



## THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

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# SPECIAL REPORT - SENATE FY 2011 AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION APPROPRIATIONS AND CALIFORNIA IMPLICATIONS - SEPTEMBER 2010

On July 15, 2010, the Senate Appropriations Committee reported S. 3606 (S.Rpt. 111-221), the Fiscal Year 2011 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Energy by a vote of 17-12. The bill provides a total of \$132,053,999,000 for agriculture, conservation, rural development, domestic food and other programs for fiscal year 2011, \$25,799,000 more than the budget request and \$10,483,185,000 more than the FY10 appropriations.

This document provides a California-oriented analysis of the appropriations prepared by the staff of the California Institute for Federal Policy Research. It is available on the Institute's website at: <http://www.calinst.org/ag11senate.shtml> or alternatively in pdf format at: <http://www.calinst.org/ag11senate.pdf>.

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## AGRICULTURE PROGRAMS

The Committee recommends \$30,259,695,000 for agriculture programs. The FY10 appropriation was \$30,191,573,000. These programs include departmental administration, executive operations, agriculture research service, hazardous materials management, food safety and inspection service, Federal Crop Insurance Corporation Fund, the Commodity Credit Corporation Fund, among other programs.

### Agriculture Research Service

The Committee recommends \$1,216,825,000 for agriculture research service. The FY10 appropriations were \$1.1 trillion and the budget request for FY11 was \$1.2 trillion. The Agricultural Research Service [ARS] is responsible for conducting basic, applied, and developmental research on: soil, water, and air sciences; plant and animal productivity; commodity conversion and delivery; human nutrition; and the integration of agricultural systems. The research applies to a wide range of goals; commodities; natural resources; fields of science; and geographic, climatic, and environmental conditions.

Included in this recommendation is an increase of \$400,000 for development of diversified rice farming techniques, as part of the overall increase provided for crop breeding and protection to enhance food production and security.

The Committee recommendation also includes \$340,000 for a congressionally-designated project at the Water Management Research Laboratory in Brawley, CA.

**Agriculture Research Service: Building and Facilities**

The Committee recommends \$44,000,000 for Agriculture Research Service building and facilities, over \$26 million less than the FY10 appropriation of \$70,873,000.

The Report states that the “Committee is aware that there are funds remaining in the San Joaquin Valley Agricultural Science Center, Parlier, California, and that the Center could benefit from the acquisition of additional land to support their research mission. The Committee directs ARS to use these remaining funds for site acquisition in support of the research mission at the San Joaquin Valley Agricultural Science Center.”

**National Institute of Food and Agriculture Research and Education Activities**

The Committee recommends \$780,720,000 for research and education activities. The FY10 appropriations were \$788,243,000 and the budget request for FY11 was \$838,729,000. 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 (USDA), and the agricultural industry of America.

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

(In Thousands)

- Fresh Produce Food Safety (CA) - \$750,000
- Pierce's Disease and Invasive Pest Research (CA) - \$2,000,000
- Viticulture Consortium (CA) - \$1,000,000
- Applied Agriculture and Environment Research for the California State University (CA) - \$350,000

**Animal and Plant Health Inspection Service**

The Committee recommends \$926,609,000 for animal and plant health inspection services. The FY10 appropriations were \$904,953,000 and the budget request for FY11 was \$870,576,000. The Committee recommendation includes \$619,000 for the California county pest detection augmentation program at the California Department of Food and Agriculture.

Included are the Committee's following specific recommendations for the Animal and Plant Health Inspection Service:

- Fruit Fly Exclusion and Detection - 63,568,000, the same as the budget request
- Glasse-winged Sharpshooter - \$23,066,000, compared to the FY10 appropriation of \$22,983,000 and the budget request of \$22,360,000
- Light Brown Apple Moth - \$10,010,000, compared to the FY10 appropriation of \$1,008,000 and the budget request of \$11,010,000
- Gypsy Moth - \$5,481,000, compared to the FY10 appropriation of \$5,420,000 and the budget request of \$4,981,000 .

**Agricultural Marketing Service**

The Committee recommends an appropriation of \$96,955,000 for marketing services of the Agricultural Marketing Service. The FY10 appropriations were \$91,148,000 and the budget request for FY11 was \$97,255,000. The Committee recommendation includes increases of \$891,000 for the Pesticide Data Program, \$250,000 for Microbiological Data Program sampling, and \$920,000 for the Know Your Farmer Know Your Food initiative.

*Organics* - The Report states: “The Committee is greatly concerned by the inability of the Department

of Agriculture to take immediate remedial actions upon strong evidence that products certified as organic may, in fact, not be eligible for such designation. The Committee has recommended an additional \$3,111,000 for operations of the National Organics Program (NOP) and directs the Secretary to conduct a full review of the Department's authorities for enforcement of the NOP. The Secretary is directed to provide a written report to the Committee by March 1, 2011, on steps taken to improve enforcement of the Organic Standards Act."

