
73.10	Total new obligations	131	138	146
73.20	Total outlays (gross)	-128	-140	-146
73.40	Adjustments in expired accounts (net)	-1		
74.40	Obligated balance, end of year	17	15	14
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	117	123	131
86.93	Outlays from discretionary balances	11	17	15
87.00	Total outlays (gross)	128	140	146
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-1	-1	-1
Net budget authority and outlays:				
89.00	Budget authority	130	137	145
90.00	Outlays	127	139	145
Additional net budget authority and outlays to cover cost of fully accruing retirement:				
99.00	Budget authority	8	9	9
99.01	Outlays	8	9	9

This account funds the majority of the Federal operating expenses of the Food and Nutrition Service.

Funds are provided for additional activities to identify and address error in the Food Stamp and Child Nutrition programs.

Object Classification (in millions of dollars)

Identification code 12-3508-0-1-605	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	84	93	97
11.3	Other than full-time permanent	1	1	1
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	86	95	99
12.1	Civilian personnel benefits	19	21	22
21.0	Travel and transportation of persons	3	3	3
23.3	Communications, utilities, and miscellaneous charges	2	2	2
25.2	Other services	15	14	17
26.0	Supplies and materials	2	1	1
31.0	Equipment	1	1	1
41.0	Grants, subsidies, and contributions	2		
99.0	Direct obligations	130	137	145
99.0	Reimbursable obligations	1	1	1
99.9	Total new obligations	131	138	146

Personnel Summary

Identification code 12-3508-0-1-605	2002 actual	2003 est.	2004 est.	
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	1,324	1,486	1,499

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), \$27,745,981,000, of which \$2,000,000,000 shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: Provided, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: Provided further, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: Provided further, That funds made available for Employment and Training under this heading shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-3505-0-1-605	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Benefits issued	17,975	20,597	21,526
00.02 State administration	2,162	2,212	2,258
00.03 Employment and training program	315	249	255
00.04 Other program costs	64	66	69
00.05 Puerto Rico	1,351	1,395	1,397
00.06 Food distribution program on Indian reservations (Commodities in lieu of food stamps)	51	53	56
00.07 Food distribution program on Indian reservations (Cooperator administrative expense)	23	26	27
00.08 The emergency food assistance program (commodities)	140	140	140
00.09 Modified food stamp program in American Samoa	5	6	6
00.10 Community food project	5	5	5
00.11 Commonwealth of the Northern Mariannas Islands	6	7	7
09.01 Reimbursable program	105	105	105
10.00 Total new obligations	22,202	24,861	25,851
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	187		
22.00 New budget authority (gross)	22,954	26,355	27,851
22.10 Resources available from recoveries of prior year obligations	68		
23.90 Total budgetary resources available for obligation	23,209	26,355	27,851
23.95 Total new obligations	-22,202	-24,861	-25,851
23.98 Unobligated balance expiring or withdrawn	-1,008	-1,494	-2,000
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17	17	17
Mandatory:			
60.00 Appropriation	22,975	26,233	27,729
60.35 Appropriation rescinded	-24		
60.36 Unobligated balance rescinded	-119		
62.50 Appropriation (total mandatory)	22,832	26,233	27,729
69.00 Offsetting collections (cash)	105	105	105
70.00 Total new budget authority (gross)	22,954	26,355	27,851
Change in obligated balances:			
72.40 Obligated balance, start of year	1,022	947	612
73.10 Total new obligations	22,202	24,861	25,851
73.20 Total outlays (gross)	-22,174	-25,196	-25,831
73.40 Adjustments in expired accounts (net)	-35		
73.45 Recoveries of prior year obligations	-68		
74.40 Obligated balance, end of year	947	612	632
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	9	9
86.93 Outlays from discretionary balances	7	8	8
86.97 Outlays from new mandatory authority	21,143	24,240	25,210
86.98 Outlays from mandatory balances	1,015	939	604
87.00 Total outlays (gross)	22,174	25,196	25,831
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-105	-105	-105
Net budget authority and outlays:			
89.00 Budget authority	22,849	26,250	27,746
90.00 Outlays	22,069	25,091	25,726

The Food Stamp Program is the primary source of nutrition assistance for low-income Americans.

Some of these funds provide a grant to Puerto Rico in lieu of the Food Stamp Program which gives the Commonwealth flexibility to administer a nutrition assistance program tailored to the needs of its low-income households.

Funds in this account are also used to carry out the Emergency Food Assistance Act of 1983 and for food distribution and administrative expenses for Native Americans under section 4(b) of the Food Stamp Act.

Object Classification (in millions of dollars)

Identification code 12-3505-0-1-605	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	4	4	4
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	3	3	3
24.0 Printing and reproduction	12	3	3
25.2 Other services	54	66	68
26.0 Supplies and materials	186	193	196
31.0 Equipment	2	2	2
41.0 Grants, subsidies, and contributions	21,833	24,482	25,467
99.0 Direct obligations	22,097	24,756	25,746
99.0 Reimbursable obligations	105	105	105
99.9 Total new obligations	22,202	24,861	25,851

Personnel Summary

Identification code 12-3505-0-1-605	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	55	56	56

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; \$11,418,441,000, to remain available through September 30, 2005, of which \$6,819,340,000 is hereby appropriated and \$4,559,101,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): Provided, That up to \$5,198,000 shall be available for independent verification of school food service claims.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-3539-0-1-605	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
School lunch program:			
00.01 Above 185 of poverty	404	428	448
00.02 130-185 of poverty	740	785	821
00.03 Below 130 of poverty	4,876	5,176	5,415
00.91 Subtotal, school lunch program	6,020	6,389	6,684
School breakfast program:			
01.01 Above 185 of poverty	50	54	58
01.02 130-185 of poverty	120	131	140
01.03 Below 130 of poverty	1,371	1,496	1,600
01.91 Subtotal, school breakfast program	1,541	1,681	1,798
Child and adult care feeding program:			
02.01 Above 185 of poverty	188	192	201
02.02 130-185 of poverty	106	113	118
02.03 Below 130 of poverty	1,512	1,592	1,672
02.04 Audits	25	28	28
02.91 Subtotal, child and adult care feeding program	1,831	1,925	2,019
Other mandatory activities:			
03.01 Summer food service program	307	288	309
03.02 Special milk program	18	15	15
03.03 State administrative expenses	132	134	140
03.04 Commodity procurement	455	647	422
03.91 Subtotal, Other mandatory activities	912	1,084	886
Discretionary activities:			
04.01 School meals initiative	10	10	10
04.02 Coordinated review and CN pay costs	5	5	5
04.03 Computer support and processing	11	9	9
04.05 Food safety education	2	1	1
04.06 Child nutrition program integrity			6

General and special funds—Continued

CHILD NUTRITION PROGRAMS—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12–3539–0–1–605	2002 actual	2003 est.	2004 est.
04.91 Subtotal, discretionary activities	28	25	31
Activities with permanent appropriations:			
05.01 Food service management institute and information clearinghouse	3	3	3
09.01 Reimbursable program	6		
10.00 Total new obligations	10,341	11,107	11,421
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	380	359	3
22.00 New budget authority (gross)	10,096	10,579	11,421
22.10 Resources available from recoveries of prior year obligations	242	172	
23.90 Total budgetary resources available for obligation	10,718	11,110	11,424
23.95 Total new obligations	–10,341	–11,107	–11,421
23.98 Unobligated balance expiring or withdrawn	–18		
24.40 Unobligated balance carried forward, end of year	359	3	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	7	7	13
Mandatory:			
60.00 Appropriation	4,911	5,827	6,809
62.00 Transferred from other accounts	5,172	4,745	4,599
62.50 Appropriation (total mandatory)	10,083	10,572	11,408
69.00 Offsetting collections (cash)	6		
70.00 Total new budget authority (gross)	10,096	10,579	11,421
Change in obligated balances:			
72.40 Obligated balance, start of year	1,629	1,462	983
73.10 Total new obligations	10,341	11,107	11,421
73.20 Total outlays (gross)	–10,260	–11,414	–11,351
73.40 Adjustments in expired accounts (net)	–6		
73.45 Recoveries of prior year obligations	–242	–172	
74.40 Obligated balance, end of year	1,462	983	1,053
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	4	7
86.93 Outlays from discretionary balances	4	3	3
86.97 Outlays from new mandatory authority	8,245	9,775	10,027
86.98 Outlays from mandatory balances	2,008	1,632	1,314
87.00 Total outlays (gross)	10,260	11,414	11,351
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	–6		
Net budget authority and outlays:			
89.00 Budget authority	10,090	10,579	11,421
90.00 Outlays	10,254	11,414	11,351

Payments are made for cash and commodity meal subsidies through the School Lunch, School Breakfast, Special Milk, Summer Food Service, and Child and Adult Care Food programs.

Object Classification (in millions of dollars)

Identification code 12–3539–0–1–605	2002 actual	2003 est.	2004 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	7	7
12.1 Civilian personnel benefits	2	2	2
21.0 Travel and transportation of persons	1	1	1
24.0 Printing and reproduction	7	7	7
25.2 Other services	10	10	16
26.0 Supplies and materials (Commodities)	455	646	422
41.0 Grants, subsidies, and contributions	9,853	10,434	10,966
99.0 Direct obligations	10,335	11,107	11,421
99.0 Reimbursable obligations	6		

99.9 Total new obligations	10,341	11,107	11,421
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Personnel Summary

Identification code 12–3539–0–1–605	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	130	130	130

CHILD NUTRITION PROGRAMS

(Legislative proposal, subject to PAYGO)

This legislation would reauthorize programs under the Child Nutrition Act and implement a new system to improve the accuracy of eligibility determinations in the National School Lunch Program beginning in 2005. Any savings from the eligibility determination system would be reinvested in the program to ensure that all eligible children have access to meals and to provide financial incentives to schools that serve meals that meet the dietary guidelines.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), \$4,769,232,000, to remain available through September 30, 2005, of which \$20,000,000 shall be for breastfeeding support initiative in addition to the activities specified in section 17(h)(3)(A); \$30,000,000 shall be for a management information system initiative; and \$25,000,000, to remain available until expended, shall be placed in reserve for use in only such amounts, and in such manner, as the Secretary determines necessary, notwithstanding section 17(i) of the Child Nutrition Act, to provide funds to support participation, should costs or participation exceed budget estimates: Provided, That notwithstanding section 17(h)(10)(A) of such Act, \$14,000,000 shall be available for the purposes specified in section 17(h)(10)(B): Provided further, That notwithstanding section 17(g)(5) of such Act, \$7,000,000 shall be available for the Food and Nutrition Service to conduct studies and contract for an evaluation of the effectiveness of the WIC program, and \$5,000,000 shall be for pilot projects to prevent childhood obesity: Provided further, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program: Provided further, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of such Act: Provided further, That none of the funds provided shall be available for activities that are not fully reimbursed by other Federal Government departments or agencies unless authorized by section 17 of such Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12–3510–0–1–605	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program	4,465	4,766	4,971
00.02 Transfer from CCC	15		
10.00 Total new obligations (object class 41.0)	4,480	4,766	4,971
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	57	125
22.00 New budget authority (gross)	4,477	4,726	4,769
22.10 Resources available from recoveries of prior year obligations	60	108	227
23.90 Total budgetary resources available for obligation	4,538	4,891	5,121
23.95 Total new obligations	–4,480	–4,766	–4,971
23.98 Unobligated balance expiring or withdrawn	–1		

