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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIA- TIONS BILL, 2012

SEPTEMBER 7, 2011.—Ordered to be printed

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

REPORT

[To accompany H.R. 2112]

The Committee on Appropriations, to which was referred the bill (H.R. 2112) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2012, and for other purposes, reports the same with an amendment and recommends that the bill as amended do pass.

New obligatory authority

Total of bill as reported to the Senate	\$136,955,373,000
Amount of 2011 appropriations	130,559,669,000
Amount of 2012 budget estimate	132,278,780,000
Amount of House allowance	125,359,837,000
Bill as recommended to Senate compared to—	
2011 appropriations	+ 6,395,704,000
2012 budget estimate	+ 4,676,593,000
House allowance	+ 11,595,536,000

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BREAKDOWN BY TITLE

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

[In thousands of dollars]

	2011	2012 Committee recommendation
Title I: Agricultural programs	29,490,110	24,959,852
Title II: Conservation programs	889,360	829,007
Title III: Rural economic and community development programs	2,430,774	2,265,837
Title IV: Domestic food programs	95,065,478	105,519,631
Title V: Foreign assistance and related programs	1,891,341	1,935,478
Title VI: Related agencies and Food and Drug Administration	2,457,001	2,506,003
Title VII: General provisions	— 1,664,395	— 1,060,435
Other appropriations (discretionary) .....	.....	.....
Total, new budget (obligational) authority	130,559,669	136,955,373

OVERVIEW AND SUMMARY OF THE BILL

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

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

Public Law 112–10, the Department of Defense and Full-Year Continuing Appropriations Act for 2011, included an across-the-board rescission in discretionary spending of 0.2 percent. This rescission is reflected in the fiscal year 2011 numbers included in this report. Additionally, H.R. 2112, the House Fiscal Year 2012 Agriculture Appropriations Bill, included an across the board rescission in discretionary spending of 0.78 percent applied to titles I through VI. This rescission is reflected in the fiscal year 2012 numbers included in this report.

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

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

As our economy witnesses increasing shifts of manufacturing capacity (and associated jobs) to foreign shores, we must never lose

sight that the one area of production which must be protected as inherently domestic is that of our food supply. That does not mean that certain foods need not appropriately rely on import and export markets, but it does mean that we must never surrender our ability to adequately and safely feed our own people. Without adequate levels of research, development, and regulatory resources, that threat of surrender will be ever present and our natural resource base will remain always at risk. Accordingly and in the context of overall pressures on spending and the competing priorities that the Committee faces, this bill as reported provides the proper amount of emphasis on agricultural, rural development, and other programs and activities funded by the bill. It is consistent with the subcommittee's allocation for fiscal year 2012.

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

REPORTS TO CONGRESS

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

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

Appropriations, 2011	\$5,051,000
Budget estimate, 2012	5,883,000
House allowance	4,260,000
Committee recommendation	4,798,000

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$4,798,000 for the Office of the Secretary.

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

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

Zero Base Budgeting.—Anticipated constraints on Federal spending in the coming years will likely reduce the ability of this Committee to support increases for USDA activities beyond current lev-

els, and may result in future reductions. The Committee believes it is necessary to carefully examine each agency's budget requirements from a zero base, rather than by reviewing only incremental changes as they occur year to year. Such a change in method would both assist the Committee's appropriating and oversight responsibilities and it will also require agencies to systematically examine all of their budgetary requirements on an annual basis to ensure they relate properly to their mission within the Department. Therefore, the Committee directs the Secretary to develop and present USDA's fiscal year 2013 budget requirements from a zero base and such presentation should include an examination and justification of each program, project, and activity and allocation of FTEs and related items. The Secretary is further instructed to provide a report to the Committee on Appropriations of both Houses of Congress by November 1, 2011, on the status of this directive.

OFFICE OF TRIBAL RELATIONS

Appropriations, 2011	\$498,000
Budget estimate, 2012	1,015,000
House allowance	420,000
Committee recommendation	473,000

The Office of Tribal Relations will interact with USDA program agencies to understand pending actions that may affect Indian tribes. This interaction and programmatic knowledge will improve USDA's ability to conduct consultation activities, thereby better addressing the needs of USDA tribal constituents and improving relationships.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$473,000 for the Office of Tribal Relations.

HEALTHY FOOD FINANCING INITIATIVE

Appropriations, 2011	
Budget estimate, 2012	\$35,000,000
House allowance	
Committee recommendation	

The Healthy Food Financing Initiative is intended as a new program to help create opportunities to place grocery stores and other retail outlets in urban and rural areas where better access to items of high nutritional quality are needed.

COMMITTEE RECOMMENDATIONS

The Committee does not recommend an appropriation for the Healthy Food Financing Initiative. While the Committee is unable to provide additional budget authority specifically for this new activity, loans and grants are made available under the Rural Development title of this bill which may, in part, be used toward the objectives of this initiative in rural areas where individuals may reside many miles from the nearest food outlet. Additionally, elsewhere in this bill resources are available for economic and policy analysis that can be used to determine and help develop policy objectives that can ultimately achieve a more efficient and effective distribution of nutritional resources to the American people. As the

Department moves forward in this effort, the Secretary is directed to establish a system of metrics to measure the outcomes of such activities and to report to the Committee in this regard.

EXECUTIVE OPERATIONS

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

OFFICE OF THE CHIEF ECONOMIST

Appropriations, 2011	\$12,008,000
Budget estimate, 2012	15,196,000
House allowance	10,623,000
Committee recommendation	11,408,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$11,408,000 for the Office of the Chief Economist.

NATIONAL APPEALS DIVISION

Appropriations, 2011	\$14,225,000
Budget estimate, 2012	15,254,000
House allowance	11,997,000
Committee recommendation	13,514,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$13,514,000 for the National Appeals Division.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations, 2011	\$9,417,000
Budget estimate, 2012	9,436,000
House allowance	7,942,000
Committee recommendation	8,946,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$8,946,000 for the Office of Budget and Program Analysis.

OFFICE OF HOMELAND SECURITY AND EMERGENCY COORDINATION

Appropriations, 2011	\$1,496,000
Budget estimate, 2012	4,272,000
House allowance	1,262,000
Committee recommendation	1,421,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,421,000 for the Office of Homeland Security and Emergency Coordination.

OFFICE OF ADVOCACY AND OUTREACH

Appropriations, 2011	\$1,422,000
Budget estimate, 2012	7,000,000
House allowance	1,120,000
Committee recommendation	1,351,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,351,000 for the Office of Advocacy and Outreach.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriations, 2011	\$39,920,000
Budget estimate, 2012	63,579,000
House allowance	33,735,000
Committee recommendation	36,031,000

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$36,031,000 for the Office of the Chief Information Officer. This amount includes \$20,000,000 to support cybersecurity requirements of the Department.

OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriations, 2011	\$6,247,000
Budget estimate, 2012	6,566,000
House allowance	5,269,000
Committee recommendation	5,935,000

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

National Finance Center and the Departmental Working Capital Fund.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$5,935,000 for the Office of the Chief Financial Officer. The Committee notes its concern regarding the period of time with which the Department has operated with a vacancy in the post of Chief Financial Officer. The Department is encouraged to seek qualified candidates to assume this position and the Committee reminds the Secretary of the statutory requirements of 31 U.S.C 902.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

Appropriations, 2011	\$893,000
Budget estimate, 2012	895,000
House allowance	754,000
Committee recommendation	848,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$848,000 for the Office of the Assistant Secretary for Civil Rights.

OFFICE OF CIVIL RIGHTS

Appropriations, 2011	\$22,692,000
Budget estimate, 2012	24,922,000
House allowance	19,138,000
Committee recommendation	21,558,000

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$21,558,000 for the Office of Civil Rights.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriations, 2011	\$804,000
Budget estimate, 2012	820,000
House allowance	678,000
Committee recommendation	764,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$764,000 for the Office of the Assistant Secretary for Administration.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

Appropriations, 2011	\$246,476,000
Budget estimate, 2012	255,191,000
House allowance	199,825,000
Committee recommendation	230,416,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$230,416,000 for Agriculture Buildings and Facilities and Rental Payments.

The following table reflects the Committee's specific recommendations for this account as compared to the fiscal year 2011 and budget request levels:

[In thousands of dollars]

	2011 enacted	2012 budget request	Committee recommendation
Rental Payments	178,113	164,470	164,470
Building Operations	54,890	76,921	52,146
DHS Building Security	13,473	13,800	13,800
Total	246,476	255,191	230,416

HAZARDOUS MATERIALS MANAGEMENT

Appropriations, 2011	\$3,992,000
Budget estimate, 2012	5,125,000
House allowance	3,367,000
Committee recommendation	3,792,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,792,000 for Hazardous Materials Management.

DEPARTMENTAL ADMINISTRATION

Appropriations, 2011	\$29,647,000
Budget estimate, 2012	35,787,000
House allowance	16,381,000
Committee recommendation	28,165,000

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$28,165,000 for Departmental Administration.

Efficiency of Operations.—The Committee recognizes the special management challenges facing the Department in view of serious constraints in fiscal resources, the requirements of a vastly dispersed workforce, and expectations of the public for continuity of vital services. It is clear that recent reductions in discretionary spending and the likely continuation of austere measures in the near term present significant difficulties to those charged with program execution. The Committee fully recognizes the need, and expects the Department to achieve the most efficient methods possible to maintain the responsibilities of governance for the benefit of both the customers of USDA and the personnel charged with carrying out the missions of the Department.

The Committee expects that any substantive changes to the functions and organization of USDA follow a thoughtful analysis of implications for budgetary resources, services to customers and employees, and inherent dynamics within the Department that might result. Toward that objective, before moving forward with the implementation of any substantive reorganization, the Department is instructed to conduct a detailed analysis of the savings, efficiencies, and implications of these changes. In addition, an understanding of the methodology used for determining these factors and some form of demonstration of the results anticipated is required. Any timetable for implementation of the changes suggested obviously will be driven by the fiscal resources available and it may be prudent to give consideration to a tiered implementation as conditions dictate rather than a full scale Departmental shift that would be far more complex and potentially expensive. The Secretary is instructed to provide a report, consistent with the guidance outlined above, to the Committees on Appropriations of both Houses of Congress not less than 60 days prior to the implementation of any Departmental reorganization. The Secretary is further reminded of the reprogramming instructions set forth elsewhere in this bill for the purpose of any implementation stage of a proposed reorganization.

The Committee does not provide a separate appropriation for an acquisition workforce and expects the functions of that proposed activity to be included as part of the efficiencies to be undertaken in the guidance set forth under this heading.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL
RELATIONS

Appropriations, 2011	\$3,869,000
Budget estimate, 2012	4,041,000
House allowance	3,262,000
Committee recommendation	3,676,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,676,000 for the Office of the Assistant Secretary for Congressional Relations.

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

OFFICE OF COMMUNICATIONS

Appropriations, 2011	\$9,480,000
Budget estimate, 2012	9,722,000
House allowance	7,995,000
Committee recommendation	8,105,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$8,105,000 for the Office of Communications.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2011	\$88,548,000
Budget estimate, 2012	90,755,000
House allowance	79,376,000
Committee recommendation	84,121,000

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

The Office is administered by an inspector general who reports directly to the Secretary of Agriculture. Functions and responsibilities of this Office include direction and control of audit and investigative activities within the Department, formulation of audit and investigative policies and procedures regarding Department programs and operations, and analysis and coordination of program-related audit and investigation activities performed by other Department agencies.

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

tive agencies of the executive and legislative branches of the Government.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$84,121,000 for the Office of Inspector General. In addition, the recommendation includes funding for OIG to address violations of section 26 of the Animal Welfare Act (7 U.S.C. 2156) and to coordinate with State and local law enforcement personnel in this effort.

OFFICE OF THE GENERAL COUNSEL

Appropriations, 2011	\$41,416,000
Budget estimate, 2012	46,058,000
House allowance	34,929,000
Committee recommendation	39,345,000

The Office of the General Counsel provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department. The Office represents the Department in administrative proceedings; 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.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$39,345,000 for the Office of the General Counsel.

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

Appropriations, 2011	\$893,000
Budget estimate, 2012	911,000
House allowance	754,000
Committee recommendation	848,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$848,000 for the Office of the Under Secretary for Research, Education, and Economics.

ECONOMIC RESEARCH SERVICE

Appropriations, 2011	\$81,814,000
Budget estimate, 2012	85,971,000
House allowance	69,454,000
Committee recommendation	77,723,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$77,723,000 for the Economic Research Service, which includes continued funding for the Organic Production and Market Data Initiative.

NATIONAL AGRICULTURAL STATISTICS SERVICE

Appropriations, 2011	\$156,447,000
Budget estimate, 2012	165,421,000
House allowance	148,340,000
Committee recommendation	152,616,000

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$152,616,000 for the National Agricultural Statistics Service. Included in this amount is \$41,639,000 for the Census of Agriculture.

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

Organic Production Survey.—In 2008, NASS conducted the first-ever comprehensive Organic Production Survey as a follow-on sur-

vey to the 2007 Census of Agriculture. Published in February 2010, the survey has provided information vital to the organic sector's growth. The Committee believes the Organic Production Survey should be conducted on a regular basis to properly assess the characteristics, trends, and changes in the sector.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

Appropriations, 2011	\$1,133,230,000
Budget estimate, 2012	1,137,690,000
House allowance	987,581,000
Committee recommendation	1,094,647,000

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

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

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

The mission of ARS research is to develop and transfer solutions to agricultural problems of high national priority and provide information access and dissemination to ensure high-quality, safe food and other agricultural products; assess the nutritional needs of Americans; sustain a competitive agricultural economy; enhance the natural resource base and the environment; and provide economic opportunities for rural citizens, communities, and society as a whole.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,094,647,000 for salaries and expenses of the Agricultural Research Service. The Committee does not concur with the President's budget request regarding the termination of extramural research.

Aerial Application Research.—The Committee recognizes the importance of ARS's Aerial Application Technology Program. The program conducts innovative research making aerial applications more efficient, effective and precise. Research for aerial application serves the public good as a vital tool for the future, as agriculture

strives to meet the food, fiber and bio-energy demands of a growing population.

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

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

Domestic and Bighorn Sheep.—The Committee recognizes the challenges caused by infectious disease problems arising from wild-life-domestic animal agriculture interactions, particularly between domestic sheep and wild bighorn sheep. Research has recently produced an experimental vaccine to protect bighorn populations from disease, but much work still needs to be done in this area. The Committee encourages ARS to work to determine the role of domestic sheep in causing die-offs of bighorn sheep from respiratory disease and develop methods to reduce transmission and enhance immunity in domestic and bighorn sheep.

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

Human Nutrition Research.—The Committee remains concerned about the high rates of obesity in this country, and believes that research into human nutrition is important to help prevent childhood obesity and the medical issues obesity brings. Therefore, the Committee encourages ARS to continue research relating to both childhood and adult obesity.

Humanitarian Efforts.—The Committee encourages USDA to work with the Department of Defense to coordinate on agricultural research and technology transfer to further the country's humanitarian mission throughout the world.

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

Pear Genetics and Genomics.—The Committee directs ARS to provide a report detailing specifically its year-by-year plans to locate and allocate resources including staff, facilities and equipment for pear genetics and genomics throughout ARS. This report will also provide an estimate of how long it will take to meet the goals of the Pyrus plant improvement roadmap and funding that will be required to meet the terms of that roadmap.

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

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

Research Facilities.—The Committee concurs with the budget proposal to close 12 research laboratories at 10 locations. The Committee further directs, in concurrence with the budget proposal, that no other research facilities be closed during fiscal year 2012.

Additionally, while the Committee understands the need to continually look for ways to increase efficiency and improve research outcomes, laboratory closures often cost money in the short-term and do not necessarily provide real savings. Therefore, the Committee directs ARS to evaluate its capital asset requirements for necessary coordination with ongoing and emerging research opportunities. As part of this evaluation, ARS should provide opportunity for public comment in order to incorporate the priorities of all interested stakeholders, including ARS and other scientists, and users of ARS data. Finally, in future budget requests, the Committee directs ARS to identify any costs associated with any proposed laboratory closures, including decommissioning, relocation or other effects on employees, and any other additional costs.

Shellfish Research.—The Committee is aware of ARS' work on shellfish research to address shellfish diseases and other factors, and encourages ARS to continue this work to help improve the economics of shellfish farming and encourage expanded production and job opportunities.

