



DEPARTMENT OF AGRICULTURE

Since 2001, the Administration:

- Opened new markets for American farmers and ranchers, leading to a record level for U.S. agricultural exports of \$68.7 billion in 2006, up nearly 30 percent since 2001;
- Reduced hazardous fuels on 10.5 million acres of forest and doubled the yearly acreage coverage under the President's Healthy Forests Initiative;
- Enrolled over one million acres into the Wetlands Reserve Program to restore and protect these ecologically valuable lands;
- Provided assistance to one million farmers and ranchers resulting in conservation on more than 130 million acres of land;
- Served all eligible women, infants, and children seeking WIC services;
- Improved the accuracy of Food Stamp benefits from 91.34 percent to 94.16 percent, which eliminated about \$800 million in erroneous payments in 2005;
- Strengthened domestic surveillance and testing to ensure rapid detection and response and provided assistance to 109 countries affected with highly pathogenic avian influenza to slow the spread of the disease abroad; and
- Encouraged the development of a domestic renewable fuels industry with incentives that resulted in the production of 2.6 billion gallons of ethanol and 254 million gallons of biodiesel.

The President's 2008 Budget:

- Ensures the continuation of a strong farm economy while fulfilling the Administration's commitment to reduce trade barriers;
- Initiates design of a high-level biosecurity laboratory that will focus on serious poultry diseases;
- Continues the heightened level of surveillance of wild and domesticated birds to provide an early warning system if highly pathogenic avian influenza arrives in the country;
- Maintains support for the Northwest Forest Plan by providing for the offer of 800 million board feet of timber to be harvested from Forest Service land;
- Provides \$5.4 billion for WIC services to 8.3 million women, infants, and children per month; and
- Proposes to exclude retirement savings when determining eligibility for food stamps to make it easier for low-income people who receive food stamps to save for retirement.

FOCUSING ON THE NATION'S PRIORITIES

Reauthorizing the Farm Bill

The Administration is proposing changes to the current farm bill that will ensure the continuation of a strong farm economy and conservation programs that protect America's natural resources. The proposed changes will also provide support to programs that assist in the creation, expansion, and maintenance of foreign markets for U.S. agricultural products. In addition, the proposal encourages future growth in agriculture by reducing barriers for the next generation of farmers and ranchers.

Protecting America

Food and Agriculture Defense Initiative. The President's Budget provides \$341 million to continue efforts to protect the Nation's food supply and agriculture from threats, whether intentional or unintentional, by enhancing the Department of Agriculture's (USDA's) ability to detect, respond to and recover from incidents of disease, pest, or poisonous agents. The Budget includes additional funds to begin efforts to build a consolidated poultry research and biocontainment facility in Georgia and support research on food safety and emerging and exotic diseases.



USDA; Bob Nichols

Avian Influenza. The impact of an avian influenza pandemic on animals and the potential spread to the human population is a serious concern of the Administration. USDA plays an important role in preventing and responding to an infestation. The 2008 Budget includes \$57 million for USDA activities, such as domestic surveillance and diagnostics, emergency preparedness and response, and technical assistance to other countries.

Developing Sustainable Forests

Forest Planning Rule. The Budget supports a new, more effective policy for forest planning that employs an Environmental Management System to improve performance and accountability and which is compliant with the National Environmental Policy Act.

Healthy Forests. Under the President's Healthy Forests Initiative and actions to implement the Healthy Forests Restoration Act, more than 15 million acres have been treated to reduce the threat of catastrophic wildfires. The 2008 Budget builds on this success by providing \$291 million for hazardous fuels reduction projects, a more than four-fold increase since 2000. USDA will also implement recommendations to improve performance and focus on treating areas that provide the best improvement in forest and rangeland health.

Northwest Forest Plan. The Northwest Forest Plan is an integrated, comprehensive design for ecosystem management, intergovernmental and public collaboration, and rural community economic assistance involving nearly 25 million acres of Federal forests in western Oregon, Washington, and northern California. The Budget allows the Forest Service to offer the Plan's goal of 800 million board feet of timber in 2008.

Improving Cooperative Conservation

Since 2001, USDA's programs have been the strongest producer of conservation on working agricultural lands. The 2008 Budget continues USDA's record through all farm bill programs, particularly by fully funding the Wetlands Reserve Program (for a total of about \$455 million) to achieve the program's full acreage enrollment goal of 2.275 million acres as authorized in the 2002 farm bill.

Promoting Nutrition Assistance Programs

As part of the Food Stamp program reauthorization, the Budget removes a barrier for low-income people to save by proposing to exclude all retirement and education savings accounts when determining household eligibility. The 2008 Budget also improves the integrity of the Food Stamp program by tightening overly broad waivers from eligibility criteria, and supports the families of the Nation's servicemen and women by ensuring that they do not lose food stamps due to combat-related military pay. The Administration looks forward to working with the Congress to enact these proposals and other measures to modernize the Food Stamp program.

