

## Calendar No. 177

115TH CONGRESS }  
*1st Session* }

SENATE

{ REPORT  
115-131

---

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG  
ADMINISTRATION, AND RELATED AGENCIES APPROPRIA-  
TIONS BILL, 2018

---

JULY 20, 2017—Ordered to be printed

Mr. HOEVEN, from the Committee on Appropriations,  
submitted the following

### REPORT

[To accompany S. 1603]

The Committee on Appropriations reports the bill (S. 1603) mak-  
ing appropriations for Agriculture, Rural Development, Food and  
Drug Administration, and Related Agencies programs for the fiscal  
year ending September 30, 2018, and for other purposes, reports fa-  
vorably thereon and recommends that the bill do pass.

*New obligational authority*

Total of bill as reported to the Senate .....	\$145,922,507,000
Amount of 2017 appropriations .....	153,907,888,000
Amount of 2018 budget estimate .....	141,054,866,000
Bill as recommended to Senate compared to—	
2017 appropriations .....	– 7,985,381,000
2018 budget estimate .....	+ 4,867,641,000

# CONTENTS

---

	Page
Breakdown by Title .....	4
Overview and Summary of the Bill .....	5
Reports to Congress .....	6
Title I:	
Agricultural Programs:	
Production, Processing, and Marketing:	
Office of the Secretary .....	7
Executive Operations .....	10
Office of Hearings and Appeals .....	11
Office of the Chief Information Officer .....	12
Office of the Chief Financial Officer .....	12
Office of the Assistant Secretary for Civil Rights .....	13
Office of Civil Rights .....	13
Agriculture Buildings and Facilities .....	14
Hazardous Materials Management .....	14
Office of Inspector General .....	14
Office of the General Counsel .....	15
Office of Ethics .....	15
Office of the Under Secretary for Research, Education, and Economics .....	16
Economic Research Service .....	16
National Agricultural Statistics Service .....	17
Agricultural Research Service .....	25
National Institute of Food and Agriculture .....	26
Office of the Under Secretary for Marketing and Regulatory Programs .....	34
Animal and Plant Health Inspection Service .....	34
Agricultural Marketing Service .....	41
Grain Inspection, Packers and Stockyards Administration .....	44
Office of the Under Secretary for Food Safety .....	45
Food Safety and Inspection Service .....	45
Title II:	
Farm Production and Conservation:	
Office of the Under Secretary for Farm Production and Conservation .....	48
Farm Service Agency .....	49
Risk Management Agency .....	53
Natural Resources Conservation Service .....	53
Corporations:	
Federal Crop Insurance Corporation Fund .....	56
Commodity Credit Corporation Fund .....	56
Title III:	
Rural Development Programs:	
Office of the Under Secretary for Rural Development .....	59
Rural Housing Service .....	60
Rural Community Facilities Program Account .....	65
Rural Business—Cooperative Service .....	66
Rural Utilities Service .....	70
Title IV:	
Domestic Food Programs:	
Office of the Under Secretary for Food, Nutrition, and Consumer Services .....	74
Food and Nutrition Service .....	75

	Page
Title V:	
Foreign Assistance and Related Programs:	
Office of the Under Secretary for Trade and Foreign Agricultural Affairs .....	83
Foreign Agricultural Service .....	83
Title VI:	
Related Agency and Food and Drug Administration:	
Department of Health and Human Services: Food and Drug Administration .....	87
Independent Agency: Farm Credit Administration .....	99
Title VII: General Provisions .....	101
Program, Project, and Activity .....	104
Compliance With Paragraph 7, Rule XVI of the Standing Rules of the Senate .....	104
Compliance With Paragraph 7(c), Rule XXVI of the Standing Rules of the Senate .....	105
Compliance With Paragraph 12, Rule XXVI of the Standing Rules of the Senate .....	106
Budgetary Impact of Bill .....	118
Comparative Statement of Budget Authority .....	119

## BREAKDOWN BY TITLE

The amounts of obligational authority for each of the seven titles are shown in the following table. A detailed tabulation, showing comparisons, appears at the end of this report. Recommendations for individual appropriation items, projects and activities are carried in this report under the appropriate item headings.

[In thousands of dollars]

	Fiscal year 2017 enacted	Committee recommendation
Title I: Agricultural programs .....	6,730,384	6,707,123
Title II: Farm Production and Conservation programs .....	32,684,861	28,454,876
Title III: Rural economic and community development programs .....	2,937,153	2,753,752
Title IV: Domestic food programs .....	108,111,345	104,730,801
Title V: Foreign assistance and related programs .....	1,872,883	2,013,693
Title VI: Related agencies and Food and Drug Administration .....	2,771,166	2,772,166
Title VII: General provisions .....	- 1,199,904	- 1,509,904
Total, new budget (obligational) authority .....	153,907,888	145,922,507

## OVERVIEW AND SUMMARY OF THE BILL

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the U.S. Department of Agriculture [USDA]. These programs include agricultural research, education, and extension activities; natural resources conservation programs; farm income and support programs; marketing and inspection activities; domestic food assistance programs; rural housing, economic and community development, and telecommunication and electrification assistance; and various export and international activities of the USDA.

The bill also provides funding for the Food and Drug Administration [FDA] and allows the use of collected fees for administrative expenses of the Farm Credit Administration [FCA].

The discretionary programs and activities of USDA and FDA that are supported by this bill include high priority responsibilities entrusted to the Federal Government and its partners to protect human health and safety, contribute to economic recovery, and achieve policy objectives strongly supported by the American people. The ability to provide for these measures is made difficult by growing pressure on available levels of discretionary spending as a consequence of the overall public debate on Federal spending, revenues, and size of the Federal debt.

Too often, the USDA programs funded by this bill are confused with farm subsidies and other mandatory spending more properly associated with multi-year farm bills. In contrast, this bill provides annual funding for programs familiar to all Americans such as protecting food safety through the Food Safety and Inspection Service and the Food and Drug Administration, which also plays a vital role in maintaining the safety of the Nation's blood supply and availability of safe and effective medical products and other components of our health system. This bill also provides funding to fight against the introduction and spread of noxious or infectious and often invasive pests and disease that threaten our plant and animal health environments, as well as funding for many other missions of dire importance to the American people.

In the context of overall pressures on spending and the competing priorities that the Committee faces, this bill as reported provides the proper amount of emphasis on agricultural, rural development, and other programs and activities funded by the bill. It is consistent with the subcommittee's allocation for fiscal year 2018.

All accounts in the bill have been closely examined to ensure that an appropriate level of funding is provided to carry out the programs of USDA, FDA, and FCA. Details on each of the accounts, the funding level, and the Committee's justifications for the funding levels are included in the report.

## REPORTS TO CONGRESS

The Committee has, throughout this report, requested agencies to provide studies and reports on various issues. The Committee utilizes these reports to evaluate program performance and make decisions on future appropriations. The Committee directs that all studies and reports be provided to the Committee as electronic documents in an agreed upon format within 120 days after the date of enactment, unless an alternative submission schedule is specifically stated in the report request.

TITLE I  
 AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

Appropriations, 2017 .....	\$44,555,000
Budget estimate, 2018 .....	42,064,000
Committee recommendation .....	48,355,000

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, Chief Information Officer, Chief Financial Officer, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201–2202). The delegation of regulatory functions to Department employees and authorization of appropriations to carry out these functions is contained in 7 U.S.C. 450c–450g.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$48,355,000 for the Office of the Secretary. The Committee recommendation includes the following accounts under the Office of the Secretary: Office of the Secretary; Office of Tribal Relations; Office of Homeland Security and Emergency Coordination; Office of Advocacy and Outreach; Office of the Assistant Secretary for Administration; Departmental Administration; Office of Assistant Secretary for Congressional Relations; and Office of Communications. The following table reflects the amount provided by the Committee for each office and activity:

OFFICE OF THE SECRETARY

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Office of the Secretary .....	5,051	4,859	5,051
Office of Tribal Relations .....	502	501	502
Assistant to the Secretary for Rural Development .....			800
Office of Homeland Security and Emergency Coordination .....	1,496	1,448	1,496
Office of Advocacy and Outreach .....	1,209	1,171	4,209
Office of Assistant Secretary for Administration .....	804	802	804
Departmental Administration .....	24,124	22,501	24,124

OFFICE OF THE SECRETARY—Continued  
 [In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Office of Assistant Secretary for Congressional Relations .....	3,869	3,521	3,869
Office of Communications .....	7,500	7,261	7,500
Total .....	44,555	42,064	48,355

*2050 Global Food Production.*—The Committee understands that, in order to meet the world’s forecasted population of over 9 billion in 2050, global food production must be 60 percent higher than in 2014. While several Federal agencies and departments are involved in addressing food and nutrition security and challenges of today and the future, the Committee is concerned that the integrated approach required to achieve the necessary levels of domestic and global food production and food and nutrition security does not currently exist. Therefore, the Committee encourages the Secretary to take a leadership role in working with other relevant departments and agencies in establishing a Federal interagency task force to meet the food and nutrition challenges of 2050, and to align domestic and global programs related to food production and food and nutrition security to meet these challenges.

*Century Farms.*—The Committee encourages the Secretary to create a program to recognize farms that have been in operation for 100 years and encourages the establishment of a National Century Farms Designation.

*Commodity Credit Corporation [CCC] Obligations and Commitments.*—The Secretary is directed to notify the Committees on Appropriations of the House and Senate in writing 15 days prior to the obligation or commitment of any emergency funds from the CCC.

*Drought Relief.*—The Committee directs USDA to provide quarterly reports to the Senate and House Committees on Appropriations detailing USDA’s efforts to provide drought relief to States where all or the majority of counties are declared to be in a drought disaster, as well as any unmet needs or backlogs for USDA drought relief programs. The Committee encourages USDA to consider providing drought relief by opening CP ineligible acres to emergency grazing and haying, at the discretion of the Secretary, after the conclusion of the primary nesting season for D2 and higher intensity drought areas. The Committee further encourages USDA to allocate additional staff and other appropriate resources to drought stricken areas to provide support to local staff to address the backlog and expedite relief for producers.

*Imported Beef.*—The Committee is encouraged by the Secretary of Agriculture’s recent decision to protect American consumers and ranchers by halting imports of all raw intact beef products from Brazil. The Committee, however, remains concerned about the long-term safety of imported meat products from Brazil following the recent bribery scandal and the reports on the unacceptable level of physical examination failures of raw intact beef. Therefore, the Committee directs the Secretary to report to the Committee within 60 days of enactment on the status of the Department’s ac-



tions regarding meat imports from Brazil from the period March 18, 2017 to the present. Specifically, the Secretary shall identify 1) the results of any onsite trips taken by USDA personnel to Brazil since March 18, 2017 2) when the next comprehensive audit of the Brazilian meat inspection system will be conducted 3) the results of the intensified re-inspection regime at our ports-of-entry on Brazilian meat products still accepted, including failure rates broken down by meat product 4) a detailed explanation of benchmarks that Brazil will be required to meet to resume exporting raw intact beef to the United States.

*Livestock Crossing.*—The Committee is concerned with the ongoing problem of the crossing of livestock from Mexico into the U.S. without proper inspection, which creates risk of disease and loss of forage for U.S. ranchers in the Southwest border region. The Committee directs the agency, in consultation with other Federal and State agencies, to develop a plan of action to better prevent and reduce unauthorized international crossing of livestock on the Southwest border.

*Multi-Agency Transparency.*—The Committee expresses support for increasing transparency within all agencies of the Department of Agriculture. The agencies are encouraged to disclose costs associated with analyses required by the National Environmental Policy Act.

*National Bio and Agro-Defense Facility [NBAF].*—Upon its completion, NBAF will serve as the Nation’s primary research facility to counter foreign animal diseases and will enable the phase out of the Plum Island Animal Disease Center [PIADC]. As such, it is critical to develop a robust plan that ensures a qualified workforce, assesses the transition of existing research and development [R&D] efforts, and considers any new capabilities that may be necessary for future operations at NBAF. While the Department of Homeland Security [DHS] is responsible for the PIADC facilities, the R&D, diagnostics, and educational activities continue to be managed by USDA. Similarly, while there is consensus that DHS should retain responsibility for completing construction of NBAF, the Committee understands, based on current mission requirements, virtually all of the R&D activities will be under USDA auspices. Therefore, the Committee encourages DHS and USDA to work together on a plan for the future operation of NBAF, including consideration of the appropriate agency to manage the facility.

*Outreach to Socially Disadvantaged and Veteran Farmers and Ranchers.*—The Committee supports the efforts of the Office of Advocacy and Outreach to increase the accessibility of USDA programs to underserved constituents, and notes that \$10,000,000 in mandatory funds is available to assist socially disadvantaged and veteran farmers and ranchers in owning and operating farms and ranches to meet the growing need for financial, production, management, and other assistance to those communities and address workforce shortages. Additionally, the Committee recommendation includes an increase of \$3,000,000 in discretionary funding for these activities.

*Resource Conservation and Development Councils.*—Since 1964, the Resource Conservation and Development [RC&D] Councils have worked at the grassroots level with local leaders to plan, de-

velop, and carry out programs for land and water conservation and management. The Committee encourages the Secretary to consider the maximum practical use of RC&D Councils, where such RC&D Councils meet agency performance requirements, in the delivery of USDA programs and services.

*State Rural Development Councils.*—The Committee recognizes the successful work of State Rural Development Councils (SRDCs) and their role in advancing rural America and promoting strength and prosperity across the country, and urges the Secretary to provide resources to help improve and expand the impact of SRDCs.

*Wheat Grading.*—The Committee is concerned about unfair wheat grading practices that negatively affects American wheat growers that export to Canada. Current Canadian wheat grading law automatically downgrades America wheat to the lowest quality designation regardless of the type or quality of the wheat. In the United States, however, our grading system provides a fair examination for wheat imported from Canada. This discrepancy needs to be addressed to ensure our wheat growers are being treated fairly. Therefore, the Committee urges the Secretary of Agriculture to work with the Department of Commerce and the United States Trade Representative to prioritize initiating conversations with the Canadian Government to address trade inequities resulting from Canada’s current wheat grading practices.

*Zoonotic Disease Collaboration.*—The Committee believes that complex problems affecting the health of humans, animals, and the environment are best solved through important communication, cooperation, and collaboration across disciplines, sectors, between agencies, and between other appropriate domestic and international actors. The Committee requests a report detailing existing collaborative efforts between FDA, USDA, and other agencies to prevent and respond to zoonotic disease outbreaks in animals and humans; a proposed framework to improve these efforts; and specific activities requested to achieve the proposed framework.

EXECUTIVE OPERATIONS

Executive operations were established as a result of the reorganization of the Department to provide a support team for USDA policy officials and selected department-wide services. Activities under the executive operations include the Office of the Chief Economist, the National Appeals Division, and the Office of Budget and Program Analysis.

OFFICE OF THE CHIEF ECONOMIST

Appropriations, 2017 .....	\$18,917,000
Budget estimate, 2018 .....	17,211,000
Committee recommendation .....	16,917,000

The Office of the Chief Economist advises the Secretary of Agriculture on the economic implications of Department policies and programs. The Office serves as the single focal point for the Nation’s economic intelligence and analysis, risk assessment, and cost-benefit analysis related to domestic and international food and agriculture issues, provides policy direction for renewable energy development, conducts analyses of climate change impacts on agri-

culture and forestry, and is responsible for coordination and review of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$16,917,000 for the Office of the Chief Economist.

*Policy Research.*—The Committee recommendation includes \$4,000,000 for policy research under 7 U.S.C. 3155 for entities with existing institutional capacity to conduct complex economic and policy analysis and a lengthy and well-documented record of conducting policy analysis for the benefit of the Department of Agriculture, the Congressional Budget Office, or the Congress. To maximize resources, the Committee expects the Department to focus efforts on entities that have developed models, databases, and staff necessary to conduct in-depth analysis of impacts of agriculture or rural development policy proposals on rural communities, farmers, agribusiness, taxpayers, and consumers.

OFFICE OF HEARINGS AND APPEALS

Appropriations, 2017 .....	\$13,399,000
Budget estimate, 2018 .....	14,716,000
Committee recommendation .....	13,399,000

The Office of Hearings and Appeals conducts administrative hearings and reviews of adverse program decisions made by the Rural Development mission area, the Farm Service Agency, the Risk Management Agency, and the Natural Resources Conservation Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$13,399,000 for the Office of Hearings and Appeals.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations, 2017 .....	\$9,525,000
Budget estimate, 2018 .....	9,093,000
Committee recommendation .....	9,525,000

The Office of Budget and Program Analysis provides direction and administration of the Department’s budgetary functions including development, presentation, and execution of the budget; reviews program and legislative proposals for program, budget, and related implications; analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid the Secretary and departmental policy officials and agency program managers in the decisionmaking process; and provides department-wide coordination for and participation in the presentation of budget-related matters to the committees of the Congress, the media, and interested public. The Office also provides department-wide coordination of the preparation and processing of regulations and legislative programs and reports.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$9,525,000 for the Office of Budget and Program Analysis.

## OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriations, 2017 .....	\$49,538,000
Budget estimate, 2018 .....	58,950,000
Committee recommendation .....	58,950,000

The Office of the Chief Information Officer was established in August 1996 (40 U.S.C. 1401 et seq.), pursuant to the Clinger-Cohen Act of 1996, which required the establishment of a Chief Information Officer for major Federal agencies. This Office provides policy guidance, leadership, coordination, and direction to the Department's information management and information technology investment activities in support of USDA program delivery, and is the lead office in USDA e-gov efforts. The Office provides long-range planning guidance, implements measures to ensure that technology investments are economical and effective, coordinates interagency information resources management projects, and implements standards to promote information exchange and technical interoperability. In addition, the Office of the Chief Information Officer is responsible for certain activities financed under the Department's Working Capital Fund (7 U.S.C. 2235). The Office also provides telecommunication and automated data processing [ADP] services to USDA agencies through the National Information Technology Center with locations in Fort Collins, Colorado, Kansas City, Missouri and Washington, DC. Direct ADP operational services are also provided to the Office of the Secretary, the Office of the General Counsel, the Office of Communications, the Office of the Chief Financial Officer, and Departmental Management.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$58,950,000 for the Office of the Chief Information Officer.

*Software Licenses.*—The Committee encourages the Department's Chief Information Officer to perform periodic automated inventories of software licenses in use across the Department. The Department should compare those usage numbers to its purchased licenses and seek to increase efficiency wherever it identifies discrepancies. The Department is to consider using this information to obtain department-wide acquisitions as opposed to component-specific purchases of licenses.

## OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriations, 2017 .....	\$8,028,000
Budget estimate, 2018 .....	5,836,000
Committee recommendation .....	8,028,000

The Office of the Chief Financial Officer is responsible for the dual roles of Chief Financial Management Policy Officer and Chief Financial Management Advisor to the Secretary and mission area heads. The Office provides leadership for all financial management, accounting, travel, Federal assistance, and strategic planning per-

formance measurement activities within the Department. The Office is also responsible for the management and operation of the National Finance Center and the Departmental Working Capital Fund.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$8,028,000 for the Office of the Chief Financial Officer.

*National Finance Center.*—The Committee supports the replacement and acquisition of capital equipment, including equipment for the resumption, improvement and implementation of financial management systems, information technology, and other systems of the National Finance Center as a result of the recent tornado and related weather damage to Center operations and equipment.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

Appropriations, 2017 .....	\$901,000
Budget estimate, 2018 .....	896,000
Committee recommendation .....	901,000

The Office of the Assistant Secretary for Civil Rights provides oversight of civil rights and related functions. This includes coordination of the administration of civil rights laws and regulations for employees of the Department of Agriculture and participants in programs of the Department, and ensuring compliance with civil rights laws.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$901,000 for the Office of the Assistant Secretary for Civil Rights.

OFFICE OF CIVIL RIGHTS

Appropriations, 2017 .....	\$24,206,000
Budget estimate, 2018 .....	23,304,000
Committee recommendation .....	24,206,000

The Office of Civil Rights provides overall leadership responsibility for all department-wide civil rights activities. These activities include employment opportunity as well as program nondiscrimination policy development, analysis, coordination, and compliance. The Office is responsible for providing leadership in facilitating the fair and equitable treatment of USDA employees, and for monitoring program activities to ensure that all USDA programs are delivered in a nondiscriminatory manner. The Office’s outreach functions provide leadership, coordination, facilitation, and expertise to internal and external partners to ensure equal and timely access to USDA programs for all constituents, with emphasis on the underserved, through information sharing, technical assistance, and training.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$24,206,000 for the Office of Civil Rights.

AGRICULTURE BUILDINGS AND FACILITIES

Appropriations, 2017 .....	\$84,189,000
Budget estimate, 2018 .....	62,145,000
Committee recommendation .....	67,293,000

Department headquarters presently operates in a two-building, Government-owned complex in downtown Washington, DC, the George Washington Carver Center in Beltsville, Maryland, and in leased buildings in the metropolitan Washington, DC, area. Under an arrangement with the General Services Administration, USDA operates, maintains, and repairs these facilities, in lieu of rental payments. For the last several years the Department has implemented a strategic space plan to locate staff more efficiently, renovate its buildings, and eliminate safety hazards, particularly in the Agriculture South Building.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$67,293,000 for Agriculture Buildings and Facilities.

HAZARDOUS MATERIALS MANAGEMENT

Appropriations, 2017 .....	\$3,633,000
Budget estimate, 2018 .....	3,503,000
Committee recommendation .....	3,633,000

Under the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act, the Department has the responsibility to meet the same standards regarding the storage and disposition of hazardous materials as private businesses. The Department is required to contain, cleanup, monitor, and inspect for hazardous materials in areas under the Department’s jurisdiction.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,633,000 for Hazardous Materials Management.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2017 .....	\$98,208,000
Budget estimate, 2018 .....	92,689,000
Committee recommendation .....	98,208,000

The Office of Inspector General [OIG] was established October 12, 1978, by the Inspector General Act of 1978 (Public Law 95–452). This act expanded and provided specific authorities for the activities of OIG which had previously been carried out under the general authorities of the Secretary of Agriculture.

The Office is administered by an inspector general who reports directly to the Secretary of Agriculture. Functions and responsibilities of this Office include direction and control of audit and investigative activities within the Department, formulation of audit and investigative policies and procedures regarding Department programs and operations, and analysis and coordination of program-related audit and investigation activities performed by other Department agencies.

The activities of this Office are designed to assure compliance with existing laws, policies, regulations, and programs of the Department's agencies, and to provide appropriate officials with the means for prompt corrective action where deviations have occurred. The scope of audit and investigative activities is large and includes administrative, program, and criminal matters. These activities are coordinated, when appropriate, with various audit and investigative agencies of the executive and legislative branches of the Government.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$98,208,000 for the Office of Inspector General. The recommendation also includes funding for OIG to address violations of section 26 of the Animal Welfare Act (7 U.S.C. 2156) and to coordinate with State and local law enforcement personnel in this effort.

OFFICE OF THE GENERAL COUNSEL

Appropriations, 2017 .....	\$44,697,000
Budget estimate, 2018 .....	42,970,000
Committee recommendation .....	44,697,000

The Office of the General Counsel provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department. The Office represents the Department in administrative proceedings; nonlitigation debt collection proceedings; State water rights adjudications; proceedings before the Environmental Protection Agency, Interstate Commerce Commission, Federal Maritime Administration, and International Trade Commission; and, in conjunction with the Department of Justice, in judicial proceedings and litigation.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$44,697,000 for the Office of the General Counsel.

OFFICE OF ETHICS

Appropriations, 2017 .....	\$4,136,000
Budget estimate, 2018 .....	3,538,000
Committee recommendation .....	4,136,000

The Office of Ethics is the centralized and consolidated office implementing USDA's ethics program throughout the Department. The Office provides ethics services to all employees at the Department concerning advice, training, and guidance about compliance with conflict of interest and impartiality rules. This includes complying with the requirements of the Stop Trading on Congressional Knowledge Act, Public Law 112-105 (the STOCK Act), and the Office of Government Ethics regulatory requirements (5 CFR parts 2634 through 2641).

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$4,136,000 for the Office of Ethics.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION, AND ECONOMICS

Appropriations, 2017 .....	\$893,000
Budget estimate, 2018 .....	891,000
Committee recommendation .....	893,000

The Office of the Under Secretary for Research, Education, and Economics provides direction and coordination in carrying out the laws enacted by the Congress for food and agricultural research, education, extension, and economic and statistical information. The Office has oversight and management responsibilities for the Agricultural Research Service; National Institute of Food and Agriculture; Economic Research Service; and National Agricultural Statistics Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$893,000 for the Office of the Under Secretary for Research, Education, and Economics.

*Industrial Hemp.*—The Committee is aware of statements made by the Department acknowledging the eligibility of researchers participating in industrial hemp pilot programs as defined by Section 7606 of the Agricultural Act of 2014 to compete for Federal funds awarded by the Department. The Committee directs the Department to work with and inform stakeholders of this eligibility and to support industrial hemp research as authorized by Section 7606 of the Agricultural Act of 2014.

ECONOMIC RESEARCH SERVICE

Appropriations, 2017 .....	\$86,757,000
Budget estimate, 2018 .....	76,690,000
Committee recommendation .....	86,757,000

The Economic Research Service [ERS] provides economic and other social science research and analysis for public and private decisions on agriculture, food, the environment, and rural America. The information that ERS produces is for use by the general public and to help the executive and legislative branches develop, administer, and evaluate agricultural and rural policies and programs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$86,757,000 for the Economic Research Service.

*Breastfeeding Study.*—The Committee recognizes the important role of the Special Supplemental Nutrition Program for Women, Infants, and Children [WIC] in encouraging breastfeeding. Breastfeeding can be an important preventive measure in infant and maternal health, and WIC offers multiple services and supports to mothers to help achieve optimal breastfeeding. As Congress looks for ways to reduce Federal healthcare spending, it is important to understand the preventive impact of breastfeeding and WIC’s initiatives within broader healthcare spending. The Committee requests within 12 months an updated study from the ERS on the economic benefits of breastfeeding, including its potential cost-savings for Medicaid and the WIC program.



*Feed Costs.*—The Committee maintains funding provided in fiscal year 2017 for ERS to expand its current feed cost components surveys nationally.

*Low Density Polyethylene.*—The use of Low Density Polyethylene [LDPE] as an agricultural aid on farms is common practice but as a single use material represents a negative impact on the environment. The Committee encourages ERS to conduct research into the viability of creating collection networks and potential markets for agricultural LDPE.

*Organic Data Analysis.*—The organic industry has grown at a tremendous rate over the past several years, and accurate data for the production, pricing and marketing of organic products is essential. Therefore, the Committee encourages ERS to continue and expand the efforts relating to organic data analysis.