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

Section 7511(f)(2) of the Food, Conservation, and Energy Act of 2008 amends the Department of Agriculture Reorganization Act of

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

RESEARCH AND EDUCATION ACTIVITIES

Appropriations, 2011	\$698,740,000
Budget estimate, 2012	708,107,000
House allowance	591,748,000
Committee recommendation	709,825,000

Research and Education programs administered by NIFA are USDA's principal entrée to the university system of the United States for the purpose of conducting agricultural research and education programs as authorized by the Hatch Act of 1887, as amended (7 U.S.C. 361a–361i); the McIntire-Stennis Cooperative Forestry Act of 1962, as amended (16 U.S.C. 582a et seq.); the Competitive, Special, and Facilities Research Grant Act, as amended (7 U.S.C. 450i); the National Agricultural, Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3101 et seq.); the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note); the Agricultural Research, Extension and Education Reform Act of 1998 (Public Law 105–185), as amended; the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624); the Farm Security and Rural Investment Act of 2002 (Public Law 107–171); and the Food, Conservation and Energy Act of 2008 (Public Law 110–246). Through these authorities, USDA participates with State and other cooperators to encourage and assist the State institutions in the conduct of agricultural research and education through the State Agricultural Experiment Stations of the 50 States and the territories; by approved Schools of Forestry; the 1890 Land-Grant Institutions and Tuskegee University and West Virginia State University; 1994 Land-Grant Institutions; by Colleges of Veterinary Medicine; and other eligible institutions. The appropriated funds provide Federal support for research and education programs at these institutions.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$709,825,000 for research and education activities of the National Institute of Food and Agriculture.

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

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE [NIFA]—RESEARCH AND EDUCATION ACTIVITIES

	Committee recommendation
Hatch Act	\$236,334,000
McIntire-Stennis Cooperative Forestry Research Program	32,934,000
Evans-Allen program (1890 Colleges, Tuskegee University and West Virginia State University)	50,898,000
Animal Health and Disease Research	2,944,000
Special Research Grants:	
Global Change/UV-Monitoring	1,377,000
Potato Research	1,404,000
Forest Products Research	1,400,000
Total, Special Research Grants	4,181,000
Improved Pest Control:	
Expert IPM Decision Support System	153,000
Integrated Pest Management	2,362,000
Minor Crop Pest Management, IR-4	11,913,000
Pest Management Alternatives	1,402,000
Total, Improved Pest Control	15,830,000
Critical Ag Materials Act of 1984	1,081,000
Aquaculture Centers, Section 1475	3,920,000
Sustainable Agriculture Research and Education	14,471,000
1994 Institutions Research Program	1,801,000
Supplemental and Alternative Crops, Section 1473 D	833,000
AFRI	265,987,000
Joe Skeen Institute for Rangeland Restoration	961,000
New Era Rural Technology Program	856,000
Competitive Grants for Policy Research	4,000,000
Capacity Building for Non-Land-Grant Colleges of Agriculture	5,000,000
Farm Business Management and Benchmarking Program	1,497,000
Sun Grant Program	2,246,000
Federal Administration:	
Data Information System (REEIS)	2,645,000
Electronic Grants Administration System	2,089,000
Office of Extramural Programs	430,000
Pay Costs	5,454,000
Peer Panels	388,000
Total, Federal Administration	11,006,000
Higher Education:	
Graduate Fellowships Grants	3,774,000
Institution Challenge Grants	5,530,000
1890s Institution Capacity Building Grants	19,336,000
Multicultural Scholars	1,239,000
Hispanic-Serving Institutions Education Grants Program	9,219,000
Tribal Colleges Education Equity Grants Program	3,335,000
Secondary/2-Year Post Secondary	981,000
Veterinary Medical Services Act	4,790,000
Alaska Native-Serving and Native-Hawaiian-Serving Institutions	3,194,000
Resident Instruction Grants for Insular Areas	898,000
Distance Education Grants for Insular Areas	749,000
Total, Higher Education Grants	53,045,000
Total, Research and Education	709,825,000

Agriculture and Food Research Initiative.—The Committee recommendation includes \$265,987,000 for the Agriculture and Food Research Initiative [AFRI]. The Committee notes that programs previously funded through the Integrated Activities account are eligible for funding under the AFRI.

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

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

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

Berry and Grape Research.—The Committee recognizes that the production of grapes is vital to many local economies, and encourages NIFA to work with partners to support the development of new cultivars to enhance economic stability and develop environmentally sound insect and disease management strategies and technologies.

The Committee also encourages NIFA to support berry and grape research that focuses on integrated pest management to improve food safety, human health, and varietal development, while reducing chemical inputs and emerging pest and disease pressures related to climate change.

Broccoli Production.—The Committee has been informed that the Department has dedicated funding toward spurring broccoli production in the eastern United States. The Committee is aware that that farmers have invested considerable amounts of time and private funding into research on soils, crop management practices, and new broccoli varieties to develop and maintain a successful broccoli production industry on the East Coast. The Committee directs the USDA to work to ensure that Departmental efforts do not compete with or detrimentally affect privately owned, family-farm business operations.

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

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

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

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

Policy Research Centers.—The Committee directs the Director of NIFA to consult with the Office of the Chief Economist in developing requests for proposals for competitive grants, reviewing applications, and awarding grants for the activities authorized by 7 U.S.C. 3155. The Committee further directs the Director of NIFA to obligate funds made available for 7 U.S.C 3155 within 120 days of the enactment of this act.

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

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

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

Appropriations, 2011	\$11,880,000
Budget estimate, 2012	11,880,000
House allowance	11,880,000
Committee recommendation	11,880,000

The Native American Institutions Endowment Fund authorized by Public Law 103–382, the Equity in Educational Land-Grant Status Act, provides an endowment for the 1994 land-grant institutions (34 tribally controlled colleges). This program will enhance educational opportunity for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. Income funds are also available for facility renovation, repair, construction, and maintenance. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the ad-

justed income as follows: 60 percent of the adjusted income from these funds shall be distributed among the 1994 land-grant institutions on a pro rata basis, the proportionate share being based on the Indian student count; and 40 percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE RECOMMENDATIONS

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

HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES ENDOWMENT FUND

Appropriations, 2011	
Budget estimate, 2012	\$10,000,000
House allowance	
Committee recommendation	10,000,000

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

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

COMMITTEE RECOMMENDATIONS

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

EXTENSION ACTIVITIES

Appropriations, 2011	\$479,132,000
Budget estimate, 2012	466,788,000
House allowance	407,993,000
Committee recommendation	478,179,000

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$478,179,000 for extension activities of the National Institute of Food and Agriculture.

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

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE [NIFA]—EXTENSION ACTIVITIES

	Committee recommendation
Smith-Lever Act, Section 3(b) and (c)	\$295,800,000
Smith-Lever, Section 3d Programs:	
Food and Nutrition Education (EFNEP)	67,934,000
Farm Safety	4,610,000
New Technologies for Ag Extension	1,660,000
Pest Management	9,918,000
Children, Youth, and Families at Risk	7,975,000
Youth Farm Safety Education and Certification	461,000
Federally Recognized Tribes Extension Program	3,039,000
Sustainable Agriculture	4,696,000
Total, Section 3d Programs	100,293,000
1890 Colleges, Tuskegee University and West Virginia State University	42,592,000
Rural Health and Safety Education	1,735,000
1890 Facilities (Sec. 1447)	19,730,000
Renewable Resources Extension Act (RREA)	3,929,000
Extension Services at the 1994 Institutions	4,312,000
Food Animal Residue Avoidance Database (FARAD)	1,000,000
Women and Minorities in STEM Fields	400,000
Federal Administration:	
Ag in the Classroom	552,000
General Administration, Including Pay Costs	7,836,000
Total, Federal Administration	8,388,000
Total, Extension Activities	478,179,000

INTEGRATED ACTIVITIES

Appropriations, 2011	\$36,926,000
Budget estimate, 2012	29,874,000
House allowance	12,303,000
Committee recommendation	25,948,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$25,948,000 for integrated activities of the National Institute of Food and Agriculture.

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

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE [NIFA]—INTEGRATED ACTIVITIES

	Committee recommendation
Section 406 Legislative Authority:	
Water Quality	\$8,982,000
Regional Pest Management Centers	2,994,000
Methyl Bromide Transition Program	1,996,000
Organic Transition Program	3,992,000
Total, Section 406	17,964,000
International Science and Education Grants Program	998,000
Regional Rural Development Centers Program	998,000
Homeland Security, Food and Agriculture Defense Initiative	5,988,000
Total, Integrated Activities	25,948,000

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

Appropriations, 2011	\$893,000
Budget estimate, 2012	911,000
House allowance	754,000
Committee recommendation	848,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$848,000 for the Office of the Under Secretary for Marketing and Regulatory Programs.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations, 2011	\$863,270,000
Budget estimate, 2012	832,706,000
House allowance	783,838,000
Committee recommendation	820,110,000

The Secretary of Agriculture established the Animal and Plant Health Inspection Service [APHIS] on April 2, 1972, under the authority of reorganization plan No. 2 of 1953, and other authorities.

The major objectives of APHIS are to protect the animal and plant resources of the Nation from diseases and pests. These objectives are carried out under the major areas of activity, as follows:

Safeguarding and Emergency Preparedness/Response.—The agency monitors plant and animal health worldwide, and sets import policies to prevent the introduction of foreign plant and animal pests and diseases. Domestically, the agency works cooperatively to conduct plant and animal health monitoring programs, pursue eradication, or limit the spread of the threat. The agency also conducts diagnostic laboratory activities that support disease prevention, detection, control, and eradication programs. In addition, the agency protects agriculture from detrimental animal predators, and through its regulatory structure helps advance genetic research while protecting against the release of harmful organisms.

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$820,110,000 for salaries and expenses of the Animal and Plant Health Inspection Service.

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

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 2011 enacted	Fiscal year 2012 budget request	Committee recommendation
Safeguarding and International Technical Assistance:			
Animal Health Technical Services	29,550	38,459	31,309
Aquatic Animal Health	5,422	2,261	2,261
Avian Health	50,090	55,733	48,733
Cattle Health	112,094	98,884	97,884
Equine, Cervid & Small Ruminant Health	38,326	22,018	22,018
National Veterinary Stockpile	3,561	3,568	3,568
Swine Health	25,547	23,088	23,088
Veterinary Biologics	16,424	16,457	16,457
Veterinary Diagnostics	29,309	33,211	31,611
Zoonotic Disease Management	10,447	10,468	10,468
Subtotal, Animal Health	320,770	304,147	287,397
Agricultural Quarantine Inspection (Appropriated)	25,948	26,000	27,500
Cotton Pests	20,958	8,977	17,848
Field Crop & Rangeland Ecosystems Pests	11,296	9,068	9,068

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 2011 enacted	Fiscal year 2012 budget request	Committee recommendation
Pest Detection	26,703	26,756	28,756
Plant Protection Methods Development	21,230	21,273	21,273
Specialty Crop Pests	150,079	154,700	153,950
Tree & Wood Pests	75,994	60,462	58,962
Subtotal, Plant Health	332,208	307,236	317,357
Wildlife Damage Management	72,058	68,487	72,500
Wildlife Services Methods Development	17,078	16,065	18,065
Subtotal, Wildlife Services	89,136	84,552	90,565
Animal & Plant Health Regulatory Enforcement	13,955	17,275	16,275
Biotechnology Regulatory Services	13,037	25,135	18,135
Subtotal, Regulatory Services	26,992	42,410	34,410
Contingency Fund	2,054	2,058	1,000
Emergency Preparedness & Response	19,706	17,746	17,746
Subtotal, Emergency Management	21,760	19,804	18,746
Subtotal, Safeguarding and Emergency Preparedness/Response	790,866	758,149	748,475
Safe Trade and International Technical Assistance:			
Agriculture Import/Export	12,579	14,104	13,354
Overseas Technical & Trade Operations	20,135	20,776	20,104
Subtotal, Safe Trade	32,714	34,880	33,458
Animal Welfare:			
Animal Welfare	21,935	28,587	27,087
Horse Protection	499	891	891
Subtotal, Animal Welfare	22,434	29,478	27,978
Agency Management:			
APHIS Information Technology Infrastructure	4,465	4,474	4,474
Physical/Operational Security	5,714	5,725	5,725
Subtotal, Agency Management	10,179	10,199	10,199
Undesignated	7,077		
Total, Direct Appropriation	863,270	832,706	820,110

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

Agricultural Quarantine Inspection.—The Committee recognizes that prevention of infestations of pests and diseases is much more cost effective than subsequent control or eradication. This is an important Federal responsibility and the Committee provides

\$27,500,000 for the agriculture quarantine inspections function, including pre-departure inspections.

Animal Disease Traceability.—The Committee provides \$7,000,000 to continue support for implementation of the new animal disease traceability system.

Equine Transport.—In November, 2007, the Department published a proposed rule to clarify requirements set forth under the Commercial Transportation of Equines to Slaughter provision of the 1996 Farm Bill. In June, 2011, the General Accountability Office released a report requested by this Committee on the subject of horse welfare in the context of slaughter operations which highlighted the need to improve the enforcement of this provision. The Committee is very concerned that nearly 4 years have transpired since publication of the proposed rule. The Committee directs the Secretary to finalize this rule no later than October 1, 2011.

Invasive Honey Bee Pests.—The Committee remains concerned with declining bee populations and the tragic implications for pollination of U.S. agriculture. The Committee directs the agency to continue priority work with other Federal and State agencies and the public to manage, suppress, and eradicate varroa mites, small hive beetles, and other pests and diseases contributing to colony collapse disorder.

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

Specialty Crop Pests.—The Committee supports APHIS activities to control plant pests and strongly supports efforts to eradicate such pests as the opportunities arise. Toward that purpose, the Committee expects that funding for Specialty Crop Pests be supplemented with contingency or CCC funds for the emergency purpose of eradicating the European Grape Vine Moth.

Sudden Oak Death (Phytophthora Ramorum).—The Committee expects APHIS to use an appropriate portion of the funding provided for sudden oak death adequate to promote the development and testing of new systems of nursery pest and disease management, and for programs of inspection and regulation in partnership with the nursery industry. APHIS should also conduct a timely review of the current pre-notification program, cooperate with the Forest Service regarding *phytophthora ramorum* suppression efforts, and pursue the availability of a rapid, in-field DNA-based test for surveying positive nursery samples.

Wildlife Damage Management.—APHIS is responsible for providing Federal leadership in managing problems caused by wildlife. The Committee provides \$72,500,000 for wildlife damage control to maintain priority initiatives, including preventing the transport of invasive snakes and other harmful species.

The Committee is concerned with the ever increasing losses of livestock to predation. Predation continues to be the single largest

cause of death loss of sheep, and losses of other livestock are rising. The Committee urges the Secretary to exercise all of his authority to address this economically devastating situation facing America's farmers and ranchers.

Wildlife Services Education and Training.—The Committee is aware of the wide range of hazardous procedures and materials utilized by APHIS personnel in the conduct of daily duties. A recent comprehensive study noted the critical need to provide standardized safety training to ensure the safest working environment possible. As such, the Committee directs APHIS to focus training programs on those areas of greatest concern such as pyrotechnics, firearms, hazardous materials, immobilization and euthanasia drugs, pesticides, and animal care and handling.

Wildlife Services Methods Development.—The Committee appreciates the important work done by the National Wildlife Research Center and its affiliated field locations to resolve problems caused by the interaction of wild animals and society. The Committee provides \$18,065,000 to ensure continued development of technical and scientific information on wildlife damage management.

COMMITTEE DIRECTIVES

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

BUILDINGS AND FACILITIES

Appropriations, 2011	\$3,529,000
Budget estimate, 2012	4,712,000
House allowance	3,175,000
Committee recommendation	3,176,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommendation includes an appropriation of \$3,176,000 for buildings and facilities of the Animal and Plant Health Inspection Service. This funding is necessary to allow APHIS to maintain existing facilities, and perform critically needed repairs to and replacements of building components, such as heating, ventilation and air-conditioning on a prioritized basis at APHIS facilities. The Committee notes that due to the environmentally sensitive nature of many APHIS facilities, closure of a facility could result if APHIS is unable to complete the required repairs.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Appropriations, 2011	\$86,538,000
Budget estimate, 2012	94,755,000
House allowance	77,193,000
Committee recommendation	82,211,000

The Agricultural Marketing Service [AMS] was established by the Secretary of Agriculture on April 2, 1972. AMS carries out programs authorized by more than 50 different statutory authorities, the primary ones being the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627, 1635–1638); the U.S. Cotton Standards Act (7 U.S.C. 51–65); the Cotton Statistics and Estimates Act (7 U.S.C. 471–476); the Tobacco Inspection Act (7 U.S.C. 511–511q); the Perishable Agricultural Commodities Act (7 U.S.C. 499a–499t); the Egg Products Inspection Act (21 U.S.C. 1031–1056); and section 32 of the Act of 1935 (Public Law 74–320, 7 U.S.C. 612c).

