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## **SPECIAL REPORT:** **Agriculture Appropriations for FY** **2005 (House Version) and California** **Implications -- August 18, 2004**

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On July 13, 2004, by a vote of 389-31, the House passed its version of the fiscal year 2005 Appropriations bill for the Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, H.R. 4766. The House Committee report accompanying the bill is H.Rpt. 108-584.

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/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/int05h.htm> and a printable version in Adobe Acrobat ("pdf") format is available at <http://www.calinst.org/pubs/int05h.pdf>.

### **AGRICULTURAL PROGRAMS**

#### **Sudden Oak Death Disease**

The bill includes language expressing the Committee's concern about reaction of the U.S. Department of Agriculture (USDA) and some states to a recent discovery of the Sudden Oak Death (SOD) disease at some southern California nurseries. While noting that USDA has expanded its regulation in response to SOD discovery, the Committee criticizes the Department for failing to enforce a single national standard, which in turn allowed some states to impose regulations that are more restrictive than the federal emergency order. The Committee underscores the fact that, as a result of such restrictions on California nursery products by the latter states, California's nurseries have suffered substantial losses of customers and markets, and notes that such regulations are in direct violation of the Plant Protection Act. The Committee's discussion of this issue concludes with language directing the Secretary to ensure that the federal standard is followed to facilitate the interstate movement of horticultural commodities when regulating a plant pest.

#### **Agricultural Research Services (ARS)**

The Committee provides \$1,057,029,000 in funding for the Agricultural Research Services, which is \$25.4 million less than the amount appropriated in FY 2004 and \$69.4 million above the amount requested by the Bush Administration. The bill includes legislative language recognizing the importance of ongoing research programs and directing ARS to continue to fund the following California-related programs:

- Broomweed Biological Controls research in Albany, CA to be funded at FY 2004 level
- Cotton Pathology Research at Shafter, CA funding to be increased by \$200,000 in FY 2005. The language included in the bill indicates that the cotton plant pathogen otherwise known as Fusarium

Oxysporum (FO) is becoming a bigger threat to California cotton, particularly since recent reports have shown the presence of FO infected Pima plants in the absence of nematodes

- continued funding provided for the Greenhouse Lettuce Germplasm research in Salinas,
- continued funding provided for the Lettuce Genetecist/Breeder in Salinas, CA
- Olive Fruit Fly research at ARS' European Biological Control Laboratory and Parlier, CA to be funded at the FY 2004 level
- continued funding provided for the Organic Minor Crop research in Salinas, CA
- to enable ARS to continue to move aggressively against Pierce's Disease and its vector the Glassy-winged Sharpshooter, the bill maintains FY04 funding for research in Davis and Parlier, CA and Ft. Pierce, FL
- continued funding provided for the Post-harvest and Controlled Atmosphere Chamber (Lettuce) research in Salinas, CA
- to conduct research to identify causative agents and diagnostic tools for Sudden Oak Disease, which has afflicted large number of trees along the California and Oregon coasts, the Committee provides an increase of \$400,000 for research carried out at the ARS Frederick, MD research laboratory and the ARS Davis, CA laboratory
- continued funding provided for Sustainable Vineyard Practices research in Davis;
- the bill provides an increase of \$100,000 to fund Sustainable Viticulture research at ARS Davis research laboratory. Funds are directed to be used to expand research on sustainable biologically, and environmentally sound viticulture practices which enhance compatibility with soil, water, air and biotic resources
- to address the issue of the extensive damages caused by Verticillium Wilt to lettuce and vegetable producers in California, the bill provides an increase of \$250,000 in FY05 to fund research at ARS research station in Salinas, and
- continued funding provided for the Water Management Research Laboratory, Brawley.

With respect to funding for Buildings and Facilities for the Agricultural Research Service, the Committee provides \$202 million. The bill's total for Buildings and Facilities includes provisions that appropriate \$3 million each for the Grape Genomics Research Center in Davis, CA and the U.S. Agricultural Research Station in Salinas, CA.

## **COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE (CSREES) Research and Education Activities**

The bill provides \$628.6 million in funding for the research and education activities of the Cooperative State Research, Education, and Extension Service. The total is \$10.8 million more than was appropriated in FY 2004, and \$127.1 million over the Administration's budget request. The total includes \$104 million in funding for the special research grants, which include the following:

- \$2 million for Exotic Pest Disease research and education activities in California; the FY04 appropriation for this program was \$1.789 million, while the Administration's proposal did not include an appropriation;
- \$382,000 for ozone air quality research and education activities in California; the FY04 appropriation for this program was also \$382,000 and the Administration's proposal did not include an appropriation;
- \$2,113,000 for Pierce's Disease research in California; the FY04 appropriation for this program was \$2,013,000, while the Administration's proposal did not include an appropriation for such activities;
- \$88,000 for Sudden Oak Death research and education activities in California; the FY04 appropriation for this program was also \$88,000, while the Administration's proposal did not include an appropriation for such activities;

- \$594,000 for sustainable agriculture research and education activities (SARE) in California; the FY04 appropriation for this program was \$444,000, while Administration's proposal did not include an appropriation for such activities;
- \$2.1 million for Viticulture Consortium research and education activities in California, New York, and Pennsylvania; the FY04 appropriation for this program was \$1.6 million, while the Administration's proposal did not include an appropriation for such activities.