NATIONAL AGRICULTURAL STATISTICS SERVICE

Appropriations, 2017 .....	\$171,239,000
Budget estimate, 2018 .....	185,677,000
Committee recommendation .....	191,717,000

The National Agricultural Statistics Service [NASS] administers the Department’s program of collecting and publishing current national, State, and county agricultural statistics. These statistics provide accurate and timely projections of current agricultural production and measures of the economic and environmental welfare of the agricultural sector which are essential for making effective policy, production, and marketing decisions. NASS also furnishes statistical services to other USDA and Federal agencies in support of their missions, and provides consulting, technical assistance, and training to developing countries.

NASS is also responsible for administration of the Census of Agriculture, which is taken every 5 years and provides comprehensive data on the agricultural economy including: data on the number of farms, land use, production expenses, farm product values, value of land and buildings, farm size and characteristics of farm operators, market value of agricultural production sold, acreage of major crops, inventory of livestock and poultry, and farm irrigation practices.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$191,717,000 for the National Agricultural Statistics Service.

*Alfalfa Prices.*—The Committee is concerned that the National Agricultural Statistics Service monthly Agricultural Prices Report only lists the average price received by agricultural producers for alfalfa sold, with no further breakdown of alfalfa hay that meets the higher quality standards required for dairy feed (graded as premium or better, or the equivalent). The Committee directs the National Agricultural Statistics Service to calculate and report in the monthly Agricultural Prices Report on the average price of premium or better alfalfa sold in the United States.

*Barley Estimates.*—Barley acreage and production estimates provide critical data to maltster, brewer, distiller, food, and feed end-users in domestic and export markets to make procurement deci-

sions and investment plans; and by policy makers in developing and implementing agricultural programs. The Committee directs NASS to reinstate acreage and production estimates for barley in States that were discontinued in 2016.

*Chemical Use Data Series.*—The Committee believes that the Chemical Use Data Series provides timely, valuable information on fertilizer and chemical use data on major field crops and selected specialty crops. The Committee encourages the National Agricultural Statistics Service to continue funding the collection and analysis of chemical use data as well as practices such as integrated pest management. The Committee supports the National Agricultural Statistics Service’s effort to resume collecting Fruit Chemical Use data and Vegetable Chemical Use data in alternating years and also directs the continuation of this practice to ensure equal access to Federal statistics.

*Organic Data Collection.*—The Committee believes the Organic Production Survey is essential to the growth of the organic industry, and should be conducted on a regular basis to properly assess the characteristics, trends, and changes in the sector. The Committee expects NASS to incorporate funding for an annual organic production survey into its internal budgeting process, and report to the Committee on the cost estimate for such survey.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

Appropriations, 2017 .....	\$1,170,235,000
Budget estimate, 2018 .....	993,144,000
Committee recommendation .....	1,182,435,000

The Agricultural Research Service [ARS] is responsible for conducting basic, applied, and developmental research through its major program areas of New Products/Product Quality/Value Added; Livestock/Crop Production; Food Safety; Livestock/Crop Protection; Human Nutrition; and Environmental Stewardship. The research applies to a wide range of goals; commodities; natural resources; fields of science; and geographic, climatic, and environmental conditions.

ARS is also responsible for the Abraham Lincoln National Agricultural Library which provides agricultural information and library services through traditional library functions and modern electronic dissemination to agencies of the USDA, public and private organizations, and individuals.

As the USDA’s in-house agricultural research unit, ARS has major responsibilities for conducting and leading the national agricultural research effort. It provides initiative and leadership in five areas: research on broad regional and national problems, research to support Federal action and regulatory agencies, expertise to meet national emergencies, research support for international programs, and scientific resources to the executive branch and Congress.

The mission of ARS research is to develop and transfer solutions to agricultural problems of high national priority and provide information access and dissemination to ensure high-quality, safe food and other agricultural products; assess the nutritional needs of

Americans; sustain a competitive agricultural economy; enhance the natural resource base and the environment; and provide economic opportunities for rural citizens, communities, and society as a whole.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,182,435,000 for salaries and expenses of the Agricultural Research Service. The Committee does not concur with the President's budget request regarding the termination of research programs and laboratory closures. The Committee expects extramural research to be funded at no less than the fiscal year 2017 levels.

*Aerial Application Research.*—The Committee recognizes the importance of the ARS Aerial Application Technology Program. The program conducts innovative research making aerial applications more efficient, effective and precise. Research for aerial application serves the public good as a vital tool for the future, as agriculture strives to meet the food, fiber, and bio-energy demands of a growing population.

*Agricultural Genomics.*—The Committee provides no less than the fiscal year 2017 level for agricultural genomic research to expand the knowledge of public and private sector entities and persons concerning genomes for species of importance to the food and agriculture sectors in order to maximize the return on the investment in genomics of agriculturally important species.

*Agroforestry.*—Agroforestry can provide on-farm financial and environmental benefits while also addressing the regional and national-scale issues of clean water, wildlife habitat, and hypoxia. Agroforesters manage trees with crops, livestock, and pasture to combine the best of both agriculture and forestry. Recognizing the importance of agroforestry to farm practices and the environment, the Committee recommendation includes no less than the fiscal year 2017 level to develop integrated strategies to manage multifunctional agricultural landscapes that combine trees with agricultural and horticultural crops, forages and grazing livestock for optimal economic, environmental, and natural resources benefits.

*Alfalfa Research.*—The Committee notes that research into alfalfa seed and alfalfa forage systems holds the potential to increase yields, increase milk production, and improve genetics, and the Committee recommendation includes an increase of \$1,000,000 to support research focused on alfalfa improvement. Research should focus on using tools to accelerate and enhance existing breeding programs focused on improving yield and quality parameters; developing innovative harvesting and utilization systems; developing new markets for co-products; and quantifying environmental benefits from alfalfa-based systems.

*Antimicrobial Research and Development.*—The Committee strongly supports enhanced research efforts to advance the development of alternatives to antibiotics used in animal production. The Committee encourages ARS to examine the role of nutritional alternatives/feed additives containing bioactives and prebiotics that may lead to reduced antibiotic use and boost immune responses in livestock. The Committee requests that ARS provide an update on this effort in its fiscal year 2019 budget request.

*Aquaculture Seedstock.*—The Committee is concerned that vital seedstock to support the development of aquaculture in Federal waters of the Gulf of Mexico will be sourced from foreign aquaculture producers. Domestic on-land recirculating aquaculture systems and offshore aquaculture are highly capable of producing seedstock to support new industries including broodstock acquisition and care, spawning, and larval culture techniques. Therefore, the Committee encourages the agency to support and protect the U.S. aquaculture industry by working collaboratively with U.S. aquaculture producers and research institutions that specialize in the development of aquaculture technologies.

*Atlantic Salmon Breeding Program.*—The Committee directs ARS to continue its Atlantic salmon breeding and domestication work. The Committee notes that domestic salmon farms are required to only use strains of salmon that are of North American origin and that these strains need substantial breeding improvement in order to be competitive with strains currently used by foreign producers. The Committee notes that the current ARS Atlantic salmon breeding program lacks a geneticist and supports efforts by the Department to address this need.

*Citrus Greening Disease Research.*—The Committee commends ARS on its research efforts on citrus greening disease and encourages the agency to continue working to develop methods to reduce transmission, enhance immunity in citrus trees, and work with industry, universities, growers, and other partners to develop effective control mechanisms. The Committee also encourages ARS to coordinate its efforts with the HuanglongbiAng Multi-Agency Coordination [HLB-MAC] group.

*Coffee Germplasm.*—The Committee directs ARS to issue a report and recommendations on the feasibility of including coffee in the National Clonal Germplasm Repository within 90 days of enactment of this Act.

*Cotton Ginning.*—The Committee recognizes the importance of pollution abatement, improving fiber quality, ginning efficiency, cotton seed and other byproducts, and provides an additional \$500,000 to expand research in cotton ginning and innovation by existing laboratories.

*Cover Crops Research and Outreach.*—The Committee recognizes the importance of developing profitable and practicable cover crop options for use in dairy, grain, and vegetable production systems, including for use in no-till organic systems and as forages. Therefore, the Committee recommendation includes no less than the fiscal year 2017 level for ARS to support research with the purposes of improving measures of soil health and resiliency, varietal development, optimizing dairy forage species combinations, timing and strategies for cover crop seeding and termination, forage integration into organic dairy systems, and mitigation of environmental and extreme rainfall impacts on water quality and soil security for diverse cover crop systems.

*Cranberry Research.*—The Committee recognizes the need for advancements in water conservation, pest control, disease reduction, and fruit quality improvements in cranberry production. The Committee recommendation includes no less than the fiscal year 2017 level for the improvement of cranberry yields, pest management,

disease management, and water resource management by developing fields devoted to cranberry research and collection and storage of samples for analysis in appropriate existing laboratory facilities. The Committee acknowledges that the sale or encumbrance of real property by a non-Federal entity may be necessary to advance the aforementioned purposes and may be considered an originally authorized purpose under the current governing regulations at the awarding agency's discretion.

*Emerging Cereal Rust Diseases.*—The Committee is aware that emerging cereal rust diseases are a threat to domestic and world food supplies. Therefore, the Department should continue to dedicate funding to speed efforts to combat cereal rust disease, including development of Ug99-resistant wheat varieties.

*Floriculture and Nursery Research.*—The Committee recognizes the economic importance of the floriculture and nursery sector of agriculture and the industry's need for continued innovation. The Committee encourages ARS to support academic and Federal researchers to pursue efforts in crop protection, breeding, mechanization and other areas through USDA's Floriculture and Nursery Research Initiative to secure a more efficient and productive floriculture and nursery industry.

*Food Systems.*—The Committee directs ARS to work with a land-grant institution to establish a Food Systems Center that will address how local, regional and global food systems can provide nutritious and culturally appropriate food, regardless of individual life circumstances.

*Forage Production Systems.*—The Committee recommendation includes no less than the fiscal year 2017 level to develop management practices that improve the production efficiency of grazing operations in temperate pastures.

*Forest Products.*—The Committee recognizes the important role of the forests products sector to the U.S. economy. The need to create new and improved value-added products and renewable energy from our Nation's wood supply is critical to the sustainability of the national economy. The Committee recommendation includes no less than the fiscal year 2017 level to support research on wood quality improvement and improvement in forest products evaluation standards and valuation techniques. ARS shall conduct this research in consultation with the Forest Products Laboratory.

*Fruit Fly and Exotic Pest Control.*—Within 90 days of enactment of this Act, the Committee directs ARS to study and make recommendations on the feasibility of additional support to prevent the spread of fruit flies and other exotic pests to the U.S. mainland from the tropical Pacific.

*Genetic Oat Research.*—The Committee recognizes the potential genetic oat research has to improve disease resistance (especially rusts and viruses), genetics, increase yields, and develop crop rotation systems that include oat, which will enhance the value of oats and provide benefits to producers and consumers. The Committee encourages ARS to expand existing research focused on oat improvement.

*Genomes to Fields.*—The Committee recommendation includes no less than the fiscal year 2017 level to expand the Germplasm Enhancement of Maize [GEM] project to complement the existing

USDA maize germplasm programs and support the emerging large-scale public sector effort to investigate the interaction of maize genome variation and environments, known as the Genomes to Fields project.

*High Performance Computing Support.*—The Committee provides \$1,000,000 to expand high performance computing capability to address scientific needs and directs ARS to collaborate with appropriate partners with the technical capacity and scientific synergy to provide cost-effective high performance computing support.

*Human Nutrition Research.*—The Committee remains concerned about the high rates of obesity in this country, and believes that research into human nutrition is important to help prevent childhood obesity and the medical issues obesity brings. The Committee recommendation includes no less than the fiscal year 2017 level to expand research regarding the growth, health promotion, diet, immune function, and disease prevention of the developing child.

*National Agricultural Library.*—The Committee strongly encourages the Agricultural Research Service to maintain its focus on agriculture-related legal issues within the National Agricultural Library. The Committee notes that as the agriculture sector faces increasing financial stress, there is a necessity that agriculture-related legal issues be addressed on an increasingly frequent basis. Further, agricultural-related legal issues are increasingly complex and the impact of these legal issues continues to broaden in scope. Therefore, the Committee recommendation includes an increase of \$2,000,000 above the fiscal year 2017 enacted level for the National Agricultural Library to expand the Agricultural Law Information Partnership.

*National Apple Rootstock Breeding Program.*—The Committee recognizes the importance of the National Apple Rootstock Breeding Program, which provides virus-free rootstock to apple growers throughout the Nation. Therefore, the Committee recommendation includes no less than the fiscal year 2017 level to support the ARS National Apple Rootstock Breeding Program.

*National Bio and Agro-Defense Facility Workforce Development.*—The Committee notes that significant resources have been invested in the new National Bio and Agro-Defense Facility [NBAF] and is concerned about the potential shortage of qualified scientists, including DVM-PhDs, when the facility opens in 2022. The Committee recommendation includes no less than the fiscal year 2017 level for ARS to develop the necessary mechanisms to ensure a viable and qualified scientific workforce is available, and to implement a program to recruit and train scientists, and other technical positions, focused on pathology, virology, immunology, entomology, epidemiology, microbiology, and computational biology for productive USDA careers at NBAF.

*Nutrient Density Profile.*—The ARS is directed to update the nutrient profile and nutrient density characterization of pure maple syrup.

*Nutrition Research and Aging.*—Food and nutrition play a central role in U.S. health, environment, and economic development. In fact, diet-related disease has become America's largest single cause of premature death and disability. More research is needed to address the needs of all Americans, with a particular focus on

the elderly, the fastest growing segment of the population. Therefore, the Agricultural Research Service is encouraged to prioritize human nutrition research to explore the relationship between nutrition, physical activity, and healthy and active aging.

*Office of Pest Management Policy.*—The Committee recognizes the critical role that the Office of Pest Management Policy [OPMP] plays in fulfilling USDA's statutory role in the interagency consultative process under the Federal Insecticide, Fungicide, and Rodenticide Act. The importance of OPMP's mission has increased commensurately with the increased actions undertaken by EPA, and the Committee provides no less than the fiscal year 2017 level for OPMP to fulfill its obligations on behalf of USDA.

*Pear Genetics and Genomics.*—The Committee recognizes that research into pear genetics and genomics is needed to identify genetic sources of pest resistance and to contribute to improved, size-controlling rootstocks to enhance orchard efficiency, and to otherwise improve cultivated pear research. The Committee recommendation includes an increase of \$500,000 to support research into pear genetics and genomics.

*Poultry Research.*—The Committee recognizes the important role of the poultry sector to the U.S. economy. The Committee provides no less than the fiscal year 2017 funding level to expand the research capacity for poultry production and health.

*Rangeland Research.*—The Committee recognizes the demonstrated potential for cooperative partnerships to address complex sagebrush steppe ecosystem challenges in the Great Basin region. The Committee recommendation includes \$1,000,000 for ARS to support a regional, multi-institutional cooperative partnership to advance collaborative science-based conservation research, extension, and education to address time-sensitive and shared rangeland challenges affecting sustainable agricultural productivity, rural communities, and wildlife habitats.

*Research Assistance.*—The Committee encourages the Agricultural Research Service to provide direct, place-based assistance to 1862 Institutions in States that do not have Agricultural Research Service facilities to address the research priorities of such States, such as invasive plant species and insects that cause significant impacts to agriculture, aquaculture, and communities in such States and to assist in the development of specialty and horticultural crops to increase food security and expand marketing opportunities for small farmers.

*Research Facilities.*—The Committee directs ARS to work cooperatively with land-grant universities to better utilize available state-of-the-art laboratory space to effectively address important agricultural research issues, including obstacles to increasing food production. These challenges include diseases which affect the blueberry, potato, apple, and marine finfish aquaculture production. The Committee again directs ARS to study ways in which the Federal labs could be better utilized, in cooperation with land-grant universities, to explore new scientific opportunities that benefit the Nation's food and agriculture system, and to submit a report with recommendations to the Committee by January 30, 2018. The report should include information on the current utilization of ARS

facilities by universities and other cooperators, as well as the extent in which ARS is housed in cooperator facilities.

*Roseau Cane.*—The Committee is concerned with the invasive species scale insect pest that is destroying Roseau cane in the Mississippi River’s Delta region along the Gulf of Mexico. An estimated 225,000 acres of wetlands in the Delta have been affected with the die-off, and Roseau cane is important in maintaining a healthy marsh and preventing erosion. The Committee directs ARS to work with the Animal and Plant Health Inspection Service [APHIS] and stakeholders to develop an integrated management program for control of the Roseau cane scale insect pest infestation.

*Sage Steppe Restoration Science.*—The Committee includes no less than the fiscal year 2017 level for ARS to advance sagebrush habitat restoration science in the Northern Great Basin including cooperative research, testing and deploying precision restoration methods to restore habitat impacted by significant disturbance such as wildfire and invasive species.

*Sclerotinia.*—The Committee is aware of the economic importance of controlling sclerotinia, which affects sunflowers, soybeans, canola, edible beans, peas, and lentils and encourages ARS to continue both core research and cooperative projects of the National Sclerotinia Initiative.

*Shellfish Research.*—The Committee encourages the Agricultural Research Service to increase its investment in partnerships with research institutions on research to improve shellfish survival and growth rates and to classify and preserve natural genetic variation.

*Soft White Wheat Falling Numbers Test.*—The Committee recognizes the emerging crisis surrounding wheat starch degradation, as detected by the Hagberg-Perten Falling Numbers [FN] Test. The Committee recommendation includes an increase of \$1,000,000 to research the accuracy of the FN test, and better understand environmental, storage, and genetic conditions leading to this quality loss.

*Small Grains Genomic Initiative.*—The Committee supports research on barley and wheat high throughput genomics and phenotyping and recognizes its importance in improving crop traits and developing new cultivars. The Committee recommendation includes no less than the fiscal year 2017 level to support the Small Grains Genomic Initiative.

*Sorghum Genetic Database.*—The Committee recognizes the importance of phenotyping and genotyping that allows breeders to understand which genes are responsible for improvements in pest resistance, drought tolerance, and yield. The Committee recommends an increase of no less than the fiscal year 2017 level to further facilitate the partnership between ARS and the Department of Energy on sorghum genome mapping—particularly the creation of an easily-accessed database to house the information generated from the ongoing genetic sequencing research which will facilitate further crop development efforts, especially in combating the sugarcane aphid, a new and devastating invasive pest.

*Sustainable Water Use Research.*—The alluvial plain within the Lower Mississippi River Basin is one of most productive agricultural regions in the United States. The Committee remains concerned with the unsustainable use of water in the Alluvial Aquifer



as a result of increasing water withdrawals and stagnant recharging. The Committee provides an increase of \$1,000,000 for research to improve the recharge capabilities of the Alluvial Aquifer and to develop new conservation and irrigation techniques to reduce water usage in agriculture production.

*Tropical and Subtropical Research.*—Research on Tropical and Subtropical crops is critical as the presence of and destruction by invasive pests such as fruit flies, coffee berry borer, felted macadamia nut coccid, and plant viruses and funguses increase and threaten crop security in the Pacific and Insular Areas, and the Committee encourages ARS to support this research.

*UAS Precision Agriculture Applications.*—The Committee provides an additional \$3,000,000 to expand efforts utilizing unmanned aerial systems [UAS] in crop production operations and to address the challenges associated with data capture, transfer and analysis.

*U.S. Wheat and Barley Scab Initiative [USWBSI].*—The Committee recognizes that fusarium head blight is a major threat to agriculture, inflicting substantial yield and quality losses throughout the U.S. The Committee supports research carried out through the USWBSI. The Committee recommendation includes no less than the fiscal year 2017 level to conduct further research on reducing the impact of fusarium head blight on wheat and barley.

*Warmwater Aquaculture.*—The Committee provides an additional \$1,200,000 to facilitate the advancement of technologies that improve the efficiency, profitability and sustainability of warmwater aquaculture production.

*Wheat and Sorghum Research.*—The Committee recognizes the potential impact heat and drought can have on the yield and quality of wheat and sorghum and the need for new cultivars to adapt to changing climatic conditions. In addition, sorghum crops have been particularly hit hard by the invasive sugarcane aphid and new resistant cultivars are needed. The Committee provides no less than the fiscal year 2017 level for research to improve the productivity and quality of wheat and sorghum during uncertain growing seasons resulting from extended droughts and increased temperatures. Within this increase, funding is included to initiate gene flow research to advance the durability and sustainability of fitness traits in sorghum.

AGRICULTURAL RESEARCH SERVICE

BUILDINGS AND FACILITIES

Appropriations, 2017 .....	\$99,600,000
Budget estimate, 2018 .....	
Committee recommendation .....	

COMMITTEE RECOMMENDATIONS

The Committee does not recommend an appropriation for Agricultural Research Service, Buildings and Facilities.

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

Section 7511(f)(2) of the Food, Conservation, and Energy Act of 2008 amends the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971) by establishing an agency to be known as the National Institute of Food and Agriculture [NIFA]. The Secretary transferred to the Director of NIFA, effective October 1, 2009, all authorities administered by the Administrator of the Cooperative State, Research, Education and Extension Service. The mission is to work with university partners and customers to advance research, extension, and higher education in the food and agricultural sciences and related environmental and human sciences to benefit people, communities, and the Nation.

RESEARCH AND EDUCATION ACTIVITIES

Appropriations, 2017 .....	\$849,518,000
Budget estimate, 2018 .....	769,613,000
Committee recommendation .....	854,871,000

Research and Education programs administered by NIFA are USDA’s principal entrée to the university system of the United States for the purpose of conducting agricultural research and education programs as authorized by the Hatch Act of 1887, as amended (7 U.S.C. 361a–361i); the McIntire-Stennis Cooperative Forestry Act of 1962, as amended (16 U.S.C. 582a et seq.); the Competitive, Special, and Facilities Research Grant Act, as amended (7 U.S.C. 450i); the National Agricultural, Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3101 et seq.); the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note); the Agricultural Research, Extension and Education Reform Act of 1998 (Public Law 105–185), as amended; the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624); the Farm Security and Rural Investment Act of 2002 (Public Law 107–171); and the Food, Conservation and Energy Act of 2008 (Public Law 110–246). Through these authorities, USDA participates with State and other cooperators to encourage and assist the State institutions in the conduct of agricultural research and education through the State Agricultural Experiment Stations of the 50 States and the territories; by approved Schools of Forestry; the 1890 Land-Grant Institutions and Tuskegee University and West Virginia State University; 1994 Land-Grant Institutions; by Colleges of Veterinary Medicine; and other eligible institutions. The appropriated funds provide Federal support for research and education programs at these institutions.

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, and the agricultural industry of America.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$854,871,000 for research and education activities of the National Institute of Food and Agriculture.

The following table summarizes the Committee’s recommendations for research and education activities:

## NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—RESEARCH AND EDUCATION ACTIVITIES

[Dollars in thousands]

Program/Activity	Authorization	Committee recommendation
Hatch Act .....	7 U.S.C. 361a-i .....	243,701
McIntire-Stennis Cooperative Forestry Act .....	16 U.S.C. 582a through a-7 .....	33,961
Research at 1890 Institutions (Evans-Allen Program) .....	7 U.S.C. 3222 .....	54,185
Payments to the 1994 Institutions .....	534(a)(1) of Public Law 103-382 ..	3,439
Education Grants for 1890 Institutions .....	7 U.S.C. 3152(b) .....	19,336
Education Grants for Hispanic-Serving Institutions .....	7 U.S.C. 3241 .....	9,219
Education Grants for Alaska Native and Native Hawaiian-Serving Institutions.	7 U.S.C. 3156 .....	3,194
Research Grants for 1994 Institutions .....	536 of Public Law 103-382 .....	3,801
Capacity Building for Non Land-Grant Colleges of Agriculture .....	7 U.S.C. 3319i .....	5,000
Resident Instruction and Distance Education Grants for Insular Areas.	7 U.S.C. 3362 and 3363 .....	2,000
Agriculture and Food Research Initiative .....	7 U.S.C. 450i(b) .....	375,000
Veterinary Medicine Loan Repayment .....	7 U.S.C. 3151a .....	6,500
Veterinary Services Grant Program .....	7 U.S.C. 3151b .....	2,500
Continuing Animal Health and Disease Research Program .....	7 U.S.C. 3195 .....	4,000
Supplemental and Alternative Crops .....	7 U.S.C. 3319d .....	825
Multicultural Scholars, Graduate Fellowship and Institutions Challenge Grants.	7 U.S.C. 3152(b) .....	9,000
Secondary and 2-year Post-Secondary Education .....	7 U.S.C. 3152(j) .....	900
Aquaculture Centers .....	7 U.S.C. 3322 .....	5,000
Sustainable Agriculture Research and Education .....	7 U.S.C. 5811, 5812, 5831, and 5832.	30,000
Farm Business Management .....	7 U.S.C. 5925f .....	1,450
Sun Grant Program .....	7 U.S.C. 8114 .....	3,000
Improved Pest Control:		
Minor Crop Pest Management (IR-4) .....	7 U.S.C. 450i(c) .....	11,913
Alfalfa Forage and Research Program .....	7 U.S.C. 5925 .....	2,250
Special Research Grants:7 U.S.C. 450i(c):		
Global Change/UV Monitoring .....	.....	1,405
Potato Research .....	.....	2,250
Aquaculture Research .....	.....	1,350
Total, Special Research Grants .....	.....	5,005
Necessary Expenses of Research and Education Activities:		
Grants Management System .....	.....	7,830
Federal Administration—Other Necessary Expenses for Research and Education Activities.	.....	11,862
Total, Necessary Expenses .....	.....	19,692
Total, Research and Education Activities .....	.....	854,871

*Agriculture and Food Research Initiative.*—The Committee recommendation includes \$375,000,000 for the Agriculture and Food Research Initiative [AFRI].

Section 7406 of the Food, Conservation, and Energy Act of 2008 specifies priority areas with the Agriculture and Food Research Initiative [AFRI], including an emphasis on conventional (classical) plant and animal breeding. The Committee notes the importance of this requirement to provide farmers nationwide with greater access to cultivars that are locally and regionally adapted to their soils, climates and farming systems. Because of the agency's lack of progress in prioritizing this effort, the Committee urges the agency to make regionally adapted, publicly held cultivar development a distinct funding priority within AFRI for fiscal year 2018, and directs the agency to report its progress in meeting this goal.

*Agricultural Research Enhancement Awards.*—The Committee remains determined to see that quality research and enhanced human resources development in the agricultural and related sciences be a nationwide commitment. Therefore, the Committee continues its direction that not less than 15 percent of the competitive research grant funds be used for USDA's agricultural research enhancement awards program, including USDA-EPSCoR.

*Agriculture Technology.*—The Committee encourages USDA to support research and development of agricultural robotics, particularly to increase yields in vertically stacked farming production.

*Agroecosystems Research.*—Section 7406 of the Food, Conservation, and Energy Act of 2008 specifies priority areas for the Agriculture and Food Research Initiative [AFRI], including an emphasis on the fundamental structures and functions of ecosystems, the biological and physical bases of sustainable production systems, minimizing soil and water losses, and biological diversity. The intended goal of this section is ecologically-based management of production systems that generates ecosystem services with benefits to farmers, rural and urban communities, and the environment. Therefore, the Committee strongly urges making agroecosystems research, including explicit integration of social, economic and environmental dimensions, with direct routes to implementation, as an increased priority for funding within the AFRI program.