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$82,211,000 for marketing services of the Agricultural Marketing Service.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2011	\$60,947,000
Budget limitation, 2012	62,101,000
House allowance	61,000,000
Committee recommendation	62,101,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$62,101,000 on administrative expenses of the Agricultural Marketing Service.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

Appropriations, 2011	\$20,056,000
Budget estimate, 2012	20,056,000
House allowance	20,056,000
Committee recommendation	20,056,000

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

The following table reflects the status of this fund for fiscal years 2010–2012:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2010–2012

	Fiscal year 2010 actual	Fiscal year 2011 enacted	Fiscal year 2012 budget	Fiscal year 2012 estimate
Appropriation (30 percent of Customs Receipts)	\$8,061,101,371	\$6,605,945,807	\$7,947,045,940	\$7,947,045,940
Balances Available for Transfers .....	.....	.....	.....	69,259,590
Less Transfers:				
Food and Nutrition Service	– 6,747,877,000	– 5,277,574,000	– 6,644,834,000	– 6,745,466,733
Commerce Department	– 113,371,243	– 90,239,555	– 71,211,940	– 109,098,387
Total, Transfers	– 6,861,248,243	– 5,367,813,555	– 6,716,045,940	– 6,854,565,120
Prior Year Appropriation Available, Start of Year	375,373,561	122,127,338	183,268,133	186,259,590
Rescission of Prior Year Funds	– 133,351,561	.....	.....	.....
Prior Year Collections and Recoveries	12,844,939	.....	.....	.....
Unavailable for Obligations (recoveries and offsetting collections)	– 13,698,067	– 69,259,590	– 12,850,015	.....
Transfer of Prior Year Funds to FNS (F&V) ..	– 242,022,000	– 76,000,000	– 170,418,118	– 117,000,000
Budget Authority	1,199,000,000	1,215,000,000	1,231,000,000	1,231,000,000
Proposed Rescission of Current Year Funds .....	.....	.....	.....	– 150,000,000
Unavailable for Obligations (Fruit and Veg transfer to FNS)	– 76,000,000	– 117,000,000	– 114,478,000	– 133,000,000
Available for Obligation	1,123,000,000	1,098,000,000	1,116,522,000	948,000,000
Less Obligations:				
Child Nutrition Programs (Entitlement Commodities)	465,000,000	309,400,000	465,000,000	465,000,000
12 Percent Commodity Floor Requirement	149,131,392	100,000,000	120,000,000	.....
Cotton, Soybean, Rice and Sweet Potato Disaster Program .....	.....	268,000,000	.....	.....
State Option Contract .....	.....	5,000,000	5,000,000	5,000,000
Removal of Defective Commodities .....	.....	2,500,000	2,500,000	2,500,000
Emergency Surplus Removal	300,887,802	57,400,000	.....	.....
Direct Payments	83,375,000	.....	.....	.....
Disaster Relief	282,289	5,000,000	5,000,000	5,000,000
Additional Fruits, Vegetables, and Nuts Purchases	24,639,114	158,300,000	206,000,000	206,000,000
Fresh Fruit and Vegetable Program	25,000,000	33,000,000	38,159,000	20,000,000
Accounting Adjustment	177,394	800,000	.....	.....
Estimated Future Needs .....	.....	106,834,000	227,076,000	196,713,000
Total, Commodity Procurement	1,048,492,991	1,046,234,000	1,068,735,000	900,213,000
Administrative Funds:				
Commodity Purchase Support	22,275,551	31,710,000	27,731,000	27,731,000

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2010–
2012—Continued

	Fiscal year 2010 actual	Fiscal year 2011 enacted	Fiscal year 2012 budget	Fiscal year 2012 estimate
Marketing Agreements and Orders	19,802,187	20,056,000	20,056,000	20,056,000
Total, Administrative Funds	42,077,738	51,766,000	47,787,000	47,787,000
Total Obligations	1,090,570,729	1,098,000,000	1,116,522,000	948,000,000
Unobligated Balance, End of Year	32,429,271	.....	.....	.....
Unavailable for Obligations (Fruit and Veg transfer to FNS)	76,000,000	117,000,000	114,478,000	133,000,000
Balances, Collections and Recoveries Not Available	13,698,067	69,259,590	12,850,015	.....
Total End of Year Balances	122,127,338	186,259,590	127,328,015	133,000,000

COMMITTEE RECOMMENDATIONS

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

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

PAYMENTS TO STATES AND POSSESSIONS

Appropriations, 2011	\$1,331,000
Budget estimate, 2012	2,634,000
House allowance	1,321,000
Committee recommendation	1,198,000

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

agricultural marketing chain. The States perform the work or contract it to others, and must contribute at least one-half of the cost of the projects.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,198,000 for Payments to States and Possessions for Federal-State marketing projects and activities.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2011	\$40,261,000
Budget estimate, 2012	44,192,000
House allowance	36,711,000
Committee recommendation	38,248,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$38,248,000 for salaries and expenses of the Grain Inspection, Packers and Stockyards Administration.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Limitation, 2011	\$47,500,000
Budget limitation, 2012	50,000,000
House allowance	47,500,000
Committee recommendation	50,000,000

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

COMMITTEE RECOMMENDATIONS

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

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

Appropriations, 2011	\$811,000
Budget estimate, 2012	828,000
House allowance	684,000
Committee recommendation	770,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$770,000 for the Office of the Under Secretary for Food Safety.

FOOD SAFETY AND INSPECTION SERVICE

Appropriations, 2011	\$1,006,503,000
Budget estimate, 2012	1,011,393,000
House allowance	964,446,000
Committee recommendation	1,006,503,000

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

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,006,503,000 for the Food Safety and Inspection Service. This includes the full funding requested in the budget for Federal, State, and international inspection activities.

Codex Alimentarius.—Codex Alimentarius is critical for the protection of consumer health globally and facilitating international trade. Therefore, the Committee recommends \$3,866,000 exclusively for the activities of the U.S. Codex office including international outreach and education.

Humane Slaughter.—The Committee directs FSIS to provide a report to the Committee within 120 days of enactment of this act on the implementation of objective scoring methods being undertaken by FSIS to enforce the Humane Methods of Slaughter Act [HMSA], including what techniques have been adopted and to what

degree, metrics used to determine whether or not these techniques have been successful in identifying and preventing HMSA violations, and any plans for expansion of these efforts. The Committee has long been supportive of objective standards for enforcement of HMSA, and was pleased that FSIS recently announced a final compliance guide for voluntary in-plant video monitoring.

The Committee has been informed that funding provided in fiscal year 2010 specifically for enforcement of the Humane Methods of Slaughter Act may have been used to fund personnel whose responsibilities are not focused on humane handling. The Committee directs FSIS to ensure that personnel hired with funding provided specifically for Humane Methods of Slaughter Act enforcement focus their attention on overseeing compliance with humane handling rules for live animals as they arrive and are offloaded and handled in pens, chutes, and stunning areas.

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

Public Health Information System.—The Committee has continually been supportive of the development and implementation of the Public Health Information System. However, there have been, and continue to be, problems in this system, which has resulted in a delay of full implementation. While the Committee believes the goals of PHIS are laudable, it is imperative that implementation of this system is done in a manner that will not hinder the effectiveness of inspectors in the field. The Committee directs FSIS to continue to work closely with inspection personnel to ensure that final implementation of PHIS is as streamlined as possible and does not negatively impact the ability of FSIS inspectors to complete their work.

The following table represents the Committee’s specific recommendations for the Food Safety and Inspection Service as compared to the fiscal year 2011 and budget request levels:

FOOD SAFETY AND INSPECTION SERVICE SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year 2011 enacted	Fiscal year 2012 budget request	Committee recommendation
Food safety inspection:			
Federal	894,765	887,520	887,520
State	62,734	64,696	64,696
International	19,094	15,841	15,841
Codex Alimentarius	3,752	3,866	3,866
PHDCIS	26,158	39,470	34,580
Total	1,006,503	1,011,393	1,006,503

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

Appropriations, 2011	\$893,000
Budget estimate, 2012	911,000
House allowance	754,000
Committee recommendation	848,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$848,000 for the Office of the Under Secretary for Farm and Foreign Agricultural Services.

FARM SERVICE AGENCY

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

SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriations	Transfers from program accounts	Total, FSA, salaries and expenses
Appropriations, 2011	1,208,290	308,137	1,516,427
Budget estimate, 2012	1,397,065	316,340	1,713,405
House allowance	1,167,323	261,414	1,428,737
Committee recommendation	1,181,781	292,730	1,474,511

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,474,511,000 for salaries and expenses of the Farm Service Agency, including a direct appropriation of \$1,181,781,000. This amount includes not more than \$13,000,000 for the Common Computing Environment.

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

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

STATE MEDIATION GRANTS

Appropriations, 2011	\$4,177,000
Budget estimate, 2012	4,369,000
House allowance	3,522,000
Committee recommendation	3,759,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,759,000 for State Mediation Grants.

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

Appropriations, 2011	\$4,241,000
Budget estimate, 2012	
House allowance	3,577,000
Committee recommendation	3,817,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,817,000 for Grassroots Source Water Protection.

DAIRY INDEMNITY PROGRAM

Appropriations, 2011 ¹	\$876,000
Budget estimate, 2012 ¹	100,000
House allowance ¹	100,000
Committee recommendation ¹	100,000

¹ Current estimate. Such sums as may be necessary are provided.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated in fiscal year 2012 to be \$100,000, for indemnity payments to dairy farmers.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

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

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

The following programs are financed through this fund:

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

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

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

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

Farm Ownership Loans.—Made to borrowers who cannot obtain credit elsewhere to restructure their debts, improve or purchase farms, refinance nonfarm enterprises which supplement but do not

supplant farm income, or make additions to farms. Loans are made for 40 years or less.

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a total loan level of \$4,756,982,000 for programs within the Agricultural Credit Insurance Fund Program Account.

The following table reflects the program levels for farm credit programs administered by the Farm Service Agency recommended by the Committee, as compared to the fiscal year 2011 and the budget request levels:

AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS

[In thousands of dollars]

	Fiscal year 2011 enacted	Fiscal year 2012 budget	House recommendation	Committee recommendation
Farm ownership:				
Direct	474,050	475,000	471,292	475,000
Guaranteed	1,497,000	1,500,000	1,500,000	1,500,000
Farm Operating:				
Direct	947,607	1,050,090	1,041,901	1,019,982
Guaranteed unsubsidized	1,496,996	1,500,000	1,488,276	1,500,000
Guaranteed subsidized	122,097	.....	.....	.....
Indian Tribe Land Acquisition	3,940	2,000	2,000	2,000
Conservation Loans:				
Guaranteed .....	.....	150,000	150,000	150,000
Indian Highly Fractionated Land Loans .....	.....	10,000	9,896	10,000
Boll Weevil Eradication	100,000	60,000	100,000	100,000
Total, Farm loans	4,641,690	4,747,090	4,763,365	4,756,982

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

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

[In thousands of dollars]

	2011 enacted	2012 budget	House recommendation	Committee recommendation
Loan subsidies:				
Farm ownership:				
Direct	32,804	22,800	22,622	22,800
Guaranteed	5,689	.....	.....	.....
Farm operating:				
Direct	57,425	59,120	58,659	57,425

[In thousands of dollars]

	2011 enacted	2012 budget	House recommendation	Committee recommendation
Guaranteed unsubsidized	34,880	26,100	25,896	26,100
Guaranteed subsidized	16,886	.....	.....	.....
Conservation loans:				
Guaranteed .....	.....	.....	.....	.....
Indian Highly Fractionated Land Loans .....	.....	193	191	193
Individual Development Accounts .....	.....	2,500	.....	.....
Total, loan subsidies	147,684	110,713	107,368	106,518
ACIF expenses	312,881	321,093	266,538	297,237

RISK MANAGEMENT AGENCY

Appropriations, 2011	\$78,842,000
Budget estimate, 2012	82,325,000
House allowance	67,485,000
Committee recommendation	74,900,000

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

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

COMMITTEE RECOMMENDATIONS

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

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

Appropriations, 2011 ¹	\$7,613,232,000
Budget estimate, 2012 ¹	3,142,375,000
House allowance ¹	3,142,375,000
Committee recommendation ¹	3,142,375,000

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

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

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated to be \$3,142,375,000 in fiscal year 2012 for the Federal Crop Insurance Corporation Fund.

COMMODITY CREDIT CORPORATION FUND

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

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feed, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; maintaining the balance and adequate supplies of selected commodities; and facilitating the orderly distribution of such commodities. In addition, the Corporation makes available materials and facilities required in connection with the storage and distribution of such commodities. The Corporation also disburses funds for sharing of costs with producers for the establishment of approved conservation practices on environmentally sensitive land and subsequent rental payments for such land for the duration of Conservation Reserve Program contracts.

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

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

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

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

REIMBURSEMENT FOR NET REALIZED LOSSES

Appropriations, 2011 ¹	\$13,925,575,000
Budget estimate, 2012 ¹	14,071,000,000
House allowance ¹	14,071,000,000
Committee recommendation ¹	14,071,000,000

¹ Current estimate. Such sums as may be necessary are provided.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated in fiscal year 2012 to be \$14,071,000,000, for the payment to reimburse the Commodity Credit Corporation for net realized losses.

HAZARDOUS WASTE MANAGEMENT

Limitation, 2011	\$5,000,000
Budget estimate, 2012	5,000,000
House allowance	5,000,000
Committee recommendation	5,000,000

The Commodity Credit Corporation's [CCC] hazardous waste management program is intended to ensure compliance with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.). The CCC funds operations and maintenance costs as well as site investigation and cleanup expenses. Investigative and cleanup costs associated with the management of CCC hazardous waste are also paid from USDA's hazardous waste management appropriation.

COMMITTEE RECOMMENDATIONS

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

TITLE II

CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

Appropriations, 2011	\$893,000
Budget estimate, 2012	911,000
House allowance	754,000
Committee recommendation	848,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$848,000 for the Office of the Under Secretary for Natural Resources and Environment.

NATURAL RESOURCES CONSERVATION SERVICE

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

CONSERVATION OPERATIONS

Appropriations, 2011	\$870,503,000
Budget estimate, 2012	898,647,000
House allowance	764,943,000
Committee recommendation	828,159,000

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

Conservation Technical Assistance provides assistance to district cooperators and other land users in the planning and application of conservation treatments to control erosion and improve the quantity and quality of soil resources, improve and conserve water, enhance fish and wildlife habitat, conserve energy, improve woodland, pasture and range conditions, and reduce upstream flooding; all to protect and enhance the natural resource base.

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

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

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$828,159,000 for Conservation Operations, which includes not more than \$12,500,000 for the Common Computing Environment.

WATERSHED REHABILITATION PROGRAM

Appropriations, 2011	\$17,964,000
Budget estimate, 2012	
House allowance	14,883,000
Committee recommendation	

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

COMMITTEE RECOMMENDATIONS

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

TITLE III

RURAL DEVELOPMENT PROGRAMS

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

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

Appropriations, 2011	\$893,000
Budget estimate, 2012	911,000
House allowance	754,000
Committee recommendation	848,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$848,000 for the Office of the Under Secretary for Rural Development.

RURAL DEVELOPMENT SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		House allowance	Committee recommendation
	2011 appropriation	2012 budget request		
Appropriation	191,603	234,301	159,755	182,023
Transfer from:				
Rural Housing Insurance Fund Loan Program Account	453,474	411,779	396,880	430,800
Rural Electrification and Telecommunications Program Account	38,297	39,959	29,766	36,382
Rural Development Loan Fund Program Account	4,931	4,941	3,473	4,684
Total RD salaries and expenses	688,305	690,980	589,874	653,889

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$653,889,000 for salaries and expenses of Rural Development, which includes not more than \$4,500,000 for the Common Computing Environment.

RURAL HOUSING SERVICE

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

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

Appropriations, 2011 (budget authority)	\$555,476,000
Budget estimate, 2012 (budget authority)	473,466,000
House allowance (budget authority)	468,814,000
Committee recommendation (budget authority)	512,791,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$512,791,000 for the Rural Housing Insurance Fund Program Account [RHIF].

