



DEPARTMENT OF AGRICULTURE

Funding Highlights:

- Provides \$23 billion in discretionary funding, a decrease of nearly 3 percent or almost \$700 million, below the 2012 enacted level. Consistent with Administration priorities, targeted investments are made in renewable energy, housing, utilities, infrastructure, rural development, and key innovation research areas. Discretionary savings are achieved through ongoing efforts to streamline operations, reduce costs, and close offices, and these savings are redirected into critical activities in recognition of tighter budget constraints.
- Modernizes service by redirecting staff to areas of greatest need without reducing or disrupting service to customers.
- Reduces the deficit by \$32 billion over 10 years by eliminating direct farm payments, decreasing subsidies to crop insurance companies, and better targeting conservation funding for high priority areas.
- Invests \$6.1 billion in renewable and clean energy and environmental improvements to spur the creation of high-value jobs, make America more energy independent, and drive global competitiveness in the sector.
- Increases the 2012 funding level for the Agriculture and Food Research Initiative to \$325 million and targets areas that are key to American scientific leadership: human nutrition and obesity reduction; food safety; sustainable bioenergy; global food security; and climate change.
- Contributes to the job creation and economic growth goals of the White House Rural Council by continuing to fund programs that effectively promote renewable energy, job training, infrastructure investment, access to capital, worker training, and green jobs throughout rural America.
- Leverages resources and works with Federal, State, and Tribal partners to accelerate voluntary adoption of agricultural conservation practices to improve water quality.

- Provides \$7 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) for low-income and nutritionally at-risk pregnant and post-partum women, infants, and children up to age 5.
- Supports State, local, and Tribal efforts to serve healthy meals and snacks to schoolchildren.
- Preserves a strong Supplemental Nutrition Assistance Program to prevent hunger for millions of Americans.
- Conserves landscapes and promotes outdoor recreation in national forests and on working lands through the America's Great Outdoors initiative.
- Continues efforts to restore significant ecosystems such as the California Bay-Delta, Everglades, the Great Lakes, Chesapeake Bay, and the Gulf Coast, helping to promote their ecological sustainability and resilience.

The U.S. Department of Agriculture (USDA) provides leadership on issues related to food, agriculture, and natural resources, including energy, based on sound public policy, the best available science, and efficient management. USDA works to expand economic opportunity through innovation in research and provides financing needed to help expand job prospects and improve housing, utilities, and infrastructure in rural America. The Department also works to promote sustainable agricultural production to protect the long-term availability of food. USDA programs safeguard and protect America's food supply by reducing the incidence of food-borne hazards from farm to table and to improve nutrition and health through food assistance and nutrition education. Internationally, USDA supports agricultural and economic development through research and technical assistance to combat chronic hunger and achieve global food security. Finally, USDA manages and protects America's public and private lands by working cooperatively with other levels of government and the private sector to preserve and conserve our Nation's natural resources through restored forests, improved watersheds, and healthy private working lands. The President's 2013 Budget provides \$23 billion to support this important mission, a decrease of almost \$700 million from the 2012 enacted level. While investments are made in renewable en-

ergy, rural development, and key innovative research areas, the Budget makes tough choices to meet tight discretionary caps. Deficit reduction savings are achieved by eliminating direct farm payments, decreasing subsidies to crop insurance companies, and better targeting conservation funding.

Fosters Innovation, Job Creation, and Growth

Promotes Development of Rural Renewable Energy and Homegrown Biofuels. The Administration proposes \$6.1 billion in loans to rural electric cooperatives and utilities that will support the transition to a clean-energy generation and the creation of high-value jobs in rural America. Specifically, this funding will be targeted to decrease America's reliance on fossil fuels and promote renewable and clean energy at electric generation, transmission, and distribution sites in rural communities. In addition, through the Rural Energy for America Program, this Budget provides \$19 million in assistance to agricultural producers and rural small businesses to complete a variety of projects, including renewable energy systems, energy efficiency improvements, and renewable energy development. Finally, the Administration proposes over \$200 million to

continue support for the development of home-grown, advanced biofuels that have the potential to reduce America's dependence on foreign oil and to bolster our rural economies.