*Alfalfa and Forage Research.*—The Committee notes that research into alfalfa seed and alfalfa forage systems holds the potential to increase yields, increase milk production, and improve genetics. The Committee recommendation includes \$2,250,000 to support research into the improvement of yields, water conservation, creation of new uses, and the development of new storage and harvest systems.

*Aquaculture Disease Research.*—The Committee encourages USDA to support aquaculture disease and vaccine research, including research on coldwater aquaculture vaccines. There is currently no national facility for pathogen testing. Research into finfish vaccines and pathogens has the potential to accelerate the growth of sustainable U.S. aquaculture, reduce the trade deficit attributable to imported seafood, and reduce the pressure on overfished species.

*Aquaculture Research.*—The Committee recognizes the importance of the domestic aquaculture industry to the U.S. economy. The Committee recommendation includes \$1,350,000 for aquaculture research to address issues related to genetics, disease, systems, and economics.

*Aquaponics Workforce Development.*—As aquaculture, aquaponics and related industries continue to grow as significant economic drivers and food producers, the need for training to develop an informed and competent workforce becomes critical. The Committee encourages USDA to consider developing a program to create national standards for these disciplines across the Nation, and to provide workforce training for jobs in the aquaculture and aquaponics related industries.

*Brucellosis Research.*—Federal and State animal health officials have made eradicating livestock disease with significant reservoirs a national animal health priority. This need was reflected in the Agricultural Act of 2014, which made the research and develop-

ment of surveillance methods, vaccines, vaccination delivery systems or diagnostics tests a priority research area under the Competitive, Special, and Facilities Research Grant Act particularly for bovine brucellosis and bovine tuberculosis. The Committee recognizes the need for this research and encourages the agency to make competitive grants available to study improved management tools for zoonotic livestock diseases with significant wildlife reservoirs.

*Cereal Crop Research.*—Research on cereal crops has historically been conducted by USDA and public universities, and the Committee recognizes the importance of continuing investment in cereal crop research. The Committee strongly encourages USDA to provide funding for cereal crop research in the areas of genetic and genomic research, plant pest research, and improved production systems.

*Childhood Obesity.*—The Committee encourages USDA to support innovative efforts to address the unique challenges faced in addressing obesity among children and youth in urban, minority low-income populations through a combination of family education and clinical studies.

*Citrus Disease Research Program.*—The 2014 farm bill established the Emergency Citrus Disease Research and Extension Program, which is intended to discover and develop tools for early detection, control, and eradication of diseases and pests that threaten domestic citrus production and processing, and provided \$25,000,000 per year in mandatory funding for the program through the Specialty Crop Research Initiative. The Committee believes research projects funded under this authority should be prioritized based on the critical threat of citrus greening and encourages NIFA, to the maximum extent practicable, to follow the recommendations of the National Agricultural Research, Extension, and Education Advisory Board's citrus disease subcommittee and to collaborate with the HLB-MAC group.

*Community College Centers of Excellence in Agribusiness Workforce Training.*—The Committee encourages NIFA to designate Community College Centers of Excellence in Agribusiness Workforce Training, to include a limited number of 2-year community and technical colleges with a demonstrated capability to provide training and education for Agribusiness. The Centers of Excellence will seek to develop model programs in Agribusiness and promote economic development.

*Countering Seafood Fraud.*—The Committee remains concerned about countering economic fraud and improving food safety of the U.S. food supply. The Committee is concerned that adequate technology is not yet available to provide for appropriate sampling of the food supply. The Committee believes NIFA should conduct research to develop technologies that will provide rapid, portable and facile screening of fish species at port sites, wholesale, and retail centers.

*Diversification in Agriculture.*—The Committee recognizes the rapid evolution of U.S. agriculture, including the diversification of practices, markets, and technologies as farms transition to one generation from another, and encourages NIFA to prioritize investments that deliver hands-on technical education in diversified agriculture and food systems.

*Food Safety.*—The Committee recommends that NIFA prioritize research on funding for new food safety technologies relating to the Nation’s meat supply that helps researchers, producers, and manufacturers.

*Food Safety and Defense Technology.*—The Committee is concerned that insufficient progress is being made in the development of detection technology in the food safety sector. The ability to rapidly, accurately, and cost effectively detect pathogens or contaminants throughout the food supply chain is critical to protecting the United States from food-borne illnesses and malicious acts. As such, the Committee encourages NIFA to increase research of novel biodetection technologies and the implementation of mobile biodetection platforms in real-world conditions. The Department should consider technologies currently in use or under development in other fields, such as medicine or homeland security, to determine whether the technology can meet the needs in either high volume food production or mobile food defense monitoring.

*Lowbush Blueberries.*—The Committee directs NIFA to work with research institutions to develop and refine predictive models and monitoring technologies for native and invasive pests for incorporation into integrated pest management programs for naturally seeded, native berry crops to increase the margin of food safety and product quality.

*Oak Mites.*—The Committee directs NIFA to study the recent infestation of oak mites and focus on suppression and eradication possibilities.

*Organic Research.*—USDA’s National Organic Standards Board [NOSB] has identified key organic research priorities, many of which would help to address challenges that have limited the growth in organic production in this country. The Committee encourages NIFA to give strong consideration to the NOSB organic research priorities when crafting the fiscal year 2018 RFAs for AFRI and the Organic Transition Program.

*Protein Functionality.*—The Committee encourages USDA to support research projects that characterize protein from crop plants such as chickpeas, sorghum, lentils, fava beans, lupin, rice, oats, mushrooms, and water lentils to assess their suitability for use in food products. The Committee is particularly interested in research projects involving plants that can be easily cultivated in the U.S. and that are sustainably grown and produced (in terms of factors such as water usage or fertilizer and pesticide requirements).

*Regional Research Priorities.*—The Committee encourages NIFA to consider providing funding within AFRI to assist with State and regional research priorities, with USDA oversight and review.

*Seafood.*—The Committee encourages USDA, in partnership with universities with established domestic shrimp farming programs, to support the development of a domestic industry that will help ensure the safety and quality of the Nation’s seafood supply, promote environmentally sustainable aquaculture, create new opportunities for U.S. agriculture, and forge new markets for U.S. grain and oil-seed products and technology services.

*Soil Remediation Research.*—Lead contamination of soil is an urgent problem in both rural and urban areas of the country. The Committee notes that phytotechnology, using plants to remove con-

taminants from soil, has been used to remediate soils contaminated with heavy metals such as zinc, cadmium, selenium, nickel and lead, but that technical barriers to more widespread adoption of this technology exist. Therefore, the Committee encourages USDA to support innovative efforts to improve phytoremediation technologies.

*Specialty Crop Research Initiative.*—The Committee emphasizes the important role of the Specialty Crop Research Initiative in addressing the critical needs of the specialty crop industry through research and extension activities, and encourages NIFA to prioritize proposals for and enhance its overall commitment to identifying and addressing threats to pollinators from pests and diseases.

*Sustainable Agriculture Research and Education.*—The Committee is strongly supportive of the SARE program and directs USDA to ensure that research, education and extension activities carried out within SARE remain intact.

*Unmanned Aerial Systems in Agriculture.*—The Committee encourages USDA to support regional institutes focused on the development of Unmanned Aerial Systems [UAS] and fostering new innovations in agriculture and cybersecurity. UAS is a tool to obtain data in a wide variety of application areas including energy, agriculture, power infrastructure, and transportation, all critical to rural States. The Committee encourages NIFA to support the research, development, and expansion of the use of UAS and high performance computing.

*Veterinary Corps.*—Veterinarians fulfilling the terms of a contract under USDA’s Veterinary Medicine Loan Repayment Program, authorized by the National Veterinary Medical Services Act, shall be members of the National Veterinary Medical Services Corps and members who have fulfilled the terms of their contract shall be alumni of the Corps.

*Zoonotic Disease Research.*—Federal and State animal health officials have made eradicating livestock diseases with significant wildlife reservoirs a national animal health priority. This need is reflected in the Agricultural Act of 2014 which made the research and development of surveillance methods, vaccines, vaccination delivery systems or diagnostic tests a priority research area under the Competitive, Special, and Facilities Research Grant Act particularly for bovine brucellosis and bovine tuberculosis. The Committee recognizes the need for this research and encourages the agency to make competitive grants available to study improved management tools for zoonotic livestock diseases with significant wildlife reservoirs.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

Appropriations, 2017 .....	\$11,880,000
Budget estimate, 2018 .....	
Committee recommendation .....	11,880,000

The Native American Institutions Endowment Fund authorized by Public Law 103–382, the Equity in Educational Land-Grant Status Act, provides an endowment for the 1994 land-grant institutions (34 tribally controlled colleges). This program will enhance educational opportunity for Native Americans by building edu-

cational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. Income funds are also available for facility renovation, repair, construction, and maintenance. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: 60 percent of the adjusted income from these funds shall be distributed among the 1994 land-grant institutions on a pro rata basis, the proportionate share being based on the Indian student count; and 40 percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$11,880,000 for the Native American Institutions Endowment Fund.

EXTENSION ACTIVITIES

Appropriations, 2017 .....	\$477,391,000
Budget estimate, 2018 .....	462,890,000
Committee recommendation .....	481,376,000

Cooperative extension work was established by the Smith-Lever Act of May 8, 1914, as amended. The Department of Agriculture is authorized to provide, through the land-grant colleges, cooperative extension work that consists of the development of practical applications of research knowledge and the giving of instruction and practical demonstrations of existing or improved practices or technologies in agriculture and related subjects, and to encourage the application of such information by demonstrations, publications, through 4-H clubs, and other means to persons not in attendance or resident at the colleges.

To fulfill the requirements of the Smith-Lever Act, State and county extension offices in each State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianas, and Micronesia conduct educational programs to improve American agriculture and strengthen the Nation's families and communities.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$481,376,000 for extension activities of the National Institute of Food and Agriculture.

The following table summarizes the Committee's recommendations for extension activities:

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—EXTENSION ACTIVITIES

[Dollars in thousands]

Program/Activity	Authorization	Committee recommendation
Smith-Lever Act, Section 3(b) and (c) and Cooperative Extension ...	7 U.S.C. 343(b) and (c) and 208(c) of Public Law 93-471.	300,000



## NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—EXTENSION ACTIVITIES—Continued

[Dollars in thousands]

Program/Activity	Authorization	Committee recommendation
Extension Services at 1890 Institutions .....	7 U.S.C. 3221 .....	45,620
Extension Services at 1994 Institutions .....	7 U.S.C. 343(b)(3) .....	6,446
Facility Improvements at 1890 Institutions .....	7 U.S.C. 3222b .....	19,730
Renewable Resources Extension Act. ....	16 U.S.C. 1671 et seq. ....	4,060
Rural Health and Safety Education Programs .....	7 U.S.C. 2662(i) .....	3,000
Food and Animal Residue Avoidance Database Program .....	7 U.S.C. 7642 .....	1,250
Women and Minorities in STEM Fields .....	7 U.S.C. 5925 .....	400
Food Safety Outreach Program .....	7 U.S.C. 7625 .....	7,000
Smith-LeverAct, Section 3(d):		
Food and Nutrition Education .....	7 U.S.C. 343(d) .....	67,934
Farm Safety and Youth Farm Safety Education Programs .....	7 U.S.C. 343(d) .....	4,610
New Technologies for Agricultural Extension .....	7 U.S.C. 343(d) .....	1,550
Children, Youth, and Families at Risk .....	7 U.S.C. 343(d) .....	8,395
Federally Recognized Tribes Extension Program .....	7 U.S.C. 343(d) .....	3,039
Total, Section 3(d) .....	.....	85,528
Necessary Expenses of Research and Education Activities:		
Agriculture in the K–12 Classroom .....	.....	552
Federal Administration—Other Necessary Expenses for Research and Education Activities. ....	.....	7,790
Total, Necessary Expenses .....	.....	8,342
Total, Extension Activities .....	.....	481,376

## INTEGRATED ACTIVITIES

Appropriations, 2017 .....	\$36,000,000
Budget estimate, 2018 .....	20,276,000
Committee recommendation .....	37,000,000

Section 406, as amended, of the Agricultural Research, Extension, and Education Reform Act of 1998 authorizes an integrated research, education, and extension competitive grants program.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$37,000,000 for integrated activities of the National Institute of Food and Agriculture.

The following table summarizes the Committee's recommendations for integrated activities:

## NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—INTEGRATED ACTIVITIES

[Dollars in thousands]

Program/Activity	Authorization	Committee recommendation
Methyl Bromide Transition Program .....	7 U.S.C. 7626 .....	2,000
Organic Transition Program .....	7 U.S.C. 7626 .....	5,000
Regional Rural Development Centers .....	7 U.S.C. 450i(c) .....	2,000
Food and Agriculture Defense Initiative .....	7 U.S.C. 3351 .....	8,000
Crop Protection/Pest Management .....	7 U.S.C. 343(d) .....	20,000
Total, Integrated Activities .....	.....	37,000

*Food and Agriculture Defense Initiative.*—The Committee supports the important work being done through the publicly funded diagnostic laboratory network and encourages NIFA to prioritize

funding to strengthen animal health diagnostic laboratories taking into consideration the degree to which the capacity for surveillance, monitoring, response, and capacity is enhanced; the concentration of human and animal populations that are directly at risk; trade, tourism, and cultural considerations; geography, ecology, and climate; evidence of active collaboration with, and support of, the State animal health officials; those States with highest risk for the introduction of foreign and emerging pests and diseases; and evidence of stakeholder support and engagement.

*Potato Research.*—To minimize the application of pesticides and to maximize the yield and quality of harvested potatoes, the Committee directs the Secretary to support pest management programs in potato growing States. Such programs help scientists track potential pest outbreaks and provide growers and industry professionals with current information on specific and timely treatments. Additionally, the programs help identify serious diseases, such as late blight disease, in their early stages, allowing for preventive measures to be put into place quickly to avoid crop losses.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

Appropriations, 2017 .....	\$901,000
Budget estimate, 2018 .....	891,000
Committee recommendation .....	901,000

The Office of the Under Secretary for Marketing and Regulatory Programs provides direction and coordination in carrying out laws with respect to the Department’s marketing, grading, and standardization activities related to grain; competitive marketing practices of livestock, marketing orders, and various programs; veterinary services; and plant protection and quarantine. The Office has oversight and management responsibilities for the Animal and Plant Health Inspection Service; Agricultural Marketing Service; and Grain Inspection, Packers and Stockyards Administration.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$901,000 for the Office of the Under Secretary for Marketing and Regulatory Programs.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations, 2017 .....	\$946,212,000
Budget estimate, 2018 .....	810,000,000
Committee recommendation .....	953,212,000

The Secretary of Agriculture established the Animal and Plant Health Inspection Service [APHIS] on April 2, 1972, under the authority of reorganization plan No. 2 of 1953, and other authorities. The major objectives of APHIS are to protect the animal and plant resources of the Nation from diseases and pests. These objectives are carried out under the major areas of activity, as follows:

*Safeguarding and Emergency Preparedness/Response.*—The agency monitors plant and animal health worldwide, and sets im-

port polices to prevent the introduction of foreign plant and animal pests and diseases. Domestically, the agency works cooperatively to conduct plant and animal health monitoring programs, pursue eradication, or limit the spread of the threat. The agency also conducts diagnostic laboratory activities that support disease prevention, detection, control, and eradication programs. In addition, the agency protects agriculture from detrimental animal predators, and through its regulatory structure helps advance genetic research while protecting against the release of harmful organisms.

*Safe Trade and International Technical Assistance.*—The agency helps resolve technical trade issues to ensure the smooth and safe movement of agricultural commodities into and out of the United States. The agency negotiates animal and plant health certification requirements and assists U.S. exporters meet foreign regulatory demands. In addition, the agency assists developing countries in improving their safeguarding systems, to protect the United States from emerging plant and animal pests and diseases.

*Animal Care.*—The agency conducts regulatory activities that ensure the humane care and treatment of animals and horses as the Animal Welfare and Horse Protection Acts require. These activities include inspection of certain establishments that handle animals intended for research, exhibition, and as pets, and monitoring certain horse shows.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$953,212,000 for salaries and expenses of the Animal and Plant Health Inspection Service.

The following table reflects the Committee's specific recommendations for the Animal and Plant Health Inspection Service:

#### ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
<b>Safeguarding and International Technical Assistance:</b>			
Animal Health Technical Services .....	37,857	35,272	37,857
Aquatic Animal Health .....	2,253	2,249	2,253
Avian Health .....	55,340	55,235	55,340
Cattle Health .....	91,500	91,326	91,500
Equine, Cervid and Small Ruminant Health .....	20,000	19,463	20,000
National Veterinary Stockpile .....	5,723	3,965	5,723
Swine Health .....	24,800	24,753	24,800
Veterinary Biologics .....	16,417	16,386	16,417
Veterinary Diagnostics .....	39,540	36,471	39,540
Zoonotic Disease Management .....	16,523	9,505	16,523
Subtotal, Animal Health .....	309,953	294,625	309,953
Agricultural Quarantine Inspection (Appropriated) .....	29,330	27,847	29,330
Cotton Pests .....	11,520	7,000	11,520
Field Crop & Rangeland Ecosystems Pests .....	8,826	8,809	8,826
Pest Detection .....	27,446	27,394	27,446
Plant Protection Methods Development .....	20,686	20,647	20,686
Specialty Crop Pests .....	166,500	148,033	166,500
Tree & Wood Pests .....	54,000	30,000	56,000

## ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Subtotal, Plant Health .....	318,308	269,730	320,308
Wildlife Damage Management .....	103,376	56,331	108,376
Wildlife Services Methods Development .....	18,856	18,820	18,856
Subtotal, Wildlife Services .....	122,232	75,151	127,232
Animal & Plant Health Regulatory Enforcement .....	16,224	16,193	16,224
Biotechnology Regulatory Services .....	18,875	18,839	18,875
Subtotal, Regulatory Services .....	35,099	35,032	35,099
Contingency Fund .....	470	469	470
Emergency Preparedness & Response .....	40,966	16,934	40,966
Subtotal, Emergency Management .....	41,436	17,403	41,436
Subtotal, Safeguarding and Emergency Preparedness/Response .....	827,028	691,941	827,028
Safe Trade and International Technical Assistance:			
Agriculture Import/Export .....	15,599	15,070	15,599
Overseas Technical & Trade Operations .....	22,114	22,072	22,114
Subtotal, Safe Trade .....	37,713	37,142	37,713
Animal Welfare:			
Animal Welfare .....	28,810	28,356	28,810
Horse Protection .....	697	696	697
Subtotal, Animal Welfare .....	29,507	29,052	29,507
Agency Management:			
APHIS Information Technology Infrastructure .....	4,251	4,243	4,251
Physical/Operational Security .....	5,146	5,136	5,146
Rent and DHS security payments .....	42,567	42,486	42,567
Subtotal, Agency Management .....	51,964	51,865	51,964
Total, Direct Appropriation .....	946,212	810,000	953,212

*Agricultural Quarantine Inspection.*—The Committee recognizes that prevention of infestations of pests and diseases is much more cost effective than subsequent control or eradication. This is an important Federal responsibility and the Committee provides \$29,330,000 for the agricultural quarantine inspections [AQI] function, including pre-departure and interline inspections.

The Committee is concerned that new fee regulations under the AQI program may not be equitable to small commercial aircraft. The Committee directs the Secretary to review AQI user fees to ensure they are in line with the costs of delivering AQI services, and to review both the equity of user fees among smaller regional jets compared to larger transpacific aircraft, and a pro-rated fee based on aircraft size. The Committee directs the Secretary to report on these findings to this Committee within 90 days of enactment of this Act.

*Animal Disease Traceability.*—The Committee is concerned with APHIS' consideration of expanding the Animal Disease Traceability

[ADT] program related to requiring identification of beef cattle younger than 18 months of age or feeder cattle. While the committee supports the agency's mission to conduct animal disease tracing, the mandatory identification and tracing of feeder cattle would be costly. Prior to implementation of any new changes to the ADT program related to feeder cattle, the committee directs the Secretary to submit a report detailing the cost and benefits to all pertinent stakeholders, including but not limited to, livestock markets, livestock producers, meatpackers, and livestock dealers, of any proposed program changes. The report shall consider costs of tagging and reading tags such as labor, facilities, and speed of commerce.

*Bee Pests.*—The Committee remains concerned with declining bee populations and the tragic implications for pollination of U.S. agriculture. The Committee directs the agency to continue priority work with other Federal and State agencies and the public to manage, suppress, and eradicate varroa mites, small hive beetles, and other pests and diseases contributing to colony collapse disorder.

*Cattle Fever Ticks.*—The Committee appreciates the commitment by APHIS, including recent additional funding, to respond to the most recent outbreak of cattle fever ticks. The Committee encourages the agency to maintain this focus and provide adequate funding for all activities under the Cattle Fever Tick Eradication Program [CFTEP]; heighten efforts to coordinate the response with the Department of Interior on national wildlife refuges; and provide sufficient funding for research and scientific tools to be developed that concentrate on the following: new systematic cattle fever tick treatment products with longer treatment intervals for cattle; new cattle fever tick treatment products for wildlife, especially nilgai antelope; and new or improved cattle fever tick preventative therapies, such as vaccines, for both cattle and wildlife hosts.

*Ceratocystis Disease.*—The Secretary is directed to continue the study of *Ceratocystis* in the United States and implement actions and recommendations for response and management in the report mandated by this Committee in fiscal year 2017.

*Chronic Wasting Disease.*—The Committee provides no less than \$3,500,000 for cervid health activities. Within the funds provided, APHIS should give consideration to indemnity payments if warranted.

*Citrus Health Response Program [CHRP].*—CHRP is a national effort to maintain a viable citrus industry within the United States, maintain producer's continued access to export markets, and safeguard citrus producing states against a variety of invasive pests and diseases. These funds are designed to partner with state departments of agriculture and industry groups to address the challenges of citrus pests and diseases. In addition to the funds provided in this account, the Committee encourages APHIS to utilize the funds available in the Plant Pest and Disease Management and Disaster Prevention Programs account to the greatest extent possible in an attempt to sustain the economic viability of the citrus industry.

*Coconut Rhinoceros Beetle.*—The Secretary is directed to continue efforts to control and eradicate the coconut rhinoceros beetle in the Pacific to prevent the spread of the beetle to the U.S. mainland,

and may, if appropriate, provide additional surge funding to match Department of Defense spending for this purpose.

*Feral Swine Management.*—The Committee recognizes the importance of the National Feral Swine Damage Management Program in reducing adverse ecological and economic impacts caused by feral swine. The Committee provides no less than the fiscal year 2017 level in support of APHIS efforts to decrease these invasive pests' damage and risk to agriculture, natural resources, and property.

*Huanglongbing Emergency Response.*—The Committee maintains the increased funding levels for Huanglongbing Emergency Response within the Specialty Crop Pests line item included in fiscal year 2017. The Committee encourages APHIS to allocate sufficient resources in order to continue vital management, control, and associated activities to address citrus greening. The disease, for which there is no cure, has caused a reduction in citrus production by over 60 percent since 2007 in Florida alone. All citrus producing counties in Texas are under quarantine, and California has detected the disease in some backyard trees in the Los Angeles basin. The spread of this disease has called the domestic citrus industry's future into question, costing thousands of jobs and millions in lost revenue and increased production costs per acre. In addition, the agency is encouraged to support priorities and strategies identified by the Huanglongbing Multi-Agency Coordination [HLB-MAC] Group which will benefit the citrus industry. The agency should appropriately allocate resources based on critical need and maximum effect to the citrus industry. The Committee maintains the \$2,000,000 increase from fiscal year 2017 for citrus health to support priorities and strategies identified by the HLB-MAC group. The MAC is focused on short-term solutions to help the citrus industry, and the cooperative nature of Federal, state, and industry representatives in this group is expected to result in the development of tools and techniques to address this devastating disease. Helping growers explore new possible solutions, the MAC has been an effective resource. The agency should appropriately allocate resources based on critical need and maximum impact to the citrus industry. These citrus health activities directly protect citrus production on approximately 765,000 acres in the United States worth more than \$11,000,000,000 in total.

*Huanglongbing Multi-Agency Coordination [HLB-MAC] Group.*—The Committee recognizes the significant economic impact of this disease on the citrus industry, which is especially acute in Florida and a growing concern in both Texas and California. The Committee also understands that growers are requesting the right to try treatments that have begun to show success in early stages of testing. The Committee encourages the HLB-MAC group to explore and identify new methods to expedite the delivery of promising treatments directly to growers. Finally, the Committee expects any funds which are redirected from existing HLB-MAC projects be repurposed to other priority HLB-MAC projects that are showing promising results to ensure these critical funds remain committed to help facilitate the design and implementation of the rapid delivery pathway to growers.

*Invasive Tree Pests.*—The Committee recognizes that the forests products industry and family forest owners are under increasing threat from a growing number of invasive forest pests. It is essential that APHIS carry out a comprehensive program to counter the spread of invasive species and work towards complete eradication of the Asian long-horned beetle. The Secretary is directed to report to the Committee regarding the steps being taken to eradicate the Asian long-horned beetle and spotted lanternfly and to minimize the spread of other pests such as the polyphagous and Kuroshio shot hole borers.

*National Bio and Agro-Defense Human Capital Development.*—The Committee notes that significant resources have been invested in the new National Bio and Agro-Defense Facility [NBAF] and is concerned about projected staffing shortages of qualified veterinary diagnosticians and scientists for the NBAF, which is slated for full operation in 2022. The Committee provides \$3,000,000 to APHIS to ensure necessary steps are taken to develop a qualified workforce that are subject matter experts in foreign, emerging and zoonotic diseases capable of developing, validating and conducting needed diagnostics, performing epidemiologic studies, and completing bioinformatics analyses.

*Pacific Ants Prevention Plan.*—The Secretary is encouraged to lead the revision of the Pacific Ants Prevention Plan, in collaboration with U.S. and international partners. The plan should include: research; the development of technologies and methodologies for prevention, eradication, and control of invasive ants; and the collaborative implementation of projects to prevent, monitor, and control invasive ants in affected Pacific Islands.

*Peer-Reviewed Accreditation.*—The Committee notes APHIS's collaboration with accrediting organizations in the establishment and operation of the Zoo and Aquarium Hazards Preparedness, Response and Recovery Fusion Center. The Center's role in facilitating and enhancing collaboration between the emergency management community and the greater managed wildlife community will assist in emergency preparedness and response for a wide range of circumstances including natural disasters and animal disease outbreaks. This effort is commended and is expected and encouraged to continue.

*Regional Biosecurity Plan for Micronesia and Hawaii.*—The Secretary is directed to submit a report to this Committee on USDA activities to implement the Regional Biosecurity Plan for Micronesia and Hawaii [RBP]. The report shall include an update on agencies' activities to date to implement the RBP, and agencies' planned activities for further implementation.