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

presents the loan subsidy levels as compared to the 2011 levels and the 2012 budget request:

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year 2011 appropriation	2012 budget request	Committee recommendation
Loan Levels:			
Single-Family Housing (sec. 502):			
Direct	1,119,163	211,416	900,000
Guaranteed	24,000,000	24,000,000	24,000,000
Housing Repair (sec. 504)	23,313	.....	10,000
Direct rental housing (sec. 515)	69,372	95,236	64,478
Guaranteed rental housing (sec. 538)	30,898	.....	130,000
Site loans (sec. 524)	5,041	.....	.....
Credit sales of acquired property	11,446	.....	10,000
Self help land development loans (sec. 523)	4,956	.....	5,000
Farm labor housing loans (sec. 514) ¹ .....	.....	27,288	23,426
Total, loan levels	25,264,189	24,333,940	25,142,904
Loan Subsidies and Grants:			
Single-Family Housing (sec. 502):			
Direct	70,060	10,000	42,570
Housing Repair (sec. 504)	4,413	.....	1,421
Direct rental housing (sec. 515)	23,399	32,495	22,000
Guaranteed rental housing (sec. 538)	2,994	.....	.....
Site loans (sec. 524)	293	.....	.....
Credit sales of acquired property	555	.....	.....
Self help land development loans (sec. 523)	287	.....	.....
Farm labor housing loans (sec. 514) ¹ .....	.....	9,319	8,000
Farm labor housing grants (sec. 516) ¹ .....	.....	9,873	8,000
Total, loan subsidies and grants	102,001	61,687	81,991
Administrative expenses	453,474	411,779	430,800
Total, loan subsidies, grants and administrative expenses	555,475	473,466	512,791

¹ Included in the Farm Labor Program Account in fiscal year 2011. In fiscal year 2011, \$9,853,000 was provided for grants and \$9,853,000 was provided for loan subsidies to support \$25,673,000 in loans.

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

Section 502 Guaranteed Single Family Housing Loan Program.—The Committee is concerned that neither USDA nor lenders will complete automated systems changes necessary to support USDA's announced October 1, 2011, implementation of an annual fee. To ensure uninterrupted continuation of the program, the Secretary may increase the existing guarantee fee sufficient to cover subsidy costs. The Committee expects that the Department will fully implement the annual fee requirements prior to September 30, 2012. The Committee recognizes that the Secretary may implement such annual fee for any duration up to the life of the loan.

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

RENTAL ASSISTANCE PROGRAM

Appropriations, 2011	\$953,724,000
Budget estimate, 2012	906,653,000
House allowance	883,058,000
Committee recommendation	904,653,000

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

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$904,653,000 for the Rental Assistance Program.

Rental Assistance.—The Committee provides funding to meet the needs of expiring and new rental assistance contracts for section 515 and 514/516 multi-family housing projects. The Committee includes statutory language requiring rental assistance to be held in 514/516 projects for a minimum period of time. Rental assistance contracts are funded for 1-year durations.

MULTI-FAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

Appropriations, 2011	\$29,940,000
Budget estimate, 2012	16,000,000
House allowance	10,914,000
Committee recommendation	13,000,000

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

The Multi-family Housing Revitalization Program includes funding for housing vouchers, a multi-family revolving loan program, and a program for the preservation and revitalization of affordable

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$13,000,000 for the Multi-family Housing Revitalization Program, including \$11,000,000 for vouchers and \$2,000,000 for a housing preservation demonstration program.

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations, 2011	\$36,926,000
Budget estimate, 2012	
House allowance	21,828,000
Committee recommendation	30,000,000

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

COMMITTEE RECOMMENDATIONS

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

RURAL HOUSING ASSISTANCE GRANTS

Appropriations, 2011	\$40,319,000
Budget estimate, 2012	11,520,000
House allowance	31,750,000
Committee recommendation	34,271,000

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

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

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

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

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

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$34,271,000 for the Rural Housing Assistance Grants Program.

The following table compares the grant program levels recommended by the Committee to the fiscal year 2011 levels and the budget request:

RURAL HOUSING ASSISTANCE GRANTS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2011 level	2012 request	
Very low-income housing repair grants	30,938	11,520	27,000

RURAL HOUSING ASSISTANCE GRANTS—Continued
[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2011 level	2012 request	
Housing preservation grants	9,381	.....	7,271
Total	40,319	11,520	34,271

FARM LABOR PROGRAM ACCOUNT

Appropriations, 2011	\$19,707,000
Budget estimate, 2012 ¹ .....	.....
House allowance ¹ .....	.....
Committee recommendation ¹ .....	.....

¹ Included in the Rural Housing Insurance Fund in fiscal year 2012.

The direct farm labor housing loan program is authorized under section 514 and the rural housing for domestic farm labor housing 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. Grant 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.

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

COMMITTEE RECOMMENDATIONS

The Committee recommendation provides funding for the cost of direct farm labor loans and grants in the Rural Housing Insurance Fund.

RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

Appropriations, 2011	\$41,379,000
Budget estimate, 2012	38,400,000
House allowance	17,860,000
Committee recommendation	26,274,000

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

Healthcare and fire and rescue facilities are the priorities of the program and receive the majority of available funds.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$26,274,000 for the Rural Community Facilities Program Account.

The following table provides the Committee's recommendations, as compared to the fiscal year 2011 and budget request levels:

RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

[Loan levels and budget authority in thousands of dollars]

	Fiscal year 2011 appropriation	2012 budget request	Committee recommendations
Loan levels:			
Community facilities direct loans	289,945	1,000,000	1,300,000
Community facilities guaranteed loans	167,411	.....	.....
Total loan levels	457,356	1,000,000	1,300,000
Budget authority:			
Community facility direct loans	3,856	.....	.....
Community facility guaranteed loans	6,613	.....	.....
Community facility grants	14,970	30,000	12,725
Economic impact initiative grants	6,986	.....	5,938
Rural community development initiative	4,990	8,400	4,242
Tribal college grants	3,964	.....	3,369
Total budget authority	41,379	38,400	26,274

School Food Service Equipment Support.—The Committee notes that USDA Community Facilities loans and grants can assist eligible school districts for upgrades in their school lunch and breakfast programs as may be appropriate in conjunction with new nutrition standards. The Committee directs the Department to conduct outreach to rural school districts and consider giving priority to applications for school food service upgrades through the Rural Community Facilities Program.

RURAL BUSINESS—COOPERATIVE SERVICE

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

RURAL BUSINESS PROGRAM ACCOUNT

Appropriations, 2011	\$85,280,000
Budget estimate, 2012	89,857,000
House allowance	63,996,000
Committee recommendation	79,665,000

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

Rural business enterprise grants were authorized by the Rural Development Act of 1972. Grants are made to public bodies and nonprofit organizations to facilitate development of small and emerging business enterprises in rural areas, including the acquisition and development of land; the construction of buildings, plants, equipment, access streets and roads, parking areas, and utility extensions; refinancing fees; technical assistance; and startup operating costs and working capital.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$79,665,000 for the Rural Business Program Account.

The following table provides the Committee's recommendations, as compared to the fiscal year 2011 and budget request levels:

RURAL BUSINESS PROGRAM ACCOUNT

[Loan levels and budget authority in thousands of dollars]

	Fiscal year 2011 appropriation	2012 budget request	Committee recommendations
Loan levels:			
Business and Industry guaranteed loans loan levels	887,332	822,884	822,886

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

	Fiscal year 2011 appropriation	2012 budget request	Committee recommendations
Budget authority:			
Business and industry guaranteed loans	44,899	52,500	45,341
Business enterprise grants	34,930	29,874	29,318
Business opportunity grants	2,478	7,483	2,106
Delta Regional Authority grants	2,973	.....	2,900
Total budget authority	85,280	89,857	79,665

Rural Business Program Account.—The Committee recommends \$475,000 for transportation technical assistance.

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

The Committee encourages the Department to consider applications for grants to rural public television broadcasting systems.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT
[In thousands of dollars]

	Fiscal year—		House allowance	Committee recommendation
	2011 level	2012 request		
Estimated loan level	19,143	36,376	14,643	20,661
Direct loan subsidy	7,385	12,324	4,961	7,000
Administrative expenses	4,931	4,941	3,473	4,684
Total, loan subsidies and administrative expenses	12,316	17,265	8,434	11,684

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

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

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 2011, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$11,684,000 for the Rural Development Loan Fund Program Account.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(In thousands of dollars)

	Estimated loan level
Fiscal year 2011 level	33,077
Fiscal year 2012 request	33,077
House allowance	33,077
Committee recommendation	33,077

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

COMMITTEE RECOMMENDATION

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

RURAL COOPERATIVE DEVELOPMENT GRANTS

Appropriations, 2011	\$30,193,000
Budget estimate, 2012	35,854,000
House allowance	22,325,000
Committee recommendation	27,915,000

Rural cooperative development grants are authorized under section 310B(e) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to fund the establishment and operation of centers for rural cooperative development with their primary purpose being the improvement of economic conditions in rural areas. Grants may be made to nonprofit institutions or institutions of higher education. Grants may be used to pay up to 75 percent of the cost of the project and associated administrative costs. The applicant must contribute at least 25 percent from non-Federal sources, except 1994 institutions, which only need to provide 5 percent. Grants are competitive and are awarded based on specific selection criteria.

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

Cooperative agreements are authorized under 7 U.S.C. 2201 to any qualified State departments of agriculture, university, and other State entity to conduct research that will strengthen and en-

hance the operations of agricultural marketing cooperatives in rural areas.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$27,915,000 for Rural Cooperative Development Grants.

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

The Committee has included language in the bill that not more than \$2,938,000 shall be made available to cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers.

Value Added.—The Committee recommends \$16,005,000 for value-added agricultural product market development grants.

RURAL MICROENTERPRISE INVESTMENT PROGRAM

Appropriations, 2011 .....	.....
Budget estimate, 2012	\$5,700,000
House allowance .....	.....
Committee recommendation .....	.....

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

COMMITTEE RECOMMENDATIONS

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

The following table provides the Committee's recommendation as compared to the fiscal year 2011 and budget request levels:

RURAL MICROENTERPRISE INVESTMENT PROGRAM

[In thousands of dollars]

	Fiscal year 2011 level	2012 request	Committee recommendation
Estimated loan level		22,450	.....
Loan subsidy		3,500	.....
Grants		2,200	.....

RURAL ENERGY FOR AMERICA PROGRAM

Appropriations, 2011	\$4,990,000
Budget estimate, 2012	36,788,000
House allowance	2,282,000
Committee recommendation	4,500,000

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

rural businesses for the purchase of renewable energy systems and for energy efficiency improvements.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$4,500,000 for the Rural Energy for America Program.

The following table provides the Committee's recommendation as compared to the fiscal year 2011 and budget request levels:

RURAL ENERGY FOR AMERICA PROGRAM

[In thousands of dollars]

	Fiscal year 2011 level	2012 request	Committee recommendation
Estimated loan level	5,382	10,645	8,591
Guaranteed loan subsidy	2,495	2,788	2,250
Grants	2,495	34,000	2,250

RURAL UTILITIES SERVICE

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

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Appropriations, 2011	\$527,944,000
Budget estimate, 2012	488,978,000
House allowance	496,099,000
Committee recommendation	509,295,000

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$509,295,000 for the Rural Water and Waste Disposal Program Account.

The Committee recommends \$67,200,000 for water and waste disposal systems grants for Native Americans, including Native Alaskans, the Colonias, and residents of Hawaiian Home Lands. The Committee recognizes the special needs and problems for delivery of basic services to these populations. In addition, the Committee makes up to \$15,000,000 available for the circuit rider program.

The following table provides the Committee's recommendations, as compared to the fiscal year 2011 and budget request levels:

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

[Loan levels and budget authority in thousands of dollars]

	Fiscal year 2011 appropriation	2012 budget request	Committee recommendation
Loan levels:			
Water and waste disposal direct loans	896,469	770,230	730,689
Water and waste disposal guaranteed loans	75,000	11,950	.....
Total loan levels	971,469	782,180	730,689
Budget authority:			
Water and waste disposal direct loans	76,917	73,788	70,000
Water and waste disposal guaranteed loans .....	.....	190	.....
Water and waste disposal grants	434,130	409,510	425,110
Solid waste management grants	3,434	4,000	2,919
Water well system grants	991	993	844
Water and waste water revolving funds	496	497	422
High energy cost grants	11,976	.....	10,000
Total budget authority	527,944	488,978	509,295

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

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

The Federal Credit Reform Act of 1990 (Public Law 101-508) established the program account. An appropriation to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in fiscal year 2012, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The following table reflects the Committee's recommendation for the Rural Electrification and Telecommunications Loans Program Account, the loan subsidy and administrative expenses, as compared to the fiscal year 2011 and budget request levels:

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year—		House allowance	Committee recommendation
	2011 level	2012 request		
Loan authorizations:				
Electric:				
Direct, 5 percent	100,000	100,000	100,000	100,000
Direct FFB	6,500,000	6,000,000	6,500,000	6,500,000
Guaranteed underwriting	499,000	.....	.....	424,286
Subtotal	7,099,000	6,100,000	6,600,000	7,024,286
Telecommunications:				
Direct, 5 percent	145,000	145,000	145,000	145,000
Direct, Treasury rate	250,000	250,000	250,000	250,000
Direct, FFB	295,000	295,000	295,000	295,000
Subtotal	690,000	690,000	690,000	690,000
Total, loan authorizations	7,789,000	6,790,000	7,290,000	7,714,286
Guaranteed underwriting budget authority	699	.....	.....	594
Administrative expenses	38,297	39,959	29,766	36,382

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

LOANS AND GRANTS

[In thousands of dollars]

	Fiscal year—		House allowance	Committee recommendation
	2011 level	2012 request		
Loan and grant levels:				
Distance Learning and Telemedicine Program:				
Grants	32,435	30,000	14,883	28,570
Broadband program:				
Treasury rate loans	399,200	.....	210,360	282,686
Treasury rate loans budget authority	22,275	.....	5,953	8,000
Grants	13,379	17,976	.....	10,372
Total DLT and Broadband program level	445,014	47,976	225,243	321,628
Total DLT and Broadband budget authority	68,089	47,976	20,836	46,942

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$46,942,000 for the Distance Learning, Telemedicine, and Broadband Program. The Committee recommendation includes \$3,000,000 for public broadcasting systems grants to allow noncommercial educational television broadcast stations that serve rural areas to convert from analog to digital operations. Funds recommended for the RUS broadband program are intended to promote broadband availability in those areas where there is not otherwise a business case for private investment in a broadband network. The Committee encourages RUS to focus expenditures on projects that bring broadband service to currently unserved households.

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

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

TITLE IV

DOMESTIC FOOD PROGRAMS

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

Appropriations, 2011	\$811,000
Budget estimate, 2012	828,000
House allowance	684,000
Committee recommendation	770,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$770,000 for the Office of the Under Secretary for Food, Nutrition and Consumer Services.

FOOD AND NUTRITION SERVICE

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

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

Special Supplemental Nutrition Program for Women, Infants, and Children [WIC].—This program safeguards the health of pregnant, postpartum, and breast-feeding women, infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and income by providing supplemental foods. The delivery of

supplemental foods may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating State health agency may select. Funds for this program are provided by direct appropriation.

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

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

The Food, Conservation, and Energy Act of 2008, Public Law 110–246, provides that \$248,750,000 in fiscal year 2012 from funds appropriated in the Supplemental Nutrition Assistance Program account be used to purchase commodities for The Emergency Food Assistance Program [TEFAP].

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

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

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

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

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

CHILD NUTRITION PROGRAMS

[In thousands of dollars]

	Appropriation	Section 32 transfers	Total
Appropriations, 2011	12,046,169	5,277,574	17,323,743
Budget estimate, 2012	18,810,571	.....	18,810,571
House allowance	18,770,442	.....	18,770,442
Committee recommendation	18,151,176	.....	18,151,176

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$18,151,176,000 for the Child Nutrition Programs.

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

TOTAL OBLIGATIONAL AUTHORITY

[In thousands of dollars]

Child nutrition programs	2011 level ¹	2012 budget	Committee recommendation
School Lunch Program	9,981,095	10,884,019	10,169,615
School Breakfast Program	3,093,970	3,337,699	3,313,848
Child and Adult Care Food Program	2,686,344	2,818,405	2,831,543
Summer Food Service Program	392,680	400,505	401,998
Special Milk Program	12,512	13,069	13,240
State administrative expenses	206,943	279,034	279,016
Commodity procurement	907,919	972,651	1,075,727
Team Nutrition	15,004	15,016	15,016
Food safety education	2,506	2,510	2,510
Coordinated review	5,745	9,763	9,763
Computer support	9,518	9,525	9,525
CACFP training and technical assistance	3,530	3,537	3,537
Child Nutrition Program Studies and Evaluations	2,994	19,000	19,000
Hunger-Free Community Grants .....	.....	5,000	.....
Healthier U.S. School Challenge	698	1,500	1,500
Farm to school tactical team .....	.....	2,000	2,000
Payment Accuracy	2,333	2,338	2,338
School breakfast expansion grants .....	.....	10,000	1,000

TOTAL OBLIGATIONAL AUTHORITY—Continued
[In thousands of dollars]

Child nutrition programs	2011 level ¹	2012 budget	Committee recommendation
State childhood hunger grants		25,000	.....