24.40	Unobligated balance carried forward, end of year	57	125	150
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	4,462	4,726	4,769
Mandatory:				
62.00	Transferred from other accounts	15		
70.00	Total new budget authority (gross)	4,477	4,726	4,769
Change in obligated balances:				
72.40	Obligated balance, start of year	328	428	268
73.10	Total new obligations	4,480	4,766	4,971
73.20	Total outlays (gross)	-4,330	-4,818	-4,746
73.40	Adjustments in expired accounts (net)	10		
73.45	Recoveries of prior year obligations	-60	-108	-227
74.40	Obligated balance, end of year	428	268	266
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	3,987	4,348	4,368
86.93	Outlays from discretionary balances	328	470	378
86.97	Outlays from new mandatory authority	15		
87.00	Total outlays (gross)	4,330	4,818	4,746
Net budget authority and outlays:				
89.00	Budget authority	4,477	4,726	4,769
90.00	Outlays	4,330	4,818	4,746

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides low-income at-risk pregnant and post-partum women, infants, and children with vouchers for nutritious supplemental food packages, nutrition education and counseling, and health and immunization referrals. The proposed contingency fund will ensure that all eligible persons seeking benefits can be served. This request includes funds for pilot projects to prevent childhood obesity, a breastfeeding support initiative, a project to improve management information systems, and an evaluation of the effectiveness of the WIC program.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out disaster assistance and the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); the Emergency Food Assistance Act of 1983; special assistance for the nuclear affected islands, as authorized by section 103(h)(2) of the Compacts of Free Association Act of 1985; and the Farmers' Market Nutrition Program, as authorized by section 17(m) of the Child Nutrition Act of 1966, \$166,072,000, to remain available through September 30, 2005: Provided, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-3507-0-1-605	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
Commodity supplemental food program:				
00.01	Commodity procurement	81	76	73
00.02	Administrative costs	23	19	22
00.91	Subtotal, commodity supplemental food program	104	95	95
The emergency food assistance program:				
02.01	Administrative costs	50	50	50
03.01	Senior farmers' market	15	15	15
04.01	Farmers' Market Nutrition Program			20
05.01	Pacific Island and Disaster Assistance			1
09.01	Reimbursable program	5		
10.00	Total new obligations	174	160	181
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	15		
22.00	New budget authority (gross)	160	160	181
23.90	Total budgetary resources available for obligation	175	160	181

23.95	Total new obligations	-174	-160	-181
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	153	145	166
40.36	Unobligated balance rescinded	-3		
43.00	Appropriation (total discretionary)	150	145	166
Mandatory:				
62.00	Transferred from other accounts	5	15	15
69.00	Offsetting collections (cash)	5		
70.00	Total new budget authority (gross)	160	160	181
Change in obligated balances:				
72.40	Obligated balance, start of year	17	27	28
73.10	Total new obligations	174	160	181
73.20	Total outlays (gross)	-164	-159	-179
74.40	Obligated balance, end of year	27	28	30
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	131	131	150
86.93	Outlays from discretionary balances	29	19	14
86.97	Outlays from new mandatory authority	4	8	8
86.98	Outlays from mandatory balances		1	7
87.00	Total outlays (gross)	164	159	179
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-5		
Net budget authority and outlays:				
89.00	Budget authority	155	160	181
90.00	Outlays	159	159	179

This account funds the Commodity Supplemental Food Program (CSFP), the Emergency Food Assistance Program (TEFAP), farmers' market nutrition programs, assistance for the nuclear affected islands, and disaster relief.

CSFP provides food packages for low-income women, infants, and children as well as low-income elderly persons. It also funds State administrative expenses.

TEFAP provides cash to support State administrative activities and maintain the storage and distribution pipeline for USDA and privately donated commodities.

This account funds two farmers' market nutrition programs which provide low-income participants vouchers for fresh produce at farmers' markets. The first, for seniors, is funded by transfer from the Commodity Credit Corporation. The second, for women, infants, and children, was previously funded in the WIC account.

Assistance for the nuclear affected islands and disaster relief was previously funded in the Food Donations Programs account.

Object Classification (in millions of dollars)

Identification code 12-3507-0-1-605	2002 actual	2003 est.	2004 est.	
Direct obligations:				
26.0	Supplies and materials (commodities)	82	76	76
41.0	Grants, subsidies, and contributions	87	84	105
99.0	Direct obligations	169	160	181
99.0	Reimbursable obligations	5		
99.9	Total new obligations	174	160	181

FOOD DONATIONS PROGRAMS

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General and special funds—Continued

FOOD DONATIONS PROGRAMS—Continued

Program and Financing (in millions of dollars)

Identification code 12-3503-0-1-605	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Nutrition program for the elderly	150		
00.02 Pacific island assistance	1	1	
10.00 Total new obligations	151	1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New budget authority (gross)	151	1	
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	153	1	
23.95 Total new obligations	-151	-1	
23.98 Unobligated balance expiring or withdrawn	-1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	151	1	
Change in obligated balances:			
72.40 Obligated balance, start of year	48	39	
73.10 Total new obligations	151	1	
73.20 Total outlays (gross)	-157	-40	
73.40 Adjustments in expired accounts (net)	-2		
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	39		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	109	1	
86.93 Outlays from discretionary balances	48	39	
87.00 Total outlays (gross)	157	40	
Net budget authority and outlays:			
89.00 Budget authority	151	1	
90.00 Outlays	158	40	

This account includes the Nutrition Services Incentive Program which provides cash and commodities for elderly persons served in senior citizens' centers and similar settings. The budget continues the 2003 proposal to consolidate this program with elderly meals programs in the Department of Health and Human Services. The budget also funds assistance for the nuclear affected islands and disaster relief in the commodity assistance program account, beginning in 2004.

Object Classification (in millions of dollars)

Identification code 12-3503-0-1-605	2002 actual	2003 est.	2004 est.
26.0 Supplies and materials (grants of commodities to States)	3	1	
41.0 Grants, subsidies, and contributions	148		
99.9 Total new obligations	151	1	

FOREST SERVICE

Federal Funds

General and special funds:

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, \$1,369,573,000, to remain available until expended, which shall include 50 percent of all moneys received during prior fiscal years as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 460l-6a(i)): Provided, That unobligated balances available at the start of fiscal year 2004 shall be displayed by budget line item in the fiscal year 2005 budget justification: Pro-

vided further, That the Secretary may authorize the expenditure or transfer of such sums as necessary to the Department of the Interior, Bureau of Land Management for removal, preparation, and adoption of excess wild horses and burros from National Forest System lands. For an additional amount to reimburse the Judgment Fund as required by 41 U.S.C. 612(c) for judgment liabilities previously incurred, \$188,405,000.

Note.—A regular 2003 appropriations for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1106-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 National forest system	1,249	1,520	1,369
09.01 Reimbursable program	113	50	50
10.00 Total new obligations	1,362	1,570	1,419
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	264	222	68
22.00 New budget authority (gross)	1,299	1,416	1,420
22.10 Resources available from recoveries of prior year obligations	22		
22.21 Unobligated balance transferred to other accounts	-1		
23.90 Total budgetary resources available for obligation	1,584	1,638	1,488
23.95 Total new obligations	-1,362	-1,570	-1,419
24.40 Unobligated balance carried forward, end of year	222	68	69
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,332	1,366	1,370
40.35 Appropriation rescinded	-3		
41.00 Transferred to other accounts	-159		
42.00 Transferred from other accounts	1		
43.00 Appropriation (total discretionary)	1,170	1,366	1,370
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	113	50	50
68.10 Change in uncollected customer payments from Federal sources (unexpired)	15		
68.90 Spending authority from offsetting collections (total discretionary)	128	50	50
70.00 Total new budget authority (gross)	1,299	1,416	1,420
Change in obligated balances:			
72.40 Obligated balance, start of year	248	74	234
73.10 Total new obligations	1,362	1,570	1,419
73.20 Total outlays (gross)	-1,491	-1,410	-1,420
73.40 Adjustments in expired accounts (net)	-8		
73.45 Recoveries of prior year obligations	-22		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-15		
74.40 Obligated balance, end of year	74	234	231
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	997	1,211	1,215
86.93 Outlays from discretionary balances	494	199	205
87.00 Total outlays (gross)	1,491	1,410	1,420
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-28	-13	-13
88.40 Non-Federal sources	-85	-37	-37
88.90 Total, offsetting collections (cash)	-113	-50	-50
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-15		
Net budget authority and outlays:			
89.00 Budget authority	1,171	1,366	1,370
90.00 Outlays	1,378	1,360	1,370
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	61	64	68
99.01 Outlays	61	64	68

The 156 National Forests, 20 National Grasslands, and nine land utilization projects located in 44 States, Puerto Rico, and the Virgin Islands are managed under multiple-use and sustained-yield principles. The natural resources of timber, minerals, range, wildlife, outdoor recreation, watershed, and soil are used in a planned combination that will best meet the needs of the Nation without impairing productivity of the land or damaging the environment. These management and utilization principles are recognized in the Multiple-Use, Sustained-Yield Act of 1960 (16 U.S.C. 528–531) and use an ecological approach to managing the National Forest System.

National Forest System (NFS) operations and maintenance provide for the planning, assessment, and conservation of ecosystems while delivering multiple public services and uses. These are delivered through the principal NFS programs of land management planning; inventory and monitoring; recreation, heritage, and wilderness; wildlife and fisheries habitat management; grazing management; forest products; vegetation and watershed management; minerals and geology management; landownership management; and law enforcement operations. These programs maintain the capability to manage natural resources in a manner consistent with ecological principles and responsibilities.