*Roseau Cane.*—The Committee is concerned with the invasive species scale insect pest that is destroying Roseau cane in the Mississippi River's Delta region along the Gulf of Mexico. An estimated 225,000 acres of wetlands in the Delta have been affected with the die-off, and Roseau cane is important in maintaining a healthy marsh and preventing erosion. The Committee directs APHIS to work with the Agricultural Research Service [ARS] and stakeholders to develop an integrated management program for control of the Roseau cane scale insect pest infestation.

*Sudden Oak Death.*—APHIS protects natural resources and nursery stock production and trade by limiting the spread of *Phytophthora ramorum*, which causes sudden oak death, from quarantine areas and affected nurseries through implementation of best management practices and regulatory activities. Affected interstate-shipping nurseries include those in the quarantine area and those outside the quarantine area that have tested positive in the last 3 years. These nurseries must meet annual certification survey and sampling requirements to prevent the movement of potentially infested material. For these efforts, the Committee provides APHIS no less than the fiscal year 2017 level of funding.

*West Nile Virus.*—The Committee remains concerned with the threats to human and animal health posed by West Nile virus and recognizes that a critical strategy for addressing these threats is necessary to prevent the infection and transmission by known vectors, including farm-raised alligators. The Committee encourages APHIS to further investigate West Nile virus and other infectious diseases affecting farm raised alligators and develop treatments and methods to prevent infection and transmission.

*Wildlife Damage Management.*—APHIS is responsible for providing Federal leadership in managing problems caused by wildlife. The Committee provides \$108,376,000 for wildlife damage control to maintain priority initiatives, including preventing the transport of invasive snakes and other harmful species. No less than \$250,000 should be available for the agency to support the use of fixed-wing aircraft to reduce blackbird depredation in the Northern Great Plains.

The Committee maintains support for assistance to aquaculture producers to help mitigate wildlife depredation, particularly as it pertains to fish-eating and disease-carrying birds. The Committee provides no less than the fiscal year 2017 level for damage management efforts and the development of methods to assist producers in combatting the persistent threat and economic hardship caused by cormorants, pelicans, and other birds.

The Committee recognizes the importance of the National Feral Swine Damage Management Program in reducing adverse ecological and economic impacts caused by feral swine. The Committee provides an additional \$5,000,000 in support of APHIS efforts to decrease these invasive pests' damage and risk to agriculture, natural resources, and property.

The Committee provides \$28,000,000 for the National Rabies Management Program to fortify existing barriers and advance prevention and eradication efforts.

Given the shared and complementary goals of Wildlife Damage Management and the U.S. Fish and Wildlife Services to sustainably integrate wildlife into natural habitats while protecting livestock, the Secretary is directed to coordinate with the U.S. Fish and Wildlife Services on innovative strategies to provide predator management and reduce predator-livestock conflict. The Secretary is further directed to report to this Committee on how the two agencies can work together to improve wildlife management.

*Wildlife Services Education and Training.*—The Committee is aware of the wide range of hazardous procedures and materials utilized by APHIS personnel in the conduct of daily duties. In addi-



tion, a recent comprehensive study noted the critical need to provide standardized safety training, certification, and database management for tracking, to ensure the safest working environment possible. As such, the Committee provides \$2,000,000 within Wildlife Damage Management to maintain a National Training Academy focused on those areas of greatest concern such as pyrotechnics, firearms, hazardous materials, immobilization and euthanasia drugs, pesticides, animal care and handling, land vehicles, watercraft, and zoonotic diseases.

*Wildlife Services Methods Development.*—The Committee appreciates the important work done by the National Wildlife Research Center and its affiliated field locations to resolve problems caused by the interaction of wild animals and society. The Committee provides \$18,875,000 to ensure continued development of technical and scientific information on wildlife damage management.

BUILDINGS AND FACILITIES

Appropriations, 2017 .....	\$3,175,000
Budget estimate, 2018 .....	2,852,000
Committee recommendation .....	3,175,000

The APHIS appropriation for “Buildings and Facilities” funds major nonrecurring construction projects in support of specific program activities and recurring construction, alterations, preventive maintenance, and repairs of existing APHIS facilities.

COMMITTEE RECOMMENDATIONS

The Committee recommendation includes an appropriation of \$3,175,000 for buildings and facilities of the Animal and Plant Health Inspection Service. This funding is necessary to allow APHIS to maintain existing facilities, and perform critically needed repairs to and replacements of building components, such as heating, ventilation and air-conditioning on a prioritized basis at APHIS facilities. The Committee notes that due to the environmentally sensitive nature of many APHIS facilities, closure of a facility could result if APHIS is unable to complete the required repairs.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Appropriations, 2017 .....	\$84,933,000
Budget estimate, 2018 .....	77,462,000
Committee recommendation .....	88,933,000

The Agricultural Marketing Service [AMS] was established by the Secretary of Agriculture on April 2, 1972. AMS carries out programs authorized by more than 50 different statutory authorities, the primary ones being the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627, 1635–1638); the U.S. Cotton Standards Act (7 U.S.C. 51–65); the Cotton Statistics and Estimates Act (7 U.S.C. 471–476); the Tobacco Inspection Act (7 U.S.C. 511–511q); the Perishable Agricultural Commodities Act (7 U.S.C. 499a–499t); the Egg Products Inspection Act (21 U.S.C. 1031–1056); and section 32 of the Act of 1935 (Public Law 74–320, 7 U.S.C. 612c).

Programs administered by this agency include the market news services, standardization, grading, classing, shell egg surveillance services, transportation services, wholesale farmers and alternative market development, grant payments to States for marketing activities, the Federal administration of marketing agreements and orders, commodity purchases, Perishable Agricultural Commodities Act, the Plant Variety Protection Act (7 U.S.C. 2321 et seq.), and market protection and promotion activities.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$88,933,000 for Marketing Services of the Agricultural Marketing Service.

*National Organic Program.*—The Committee provides \$12,094,000 for the National Organic Program [NOP], an increase of \$3,000,000. A healthy market for organic products requires a clear market distinction backed by a trusted, verified and enforced claim. The Committee recognizes that the NOP, which enforces the organic regulations and ensures they evolve to keep pace with consumer expectations is essential. The Committee strongly encourages USDA to focus resources for NOP on robust oversight of domestic and international operations that carry the USDA organic seal in light of recent news reports that have shed light on inadequate enforcement of the standards.

*Public Meeting Transcripts.*—The Committee is concerned by the Department’s proposal to replace meeting transcripts for the National Organic Standards Board public meeting with meeting summaries. The Committee directs the Secretary to continue to produce National Organic Standards Board public meeting transcripts.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2017 .....	\$61,227,000
Budget limitation, 2018 .....	60,982,000
Committee recommendation .....	60,982,000

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) initiated a system of user fees for the cost of grading and classing cotton, and tobacco. These activities, authorized under the U.S. Cotton Standards Act (7 U.S.C. 51 et seq.), the Tobacco Inspection Act (7 U.S.C. 511 et seq.), and other provisions of law are designed to facilitate commerce and protect participants in the industry.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$60,982,000 on administrative expenses of the Agricultural Marketing Service.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

Appropriations, 2017 .....	\$20,705,000
Budget estimate, 2018 .....	20,489,000
Committee recommendation .....	20,489,000

Under section 32 of the Act of August 24, 1935, (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each preceding calendar year and unused balances are available for encouraging the domestic consumption and exportation of agricul-

tural commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Additional transfers to the child nutrition programs of the Food and Nutrition Service have been provided in recent appropriations Acts.

The following table reflects the status of this fund for fiscal years 2017–2018:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—  
FISCAL YEARS 2017–2018  
[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Appropriation (30% of Customs Receipts) .....	10,929,841	10,370,877	10,370,877
Less Transfers:			
Food and Nutrition Service .....	– 9,503,998	– 8,872,010	– 8,872,010
Commerce Department .....	– 145,175	– 154,867	– 154,867
Total, Transfers .....	– 9,649,173	– 9,026,877	– 9,026,877
Prior Year Appropriation Available, Start of Year .....	166,333	125,000	125,000
Transfer of Prior Year Funds to FNS (F&V) .....	– 125,000	– 125,000	– 125,000
Budget Authority, Farm Bill .....	1,322,000	1,344,000	1,344,000
Rescission of Current Year Funds .....	– 231,374	– 263,393	– 263,393
Appropriations Temporarily Reduced - Sequestration .....	– 79,626	– 77,352	– 77,352
Unavailable for Obligations (Fruit and Veg transfer to FNS) .....	– 125,000	– 125,000	– 125,000
Budget Authority, Appropriations Act .....	886,000	878,255	878,255
Less Obligations:			
Child Nutrition Programs (Entitlement Commodities) .....	465,000	465,000	465,000
State Option Contract .....	5,000	5,000	5,000
Removal of Defective Commodities .....	2,500	2,500	2,500
Emergency Surplus Removal .....			
Disaster Relief .....	5,000	5,000	5,000
Additional Fruits, Vegetables, and Nuts Purchases .....	206,000	206,000	206,000
Fresh Fruit and Vegetable Program .....	43,000	47,000	47,000
Estimated Future Needs .....	103,355	91,413	91,413
Total, Commodity Procurement .....	829,855	821,913	821,913
Administrative Funds:			
Commodity Purchase Support .....	35,440	35,853	35,853
Marketing Agreements and Orders .....	20,705	20,489	20,489
Total, Administrative Funds .....	56,145	56,342	56,342
Total Obligations .....	886,000	878,255	878,255
Unobligated Balance, End of Year .....			
Unavailable for Obligations (Fruit and Veg transfer to FNS) .....	125,000	125,000	125,000
Balances, Collections and Recoveries Not Available .....			
Total End of Year Balances .....	125,000	125,000	125,000

COMMITTEE RECOMMENDATIONS

The Committee recommends a transfer from section 32 funds of \$20,489,000 for the formulation and administration of marketing agreements and orders.

*Section 32 Authorities.*—Under the authority described in clause 3 of 7 U.S.C. 612c, the Secretary is able to direct funds from the

section 32 account to increase the purchasing power of producers. This practice has been used on various occasions to provide direct assistance to producers when market forces or natural conditions adversely affect the financial condition of farmers and ranchers. The Committee notes the importance of the ability of the Secretary to utilize this authority, but believes that communication between the Department and the Congress should be improved when this practice is used. Therefore, the Committee directs the Secretary to provide notification to the Appropriations Committee in advance of any public announcement or release of section 32 funds under the specific authorities cited above.

PAYMENTS TO STATES AND POSSESSIONS

Appropriations, 2017 .....	\$1,235,000
Budget estimate, 2018 .....	1,109,000
Committee recommendation .....	1,235,000

The Federal-State Marketing Improvement Program [FSMIP] is authorized by section 204(b) of the Agricultural Marketing Act of 1946 and is also funded from appropriations. Matching grants are awarded on a competitive basis 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. This program has made possible many types of projects, such as electronic marketing and agricultural product diversification. Current projects are focused on the improvement of marketing efficiency and effectiveness, and seeking new outlets for existing farm produced commodities. The legislation grants the U.S. Department of Agriculture authority to establish cooperative agreements with State departments of agriculture or similar State agencies to improve the efficiency of the agricultural marketing chain. The States perform the work or contract it to others, and must contribute at least one-half of the cost of the projects.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,235,000 for Payments to States and Possessions for Federal-State marketing projects and activities.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2017 .....	\$43,482,000
Budget estimate, 2018 .....	42,975,000
Committee recommendation .....	43,482,000

The Grain Inspection, Packers and Stockyards Administration [GIPSA] was established pursuant to the Secretary's 1994 reorganization. Grain inspection and weighing programs are carried out under the U.S. Grain Standards Act (7 U.S.C. 71 et seq.) and other programs under the authority of the Agricultural Marketing Act of 1946, including the inspection and grading of rice and grain-related products; conducting official weighing and grain inspection activities; and grading dry beans and peas, and processed grain products. Under the Packers and Stockyards Act (7 U.S.C. 181 et seq.),

assurance of the financial integrity of the livestock, meat, and poultry markets is provided. The Administration monitors competition in order to protect producers, consumers, and industry from deceptive and fraudulent practices which affect meat and poultry prices.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$43,482,000 for salaries and expenses of the Grain Inspection, Packers and Stockyards Administration.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Limitation, 2017 .....	\$55,000,000
Budget limitation, 2018 .....	60,000,000
Committee recommendation .....	57,500,000

The agency provides an official grain inspection and weighing system under the U.S. Grain Standards Act [USGSA], and official inspection of rice and grain-related products under the Agricultural Marketing Act [AMA] of 1946. The USGSA was amended in 1981 to require the collection of user fees to fund the costs associated with the operation, supervision, and administration of Federal grain inspection and weighing activities.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$57,500,000 on inspection and weighing services expenses.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

Appropriations, 2017 .....	\$819,000
Budget estimate, 2018 .....	814,000
Committee recommendation .....	819,000

The Office of the Under Secretary for Food Safety provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's inspection of meat, poultry, and processed egg products. The Office has oversight and management responsibilities for the Food Safety and Inspection Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$819,000 for the Office of the Under Secretary for Food Safety.

FOOD SAFETY AND INSPECTION SERVICE

Appropriations, 2017 .....	\$1,032,062,000
Budget estimate, 2018 .....	1,038,069,000
Committee recommendation .....	1,038,069,000

The major objectives of the Food Safety and Inspection Service are to assure that meat and poultry products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) and the Poultry Products Inspection Act (21 U.S.C. 451 et seq.); and to provide continuous in-plant inspection to egg processing plants under the Egg Products Inspection Act.

The Food Safety and Inspection Service was established on June 17, 1981, by Secretary's Memorandum No. 1000-1, issued pursuant to Reorganization Plan No. 2 of 1953.

The inspection program of the Food Safety and Inspection Service provides in-plant inspection of all domestic plants preparing meat, poultry or egg products for sale or distribution; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,038,069,000 for the Food Safety and Inspection Service [FSIS]. The Committee provides an increase of \$5,500,000, for FSIS to fully implement Siluriformes fish and fish product inspection.

*Breed Claim Standards.*—FSIS is directed to conduct a study to (1) evaluate the current processes for the labeling of 100 percent pure breed claim standards for livestock products within the relevant agencies of the Department; and (2) identify instances of conflicting 100 percent pure breed claim standards for livestock. This report shall be completed within 90 days after enactment.

*Game Birds.*—The Committee directs the FSIS to provide a report on the impact of defining games birds, such as quail, as amendable in Federal code in regard to inspection.

*Humane Slaughter.*—The Committee directs FSIS to continue to provide annual reports to the Committee on the implementation of objective scoring methods undertaken by FSIS to enforce the Humane Methods of Slaughter Act.

The Committee also directs FSIS to ensure that personnel hired with funding previously provided specifically for Humane Methods of Slaughter Act enforcement focus their attention on overseeing compliance with humane handling rules for live animals as they arrive and are offloaded and handled in pens, chutes, and stunning areas and that all inspectors receive robust training.

*Inspections.*—The Committee directs FSIS to complete equivalence determinations for all countries wishing to continue exporting Siluriformes to the United States not later than March 1, 2018, and directs FSIS to complete equivalence determinations on a country-by-country basis based on volume of catfish exports to the United States.

The following table represents the Committee's specific recommendations for the Food Safety and Inspection Service as compared to the fiscal year 2017 and budget request levels:

## FOOD SAFETY AND INSPECTION SERVICE SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Food safety inspection:			
Federal .....	915,755	921,762	921,762
State .....	61,568	61,568	61,568
International .....	16,487	16,487	16,487
Codex Alimentarius .....	3,672	3,672	3,672
PHDCIS .....	34,580	34,580	34,580
Total .....	1,032,062	1,038,069	1,038,069

TITLE II

FARM PRODUCTION AND CONSERVATION

OFFICE OF THE UNDER SECRETARY FOR FARM PRODUCTION AND CONSERVATION

Appropriations, 2017 .....	\$901,000
Budget estimate, 2018 .....	896,000
Committee recommendation .....	901,000

The Office of the Under Secretary for Farm Production and Conservation provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's commodity programs, farm loans, disaster assistance, crop insurance, natural resources conservation and environment programs, and some energy programs. The Office has oversight and management responsibilities for the Farm Service Agency (including the Commodity Credit Corporation), Risk Management Agency, and the Natural Resources Conservation Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$901,000 for the Office of the Under Secretary for Farm Production and Conservation.

*Deputy Under Secretary for Conservation.*—The Committee recognizes that NRCS, FSA, and RMA each play an important role in helping farmers, ranchers, and foresters manage risk and build the resilience of their operations. Additionally, better coordination and data sharing between the three agencies can limit inefficiencies, improve conservation outcomes, and enhance USDA's ability to serve its customers. The Committee therefore encourages the Secretary to establish a Deputy Under Secretary for Conservation under the Farm Production and Conservation Mission Area to facilitate such coordination and ensure that each of the three agencies is supporting the conservation objectives of the producers that they serve.

*Emergency Response.*—The Committee directs USDA to produce a report outlining the average and longest length of time it takes USDA to provide reimbursement under the following emergency assistance programs: crop insurance; Noninsured Crop Disaster Assistance Program [NAP]; Livestock Indemnity Program [LIP]; Livestock Forage Disaster Program [LFP]; Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program [ELAP]; Tree Assistance Program [TAP]; Emergency Conservation Program; and Emergency Forest Restoration Program [EFRP]. USDA is also directed to include in the report any barriers to implementing a more efficient reimbursement process and recommendations to the Committee on potential improvements.



## FARM SERVICE AGENCY

The Farm Service Agency [FSA] was established October 13, 1994, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103–354. The FSA administers a variety of activities, such as the commodity price support and production adjustment programs financed by the Commodity Credit Corporation; the Conservation Reserve Program [CRP]; the Emergency Conservation Program; the Commodity Operation Programs including the warehouse examination function; farm ownership, farm operating, emergency disaster, and other loan programs; and the Noninsured Crop Disaster Assistance Program [NAP], which provides crop loss protection for growers of many crops for which crop insurance is not available. In addition, FSA currently provides certain administrative support services to the Foreign Agricultural Service [FAS] and to the Risk Management Agency [RMA].

## SALARIES AND EXPENSES

(In thousands of dollars)

	Appropriations	Transfers from program accounts	Total, FSA, salaries and expenses
Appropriations, 2017 .....	1,206,110	309,610	1,515,720
Budget estimate, 2018 .....	1,130,163	297,888	1,428,051
Committee recommendation .....	1,212,116	309,610	1,521,726

The account Salaries and Expenses, Farm Service Agency, funds the administrative expenses of program administration and other functions assigned to FSA. The funds consist of appropriations and transfers from the CCC export credit guarantees, Food for Peace loans, and Agricultural Credit Insurance Fund program accounts, and miscellaneous advances from other sources. All administrative funds used by FSA are consolidated into one account. The consolidation provides clarity and better management and control of funds, and facilitates accounting, fiscal, and budgetary work by eliminating the necessity for making individual allocations and allotments and maintaining and recording obligations and expenditures under numerous separate accounts.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,521,726,000 for salaries and expenses of the Farm Service Agency, including a direct appropriation of \$1,212,116,000. The Committee supports the mission of FSA and the important services that they provide across the country; therefore, the Committee does not accept the full decrease for information technology as proposed in the budget. The Committee provides \$16,100,000 for CCC audit readiness, an increase of \$6,850,000 for reports and analytics for field operations, and an increase of \$2,918,000 for Bridges to Opportunity.

*Continuous Conservation Reserve Program.*—The Secretary is strongly encouraged to, within the total acreage made available for enrollment in the conservation reserve program and without reducing the periodic availability of general signup, enroll, to the maximum extent practicable, acreage for activities included in the

State Acres for Wildlife Enhancement practice or other similar administratively established wetland and habitat practices that benefit priority fish and wildlife species identified in State, regional, and national conservation initiatives with a priority for initiatives that provide large blocks of cover ideal for wildlife nesting.

*Information Technology.*—The Committee remains dedicated to ensuring FSA has reliable and functioning IT systems because it is critical that farmers and ranchers have access to the tools they need to succeed. The Committee has invested significant taxpayer dollars to modernize outdated systems and continues to provide resources above the budget request. The Committee continues statutory language that allows funds for IT to be obligated only after the Secretary meets certain reporting requirements. The Committee has reviewed the third-party IT analysis and expects the agency to follow the recommendations where applicable.

*National Agriculture Imagery Program.*—The Committee recommends that funding shall be allocated to purchase imagery products to meet programmatic requirements.

STATE MEDIATION GRANTS

Appropriations, 2017 .....	\$3,904,000
Budget estimate, 2018 .....	3,398,000
Committee recommendation .....	3,904,000

This program is authorized under title V of the Agricultural Credit Act of 1987 (7 U.S.C. 5101 et seq.). Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103–354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticides. Grants are made to States whose mediation programs have been certified by the FSA. Grants will be solely for operation and administration of the State’s agricultural mediation program.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$3,904,000 for State Mediation Grants.

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

Appropriations, 2017 .....	\$6,500,000
Budget estimate, 2018 .....	.....
Committee recommendation .....	6,500,000

This program is intended to assist in the protection of groundwater through State rural water associations.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$6,500,000 for Grassroots Source Water Protection.

DAIRY INDEMNITY PROGRAM

Appropriations, 2017 .....	\$500,000
Budget estimate, 2018 .....	500,000
Committee recommendation .....	500,000

Under the program, the Department makes indemnification payments to dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer income losses because they are directed to remove their milk from commercial markets due to contamination of their products by registered pesticides. The program also authorizes indemnity payments to dairy farmers for losses resulting from the removal of cows or dairy products from the market due to nuclear radiation or fallout.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated in fiscal year 2018 to be \$500,000, for indemnity payments to dairy farmers.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

The Agricultural Credit Insurance Fund Program Account is used to provide direct and guaranteed farm ownership, farm operating, conservation, Indian highly fractioned land, and emergency loans to individuals, as well as the following types of loans to associations: irrigation and drainage, grazing, Indian tribe land acquisition, and boll weevil eradication.

FSA is also authorized to provide financial assistance to borrowers by guaranteeing loans made by private lenders having a contract of guarantee from FSA as approved by the Secretary of Agriculture and to establish Beginning Farmer and Rancher Individual Development grant accounts.

The following programs are financed through this fund:

*Boll Weevil Eradication Loans.*—Made to assist foundations in financing the operations of the boll weevil eradication programs provided to farmers.

*Credit Sales of Acquired Property.*—Property is sold out of inventory and is made available to an eligible buyer by providing FSA loans.

*Emergency Loans.*—Made to producers to aid recovery from production and physical losses due to drought, flooding, other natural disasters, or quarantine. The loans may be used to: restore or replace essential property; pay all or part of production costs associated with the disaster year; pay essential family living expenses; reorganize the farming operation; and refinance certain debts.

*Farm Operating Loans.*—Provide short-to-intermediate term production or chattel credit to farmers who cannot obtain credit elsewhere, to improve their farm and home operations, and to develop or maintain a reasonable standard of living. The term of the loan varies from 1 to 7 years.

*Farm Ownership Loans.*—Made to borrowers who cannot obtain credit elsewhere to restructure their debts, improve or purchase farms, refinance nonfarm enterprises which supplement but do not supplant farm income, or make additions to farms. Loans are made for 40 years or less.

*Indian Tribe Land Acquisition Loans.*—Made to any Indian tribe recognized by the Secretary of the Interior or tribal corporation established pursuant to the Indian Reorganization Act (Public Law 93–638) which does not have adequate uncommitted funds to acquire lands or interest in lands within the tribe’s reservation or Alaskan Indian community, as determined by the Secretary of the Interior, for use of the tribe or the corporation or the members thereof.

*Indian Highly Fractionated Land Loans.*—Made to Indian tribal members to purchase highly fractionated lands, as authorized by the Food, Conservation, and Energy Act of 2008.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends a total loan level of \$8,005,610,000 for programs within the Agricultural Credit Insurance Fund Program Account.

*Loan Programs.*—The Committee continues to support FSA loan programs that ensure farmers and ranchers have access to credit to maintain and improve their operations. The Committee is aware of the heightened operating loan activity in fiscal year 2017 and notes the statutory authority allowing program level increases that do not require additional budget authority. The Committee will continue to monitor program demand in the coming months and directs FSA to provide timely estimates for future needs.

The following table reflects the program levels for farm credit programs administered by the Farm Service Agency recommended by the Committee, as compared to the fiscal year 2017 and the budget request levels:

#### AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Farm Ownership:			
Direct .....	1,500,000	1,500,000	1,500,000
Guaranteed .....	2,750,000	2,500,000	2,750,000
Farm Operating:			
Direct .....	1,530,000	1,304,851	1,530,000
Guaranteed unsubsidized .....	1,960,000	1,393,423	1,960,000
Emergency Loans .....	22,576	25,610	22,581
Indian Tribe Land Acquisition .....	20,000	20,000	20,000
Conservation Loans:			
Guaranteed .....	150,000	150,000	150,000
Indian Highly Fractionated Land Loans .....	10,000	.....	10,000
Boll Weevil Eradication .....	60,000	60,000	60,000

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account are used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed, as well as for administrative expenses.

The following table reflects the cost of programs under credit reform:

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Farm Operating:			
Direct .....	65,178	52,716	61,812
Guaranteed unsubsidized .....	20,972	15,467	21,756
Emergency Loans .....	1,262	1,260	1,111
Indian Highly Fractionated Land Loans .....	2,550	.....	2,272

RISK MANAGEMENT AGENCY

Appropriations, 2017 .....	\$74,829,000
Budget estimate, 2018 .....	55,000,000
Committee recommendation .....	74,829,000

The Risk Management Agency performs administrative functions relative to the Federal crop insurance program that is authorized by the Federal Crop Insurance Act (7 U.S.C. 1508), as amended by the Agricultural Risk Protection Act of 2000 [ARPA], Public Law 106–224, and the Agricultural Act of 2014 (Public Law 113–79).

ARPA authorized significant changes in the crop insurance program. This act provides higher government subsidies for producer premiums to make coverage more affordable; expands research and development for new insurance products and under-served areas through contracts with the private sector; and tightens compliance. Functional areas of risk management are: research and development; insurance services; and compliance, whose functions include policy formulation and procedures and regulations development.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$74,829,000 for the Risk Management Agency.

The Committee recognizes that there are many research priorities that competitive funding may be used to address, including the feasibility of insurance programs to cover business interruption due to integrator bankruptcy and catastrophic loss in the poultry industry. The Committee encourages RMA to support research into these priorities.

NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service [NRCS] was established pursuant to Public Law 103–354, the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). The NRCS works with conservation districts, watershed groups, and Federal and State agencies to bring about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce flood damage and sedimentation.