¹ Does not include a rescission of \$48,000.

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

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

Appropriations, 2011	\$6,734,027,000
Budget estimate, 2012	7,390,100,000
House allowance	6,001,074,000
Committee recommendation	6,582,497,000

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

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

There are three general types of delivery systems for WIC foods: (1) retail purchase in which participants obtain supplemental foods through retail stores; (2) home delivery systems in which food is delivered to the participant's home; and (3) direct distribution systems in which participants pick up food from a distribution outlet. The food is free of charge to all participants.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$6,582,497,000 for the Special Supplemental Food Program for Women, Infants, and Children [WIC].

The Committee recommendation fully funds estimated WIC participation in fiscal year 2012. The Committee recommendation includes \$60,000,000 for breastfeeding support initiatives.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

[In thousands of dollars]

	Expenses	Amount in reserve	Puerto Rico and American Samoa	TEFAP commodity purchases	Total
Appropriations, 2011	65,614,155	3,000,000	1,751,611	247,500	70,613,266
Budget estimate, 2012	66,176,441	5,000,000	1,758,617	248,750	73,183,808
House allowance	66,165,941	3,000,000	1,758,617	248,750	71,173,308
Committee recommendation	75,299,637	3,000,000	1,842,835	260,250	80,402,722

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

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

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

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

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

States are required to implement an employment and training program for the purpose of assisting members of households participating in SNAP in gaining skills, training, or experience that will increase their ability to obtain regular employment. The Department of Agriculture has implemented a grant program to States to assist them in providing employment and training services.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$80,402,722,000 for the Supplemental Nutrition Assistance Program. The Committee recommendation includes \$3,500,000 for financial management systems modernization and \$2,000,000 for information technology modernization and support. Of the amount recommended, \$3,000,000,000 is made available as a contingency reserve. The Committee notes that \$3,000,000,000 was made available in fiscal year 2011 as a contingency reserve. The Committee recommendation includes language that permits the Food and Nutrition Service to conduct studies and evaluations consistent with the budget request.

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

Northern Mariana Islands.—The Committee is aware Public Law 96–597 permits the Secretary to extend programs administered by USDA to the territories. The Committee encourages the Secretary to work with the government of the Commonwealth of Northern Mariana Islands [CNMI] on a plan to integrate the CNMI into the national Supplemental Nutrition Assistance Program.

COMMODITY ASSISTANCE PROGRAM

Appropriations, 2011	\$246,126,000
Budget estimate, 2012	249,619,000
House allowance	195,960,000
Committee recommendation	242,336,000

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

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

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

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

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

The Food, Conservation, and Energy Act of 2008 makes \$248,750,000 available for the purchase of TEFAP commodities in fiscal year 2012. In addition to the commodities purchased specifically for TEFAP, commodities obtained under agriculture support

and surplus removal programs are donated to States for distribution through TEFAP.

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$242,336,000 for the Commodity Assistance Program. The Committee continues to encourage the Department to distribute Commodity Assistance Program funds equitably among the States, based on an assessment of the needs and priorities of each State and the State's preference to receive commodity allocations through each of the programs funded under this account.

Commodity Supplemental Food Program.—The Committee recommends \$176,788,000 for the Commodity Supplemental Food Program. This amount fully funds participation in fiscal year 2012.

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

The Emergency Food Assistance Program.—The Food, Conservation, and Energy Act of 2008 provides \$248,750,000 for TEFAP commodities to be purchased with Supplemental Nutrition Assistance Program funds. The Committee recommendation includes \$48,000,000 for TEFAP administrative funding. In addition, the Committee recommendation grants the Secretary authority to transfer up to an additional 10 percent from TEFAP commodities for this purpose.

NUTRITION PROGRAMS ADMINISTRATION

Appropriations, 2011	\$147,505,000
Budget estimate, 2012	170,471,000
House allowance	124,025,000
Committee recommendation	140,130,000

The Nutrition Programs Administration appropriation provides for most of the Federal operating expenses of the Food and Nutrition Service, which includes the Child Nutrition Programs; Special Milk Program; Special Supplemental Nutrition Program for Women, Infants, and Children [WIC]; Supplemental Nutrition Assistance Program; Nutrition Assistance for Puerto Rico; the Commodity Assistance Program, including the Commodity Supplemental Food Program and the Emergency Food Assistance Pro-

gram; and Farmers' Market Nutrition Program and Pacific Island and Disaster Assistance.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$140,130,000 for Nutrition Programs Administration.

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

[In thousands of dollars]

	Appropriations	Transfers from loan accounts	Total
Appropriations, 2011	185,628	6,452	192,080
Budget estimate, 2012	229,730	6,465	236,195
House allowance	171,155	6,415	177,570
Committee recommendation	176,347	6,129	182,476

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

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

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$182,476,000 for the Foreign Agricultural Service, including a direct appropriation of \$176,347,000.

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

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

Foreign Market Development Cooperator Program.—The Committee expects the FAS to fund the Foreign Market Development Cooperator Program.

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

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

Appropriations, 2011	\$2,806,000
Budget estimate, 2012	2,812,000
House allowance	2,366,000
Committee recommendation	2,666,000

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$2,666,000 for administrative expenses to continue servicing existing Food for Peace title I agreements.

FOOD FOR PEACE TITLE II GRANTS

Appropriations, 2011	\$1,497,000,000
Budget estimate, 2012	1,690,000,000
House allowance	1,032,084,000
Committee recommendation	1,562,000,000

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

Commodities Supplied in Connection With Dispositions Abroad (Title II) (7 U.S.C. 1721–1726).—Commodities are supplied without

cost through foreign governments to combat malnutrition and to meet famine and other emergency requirements. Commodities are also supplied for nonemergencies through public and private agencies, including intergovernmental organizations. The Commodity Credit Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs in emergency situations. The funds appropriated for title II are made available to private voluntary organizations and cooperatives to assist these organizations in meeting administrative and related costs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,562,000,000 for Food for Peace title II grants.

The Committee strongly supports international food assistance for both non-emergency, long-term solutions to chronic hunger and for emergency operations which can literally mean the difference between life and death. Currently, the Horn of Africa is suffering from severe malnutrition which has reached the state of declared famine and is proving to be the humanitarian crisis of a generation. A severe drought in that region, made worse by insecurity and civil unrest, has put more than 12 million people in danger of starvation, and acute malnutrition rates for children under the age of 5 exceeds 40 percent. Problems such as those in the Horn of Africa are compounded by escalating food and transportation costs which further reduce the amount of actual food that reaches victims in the field. Food costs have been reported by the World Bank to have risen 33 percent from similar costs just 1 year ago while demand for assistance world-wide escalates at a fast pace, as evidenced by the rise in appeals of the World Food Program from less than \$1,000,000,000 in 2000 to \$6,800,000,000 in 2010. For these reasons, within a period of declining Federal spending, the Committee has provided an increase of funding for Public Law 480 title II grants, and notes with concern the reality that rising program demand and consequential human tragedy in the absence of assistance are likely to occur.

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

Appropriations, 2011	\$199,101,000
Budget estimate, 2012	200,500,000
House allowance	178,596,000
Committee recommendation	188,000,000

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

sale to generate proceeds to support school feeding and nutrition projects.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$188,000,000 for the McGovern-Dole International Food for Education and Child Nutrition Program.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(EXPORT CREDIT PROGRAMS AND GSM-102)

[In thousands of dollars]

	Guaranteed loan levels ¹	Guaranteed loan subsidy ¹	Administrative expenses
Appropriations, 2011	5,500,000	18,480	6,806
Budget estimate, 2012	5,500,000	.....	6,820
House allowance	5,500,000	.....	6,767
Committee recommendation	5,500,000	.....	6,465

¹ No appropriation required since export credit authorizations are permanent authority.

In 1980, the Commodity Credit Corporation [CCC] instituted the Export Credit Guarantee Program (GSM-102) under its charter authority. With this program, CCC guarantees, for a fee, payments due U.S. exporters under deferred payment sales contracts (up to 36 months) for defaults due to commercial as well as noncommercial risks. The risk to CCC extends from the date of export to the end of the deferred payment period covered in the export sales contract and covers only that portion of the payments agreed to in the assurance agreement. Operation of this program is based on criteria which will assure that it is used only where it is determined that it will develop new market opportunities and maintain and expand existing world markets for U.S. agricultural commodities. The program encourages U.S. financial institutions to provide financing to those areas where the institutions would be unwilling to provide financing in the absence of the CCC guarantees. CCC also provides facilities financing guarantees.

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

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

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

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

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

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

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

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

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

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

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

SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriation	User fees	Total
Appropriations, 2011	2,447,021	1,233,480	3,680,501
Budget estimate, 2012	2,730,910	1,556,748	4,287,658
House allowance	2,147,958	1,520,415	3,668,373
Committee recommendation	2,497,021	1,393,366	3,890,387

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$2,497,021,000 for FDA salaries and expenses. The Committee also recommends \$702,172,000 in Prescription Drug User Fee Act user fee collections; \$57,605,000 in Medical Device User Fee and Modernization Act user fee collections; \$21,768,000 in Animal Drug User Fee Act user fee collections; \$5,706,000 in Animal Generic Drug User Fee Act user fee collections; \$477,000,000 in Tobacco Product user fee collections; \$71,066,000 for Voluntary Qualified Importer Program user fee collections; \$14,700,000 for food reinspection user fee collections; \$12,364,000 for recall user fee collections; \$19,318,000 in Mammography Quality Standards Act fee collections; and \$11,667,000 in export and certification fees, as assumed in the President's budget. The Committee recommendation includes bill language which prohibits FDA from developing, establishing, or operating any program of user fees authorized by 31 U.S.C. 9701.

The Committee recommendation does not include proposed language regarding generic drug review user fees, medical products reinspection user fees, or international courier user fees. None of these user fee proposals have been authorized by Congress. The Committee will continue to monitor any action by the Congress regarding these proposed user fees.

The following table reflects the Committee's recommendations, as compared to the fiscal year 2011 and budget request levels:

FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2011 enacted	2012 request	
Centers and related field activities:			
Foods	835,682	955,287	867,061
Center for Food Safety and Applied Nutrition [CFSAN]	252,322	300,869	265,150
Field Activities	583,360	654,418	601,911
Human Drugs	477,018	497,534	477,310
Center for Drug Evaluation and Research [CDER]	345,929	366,439	347,317
Field Activities	131,089	131,095	129,993
Biologics	212,014	224,933	211,974
Center for Biologics Evaluation and Research [CBER]	171,157	183,775	171,461
Field Activities	40,857	41,158	40,513
Animal Drugs	139,178	147,898	138,021

FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES—Continued

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2011 enacted	2012 request	
Center for Veterinary Medicine [CVM]	85,403	92,247	84,699
Field Activities	53,775	55,651	53,322
Medical and radiological devices	322,370	329,102	322,422
Center for Devices and Radiological Health [CDRH]	240,486	247,726	241,225
Field Activities	81,884	81,376	81,197
National Center for Toxicological Research [NCTR]	60,543	60,294	60,039
Other Activities	149,900	197,686	153,704
Rent and related activities	99,554	150,350	105,984
Rental payments to GSA	150,762	167,826	160,506
Total, FDA salaries and expenses, new budget authority	2,447,021	2,730,910	2,497,021

The Committee recommendation includes the following increases: \$40,000,000 to begin implementation of the Food Safety Modernization Act, \$12,962,000 for mandatory rental payments, and \$19,038,000 for advancing medical countermeasures. The Committee also accepts FDA's proposed reduction of \$22,000,000 due to administrative and contract savings.

The Committee recommendation includes an increase of \$40,000,000 for FDA to begin implementation of the Food Safety Modernization Act [FSMA]. This legislation will establish a prevention-focused food safety system and leverage the work of FDA's State and local food safety partners. Due to budgetary constraints, the Committee was unable to provide the full funding request for implementation of FSMA, and directs FDA to apply these increased funds to the highest priority food safety activities. These activities could include publication of new preventative controls for food processing facilities, additional import oversight and inspections of both foreign and domestic facilities, and improved scientific capabilities. The Committee directs FDA to provide a report within 30 days of enactment of this act on how it intends to allocate these funds.

The Committee also provides an increase of \$19,038,000 for activities relating to advancing medical countermeasures. This initiative was begun in August 2010 in order to increase the U.S. readiness against public health threats, and will allow FDA to work with other Government agencies to facilitate the development of safe and effective medical countermeasures to protect the Nation from chemical, biological, radiological, nuclear, and emerging infectious disease threats. Again, due to budgetary constraints, the Committee was unable to provide the full funding request for these activities, and directs FDA to provide funding to the highest priority activities relating to these initiatives. The Committee directs FDA to provide a report within 30 days of enactment of this act on how it intends to allocate these funds.

The Committee expects FDA to continue all projects, activities, laboratories, and programs as included in the fiscal year 2012 budget request, unless otherwise specified.

Adjuvanted Influenza Vaccines.—The Committee recognizes the importance of FDA exercising its authority under the Accelerated Approval of Biological Products regulation to approve licenses for adjuvanted seasonal influenza vaccines, which are currently being used in seasonal influenza campaigns in Europe. The Committee believes that FDA has sufficient authority under existing regulations to approve adjuvanted vaccines. The Committee is also aware that adjuvanted seasonal influenza clinical studies are needed to further encourage the development of new treatments for emerging public health requirements and for pandemic preparedness. The Committee urges the FDA to work collaboratively with industry and other Federal agencies to facilitate the design and conduct the necessary studies.

Agency Collaboration.—The Committee is aware of the MOU between FDA and the Centers for Medicare and Medicaid Services [CMS] to promote collaboration, and strongly supports this effort. The Committee encourages FDA to share information with CMS describing the clinical trials used to support a new drug indication, and to specifically note whether the new drug was compared to a placebo or to an active control. The Committee recommends that FDA make CMS aware of whether a newly approved drug was approved based on an application supported by clinical trials using a non-inferiority or a superiority design.

Antimicrobial Resistance.—The Committee commends the FDA for publishing Draft Guidance for Industry No. 209 and for conducting a comprehensive review of the scientific evidence related to antimicrobial use in food animal production and antibiotic-resistant infections in humans. However, over a year has passed since this draft guidance was released and the FDA has not yet identified a timeframe for finalizing and implementing this guidance or for taking other proposed steps to address antimicrobial resistance. Therefore, the Committee directs the FDA to set a timeline for when Guidance No. 209 and any implementing guidance will be finalized, when the FDA intends to release any changes to the Veterinary Feed Directive, and when it plans to issue an order regarding extra label uses of Cephalosporin drugs in food-producing animals. The Committee also recommends that FDA examine medically important antimicrobial drugs currently approved for use in food-producing animals and take steps to assure that such products are aligned with current safety standards.

Artificial Pancreas.—To foster the development of artificial pancreas technology, the Committee expects FDA to provide researchers and industry stakeholders with clear, prompt, and reasonable guidance for approval of safe and effective artificial pancreas systems for patients with type I diabetes. The FDA has taken an important first step with the issuance of guidance for an early version of an artificial pancreas system, known as a Low Glucose Suspend system. The Committee strongly encourages FDA to continue to make the advancement of more autonomous artificial pancreas technologies a priority by collaboration with stakeholders and investment of time and resources. Artificial pancreas technologies

could be an important tool for patients with type 1 diabetes to achieve better glycemic control, increasing their quality of life and overall health.

Breast Imaging Quality Standards.—The Committee is aware that FDA is currently considering the implementation of several recommendations included in the Institute of Medicine Report entitled “Breast Imaging Quality Standards”, which was released on May 23, 2005. The Committee directs FDA to provide a report to the House and Senate Committees on Appropriations within 120 days of enactment of this act specifying which specific recommendations will be implemented, the timeline for doing so, and specific details on how the recommendations will be implemented.

Budget Justification.—The Committee directs FDA to submit the fiscal year 2013 budget request in a format that follows the same account structure as the fiscal year 2012 budget request unless otherwise approved by the Committee.

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

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

Generic Drugs.—The Committee recommendation includes no less than \$97,218,000 for the generic drugs program at FDA, of which no less than \$52,947,000 is for the Office of Generic Drugs.