Object Classification (in millions of dollars)

Identification code 12–1106–0–1–302	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	578	571	571
11.3 Other than full-time permanent	47	46	46
11.5 Other personnel compensation	31	31	31
11.9 Total personnel compensation	656	648	648
12.1 Civilian personnel benefits	181	179	179
13.0 Benefits for former personnel	3	3	3
21.0 Travel and transportation of persons	38	39	39
23.1 Rental payments to GSA	84	85	87
24.0 Printing and reproduction	2	2	2
25.2 Other services	224	501	347
26.0 Supplies and materials	36	37	38
31.0 Equipment	18	19	19
32.0 Land and structures	2	2	2
41.0 Grants, subsidies, and contributions	2	2	2
42.0 Insurance claims and indemnities	2	2	2
43.0 Interest and dividends	1	1	1
99.0 Direct obligations	1,249	1,520	1,369
99.0 Reimbursable obligations	113	50	50
99.9 Total new obligations	1,362	1,570	1,419

Personnel Summary

Identification code 12–1106–0–1–302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	14,969	14,366	13,844
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment	1,379	1,324	1,276
Allocation account:			
Total compensable workyears:			
3001 Civilian full-time equivalent employment	746	746	746

CAPITAL IMPROVEMENT AND MAINTENANCE

For necessary expenses of the Forest Service, not otherwise provided for, \$524,571,000, to remain available until expended for construction, reconstruction, maintenance, and acquisition of buildings and other facilities, and for construction, reconstruction, repair, and maintenance of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532–538 and 23 U.S.C. 101 and 205.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12–1103–0–1–302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Capital improvement and maintenance	447	655	526
09.01 Reimbursable program	11	19	19
10.00 Total new obligations	458	674	545
Budgetary resources available for obligation:			
21.00 Unobligated balance carried forward, start of year	123	130	27
22.00 New budget authority (gross)	465	571	544
23.90 Total budgetary resources available for obligation	588	701	571
23.95 Total new obligations	–458	–674	–545
24.40 Unobligated balance carried forward, end of year	130	27	26
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	546	552	525
40.35 Appropriation rescinded	–1		
41.00 Transferred to other accounts	–97		
42.00 Transferred from other accounts	7		
43.00 Appropriation (total discretionary)	455	552	525
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	13	19	19
68.10 Change in uncollected customer payments from Federal sources (unexpired)	–3		
68.90 Spending authority from offsetting collections (total discretionary)	10	19	19
70.00 Total new budget authority (gross)	465	571	544
Change in obligated balances:			
72.40 Obligated balance, start of year	227	129	238
73.10 Total new obligations	458	674	545
73.20 Total outlays (gross)	–559	–565	–523
74.00 Change in uncollected customer payments from Federal sources (unexpired)	3		
74.40 Obligated balance, end of year	129	238	260
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	359	433	413
86.93 Outlays from discretionary balances	200	132	110
87.00 Total outlays (gross)	559	565	523
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	–9	–15	–15
88.40 Non-Federal sources	–4	–4	–4
88.90 Total, offsetting collections (cash)	–13	–19	–19
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	3		
Net budget authority and outlays:			
89.00 Budget authority	455	552	525
90.00 Outlays	546	546	504
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	16	16	21
99.01 Outlays	16	16	21

Funding provides for capital improvement and maintenance of facilities, roads, and trails. The program emphasizes: better resource management decisions based on the best scientific information and knowledge; an efficient and effective infrastructure that supports public and administrative uses; and quality recreation experiences with minimal impact to ecosystem stability and conditions.

Facilities.—Provides for capital improvement and maintenance of research, fire, administrative, and other (FA&O), and recreation facilities, including site components such as roads and trails and the acquisition of buildings and other facilities necessary to carry out the mission of the Forest Service. Capital Improvement includes: new construction of

General and special funds—Continued

CAPITAL IMPROVEMENT AND MAINTENANCE—Continued

a facility; alteration of an existing facility to change the function; and expansion of a facility to change the capacity or to serve needs that are different from what was originally intended. Maintenance is divided into four primary areas: annual maintenance, deferred maintenance, decommissioning, and operations. Deferred maintenance work includes the repair, rehabilitation, or replacement of the facility or components of the facility.

Roads.—Provides for capital improvement and maintenance of roads. The program also focuses on decommissioning unneeded roads and/or roads that are degrading the ecosystem. Capital improvement includes: new road construction; alteration of an existing road to change the function; and expansion of the road to change the capacity or to serve needs that are different from what was originally intended. The agency will continue to address the growing road system maintenance backlog. Funding priorities are health and safety, resource protection, and mission critical needs. Maintenance is divided into four primary areas: annual road maintenance, deferred road maintenance, road operations, and decommissioning.

Trails.—Provides for capital improvement and maintenance of trails. Capital improvement includes: new trail construction; alteration of an existing trail to change the function; and expansion of the trail to change the capacity or to serve needs that are different from what was originally intended. Maintenance funding is used to protect capital investments by keeping trails open for access and protecting vegetation, soil, and water quality. Work includes clearing the pathway of encroaching vegetation and fallen trees, and repairing or improving trail signs, treadways, drainage facilities, and bridges. Maintenance is divided into four primary areas: annual trail maintenance, deferred trail maintenance, trail operations, and trail decommissioning.

Infrastructure Improvement.—Ameliorates the backlog in deferred maintenance of National Forest System roads and trails as well as Forest Service fire, administrative, and recreation facilities. The funds focus on critical maintenance backlogs; i.e., these additional funds are for repair and rehabilitation of existing facilities and roads; funds may not be used for new and expanded facilities or roads.

Object Classification (in millions of dollars)

Identification code 12-1103-0-1-302	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	146	145	145
11.3 Other than full-time permanent	17	17	17
11.5 Other personnel compensation	7	7	7
11.9 Total personnel compensation	170	169	169
12.1 Civilian personnel benefits	46	46	46
13.0 Benefits for former personnel	2	2	2
21.0 Travel and transportation of persons	9	9	10
23.1 Rental payments to GSA	16	16	16
25.2 Other services	150	358	228
26.0 Supplies and materials	10	10	10
31.0 Equipment	6	6	6
32.0 Land and structures	38	39	39
99.0 Direct obligations	447	655	526
99.0 Reimbursable obligations	11	19	19
99.9 Total new obligations	458	674	545

Personnel Summary

Identification code 12-1103-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	4,116	3,972	3,828

Reimbursable:		59	57	55
Total compensable workyears:				
2001	Civilian full-time equivalent employment			

FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, \$252,170,000, to remain available until expended: Provided, That the Chief of the Forest Service may make available by outlease agreements with other Federal agencies or non-Federal public or private entities any unused or underused portion or interest in any agency real and related personal property, and may retain and use the proceeds of such agreements in carrying out the research programs of the agency. Property proposed for outlease must not be property otherwise required to be reported excess under the Federal Property and Administrative Services of 1949, as amended. Outleases shall be made competitively, and be based on the fair market value of the property.

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), \$92,000, to remain available until expended, to be derived from the fund established pursuant to the above Act.

Note.—A regular 2003 appropriation for its account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1104-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.06 Forest and rangeland research	253	253	252
09.01 Reimbursable program	27	23	23
10.00 Total new obligations	280	276	275
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	75	23	13
22.00 New budget authority (gross)	224	266	276
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	301	289	289
23.95 Total new obligations	-280	-276	-275
24.40 Unobligated balance carried forward, end of year	23	13	14
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	241	243	253
40.35 Appropriation rescinded	-1		
41.00 Transferred to other accounts	-1		
42.00 Transferred from other accounts	1		
43.00 Appropriation (total discretionary)	241	243	253
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	27	23	23
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-43		
68.90 Spending authority from offsetting collections (total discretionary)	-16	23	23
70.00 Total new budget authority (gross)	224	266	276
Change in obligated balances:			
72.40 Obligated balance, start of year	38	81	164
73.10 Total new obligations	280	276	275
73.20 Total outlays (gross)	-277	-193	-273
73.45 Recoveries of prior year obligations	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	43		
74.40 Obligated balance, end of year	81	164	166
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	153	186	193
86.93 Outlays from discretionary balances	124	7	80
87.00 Total outlays (gross)	277	193	273

Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-27	-23	-23
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	43		
Net budget authority and outlays:				
89.00	Budget authority	240	243	253
90.00	Outlays	250	170	250
Additional net budget authority and outlays to cover cost of fully accruing retirement:				
99.00	Budget authority	6	11	13
99.01	Outlays	6	11	13

The mission of Forest and Rangeland Research is to serve society by developing and communicating the scientific information and technology needed to protect, manage, use, and sustain the natural resources of the Nation's forests and rangelands. Research is the key to sustaining our forest and rangeland productivity and health while addressing natural resource needs. Forest and Rangeland Research is conducted through six Forest and Range Experiment Station headquarters and their research work units, the Forest Products Laboratory, and the International Institute of Tropical Forestry.

Priority continues on supporting the implementation of forest planning regulations. This includes developing measurement systems for assessing watershed integrity, applying measurement systems for watershed assessment, providing information about compatible forest uses and fire management control strategies. Funds are also included for global climate change research, particularly the use of small diameter trees for biomass energy uses and carbon cycle studies. Finally, work will continue on development of improved quantitative analytical tools to support forest planning goals to maximize net public benefits in a more objective and transparent manner.

The budget includes \$5 million for new priority research for sudden oak death, invasive species, and biobased products.

Object Classification (in millions of dollars)

Identification code 12-1104-0-1-302	2002 actual	2003 est.	2004 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	117	116	116
11.3	Other than full-time permanent	8	8	8
11.5	Other personnel compensation	3	3	3
11.9	Total personnel compensation	128	127	127
12.1	Civilian personnel benefits	33	32	32
21.0	Travel and transportation of persons	11	12	12
23.1	Rental payments to GSA	13	13	13
24.0	Printing and reproduction	1	1	1
25.2	Other services	33	34	33
26.0	Supplies and materials	27	27	26
31.0	Equipment	4	4	5
41.0	Grants, subsidies, and contributions	3	3	3
99.0	Direct obligations	253	253	252
99.0	Reimbursable obligations	27	23	23
99.9	Total new obligations	280	276	275

Personnel Summary

Identification code 12-1104-0-1-302	2002 actual	2003 est.	2004 est.	
Direct:				
Total compensable workyears:				
1001	Civilian full-time equivalent employment	2,384	2,301	2,217
Reimbursable:				
Total compensable workyears:				
2001	Civilian full-time equivalent employment	110	106	102

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with and providing technical and financial assistance to States, territories, possessions, and others, and for forest health management, including treatments of pests, pathogens, and invasive or noxious plants, cooperative forestry, and education and land conservation activities and conducting an international program as authorized, \$315,823,000, to remain available until expended, of which \$194,311,000 is to be derived from the Land and Water Conservation Fund: Provided, That: \$103,502,000 is for conservation spending category activities; Provided further, That up to \$11,968,000 may be used by the Secretary solely for: (1) rapid response to new introductions of non-native or invasive pests or pathogens in which no previous federal funding has been identified to address, or (2) for a limited number of instances in which any pest populations increase at over 150 percent of levels monitored for that species in the immediately preceding fiscal year and failure to suppress those populations would lead to a 10-percent increase of annual forest or stand mortality over ambient mortality levels.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1105-0-1-302	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	State and private forestry	284	316	314
09.01	Reimbursable program	6	8	8
10.00	Total new obligations	290	324	322
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	39	51	24
22.00	New budget authority (gross)	302	297	349
23.90	Total budgetary resources available for obligation	341	348	373
23.95	Total new obligations	-290	-324	-322
24.40	Unobligated balance carried forward, end of year	51	24	51
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	291	277	122
40.20	Appropriation (LWCF)			194
40.35	Appropriation rescinded	-1	-8	
42.00	Transferred from other accounts	7		
43.00	Appropriation (total discretionary)	297	269	316
Mandatory:				
62.00	Transferred from other accounts		20	25
Spending authority from offsetting collections:				
Discretionary:				
68.00	Offsetting collections (cash)	10	8	8
68.10	Change in uncollected customer payments from Federal sources (unexpired)	-5		
68.90	Spending authority from offsetting collections (total discretionary)	5	8	8
70.00	Total new budget authority (gross)	302	297	349
Change in obligated balances:				
72.40	Obligated balance, start of year	357	341	360
73.10	Total new obligations	290	324	322
73.20	Total outlays (gross)	-311	-305	-340
74.00	Change in uncollected customer payments from Federal sources (unexpired)	5		
74.40	Obligated balance, end of year	341	360	343
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	234	217	246
86.93	Outlays from discretionary balances	77	73	70
86.97	Outlays from new mandatory authority		15	19
86.98	Outlays from mandatory balances			5
87.00	Total outlays (gross)	311	305	340
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-10	-8	-8
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	5		

General and special funds—Continued

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1105-0-1-302	2002 actual	2003 est.	2004 est.
Net budget authority and outlays:			
89.00 Budget authority	297	289	341
90.00 Outlays	301	297	332
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	4	4	4
99.01 Outlays	4	4	4

State and private forestry programs provide assistance to manage, use, and protect forest resources on State, urban, and private lands to meet domestic and international demands for goods and services. Assistance is provided to a wide range of customers including all States, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific.