CONSERVATION OPERATIONS

Appropriations, 2017 .....	\$864,474,000
Budget estimate, 2018 .....	766,000,000
Committee recommendation .....	874,107,000

Conservation operations are authorized by Public Law 74–46 (16 U.S.C. 590a–590f). Activities include:

Conservation Technical Assistance provides assistance to district cooperators and other land users in the planning and application of conservation treatments to control erosion and improve the quantity and quality of soil resources, improve and conserve water, enhance fish and wildlife habitat, conserve energy, improve woodland, pasture and range conditions, and reduce upstream flooding; all to protect and enhance the natural resource base.

Resource appraisal and program development ensures that programs administered by the Secretary of Agriculture for the conservation of soil, water, and related resources shall respond to the Nation's long-term needs.

Plant Materials Centers assemble, test, and encourage increased use of plant species which show promise for use in the treatment of conservation problem areas.

Snow Survey and Water Forecasting provides estimates of annual water availability from high mountain snow packs and relates to summer stream flow in the Western States and Alaska. Information is used by agriculture, industry, and cities in estimating future water supplies.

Soil Surveys inventory the Nation's basic soil resources and determine land capabilities and conservation treatment needs. Soil survey publications include interpretations useful to cooperators, other Federal agencies, State, and local organizations.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$874,107,000 for Conservation Operations. The Committee recommendation includes \$768,844,000 for Conservation Technical Assistance, \$80,802,000 for Soil Surveys, \$9,380,000 for Snow Survey and Water Forecasting, and \$9,481,000 for Plant Materials Centers.

*Acre-for-Acre Wetlands Mitigation.*—The Secretary is encouraged to use mitigation with the conversion of a natural wetland and equivalent wetlands functions at a ratio not to exceed a ratio of 1-to-1 acreage.

*Agricultural Conservation Easement Program.*—The Committee notes that no other Federal program exists to protect the long-term viability of the Nation's food supply by preventing conversion of productive working farmlands to non-agricultural uses. The Committee is concerned by the excessive delays in completing Agricultural Conservation Easement Program easements, and directs the Department to move additional real estate functions in-house to improve the quality and speed of completion of valuations and appraisals for projects. In addition, the Committee is troubled by a one-size-fits-all national approach to deed terms for ACEP easements, and encourages the Department address regional needs and work with partners to give farmers the ability to anticipate, adapt to, and address the changing needs of the farm economy.

*Agricultural Management Assistance.*—In carrying out the programs under section 524(b) of the Federal Crop Insurance Act, the Secretary is encouraged to establish multi-year pilot projects to provide financial and technical assistance to farms regulated under FSMA Produce Safety Rule, for capital improvements required to comply with the rule and otherwise enhance food safety practices

at the production level. Payment limits and other provisions of the AMA program will apply.

*Regional Conservation Partnership Program.*—The Committee is concerned that the Natural Resources Conservation Service is not operating the Regional Conservation Partnership Program with a consistent standard for reimbursing certain technical assistance costs. The Committee believes that NRCS should clarify that travel to and from participating farms and ranches by a partner to deliver technical services is generally eligible for reimbursement as a technical assistance cost under RCPP. Therefore, the Committee encourages the NRCS to use the same technical assistance reimbursement standard for RCPP as they do for other NRCS conservation programs, in order to properly facilitate this important program.

*Salton Sea.*—The Committee encourages NRCS to closely coordinate with the Army Corps of Engineers and the State of California on efforts to restore the Salton Sea in order to expedite project planning and implementation. NRCS is directed to brief the Committee not later than 90 days after enactment of this Act on its current and planned efforts to help restore the Salton Sea.

*Technical Assistance.*—The Committee directs NRCS to maintain a record of total technical assistance dollars for the past 3 years and annually in the future, and provide the data to the Appropriations Subcommittee on Agriculture, and the Committee on Agriculture, Nutrition and Forestry. This report should differentiate mandatory and discretionary allocations.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Appropriations, 2017 .....	\$150,000,000
Budget estimate, 2018 .....	
Committee recommendation .....	150,000,000

The Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong.) (16 U.S.C. 1000–1005, 1007–1009) provides for cooperation between the Federal Government and the States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages in the watersheds or rivers and streams and to further the conservation, development, utilization, and disposal of water, and to further the conservation and proper utilization of land in authorized watersheds.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$150,000,000 for the Watershed and Flood Prevention Operations Program.

The Committee recognizes the critical challenges facing rural water resource management and protection and supports needed investments in watershed operations. These Federal-State-local partnerships are uniquely positioned to identify critical watershed protection and flood prevention needs in rural communities and implement projects that deliver multiple streams of benefits for homes, businesses, and transportation infrastructure and natural resources. In selecting projects for funding, the Committee expects the Agency to balance the needs of addressing the project backlog, remediation of existing structures, and new projects.

WATERSHED REHABILITATION PROGRAM

Appropriations, 2017 .....	\$12,000,000
Budget estimate, 2018 .....	
Committee recommendation .....	

The watershed rehabilitation program account provides for technical and financial assistance to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act, approved August 4, 1954 (16 U.S.C. 1012, U.S.C. 1001, et seq.), as amended by section 313 of Public Law 106-472, November 9, 2000, and by section 2803 of Public Law 110-246.

COMMITTEE RECOMMENDATIONS

The Committee does not recommend an appropriation for the Watershed Rehabilitation Program.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

Appropriations, 2017 .....	\$8,667,000,000
Budget estimate, 2018 .....	8,245,000,000
Committee recommendation .....	8,245,000,000

The Federal Crop Insurance Act, as amended by the Federal Crop Insurance Reform Act of 1994, authorizes the payment of expenses which may include indemnity payments, loss adjustment, delivery expenses, program-related research and development, startup costs for implementing this legislation such as studies, pilot projects, data processing improvements, public outreach, and related tasks and functions.

All program costs, except for Federal salaries and expenses, are mandatory expenditures subject to appropriation.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated to be \$8,245,000,000 in fiscal year 2018 for the Federal Crop Insurance Corporation Fund.

COMMODITY CREDIT CORPORATION FUND

The Commodity Credit Corporation [CCC] is a wholly owned Government corporation created in 1933 to stabilize, support, and protect farm income and prices; to help maintain balanced and adequate supplies of agricultural commodities, including products, foods, feeds, and fibers; and to help in the orderly distribution of these commodities. CCC was originally incorporated under a Delaware charter and was reincorporated June 30, 1948, as a Federal corporation within the Department of Agriculture by the Commodity Credit Corporation Charter Act, approved June 29, 1948 (15 U.S.C. 714).

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feed, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; main-



taining the balance and adequate supplies of selected commodities; and facilitating the orderly distribution of such commodities. In addition, the Corporation makes available materials and facilities required in connection with the storage and distribution of such commodities. The Corporation also disburses funds for sharing of costs with producers for the establishment of approved conservation practices on environmentally sensitive land and subsequent rental payments for such land for the duration of Conservation Reserve Program contracts.

Corporation activities are primarily governed by the following statutes: the Commodity Credit Corporation Charter Act (Public Law 80–806), as amended; the Agricultural Act of 1949 (Public Law 81–439), as amended (1949 Act); the Agricultural Adjustment Act of 1938 (Public Law 75–430), as amended (the 1938 Act); the Food Security Act of 1985 (Public Law 99–198), as amended (1985 Act); the Food, Conservation, and Energy Act of 2008 (Public Law 110–246); and the Agricultural Act of 2014 (Public Law 113–79).

Management of the Corporation is vested in a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is an ex officio director and chairman of the board. The board consists of seven members, in addition to the Secretary, who are appointed by the President of the United States with the advice and consent of the Senate. Officers of the Corporation are designated according to their positions in the Department of Agriculture.

The activities of the Corporation are carried out mainly by the personnel and through the facilities of the Farm Service Agency [FSA] and the Farm Service Agency State and county committees. The Foreign Agricultural Service, the General Sales Manager, other agencies and offices of the Department, and commercial agents are also used to carry out certain aspects of the Corporation's activities.

Under Public Law 87–155 (15 U.S.C. 713a–11, 713a–12), annual appropriations are authorized for each fiscal year, commencing with fiscal year 1961. These appropriations are to reimburse the Corporation for net realized losses.

REIMBURSEMENT FOR NET REALIZED LOSSES

Appropriations, 2017 .....	\$21,290,712,000
Budget estimate, 2018 .....	17,483,000,000
Committee recommendation .....	17,483,000,000

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of such sums as may be necessary, estimated in fiscal year 2018 to be \$17,483,000,000, for the payment to reimburse the Commodity Credit Corporation for net realized losses.

*CRP Wetland Restoration and Wildlife Enhancement.*—The Committee notes that agricultural commodity crops, if left unharvested, may help reduce degradation of wetlands and improve sediment trapping, surface and ground water supply, erosion control, and wildlife habitat while providing winter food for waterfowl and other wildlife. The Committee directs the Commodity Credit Corporation, within 60 days of enactment, to amend its program policies and

guidelines for CRP conservation practices CP23 and CP23A, to provide that current and future participants are permitted to plant—but not harvest—agricultural commodity crops as wildlife food plots on up to 10 percent of the enrolled land to enhance waterfowl and upland bird food and habitat.

HAZARDOUS WASTE MANAGEMENT

Limitation, 2017 .....	\$5,000,000
Budget estimate, 2018 .....	5,000,000
Committee recommendation .....	5,000,000

The Commodity Credit Corporation’s [CCC] hazardous waste management program is intended to ensure compliance with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.). The CCC funds operations and maintenance costs as well as site investigation and cleanup expenses. Investigative and cleanup costs associated with the management of CCC hazardous waste are also paid from USDA’s hazardous waste management appropriation.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$5,000,000 for the Commodity Credit Corporation’s hazardous waste management program.

### TITLE III

#### RURAL DEVELOPMENT PROGRAMS

The Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103–354) abolished the Farmers Home Administration, Rural Development Administration, and Rural Electrification Administration and replaced those agencies with the Rural Housing and Community Development Service, (currently, the Rural Housing Service), Rural Business and Cooperative Development Service (currently, the Rural Business—Cooperative Service), and Rural Utilities Service and placed them under the oversight of the Under Secretary for Rural Economic and Community Development, (currently, Rural Development). These agencies deliver a variety of programs through a network of State and field offices.

#### OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

Appropriations, 2017 .....	\$896,000
Budget estimate, 2018 .....	891,000
Committee recommendation .....	896,000

The Office of the Under Secretary for Rural Development provides direction and coordination in carrying out laws with respect to the Department's rural economic and community development activities. The Office has oversight and management responsibilities for the Rural Housing Service, Rural Business—Cooperative Service, and the Rural Utilities Service.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$896,000 for the Office of the Under Secretary for Rural Development.

*Bioenergy Program for Advanced Biofuels.*—The Committee is concerned with the interim rule proposed by the Department under the Bioenergy Program for Advanced Biofuels program (section 9005 of the Energy title of the farm bill, Public Law 113–79), which is intended to promote the development of different qualifying advanced fuel categories. The Committee is concerned that the allocation formula for distribution of section 9005 funds among the qualified fuel categories is inequitable, disproportionate, and inconsistent with the purpose and intent of the section 9005 program. The Committee urges the Department to administer the section 9005 program in a way that is fuel and technology-neutral. Consistent with these objectives, the Committee directs USDA to propose amendments to the interim rule to ensure that any final rule to implement section 9005 provides for a more equitable and proportional allocation of funding among the qualified advanced biofuels and the energy pathways they represent.

## RURAL DEVELOPMENT SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Appropriation .....	225,835	186,076	225,835
Transfer from:			
Rural Housing Insurance Fund Loan Program Account .....	412,254	244,249	412,254
Rural Electrification and Telecommunications Program Account .....	33,270	38,027	33,270
Rural Development Loan Program Account .....	4,468	.....	4,468
Community Facilities Program Account .....	.....	147,591	.....
Distance Learning, Telemedicine and Broadband Program Account .....	.....	8,057	.....
Total, Rural Development salaries and expenses .....	675,827	624,000	675,827

These funds are used to administer the loan and grant programs of the Rural Utilities Service, the Rural Housing Service, and the Rural Business—Cooperative Service, including reviewing applications, making and collecting loans and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Under credit reform, administrative costs associated with loan programs are appropriated to the program accounts. Appropriations to the salaries and expenses account will be for costs associated with grant programs.

## COMMITTEE RECOMMENDATIONS

The Committee recommends \$675,827,000 for salaries and expenses of Rural Development.

## RURAL HOUSING SERVICE

The Rural Housing Service [RHS] was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994.

## RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

Appropriations, 2017 (budget authority) .....	\$509,892,000
Budget estimate, 2018 (budget authority) .....	244,249,000
Committee recommendation (budget authority) .....	478,338,000

This fund was established in 1965 (Public Law 89–117) pursuant to section 517 of title V of the Housing Act of 1949 (42 U.S.C. 517(d)), as amended. This fund may be used to insure or guarantee rural housing loans for single-family homes, rental and cooperative housing, farm labor housing, and rural housing sites. Rural housing loans are made to construct, improve, alter, repair, or replace dwellings and essential farm service buildings that are modest in size, design, and cost. Rental housing insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide low-cost rental housing and related facilities in rural areas. These loans are repayable in terms up to 30 years.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$478,338,000 for the Rural Housing Insurance Fund Program Account [RHIF].

The Federal Credit Reform Act of 1990 (Public Law 101–508) established the RHIF program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 2018, as well as for administrative expenses. The following table presents the loan subsidy levels as compared to the 2017 levels and the 2018 budget request:

## RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
<b>Loan Levels:</b>			
Single-Family Housing (sec. 502):			
Direct .....	1,000,000	.....	1,000,000
Guaranteed .....	24,000,000	24,000,000	24,000,000
Housing repair (sec. 504) .....	26,278	.....	26,278
Direct rental housing (sec. 515) .....	35,000	.....	35,000
Guaranteed rental housing (sec. 538) .....	230,000	250,000	230,000
Site development loans (sec. 524) .....	5,000	.....	5,000
Credit sales of acquired property .....	10,000	10,000	10,000
Self help land development loans (sec. 523) .....	5,000	.....	5,000
Farm labor housing loans (sec. 514) .....	23,855	.....	23,855
Total, loan levels .....	25,335,133	24,260,000	25,335,133
<b>Loan Subsidies and Grants:</b>			
Single-Family Housing (sec. 502):			
Direct .....	67,700	.....	38,500
Housing repair (sec. 504) .....	3,663	.....	3,240
Direct rental housing (sec. 515) .....	10,360	.....	9,209
Site development (sec. 524) .....	111	.....	58
Self help land development (sec. 523) .....	417	.....	368
Farm labor housing loans (sec. 514) .....	7,051	.....	6,374
Farm labor housing grants (sec. 516) .....	8,336	.....	8,336
Total, loan subsidies and grants .....	97,638	.....	66,085
Administrative expenses .....	412,254	244,249	412,254
Total, loan subsidies and administrative expenses .....	509,892	244,249	478,338

**Energy Efficiency.**—The Committee recognizes opportunities to reduce costs for rural housing and save taxpayer money by embracing energy efficiency standards in rural housing, with measures such as air sealing, and installing insulation, window films, and roofs.

**Maturing Mortgages.**—The Committee is very concerned about the alarming number of multi-family housing mortgages scheduled to mature in the next few years. As these mortgages mature, projects and units will be removed from USDA’s affordable rural housing program, placing very low income rural residents in jeopardy of untenable rent increases and possible eviction. In spite of numerous requests from the Committee, the Department has failed to identify and develop potential solutions to this looming crisis.

The Secretary is directed to engage affordable housing advocates, project owners, tenants, and others as practicable, to find acceptable and effective long term solutions that will retain projects in

the affordable rural housing program. The need for affordable rural housing is too great to allow the program to expire.

RENTAL ASSISTANCE PROGRAM

Appropriations, 2017 .....	\$1,405,033,000
Budget estimate, 2018 .....	1,345,293,000
Committee recommendation .....	1,345,293,000

Rental assistance is authorized under section 521(a)(2) of the Housing Act of 1949, as amended (42 U.S.C. 1490a). The objective of the program is to reduce rents paid by low-income families living in Rural Housing Service financed rental projects and farm labor housing projects. Under this program, low-income tenants will contribute the higher of: (1) 30 percent of monthly adjusted income; (2) 10 percent of monthly income; or (3) designated housing payments from a welfare agency.

Payments from the fund are made to the project owner for the difference between the tenant's payment and the approved rental rate established for the unit.

The program is administered in tandem with the Rural Housing Service section 515 rural rental housing program and the farm labor loan and grant programs. Priority is given to existing projects for units occupied by rent over-burdened low-income families and projects experiencing financial difficulties beyond the control of the owner.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,345,293,000 for the Rental Assistance Program.

MULTI-FAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

Appropriations, 2017 .....	\$41,400,000
Budget estimate, 2018 .....	20,000,000
Committee recommendation .....	41,400,000

The Rural Housing Voucher Program was authorized under the Housing Act of 1949 (42 U.S.C. 1940r) to assist very low income families and individuals who reside in rental housing in rural areas. Housing vouchers may be provided to residents of rental housing projects financed by section 515 loans that have been prepaid after September 30, 2005. Voucher amounts reflect the difference between comparable market rents and tenant-paid rent prior to loan prepayment. Vouchers allow tenants to remain in existing projects or move to other rental housing.

The Multi-family Housing Revitalization Program includes funding for housing vouchers and a demonstration program for the preservation and revitalization of affordable multi-family housing projects. Rural Development's multi-family housing portfolio faces dual pressures for loan prepayments and repair/rehabilitation stemming from inadequate reserves resulting in deferred property maintenance.

Provision of affordable rental housing can be accomplished more economically by revitalizing existing housing stock rather than funding new construction. The Multi-family Housing Revitalization Program includes revitalization tools for maintenance of existing

units and vouchers to protect tenants in those projects that prepay. Flexibility is provided to allow Rural Development to utilize funding to meet the most urgent local needs for tenant protection and project revitalization.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$41,400,000 for the Multi-family Housing Revitalization Program, including \$19,400,000 for vouchers and \$22,000,000 for a housing preservation demonstration program.

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations, 2017 .....	\$30,000,000
Budget estimate, 2018 .....	
Committee recommendation .....	30,000,000

The Mutual and Self-Help Housing Grants Program is authorized by title V of the Housing Act of 1949. Grants are made to local organizations to promote the development of mutual or self-help programs under which groups of usually 6 to 10 families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who work with families in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$30,000,000 for Mutual and Self-Help Housing Grants.

RURAL HOUSING ASSISTANCE GRANTS

Appropriations, 2017 .....	\$33,701,000
Budget estimate, 2018 .....	
Committee recommendation .....	33,701,000

The Rural Housing Assistance Grants Program consolidates funding for rural housing grant programs. This consolidation of housing grant funding provides greater flexibility to tailor financial assistance to applicant needs.

*Very Low-Income Housing Repair Grants.*—The Very Low-Income Housing Repair Grants Program is authorized under section 504 of title V of the Housing Act of 1949. The rural housing repair grant program is carried out by making grants to very low-income families to make necessary repairs to their homes in order to make such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community.

These grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. A grant can be made in combination with a section 504 very low-income housing repair loan.

No assistance can be extended to any one individual in the form of a loan, grant, or combined loans and grants in excess of \$27,500,

and grant assistance is limited to persons, or families headed by persons who are 62 years of age or older.

*Supervisory and Technical Assistance Grants.*—Supervisory and technical assistance grants are made to public and private non-profit organizations for packaging loan applications for housing assistance under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949. The assistance is directed to very low-income families in underserved areas where at least 20 percent of the population is below the poverty level and at least 10 percent or more of the population resides in substandard housing. In fiscal year 1994 a Homebuyer Education Program was implemented under this authority. This program provides low-income individuals and families education and counseling on obtaining and/or maintaining occupancy of adequate housing and supervised credit assistance to become successful homeowners.

*Compensation for Construction Defects.*—Compensation for construction defects provides funds for grants to eligible section 502 borrowers to correct structural defects, or to pay claims of owners arising from such defects on a newly constructed dwelling purchased with RHS financial assistance. Claims are not paid until provisions under the builder’s warranty have been fully pursued. Requests for compensation for construction defects must be made by the owner of the property within 18 months after the date financial assistance was granted.

*Rural Housing Preservation Grants.*—Rural housing preservation grants (section 533) of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 1490m) authorizes the Rural Housing Service to administer a program of home repair directed at low- and very low-income people.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$33,701,000 for the Rural Housing Assistance Grants Program.

The following table compares the grant program levels recommended by the Committee to the fiscal year 2017 levels and the budget request:

RURAL HOUSING ASSISTANCE GRANTS

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Very low-income housing repair grants .....	28,701	.....	28,701
Housing preservation grants .....	5,000	.....	5,000
Total .....	33,701	.....	33,701

The Committee recommends that the Rural Housing Service prioritize funding for communities with unique weather patterns in need of replacing antiquated heating systems with more efficient technologies.



## RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

Appropriations, 2017 .....	\$47,100,000
Budget estimate, 2018 .....	.....
Committee recommendation .....	48,628,000

Community facility loans were created by the Rural Development Act of 1972 (7 U.S.C. 1926 et seq.) to finance a variety of rural community facilities. Loans are made to organizations, including certain Indian tribes and corporations not operated for profit and public and quasi-public agencies, to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. Such facilities include those providing or supporting overall community development, such as fire and rescue services, healthcare, transportation, traffic control, and community, social, cultural, and recreational benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 people. Healthcare, fire and rescue facilities, and educational facilities are the priorities of the program and receive the majority of available funds.

The Community Facility Grant Program authorized in the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127), is used in conjunction with the existing direct and guaranteed loan programs for the development of community facilities, such as hospitals, fire stations, and community centers. Grants are targeted to the lowest income communities. Communities that have lower population and income levels receive a higher cost-share contribution through these grants, to a maximum contribution of 75 percent of the cost of developing the facility.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$48,628,000 for the Rural Community Facilities Program Account.

The following table provides the Committee's recommendations, as compared to the fiscal year 2017 and budget request levels:

## RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
<b>Loan levels:</b>			
Community facilities direct loans .....	2,600,000	3,000,000	3,000,000
Community facilities guaranteed loans .....	148,305	.....	148,305
Total loan levels .....	2,748,305	3,000,000	3,148,305
<b>Budget authority:</b>			
Community facilities guaranteed loans .....	3,322	.....	4,850
Community facilities grants .....	30,000	.....	30,000
Economic initiative grants .....	5,778	.....	5,778
Rural community development initiative .....	4,000	.....	4,000
Tribal college grants .....	4,000	.....	4,000
Total budget authority .....	47,100	.....	48,628

RURAL BUSINESS—COOPERATIVE SERVICE

The Rural Business—Cooperative Service [RBS] was established by Public Law 103–354, Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994. Its programs were previously administered by the Rural Development Administration, the Rural Electrification Administration, and the Agricultural Cooperative Service.

RURAL BUSINESS PROGRAM ACCOUNT

Appropriations, 2017 .....	\$65,319,000
Budget estimate, 2018 .....	
Committee recommendation .....	64,342,000

The Rural Business and Industry Loan Program was created by the Rural Development Act of 1972, and finances a variety of rural industrial development loans. Loans are made for rural industrialization and rural community facilities under Rural Development Act amendments to the Consolidated Farm and Rural Development Act (7 U.S.C. 1932 et seq.) authorities. Business and industrial loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry, and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, payment of startup costs, and supplying working capital.

Rural business development grants were authorized by the Agricultural Act of 2014 and can be made to governmental and non-profit entities, and Indian tribes. Up to 10 percent of appropriated funds may be used to: identify and analyze business opportunities; identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers; assist in the establishment of new rural businesses and the maintenance of existing businesses; conduct economic development planning, coordination and leadership development; and establish centers for training, technology, and trade. The balance of appropriated funding may be used for projects that support the development of business enterprises that finance or facilitate: the development of small and emerging private business enterprise; the establishment, expansion, and operation of rural distance learning networks; the development of rural learning programs; and the provision of technical assistance and training to rural communities for the purpose of improving passenger transportation.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$64,342,000 for the Rural Business Program Account.

The following table provides the Committee’s recommendations, as compared to the fiscal year 2017 and budget request levels:

## RURAL BUSINESS PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Loan levels:			
Business and industry guaranteed loans loan levels .....	919,765	.....	919,765
Budget authority:			
Business and industry guaranteed loans .....	35,319	.....	37,342
Rural business development grants .....	24,000	.....	24,000
Delta Regional Authority grants .....	6,000	.....	3,000
Total budget authority .....	65,319	.....	64,342

*Regional Food Hubs.*—The Committee encourages USDA to partner with States and other interested partners to build and refurbish food hub and food distribution centers that serve rural farmers but are located in urban areas through programs like the Business and Industry guaranteed loan program.

*Rural Business Development Grants.*—Rural coastal economies have often been economically disadvantaged by the loss of natural resource-related jobs and have been the first rural communities to feel the negative effects of a changing climate. As these rural coastal communities continue to have agriculture-related economic opportunity such as value-added seafood processing as well as new opportunities, the use of Rural Business Development grants may be prioritized in rural coastal communities to support innovation and job growth within all sectors, including for related infrastructure. Particular priority should be given in the case of public-private partnerships and cross-jurisdictional efforts.

*Rural Business Program Account.*—The Committee recommends \$500,000 for transportation technical assistance.

The Committee directs that of the \$4,000,000 recommended for grants to benefit Federally Recognized Native American Tribes, \$250,000 shall be used to implement an American Indian and Alaska Native passenger transportation development and assistance initiative.

## INTERMEDIARY RELENDING PROGRAM FUND

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Estimated loan level .....	18,889	.....	18,889
Direct loan subsidy .....	5,476	.....	4,361
Administrative expenses .....	4,468	.....	4,468
Total, loan subsidies and administrative expenses .....	9,944	.....	8,829

The rural development intermediary relending loan program was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88-452). The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 113-79, the Agricultural Act of 2014.

Loans are made to intermediary borrowers (small investment groups) who in turn will reloan the funds to rural businesses, community development corporations, private nonprofit organizations, public agencies, et cetera, for the purpose of improving business,

industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 2018, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$8,829,000 for the Intermediary Relending Program Fund.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(In thousands of dollars)

	Estimated loan level
Fiscal year 2017 level .....	42,213
Fiscal year 2018 request .....	.....
Committee recommendation .....	42,213

The Rural Economic Development Loans program was established by the Reconciliation Act of December 1987 (Public Law 100–203), which amended the Rural Electrification Act of 1936 (Act of May 20, 1936), by establishing a new section 313. This section of the Rural Electrification Act (7 U.S.C. 901) established a cushion of credit payment program and created the rural economic development subaccount. The Administrator of RUS is authorized under the act to utilize funds in this program to provide zero interest loans to electric and telecommunications borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibility studies, startup costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE RECOMMENDATION

The Committee recommends a loan program level of \$42,213,000, to be funded from earnings on the Cushion of Credit and fees on guaranteed underwriting loans made pursuant to section 313A of the Rural Electrification Act of 1936.

