

**THE WHITE HOUSE**  
**WASHINGTON**

February 26, 1999

The Speaker of the

House of Representatives

Sir:

I ask the Congress to consider expeditiously the enclosed requests for emergency FY 1999 supplemental appropriations. The requests, totaling \$152.4 million in budget authority, would provide urgently needed funds to the Department of Agriculture. The proposals include \$109.6 million in budget authority to support a total of \$1.1 billion in additional lending to farmers and ranchers for emergency, operating, and ownership loans. In addition, \$42.8 million is requested for the Farm Service Agency to support the greater-than-projected workload required to implement emergency farm programs in the remainder of the year. I urge the Congress to join me in helping our farmers and ranchers by providing this emergency relief by the end of March.

I hereby designate the following requests as emergency requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

**Department of Agriculture**

- Farm Service Agency, Salaries and expenses: \$42,753,000
- Farm Service Agency, Agricultural credit insurance fund program account: \$109,609,000

The details of these requests are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,



Enclosure



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

February 26, 1999

The President

The White House

Submitted for your consideration are requests for FY 1999 emergency supplemental appropriations for the Department of Agriculture (USDA). A total of \$152.4 million in new budget authority is requested to support \$1.1 billion for emergency agricultural programs. Due to the urgent needs of America's farmers and ranchers, we request that you ask the Congress to complete action prior to the end of March.

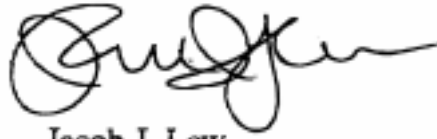
As described in the enclosures, the following supplementals are requested to address these emergency needs:

- \$109.6 million to increase the lending capacity of USDA's direct and guaranteed farm loan programs, including farm ownership loans, farm operating loans, and emergency loans, as well as the program expenses associated with their delivery.
- \$42.8 million to assist the Department in the delivery of disaster assistance related to the emergency provisions of P.L. 105-277, the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999.

I recommend that you designate the amounts requested as emergency funding requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretary of Agriculture in recommending that you transmit the proposals to the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Jacob J. Lew". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jacob J. Lew  
Director

Enclosures

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

Salaries and Expenses

For an additional amount for "Salaries and Expenses," \$42,753,000, to remain available until expended: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

P. L. 105-277, the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, provided \$40 million in Department of Agriculture (USDA) emergency salaries and expenses funds. This funding was in recognition of the administrative burden placed on USDA's Farm Service Agency (FSA) by the disaster assistance provisions in P.L. 105-277. FSA estimates the need for additional temporary staffing for five months to implement those provisions fully. This proposal would not fund additional permanent staff.

The entire amount requested has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

Agricultural Credit Insurance Fund Program Account

For additional gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928-1929, to be available from funds in the Agricultural Credit Insurance Fund, \$1,095,000,000, as follows: \$350,000,000 for guaranteed farm ownership loans; \$200,000,000 for direct farm ownership loans; \$185,000,000 for direct farm operating loans; \$185,000,000 for subsidized guaranteed farm operating loans; and \$175,000,000 for emergency farm loans.

For the additional cost of direct and guaranteed farm loans, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, to remain available until September 30, 2000: farm operating loans, \$28,804,000, of which \$12,635,000 shall be for direct loans and \$16,169,000 for guaranteed subsidized loans; farm ownership loans, \$35,505,000, of which \$29,940,000 shall be for direct loan and \$5,565,000 for guaranteed loans; emergency loans, \$41,300,000; and administrative expenses to carry out the loan programs, \$4,000,000: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

P. L. 105-277, the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, (the Act), provided \$2.8 billion in Department of Agriculture (USDA) farm loans supported by more than \$121 million in credit subsidies. This funding is expected to be depleted for all USDA farm loan programs by April 15, 1999. This request for emergency supplemental appropriations for farm loans is in response to unprecedented demand for agricultural credit due to persistently low commodity prices. In FY 1998, USDA loan programs served 26,000 farmers. The Act increased that number for FY 1999 to 31,000. With this supplemental funding, USDA would have the ability to help more than 12,000 additional farmers in need of capital, bringing the total to over 43,000 in FY 1999.

The entire amount requested has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

**THE WHITE HOUSE**

**Office of the Press Secretary**  
(San Francisco, California)

For Immediate Release

February 26, 1999

**STATEMENT BY THE PRESIDENT**

Today I am sending to the Congress requests for a \$152 million emergency supplemental appropriation to help America's farmers and ranchers. Many farm communities continue to undergo very hard times despite the disaster aid we worked so hard to provide last year. Economic turmoil in Pacific Rim countries and around the world continue to make it difficult for American farmers and ranchers to export their goods overseas. More and more farmers and ranchers need loans to see them through to better times, and our Department of Agriculture simply is running out of available credit.

The Agriculture Department's staff around the country needs immediate help to handle the increased workload brought on by providing emergency services. I hope that Congress will join me in helping our farmers and ranchers during this difficult time, particularly when the rest of the country is blessed with unparalleled prosperity. I urge them to approve this request by the end of March.