Spurs American Innovation by Advancing Priority Research. USDA research has played a key role in spurring innovation and advancing technology that has allowed American agriculture to increase in both efficiency and profitability. At the same time, the Administration recognizes that continued fiscal constraint requires trade-offs to focus resources on only the most important priorities. Therefore, the President's Budget proposes \$325 million—a \$60 million increase above the 2012 enacted level—for competitive research grants made through the Agriculture and Food Research Initiative. The Budget also increases in-house research in select areas such as crop protection, sustainable agriculture, and food safety by \$75 million, and fully funds the Census of Agriculture. Consistent with Administration-wide efforts to create additional savings, the Agricultural Research Service is reallocating \$70 million from lower priority projects.

Promotes Infrastructure and Community Development. The Budget supports economic growth in rural areas by funding loan programs that effectively promote infrastructure investment and access to capital throughout rural America. For instance, in order to provide support for projects in low income rural areas, the President's Budget includes a \$700 million increase in the community facility program's direct loan level, a program that funds a wide array of rural projects, including schools, hospitals, day care facilities, and fire and police stations. In addition, the Budget also provides \$24 billion in guaranteed single-family housing loans, which will support mortgage lending institutions in rural areas and boost home ownership among moderate-to low-income rural residents.

Prevents Hunger and Supports Healthy Eating

Prevents Hunger. At a time of continued need, the President's Budget provides \$7.5 billion for discretionary nutrition program support. Funding supports the 9.1 million individuals expected to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is critical to the health of pregnant women, new mothers, and their infants. The Administration also repropose to continue certain temporary Supplemental Nutrition Assistance Program (SNAP) benefits. SNAP is the cornerstone of our Nation's food assistance safety net and touches the lives of more than 46 million people. The Administration is committed to preventing hunger by preserving access to SNAP for all eligible participants.

Supports Healthy Eating. The Administration supports continued implementation of the Healthy, Hunger-Free Kids Act of 2010, strengthening the child nutrition programs and increasing children's access to healthy meals and snacks.

Makes Tough Choices with Targeted Reductions

Responsibly Reduces Farm Spending. Government payments to farmers are expected to total \$10.6 billion in 2011. Roughly \$4.7 billion—or 44 percent—of these payments are in the form of a "direct payment"—payments that do not vary with current prices or crop yields and for which a crop is not necessarily produced. As part of the strategy to confront our fiscal challenges in a thoughtful and responsible manner the Budget includes \$32 billion in savings over 10 years by eliminating direct farm payments, providing disaster assistance, reducing subsidies to crop insurance companies, and better targeting conservation funding, consistent with the Administration's deficit reduction proposal. These proposals are sound policy and prudent steps that the Administration believes are necessary to put the country on a fiscally sustainable path.

Targets the Direct Single Family Housing Loan Program. The Budget proposes \$653 million for the direct single family housing loan program, a significant reduction from an enacted amount of \$900 million, and proposes to provide single family housing assistance primarily through loan guarantees. The reduced level represents a minimum level to allow targeted support for teachers in rural areas and beneficiaries of the mutual self-help housing program, along with other very-low and low income individuals in rural areas still needing mortgage credit assistance despite historically low interest rates.

Improves the Way Federal Dollars are Spent

Modernizes Service. Consistent with Administration-wide efforts, USDA agencies are reshaping the way that they do business, without sacrificing services to the public. In 2012, the Department began an effort to streamline operations and reduce cost, including closing about 260 offices. In some cases, staff will be redirected to areas of greatest need; in others, advances in technology have reduced the need for brick and mortar facilities. Building upon this effort, in 2013 the Forest Service proposes to create efficiencies and redirect savings toward more on-the-ground projects. Finally, the Department is further streamlining its staff through both Department-wide early retirement and targeted buyouts offered by more than 15 agencies and offices. As a result of these and other efficiencies the Budget proposes about 900 fewer staff positions for USDA than in 2012.

Improves Forest Conservation Outcomes by Using Landscape Scale Strategies. The President's Budget continues to emphasize the Forest Service's ability to restore our Nation's forests through landscape scale efforts. These efforts include: targeting scarce resources to on-the-ground activities; implementing a comprehensive

approach to restoration and maintenance of sustainable landscapes; streamlining programs to improve forest management efficiency; reducing wildfire risk; and expanding efforts to maximize collaborative efforts including public-private partnerships. Together, these changes will make better use of available resources and increase the resilience and health of our Nation's forests.