RURAL COOPERATIVE DEVELOPMENT GRANTS

Appropriations, 2017 .....	\$26,550,000
Budget estimate, 2018 .....	.....
Committee recommendation .....	26,550,000

Rural cooperative development grants are authorized under section 310B(e) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to fund the establishment and operation of centers for rural cooperative development with their primary purpose being the improvement of economic conditions in rural areas. Grants may be made to nonprofit institutions or institutions of higher education. Grants may be used to pay up to 75 percent of the cost of the project and associated administrative costs. The applicant must contribute at least 25 percent from non-Federal sources, except 1994 institutions, which only need to pro-

vide 5 percent. Grants are competitive and are awarded based on specific selection criteria.

Cooperative research agreements are authorized by 7 U.S.C. 2204b. The funds are used for cooperative research agreements, primarily with colleges and universities, on critical operational, organizational, and structural issues facing cooperatives.

Cooperative agreements are authorized under 7 U.S.C. 2201 to any qualified State departments of agriculture, university, and other State entity to conduct research that will strengthen and enhance the operations of agricultural marketing cooperatives in rural areas.

The Appropriate Technology Transfer for Rural Areas [ATTRA] program was first authorized by the Food Security Act of 1985. The program provides information and technical assistance to agricultural producers to adopt sustainable agricultural practices that are environmentally friendly and lower production costs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$26,550,000 for Rural Cooperative Development Grants.

Of the funds recommended, \$2,750,000 is for the Appropriate Technology Transfer for Rural Areas program.

The Committee has included language in the bill that not more than \$3,000,000 shall be made available to cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers.

*Value Added.*—The Committee recommends \$15,000,000 for value-added agricultural product market development grants. Of this amount, the Secretary is directed to make \$1,000,000 for Agriculture Innovation Center funding available as grants to States authorized to host, and that have previously hosted a USDA Agriculture Innovation Center and where the State continues to demonstrate support, and provide non-Federal grant funding to producers developing, producing, and marketing value-added agricultural and food products.

RURAL ENERGY FOR AMERICA PROGRAM

Appropriations, 2017 .....	\$352,000
Budget estimate, 2018 .....	
Committee recommendation .....	293,000

The Rural Energy for America Program is authorized under section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107). This 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.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$293,000 for the Rural Energy for America Program.

The following table provides the Committee’s recommendation as compared to the fiscal year 2017 and budget request levels:

## RURAL ENERGY FOR AMERICA PROGRAM

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Estimated loan level .....	7,576	.....	7,576
Guaranteed loan subsidy .....	352	.....	293

*Energy Efficiency Coordination.*—The Committee directs increased coordination and cooperation among USDA agencies and offices to better utilize the energy efficiency and renewable energy programs available through the Rural Energy for America program. Additionally, no later than 120 days after enactment of this Act, USDA is directed to submit a report to the Committee detailing how the agencies make information about its energy programs accessible to rural communities and how funds are being leveraged for energy efficiency investments in rural areas.

## RURAL UTILITIES SERVICE

The Rural Utilities Service [RUS] was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103–354), October 13, 1994. RUS administers the electric and telephone programs of the former Rural Electrification Administration and the water and waste programs of the former Rural Development Administration.

## RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Appropriations, 2017 .....	\$571,190,000
Budget estimate, 2018 .....	
Committee recommendation .....	550,383,000

The water and waste disposal program is authorized by sections 306, 306A, 309A, 306C, 306D, 306E, and 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq., as amended). This program makes loans for water and waste development costs. Development loans are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations, generally designated as public or quasi-public agencies, that propose projects for the development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Such grants may not exceed 75 percent of the development cost of the projects and can supplement other funds borrowed or furnished by applicants to pay development costs.

The solid waste grant program is authorized under section 310B(b) of the Consolidated Farm and Rural Development Act. Grants are made to public bodies and private nonprofit organizations to provide technical assistance to local and regional governments for the purpose of reducing or eliminating pollution of water resources and for improving the planning and management of solid waste disposal facilities.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$550,383,000 for the Rural Water and Waste Disposal Program Account.

The Committee recommends \$66,500,000 for water and waste disposal systems grants for Native Americans, including Native Alaskans, and the Colonias. The Committee recognizes the special needs and problems for delivery of basic services to these populations, and encourages the Secretary to distribute these funds in line with the fiscal year 2014 distribution, to the degree practicable. In addition, the Committee makes up to \$18,000,000 available for the circuit rider program.

The following table provides the Committee's recommendations, as compared to the fiscal year 2017 and budget request levels:

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
<b>Loan levels:</b>			
Water and waste disposal direct loans .....	1,200,000	.....	1,200,000
Water and waste disposal guaranteed loans .....	50,000	.....	50,000
Total loan levels .....	1,250,000	.....	1,250,000
<b>Budget authority:</b>			
Water and waste disposal direct loans .....	52,080	.....	25,680
Water and waste disposal guaranteed loans .....	240	.....	230
Water and waste disposal grants .....	391,980	.....	393,980
Solid waste management grants .....	4,000	.....	4,000
Water well systems grants .....	993	.....	993
Colonias and AK/HI/Native American grants .....	64,000	.....	66,500
Water and waste water revolving funds .....	1,000	.....	1,000
High energy cost grants .....	10,000	.....	10,000
Circuit rider .....	16,897	.....	18,000
Emergency community water assistance grants .....	10,000	.....	10,000
Technical assistance grants .....	20,000	.....	20,000
Total, budget authority .....	571,190	.....	550,383

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) provides the statutory authority for the electric and telecommunications programs.

The Federal Credit Reform Act of 1990 (Public Law 101-508) established the program account. An appropriation to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in fiscal year 2018, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The following table reflects the Committee's recommendation for the Rural Electrification and Telecommunications Loans Program Account, the loan subsidy and administrative expenses, as compared to the fiscal year 2017 and budget request levels:

## RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Loan authorizations:			
Electric:			
Direct FFB .....	5,500,000	5,500,000	5,500,000
Guaranteed underwriting .....	750,000	.....	750,000
Telecommunications:			
Direct, Treasury Rate .....	345,000	345,000	345,000
Direct, FFB .....	345,000	345,000	345,000
Total loan authorization .....	6,940,000	6,190,000	6,940,000
Total budget authority .....	3,071	863	863

## DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM LOANS AND GRANTS

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Loan and grant levels:			
Distance learning and Telemedicine Program:			
Grants .....	26,600	.....	26,600
Broadband program:			
Treasury rate loans .....	27,043	26,991	27,043
Treasury rate loans budget authority .....	4,500	4,521	4,530
Grants .....	34,500	.....	30,000
Total DLT and Broadband Program level .....	88,143	26,991	83,643
Total DLT and Broadband Budget authority .....	65,600	4,521	61,130

The Distance Learning, Telemedicine, and Broadband Program is authorized by the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 950aaa et seq.), as amended by the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127). This program provides incentives to improve the quality of phone services, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

This program provides the facilities and equipment to link rural education and medical facilities with more urban centers and other facilities providing rural residents access to better healthcare through technology and increasing educational opportunities for rural students. These funds are available for loans and grants.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$61,130,000 for the Distance Learning, Telemedicine, and Broadband Program. Funds recommended for the RUS broadband program are intended to promote broadband availability in those areas where there is not otherwise a business case for private investment in a broadband network. The Committee encourages RUS to focus expenditures on projects that bring broadband service to currently unserved households.



The Committee is concerned about the longstanding, unmet health needs in the Mississippi River Delta. The Committee recommendation includes \$3,000,000 to address critical healthcare needs in the region, as authorized by section 379G of the Consolidated Farm and Rural Development Act.

*Broadband Grants.*—Of the funds recommended, \$30,000,000 in grants shall be made available to support broadband transmission for rural areas.

*Broadband Infrastructure.*—The Committee notes that it is the policy of RUS to avoid duplication of efforts when financing telecommunications infrastructure via its programs; however, the Committee is concerned that this policy does not extend to the deployment of broadband-capable infrastructure. In order to prevent duplication of services, the Committee directs RUS to implement operational changes and report back to the Committee on administrative efforts to eliminate duplicative or over building of broadband technology.

*Multi-Strand Fiber Optic Cable.*—The Committee recommends that, within these funds, the Secretary explore a pilot grant program to demonstrate the use of multi-strand fiber optic cable that exist as part of electrical transmission infrastructure to provide state-of-the-art broadband services to currently underserved rural schools and medical centers within a mile of the existing cable.

RURAL ECONOMIC INFRASTRUCTURE ACCOUNT  
[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Rural Economic Infrastructure Grants .....	.....	\$161,893	.....

The Rural Economic Infrastructure grant program represents a proposal to merge five existing grants programs: very low income housing repair grants; housing preservation grants; rural community facilities grants; distance learning and telemedicine grants; and broadband grants.

COMMITTEE RECOMMENDATIONS

The Committee recommendation does not include funding for Rural Economic Infrastructure grants but continues to fund each component grant program individually.

TITLE IV  
DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND  
CONSUMER SERVICES

Appropriations, 2017 .....	\$814,000
Budget estimate, 2018 .....	809,000
Committee recommendation .....	814,000

The Office of the Under Secretary for Food, Nutrition and Consumer Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department’s nutrition assistance activities. The Office has oversight and management responsibilities for the Food and Nutrition Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$814,000 for the Office of the Under Secretary for Food, Nutrition and Consumer Services.

*Food and Agriculture Service Learning Program.*—Recognizing the widespread need for children and schools to access food and agriculture education, the Committee encourages USDA to provide funding, through existing resources, for the Food and Agriculture Service Learning Program, authorized under section 4209 of the Agricultural Act of 2014.

*Food Security in Frontier Communities.*—The Committee appreciates the intent of the Food and Nutrition Service to focus on implementing locally-designed initiatives to increase food security in frontier communities within its area of responsibility. Helping these communities to adapt to changing growing conditions and subsistence food availability and to develop the capacity to grow more food locally will improve their tenuous food security and provide opportunities for economic development in extremely low-income regions. The Committee therefore strongly encourages the Food and Nutrition Service to finalize plans to work with relevant stakeholders to develop and implement the plans that were initiated in the past year.

*Interagency Partnerships.*—The Committee commends USDA for its work to support access to combating hunger and eliminating barriers to healthy food access through innovative interagency partnerships. The Committee encourages USDA to continue these partnerships, particularly the new Summer VISTA partnership program.

*Nutrition Program Efficiency.*—The Committee encourages the Secretary to focus process and technology improvement grants within the Food and Nutrition Service [FNS] to expand public-pri-

vate partnerships to increase food security in a cost-efficient and accountable manner.

*School Meals.*—The Committee is concerned with practices in some school districts that unintentionally shame students with unpaid school meal fees. The Committee encourages the Food and Nutrition Service to work with stakeholders, including parents, guardians, and school food service professionals to move towards a solution to avoid embarrassment and shaming of school children for unpaid school meal fees.

#### FOOD AND NUTRITION SERVICE

The Food and Nutrition Service represents an organizational effort to eliminate hunger and malnutrition in this country. Nutrition assistance programs provide access to a nutritionally adequate diet for families and persons with low incomes and encourage better eating patterns among the Nation's children. These programs include:

*Child Nutrition Programs.*—The National School Lunch and School Breakfast, Summer Food Service, and Child and Adult Care Food programs provide funding to the States, Puerto Rico, the Virgin Islands, American Samoa, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades and under, to children of preschool age in child care centers, and to children in other institutions in order to improve the health and well-being of the Nation's children, and broaden the markets for agricultural food commodities. Through the Special Milk Program, assistance is provided to the States for making reimbursement payments to eligible schools and child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children. Funds for this program are provided by direct appropriation and transfer from section 32.

*Special Supplemental Nutrition Program for Women, Infants, and Children [WIC].*—This program safeguards the health of pregnant, postpartum, and breast-feeding women, infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and income by providing supplemental foods. The delivery of supplemental foods may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating State health agency may select. Funds for this program are provided by direct appropriation.

*Supplemental Nutrition Assistance Program.*—This program seeks to improve nutritional standards of needy persons and families. Assistance is provided to eligible households to enable them to obtain a better diet by increasing their food purchasing capability, usually by furnishing benefits in the form of electronic access to funds. The program also includes Nutrition Assistance to Puerto Rico.

The program also includes the Food Distribution Program on Indian Reservations, which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Supplemental Nutrition Assistance Program.

*Commodity Assistance Program [CAP].*—This program provides funding for the Commodity Supplemental Food Program [CSFP],

the Farmers' Market Nutrition Program, Disaster Assistance, Pacific Island Assistance, and administrative expenses for TEFAP.

CSFP provides supplemental foods to low-income elderly persons age 60 and over.

TEFAP provides commodities and grant funds to State agencies to assist in the cost of storage and distribution of donated commodities.

Nutritious agricultural commodities are provided to residents of the Federated States of Micronesia and the Marshall Islands. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. It also provides funding for use in non-presidentially declared disasters, and for FNS' administrative costs in connection with relief for all disasters. Funds for this program are provided by direct appropriation.

*Nutrition Programs Administration.*—Most salaries and Federal operating expenses of the Food and Nutrition Service are funded from this account. Also included is the Center for Nutrition Policy and Promotion [CNPP] which oversees improvements in and revisions to the food guidance systems, and serves as the focal point for advancing and coordinating nutrition promotion and education policy to improve the health of all Americans.

CHILD NUTRITION PROGRAMS

Appropriations, 2017 .....	\$22,793,982,000
Budget estimate, 2018 .....	24,256,266,000
Committee recommendation .....	24,296,505,000

The Child Nutrition Programs, authorized by the Richard B. Russell National School Lunch Act (Public Law 79-396) and the Child Nutrition Act of 1966 (Public Law 89-642), provide Federal assistance to State agencies in the form of cash and commodities for use in preparing and serving nutritious meals to children while they are attending school, residing in service institutions, or participating in other organized activities away from home. The purpose of these programs is to help maintain the health and proper physical development of America's children. Milk is provided to children either free or at a low cost, depending on their family income level. FNS provides cash subsidies to States for administering the programs and directly administers the program in the States which choose not to do so. Grants are also made for nutritional training and surveys and for State administrative expenses. Under current law, most of these payments are made on the basis of reimbursement rates established by law and applied to lunches and breakfasts actually served by the States. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$24,296,505,000 for the Child Nutrition Programs.

*Child and Adult Care Food Program.*—The Committee notes that the Child and Adult Care Food Program [CACFP] is an important source of funding for nutrition for children in early childhood education and care programs. Therefore, the Committee is concerned that complexity of CACFP requirements creates tremendous ad-

ministrative challenges for the child care homes, centers, and agencies that are responsible for delivering these essential benefits to children. The Secretary shall examine the recommendations set forth by the Child and Adult Care Food Program Paperwork Reduction Work Group's 2015 report to Congress, and submit to the Committee, no later than 60 days after enactment of this Act, an evaluation of all the recommendations, including which actions to streamline administrative processes and remove barriers to participation the Secretary has the authority to change, without compromising the measures taken to protect program integrity. The Committee directs the Secretary to work with States to encourage implementation of recommendations contained in the Child and Adult Care Food Program Paperwork Reduction Work Group's 2015 report to Congress that would make monitoring and reporting processes more effective at improving CACFP participation and performance in all eligible child and adult care centers and facilities.

*Crediting System for Nutrition Programs.*—The Committee recognizes that the current crediting system used by Food and Nutrition Service in administering the school lunch program and the School Breakfast Program is in need of reform. The crediting system has historically provided significant service to school food authorities and suppliers to the National School Lunch and the School Breakfast Program. However, the program has not been updated to keep pace with innovation in the marketplace. New products that provide additional nutrition to program participants have entered the marketplace but school food authorities are not receiving proper crediting due to the fact that the system is outdated. For example, Greek yogurt receives the same protein crediting as other products with less protein. Not later than 180 days after the date of enactment of this Act, the Secretary shall review the system of crediting and submit to the Committee on Appropriations and the Committee on Education and the Workforce of the House of Representatives and the Committee on Appropriations and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the review.

*School Meals Procurement.*—The Committee directs the Food and Nutrition Service to ensure that school food authorities abide by Section 12(n) of the Richard B. Russell National School Lunch Act, 42 USC 1760(n), when purchasing seafood or seafood products for the school meals programs. The Committee also encourages the Food and Nutrition Service to use the funding available for training and technical assistance for school food authorities in procurement practices.

*Summer Food Service Program.*—The Committee recognizes that in many rural and frontier areas of the country where homes are widely scattered, children and youth are unable to access congregate feeding sites that participate in the Summer Food Service Program and that existing mobile food delivery efforts are not able to meet the need. The Committee supports the Food and Nutrition Service allowing State Agencies to enable Summer Food Service Program service institutions that serve such areas where eligible children and youth have barriers to access or limited access to a congregate feeding site to use their customary reimbursement payments to develop and implement innovative methods to deliver or

otherwise make available foods to eligible children and youth by non-congregate means or in non-congregate settings.

The Committee's recommendation provides for the following annual rates for the child nutrition programs.

TOTAL OBLIGATIONAL AUTHORITY

[In thousands of dollars]

Child nutrition programs	Fiscal year 2018 budget request	Committee recommendation
School Lunch Program .....	13,010,053	13,010,053
School Breakfast Program .....	4,775,629	4,775,629
Child and Adult Care Food Program .....	3,919,384	3,919,384
Summer Food Service Program .....	639,789	639,789
Special Milk Program .....	8,759	8,759
State Administrative Expenses .....	299,139	299,139
Commodity Procurement .....	1,489,349	1,489,349
Team Nutrition/HUSSC/CMS .....	16,972	17,004
Food Safety Education .....	2,880	2,880
Coordinated Review .....	10,000	10,000
Computer Support .....	11,921	11,921
Training and Technical Assistance .....	13,702	23,137
CNP Studies and Evaluation .....	21,277	21,277
Farm to School Team .....	3,439	4,168
Payment Accuracy .....	11,016	11,016
School Meal Equipment Grants .....		30,000
Summer EBT Demonstration .....	22,957	23,000

The Committee expects FNS to utilize the National Food Service Management Institute to carry out the food safety education program.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS,  
AND CHILDREN [WIC]

Appropriations, 2017 .....	\$6,350,000,000
Budget estimate, 2018 .....	6,150,000,000
Committee recommendation .....	6,350,000,000

The special supplemental nutrition program for women, infants, and children [WIC] is authorized by section 17 of the Child Nutrition Act of 1966. Its purpose is to safeguard the health of pregnant, breast-feeding and postpartum women and infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income.

The WIC program food packages are designed to provide foods which studies have demonstrated are lacking in the diets of the WIC program target population. The authorized supplemental foods are iron-fortified breakfast cereal, fruit or vegetable juice which contains vitamin C, dry beans, peas, and peanut butter.

There are three general types of delivery systems for WIC foods: (1) retail purchase in which participants obtain supplemental foods through retail stores; (2) home delivery systems in which food is delivered to the participant's home; and (3) direct distribution systems in which participants pick up food from a distribution outlet. The food is free of charge to all participants.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$6,350,000,000 for the Special Supplemental Food Program for Women, Infants, and Children [WIC].

The Committee recommendation fully funds estimated WIC participation in fiscal year 2018. The Committee recommendation includes \$80,000,000 for breastfeeding support initiatives and \$14,000,000 for infrastructure.

*WIC Food Package.*—The Committee appreciates the work of the National Academies of Science to review and make recommendations for updating the WIC food packages to reflect current science and cultural factors. The Committee notes, however, that while all revised packages now allow some fish, the amounts remain low compared to the recommendations of authoritative agencies such as the World Health Organization and in some cases, sporadic. The Committee strongly encourages the Department to prioritize the health and cultural benefits of fish consumption as regulations are revised to implement the NAS recommendations and to increase the amount of healthful fish above the amounts recommended by the NAS. The Committee also strongly encourages the Department to allow States to prioritize fish over legumes and peanut butter to respond to the cultural preferences of WIC participants in States like Alaska.

*WIC Food Package Recommendation.*—The Committee supports the important public health role WIC plays in assuring healthy pregnancies and birth outcomes, and growing healthy young children ready to learn when they enter school through quality nutrition education and prescribed foods. The Committee encourages the Secretary to review and implement the recommendations, where appropriate, established in the January 2017 National Academies of Sciences, Engineering, and Medicine report, *Review of WIC Food Packages: Improving Balance and Choice: Final Report*. The recommendations are in accordance with the regular review of the Food Packages provided for under the Healthy, Hunger Free Kids Act of 2010.

## SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Appropriations, 2017 .....	\$78,480,694,000
Budget estimate, 2018 .....	73,612,500,000
Committee recommendation .....	73,612,502,000

The Food Stamp Program was reauthorized through fiscal year 2012 and renamed the Supplemental Nutrition Assistance Program [SNAP] in the Food, Conservation, and Energy Act of 2008. The Supplemental Nutrition Assistance Program attempts to alleviate hunger and malnutrition among low-income persons by increasing their food purchasing power. Eligible households receive SNAP benefits with which they can purchase food through regular retail stores.

Other programs funded through SNAP include Nutrition Assistance to Puerto Rico and American Samoa, the Food Distribution Program on Indian Reservations, the Emergency Food Assistance Program, and the Community Food Projects program.

The Supplemental Nutrition Assistance Program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food benefits, the value of which is determined by household size and income. The cost of the benefits is paid by the Federal Government. As required by law, the Food and Nutrition Service annually revises household benefit allotments to reflect changes in the cost of the thrifty food plan.

*Administrative Costs.*—All direct and indirect administrative costs incurred for certification of households, issuance of benefits, quality control, outreach, and fair hearing efforts are shared by the Federal Government and the States on a 50–50 basis.

*State Antifraud Activities.*—Under the provisions of the Food and Nutrition Act of 2008, States are eligible to be reimbursed for 50 percent of the costs of their fraud investigations and prosecutions.

States are required to implement an employment and training program for the purpose of assisting members of households participating in SNAP in gaining skills, training, or experience that will increase their ability to obtain regular employment. The Department of Agriculture has implemented a grant program to States to assist them in providing employment and training services.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$73,612,502,000 for the Supplemental Nutrition Assistance Program. Of the amount recommended, \$3,000,000,000 is made available as a contingency reserve.

*State SNAP Implementation.*—The Committee is concerned about implementation of the SNAP program in certain states where states are failing to meet the required deadlines for processing applications. USDA is encouraged to work closely with States to remedy program deficiency and be aggressive in combating any falsification of SNAP implementation data.

COMMODITY ASSISTANCE PROGRAM

Appropriations, 2017 .....	\$315,139,000
Budget estimate, 2018 .....	293,591,000
Committee recommendation .....	317,139,000

The Commodity Assistance Program includes funding for the Commodity Supplemental Food Program and funding to pay expenses associated with the storage and distribution of commodities through The Emergency Food Assistance Program.

*The Commodity Supplemental Food Program [CSFP].*—Authorized by section 4(a) of the Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note), as amended in 1981 by Public Law 97–98 and in 2014 by Public Law 113–79, this program provides supplemental food to low-income senior citizens and in some cases low-income infants and children up to age six, low-income pregnant and postpartum women. The Agricultural Act of 2014 discontinued the admission of new pregnant and postpartum women and children into the program. Those already in the program can continue to receive assistance until they are no longer eligible.



The foods for CSFP are provided by the Department of Agriculture for distribution through State agencies. The authorized commodities include: iron-fortified infant formula, rice cereal, cheese, canned juice, evaporated milk and/or nonfat dry milk, canned vegetables or fruits, canned meat or poultry, egg mix, dehydrated potatoes, farina, and peanut butter and dry beans. Elderly participants may receive all commodities except iron-fortified infant formula and rice cereal.

*The Emergency Food Assistance Program [TEFAP].*—Authorized by the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.), as amended, the program provides nutrition assistance to low-income people through prepared meals served on site and through the distribution of commodities to low-income households for home consumption. The commodities are provided by USDA to State agencies for distribution through State-established networks. State agencies make the commodities available to local organizations, such as soup kitchens, food pantries, food banks, and community action agencies, for their use in providing nutrition assistance to those in need.

Funds are administered by FNS through grants to State agencies which operate commodity distribution programs. Allocation of the funds to States is based on a formula which considers the States' unemployment rate and the number of persons with income below the poverty level.

*Farmers' Market Nutrition Program.*—The Farmers' Market Nutrition Program [FMNP] provides WIC or WIC-eligible participants with coupons to purchase fresh, nutritious, unprepared foods, such as fruits and vegetables, from farmers' markets. This benefits both participants and local farmers by increasing the awareness and use of farmers' markets by low-income households.

*Pacific Island and Disaster Assistance.*—This program provides funding for assistance to the nuclear-affected islands in the form of commodities and administrative funds. It also provides funding for use in non-presidentially declared disasters and for FNS' administrative costs in connection with relief for all disasters.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$317,139,000 for the Commodity Assistance Program. The Committee continues to encourage the Department to distribute Commodity Assistance Program funds equitably among the States, based on an assessment of the needs and priorities of each State and the State's preference to receive commodity allocations through each of the programs funded under this account.

*Commodity Supplemental Food Program.*—The Committee recommends \$238,120,000 for the Commodity Supplemental Food Program. This amount fully funds participation in fiscal year 2018.

*Farmers' Market Nutrition Program.*—The Committee is aware that the Farmers' Market Nutrition Program provides fresh fruits and vegetables to low-income mothers and children, benefiting not only WIC participants, but local farmers as well. Therefore, the Committee recommends \$18,548,000 for the Farmers' Market Nutrition Program and directs the Secretary to obligate these funds within 45 days.

*The Emergency Food Assistance Program.*—The Agricultural Act of 2014 provides \$288,750,000 for TEFAP commodities to be purchased with Supplemental Nutrition Assistance Program funds. The Committee recommendation includes \$59,401,000 for TEFAP transportation, storage, and program integrity. In addition, the Committee recommendation grants the Secretary authority to transfer up to an additional 10 percent from TEFAP commodities for this purpose and urges the Secretary to use this authority.

The Committee encourages the Secretary to identify opportunities for increasing the supply of TEFAP commodities in the coming fiscal year through bonus and specialty crop purchases. The Department shall make available to the States domestically produced catfish filets for distribution to local agencies.

NUTRITION PROGRAMS ADMINISTRATION

Appropriations, 2017 .....	\$170,716,000
Budget estimate, 2018 .....	148,541,000
Committee recommendation .....	153,841,000

The Nutrition Programs Administration appropriation provides for most of the Federal operating expenses of the Food and Nutrition Service, which includes the Child Nutrition Programs; Special Milk Program; Special Supplemental Nutrition Program for Women, Infants, and Children [WIC]; Supplemental Nutrition Assistance Program; Nutrition Assistance for Puerto Rico; the Commodity Assistance Program, including the Commodity Supplemental Food Program and the Emergency Food Assistance Program; and Farmers' Market Nutrition Program and Pacific Island and Disaster Assistance.