Medical Device Safety.—The Committee strongly encourages the Center for Devices and Radiological Health [CDRH] to complete its implementation of the Safe Medical Devices Act of 1990. The Government Accountability Office [GAO] identified the unfinished implementation of this act as one of the main causes of including CDRH on GAO’s “high-risk” list of Government agencies. The Committee directs CDRH to report on its progress of the implementation of the Safe Medical Devices Act within 120 days of the enactment of this act.

The Committee also encourages CDRH to implement the GAO recommendation for CDRH to strengthen its post-market surveillance of medical devices. The Committee supports CDRH’s use of section 522 authority to study high-risk medical devices that were

cleared through the 510(k) process, such as metal-on-metal hip implants. The Committee commends CDRH on meeting with medical experts and leaders of medical device registries that currently exist and recommends that CDRH continue to work with stakeholders to develop a more robust post-market surveillance program for medical devices.

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

Obesity Therapeutics.—The Committee is concerned with the absence of novel medicines to treat obesity, the second leading cause of preventable deaths in the United States and a disease linked to cancer, high blood pressure, heart disease, diabetes, and stroke. With only diet, exercise, and gastric surgery as options, the lack of obesity medications is a significant unmet medical need. The Committee directs FDA to report by March 30, 2012 on the steps it will take to support the development of new treatments for obesity, including the use of its Risk Evaluation and Mitigation Strategy and other post-marketing authorities, to mitigate risk and ensure rigorous post-market scrutiny while increasing access to novel medications.

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

Packaged Ice.—The Committee believes it is important that FDA provide guidance to manufacturers of packaged ice to ensure a safe product is sold to consumers. The Committee understands that a Citizens Petition was recently submitted to FDA regarding packaged ice, and encourages FDA to respond to this petition promptly.

Seafood Advisory.—The Committee is concerned about differing messages from Federal agencies to pregnant women regarding the nutritional value of seafood consumption during pregnancy. The Committee directs FDA to initiate formal reconsideration of the 2004 advisory in consideration of the 2010 Dietary Guidelines. FDA shall report to the Committee within 120 days of enactment of this act on progress made and a timeline for final action on a new FDA advisory.

Seafood Economic Integrity.—The Committee recognizes the importance of seafood to a healthy diet, but is concerned that FDA does not focus sufficient attention on economic integrity issues, particularly with respect to mislabeling of species, weights, country of origin, and treatment. The Committee encourages FDA to work

with States and the Department of Commerce to more aggressively combat fraud in parts of the seafood industry.

Seafood Safety.—The Committee is aware that FDA currently inspects less than 2 percent of imported seafood. Further, many of these imports may contain substances that are banned in the United States. Therefore, the Committee directs FDA to develop a comprehensive program for imported seafood, in accordance with the Food Safety Modernization Act, to ensure the safety of seafood.

Trade Facilitation and Interagency Cooperation.—The current fiscal environment requires that efforts to enhance safety must be directed toward the most serious compliance infractions. The Committee strongly encourages FDA to establish a pilot project to expedite imports for highly compliant importers. The goal would be new trade facilitation methods for low-risk, shippers and cargo that could be incorporated into the import inspection process, thereby enabling FDA to better target Federal resources. FDA is strongly encouraged to provide clear guidelines for those shippers who are low-risk and to collaborate with industry, Customs and Border Protection and other relevant agencies on how such a program could be implemented. FDA is directed to provide a report to the Committee on its efforts in this regard within 120 days of enactment of this act.

BUILDINGS AND FACILITIES

Appropriations, 2011	\$9,980,000
Budget estimate, 2012	13,055,000
House allowance	8,719,000
Committee recommendation	8,982,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$8,982,000 for FDA buildings and facilities. This funding shall be used to upgrade FDA facilities and laboratories which are currently below public safety standards and incapable of performing agency requirements.

INDEPENDENT AGENCY

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2011	\$59,400,000
Budget estimate, 2012	62,000,000
House allowance	62,000,000
Committee recommendation	62,000,000

The Farm Credit Administration [FCA] is the independent agency in the executive branch of the Government responsible for the

examination and regulation of the banks, associations, and other institutions of the Farm Credit System.

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

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

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

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$62,000,000 on administrative expenses of the Farm Credit Administration.

TITLE VII

GENERAL PROVISIONS

The Committee recommends the following provisions:

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

Section 702. This section gives the Secretary of Agriculture authority to transfer unobligated balances to the Working Capital Fund.

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

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

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

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

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

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

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

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

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

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

Section 713. This section requires Department of Agriculture agencies to provide reimbursement to other Department of Agriculture agencies for employees detailed for longer than 30 days.

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

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

Section 716. This section places conditions on the closing or relocation of Rural Development State Offices.

Section 717. This section includes language regarding the disbursement of obligations under the Rural Electrification Act of 1936.

Section 718. This section limits the amount of funding available to reimburse the Commodity Credit Corporation for the release of commodities under the Bill Emerson Humanitarian Trust.

Section 719. This section makes funds available for the expenses and activities of certain advisory committees, panels, commissions, and task forces at the Department of Agriculture.

Section 720. This section includes language regarding school equipment.

Section 721. This section provides funding for the Geographically Disadvantaged Farmers Program as authorized in the Food, Conservation, and Energy Act of 2008.

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

Section 723. This section prohibits the reprogramming of funds for programs, projects, or activities in excess of \$500,000 or 10 percent, whichever is less without the prior notification of the Committee on Appropriations.

Section 724. This section prohibits the use of funds for user fee proposals that fail to provide sufficient budget impact information.

Section 725. This section includes language regarding the Rural Innovation Initiative.

Section 726. This section prohibits funds to carry out certain sections of Public Law 110–246.

Section 727. This section includes language for the establishment of a fee under the business and industry loan program.

Section 728. This section prohibits the Department of Agriculture and the Department of Health and Human Services from transmitting questions or responses as a result of the appropriations hearing process to non-Department employees.

Section 729. This section includes language regarding farm bill programs.

Section 730. This section includes language regarding rescission of funds.

Section 731. This section includes language regarding rescission of funds.

Section 732. This section provides for disaster recovery.

Section 733. This section provides for disaster recovery.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2012, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) or the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119), the following information provides the definition of the term “program, project, and activity” for departments and agencies under the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee. The term “program, project, and activity” shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, and the accompanying Senate Report.

If a sequestration order is necessary, in implementing the Presidential order, departments and agencies shall apply any percentage reduction required for fiscal year 2012 pursuant to the provisions of Public Law 99–177 or Public Law 100–119 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 2012 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

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

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

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

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

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

The Committee recommends funding for the following programs or activities which currently lack authorization for fiscal year 2012:

- Multi-family Housing Revitalization Program
- Broadband Telecommunication Grants
- Rural Energy for America Program
- Horse Protection Act
- WIC Management Information Systems

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

Pursuant to paragraph 7(c) of rule XXVI, on September 7, 2011, the Committee ordered favorably reported en bloc the fiscal year 2012 budget allocation a proposed by the Chairman, and a bill (H.R. 2112) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2012, and for other purposes, with an amendment in the nature of a substitute; a bill (H.R. 2354) making appropriations for energy and water development and related agencies for the fiscal year ending September 30, 2012, and for other purposes, with an amendment in the nature of a substitute; and a bill (H.R. 2017) making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2012, and for other purposes, with an amendment in the nature of a substitute; provided, that each bill be subject to further amendment and that each bill be consistent with its spending allocations, by a recorded vote of 29–1, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Inouye	Mr. Johnson (WI)
Mr. Leahy	
Mr. Harkin	
Ms. Mikulski	
Mr. Kohl	
Mrs. Murray	
Mrs. Feinstein	
Mr. Durbin	
Mr. Johnson (SD)	
Ms. Landrieu	
Mr. Reed	
Mr. Lautenberg	
Mr. Nelson	
Mr. Pryor	
Mr. Tester	
Mr. Brown	
Mr. Cochran	
Mr. McConnell	
Mr. Shelby	
Mrs. Hutchison	
Mr. Alexander	
Ms. Collins	
Ms. Murkowski	
Mr. Graham	
Mr. Kirk	
Mr. Coats	
Mr. Blunt	
Mr. Moran	
Mr. Hoeven	

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

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

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italics; and existing law in which no change is proposed is shown in roman.

TITLE 7—AGRICULTURE

CHAPTER 36—CROP INSURANCE

SUBCHAPTER I—FEDERAL CROP INSURANCE

§ 1524. Education and risk management assistance

(a) Education assistance

* * * * *

(b) Agricultural management assistance

(1) Authority

* * * * *

(4) Commodity Credit Corporation

(A) In general

* * * * *

(B) Funding

(i) In general

* * * * *

(ii) Exception for [fiscal years 2008 through 2012] *certain fiscal years*

For each of fiscal years 2008 through [2012] 2014, the Commodity Credit Corporation shall make available to carry out this subsection \$15,000,000.

TITLE 16—CONSERVATION

CHAPTER 58—ERODIBLE LAND AND WETLAND CONSERVATION AND RESERVE PROGRAM

SUBCHAPTER IV—AGRICULTURAL RESOURCES CONSERVATION PROGRAM

PART II—CONSERVATION SECURITY AND FARMLAND PROTECTION

SUBPART B—CONSERVATION STEWARDSHIP PROGRAM

§ 3838e. Conservation stewardship program

(a) Establishment and purpose

During each of fiscal years 2009 through [2012] 2014, the Secretary shall carry out a conservation stewardship program to encourage producers to address resource concerns in a comprehensive manner—

* * * * *

PART IV—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

§ 3839aa-2. Establishment and administration

(a) Establishment

During each of the 2002 through [2012] 2014 fiscal years, the Secretary shall provide payments to producers that enter into contracts with the Secretary under the program.

* * * * *

SUBCHAPTER V—FUNDING AND ADMINISTRATION

§ 3841. Commodity Credit Corporation

(a) In general

For each of fiscal years 2002 through [2012] 2012 (and fiscal year 2014 in the case of the programs specified in paragraphs (3)(B), (4), (6), and (7)), the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the following programs under subchapter IV (including the provision of technical assistance):

(1) The conservation reserve program under subpart B of part I, including to the maximum extent practicable—

* * * * *

(4) The farmland protection program under subpart C of part II, using, to the maximum extent practicable—

(A) * * *

* * * * *

(E) \$200,000,000 in [fiscal year 2012] each of fiscal years 2012 through 2014.

* * * * *

(6) The environmental quality incentives program under part IV, using, to the maximum extent practicable—

(A) * * *

* * * * *

(E) \$1,750,000,000 in [fiscal year 2012] *each of fiscal years 2012 through 2014.*

(7) The wildlife habitat incentives program under section 3839bb–1 of this title, using, to the maximum extent practicable—

(A) * * *

* * * * *

(D) \$85,000,000 in each of fiscal years 2005 through [2012] *2014.*

**FOOD, CONSERVATION, AND ENERGY ACT, 2008, PUBLIC
LAW 110-234**

TITLE XIV—MISCELLANEOUS

CHAPTER 2—OTHER PROVISIONS

Subtitle C—Other Miscellaneous Provisions

SEC. 14222. DOMESTIC FOOD ASSISTANCE PROGRAMS.

(a) DEFINITION OF SECTION 32.— * * *

(b) TRANSFER TO FOOD AND NUTRITION SERVICE.—

(1) IN GENERAL.—Amounts made available for a fiscal year to carry out section 32 in excess of the maximum amount calculated under paragraph (2) shall be transferred to the Secretary, acting through the Administrator of the Food and Nutrition Service, to be used to carry out the Richard B. Russell 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.*

BUDGETARY IMPACT OF BILL

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

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the budget resolution for 2012: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies:				
Mandatory	116,916	116,916	104,815	¹ 104,805
Discretionary	19,780	20,046	22,931	¹ 23,038
Security	1,750	1,750	NA	NA
Nonsecurity	18,030	18,296	NA	NA
Projections of outlays associated with the recommendation:				
2012				² 115,138
2013				2,890
2014				982
2015				280
2016 and future years				90
Financial assistance to State and local governments for 2012	NA	7,893	NA	6,035

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

Consistent with the funding recommended in the bill for disaster funding and in accordance with section 251(b)(2)(D) of the BBEDCA and section 106 of the Deficit Control Act of 2011, the Committee anticipates that the Budget Committee will file a revised section 302(a) allocation for the Committee on Appropriations reflecting an upward adjustment of \$266,000,000 in budget authority plus associated outlays.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2012
[In thousands of dollars]

Item	2011 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2010 appropriation	Budget estimate	House allowance
TITLE I—AGRICULTURAL PROGRAMS							
Production, Processing, and Marketing							
Office of the Secretary	5,051	5,883	4,260	4,798	-253	-1,085	+538
Office of Tribal Relations	498	1,015	420	473	-25	-542	+53
Healthy Food Financing Initiative		35,000				-35,000	
Executive Operations:							
Office of Chief Economist	12,008	15,196	10,623	11,408	-600	-3,788	+785
National Appeals Division	14,225	15,254	11,997	13,514	-711	-1,740	+1,517
Office of Budget and Program Analysis	9,417	9,436	7,942	8,946	-471	-490	+1,004
Office of Homeland Security	1,496	4,272	1,262	1,421	-75	-2,851	+159
Office of Advocacy and Outreach	1,422	7,000	1,120	1,351	-71	-5,649	+231
Office of the Chief Information Officer	39,920	63,579	33,735	36,031	-3,889	-27,548	+2,296
Office of the Chief Financial Officer	6,247	6,566	5,269	5,935	-312	-631	+666
Subtotal, Executive Operations	84,735	121,303	71,948	78,606	-6,129	-42,697	+6,658
Office of the Assistant Secretary for Civil Rights	893	895	754	848	-45	-47	+94
Office of Civil Rights	22,692	24,922	19,138	21,558	-1,134	-3,364	+2,420
Office of the Assistant Secretary for Administration	804	820	678	764	-40	-56	+86
Agriculture buildings and facilities and rental payments	(246,476)	(255,191)	(199,825)	(230,416)	(-16,060)	(-24,775)	(+30,591)
Payments to GSA	178,113	164,470	145,396	164,470	-13,643		+19,074
Department of Homeland Security	13,473	13,800	11,452	13,800	+327		+2,348
Building operations and maintenance	54,890	76,921	42,977	52,146	-2,744	-24,775	+9,169
Hazardous materials management	3,992	5,125	3,367	3,792	-200	-1,333	+425
Departmental Administration	29,647	35,787	16,381	28,165	-1,482	-7,622	+11,784
Office of the Assistant Secretary for Congressional Relations	3,869	4,041	3,262	3,676	-193	-365	+414
Office of Communications	9,480	9,722	7,995	8,105	-1,375	-1,617	+110
Office of Inspector General	88,548	90,755	79,376	84,121	-4,427	-6,634	+4,745
Office of the General Counsel	41,416	46,058	34,929	39,345	-2,071	-6,713	+4,416
Total, Departmental Administration	538,101	636,517	442,333	504,667	-33,434	-131,850	+62,334

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2012—Continued
[In thousands of dollars]

Item	2011 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2010 appropriation	Budget estimate	House allowance
Office of the Under Secretary for Research, Education, and Economics	893	911	754	848	-45	-63	+94
Economic Research Service	81,814	85,971	69,454	77,723	-4,091	-8,248	+8,269
National Agricultural Statistics Service	156,447	165,421	148,340	152,616	-3,831	-12,805	+4,276
Census of Agriculture	(33,139)	(41,639)	(40,000)	(41,639)	(+8,500)	.....	(+1,639)
Agricultural Research Service:							
Salaries and expenses	1,133,230	1,137,690	987,581	1,094,647	-38,583	-43,043	+107,066
National Institute of Food and Agriculture:							
Research and education activities	698,740	708,107	591,748	709,825	+11,085	+1,718	+118,077
Native American Institutions Endowment Fund	(11,880)	(11,880)	(11,880)	(11,880)	.....	.....	.....
Extension activities	479,132	466,788	407,993	478,179	-953	+11,391	+70,186
Integrated activities	36,926	29,874	12,303	25,948	-10,978	-3,926	+13,645
Hispanic-Serving Agricultural Colleges and Universities Endowment Fund .....	.....	(10,000)	.....	(10,000)	(+10,000)	.....	(+10,000)
Total, National Institute of Food and Agriculture	1,214,798	1,204,769	1,012,044	1,213,952	-846	+9,183	+201,908
Office of the Under Secretary for Marketing and Regulatory Programs	893	911	754	848	-45	-63	+94
Animal and Plant Health Inspection Service:							
Salaries and expenses	863,270	832,706	783,838	820,110	-43,160	-12,596	+36,272
Assistance, goods, or services (user fees) NA .....	.....	(141,000)	.....	.....	.....	(-141,000)	.....
Buildings and facilities	3,529	4,712	3,175	3,176	-353	-1,536	+1
Total, Animal and Plant Health Inspection Service	866,799	837,418	787,013	823,286	-43,513	-14,132	+36,273
Agricultural Marketing Service:							
Marketing Services	86,538	94,755	77,193	82,211	-4,327	-12,544	+5,018
Standardization activities (user fees) NA	(65,000)	(66,000)	(66,000)	(65,000)	.....	(-1,000)	(-1,000)
(Limitation on administrative expenses, from fees collected)	(60,947)	(62,101)	(61,000)	(62,101)	(+1,154)	.....	(+1,101)