Forest Health Management.—Includes Federal lands, and cooperative lands and proposed funding to address emergency pests and pathogens.

Cooperative Fire Protection.—Includes funding to enhance the capacity of States to provide coordinated fire suppression response and to promote safe and effective initial fire attack in wildland/urban interface areas by volunteer fire departments.

Cooperative Forestry.—Includes forest stewardship, the forest legacy program, urban and community forestry and forest resources and information analysis. This budget proposes significant increases to programs that help maintain the integrity of our country's valuable forest lands. Increased funding is provided for the Forest Legacy program, a federal program that partners with states to leverage funding and support state efforts to protect environmentally sensitive forest lands. Additional funding is also provided for the Forest Stewardship program, which will bring valuable professional assistance to non-industrial private forest (NIPF) landowners to encourage sound environmental management of forests and to ensure that the social, economic, and environmental benefits of these lands are realized.

International Programs.—The programs will emphasize habitat protection for migratory birds along the length of flyways, preventing the introduction of new invasive species, and sustainable forestry techniques development for other timber exporting nations.

Object Classification (in millions of dollars)

Identification code 12-1105-0-1-302	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	42	41	41
11.3 Other than full-time permanent	3	3	3
11.5 Other personnel compensation	1	2	2
11.9 Total personnel compensation	46	46	46
12.1 Civilian personnel benefits	11	11	11
21.0 Travel and transportation of persons	6	6	6
23.1 Rental payments to GSA	5	5	5
25.2 Other services	25	25	25
26.0 Supplies and materials	10	10	10
31.0 Equipment	1	1	1
41.0 Grants, subsidies, and contributions	190	212	210
99.0 Direct obligations	284	316	314
99.0 Reimbursable obligations	6	8	8
99.9 Total new obligations	290	324	322

Personnel Summary

Identification code 12-1105-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	862	831	801
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment	47	46	44

MANAGEMENT OF NATIONAL FOREST LANDS FOR SUBSISTENCE USES

For necessary expenses of the Forest Service to manage federal lands in Alaska for subsistence uses under title VIII of the Alaska National Interest Lands Conservation Act (Public Law 96-487), \$5,535,000, to remain available until expended, of which not to exceed \$100,000 per annum may be used to reimburse the Office of General Counsel, Department of Agriculture, for salaries and related expenses incurred in providing legal services in relation to subsistence management.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1119-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	7	5	6
10.00 Total new obligations	7	5	6
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	.....	1
22.00 New budget authority (gross)	5	6	6
23.90 Total budgetary resources available for obligation	7	6	7
23.95 Total new obligations	-7	-5	-6
24.40 Unobligated balance carried forward, end of year .....	.....	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	5	6	6
Change in obligated balances:			
72.40 Obligated balance, start of year	3	3	2
73.10 Total new obligations	7	5	6
73.20 Total outlays (gross)	-5	-6	-6
74.40 Obligated balance, end of year	3	2	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	5	6	6
Net budget authority and outlays:			
89.00 Budget authority	5	6	6
90.00 Outlays	7	6	6

Funding under this program primarily supports fisheries and wildlife habitat management activities in the areas of population assessment, forecasting, harvest regulations, and law enforcement to ensure that the subsistence needs of qualified rural Alaskans are met under the Alaska National Interest Lands Conservation Act (Public Law 96-487).

Object Classification (in millions of dollars)

Identification code 12-1119-0-1-302	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	1	1	1
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	4	2	3
26.0 Supplies and materials	1	1	1
99.9 Total new obligations	7	5	6

Personnel Summary

Identification code 12-1119-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	22	22	22

WILDLAND FIRE MANAGEMENT

For necessary expenses for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, hazardous fuels reduction on or adjacent to such lands, and for emergency rehabilitation of burned-over National Forest System lands and water, \$1,541,775,000, to remain available until expended: Provided, That such funds including unobligated balances under this head, are available for repayment of advances from other appropriations accounts previously transferred for such purposes: Provided further, That notwithstanding any other provision of law, \$8,000,000 of funds appropriated under this appropriation shall be used for Fire Science Research in support of the Joint Fire Science Program: Provided further, That all authorities for the use of funds, including the use of contracts, grants, and cooperative agreements, available to execute the Forest and Rangeland Research appropriation, are also available in the utilization of these funds for Fire Science Research: Provided further, That funds provided shall be available for emergency rehabilitation and restoration, hazardous fuels reduction activities in the urban-wildland interface, support to Federal emergency response, and wildfire suppression activities of the Forest Service: Provided further, That of the funds provided, \$231,392,000 is for hazardous fuels reduction activities, \$21,427,000 is for research activities and to make competitive research grants pursuant to the Forest and Rangeland Renewable Resources Research Act, as amended (16 U.S.C. 1641 et seq.), \$46,455,000 is for state fire assistance, \$8,240,000 is for volunteer fire assistance, and \$11,934,000 is for forest health activities on state, private, and Federal lands: Provided further, That amounts in this paragraph may be transferred to the "State and Private Forestry," "National Forest System," and "Forest and Rangeland Research" accounts to fund state fire assistance, volunteer fire assistance, forest health management, forest and rangeland research, vegetation and watershed management, heritage site rehabilitation, and wildlife and fish habitat management and restoration: Provided further, That notice of transfers of any amounts in excess of those authorized in this paragraph, shall be transmitted to the House and Senate Committees on Appropriations: Provided further, That the costs of implementing any cooperative agreement between the Federal government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: Provided further, That in addition to funds provided for State Fire Assistance programs, and subject to all authorities available to the Forest Service under the State and Private Forestry Appropriations, up to \$15,000,000 may be used on adjacent non-Federal lands for the purpose of protecting communities when hazard reduction activities are planned on national forest lands that have the potential to place such communities at risk: Provided further, That: in using the funds provided in this Act for hazardous fuels reduction activities, the Secretary of Agriculture may conduct fuel reduction treatments on Federal lands using all contracting and hiring authorities available to the Secretary to hazardous fuel reduction activities under the wildland fire management accounts: Provided further, That with regard to such activities, and notwithstanding requirements of the Competition in Contracting Act but subject to any such requirements as the Director of the Office of Management and Budget may prescribe, the Secretary of Agriculture may obtain maximum practicable competition among: (A) local private, nonprofit, or cooperative entities; (B) Youth Conservation Corps crews or related partnerships with state, local, or nonprofit youth groups; (C) small or micro-business; or (D) other entities that will hire or train locally a significant percentage, defined as 50 percent or more, of the project workforce to complete such contracts: Provided further, That in implementing this section, the Secretary shall develop written guidance to field units to ensure accountability and consistent application of authorities provided herein:

(A) The Secretary of Agriculture may transfer or reimburse funds to the United States Fish and Wildlife Service of the Department of the Interior, or the National Marine Fisheries Service of the Department of Commerce, for the costs of carrying out their responsibilities under the Endangered Species Act of 1973 (16 U.S.C. 1531

et seq.) to consult and conference as required by section 7 of such Act in connection with wildland fire management activities in fiscal years 2003 and 2004.

(B) Only those funds appropriated for fiscal years 2003 and 2004 to Forest Service (USDA) for wildland fire management are available to the Secretary of Agriculture for such transfer or reimbursement.

(C) The amount of the transfer or reimbursement shall be as mutually agreed by the Secretary of Agriculture and the Secretary of the Interior or Secretary of Commerce, as applicable, or their designees. The amount shall in no case exceed the actual costs of consultation and conferencing in connection with wildland fire management activities affecting National Forest System lands.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

Identification code 12-1115-0-1-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Wildland fire management	1,637	1,569	1,533
09.01 Reimbursable program	458	60	60
10.00 Total new obligations	2,095	1,629	1,593
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	96	268	68
22.00 New budget authority (gross)	2,248	1,429	1,602
22.10 Resources available from recoveries of prior year obligations	19		
23.90 Total budgetary resources available for obligation	2,363	1,697	1,670
23.95 Total new obligations	-2,095	-1,629	-1,593
24.40 Unobligated balance carried forward, end of year	268	68	77
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,834	1,369	1,542
40.35 Appropriation rescinded	-4		
41.00 Transferred to other accounts	-282		
42.00 Transferred from other accounts	248		
43.00 Appropriation (total discretionary)	1,796	1,369	1,542
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	458	60	60
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-6		
68.90 Spending authority from offsetting collections (total discretionary)	451	60	60
70.00 Total new budget authority (gross)	2,248	1,429	1,602
Change in obligated balances:			
72.40 Obligated balance, start of year	177	162	31
73.10 Total new obligations	2,095	1,629	1,593
73.20 Total outlays (gross)	-2,097	-1,760	-1,605
73.45 Recoveries of prior year obligations	-19		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	6		
74.40 Obligated balance, end of year	162	31	17
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,636	1,286	1,442
86.93 Outlays from discretionary balances	461	474	163
87.00 Total outlays (gross)	2,097	1,760	1,605
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-458	-60	-60
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	6		
Net budget authority and outlays:			
89.00 Budget authority	1,796	1,369	1,542
90.00 Outlays	1,639	1,700	1,545
Additional net budget authority and outlays to cover cost of fully accruing retirement:			
99.00 Budget authority	54	57	62
99.01 Outlays	54	57	62

General and special funds—Continued

WILDLAND FIRE MANAGEMENT—Continued

Wildland fire management.—This appropriation provides funding for Forest Service fire management, presuppression, and suppression on National Forest System lands, adjacent State and private lands, and other lands under fire protection agreement.

The budget places additional emphasis on economic opportunities for rural communities who have experienced job losses from federal timber harvest reductions coupled with an increased threat of wildfire. The budget increases the availability of funds for contracts, expands competitive outsourcing, and provides an expanded authority for local preference.