The major objective of Nutrition Programs Administration is to efficiently and effectively carry out the nutrition assistance programs mandated by law. This is to be accomplished by the following: (1) giving clear and consistent guidance and supervision to State agencies and other cooperators; (2) assisting the States and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing the progress being made toward achieving program objectives; and (4) carrying out regular staff support functions.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$153,841,000 for Nutrition Programs Administration. The Committee recommendation includes \$1,825,000 for decentralized rent and security payments.

TITLE V  
FOREIGN ASSISTANCE AND RELATED PROGRAMS  
OFFICE OF THE UNDER SECRETARY FOR TRADE AND FOREIGN  
AGRICULTURAL AFFAIRS

Appropriations, 2017 .....	
Budget estimate, 2018 .....	
Committee recommendation .....	\$875,000

The Office of the Under Secretary for Trade and Foreign Agricultural Affairs provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's international affairs (except for foreign economic development). The Office has oversight and management responsibilities for the Foreign Agricultural Service.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriations of \$875,000 for the Office of the Under Secretary for Trade and Foreign Agricultural Affairs.

*Food Chain Systems.*—The Committee is aware that the lack of comprehensive cold food chain systems is one of the main causes of food loss and results in a significant percentage of food spoilage from farm-to-market. Preventing food loss and implementing a robust cold food chain results in substantial benefits such as increased nutrition, a safer food supply, greater economic opportunity, and increased resilience. In order to maximize the benefit investment in the agricultural productivity of the developing world, the Committee encourages the Department to give strong consideration to the use of cold chain technologies and include the development of appropriate cooling technologies in programs, policies, and strategic plans aimed at hunger prevention and food security in developing agricultural markets.

FOREIGN AGRICULTURAL SERVICE  
SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriations	Transfers from loan accounts	Total
Appropriations, 2017 .....	196,571	6,074	202,645
Budget estimate, 2018 .....	188,167	6,382	194,549
Committee recommendation .....	197,506	6,074	203,580

The Foreign Agricultural Service [FAS] was established March 10, 1953, by Secretary's Memorandum No. 1320, supplement 1. Public Law 83-690, approved August 28, 1954, transferred the ag-

gricultural attachés from the Department of State to the Foreign Agricultural Service.

The mission of FAS 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. FAS staff are stationed at 98 offices around the world where they provide expertise in agricultural economics and marketing, as well as provide attaché services.

FAS carries out several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade. The Market Access Program [MAP] conducts both generic and brand-identified promotional programs in conjunction with nonprofit agricultural associations and private firms financed through reimbursable CCC payments.

The General Sales Manager was established pursuant to section 5(f) of the charter of the Commodity Credit Corporation and 15 U.S.C. 714–714p. The funds allocated to the General Sales Manager are used for conducting the following programs: (1) CCC Export Credit Guarantee Program (GSM–102), including facilities financing guarantees; (2) Food for Peace; (3) section 416b Overseas Donations Program; (4) Market Access Program; and (5) programs authorized by the Commodity Credit Corporation Charter Act including barter, export sales of most CCC-owned commodities, export payments, and other programs as assigned to encourage and enhance the export of U.S. agricultural commodities.

#### COMMITTEE RECOMMENDATIONS

The Committee recommends \$203,580,000 for the Foreign Agricultural Service, including a direct appropriation of \$197,506,000.

*Borlaug Fellows Program.*—The Committee recommendation includes \$3,500,000 for the Borlaug International Agricultural Science and Technology Fellows Program. This program provides training for international scientists and policymakers from selected developing countries. The fellows work closely with U.S. specialists in their fields of expertise and apply that knowledge in their home countries. The Committee recognizes the importance of this program in helping developing countries strengthen their agricultural practices and food security.

*Cochran Fellowship Program.*—The Committee recommendation includes \$6,500,000 for the Cochran Fellowship Program. The Committee encourages the Secretary to continue to provide additional support for the program through the Commodity Credit Corporation Emerging Markets Program.

*Foreign Market Development Cooperator Program.*—The Committee expects the FAS to fund the Foreign Market Development Cooperator Program.

*Market Access Program.*—The Committee continues the full mandatory funding for the Market Access Program and expects the Department to administer the program as authorized in 7 U.S.C. 5623, without changing the eligibility requirements for participation of cooperative organizations, small businesses, trade associations, and other entities.

FOOD FOR PEACE TITLE I DIRECT CREDIT AND FOOD FOR PROGRESS  
PROGRAM ACCOUNT

Appropriations, 2017 .....	\$149,000
Budget estimate, 2018 .....	149,000
Committee recommendation .....	149,000

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$149,000 for administrative expenses to continue servicing existing Food for Peace title I agreements.

FOOD FOR PEACE TITLE II GRANTS

Appropriations, 2017 .....	\$1,466,000,000
Budget estimate, 2018 .....	1,600,000,000
Committee recommendation .....	1,600,000,000

*Commodities Supplied in Connection With Dispositions Abroad (Title II) (7 U.S.C. 1721–1726).*—Commodities are supplied without cost through foreign governments to combat malnutrition and to meet famine and other emergency requirements. Commodities are also supplied for nonemergencies through public and private agencies, including intergovernmental organizations. The Commodity Credit Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs in emergency situations. The funds appropriated for title II are made available to private voluntary organizations and cooperatives to assist these organizations in meeting administrative and related costs.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,600,000,000 for Food for Peace title II grants.

MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD  
NUTRITION PROGRAM GRANTS

Appropriations, 2017 .....	\$201,626,000
Budget estimate, 2018 .....	206,626,000
Committee recommendation .....	206,626,000

The McGovern-Dole International Food for Education and Child Nutrition Program helps support education, child development, and food security for some of the world's poorest children. The program provides for donations of U.S. agricultural products, as well as financial and technical assistance, for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education. Commodities made available for donation through agreements with private voluntary organizations, cooperatives, intergovernmental organizations, and foreign governments may be donated for direct feeding or for local sale to generate proceeds to support school feeding and nutrition projects.

## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$206,626,000 for the McGovern-Dole International Food for Education and Child Nutrition Program.

*Local and Regional Procurement.*—The Committee provides an appropriation of \$15,000,000 for efforts to build long-term agriculture sustainability and establish a local investment in school feeding programs. With direct U.S. commodity contributions, projects supported by the McGovern-Dole Food for Education Program have significantly improved the attendance, nourishment, and learning capacity of school-aged children in low-income countries throughout the impoverished world. New funding authorities would enable school feeding programs to proactively transition from direct commodity assistance to locally source agriculture products. The Committee directs the Secretary to conduct the Local and Regional Food Aid Procurement Project Program in accordance with the priorities of the McGovern-Dole International Food for Education and Child Nutrition Program.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT (EXPORT CREDIT PROGRAMS AND GSM-102)

[In thousands of dollars]

	Guaranteed loan levels	Administrative expenses
Appropriations, 2017 .....	5,500,000	8,537
Budget estimate, 2018 .....	5,500,000	6,735
Committee recommendation .....	5,500,000	8,537

In 1980, the Commodity Credit Corporation [CCC] instituted the Export Credit Guarantee Program (GSM-102) under its charter authority. With this program, CCC guarantees, for a fee, payments due U.S. exporters under deferred payment sales contracts (up to 36 months) for defaults due to commercial as well as noncommercial risks. The risk to CCC extends from the date of export to the end of the deferred payment period covered in the export sales contract and covers only that portion of the payments agreed to in the assurance agreement. Operation of this program is based on criteria which will assure that it is used only where it is determined that it will develop new market opportunities and maintain and expand existing world markets for U.S. agricultural commodities. The program encourages U.S. financial institutions to provide financing to those areas where the institutions would be unwilling to provide financing in the absence of the CCC guarantees. CCC also provides facilities financing guarantees.

The Federal Credit Reform Act of 1990 establishes the program account. The subsidy costs of the CCC export guarantee programs are exempt from the requirement of advance appropriations of budget authority according to section 504(c)(2) of the Federal Credit Reform Act of 1990, Public Law 101-508. Appropriations to this account will be used for administrative expenses.

TITLE VI  
RELATED AGENCY AND FOOD AND DRUG ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
FOOD AND DRUG ADMINISTRATION

The Food and Drug Administration [FDA] is a scientific regulatory agency whose mission is to promote and protect the public health and safety of Americans. FDA's work is a blend of science and law. The Food and Drug Administration Amendments Act of 2007 [FDAAA] (Public Law 110–85) reaffirmed the responsibilities of the FDA: to ensure safe and effective products reach the market in a timely way, and to monitor products for continued safety while they are in use. In addition, FDA is entrusted with two critical functions in the Nation's war on terrorism: preventing willful contamination of all regulated products, including food, and improving the availability of medications to prevent or treat injuries caused by biological, chemical, radiological, or nuclear agents.

The FDA Foods program has the primary responsibility for assuring that the food supply, quality of foods, food ingredients and dietary supplements are safe, sanitary, nutritious, wholesome, and honestly labeled, and that cosmetic products are safe and properly labeled. The variety and complexity of the food supply has grown dramatically while new and more complex safety issues, such as emerging microbial pathogens, natural toxins, and technological innovations in production and processing, have developed. This program plays a major role in keeping the United States food supply among the safest in the world.

In January 2011, the Food Safety Modernization Act was signed into law. This law enables FDA to better protect public health by strengthening the food safety system. It enables FDA to focus more on preventing food safety and feed problems rather than relying primarily on reacting to problems after they occur. The law also provides FDA with new enforcement authorities designed to achieve higher rates of compliance with prevention- and risk-based food and feed safety standards and to better respond to and contain problems when they do occur. The law also gives FDA important new tools to hold imported food and feed to the same standards as domestic food and feed and directs FDA to build an integrated national food safety system in partnership with State and local authorities.

The FDA Drugs programs are comprised of four separate areas, Human Drugs, Animal Drugs, Medical Devices and Biologics. FDA is responsible for the lifecycle of products, including premarket review and postmarket surveillance of human and animal drugs, medical devices and biological products to ensure their safety and effectiveness. For Human Drugs this includes assuring that all

drug products used for the prevention, diagnosis and treatment of disease are safe and effective. Additional procedures include the review of investigational new drug applications; evaluation of market applications for new and generic drugs, labeling and composition of prescription and over-the-counter drugs; monitoring the quality and safety of products manufactured in, or imported into, the United States; and, regulating the advertising and promotion of prescription drugs. The Animal Drugs and Feeds Program ensures only safe and effective veterinary drugs, intended for the treatment and/or prevention of diseases in animals and the improved production of food-producing animals, are approved for marketing.

The FDA Biologics program assures that blood and blood products, blood test kits, vaccines, and therapeutics are pure, potent, safe, effective, and properly labeled. The program inspects blood banks and blood processors, licenses and inspects firms collecting human source plasma, evaluates and licenses biologics manufacturing firms and products; lot releases licensed products; and monitors adverse events associated with vaccine immunization, blood products, and other biologics.

The FDA Devices and Radiological program ensures the safety and effectiveness of medical devices and eliminates unnecessary human exposure to manmade radiation from medical, occupational, and consumer products. In addition, the program enforces quality standards under the Mammography Quality Standards Act (Public Law 108–365). Medical devices include thousands of products from thermometers and contact lenses to heart pacemakers, hearing aids, and MRIs. Radiological products include items such as microwave ovens and video display terminals.

FDA's National Center for Toxicological Research in Jefferson, Arkansas, serves as a specialized resource, conducting peer-review scientific research that provides the basis for FDA to make sound science-based regulatory decisions through its premarket review and postmarket surveillance. The research is designed to define and understand the biological mechanisms of action underlying the toxicity of products and lead to developing methods to improve assessment of human exposure, susceptibility and risk of those products regulated by FDA.

In 2009, Congress granted FDA new authority to regulate the manufacture, distribution, and marketing of tobacco products. FDA exercises this responsibility by protecting the public health from the health effects of tobacco, setting scientific standards and standards for tobacco product review, conducting compliance activities to enforce its authority over tobacco, and conducting public education and outreach about the health effects of tobacco products.

#### SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriation	User fees	Total
Appropriations, 2017 .....	2,759,378	1,895,711	4,655,089
Budget estimate, 2018 .....	1,819,718	3,164,392	4,984,110
Committee recommendation .....	2,760,378	2,386,567	5,146,945



## COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$2,760,378,000 for FDA salaries and expenses. The Committee also recommends \$2,386,567,000 in definite user fees, including: \$937,434,000 in Prescription Drug User Fee Act user fee collections; \$193,291,000 in Medical Device User Fee and Modernization Act user fee collections; and \$24,142,000 in Animal Drug User Fee Act user fee collections; \$12,100,000 in Animal Generic Drug User Fee Act user fee collections; \$672,000,000 in Tobacco Product user fee collections; \$493,600,000 in Generic Drug User Fee Act user fee collections; and \$54,000,000 in Biosimilar User Fee Act user fee collections. The Committee also recommends \$58,960,000 in permanent, indefinite user fees, including: \$5,300,000 in Voluntary Qualified Importer Program collections; \$1,434,000 in food and feed recall collections; \$6,414,000 in food reinspection collections; \$20,522,000 in Mammography Quality Standards Act fee collections; \$10,062,000 in color certification collections; \$7,686,000 in Pediatric Disease Priority Review Voucher collections; \$1,400,000 in third-party auditor collections; \$1,446,000 in outsourcing facility collections; and \$4,696,000 in export and certification fees, as assumed in the President's budget. The Committee recommendation includes bill language which prohibits FDA from developing, establishing, or operating any program of user fees authorized by 31 U.S.C. 9701.

The Committee recommendation does not include proposed user fees for food facility registration and inspection, food import, food contact substance notification, cosmetics, and international courier imports. None of these user fee proposals have been authorized by Congress. The Committee will continue to monitor any action by the appropriate authorizing Committees regarding these proposed user fees.

The Committee expects FDA to continue all projects, activities, laboratories, and programs as included in fiscal year 2017 unless otherwise specified. The Committee does not support the proposed \$3,120,000 reduction to the National Center for Toxicological Research. The Committee accepts the budget proposal to eliminate funding for consumer education and outreach regarding agricultural biotechnology.

The Committee recommendation includes an increase of \$500,000 to the Center for Drug Evaluation and Research and \$500,000 to the Center for Food Safety and Applied Nutrition to review Botanical Drug and Dietary Supplement interactions.

The following table reflects the Committee's recommendations, as compared to the fiscal year 2017 and budget request levels:

## FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Centers and related field activities:			
Foods .....	1,025,503	910,428	1,026,003
Center for Food Safety and Applied Nutrition [CFSAN] .....	310,994	277,643	308,494
Field Activities .....	714,509	632,785	717,509
Human Drugs .....	492,203	179,139	492,703
Center for Drug Evaluation and Research [CDER] .....	355,996	94,353	356,496

## FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES—Continued

[In thousands of dollars]

	Fiscal year 2017 enacted	Fiscal year 2018 budget request	Committee recommendation
Field Activities .....	136,207	84,786	136,207
Biologics .....	215,443	95,893	215,443
Center for Biologics Evaluation and Research [CBER] .....	174,052	61,398	174,052
Field Activities .....	41,391	34,495	41,391
Animal Drugs .....	162,852	107,606	162,852
Center for Veterinary Medicine [CVM] .....	98,205	49,117	98,205
Field Activities .....	64,647	58,489	64,647
Medical and radiological devices .....	329,764	140,069	329,764
Center for Devices and Radiological Health .....	246,319	73,842	246,319
Field Activities .....	83,445	66,227	83,445
National Center for Toxicological Research .....	63,331	60,211	63,331
Other Activities .....	185,087	125,432	185,087
Rent and related activities .....	114,987	72,450	114,987
Rental Payments to GSA .....	170,208	128,490	170,208
Total, FDA salaries and expenses, new budget authority .....	2,759,378	1,819,718	2,760,378

*Active Pharmaceutical Ingredients.*—The Committee is concerned that the FDA has not yet approved a list of active pharmaceutical ingredients [APIs] for use by compounding pharmacists pursuant to the Federal Food, Drug, and Cosmetic Act [FDCA]. Within 90 days of the enactment of this act, the FDA is directed to provide a timeline for when the remaining substances will be considered, and in the meantime re-consider its policy with regard to enforcement of the bulk drug substances provisions under section 503A.

*Added Sugar Labeling.*—The Committee is concerned about potential consumer confusion over the new FDA nutritional labeling requirements for added sugar for single ingredient products like maple syrup and honey, where sugar is naturally occurring in the product rather than added to the product. The Committee is aware that the FDA has had discussions with maple and honey producers regarding their concerns that the labeling requirement as currently drafted could mislead consumers to think that sugar has been added to a pure single-ingredient maple or honey product. The Committee directs the FDA to report to the Committee on its efforts to implement regulations and provide clarity to the maple syrup and honey industries on the labeling of the sugar content of their packaged products and avoiding consumer confusion.

*Atypical Actives.*—The Committee requests that the FDA provide an update on how it regulates “atypical actives.”

*Autoantibody Qualification.*—The appearance of certain islet autoantibodies in the serum of individuals increases the chance of developing type 1 diabetes at some point in the future. Therefore the Committee encourages the FDA to work with the Type 1 diabetes community on the assessment of potential diabetes biomarkers related to islet autoimmunity, which might help inform the design of clinical studies.

*Botanical Dietary Supplements Research.*—The Committee appreciates the work CFSAN has done to ensure the safety of botanical dietary supplements. Existing work to develop authentication and identification tools for evaluation of botanical supplements is promising, and the Committee directs the Center to invest further in this important research.

*Botanical Drug and Drug Interactions.*—The Committee commends CDER for its work to ensure that botanical drugs available to the public are safe and effective. However, little is known about potential drug interactions caused by botanical drugs, and given the recent publication of the Botanical Drug Development Guidance for Industry, the Committee is concerned that this will likely catalyze additional applications for approval of botanical drugs. Therefore, the Committee directs the FDA to invest in this research by working with its Center of Excellence network partners with expertise in developing analytical methods and reference standards for botanical formulations.

*Caloric Content.*—The Committee is concerned that the FDA Nutrition Facts Label final rule does not include specific requirements for certain carbohydrates that may have insignificant or no caloric content. Consumers generally rely on the caloric information provided on food and beverage labels. The Committee is aware that the FDA is working to provide additional information for food manufacturers clarifying how certain carbohydrates, as appropriate, that may have insignificant or no caloric content should be labeled. The Committee urges the FDA to provide clarity to food manufacturers on the labeling of such carbohydrates, as appropriate.

*Center for Safety and Nutrition Centers of Excellence.*—The Committee is aware of the important contribution of the FDA Center for Food Safety and Applied Nutrition's Centers of Excellence [COEs] program in supporting critical basic research as well as facilitating the implementation of the FDA Food Safety Modernization Act. The Committee encourages the Agency to continue to fully utilize the COEs to accomplish these goals, and instructs that it enhance its level of support for FDA Food Safety Modernization Act activities.

*Centers of Excellence in Regulatory Science and Innovation.*—The Committee is encouraged by the ongoing research and collaboration underway at the Centers of Excellence in Regulatory Science and Innovation program. The Committee believes that these programs will help the Agency improve public health, address scientific challenges presented by revolutions in medical product development, and improve food safety and quality. The Committee commends the Agency for launching this program in 2011 and expanding it in 2014. For this reason, the Committee believes that the Agency should continue to invest in the existing locations in the CERSI network at their original funding level for a period of at least 5 years to ensure their efficacy and to capitalize on existing studies.

*Cotton Ginning.*—The Committee is concerned about the impact of the “Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventive Controls for Food for Animals” final rule (80 FR 56170; September 17, 2015) on the cotton industry. The Committee notes post-harvest activity of ginning cotton does not transform the resulting cottonseed into a “processed food,” and thus, cottonseed should fall within the definition of a “raw agricultural commodity” for purposes of rules promulgated pursuant to the FSMA. In addition, the Committee is concerned about the rationale for the definitions of “primary production farm” and “secondary activities farm” and how these definitions factor into the determination of operations either being exempt from or covered by

certain requirements of the final rule. Therefore, the Committee directs the FDA to provide outreach and technical assistance to cotton ginning operations to assist them in complying with the final rule or subsequent guidance documents.

*Dietary Fiber.*—The Committee is concerned that the FDA has not issued final guidance regarding the definition of dietary fiber, and encourages the FDA to issue these final guidance documents and provide sufficient time for food manufacturers to comply.

*Dietary Ingredients Guidance.*—The Committee encourages FDA to meet with representatives of the supplement industry as well as consumer groups and to review all comments received regarding the “Dietary Supplements: New Dietary Ingredient [NDI] Notifications and Related Issues” guidance.

*Donor Milk Supply.*—The Committee recognizes the growing use of donor human milk for newborns, including premature infants at risk for conditions such as necrotizing enterocolitis. The Committee directs the FDA to provide a report no later than 12 months after enactment of this Act on its efforts to implement regulations to help assure a safe and stable human milk supply and prevent contaminated milk from reaching vulnerable infants. The report shall include information on specific safeguards related to the collection, processing, testing, and distribution of donor human milk and products derived from human milk. The report shall also include FDA’s assessment of the possibility of reclassifying donor human milk and products derived from human milk as exempt infant formula.

*Drug Shortages.*—The committee requests that the FDA report on how it works with manufacturers to facilitate timely communication to the field on the availability of drugs application reviews and facility inspections during times of or risk of critical drug shortages.

*Drug Vial Sizes.*—Senate Report 114–259 directed the FDA to provide a report to Congress within 180 days of enactment of the fiscal 2017 Appropriations Act with recommendations on “how the FDA may assist in addressing concerns about appropriate vial sizes and fill volumes from a safety perspective, to ensure that patients are receiving the appropriate care.” The Committee expects the FDA to comply with this directive.

*Duschenne Muscular Dystrophy.*—The Committee is encouraged by FDA’s recent approvals of therapies to treat Duchenne Muscular Dystrophy and is aware of the authorities within the 21st Century Cures Act that clarify the agency’s ability to allow sponsors of targeted rare disease therapies to use data from previously approved applications. The Committee is aware of the relevance of this policy to Duchenne and other rare disease therapy developments and of the agency’s work to implement the law, and we request an update on these efforts within 180 days of enactment.

*Fatal and Debilitating Diseases.*—The Committee directs the FDA to exercise its current law authorities, as provided under the FDA Safety and Innovation Act and the 21st Century Cures Act, when reviewing new drug applications for patients with 100 percent fatal and debilitating diseases. The Committee further encourages the FDA to afford patients, caregivers and treating physicians the opportunity to participate in the drug review process.

*Food Contact Notification User Fees.*—The Committee recommendation does not include proposed user fees.

*Food Safety Mission.*—The Committee directs the FDA Foods Program to report to the Committee all activities and resources spent on nutrition-related activities for the Center for Food Safety and Applied Nutrition [CFSAN], associated field offices [ORA], and support components.

*Food Safety Modernization Act.*—The Committee is aware that some states that have entered into cooperative agreements under the State Produce Implementation Cooperative Agreement Program to provide education, outreach, and technical assistance are considering changing the state agency responsible for implementing these agreements. The Food and Drug Administration is directed to work with any state that designates a new implementing agency to ensure it can continue to receive funding under existing cooperative agreements without delay or loss of funding.

*Foreign High Risk Inspections.*—The Committee has provided robust funding for this initiative over the last several years and directs the FDA to provide an update on these efforts, including estimated efficiencies and concerns, and plans to continue or expand this effort in the future.

*FSMA & Strategic Partnerships.*—The Committee notes FDA’s public hearing regarding reliance on “Strategic Partnerships to Enhance the Safety of Imported Foods.” In particular, the Committee recommends that FDA give serious consideration to suggestions made during the hearing to place greater reliance on private-sector third party auditors to help FDA implement FSMA. The Committee supports the FDA’s recognition that strategic partnerships with existing government food safety programs and accredited private-sector third party auditing/certification organizations can help achieve cost efficiencies for Agency programs and encourages the Agency to continue its dialogue with such organizations.

*FSMA Clarification for Small Farms.*—The Committee directs the FDA to provide further clarification to small farms on the requirements for compliance with the Food Safety Modernization Act, including information on the qualified exemptions available to small and very small farms and the actions required to achieve compliance under these exemptions. The Committee also urges the Food and Drug Administration to communicate with (including through appropriate guidance) and offer technical assistance to assist small farms with compliance.

*Glass Contamination of Injectable Drugs.*—In 2011, FDA issued the Advisory to Drug Manufacturers: Formation of Glass Lamellae in Certain Injectable Drugs, which noted that drugs containing glass fragments have the potential to cause embolic, thrombotic, and other vascular events when administered intravenously, and when administered subcutaneously, could lead to the development of foreign body granuloma, local injection site reactions, and increased immunogenicity. The Committee understands that the FDA has initiated studies concerning glass products for injectable products; however the Committee is concerned about the threat of glass quality issues to public health. The Committee directs the FDA to evaluate the Agency’s study data and any other appropriate

available data and report back to the Committee within 90 days on the appropriate action needed to address the issue.

*Grape Varietals.*—The Committee is aware that the FDA has excluded certain produce that is rarely consumed raw from having to comply with the FSMA Produce Safety Final Rule entitled “Standards for Growing, Harvesting, Packing, and Holding of Produce for Human Consumption.” There is concern that the FDA did not distinguish between grape varietals that are consumed raw and those that are grown, harvested and used for wine and further processing. The Committee directs the FDA to consider any relevant distinctions between grape varietals, including grape varietals from different regions, that may provide additional flexibility to wine grape growers in demonstrating a product is eligible for exemption or exclusion from the produce safety regulation, including through listing as a produce that is rarely consumed raw.

*Human Drug Review Committee.*—The Committee strongly encourages the FDA to fully utilize its authorities under 18 U.S.C. 208(b)(3) to include no less than two members with an expertise in the indication for which the drug is meant to treat on each Advisory Committee when that Committee is reviewing a drug that has been designated as an Orphan Drug.

*Improving Diversity in Clinical Trials and Safety Studies.*—The Committee supports FDA’s efforts, including the FDASIA 907 Action Plan, to promote inclusion of racially and ethnically diverse populations into clinical trials. The Committee encourages FDA to address the specific lack of racial and ethnic diversity in genome-wide association studies, precision medicine studies, and post-market surveillance safety monitoring for drugs, biological products, and devices. The Committee further encourages FDA to also include data for Hispanics in the Clinical Trials Drug Snapshots, including stating when no data is available based on the study design of the clinical trial. The Committee also directs FDA’s to help ensure that public-facing resources are available in Spanish, including Medwatch reporting forms and online portal, and consumer information materials.

*Improving Import Review.*—The Committee directs the FDA to submit a report within 180 days of enactment of this Act on how FDA is monitoring the impact of the reorganization under Program Alignment, and if such reorganization has improved the consistency of facility inspections.

