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SPECIAL REPORT:

Senate Agriculture Appropriations for FY 2003 and California Implications -- *August 29, 2002*

On July 25, 2002, the Senate Appropriations Committee approved and reported S. 2801, its version of the fiscal year 2003 Appropriations bill for the Department of the Agriculture, rural development, Food and Drug Administration, and related agencies. The bill passed the Senate Appropriations Committee by a 29-0 vote, and the Committee Report is S.Rept. 107-223.

The following represents a quick analysis of the bill from a California perspective as prepared by the California Institute. We apologize for any errors or omissions in our discussion of these documents, and would appreciate any input/feedback on how to make improving corrections. The ordering of items generally reflects their presence in the bill and does not mean to imply any relative importance.

This appropriations analysis is available on the California Institute web site at <http://www.calinst.org/pubs/ag03s.htm> . A printable version in Adobe Acrobat ("pdf") format is also available at <http://www.calinst.org/pubs/ag03s.pdf> .

DEPARTMENT OF AGRICULTURE

BIOBASED PRODUCTS AND BIOENERGY

The Senate report stated that the development of biobased products and bioenergy from agricultural commodities represents an additional source of demand for US agricultural products as well as enhanced energy security. The Committee provides \$1,800,000 more funds for these activities than FY2002, including \$300,000 for agricultural biomass feedstock research and the production of biobased products at Albany, CA.

EMERGING DISEASES

These programs are designed to prevent and control emerging, reemerging and exotic plant and animal diseases. The Senate bill provides \$3,100,00 for exotic animal disease research with \$500,000 earmarked for BSE/TSE research at Albany, CA.

AGRICULTURAL RESEARCH SERVICE - CONTINUING PROGRAMS

The Senate bill directs the Agricultural Research Service to continue to fund the following California areas of research in fiscal year 2003 at the same funding level provided in 2002:

Olive Fruit Fly, Parlier, CA/ Montpellier France;

Pierce's Disease, Parlier, CA/ Ft. Pierce, Florida;

PROPOSED CLOSURES

The Senate bill rejects a number of proposed closures, consolidations, and reductions of select laboratories and ongoing research programs outlined in the President's budget. The Senate bill maintains and restores funding to the following California programs impacted:

Water Management Research Laboratory, Brawley, CA
Western Regional Research Center, Albany, CA

INVASIVE SPECIES

Invasive weeds and other pests species severely afflict US agricultural production, costing hundreds of billions in damages every year. The Senate bill provides an increase of \$1,800,000 in funding for continued research in biological control programs and management systems. The Committee earmarks \$300,000 for related research conducted at Davis.

PIERCE'S DISEASE

The Senate bill includes \$3.4 million for research efforts related to the Glassy-winged Sharpshooter (PD-GWSS), a vector for Pierce's Disease, which has devastated vineyards in Southern California and threatens the entire grape and wine industry. Further, the Senate bill provides an increase of \$750,000 in fiscal year 2003 to enable the ARS center at Parlier, CA to continue research and collaboration efforts to eradicate pest and disease. The bill provides \$9 million to combat PD itself, \$500,000 more than last year. The Senate includes language urging the Agriculture Secretary to make Commodity Credit Corporation (CCC) funds available as needed for this pest. The CCC helps farmers by engaging in buying, selling and lending to protect, support and stabilize farmers.

SUDDEN OAK DISEASE

Since 1995, oak trees have been dying in large numbers along the California and Oregon coasts due to this affliction. The Senate bill provides an increase of \$150,000 to FY02 levels for ongoing research to prevent the spread of the disease. Research activities are conducted at the ARS Ft. Detrick MD research laboratory.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE RESEARCH AND EDUCATION ACTIVITIES

These programs benefit communities by promoting partnerships between academia and stakeholders to advance research, extension and higher education in food, agricultural, environmental, and human sciences. FY 2002 Senate proposal includes the following for California based CSREES programs:

Exotic pest diseases 1,800,000
Ozone Air Quality 400,000
Pierce's disease 2,500,000
Sudden Oak Death 150,000
Sustainable agriculture 400,000
Viticulture consortium (NY, CA, PA) 1,600,000

ARS BUILDINGS AND FACILITIES:

The Senate bill provides no funding for the following California based facilities in this category:

Western Human Nutrition Research Center, Davis
Western Regional Research Center, Albany, CA

FRUIT FLY

The Senate provides \$64,924,000 for the fruit fly exclusion and detection program. This includes a \$23,258,000 to enhance international Medfly prevention and a \$3,182,000 increase for exclusion and detection activities at US borders.

RURAL DEVELOPMENT - RURAL COMMUNITY ADVANCEMENT PROGRAM

For the Office of the Under Secretary for Rural Development, the Senate provides \$906,000, an increase of \$283,000 above the amount available for fiscal year 2002. The Rural Community and Advancement Program is allocated \$867,176,000 by the Senate to provide direct loans, loan guarantees, and grants improving facilities and services for rural residents. The bill provides that \$20 million is to be made available to assist the Colonias along the US-Mexico border.

DISTANCE LEARNING AND TELEMEDICINE PROGRAM

The Senate bill includes \$51,941,000 for the Distance Learning and Telemedicine Program, \$20 million more than the President's budget request. This program provides loans and grants to advance the quality of telecommunications technology in rural America. Consideration is to be given to Fresno Community Medical Centers for loan and grant applications.

DOMESTIC FOOD AND NUTRITION PROGRAMS

The Senate bill recommends \$10,580,169,000 for National School Lunch and Child Nutrition \$4 million more than the President's budget request. The bill states that \$4,751,000,000 will remain available in special supplemental funds for the Women, Infants, and Children program activities (WIC), a level \$403 million above last year's allocation.

FOOD STAMPS

The Senate bill notes a level of \$26,289,692,000 in mandatory funds for the federal Food Stamp Program, an increase of \$3.297 billion above the FY 2002 appropriation level and \$40 million above the Administration's request.

COMMODITY FUTURES TRADING COMMISSION

The Senate recommends \$94,435,000 for the CFTC. This independent agency was set up to protect and promote the futures and commodity options markets' interests by improving financial planning, efficiency, distribution, consumption and cost-effective marketing. CFTC activities are carried out in Los Angeles and four other locations nationally.