### **Payments to States and Possessions**

The Committee recommends \$2,484,000 for conservation programs. The FY10 appropriation was \$1,334,000 and the budget request for FY11 was \$2,634,000. Under The Federal-State Marketing Improvement Program, payments are made 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.

### **Conservation Programs**

The Committee recommends \$1,045,504,000 for conservation programs. The FY10 appropriation was \$1,009,415,000. These programs include the Office of the Under Secretary for Natural Resources and Environment, the Office of Ecosystem Services and Markets, and the Natural Resources Conservation Service.

### **Rural Development Programs**

The Committee recommends \$2,767,584,000 for rural development programs. The FY10 appropriation was \$2,934,309,000. These programs include the Office of the Under Secretary for Rural Development, Rural Housing Service, Rural Business, Rural Energy for America Program and the Rural Utilities Service.

### **Rural Energy for America Program**

The Committee recommends \$ 39,340,000 for the Rural Energy for America Program which matches the FY10 appropriation and FY11 budget request. The Rural Energy for America 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. The Report states that "the Committee has been made aware of and encourages the Department of Agriculture to give consideration to the application for rural business and renewable energy program from the San Joaquin County Agricultural Center Solar Energy Project (California) among other programs."

### **The Distance Learning, Telemedicine, and Broadband Program**

The Committee recommends an appropriation of \$78,051,000 for the Distance Learning, Telemedicine, and Broadband Program. The Committee recommendation includes \$4,500,000 for public broadcasting systems grants to allow noncommercial educational television broadcast stations that serve rural areas to convert from analog to digital operations.

The Report states: "The Committee has been made aware of and encourages the Department of Agriculture to give consideration to the following CA applicants for these Rural Utilities Service Programs:

- Keystone Regional Water Reclamation Facility & Wastewater Collection System
- Mammoth Community Water District Drinking and Wastewater Improvements
- Tulare County Community Water System

### **Domestic Food Programs**

The Committee recommends \$94,051,710,000 for domestic food programs. The FY10 appropriation was \$82,782,603,000. These programs include the Office of the Under Secretary for Food, Nutrition, and Consumer Services as well as Food and Nutrition Service.

### **Foreign Assistance and Related Programs**

The Committee recommends \$2,129,010,000 for foreign assistance and related programs. The FY10 appropriation was \$2,089,499,000. These programs include the Foreign Agriculture Service, Food for Peace Programs, and the McGovern-Dole International Food for Education and Child Nutrition Program Grants.

The Foreign Agriculture Service carries out several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade. The mission of Foreign Agriculture Service 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.

The Foreign Agriculture Service also carries out several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade.

### **Foreign Agriculture Service**

The Committee recommends \$226,305,000 for the Foreign Agricultural Service. The Committee recommendation includes increases of \$3,430,000 for International Cooperative Administrative Support Services, \$4,004,000 for overseas information technology support, \$4,500,000 for the National Export Initiative, \$1,500,000 for the Borlaug and Cochran Fellowship programs, \$14,600,000 for stabilization and reconstruction activities, and \$10,000,000 for international food security.

*Market Access Program* - The Committee continues the full mandatory funding for the Market Access Program and expects the Department to administer the program without changing the eligibility requirements for participation of cooperative organizations, small businesses, trade associations, and other entities.

### **Related Agency Food and Agriculture**

The Committee recommends \$2,516,282,000 for related agency food and agriculture programs. The FY10 appropriation was \$2,357,089,000.

## **FOOD AND DRUG ADMINISTRATION**

The Committee recommends an appropriation of \$2,503,849,000 for Food and Drug Administration (FDA) salaries and expenses. The Committee also recommends \$667,057,000 in Prescription Drug User Fee Act user fee collections; \$61,860,000 in Medical Device User Fee and Modernization Act user fee collections; \$19,448,000 in Animal Drug User Fee Act user fee collections; \$5,397,000 in Animal Generic Drug User Fee Act user fee collections; \$450,000,000 in Tobacco Product User Fees; \$19,318,000 in Mammography Quality Standards Act fee collections; and \$10,400,000 in export and certification fees, as assumed in the President's budget.

*Generic Drugs* - The Committee recommendation includes no less than \$96,966,000 for the generic drugs program at FDA, of which \$55,545,000 is for the Office of Generic Drugs. Total funding for the Office of Generic Drugs is an increase of \$4,000,000 above the fiscal year 2010 level, and \$2,000,000 above the budget request. Of the increases provided, \$43,323,000 will be used for activities related to drug, device, and biologics safety.

*Nanotechnology* - The Committee supports the budget increase of \$7,300,000 to expand upon current research in nanotechnology.

*Orphan Product Development Grants* - FDA has approved 44 products that received development support from orphan products grants. The Committee recommendation includes \$16,035,000 for orphan product development grants within the budget for the Center for Drug Evaluation and Research. This represents an increase of \$2,000,000 above the budget request and is the first substantial increase in funding for these grants since fiscal year 2005.