Funds for strengthening markets, income, and supply (Section 32):
Permanent, Section 32
Marketing agreements and orders (transfer from section 32)
Payments to States and Possessions
Total, Agricultural Marketing Service program
Grain Inspection, Packers and Stockyards Administration:
Salaries and expenses
Limitation on inspection and weighing services
Office of the Under Secretary for Food Safety
Food Safety and Inspection Service
Lab accreditation fees
Total, Production, Processing, and Marketing
Farm Assistance Programs
Office of the Under Secretary for Farm and Foreign Agricultural Services
Farm Service Agency:
Salaries and expenses
Equal Credit Opportunity claims (leg. proposal)
(Transfer from Food for Peace (Public Law 480))
(Transfer from export loans)
(Transfer from ACFI)
Subtotal, transfers from program accounts
Total, Salaries and expenses
State mediation grants
Grassroot source water protection program
Dairy indemnity program
Subtotal, Farm Service Agency

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2012—Continued
[In thousands of dollars]

Item	2011 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2010 appropriation	Budget estimate	House allowance
Agricultural Credit Insurance Fund (ACIF) Program Account:							
Loan authorizations:							
Farm ownership loans:							
Direct	(474,050)	(475,000)	(471,292)	(475,000)	(+ 950)	.....	(+ 3,708)
Guaranteed	(1,497,000)	(1,500,000)	(1,500,000)	(1,500,000)	(+ 3,000)	.....	.....
Subtotal	(1,971,050)	(1,975,000)	(1,971,292)	(1,975,000)	(+ 3,950)	.....	(+ 3,708)
Farm operating loans:							
Direct	(947,607)	(1,050,090)	(1,041,901)	(1,019,982)	(+ 72,375)	(- 30,108)	(- 21,919)
Unsubsidized guaranteed	(1,496,996)	(1,500,000)	(1,488,276)	(1,500,000)	(+ 3,004)	.....	(+ 11,724)
Subsidized guaranteed	(122,097)	.....	.....	.....	(- 122,097)	.....	.....
Subtotal	(2,566,700)	(2,550,090)	(2,530,177)	(2,519,982)	(- 46,718)	(- 30,108)	(- 10,195)
Indian tribe land acquisition loans	(3,940)	(2,000)	(2,000)	(2,000)	(- 1,940)	.....	.....
Conservation loans:							
Guaranteed .....	.....	(150,000)	(150,000)	(150,000)	(+ 150,000)	.....	.....
Indian Highly Fractionated Land Loans .....	.....	(10,000)	(9,896)	(10,000)	(+ 10,000)	.....	(+ 104)
Boll weevil eradication loans	(100,000)	(60,000)	(100,000)	(100,000)	.....	(+ 40,000)	.....
Total, Loan authorizations	(4,641,690)	(4,747,090)	(4,763,365)	(4,756,982)	(+ 115,292)	(+ 9,892)	(- 6,383)
Loan subsidies:							
Farm ownership loans:							
Direct	32,804	22,800	22,622	22,800	- 10,004	.....	+ 178
Guaranteed	5,689	.....	.....	.....	- 5,689	.....	.....
Subtotal	38,493	22,800	22,622	22,800	- 15,693	.....	+ 178
Farm operating loans:							
Direct	57,425	59,120	58,659	57,425	.....	- 1,695	- 1,234
Unsubsidized guaranteed	34,880	26,100	25,896	26,100	- 8,780	.....	+ 204

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2012—Continued
[In thousands of dollars]

Item	2011 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2010 appropriation	Budget estimate	House allowance
TITLE II—CONSERVATION PROGRAMS							
Office of the Under Secretary for Natural Resources and Environment	893	911	754	848	-45	-63	+ 94
Natural Resources Conservation Service:							
Conservation operations	870,503	898,647	764,943	828,159	-42,344	-70,488	+ 63,216
Watershed rehabilitation program	17,964	.....	14,883	.....	-17,964	.....	- 14,883
Total, Natural Resources Conservation Service	888,467	898,647	779,826	828,159	-60,308	-70,488	+ 48,333
Total, Title II, Conservation Programs	889,360	899,558	780,580	829,007	-60,353	-70,551	+ 48,427
TITLE III—RURAL DEVELOPMENT							
Office of the Under Secretary for Rural Development	893	911	754	848	-45	-63	+ 94
Rural Development:							
Rural development expenses:							
Salaries and expenses	191,603	234,301	159,755	182,023	-9,580	-52,278	+ 22,268
(Transfer from RHIF)	(453,474)	(411,779)	(396,880)	(430,800)	(-22,674)	(+ 19,021)	(+ 33,920)
(Transfer from RDLFP)	(4,931)	(4,941)	(3,473)	(4,684)	(-247)	(-257)	(+ 1,211)
(Transfer from RETLP)	(38,297)	(39,959)	(29,766)	(36,382)	(-1,915)	(-3,577)	(+ 6,616)
Subtotal, Transfers from program accounts	(496,702)	(456,679)	(430,119)	(471,866)	(-24,836)	(+ 15,187)	(+ 41,747)
Total, Rural development expenses	(688,305)	(690,980)	(589,874)	(653,889)	(-34,416)	(-37,091)	(+ 64,015)
Rural Housing Service:							
Rural Housing Insurance Fund Program Account:							
Loan authorizations:							
Single family direct (Sec. 502)	(1,119,163)	(211,416)	(839,070)	(900,000)	(-219,163)	(+ 688,584)	(+ 60,930)
Unsubsidized guaranteed	(24,000,000)	(24,000,000)	(24,000,000)	(24,000,000)	.....	.....	.....

Subtotal, Single family	(25,119,163)	(24,211,416)	(24,839,070)	(24,900,000)	(- 219,163)	(- 688,584)	(+ 60,930)
Housing repair (Sec. 504)	(23,313)	.....	.....	(10,000)	(- 13,313)	(+ 10,000)	(+ 10,000)
Rental housing (Sec. 515)	(69,372)	.....	.....	(64,478)	(- 4,894)	(- 30,758)	(+ 6,319)
Site loans (Sec. 524)	(5,041)	(95,236)	(58,159)	.....	(- 5,041)	.....	.....
Multi-family housing guarantees (Sec. 538)	(30,898)	.....	.....	(130,000)	(+ 99,102)	(+ 130,000)	(+ 130,000)
Multi-family housing credit sales	(1,446)	.....	.....	.....	(- 1,446)	.....	.....
Single family housing credit sales	(10,000)	.....	.....	(10,000)	.....	(+ 10,000)	(+ 10,000)
Self-help housing land develop. (Sec. 523)	(4,956)	.....	.....	(5,000)	(+ 44)	(+ 5,000)	(+ 5,000)
Farm Labor Housing (Sec. 514)	(25,673)	(27,288)	(18,159)	(23,426)	(- 2,247)	(- 3,862)	(+ 5,267)
Total, Loan authorizations	(25,289,862)	(24,333,940)	(24,915,388)	(25,142,904)	(- 146,958)	(+ 808,964)	(+ 227,516)
Loan subsidies:							
Single family direct (Sec. 502)	70,060	10,000	39,688	42,570	- 27,490	+ 32,570	+ 2,882
Housing repair (Sec. 504)	4,413	.....	.....	1,421	- 2,992	+ 1,421	+ 1,421
Rental housing (Sec. 515)	23,399	32,495	19,844	22,000	- 1,399	- 10,495	+ 2,156
Multi-family housing guarantees (Sec. 538)	2,994	.....	.....	.....	- 2,994	.....	.....
Site development loans (Sec. 524)	293	.....	.....	.....	- 293	.....	.....
Multi-family housing credit sales	555	.....	.....	.....	- 555	.....	.....
Farm labor housing (Sec. 514)	9,853	9,319	6,201	8,000	- 1,853	- 1,319	+ 1,799
Self-help land dev. housing loans (Sec. 523)	287	.....	.....	.....	- 287	.....	.....
Total, Loan subsidies	111,854	51,814	65,733	73,991	- 37,863	+ 22,177	+ 8,258
Farm labor housing grants	9,854	9,873	6,201	8,000	- 1,854	- 1,873	+ 1,799
RHF administrative expenses (transfer to RD)	453,474	411,779	396,880	430,800	- 22,674	+ 19,021	+ 33,920
Total, Rural Housing Insurance Fund program	575,182	473,466	468,814	512,791	- 62,391	+ 39,325	+ 43,977
(Loan authorization)	(25,289,862)	(24,333,940)	(24,915,388)	(25,142,904)	(- 146,958)	(+ 808,964)	(+ 227,516)
Rental assistance program:							
Rental assistance (Sec. 521)	948,704	900,653	879,089	900,653	- 48,051	.....	+ 21,564
New construction (Sec. 515)	2,026	3,000	1,488	2,000	- 26	- 1,000	+ 512
New construction (Farm Labor Housing)	2,994	3,000	2,481	2,000	- 994	- 1,000	- 481
Total, Rental assistance program	953,724	906,653	883,058	904,653	- 49,071	- 2,000	+ 21,595
Rural housing voucher program	13,972	16,000	10,914	11,000	- 2,972	- 5,000	+ 86
Multi-family housing revitalization program	14,970	.....	.....	2,000	- 12,970	+ 2,000	+ 2,000
Multi-family housing preservation revolving loans	998	.....	.....	.....	- 998	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2012—Continued
[In thousands of dollars]

Item	2011 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
					2010 appropriation	Budget estimate
Total, Multi-family housing revitalization	29,940	16,000	10,914	13,000	- 16,940	- 3,000
Mutual and self-help housing grants	36,926	.....	21,828	30,000	- 6,926	+ 30,000
Rural housing assistance grants	40,319	11,520	31,750	34,271	- 6,048	+ 22,751
Rural community facilities program account:						
Loan authorizations:						
Community facility:						
Direct	(289,945)	(1,000,000)	(1,000,000)	(1,300,000)	(+ 1,010,055)	(+ 300,000)
Guaranteed	(167,411)	.....	(104,884)	.....	(- 167,411)	.....
Total, Loan authorizations	(457,356)	(1,000,000)	(1,104,884)	(1,300,000)	(+ 842,644)	(+ 300,000)
Loan subsidies and grants:						
Community facility:						
Direct	3,856	.....	.....	.....	- 3,856	.....
Guaranteed	6,613	.....	4,961	.....	- 6,613	.....
Grants	14,970	30,000	9,922	12,725	- 2,245	- 17,275
Rural community development initiative	4,990	8,400	2,977	4,242	- 748	- 4,158
Economic impact initiative grants	6,986	.....	.....	5,938	- 1,048	+ 5,938
Tribal college grants	3,964	.....	.....	3,369	- 595	+ 3,369
Total, RCFP Loan subsidies and grants	41,379	38,400	17,860	26,274	- 15,105	- 12,126
Subtotal, grants and payments	118,624	49,920	71,438	90,545	- 28,079	+ 40,625
Total, Rural Housing Service	1,677,470	1,446,039	1,434,224	1,520,989	- 156,481	+ 74,950
(Loan authorization)	(25,747,218)	(25,333,940)	(26,020,272)	(26,442,904)	(+ 695,686)	(+ 1,108,964)
Rural Business-Cooperative Service:						
Rural Business Program Account:						
(Guaranteed business and industry loans)	(887,332)	(822,884)	(622,069)	(822,886)	(- 64,446)	(+ 2)
						(+ 200,817)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2012—Continued
[In thousands of dollars]

Item	2011 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2010 appropriation	Budget estimate	House allowance
Total, Renewable energy program	4,990	36,788	2,282	4,500	-490	-32,288	+2,218
Total, Rural Business-Cooperative Service	-74,221	-56,330	-57,963	-31,236	+42,985	+25,094	+26,727
(Loan authorization)	(944,934)	(925,432)	(674,146)	(885,215)	(-59,719)	(-40,217)	(+211,069)
Rural Utilities Service:							
Rural water and waste disposal program account:							
Loan authorizations:	(896,469)	(770,230)	(724,990)	(730,689)	(-165,780)	(-39,541)	(+5,699)
Direct	(75,000)	(11,950)	.....	(75,000)	.....	(+63,050)	(+75,000)
Guaranteed							
Total, Loan authorization	971,469	782,180	724,990	805,689	-165,780	+23,509	+80,699
Loan subsidies and grants:							
Direct subsidy	76,917	73,788	69,454	70,000	-6,917	-3,788	+546
Guaranteed subsidy .....	.....	190	.....	.....	.....	-190	.....
Water and waste revolving fund	496	497	493	422	-74	-75	-71
Water well system grants	991	993	985	844	-147	-149	-141
Colonias and AK/HI grants	69,860	65,000	64,493	67,200	-2,660	+2,200	+2,707
Water and waste technical assistance	19,461	19,000	18,852	19,000	-461	.....	+148
Circuit rider program	14,970	14,000	13,891	15,000	+30	+1,000	+1,109
Solid waste management grants	3,434	4,000	3,373	2,919	-515	-1,081	-454
High energy cost grants	11,976	.....	.....	10,000	-1,976	+10,000	+10,000
Water and waste disposal grants	329,839	311,510	324,559	323,910	-5929	+12,400	-649
Total, Loan subsidies and grants	527,944	488,978	496,100	509,295	-18,649	+20,317	+13,195
Rural Electrification and Telecommunications Loans Program Account:							
Loan authorizations:	(100,000)	(100,000)	(100,000)	(100,000)	.....	.....	.....
Electric:							
Direct, 5 percent							

Direct, FFB	(6,500,000)	(6,000,000)	(6,500,000)	(6,500,000)	(-74,714)	(+500,000)	.....
Guaranteed underwriting	(499,000)	.....	.....	.....	(-74,714)	(+424,286)	(+424,286)
Subtotal, Electric							
Telecommunications:							
Direct, 5 percent	(145,000)	(145,000)	(145,000)	(145,000)			
Direct, Treasury rate	(250,000)	(250,000)	(250,000)	(250,000)			
Direct, FFB	(295,000)	(295,000)	(295,000)	(295,000)			
Subtotal, Telecommunications							
Subtotal, Telecommunications	(690,000)	(690,000)	(690,000)	(690,000)			
Total, Loan authorizations	(7,789,000)	(6,790,000)	(7,290,000)	(7,714,286)	(-74,714)	(+924,286)	(+424,286)
Loan subsidies:							
Electric:							
Guaranteed underwriting	699	.....	.....	.....	-105	+594	+594
RETLP administrative expenses (transfer to RD)	38,297	39,959	29,766	36,382	-1,915	-3,577	+6,616
Total, Rural Electrification and Telecommunications							
Loans Program Account	38,996	39,959	29,766	36,976	-2,020	-2,983	+7,210
(Loan authorization)	(7,789,000)	(6,790,000)	(7,290,000)	(7,714,286)	(-74,714)	(+924,286)	(+424,286)
Distance learning, telemedicine, and broadband program:							
Loan authorizations:							
Broadband telecommunications	(399,200)	.....	(210,360)	(282,686)	(-116,514)	(+282,686)	(+72,326)
Total, Loan authorizations	(399,200)	.....	(210,360)	(282,686)	(-116,514)	(+282,686)	(+72,326)
Loan subsidies and grants:							
Distance learning and telemedicine:							
Grants	32,435	30,000	14,883	28,570	-3,865	-1,430	+13,687
Broadband telecommunications:							
Direct	22,275	.....	5,953	8,000	-14,275	+8,000	+2,047
Grants	13,379	17,976	.....	10,372	-3,007	-7,604	+10,372
Total, Loan subsidies and grants	68,089	47,976	20,836	46,942	-21,147	-1,034	+26,106
Total, Rural Utilities Service	635,029	576,913	546,702	593,213	-41,816	+16,300	+46,511
(Loan authorization)	(9,159,669)	(7,572,180)	(8,225,350)	(8,802,661)	(-357,008)	(+1,230,481)	(+577,311)
Total, Title III, Rural Development Programs ..	2,430,774	2,201,834	2,083,472	2,265,837	-164,937	+64,003	+182,365