The Special Supplemental Nutrition Program for Women, Infants and Children, more commonly known as WIC, serves the nutritional needs of low-income pregnant and postpartum women, infants, and children up to their fifth birthday. The Budget provides \$5.4 billion for WIC services, funding an estimated 8.3 million beneficiaries in 2008. To address the rising costs of WIC administration, the President's Budget proposes to cap nutrition services and administrative funding at 2006 levels. In keeping with the Administration's promotion of childhood wellness and fitness, the Department is issuing updated WIC food packages that reduce maximum allowances of certain foods and increase the intake of fresh fruits and vegetables.

The 2008 Budget eliminates funding for the Commodity Supplemental Food Program (CSFP), which, in the limited areas where it is available, duplicates two of the Nation's largest Federal nutrition assistance programs—Food Stamps and WIC. The Budget provides funding to serve all eligible individuals who seek services from WIC and funds temporary benefits and outreach to help elderly households transition from CSFP to the Food Stamp program.

Assisting with Provincial Reconstruction

USDA participates in the Provincial Reconstruction Teams to bring agriculture, conservation, and rural development expertise to the reconstruction efforts in Iraq and Afghanistan. The \$12.5 million included in the Budget will allow USDA to leverage the skills of a wide assortment of disciplines.

Encouraging Development in Rural Areas

Developing Renewable Energy. USDA is proposing an additional \$20 million for research to develop new feedstocks for energy production on a region-by-region basis to help meet future energy demands. In total, the Department will provide \$395 million in financial assistance to rural businesses and producers to develop and use renewable energy systems.

Supporting Housing for Rural Residents. The Budget proposes to increase opportunities for homeownership by increasing the loan level for USDA's single family housing guarantees to \$4.8 billion. The 2008 Budget proposes to replace the direct single family housing loan program with this increase to the single family housing loan guarantee program. Utilizing the private banking industry to provide mortgage credit, guaranteed by the Federal Government, is a more efficient way to deliver mortgage credit.

Revitalization of USDA's portfolio of the multifamily housing program to preserve projects and protect tenants remains a key initiative. The President's Budget includes \$28 million for a voucher program for displaced tenants when USDA-financed properties are paid-off. In addition, the Administration continues to work toward the enactment of legislation to authorize debt restructuring and other incentives for project sponsors to repair and rehabilitate their projects.

Department of Agriculture
(In millions of dollars)

	2006 Actual	Estimate	
		2007	2008
Spending			
Discretionary Budget Authority:			
Commodities and International.....	3,010	2,983	3,284
Rural Development	2,454	2,009	2,050
Forest Service.....	4,211	4,191	4,127
Conservation	985	919	825
Food and Nutrition Service	5,515	5,512	5,638
Research	2,659	2,581	2,297
Marketing and Regulatory Programs	1,825	1,775	2,005
Central Administration	549	470	527
Subtotal, excluding items below.....	21,208	20,440	20,753
Receipts	-62	-44	-40
Mandatory savings proposals.....	—	-838	-487
Total, Discretionary budget authority	21,146	19,558	20,226
<i>Memorandum:</i>			
<i>Budget authority from enacted supplementals.....</i>	<i>1,385</i>	<i>—</i>	<i>—</i>
<i>Additional funding requirements</i>	<i>—</i>	<i>350</i>	<i>—</i>
Total, Discretionary outlays	22,265	22,355	21,941
Mandatory Outlays:			
Food and Nutrition Service	47,047	49,204	50,641
Commodity Credit Corporation.....	19,917	13,008	11,308
Crop Insurance	3,372	3,918	4,542
Natural Resources Conservation Service	1,514	1,702	1,742
Agriculture Marketing Service.....	1,512	1,195	1,300
Forest Service.....	934	804	496
Rural Development, including liquidating accounts	-86	-2,191	-2,044
Receipts, reestimates, and all other programs	-2,937	-1,224	-896
Total, Mandatory outlays	71,273	66,416	67,089
Total, Outlays	93,538	88,771	89,030

Department of Agriculture—Continued
(In millions of dollars)

	2006 Actual	Estimate	
		2007	2008
Credit activity			
Direct Loan Disbursements:			
Farm Loans.....	965	820	853
Commodity Credit Corporation.....	11,119	11,347	10,067
Rural Utilities Service.....	5,287	5,361	5,022
Rural Housing.....	1,391	1,562	1,464
Rural Business and Community Development.....	1,140	1,578	1,463
P.L. 480.....	39	10	35
All other programs.....	87	90	88
Total, Direct loan disbursements.....	20,028	20,768	18,992
Guaranteed Loan Disbursements:			
Farm Loans.....	2,146	2,569	2,125
Commodity Credit Corporation.....	1,030	1,899	1,952
Rural Utilities Service.....	3	—	—
Rural Housing.....	3,056	2,463	4,881
Rural Business and Community Development.....	622	1,076	1,268
Total, Guaranteed loan disbursements.....	6,857	8,007	10,226