Protects Communities and Ecosystems from Wildfire Damage. The Budget continues the long-standing practice of fully funding the 10-year average cost of wildland fire suppression operations. The Budget also continues the practice of targeting hazardous fuels reduction funding for activities near communities (known as the "wildland-urban interface") where they are most effective. Priority is given to projects in communities that have met "Firewise" standards (or the equivalent), identified acres to be treated, and invested in local solutions to protect against wildland fire.

Enhances Interagency Efforts to Improve Water Quality. The United States has made great strides in improving water quality; however, "nonpoint" source pollution remains a significant economic, environmental and public health challenge that requires policy attention and thoughtful new approaches. Key Federal partners, along with agricultural producer organizations, conservation districts, States, Tribes, non-governmental organizations and other local leaders will work together to identify areas where a focused and coordinated approach can achieve substantial improvements in water quality. The President's Budget builds upon the collaborative process already underway among Federal partners to demonstrate substantial improvements in water quality from conservation programs by ensuring that USDA's key investments through Farm Bill conservation programs and related efforts are appropriately leveraged by other Federal programs.

Department of Agriculture
(In millions of dollars)

	Actual 2011	Estimate	
		2012	2013
Spending			
Discretionary Budget Authority:			
Commodities and International	3,662	3,521	3,472
Rural Development	2,572	2,404	2,402
Forest Service	4,694	4,608	4,861
Conservation	898	851	827
Food and Nutrition Service	6,585	7,420	7,495
Research	2,361	2,536	2,604
Marketing and Regulatory Programs	2,001	1,945	1,879
Central Administration	494	509	589
Subtotal, Discretionary budget authority	23,267	23,794	24,129
Discretionary Changes in Mandatory Programs (<i>non-add in 2012</i>) ¹		-2,372	-906
Receipts and Collections:			
User Fees/Receipts	-103	-139	-266
Total, Discretionary budget authority ²	23,164	23,655	22,957
Discretionary Cap Adjustment: ³			
Disaster Relief	—	367	—
Total, Discretionary outlays	27,021	28,752	26,805
Mandatory Outlays:			
Food and Nutrition Service	94,689	104,660	102,731
Commodity Credit Corporation	10,276	10,009	12,055
Crop Insurance	6,387	3,753	9,162
Natural Resources Conservation Service	2,628	3,076	3,362
Agricultural Marketing Service	1,167	1,203	1,321
Forest Service	688	720	655
Rural Development liquidating accounts	-2,706	-1,236	-1,167
Receipts, reestimates and all other programs	-748	-251	-416
Total, Mandatory outlays	112,381	121,934	127,703
Total, Outlays	139,402	150,686	154,508

Department of Agriculture—Continued
(In millions of dollars)

	Actual 2011	Estimate	
		2012	2013
Credit activity			
Direct Loan Disbursements:			
Farm Loans	1,934	2,023	1,936
Commodity Credit Corporation	7,103	7,332	7,873
Rural Utilities Service.....	7,020	9,591	10,051
Rural Housing Service	2,144	2,250	2,111
All other programs.....	45	97	88
Total, Direct loan disbursements.....	18,246	21,293	22,059
Guaranteed Loan Disbursements by Private Lenders:			
Farm Loans	3,060	3,097	3,097
Commodity Credit Corporation	4,767	5,500	5,500
Rural Housing Service	15,295	24,433	24,149
Rural Business Service.....	1,820	1,385	1,292
All other programs.....	3	12	18
Total, Guaranteed loan disbursements by private lenders.....	24,945	34,427	34,056

¹ The 2012 amounts reflect OMB's scoring of the 2012 Appropriations acts (P.L. 112-55 and 112-74) as transmitted to the Congress. These amounts are displayed as non-add entries because they have been rebased as mandatory and are not included in any 2012 discretionary levels in the 2013 Budget.

² Includes funding for International Food Aid programs in the Department of Agriculture (Food for Peace Title II food aid and the McGovern-Dole International Food for Education and Child Nutrition). Funding for these programs are included in International Function 150, and are classified as Security pursuant to Title I of the Budget Control Act of 2011.

³ The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended by the Budget Control Act of 2011, limits—or caps—budget authority available for discretionary programs each year through 2021. Section 251(b)(2) of BBEDCA authorizes certain adjustments to the caps after the enactment of appropriations.