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2012—Continued
[In thousands of dollars]

Item	2011 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2010 appropriation	Budget estimate	House allowance
(By transfer)	(496,702)	(456,679)	(430,119)	(471,866)	(-24,836)	(+15,187)	(+41,747)
(Loan authorization)	(35,851,821)	(33,831,552)	(34,919,768)	(36,130,780)	(+278,959)	(+2,299,228)	(+1,211,012)
TITLE IV—DOMESTIC FOOD PROGRAMS							
Office of the Under Secretary for Food, Nutrition and Consumer Services	811	828	684	770	-41	-58	+86
Food and Nutrition Service:							
Child nutrition programs	12,046,217	18,770,571	18,770,442	18,150,176	+6,103,959	-620,395	-620,266
Competitive grants .....	.....	5,000	.....	.....	.....	-5,000	.....
School breakfast program grants .....	.....	10,000	.....	1,000	+1,000	-9,000	+1,000
Childhood Hunger challenge grants .....	.....	25,000	.....	.....	.....	-25,000	.....
Transfer from section 32	5,277,574	.....	.....	.....	-5,277,574	.....	.....
.2 Percent (rescission) (discretionary)	-48	.....	.....	.....	+48	.....	.....
Total, Child nutrition programs	17,323,743	18,810,571	18,770,442	18,151,176	+827,433	-659,395	-619,266
Special supplemental nutrition program for women, infants, and children (WIC)	6,734,027	7,390,100	6,001,074	6,582,497	-151,530	-807,603	+581,423
Supplemental nutrition assistance program:							
(Food stamp program)	67,613,363	68,173,308	68,173,308	77,402,722	+9,789,359	+9,229,414	+9,229,414
Reserve	3,000,000	5,000,000	3,000,000	3,000,000	.....	-2,000,000	.....
Center for Nutrition Policy and Promotion .....	.....	1,500	.....	.....	.....	-1,500	.....
Grants to States and technical assistance .....	.....	9,000	.....	.....	.....	-9,000	.....
.2 Percent (rescission) (discretionary)	-97	.....	.....	.....	+97	.....	.....
Total, Food stamp program	70,613,266	73,183,808	71,173,308	80,402,722	+9,789,456	+7,218,914	+9,229,414
Commodity assistance program:							
Commodity supplemental food program	175,697	176,788	141,960	176,788	+1,091	.....	+34,828
Farmers market nutrition program	19,960	20,000	15,000	16,548	-3,412	-3,452	+1,548
Emergency food assistance program	49,401	50,000	38,000	48,000	-1,401	-2,000	+10,000

Pacific island and disaster assistance	1,088	1,081	1,000	1,000	—68	—81	.....
IT modernization and support		1,750				—1,750	.....
Total, Commodity assistance program	246,126	249,619	195,960	242,336	—3,790	—7,283	+46,376
Nutrition programs administration	147,505	170,471	124,025	140,130	—7,375	—30,341	+16,105
Total, Food and Nutrition Service	95,064,667	99,804,569	96,264,809	105,518,861	+10,454,194	+5,714,292	+9,254,052
Total, Title IV, Domestic Food Programs	95,065,478	99,805,397	96,265,493	105,519,631	+10,454,153	+5,714,234	+9,254,138
TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS							
Foreign Agricultural Service							
Salaries and expenses	185,628	229,730	171,155	176,347	—9,281	—53,383	+5,192
(Transfer from export loans)	(6,452)	(6,465)	(6,415)	(6,129)	(—323)	(—336)	(—286)
Total, Salaries and expenses	192,080	236,195	177,570	182,476	—9,604	—53,719	+4,906
Food for Peace Title I Direct Credit and Food for Progress Program Account, Administrative Expenses:							
Farm Service Agency, Salaries and expenses (transfer to FSA)	2,806	2,812	2,366	2,666	—140	—146	+300
Food for Peace Title II Grants:							
Expenses	1,497,000	1,690,000	1,032,084	1,562,000	+65,000	—128,000	+529,916
Commodity Credit Corporation Export Loans Program Account (administrative expenses):							
Salaries and expenses (Export Loans):							
General Sales Manager (transfer to FAS)	6,452	6,465	6,415	6,129	—323	—336	—286
Farm Service Agency S&E (transfer to FSA)	354	355	352	336	—18	—19	—16
Total, CCC Export Loans Program Account	6,806	6,820	6,767	6,465	—341	—355	—302
McGovern-Dole international food for education and child nutrition program grants	199,101	200,500	178,596	188,000	—11,101	—12,500	+9,404
Total, Title V, Foreign Assistance and Related Programs	1,891,341	2,129,862	1,390,968	1,935,478	+44,137	—194,384	+544,510
(By transfer)	(6,452)	(6,465)	(6,415)	(6,129)	(—323)	(—336)	(—286)

Item	2011 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2010 appropriation	Budget estimate	House allowance
TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Food and Drug Administration							
Salaries and expenses, direct appropriation	2,447,021	2,730,910	2,147,958	2,497,021			
Prescription drug user fees	(667,057)	(856,041)	(856,041)	(702,172)	+50,000	+349,063	
Medical device user fees	(61,860)	(67,118)	(67,118)	(57,605)	(+35,115)	(-153,869)	
Animal drug user fees	(19,448)	(21,768)	(21,768)	(21,768)	(-4,255)	(-9,513)	
Generic animal drug user fees	(5,397)	(5,706)	(5,706)	(5,706)	(+2,320)		
Tobacco product user fees	(450,000)	(477,000)	(477,000)	(477,000)	(+309)		
Food and Feed Export Certification user fees		(12,364)	(12,364)	(12,364)	(+27,000)		
Food Reinspection fees		(14,700)	(14,700)	(14,700)	(+12,364)		
Voluntary qualified importer program fees		(71,066)	(36,000)	(71,066)	(+14,700)		
Mammography user fees	(19,318)	(19,318)	(19,318)	(19,318)	(+71,066)	(+35,066)	
Export certification user fees	(10,400)	(11,667)	(10,400)	(11,667)		(+1,267)	
Subtotal, FDA (with user fees)	(3,680,501)	(4,287,658)	(3,668,373)	(3,890,387)	(+209,886)	(+222,014)	
FDA New User Fees (Leg. proposals):							
Generic drug review user fees		(40,122)					
Reinspection fees		(14,108)					
International express courier import fees		(5,338)					
Subtotal, FDA new user fees (Leg Proposals)		(59,568)					
Buildings and facilities	9,980	13,055	8,719	8,982	-998	+263	
Total, FDA (w/user fees, including proposals)	(3,690,481)	(4,360,281)	(3,677,092)	(3,899,369)	(+208,888)	(+222,277)	
Total, FDA (w/enacted user fees only)	(3,690,481)	(4,300,713)	(3,677,092)	(3,899,369)	(+208,888)	(+222,277)	
Total, FDA (excluding user fees)	2,457,001	2,743,965	2,156,677	2,506,003	+49,002	+349,326	

INDEPENDENT AGENCIES						
Farm Credit Administration (limitation on administrative expenses)						
Total, Title VI. Related Agencies and Food and Drug Administration	(59,400)	(62,000)	(62,000)	(+ 2,600)	-237,962	+ 349,326
TITLE VII—GENERAL PROVISIONS						
Limit fruit and vegetable program (Sec. 726 (13))	-117,000	-114,478	-133,000	-16,000	-18,522	-150,000
Section 32 (rescission) (Sec. 726 (13)) .....	.....	.....	-150,000	-150,000	-150,000	-500
Forestry Incentives program (Sec. 730) (rescission) .....	.....	.....	-5,500	-6,000	-6,000	-500
Great Plains Conservation (Sec. 730) (rescission) .....	.....	.....	-500	-1,000	-1,000	.....
Supplemental Nutrition Assistance Program Employment and Training (rescission) (Sec. 731)	-15,000	.....	-11,000	+4,000	-11,000	.....
Limit Conservation stewardship (Sec. 726 (11))	-39,000	-2,000	-210,000	+4,000	-33,000	+175,000
Limit Dam Rehab (Sec. 726 (2))	-165,000	-165,000	-165,000	.....	.....	.....
Limit Environmental Quality Incentives program (Sec. 726 (3))	-350,000	-342,000	-350,000	.....	-8,000	.....
Limit Farmland Protection program (Sec. 726(4)) .....	.....	.....	-50,000	-50,000	-50,000	.....
Limit Grasslands reserve (Sec. 726 (5)) .....	.....	-50,000	-30,000	-50,000	-50,000	-20,000
Limit Wetlands reserve (Sec. 726 (6))	-119,000	-9,000	-200,000	-81,000	-191,000	.....
Limit Wildlife habitat incentives (Sec. 726 (7)) .....	.....	-12,000	-35,000	-35,000	-23,000	.....
Limit Voluntary Public Access program (Sec. 726 (8)) .....	.....	.....	-17,000	-17,000	-17,000	.....
Limit Biomass Crop Assistance program	-134,000	.....	-45,000	+134,000	.....	+45,000
Limit Bioenergy Program for Advanced Biofuels (Sec. 726 (9)) .....	.....	.....	-50,000	-30,000	-30,000	+20,000
Limit Renewable Energy for America (Sec. 726 (10)) .....	.....	.....	-70,000	-36,000	-36,000	+34,000
Limit Microenterprise investment program .....	.....	.....	-3,000	.....	.....	+3,000
Limit Crop Insurance Good Performance (Sec. 726 (11))	-25,000	.....	-25,000	.....	-25,000	.....
Limit Agriculture management assistance (Sec. 726 (12)) .....	.....	-5,000	-5,000	-5,000	.....	.....
Hardwood Trees (Reforestation Pilot Program) (Sec. 722)	639	.....	.....	-39	+600	+600
Geographic Disadvantaged farmers (Sec. 721)	1,996	.....	.....	.....	+1,996	+1,996
Agricultural Research Service, Buildings and facilities (rescission)	-229,582	-223,749	.....	+229,582	+223,749	.....
Broadband loan balances (rescission)	-39,000	.....	.....	+39,000	.....	.....
NIFA, Buildings and Facilities (rescission)	-1,037	-1,037	.....	+1,037	+1,037	.....
Wildlife Habitat Incentives unobligated (rescission) .....	.....	-10,188	.....	.....	+10,188	.....
Water Bank Act unobligated (rescission) .....	.....	-745	.....	.....	+745	.....
NRCS expired accounts (rescission)	-13,937	.....	.....	+13,937	.....	.....
Outreach for socially disadvantaged farmers (rescission)	-2,137	.....	.....	+2,137	.....	.....
Rural community advancement program (rescission)	-993	.....	.....	+993	.....	.....
Agriculture Marketing Services (rescission)	-717	.....	.....	+717	.....	.....
Common Computing Environment (rescission)	-3,111	.....	.....	+3,111	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2011 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2012—Continued
[In thousands of dollars]

Item	2011 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2010 appropriation	Budget estimate	House allowance
Animal and Plant Health Inspection Service (APHIS) Buildings and Facilities (rescission)	— 629	.....	.....	.....	+ 629	.....	.....
Agriculture Buildings and Facilities (rescission)	— 45,000	.....	.....	.....	+ 45,000	.....	.....
Animal and Plant Health Inspection Service (APHIS) (rescission)	— 10,887	.....	.....	.....	+ 10,887	.....	.....
Broadband grants (rescission)	— 25,000	.....	.....	.....	+ 25,000	.....	.....
Export credit (rescission)	— 331,000	.....	.....	.....	+ 331,000	.....	.....
Trade Adjustment Assistance for Farmers (Sec. 729) (rescission) .....	.....	.....	— 90,000	.....	.....	.....	+ 90,000
Limit Emergency Food Assistance program (Sec. 730) .....	.....	.....	— 51,000	.....	.....	.....	+ 51,000
U.S. Department of Agriculture Unobligated balances (rescission) .....	.....	.....	— 63,000	.....	.....	.....	+ 63,000
OAQ (rescission) (Sec. 730) .....	.....	.....	.....	— 4,000	— 4,000	— 4,000	— 4,000
Ocean freight (rescission) (Sec. 730) .....	.....	.....	.....	— 5,000	— 5,000	— 5,000	— 5,000
Public Law 480 Title I (rescission) (Sec. 730) .....	.....	.....	.....	— 3,000	— 3,000	— 3,000	— 3,000
Foreign Currency Program (rescission) (sec. 730) .....	.....	.....	.....	— 537	— 537	— 537	— 537
Limit payments to Brazil Cotton Institute .....	.....	.....	.....	.....	.....	.....	.....
Watershed and flood protection program .....	.....	.....	2,977	.....	.....	.....	.....
GSA rent (rescission) .....	.....	.....	.....	.....	.....	.....	— 2,977
NIFA B&F (rescission) (Sec. 730) .....	.....	.....	.....	— 2,494	— 2,494	— 2,494	— 2,494
Export credit (rescission) (Sec. 730) .....	.....	.....	.....	— 15,000	— 15,000	— 15,000	— 15,000
Emergency Conservation Program (disaster relief category) (Sec. 732) .....	.....	.....	.....	78,000	+ 78,000	+ 78,000	+ 78,000
Emergency Forest Restoration (disaster relief category) (Sec. 732) .....	.....	.....	.....	49,000	+ 49,000	+ 49,000	+ 49,000
Emergency Watershed Protection (disaster relief category) (Sec. 732) ..	.....	.....	.....	139,000	+ 139,000	+ 139,000	+ 139,000
Total, Title VII, General provisions	— 1,664,395	— 935,197	— 1,756,023	— 1,060,435	+ 603,960	— 125,238	+ 695,588
Grand total¹	130,559,669	132,278,780	125,359,837	136,955,373	+ 6,395,704	+ 4,676,593	+ 11,595,536
Appropriations	(131,484,699)	(132,756,293)	(125,834,837)	(137,042,404)	(+ 5,557,705)	(+ 4,286,111)	(+ 11,207,567)
Rescissions	(— 925,030)	(— 477,513)	(— 475,000)	(— 353,031)	(+ 571,999)	(+ 124,482)	(+ 121,969)
Disaster relief category .....	.....	.....	.....	(266,000)	(+ 266,000)	(+ 266,000)	(+ 266,000)
(By transfer)	(831,347)	(799,540)	(718,004)	(790,781)	(— 40,566)	(— 8,759)	(+ 72,777)
(Loan authorization)	(40,493,511)	(38,578,642)	(39,683,133)	(40,887,762)	(+ 394,251)	(+ 2,309,120)	(+ 1,204,629)

(Limitation on administrative expenses)	(172,847)	(179,101)	(175,500)	(179,101)	(+ 6,254)	.....	(+ 3,601)
RECAPITULATION							
Title I—Agricultural programs	29,490,110	25,433,361	24,438,670	24,959,852	—4,530,258	—473,509	+ 521,182
Mandatory	(22,604,683)	(18,293,475)	(18,293,475)	(18,293,475)	(—4,311,208)	.....	.....
Discretionary	(6,885,427)	(7,139,886)	(6,145,195)	(6,666,377)	(—219,050)	(—473,509)	(+ 521,182)
Title II—Conservation programs (discretionary)	889,360	899,558	780,580	829,007	—60,353	—70,551	+ 48,427
Title III—Rural development (discretionary)	2,430,774	2,201,834	2,083,472	2,265,837	—164,937	+ 64,003	+ 182,365
Title IV—Domestic food programs	95,065,478	99,805,397	96,265,493	105,519,631	+ 10,454,153	+ 5,714,234	+ 9,254,138
Mandatory	(87,937,154)	(91,943,879)	(89,943,750)	(88,552,898)	(+ 10,615,744)	(+ 6,609,019)	(+ 8,609,148)
Discretionary	(7,128,324)	(7,861,518)	(6,321,743)	(6,966,733)	(—161,591)	(—894,785)	(+ 644,990)
Title V—Foreign assistance and related programs (discretionary)	1,891,341	2,129,862	1,390,968	1,935,478	+44,137	—194,384	+ 544,510
Title VI—Related agencies and Food and Drug Administration (discretionary)	2,457,001	2,743,965	2,156,677	2,506,003	+49,002	—237,962	+ 349,326
Title VII—General provisions (discretionary)	—1,664,395	—935,197	—1,756,023	—1,060,435	+ 603,960	—125,238	+ 695,588
Total ¹	130,559,669	132,278,780	125,359,837	136,955,373	+ 6,395,704	+ 4,676,593	+ 11,595,536

¹ Excludes CFTC fiscal year 2011 funding (\$202.675 million) (\$202.270 million after ATB) provided in Financial Services and General Government Appropriations Act.