To address wildfire suppression costs that have risen dramatically over the past few years, this budget proposes a number of management initiatives to ensure sound financial management and that funds are spent in the most targeted and cost-effective way. Specifically, the Administration proposes that the Forest Service:

- Form a review team to evaluate and develop cost containment strategies.
- Revise procedures to improve reporting of fire suppression spending.
- Assess cost-share agreements to ensure consistency and equitability.
- Increase state and local incentives to reduce their risks of catastrophic fire.

Preparedness.—To protect National forest system (NFS) lands from damage by wildfires commensurate with the threat to life, values at risk, public values, and management objectives.

Preparedness provides the basic fire organization and capability to prevent forest fires and to take prompt, effective initial attack suppression operations action on wildfires. This funding covers expenses associated with planning, prevention, detection, information, and education; pre-incident training; equipment and supply purchase and replacement; and other preparedness activities, including the base salary and travel of the regular Forest Service firefighting organization. Through this program the Forest Service also assists other Federal agencies and States with training programs, planning assistance, sharing joint equipment use contracts, and inter-agency fire coordination centers.

Fire Operations.—To efficiently suppress wildland fires on or threatening NFS lands or other lands under fire protection agreement. Fire Operations provides funds for all hazardous fuel reduction program activities including planning and implementation, mechanical treatments, prescribed fire, and monitoring of fuel treatment accomplishments. Fuel treatment activities are performed to minimize the potential for large, destructive wildfires.

Fire Operations funds are used to immediately and efficiently rehabilitate severely burned NFS lands to prevent further destruction of natural resources and property, including soil loss and flooding. Funds are used to increase the level of fire preparedness when predicted or actual burning conditions exceed normal levels and are also used to support the joint fire sciences program.

The funds provided continue a strong focus on implementation of the National fire plan to protect and manage the impact of wildfires on communities and the environment. In addition to funds specifically for hazardous fuels reduction, fire suppression, and fire readiness, additional funding is provided to continue fire research and rehabilitation activities. Additionally, funds are provided to enhance state and private programs that will contribute to cooperative fire assistance, increased fire department readiness, and forest health programs to reduce fire risk. Funds would also be available to

support Fish and Wildlife Service and National Marine Fisheries Service consultation for project and Endangered Species Act review.

Object Classification (in millions of dollars)

Identification code 12-1115-0-1-302	2002 actual	2003 est.	2004 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	353	354	354
11.3 Other than full-time permanent	58	58	58
11.5 Other personnel compensation	260	261	260
11.9 Total personnel compensation	671	673	672
12.1 Civilian personnel benefits	138	139	139
13.0 Benefits for former personnel	6	6	7
21.0 Travel and transportation of persons	69	71	71
23.1 Rental payments to GSA	49	50	51
24.0 Printing and reproduction	1	1	1
25.2 Other services	627	452	413
26.0 Supplies and materials		100	100
31.0 Equipment	32	32	33
32.0 Land and structures	2	2	2
41.0 Grants, subsidies, and contributions	40	41	42
42.0 Insurance claims and indemnities	1	1	1
43.0 Interest and dividends	1	1	1
99.0 Direct obligations	1,637	1,569	1,533
99.0 Reimbursable obligations	458	60	60
99.9 Total new obligations	2,095	1,629	1,593

Personnel Summary

Identification code 12-1115-0-1-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	9,431	9,187	8,854
Reimbursable:			
Total compensable workyears:			
2001 Civilian full-time equivalent employment	73	71	69

SOUTHEAST ALASKA ECONOMIC DISASTER FUND

Program and Financing (in millions of dollars)

Identification code 12-1108-0-1-451	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Direct program activity	5		
10.00 Total new obligations (object class 41.0)	5		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5		
23.95 Total new obligations	-5		
Change in obligated balances:			
72.40 Obligated balance, start of year	6		
73.10 Total new obligations	5		
73.20 Total outlays (gross)	-10		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	10		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	10		

Public Law 104-134 established this appropriation, for the period 1996 through 2002, to provide assistance to employ former timber workers in Wrangell and Sitka and for related community development projects in Sitka, Wrangell, Ketchikan, and selected organized boroughs in Southeast Alaska. The program established direct payments to these and other localities in Southeast Alaska. Distribution to the unorganized boroughs was based on the proportion of 1995

timber receipts from each borough. No funding was appropriated for 2002 and none is requested for 2003 or 2004.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 percent of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the 16 Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 percent shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)

Identification code 12-5207-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year	2	2	2
Receipts:			
02.20 Cooperative range improvements	3	3	3
04.00 Total: Balances and collections	5	5	5
Appropriations:			
05.00 Range betterment fund	-3	-3	-3
07.99 Balance, end of year	2	2	2

Program and Financing (in millions of dollars)

Identification code 12-5207-0-2-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Range betterment fund	2	5	3
10.00 Total new obligations	2	5	3
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	2	1
22.00 New budget authority (gross)	3	3	3
23.90 Total budgetary resources available for obligation	4	5	4
23.95 Total new obligations	-2	-5	-3
24.40 Unobligated balance carried forward, end of year	2	1	
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	3	3	3
Change in obligated balances:			
72.40 Obligated balance, start of year	1		2
73.10 Total new obligations	2	5	3
73.20 Total outlays (gross)	-3	-3	-3
74.40 Obligated balance, end of year		2	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	2
86.93 Outlays from discretionary balances	1	1	1
87.00 Total outlays (gross)	3	3	3
Net budget authority and outlays:			
89.00 Budget authority	3	3	3
90.00 Outlays	3	3	3

Fifty percent of grazing fees from National Forests in the 16 western States, once appropriated, are used to protect and improve rangeland productivity primarily through revegetation, construction and reconstruction, and maintenance of improvements under authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751), as amended.

Object Classification (in millions of dollars)

Identification code 12-5207-0-2-302	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	1	1	1

26.0	Supplies and materials	1	4	2
99.9	Total new obligations	2	5	3

Personnel Summary

Identification code 12-5207-0-2-302	2002 actual	2003 est.	2004 est.	
Direct:				
Total compensable workyears:				
1001	Civilian full-time equivalent employment	21	33	33

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, \$44,130,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, and to be for the conservation activities defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for the purposes of such Act.

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, \$1,069,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, such sums, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities, and for authorized expenditures, such sums to be derived from funds deposited by non-federal parties pursuant to land sale and exchange acts, pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended. (16 U.S.C. 4601-4-11, 4601-516-617a, 555a; P.L. 96-586; P.L. 76-589, 76-591; 78-310, and 16 U.S.C. 484a)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)

Identification code 12-9923-0-2-302	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year		5	5
Receipts:			
02.20 Offsetting receipts (proprietary)	6	1	1
04.00 Total: Balances and collections	6	6	6
Appropriations:			
05.00 Land acquisition	-1	-1	-1
07.99 Balance, end of year	5	5	5

Program and Financing (in millions of dollars)

Identification code 12-9923-0-2-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
00.01 Land acquisition	251	152	50
10.00 Total new obligations	251	152	50
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	126	27	7
22.00 New budget authority (gross)	151	132	45
23.90 Total budgetary resources available for obligation	277	159	52
23.95 Total new obligations	-251	-152	-50
24.40 Unobligated balance carried forward, end of year	27	7	4
New budget authority (gross), detail:			
Discretionary:			
Appropriation (special fund):			
40.20 Appropriation (LWCF)	150	131	44
40.20 Appropriation (special act)	1	1	1

General and special funds—Continued

LAND ACQUISITION—Continued

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-9923-0-2-302	2002 actual	2003 est.	2004 est.
43.00 Appropriation (total discretionary)	151	132	45
Change in obligated balances:			
72.40 Obligated balance, start of year	15	1	38
73.10 Total new obligations	251	152	50
73.20 Total outlays (gross)	-260	-115	-75
73.40 Adjustments in expired accounts (net)	-5		
74.40 Obligated balance, end of year	1	38	11
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	100	87	30
86.93 Outlays from discretionary balances	160	28	45
87.00 Total outlays (gross)	260	115	75
Net budget authority and outlays:			
89.00 Budget authority	151	132	45
90.00 Outlays	260	115	75

This appropriation consolidates land acquisition authorities for acquisition of lands, waters, or interest therein, as authorized by law.

Land and water conservation fund.—Recreation lands and interests are acquired within areas of the National Forest System, wilderness, wildlife and fisheries habitat management areas, and endangered species and other areas for public outdoor recreation purposes.

Acquisition of Lands of National Forests, Special Acts.—To acquire lands within critical watersheds to provide soil stabilization and restoration of vegetation. Public Laws 76-589, 76-591 and 78-310 (54 Stat. 297, 298, 299, and 402; and 58 Stat. 227-228) authorize appropriations for the purchase of lands to minimize erosion and flood damage to critical watersheds within the following National Forests: the Cache, Uinta, and Wasatch, Utah; the Toiyabe, Nevada; and the Angeles, Cleveland, San Bernardino, and Sequoia, California. Appropriations are made from receipts on these National Forests.

Acquisition of lands to complete land exchanges.—Deposits made by State, county, or municipal governments, public school districts, or other public school authorities for cash equalization of certain land exchanges are used to acquire similar lands suitable for National Forest System purposes in the same State as the National Forest lands conveyed in the land exchange.

Object Classification (in millions of dollars)

Identification code 12-9923-0-2-302	2002 actual	2003 est.	2004 est.
11.1 Personnel compensation: Full-time permanent	7	7	7
12.1 Civilian personnel benefits	2	2	2
23.1 Rental payments to GSA	1	1	1
25.2 Other services	2	2	2
31.0 Equipment	4	4	4
32.0 Land and structures	234	135	33
41.0 Grants, subsidies, and contributions	1	1	1
99.9 Total new obligations	251	152	50

Personnel Summary

Identification code 12-9923-0-2-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	109	105	101

FOREST SERVICE PERMANENT APPROPRIATIONS

Unavailable Collections (in millions of dollars)

Identification code 12-9921-0-2-999	2002 actual	2003 est.	2004 est.
01.99 Balance, start of year		124	124
Receipts:			
02.20 National forests fund, Agriculture	120	81	79
02.21 Payments to states	94	13	13
02.22 Timber roads, purchaser elections	6	6	6
02.23 Road and trails for States, National forest fund	14	12	12
02.24 Timber salvage sales	65	63	63
02.25 Deposits, brush disposal	9	9	9
02.26 Rents and charges for quarters	6	7	7
02.27 Timber sales pipeline restoration fund		3	5
02.28 Recreational fee demonstration program	36	40	42
02.29 Midewin national tallgrass prairie rental fees	1	1	1
02.30 National grasslands	12	4	7
02.31 Miscellaneous special funds, Forest Service	5	2	2
02.32 National forests fund, Interior	8	9	9
02.35 Charges, user fees, and natural resource utilization	3	4	4
02.99 Total receipts and collections	379	254	259
04.00 Total: Balances and collections	379	378	383
Appropriations:			
05.00 Forest Service permanent appropriations	-269	-254	-175
06.10 Unobligated balance returned to receipts	14		
07.99 Balance, end of year	124	124	208