### **Animal and Plant Health Inspection Service (APHIS)**

The Committee provides \$808.8 million in funding for the Animal and Plant Health Inspection Service, which is \$92.5 million over the amount appropriated in FY04, and \$19.5 million less than was requested in the Administration's budget proposal. The total appropriated for APHIS includes:

- a continued funding level of \$200,000 to evaluate the utility of remote sensing (hyperspectral imaging and Light Detection and Ranging) for the identification of ash trees, the early identification of emerald ash borer infestation, and the tracking and mapping of diseased trees, and continued funding at the FY04 level for a cooperative agreement with the California County Pest Detection Augmentation Program.

The bill includes legislative language directing the Secretary of Agriculture to continue to use the authority provided in the bill to transfer funds from the Commodity Credit Corporation for the emergency plant pest outbreaks, with the funding for the latter increased \$10.743 million above the funding level provided in FY04. Within this increase, the Committee provides for the following:

- \$23,510,000 for Pierce's Disease, and
- continued funding at the FY04 level for Sudden Oak Death activities and olive fruit fly trappings to be allocated to states with the most severe outbreaks.

### **CONSERVATION PROGRAMS**

#### **Natural Resource Conservation Service (NRCS)**

The House bill provides \$813,673,000 for NRCS operations, a decrease of \$34.3 million from the FY 2004 amount and an increase of \$103.3 million above the Administration's budget request. This agency provides financial and technical assistance to enhance agricultural productivity and to protect the natural resource base. The bill specifies that funding for FY04 wetlands restoration projects is not continued in FY05 unless specifically mentioned within the FY05 appropriations report. The Committee continues funding for the following California-based conservation operations:

- \$1 million for non-native plant removal for the East Valley Conservation District/Santa Ana Watershed Authority
- \$600,000 in funding for the Monterey Bay Sanctuary
- \$500,000 for the Lake Tahoe Basin Soil Conservation Project (NV/CA)
- \$2.75 million for the source water protection project to states showing the greatest need

#### **Watershed and Flood Prevention Operations**

The Committee appropriates \$86,487,000 in funding for Watershed and Flood Prevention Operations, which is the same amount as was provided in FY 2004 and \$46.3 million over the request in the Administration's budget proposal.

### **RURAL DEVELOPMENT PROGRAMS**

For the Office of the Under Secretary for Rural Development, the House Appropriations Committee provides \$632,000, the same as was provided in FY04, and \$297,000 less than the amount requested by the Administration. The bill directs the Under Secretary for Rural Development to give consideration to several projects, including the following California projects:

- West Point Service Area, Bummerville Community
- Central Valley, California

- World Trade Project located in Galt
- Calexico Telemedicine Center
- Imperial Valley, California
- Sugarcane/Renewable Energy/Ethanol - Environmental Technology Business Park
- Desert Farming Institute
- Neighborhood House of Calexico Youth Center
- Hi-Desert Regional Neonatal Medical Center
- Lake Arrowhead Communities Services District
- Spanish Sustainable Agricultural Education Program
- Fresh Water Supply District #1
- Herlong Water and wastewater system, Utilities Cooperative
- Spaulding Wastewater Community Services District
- Central Valley Rural Trade Project
- International Agriculture-Center located in Tulare
- improvements to Farm-to-Market Roads located in Tulare
- wastewater treatment plant Strathmore Public Utility District
- Laytonville Wastewater Treatment Project
- Cave Creek Watershed and Flood Prevention Program
- West Company located in Ukiah
- to improve wastewater treatment in the Rexland Acres community
- to construct an agricultural training center at West Hills Community College, Farm of the Future Project.

#### **Rural Community Advancement Program**

The bill provides a total funding level of \$667,408,000 for the Rural Community Advancement Program, of which \$25 million is set aside for water and waste disposal systems benefitting "Colonias" communities along the US-Mexico border and \$22,166,000 for empowerment zones and enterprise communities (EZ/EC) and communities designated by the Secretary as Rural Economic Area Partnership Zones.

#### **Rural Empowerment and Enterprise Communities Grants**

To fund the latter grants, the bill provides \$11,419,000, which is \$1.173 million less than the amount appropriated in FY04. The Administration's budget proposal did not include a request to fund these grants.

#### **Renewable Energy Program**

The bill provides \$15 million for the Renewable Energy Program. The FY05 appropriation is \$7.9 million below the FY04 appropriation and \$4.23 million more than requested by the Administration.

### **DOMESTIC FOOD SERVICE**

#### **Child Nutrition Programs**

The bill provides \$11,380,557,000 in funding for Child Nutrition Programs, which is a decrease of \$37 million from the amount available in FY 2004 and is the same amount as requested by the Bush Administration. Of the total amount provided, \$6,227,595,000 is by direct appropriation and \$5,152,962,000 is by transfer from Section 32. Authorization for the Child Nutrition Programs expires on June 30, 2004, and the House has passed a reauthorization bill but the Senate has yet to consider its reauthorizing legislation. The total includes amounts for the following:

- \$6,532,488,000 for the School Lunch Program
- \$14,875,000 for the Special Milk Program, and
- \$148,176,000 for state administrative expenses.

**Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**

The Committee appropriates \$4,907,250,000 in funding for the WIC program. The total amount appropriated is \$295.4 million above the FY04 funding level, and \$120 million over the amount requested by the Administration.

**Food Stamp Program**

For the Food Stamp Program, the total provided in the bill is \$33,635,798,000, which represents an increase of \$2,689,817,000 over last year's allocation, and is \$6 million below the Administration's budget request.