Program and Financing (in millions of dollars)

Identification code 12-9921-0-2-999	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
Direct program:			
00.01 Payments to States, national forest fund	208	92	13
00.02 Payments to States, northern spotted owl	281		
00.03 Payments to counties, national grasslands fund	12	6	4
00.04 Payment to Minnesota	4	2	2
00.05 Recreation fee collection costs	1	1	1
00.06 Timber roads, purchaser elections	6	6	6
00.07 Roads and trails for States, NFF	17	15	14
00.08 Timber salvage sales	78	76	69
00.09 Expenses, brush disposal	31	13	13
00.10 Restoration of forestlands and improvements	5	7	7
00.11 Operation and maintenance of quarters	7	8	8
00.12 Timber sales pipeline restoration fund	1	3	4
00.13 Recreation fee demonstration program	43	30	31
00.14 Land between the lakes management fund		4	4
00.15 Payments to States, full community stabilization		295	371
10.00 Total new obligations	693	558	547
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	355	227	218
22.00 New budget authority (gross)	571	549	546
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	928	776	764
23.95 Total new obligations	-693	-558	-547
23.97 Deficiency	6		
23.98 Unobligated balance expiring or withdrawn	-14		
24.40 Unobligated balance carried forward, end of year	227	218	217

New budget authority (gross), detail:

Mandatory:			
60.00 Appropriation	295	295	371
60.20 Appropriation (special fund)	269	254	175
62.00 Transferred from other accounts	7		
62.50 Appropriation (total mandatory)	571	549	546

Change in obligated balances:

72.40 Obligated balance, start of year	38	18	28
73.10 Total new obligations	693	558	547
73.20 Total outlays (gross)	-711	-548	-546
73.45 Recoveries of prior year obligations	-2		
74.40 Obligated balance, end of year	18	28	29

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	545	518	515
86.98 Outlays from mandatory balances	166	30	31

87.00	Total outlays (gross)	711	548	546
Net budget authority and outlays:				
89.00	Budget authority	571	549	546
90.00	Outlays	711	548	546
Additional net budget authority and outlays to cover cost of fully accruing retirement:				
99.00	Budget authority	8	10	13
99.01	Outlays	8	10	13

Operation and maintenance of quarters.—Quarters rental deductions are collected from employees occupying Forest Service facilities. Amounts are deposited into a special fund and are available for the maintenance and operation of employee-occupied quarters. (5 U.S.C. 5911)

Resource management, timber receipts.—Funds in this special account are available for trail maintenance, reconstruction, and construction; wildlife and fisheries habitat management; soil, water, and air management; cultural/heritage resource management; wilderness management; reforestation; and timber sale administration and management.

Recreation fee demonstration program.—Pursuant to Sec. 315 of Title III—General Provisions, Omnibus Consolidated Rescissions and Appropriations Act of 1996, Public Law 104–134 of April 26, 1996 as amended, amounts collected at fee demonstration areas, sites, or projects are available for maintenance and development of recreation facilities.

Midewin National Tallgrass Prairie rental fees.—Monies received under a special use authorization (issued under subsection (b) of Public Law 104–106, Title XXIX, Subtitle A, Section 2915, after distribution to the State of Illinois and affected counties pursuant to the Act of May 23, 1908) are available to cover the cost to the United States of prairie improvement work at the Midewin National Tallgrass Prairie.

Midewin National Tallgrass Prairie Restoration Fund.—Monies received from user fees and the salvage value proceeds from sale of any facilities and improvements pursuant to Section 2915(d) and (e) of Public Law 104–106, as amended by Public Law 105–83, are available to cover the costs of restoration and administrative activities.

Payment to Minnesota.—At the close of each fiscal year, the State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook Lake and St. Louis for distribution to these counties (16 U.S.C. 577g).

Payments to Counties, National Grasslands.—This program provides an annual payment to counties in which Title III—Bankhead-Jones Acquired Lands are located for funding public schools and roads. Of the net revenues for use of Title III—Bankhead-Jones Farm Tenant Act lands, 25 percent is paid to the counties in which such lands are located for public school and road purposes (7 U.S.C. 1012).

Payments to States.—The Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106–393 dated October 30, 2000) provides stabilized education and road maintenance funding through predictable payments to counties, job creation in those counties and other opportunities associated with the restoration, maintenance and stewardship of Federal lands. Under P.L. 106–393, counties may elect one of two methods to calculate Payments to States funding they receive. Counties can either choose to continue receiving funds established by the 25 percent fund or they can receive their share of the State’s “full payment amount.” Full payment amount is the average of the highest three years of payments to the State under the 25 percent fund through the years 1986–1999. A county’s share of that amount is generally determined by the State in cooperation with the affected counties.

Expenses, brush disposal.—Funds from payments by purchasers of National Forest timber to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

Licensee programs, Forest Service.—Funds from fees for the use of characters by private enterprises are collected under regulations promulgated by the Secretary as follows:

Smokey Bear.—For furthering the nationwide forest fire prevention campaign (16 U.S.C. 580(2)).

Woodsy Owl.—For promoting wise use of the environment and programs which foster maintenance and improvement of environmental quality (16 U.S.C. 580(1)).

Restoration of forestlands and improvements.—Funds from claim settlements involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement of forfeiture (16 U.S.C. 579c).

Timber purchaser roads constructed by Forest Service.—Funds from timber receipts for Government constructed permanent roads for purchasers of timber who qualify as small businesses and elect to have the Forest Service construct the roads designated under the timber sale contract where costs exceed \$20,000 (16 U.S.C. 472a(i)).

Recreation fee collection costs.—Under authority of Section 10002(b) of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103–66), which amended Section 4(i)(1) of the L&WCF Act, the Secretaries of Agriculture and Interior are authorized to withhold a portion of all recreation fees collected (not to exceed 15 percent), to be available during the current fiscal year, without further appropriation to cover fee collection costs.

Tongass timber supply fund.—Funds from sales of Alaska timber to maintain the timber supply from the Tongass National Forest at a specified level (16 U.S.C. 539d).

Timber salvage sales.—Funds are used for salvage of insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement (16 U.S.C. 472a(h)).

Timber Sales Pipeline Restoration Fund.—As authorized under Section 327 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, funds from revenues received from timber sales released under Section 2001(k) of the 1995 Supplemental Appropriations for Disaster Assistance and Rescissions Act for the purpose of restoring the timber pipeline and funding the backlog of recreation projects on National Forest System lands.

Valles Caldera Fund established under the Valles Caldera Preservation Act (Public Law 106–248) provides funds, which shall be available without further appropriation for any purpose consistent with the purposes of the Act. Notwithstanding sections 1341 and 3302 of title 31 of the United States Code, all monies received from donations under subsection (g) or from the management of the Preserve shall be retained and shall be available, without further appropriation, for the administration, preservation, restoration, operation and maintenance, improvement, repair, and related expenses incurred with respect to properties under its management jurisdiction.

Object Classification (in millions of dollars)

Identification code 12–9921–0–2–999	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent	50	50	51
11.3 Other than full-time permanent	10	10	10
11.5 Other personnel compensation	5	5	5
11.9 Total personnel compensation	65	65	66
12.1 Civilian personnel benefits	16	16	16
21.0 Travel and transportation of persons	3	3	3
23.1 Rental payments to GSA	6	6	6
25.2 Other services	37	35	32
26.0 Supplies and materials	58	35	31
31.0 Equipment	1	1	1
32.0 Land and structures	2	2	2
41.0 Grants, subsidies, and contributions	505	395	390
99.9 Total new obligations	693	558	547

General and special funds—Continued

FOREST SERVICE PERMANENT APPROPRIATIONS—Continued

Personnel Summary

Identification code 12-9921-0-2-999	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	1,410	1,380	1,351

A Recreation Fee Program is proposed, generally consistent with the existing recreation fee demonstration program, that would permanently authorize the direct expenditure of recreation fees collected by the Forest Service and the Department of the Interior agencies beginning in 2005.

A proposal to repeal selected parts of the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA) would eliminate provisions that are duplicative of the Government Performance and Results Act of 1993. The RPA requires the Secretary to prepare a national assessment of resource conditions and trends (the RPA Assessment), an RPA Program (strategic plan) and accompanying Presidential Statement of Natural Resources Policy, and an Annual Report of the Forest Service to Congress that reports on RPA Program accomplishments. In 1993, Congress enacted government-wide legislation, the Government Performance and Results Act (GPRA), requiring a strategic plan and annual reporting requirements that are essentially the same as the RPA requirements except for the requirement for a Presidential Statement of Natural Resources Policy to accompany the strategic plan. Since 1998, language has been carried in Appropriations legislation for the Forest Service to complete its strategic plan and reporting requirements under the Results Act. The Forest Service has done so. The proposal would bring older legislative authorities into accord with more recent enactments, while retaining the RPA Assessment.

A proposal to transfer titles acquired through Forest Legacy would provide for consistent and rational ownership of lands previously acquired by the Forest Service through the Forest Legacy Program in those States that now take title for program acquisitions by electing to utilize the program's state grant option. Prior to the 1996 farm bill, all properties acquired under the Forest Legacy program were titled to the United States. When the State grant option was created in the 1996 Farm Bill, most subsequent acquisitions switched to the States. There are now instances in which some program acquisitions in a state are titled to the Federal government and others are titled to the state. Properties originally acquired by the Forest Service in the name of the United States prior to the establishment of the State grant option could be more efficiently and effectively managed if title were vested in the States.

Watershed Restoration and Enhancement Agreements would authorize the Secretary of Agriculture to use federal funds on non-federal land in proximity to National Forest Systems lands when a project benefits the greater watershed. P.L. 105-257, the Omnibus Appropriations bill for 1999, authorizes the USDA Forest Service to use federal funds on non-federal land in proximity to National Forest Systems lands when a project benefits the greater watershed. The authority allows the Forest Service to protect watersheds that consist of lands under multiple ownerships, including lands in the wildland-urban interface. This proposal promotes the efficient and effective work associated with watershed restoration and enhancement as well as reducing fire hazards across multiple ownerships.

A proposal for a Facilities Acquisition and Enhancement Fund would enable the Secretary to sell facilities and appurtenant administrative land, excess to agency needs, and to use the proceeds for acquiring or developing land and improvements for administrative purposes. Downsizing has led

to the closure of a number of administrative units and consolidation of units to central locations. The agency currently experiences a \$2.8 billion backlog that has accumulated because of inadequate and untimely maintenance. Over 60% of the agency's facilities are over 30 years old and functionally obsolete. Funds collected under this authority would solely be used to reconstruct functionally obsolete facilities or to construct new facilities necessary in light of reorganization and consolidation.

A Partnership Authorities proposal would expand or clarify the agency's authorities to work more efficiently and effectively with nonfederal entities. There are over thirty different laws relating to partnerships cited in Forest Service directives and fourteen different types of agreement instruments are used to document partnership relationships. Navigating this complex patchwork of authorities and agreements has hindered the agency's ability to work efficiently and effectively with nonprofit and community partners. This complex patchwork of authorities and agreements has resulted in inconsistent interpretations of authorities and time-consuming processes for documenting partnerships.

A proposal for Pacific Island Participation in State and Private Forestry (S&PF) Programs would restore eligibility of three U.S. trust territories (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau) in "compacts of free association" for assistance through all S&PF programs.

A proposal would streamline management of proclaimed forests and other management areas within administrative units in order to reduce accounting transactions, improve productivity of financial staff, and support the Presidential Management Agenda by reducing indirect costs.

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 12-4605-0-4-302	2002 actual	2003 est.	2004 est.
Obligations by program activity:			
09.01 Working Capital fund	162	276	180
10.00 Total new obligations	162	276	180
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	23	96	
22.00 New budget authority (gross)	226	180	180
22.10 Resources available from recoveries of prior year obligations	8		
23.90 Total budgetary resources available for obligation	257	276	180
23.95 Total new obligations	-162	-276	-180
24.40 Unobligated balance carried forward, end of year	96		
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	228	180	180
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-2		
69.90 Spending authority from offsetting collections (total mandatory)	226	180	180
Change in obligated balances:			
72.40 Obligated balance, start of year	129	32	128
73.10 Total new obligations	162	276	180
73.20 Total outlays (gross)	-253	-180	-180
73.45 Recoveries of prior year obligations	-8		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2		
74.40 Obligated balance, end of year	32	128	128
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	226	162	162
86.98 Outlays from mandatory balances	27	18	18

87.00	Total outlays (gross)	253	180	180
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-228	-180	-180
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	2		
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	25		

The Working Capital Fund is a self-sustaining revolving fund that provides services to National Forests, to Research Experiment Stations, to other Federal agencies when necessary, to State and private agencies as provided by law, and to persons who cooperate with the Forest Service in fire control and other authorized programs.

Forestry-related supply and support services include:

Equipment Services.—The fund owns, operates, maintains, replaces, and repairs common-use, motor-driven, and similar equipment. This equipment is rented to administrative units, that is, National Forests, Research Experiment Stations, and other units, and, in some cases, to other agencies, at rates which recover the cost of operation, repair and maintenance, management, and depreciation. The rates also include an increment which provides additional cash which, when added to depreciation earnings and the residual value of equipment, provides sufficient funds to replace the equipment.

Aircraft Services.—The fund operates, maintains, and repairs Forest Service owned aircraft used in fire surveillance and suppression and in other Forest Service programs. The aircraft are rented to National Forests, Research Experiment Stations, and in some cases to other agencies, at rates which recover the cost of depreciation, operation, maintenance, repair, and improvements in the airworthiness of the aircraft. Aircraft replacement costs are financed from either appropriated funds or the Forest Service Working Capital Fund, or a combination of both.

Computer Services.—The Fund provides computer hardware, software, and radio equipment.

Supply Services.—The fund operates the following common services, and provides for cost-recovery of Working Capital Fund Program Management:

Photo reproduction laboratories that store, reproduce, and supply aerial photographs, aerial maps, and other photographs of National Forest lands. Photographic reproductions are sold to National Forests, Experiment Stations, and others at cost.

Sign shops that manufacture and supply special signs for the National Forests for use in regulating traffic and as information to the public and other users of the National Forests. Signs are sold to National Forests and Experiment Stations at cost.

Seed supply services that provide tree seed for direct seeding or sowing in nurseries for the production of trees. Includes purchase or collection of cones, extraction of seeds, cleaning and testing, and storage and delivery. Operates in conjunction with tree nurseries; that is, forest tree nurseries and cold storage facilities for storage of tree seedlings. Tree seedlings are sold to National Forests, State foresters, and other co-operators at cost.

Object Classification (in millions of dollars)

Identification code 12-4605-0-4-302	2002 actual	2003 est.	2004 est.	
21.0	Travel and transportation of persons	3	3	3
23.1	Rental payments to GSA	4	4	4
25.2	Other services	32	32	33
26.0	Supplies and materials		100	59
31.0	Equipment	123	137	81

99.9	Total new obligations	162	276	180
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Note.—Personnel totals are included with personnel totals of all other Forest Service programs.

Trust Funds

FOREST SERVICE TRUST FUNDS

Unavailable Collections (in millions of dollars)

Identification code 12-9974-0-7-302	2002 actual	2003 est.	2004 est.	
01.99	Balance, start of year			30
Receipts:				
02.00	Transfers from general fund of amounts equal to certain customs duties	30	30	30
02.20	Forest Service cooperative fund	76	115	123
02.40	Transfer from TVA for land between the lakes trust fund		1	1
02.80	Forest Service trust funds, offsetting collections	-9		
02.99	Total receipts and collections	98	146	154
04.00	Total: Balances and collections	98	146	184
Appropriations:				
05.00	Forest Service trust funds	-98	-116	-115
05.99	Total appropriations	-98	-116	-115
07.99	Balance, end of year		30	69

Program and Financing (in millions of dollars)

Identification code 12-9974-0-7-302	2002 actual	2003 est.	2004 est.	
Obligations by program activity:				
00.01	Forest Service trust funds	276	162	155
10.00	Total new obligations	276	162	155
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	143	241	195
22.00	New budget authority (gross)	374	116	115
23.90	Total budgetary resources available for obligation	517	357	310
23.95	Total new obligations	-276	-162	-155
24.40	Unobligated balance carried forward, end of year	241	195	155
New budget authority (gross), detail:				
Discretionary:				
42.00	Transferred from other accounts	276		
Mandatory:				
60.26	Appropriation (trust fund)	107	116	115
69.00	Offsetting collections (cash)	-9		
70.00	Total new budget authority (gross)	374	116	115
Change in obligated balances:				
72.40	Obligated balance, start of year	240	217	247
73.10	Total new obligations	276	162	155
73.20	Total outlays (gross)	-298	-131	-115
74.40	Obligated balance, end of year	217	247	287
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	58	93	92
86.98	Outlays from mandatory balances	240	38	23
87.00	Total outlays (gross)	298	131	115
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	9		
Net budget authority and outlays:				
89.00	Budget authority	383	116	115
90.00	Outlays	307	131	115
Memorandum (non-add) entries:				
92.02	Total investments, end of year: Federal securities: Par value		2	
Additional net budget authority and outlays to cover cost of fully accruing retirement:				
99.00	Budget authority	5	6	8
99.01	Outlays	5	6	8

FOREST SERVICE TRUST FUNDS—Continued

Reforestation trust fund.—Amounts from this account are used for reforestation as authorized by 16 U.S.C. 1606a (d) and (e).

Cooperative work trust fund.—Funds, including deposits from purchasers of timber, are received and used for specified work in forest investigations, protection, and improvement of the National Forest System, including protection, reforestation, and administration of private lands adjacent to National Forests (7 U.S.C. 2269; 16 U.S.C. 498, 535, 565a, 572, 572a, 576b, 1643; and 31 U.S.C. 1321).

Object Classification (in millions of dollars)

Identification code 12-9974-0-7-302	2002 actual	2003 est.	2004 est.
Personnel compensation:			
11.1 Full-time permanent	41	42	42
11.3 Other than full-time permanent	6	6	7
11.5 Other personnel compensation	3	3	3
11.9 Total personnel compensation	50	51	52
12.1 Civilian personnel benefits	13	13	13
21.0 Travel and transportation of persons	3	3	3
23.1 Rental payments to GSA	5	5	5
25.2 Other services		43	39
26.0 Supplies and materials	201	43	39
31.0 Equipment	2	2	2
32.0 Land and structures	2	2	2
99.9 Total new obligations	276	162	155

Personnel Summary

Identification code 12-9974-0-7-302	2002 actual	2003 est.	2004 est.
Direct:			
Total compensable workyears:			
1001 Civilian full-time equivalent employment	965	945	924

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows:

- Agriculture:
 - Agricultural Research Service.
 - Animal and Plant Health Inspection Service.
 - Natural Resources Conservation Service.
 - Watershed and flood prevention operations.
 - Resource conservation and development.
- Conservation Reserve Program.
- Department Administration:
 - Hazardous materials management.
 - Rural Housing; Rural community fire protection grants.
- Transportation: Federal Highway Administration, Highway Trust Fund.
- Labor: Employment and Training Administration, Training and employment services.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (1) purchase of not to exceed 124 passenger motor vehicles, of which 21 will be used primarily for law enforcement purposes and of which 124 shall be for replacement; acquisition of 25 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft to maintain the operable fleet at 195 aircraft for use in Forest Service wildland fire programs and other Forest Service programs; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (2) services pursuant to 7 U.S.C. 2225, and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (3) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (4) acquisition of land, waters, and interests therein, pursuant to 7 U.S.C. 428a; (5) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, and 558a

note); (6) the cost of uniforms as authorized by 5 U.S.C. 5901-5902; and (7) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

Any appropriations or funds available to the Forest Service may be transferred to the Wildland Fire Management appropriation for forest firefighting, emergency rehabilitation of burned-over or damaged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

Funds available to the Forest Service shall be available to conduct a program of not less than \$2,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps, defined in section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for the purposes of such Act.

Of the funds available to the Forest Service, \$2,500 is available to the Chief of the Forest Service for official reception and representation expenses.

Pursuant to sections 405(b) and 410(b) of Public Law 101-593, of the funds available to the Forest Service, up to \$2,250,000 may be advanced in a lump sum as Federal financial assistance to the National Forest Foundation, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefitting National Forest System lands or related to Forest Service programs: Provided, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds made available by the Forest Service: Provided further, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds: Provided further, That authorized investments of Federal funds held by the Foundation may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Pursuant to section 2(b)(2) of Public Law 98-244, up to \$2,650,000 of the funds available to the Forest Service shall be available for matching funds to the National Fish and Wildlife Foundation, as authorized by 16 U.S.C. 3701-3709, and may be advanced in a lump sum as Federal financial assistance, without regard to when expenses are incurred, for projects on or benefitting National Forest System lands or related to Forest Service programs: Provided, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds advanced by the Forest Service: Provided further, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development purposes. Funds appropriated to the Forest Service shall be available for payments to counties within the Columbia River Gorge National Scenic Area, pursuant to sections 14(c)(1) and (2), and section 16(a)(2) of Public Law 99-663.

The Secretary of Agriculture is authorized to enter into grants, contracts, and cooperative agreements as appropriate with the Pinchot Institute for Conservation, as well as with public and other private agencies, organizations, institutions, and individuals, to provide for the development, administration, maintenance, or restoration of land, facilities, or Forest Service programs, at the Grey Towers National Historic Landmark: Provided, That, subject to such terms and conditions as the Secretary of Agriculture may prescribe, any such public or private agency, organization, institution, or individual may solicit, accept, and administer private gifts of money and real or personal property for the benefit of, or in connection with, the activities and services at the Grey Towers National Historic Landmark: Provided further, That such gifts may be accepted notwithstanding the fact that a donor conducts business with the Department of Agriculture in any capacity.

Funds appropriated to the Forest Service shall be available, as determined by the Secretary, for payments to Del Norte County, Cali-

fornia, pursuant to sections 13(e) and 14 of the Smith River National Recreation Area Act (Public Law 101-612).

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service not to exceed \$500,000 may be used to reimburse the Office of the General Counsel (OGC), Department of Agriculture, for travel and related expenses incurred as a result of OGC assistance or participation requested by the Forest Service at meetings, training sessions, management reviews, land purchase negotiations and similar non-litigation related matters.

The Forest Service shall fund indirect expenses, that is expenses not directly related to specific programs or to the accomplishment of specific on-the-ground work, from any funds available to the Forest Service: Provided, That the Forest Service shall implement and adhere to the definitions of indirect expenditures established pursuant to Public Law 105-277 on a nationwide basis without flexibility for modification by any organizational level except the Washington Office, and when changed by the Washington Office, such changes in definition shall be reported in budget requests submitted by the Forest Service: Provided further, That the Forest Service shall provide in all future budget justifications, planned indirect expenditures in accordance with the definitions, summarized and displayed to the Regional, Station, Area, and detached unit office level. The justification shall display the estimated source and amount of indirect expenditures, by budget line item, of funds in the agency's annual budget justification. The display shall include appropriated funds and the Knutson-Vandenberg, Brush Disposal, Cooperative Work-Other, and Salvage Sale funds.

Any appropriations or funds available to the Forest Service may be used for necessary expenses in the event of law enforcement emergencies as necessary to protect natural resources and public or employee safety.

The Secretary of Agriculture may authorize the sale of excess buildings, facilities, and other properties owned by the Forest Service and located on the Green Mountain National Forest, the revenues of which shall be retained by the Forest Service and available to the Secretary without further appropriation and until expended for maintenance and rehabilitation activities on the Green Mountain National Forest.

Of the funds available to the Forest Service, the Secretary of Agriculture may transfer or reimburse, not to exceed \$15,000,000, to the Secretary of the Interior or the Secretary of Commerce to expedite conferencing and consultations as required under section 7 of the Endangered Species Act, 16 U.S.C. 1536. The amount of the transfer or reimbursement shall be as mutually agreed by the Secretary of Agriculture and the Secretary of the Interior or Secretary of Commerce, as applicable, or their designees. The amount shall in no case exceed the actual costs of consultation and conferencing.

GENERAL FUND RECEIPT ACCOUNTS
(in millions of dollars)

	2002 actual	2003 est.	2004 est.
Offsetting receipts from the public:			
12-181100 National grasslands	18	22	19
12-270110 Agriculture credit insurance, Negative subsidies	2	3	4
12-270130 Agriculture credit insurance, Downward reestimates of subsidies	53	249	
12-270210 Rural electrification and telephone loans, Negative subsidies	26	23	20
12-270230 Rural electrification and telephone loans, Downward reestimates of subsidies	83		
12-270310 Rural water and waste disposal, Negative subsidies			5
12-270330 Rural water and waste disposal, Downward reestimates of subsidies	21		
12-270530 Rural community facility, Downward reestimates of subsidies	15		
12-270630 Rural housing insurance, Downward reestimates of subsidies	268	665	
12-270730 Rural business and industry, Downward reestimates of subsidies	17		
12-270830 P.L. 480 loan program, Downward reestimates of subsidies		538	
12-271030 Rural development loans, Downward reestimates of subsidies	3		
12-271130 Rural telephone bank loans, Downward reestimates of subsidies	3	4	
12-271330 Economic development loans, Downward reestimates of subsidies	1		

12-275430 Apple loan program, downward reestimates of subsidies	2		
12-275610 Negative subsidies, farm storage facility loans			1
12-275630 Farm storage facility loans, Downward reestimate of subsidies	1	8	
12-275730 Commodity Credit Corporation export guarantee financing, Downward reestimate of subsidies	126	552	
12-276530 P.L. 480 title I food for progress credits, downward reestimates of subsidies		195	
General Fund Offsetting receipts from the public	639	2,259	49

OTHER CONSOLIDATED RECEIPT ACCOUNTS
(in millions of dollars)

	2002 actual	2003 est.	2004 est.
12-977210 Miscellaneous contributed funds	12	1	1

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for fiscal year 2004 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 398 passenger motor vehicles, of which 396 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 703. The Secretary of Agriculture may transfer unobligated balances of discretionary funds appropriated by this Act or other available unobligated discretionary balances of the Department of Agriculture to the Working Capital Fund for the acquisition of plant and capital equipment necessary for the delivery of financial, administrative, and information technology services of primary benefit to the agencies of the Department of Agriculture: Provided, That none of the funds made available by this Act or any other Act shall be transferred to the Working Capital Fund without the prior approval of the agency administrator: Provided further, That none of the funds transferred to the Working Capital Fund pursuant to this section shall be available for obligation without advance notice transmitted to the Committees on Appropriations of both Houses of Congress.

SEC. 704. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, emerging plant pests, integrated systems acquisition project, boll weevil program, up to 25 percent of the screwworm program, and up to \$2,000,000 for costs associated with collocating regional offices; Food Safety and Inspection Service, field automation and information management project; Cooperative State Research, Education, and Extension Service, funds for competitive research grants (7 U.S.C. 450i(b)), funds for the Research, Education and Economics Information System (REEIS), and funds for the Native American Institutions Endowment Fund; Farm Service Agency, salaries and expenses funds made available to county committees; Foreign Agricultural Service, middle-income country training program and up to \$2,000,000 of the Foreign Agricultural Service appropriation solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation by the Foreign Agricultural Service.

SEC. 705. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 706. Not to exceed \$50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to section 606C of the Act of August 28, 1954 (7 U.S.C. 1766b).

SEC. 707. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrange-

ments is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 708. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 709. None of the funds in this Act shall be available to pay indirect costs charged against competitive agricultural research, education, or extension grant awards issued by the Cooperative State Research, Education, and Extension Service that exceed 19 percent of total Federal funds provided under each award: Provided, That notwithstanding section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310), funds provided by this Act for grants awarded competitively by the Cooperative State Research, Education, and Extension Service shall be available to pay full allowable indirect costs for each grant awarded under section 9 of the Small Business Act (15 U.S.C. 638).

SEC. 710. Notwithstanding any other provision of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 711. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 2004 shall remain available until expended to cover obligations made in fiscal year 2004 for the following accounts: the Rural Development Loan Fund program account; the Rural Telephone Bank program account; the Rural Electrification and Telecommunications Loans program account; the Rural Housing Insurance Fund program account; and the Rural Economic Development Loans program account.

SEC. 712. Notwithstanding chapter 63 of title 31, United States Code, marketing services of the Agricultural Marketing Service; the Grain Inspection, Packers and Stockyards Administration; the Animal and Plant Health Inspection Service; and the food safety activities of the Food Safety and Inspection Service may use cooperative agreements to reflect a relationship between the Agricultural Marketing Service; the Grain Inspection, Packers and Stockyards Administration; the Animal and Plant Health Inspection Service; or the Food Safety and Inspection Service and a state or cooperator to carry out agricultural marketing programs, to carry out programs to protect the nation's animal and plant resources, or to carry out educational programs or special studies to improve the safety of the nation's food supply.

SEC. 713. None of the funds appropriated by this Act may be used to carry out section 410 of the Federal Meat Inspection Act (21 U.S.C. 679a) or section 30 of the Poultry Products Inspection Act (21 U.S.C. 471).

SEC. 714. None of the funds made available to the Department of Agriculture by this Act may be used to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer, without the approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be transferred to the Office of the Chief Information Officer without the prior notification of the Committees on Appropriations of both Houses of Congress.

SEC. 715. With the exception of funds needed to administer and conduct oversight of grants awarded and obligations incurred prior to November 28, 2001, none of the funds appropriated or otherwise made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out the provisions of 7 U.S.C. 7621. Funds under such section for fiscal year 2004 are hereby cancelled.

SEC. 716. Notwithstanding section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f), any balances available to carry out title III of such Act as of the date of enactment of this Act, and any recoveries and reimbursements that become available to carry out title III of such Act, may be used to carry out title II of such Act.

SEC. 717. No funds appropriated or otherwise made available under this Act shall be made available to any person or entity that has

been convicted of violating the Act of March 3, 1933 (41 U.S.C. 10a-10c; popularly known as the "Buy American Act").

SEC. 718. Section 442 of Public Law 106-224 is amended by adding the following new subsections at the end:

"(c) Preconditions for a Transfer Availability.—Funds may be transferred to combat emergencies only for infestations that were not funded in the previous fiscal year.

"(d) Definitions.—For purposes of this section, an "emergency" is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen."

SEC. 719. Section 10417 of Public Law 107-171 is amended by adding the following new subsections at the end:

"(d) Preconditions for a Transfer Availability.—Funds may be transferred to combat emergencies only for infestations that were not funded in the previous fiscal year.

"(e) Definitions.—For purposes of this section, an "emergency" is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen."

SEC. 720. The Administrator of the Agricultural Research Service may make available by outlease agreements with other Federal agencies or non-Federal public or private entities any unused or underused portion or interest of or interest in any agency real and related personal property, and may retain and use the proceeds of such agreements in carrying out the programs of the agency. Property proposed for outlease must not be property otherwise required to be reported excess under the Federal Property and Administrative Services Act of 1949, as amended. Outleases shall be made competitively, and be based on the fair market value of the property.

SEC. 721. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out the following:

(a) an environmental quality incentives program authorized by 16 U.S.C. 3839aa, et seq. in excess of \$850,000,000;

(b) a ground and surface water conservation program authorized by 16 U.S.C. 3839aa-9 in excess of \$51,000,000;

(c) a water conservation program in the Klamath Basin authorized by 16 U.S.C. 3839aa-9 in excess of \$8,118,000;

(d) a farmland protection program authorized by 16 U.S.C. 3838h-i in excess of \$112,044,000;

(e) a wildlife habitat incentives program authorized by 16 U.S.C. 3839bb et seq. in excess of \$42,000,000;

(f) a conservation security program authorized by 16 U.S.C. 3838-3838c in excess of \$19,379,000;

(g) a small watershed rehabilitation program authorized by 16 U.S.C. 1012(h)(1);

(h) section 9006 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002;

(i) section 9010 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1424) in excess of \$100,000,000.

SEC. 722. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out the following:

(a) section 601(j)(1)(A) of the Rural Electrification Act of 1936 (7 U.S.C. 901). Funds under such section for fiscal year 2004 are hereby cancelled;

(b) section 6401 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002. Funds under such section for fiscal year 2004 are hereby cancelled;

(c) section 6405 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002. Funds under such section for fiscal year 2004 are hereby cancelled.

SEC. 723. Section 508(k)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)) is amended—

(1) in clause (i), by striking "and";

(2) in clause (ii)—

(A) by striking "and subsequent reinsurance years" and inserting "through the 2003 reinsurance years"; and

(B) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(iii) for each of the 2004 and subsequent reinsurance years, 20 percent of premium used to define loss ratio."