*In Silico Clinical Trials.*—The Committee appreciates FDA’s interest in in silico medicine and directs the Office of the Chief Scientist to enter into an affiliation agreement with an academic institution with expertise in physiological modeling for the purpose of bridging the gaps between genetics and clinical practice with in silico clinical trials, allowing the development of personalized medicine and optimizing the regulatory process, pursuant to the goals set forth in the Critical Path Initiative.

*Medical Gas Rulemaking.*—The Committee is concerned that the FDA has not initiated a rulemaking on medical air labeling, adverse event reporting, or the numerous longstanding medical gas regulatory issues identified at the December 6, 2013 public meeting. While Section 1112 of Food and Drug Administration Safety and Innovation Act [FDASIA] required the Secretary to make a de-

termination on whether to propose new regulations for medical gases, the 2017 Consolidated Appropriations Act required the Secretary to issue new regulations by July 15, 2017. Congress has twice enacted laws on this issue and expects the FDA to reach a consensus with industry by incorporating general concerns into regulations, either through incorporation by reference or principle-based regulation. FDA's role as a regulator is to vet and propose regulations, especially when directed to do so by Congress. Resources have been provided to the FDA through discretionary appropriations and user fees to accomplish its mission. FDA is directed to convene with stakeholders in a public meeting on the regulation of medical gases and provide a written report to Congress including a description of the sections of the Code of Federal Regulations that will be updated no later than December 31, 2017 and issue the final regulations required by Public Law No: 115-31 no later than July 15, 2018.

*Misleading Maple Marketing.*—The Committee is concerned about the explosion of products marketed using the word maple and related iconography, which intentionally misleads consumers who perceive the use of the word maple and related iconography to mean that a food product contains some measurable quantity of maple syrup to flavor or sweeten the product, which consumers identify as a characterizing ingredient. The Committee directs the FDA to perform a detailed analysis of consumer perception of foods marketed with the word maple or related iconography.

*National Antimicrobial Resistance Monitoring System.*—The Committee recommendation includes \$10,800,000 for the National Antimicrobial Resistance Monitoring System, equal to the level provided in fiscal year 2017.

*Olive Oil.*—The Committee supports ongoing monitoring by FDA of the olive oil market to determine if it is adulterated with seed oil. The Committee also encourages FDA to respond to a 2012 citizen petition requesting a standard of identity for olive oil and olive pomace oil.

*Opioids.*—The Committee is deeply concerned about the opioid abuse epidemic that took the lives of more than 33,000 Americans in 2015. As the agency that oversees the approval of these drugs, the FDA has a responsibility to consider the public health impact of opioid misuse, abuse, diversion and overdose death. The Committee supports FDA's commitment to addressing this crisis through all available authorities, and encourages them to work with other Federal Agencies in their efforts.

The Committee continues its directive for FDA to refer any new drug application for an opioid submitted under section 505(b) of the Federal Food, Drug and Cosmetic Act to an advisory committee for their recommendations prior to approval, unless the FDA finds that holding such advisory committee is not in the interest of protecting and promoting the public health.

The Committee notes that the vast majority of patients prescribed opioids are dispensed a substantially larger amount of pills than what is effective for pain management, and that 8 percent of patients who receive a week's supply of opioids continue to use them 1 year later. Additionally, despite promotion of abuse deterrent varieties of opioid medication, FDA has itself recognized that

these drugs are still misunderstood as being abuse-proof by prescribers. Therefore, the Committee believes that it is imperative that FDA, consistent with its own Advisory Committee recommendations, take any and all steps necessary to require continuing medical education, aligned with the most recent Center for Disease Control and Prevention's Guidelines for Prescribing Opioids for Chronic Pain, for providers who write opioid prescriptions, including through the Risk Evaluations and Mitigation Strategy. The Committee directs FDA to establish authoritative opioid labeling guidelines that align prescribing and dispensing volumes with the lowest number of pills needed to be effective for pain management. Additionally, the Committee believes that FDA should develop messaging to mitigate the risk that healthcare practitioners will confuse the term "abuse-deterrent" for "abuse-proof".

The Committee is also concerned that the Drug Enforcement Administration's approved annual aggregate production quota for opioids, which are established through engagement with the FDA, have increased dramatically in the last two decades. The Committee directs the FDA to account for changes in the currently accepted medical use of opioids and the downstream public health impact when informing DEA's quota-setting process, and provide public justification for any future recommended changes to the DEA's aggregate production quote for opioids.

*Opioid Policy Steering Committee.*—The Committee strongly supports the Commissioner's efforts to establish the Opioid Policy Steering Committee to establish methods to curb our opioid crisis in part by adequately considering the potential risk of abuse and misuse as part of the FDA's drug approval process of prescription opioids. The Committee encourages the FDA to work with private stakeholders and researchers in this process. The Committee requests for an update on the Steering Committee's progress within 90 days, including any legislative action necessary to achieve the Steering Committee's goals.

*Orphan Products Development.*—The Committee is encouraged by the Office of Orphan Products Development and recognizes the importance of the work being supported by Orphan Product Grants. The Committee requests for the FDA to provide a review of the indication for which the drug is intended to treat and for the number of pediatric clinical trials that have received a grant since fiscal year 2015.

*OTC Switch.*—The Committee is concerned that there is a significant amount of time between an FDA approval of a switch of a drug from prescription to over-the-counter and when such switch is enforced. Allowing the prescription products of FDA-switched OTC drugs to remain on the market has led to physician and consumer confusion as inaccurate assumptions are made that the product requires a prescription, as well as additional costs due to unnecessary physician visits and prescriptions. The Committee requests the FDA for an update on their progress and timeline for a final determination regarding the outstanding prescription products and to comment on a process for improving these timelines moving forward.



*Oversight Activities.*—The Committee recommendation includes \$1,500,000 for the HHS Office of Inspector General specifically for oversight of FDA activities.

*Patient Experience.*—The Committee is appreciative of the steps the FDA has taken to implement Subtitle A of Title III within the 21st Century Cures Act to better incorporate patient experience in the drug development and approval processes. The Committee is aware of provisions enacted via the 21st Century Cures Act to provide for greater transparency on how FDA is using patient experience and related data to inform regulatory reviews, and to issue updated guidance to inform developers of patient-focused drug development tools. The Committee requests a status report from FDA on implementation of these provisions including any challenges or impediments being faced.

*Pediatric Cancer Drug Approvals.*—The Committee is encouraged by the enactment of the RACE for Children Act as part of the reauthorization of the Prescription Drug User Fee Authorization Act. RACE for Children could improve the treatment options for children battling cancer and close the divide between adult and pediatric oncology therapies. The Committee encourages the FDA to fully implement the provisions specific to the lists of molecular targets and FDA guidance on pediatric study plans under the Pediatric Research Equity Act and the Best Pharmaceutical Practices for Children Act.

*Pediatric Device Consortia Grants.*—The Committee is pleased that the nine FDA-funded Pediatric Device Consortia have assisted in the development of more than 650 proposed pediatric medical devices since its inception in 2009, as well as promoting job-growth in the healthcare sector, and as such, continues to support this critical effort. The program funds consortia to assist innovators in developing medical and surgical devices designed for the unique needs of children that often go unmet by devices currently available on the market. The Committee recommendation includes no less than the fiscal year 2017 funding level for Pediatric Device Consortia Grants.

*Rare Disease Therapies.*—The Committee is encouraged by FDA's recent approvals of therapies to treat rare diseases, like Duchenne Muscular Dystrophy, and is aware of the authorities within Section 3012 the 21st Century Cures Act that clarify the agency's ability to allow sponsors of targeted rare disease therapies to use data from previously approved applications. The Committee is aware of the relevance of this policy to rare disease therapy development and of the agency's work to implement the law, and we request an update on these efforts within 180 days of enactment.

*Seafood Advisory.*—The Committee is concerned that the FDA published final seafood advice for pregnant and nursing women on January 18, 2017, without going through necessary interagency review, consumer focus group testing, or the opportunity for the public to comment on the scientific peer review. Therefore, the Committee directs the FDA to review its final seafood advice and to make such technical corrections as are necessary to ensure the advice is consistent with the FDA's scientific review of the net effects of seafood consumption. In addition, the Committee directs the

FDA to follow the Administration’s review process prior to publishing the updated seafood advice.

*Sunscreen Labeling Regulations.*—The Committee remains significantly concerned that the FDA has not approved a new over-the-counter [OTC] sunscreen ingredient since the 1990s, despite having a number of ingredients pending approval for more than a decade. After the U.S. Surgeon General issued “A Call to Action to Prevent Skin Cancer,” which concluded that nearly 5 million people are treated annually for all skin cancers at a cost of approximately \$8.1 billion per year, Congress passed the Sunscreen Innovation Act of 2014 to improve the process by which the FDA reviews sunscreen ingredients and to require the FDA to finalize an effective sunscreen monograph within 5 years. The Committee directs the FDA to work with stakeholders to develop a testing regimen, consistent with current scientific standards, that appropriately balances the benefit of additional skin cancer prevention tools versus the risk of skin cancer within 90 days of enactment. The Committee also directs FDA to maintain funding for agency efforts to clear this backlog of sunscreen applications.

In addition, the Committee is disappointed that FDA has not yet finalized a rule limiting the maximum Sun Protection Factor [SPF] to “50” or “50+” as directed by the fiscal year 2017 Consolidated Appropriations Act, and as such the Committee directs FDA to finalize the rule immediately. The Committee is also disappointed that FDA failed to issue a proposed rule to establish testing and labeling standards for sunscreen sprays and directs FDA to do so immediately.

*Vibrio.*—The Committee is aware of the public health challenge related to the naturally occurring bacteria called *Vibrio parahaemolyticus* that can accumulate in shellfish and believes that more scientific research is necessary to develop proper controls that will reduce the risk to consumers and sustain a healthy domestic shellfish industry. The Committee encourages the Food and Drug Administration [FDA] to increase funding for research into *Vibrio* illnesses associated with the consumption of raw molluscan shellfish, improve risk assessment models, and develop improved rapid detection methods for virulent *Vibrio* strains.

*White Oak Expansion.*—The Committee is aware of the need for FDA facilities to accommodate an anticipated expanded workforce due to broader missions related to food safety and other mandates in legislation over the last few years. Due to the challenging fiscal environment, the Committee encourages the FDA and GSA to consider innovative financing options to allow for the space allocation required. In particular, the Committee directs the FDA and GSA to consider partnership opportunities with non-Federal Government entities that provide reasonable cost options that will enable the FDA to maintain very close proximity to its campus headquarters in White Oak, including space contiguous to the White Oak campus.

BUILDINGS AND FACILITIES

Appropriations, 2017 .....	\$11,788,000
Budget estimate, 2018 .....	8,771,000
Committee recommendation .....	11,788,000

FDA maintains offices and staff in 49 States and in the District of Columbia and Puerto Rico, including field laboratories and specialized facilities, as well as the National Center for Toxicological Research complex. Repairs, modifications, improvements, and construction to FDA headquarters and field facilities must be made to preserve the properties, ensure employee safety, meet changing program requirements, and permit the agency to keep its laboratory methods up to date.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$11,788,000 for FDA buildings and facilities. This funding shall be used to upgrade FDA facilities and laboratories which are currently below public safety standards and incapable of performing agency requirements.

INDEPENDENT AGENCY

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Appropriations, 2017 .....	\$68,600,000
Budget estimate, 2018 .....	72,600,000
Committee recommendation .....	69,000,000

The Farm Credit Administration [FCA] is the independent agency in the executive branch of the Government responsible for the examination and regulation of the banks, associations, and other institutions of the Farm Credit System.

Activities of the Farm Credit Administration include the planning and execution of examinations of Farm Credit System institutions and the preparation of examination reports. FCA also promulgates regulations, establishes standards, enforces rules and regulations, and approves certain actions of the institutions.

The administration and the institutions under its jurisdiction now operate under authorities contained in the Farm Credit Act of 1971, Public Law 92-181, effective December 10, 1971. Public Law 99-205, effective December 23, 1985, restructured FCA and gave the agency regulatory authorities and enforcement powers.

The act provides for the farmer-owned cooperative system to make sound, adequate, and constructive credit available to farmers and ranchers and their cooperatives, rural residences, and associations and other entities upon which farming operations are dependent, and to modernize existing farm credit law to meet current and future rural credit needs.

The Agricultural Credit Act of 1987 authorized the formation of the Federal Agricultural Mortgage Corporation [FAMC] to operate a secondary market for agricultural and rural housing mortgages. The Farm Credit Administration, under section 8.11 of the Farm Credit Act of 1971, as amended, is assigned the responsibility of regulating this entity and assuring its safe and sound operation.

Expenses of the Farm Credit Administration are paid by assessments collected from the Farm Credit System institutions and by assessments to the Federal Agricultural Mortgage Corporation.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$69,000,000 on administrative expenses of the Farm Credit Administration.

## TITLE VII

### GENERAL PROVISIONS

The Committee recommends the following provisions:

Section 701. This section makes funds available for the purchase, replacement, and hire of passenger motor vehicles.

Section 702. This section gives the Secretary of Agriculture authority to transfer unobligated balances to the Working Capital Fund and clarifies longstanding practices associated with the Fund.

Section 703. This section limits the funding provided in the bill to 1 year, unless otherwise specified.

Section 704. This section limits negotiated indirect costs on cooperative agreements between the Department of Agriculture and nonprofit organizations to 10 percent.

Section 705. This section makes appropriations to the Department of Agriculture for the cost of direct guaranteed loans available until expended to disperse obligations for certain Rural Development programs.

Section 706. This section prohibits the purchase of new information technology equipment in excess of \$25,000 without the prior approval of the Chief Information Officer.

Section 707. This section makes funds for certain conservation programs available until expended to disburse certain obligations made in the current fiscal year.

Section 708. This section makes certain former Rural Utilities Service borrowers eligible for the Rural Economic Development loan and grant program.

Section 709. This section provides funds for Rural Development and the Farm Service Agency information technology expenses.

Section 710. This section includes language regarding first-class travel.

Section 711. This section includes language regarding the Commodity Credit Corporation.

Section 712. This section makes funds available for the expenses and activities of certain advisory committees, panels, commissions, and task forces at the Department of Agriculture.

Section 713. This section includes language regarding the limitation on direct costs for grants awarded by the National Institute of Food and Agriculture.

Section 714. This section includes language regarding the availability of funds for certain Department of Agriculture programs.

Section 715. This section includes language regarding the availability of funds for certain Department of Agriculture programs.

Section 716. This section prohibits the use of funds for user fee proposals that fail to provide sufficient budget impact information.

Section 717. This section prohibits the reprogramming of funds for programs, projects, or activities in excess of \$500,000 or 10 per-

cent, whichever is less without the prior notification of the Committee on Appropriations.

Section 718. This section includes language for the establishment of a fee under the business and industry loan program.

Section 719. This section prohibits the Department of Agriculture and the Department of Health and Human Services from transmitting questions or responses as a result of the appropriations hearing process to non-Department employees.

Section 720. This section includes language regarding pre-packaged news.

Section 721. This section requires Department of Agriculture agencies to provide reimbursement to other Department of Agriculture agencies for employees detailed for longer than 60 days.

Section 722. This section includes language regarding industrial hemp.

Section 723. This section includes language regarding spending plans.

Section 724. This section provides funding for the Geographically Disadvantaged Farmers Program.

Section 725. This section includes language regarding section 502 single family direct loans.

Section 726. This section includes language regarding loans and loan guarantees.

Section 727. This section includes language regarding credit card refunds.

Section 728. This section includes language regarding commodity programs.

Section 729. This section includes language regarding conservation.

Section 730. This section includes language regarding the Agriculture and Food Research Initiative.

Section 731. This section includes language regarding the Rural Utilities Service.

Section 732. This section includes language regarding the Rural Housing Service.

Section 733. This section includes language regarding disclosure of information for pharmaceuticals.

Section 734. This section includes language regarding research exemptions.

Section 735. This section includes language regarding dried spent grain products.

Section 736. This section includes language regarding the Conservation Reserve Program.

Section 737. This section includes language regarding the Water Bank Program.

Section 738. This section includes language regarding partially hydrogenated oils.

Section 739. This section provides funding for a pilot program through the National Institute of Food and Agriculture.

Section 740. This section includes language regarding reporting requirements.

Section 741. This section includes a rescission of funds.

Section 742. This section includes language regarding Rural Economic Area Partnership Zones.

Section 743. This section includes language regarding the Rural Housing Service.

Section 744. This section includes funding for the Healthy Food Financing Initiative.

Section 745. This section provides funding for a pilot program through the Rural Housing Service.

Section 746. This section provides funding for a pilot program through the Farm Service Agency.

Section 747. This section includes language regarding the Supplemental Nutrition Assistance Program.

Section 748. This section provides funding to carry out a program for hardwood trees.

Section 749. This section provides funding for a pilot program through the Food and Nutrition Service.

Section 750. This section includes language regarding computer networks.

Section 751. This section includes language regarding the Food and Drug Administration.

Section 752. This section includes language regarding a Working Capital Fund.

Section 753. This section provides funding for the Animal and Plant Health Inspection Service.

Section 754. This section includes language regarding watersheds.

Section 755. This section includes language regarding rural development.

Section 756. This section includes language regarding drought relief.

Section 757. This section includes language regarding genetically engineered salmon.

Section 758. This section includes language regarding the use of funds for certain horse inspection activities.

## PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2018, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) or the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119), the following information provides the definition of the term “program, project, and activity” for departments and agencies under the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee. The term “program, project, and activity” shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2018, and the accompanying Senate Report.

If a sequestration order is necessary, in implementing the Presidential order, departments and agencies shall apply any percentage reduction required for fiscal year 2018 pursuant to the provisions of Public Law 99–177 or Public Law 100–119 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 2018 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes.

For the Natural Resources Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Farm Service Agency the definition shall include individual, regional, State, district, and county offices.

## COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports accompanying general appropriations bills identify each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

The Committee is filing an original bill, which is not covered under this rule, but reports this information in the spirit of full disclosure.

The Committee recommends funding for the following programs or activities which currently lack authorization for fiscal year 2018:

- Child Nutrition Program State Administrative Expenses
- Farmers Market Nutrition Program
- Grain Inspection Service
- Multi-family Housing Revitalization Program



Special Supplemental Nutrition Program for Women, Infants  
and Children  
Summer Food Service Program

COMPLIANCE WITH PARAGRAPH 7(c), RULE XXVI OF THE  
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on July 20, 2017, the Committee ordered favorably reported an original bill (S. 1603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2018, and for other purposes, provided, that the bill be subject to amendment and that the bill be consistent with the subcommittee funding guidance, and provided that the Chairman of the Committee or his designee be authorized to offer the substance of the original bill as a Committee amendment in the nature of a substitute to the House companion measure, by a recorded vote of 31-0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Cochran	
Mr. McConnell	
Mr. Shelby	
Mr. Alexander	
Ms. Collins	
Ms. Murkowski	
Mr. Graham	
Mr. Blunt	
Mr. Moran	
Mr. Hoeven	
Mr. Boozman	
Mrs. Capito	
Mr. Lankford	
Mr. Daines	
Mr. Kennedy	
Mr. Rubio	
Mr. Leahy	
Mrs. Murray	
Mrs. Feinstein	
Mr. Durbin	
Mr. Reed	
Mr. Tester	
Mr. Udall	
Mrs. Shaheen	
Mr. Merkley	
Mr. Coons	
Mr. Schatz	
Ms. Baldwin	
Mr. Murphy	
Mr. Manchin	
Mr. Van Hollen	

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE  
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

**TITLE 7—AGRICULTURE**

**CHAPTER 36—CROP INSURANCE**

SUBCHAPTER I—FEDERAL CROP INSURANCE

**§ 1508b. Stacked Income Protection Plan for producers of upland cotton**

**(a) Availability**

\* \* \* \* \*

**(e) Relation to other coverages**

The Stacked Income Protection Plan is in addition to all other coverages available to producers of upland cotton.

*(f) LIMITATION.—Effective beginning with the 2018 crop year, a farm shall not be eligible for the Stacked Income Protection Plan for a crop year for which the farm is enrolled in coverage for cottonseed under—*

*(1) price loss coverage under section 1116 of the Agricultural Act of 2014 (7 U.S.C. 9016); or*

*(2) agriculture risk coverage under section 1117 of that Act (7 U.S.C. 9017).*

\* \* \* \* \*

**CHAPTER 58—ERODIBLE LAND AND WETLAND CONSERVATION AND RESERVE PROGRAM**

SUBCHAPTER V—FUNDING AND ADMINISTRATION

**§ 3844. Administrative requirements for conservation programs**

**(a) Incentives for certain farmers and ranchers and Indian tribes**

\* \* \* \* \*

**(l) Funding for Indian tribes**

In carrying out the conservation stewardship program under subpart B of part II of subchapter IV and the environmental quality incentives program under part IV of subchapter IV, the Secretary may enter into alternative funding arrangements with Indian tribes if the Secretary determines that the goals and objectives of the programs will be met by such arrangements, and that statutory limitations regarding contracts with individual producers will not be exceeded by any tribal member.

(m) *EXEMPTION FROM CERTAIN REPORTING REQUIREMENTS.*—

(1) *DEFINITION OF EXEMPTED PRODUCER.*—*In this subsection, the term “exempted producer” means a producer or landowner eligible to participate in any conservation program administered by the Secretary.*

(2) *EXEMPTION.*—*Notwithstanding the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109–282; 31 U.S.C. 6101 note), the requirements of parts 25 and 170 of title 2, Code of Federal Regulations (and any successor regulations), shall not apply with respect to assistance received by an exempted producer from the Secretary, acting through the Natural Resources Conservation Service.*

\* \* \* \* \*

## CHAPTER 98—DEPARTMENT OF AGRICULTURE REORGANIZATION

### SUBCHAPTER III—RURAL ECONOMIC AND COMMUNITY DEVELOPMENT

#### § 6941. Under Secretary of Agriculture for Rural Development

##### (a) Authorization

The Secretary [is authorized to] *shall* establish in the Department the position of Under Secretary of Agriculture for Rural Development.

##### (b) Confirmation required

[If the Secretary establishes the position of Under Secretary of Agriculture for Rural Development authorized under subsection (a), the Under Secretary] *The Under Secretary of Agriculture for Rural Development shall be appointed by the President, by and with the advice and consent of the Senate.*

\* \* \* \* \*

##### [(d) Succession

Any official who is serving as Under Secretary of Agriculture for Small Community and Rural Development on October 13, 1994, and who was appointed by the President, by and with the advice and consent of the Senate, shall not be required to be reappointed under subsection (b) to the successor position authorized under subsection (a) if the Secretary establishes the position, and the official occupies the new position, within 180 days after October 13, 1994 (or such later date set by the Secretary if litigation delays rapid succession).]

##### [(e)] (d) Loan approval authority

Approval authority for loans and loan guarantees in connection with the electric and telephone loan and loan guarantee programs authorized by the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) shall not be transferred to, or conditioned on review of, a State director or other employee whose primary duty is not the review and approval of such loans or the provision of assistance to such borrowers.

\* \* \* \* \*

SUBCHAPTER IX—MISCELLANEOUS REORGANIZATION PROVISIONS

§ 7014. Termination of authority

(b) Functions

Subsection (a) shall not affect:

(1) \* \* \*

\* \* \* \* \*

(8) The authority of the Secretary to carry out amendments made to this chapter by the Agricultural Act of 2014.

(9) *The authority of the Secretary to establish in the Department the position of Under Secretary of Agriculture for Rural Development under section 231.*

TITLE 16—CONSERVATION

CHAPTER 18—WATERSHED PROTECTION AND FLOOD PREVENTION

§ 1002. Definitions

For the purposes of this chapter, the following terms shall mean:

The “Secretary”—the Secretary of Agriculture of the United States.

“Works of improvement”—any undertaking for—

(1) flood prevention (including structural and land treatment measures),

(2) the conservation, development, utilization, and disposal of water, or

(3) the conservation and proper utilization of land, in watershed or subwatershed area not exceeding two hundred and fifty thousand acres and not including any single structure which provides more than twelve thousand five hundred acre-feet of floodwater detention capacity, and more than twenty-five thousand acre-feet of total capacity. No appropriation shall be made for any plan involving an estimated Federal contribution to construction costs in excess of ~~【\$5,000,000】~~ \$25,000,000, or which includes any structure which provides more than twenty-five hundred acre-feet of total capacity unless such plan has been approved by resolutions adopted by the appropriate committees of the Senate and House of Representatives: Provided, That in the case of any plan involving no single structure providing more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Agri-

culture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and in the case of any plan involving any single structure of more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives, respectively. Each project must contain benefits directly related to agriculture, including rural communities, that account for at least 20 percent of the total benefits of the project. A number of such subwatersheds when they are component parts of a larger watershed may be planned together when the local sponsoring organizations so desire.

\* \* \* \* \*

**§ 1005. Works of improvement**

**(1) Engineering and other services; reimbursement; advances**

\* \* \* \* \*

**(3) Transmission of certain plans to Congress**

Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed **[\$5,000,000]** \$25,000,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

**(4) Transmission of certain plans and recommendations to Congress**

Any plans for works of improvement involving an estimated Federal contribution to construction costs in excess of **[\$5,000,000]** \$25,000,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes works of improvement for reclamation or irrigation, or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for goodwater detention structures, (c) which includes features which may affect the public health, or (d) which includes measures for control or abatement of water pollution, shall be submitted to the Secretary of the Interior, the Secretary of the Army, the Secretary of Health and Human Services, or the Administrator of the Environmental Protection Agency, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, the Secretary of the Army, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency, if received by the Secretary prior to the expiration of the above thirty-day pe-

riod, shall accompany the plan transmitted by the Secretary to the Congress through the President.

\* \* \* \* \*

**CHAPTER 58—ERODIBLE LAND AND WETLAND CONSERVATION AND RESERVE PROGRAM**

**SUBCHAPTER IV—AGRICULTURAL RESOURCES CONSERVATION PROGRAM**

**PART IV—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM**

**§ 3839aa-2. Establishment and administration**

**[(a) Establishment**

During each of the 2002 through 2018 fiscal years, the Secretary shall provide payments to producers that enter into contracts with the Secretary under the program.】

*(a) ESTABLISHMENT.—During each of the 2002 through 2019 fiscal years, the Secretary shall provide payments to producers that enter into contracts with the Secretary under the program.*

\* \* \* \* \*

**SUBCHAPTER V—FUNDING AND ADMINISTRATION**

**§ 3841. Commodity Credit Corporation**

**(a) Annual funding**

For each of fiscal years 2014 through **【2018】 2018** *(and fiscal year 2019 in the case of the program specified in paragraph (5))*, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the following programs under this chapter (including the provision of technical assistance):

(1) \* \* \*

\* \* \* \* \*

(5) The environmental quality incentives program under part IV of subchapter IV, using, to the maximum extent practicable—

(A) \* \* \*

\* \* \* \* \*

(E) \$1,750,000,000 for **【fiscal year 2018】** *each of fiscal years 2018 through 2019.*

**(b) Availability of funds**

Amounts made available by subsection (a) for fiscal years 2014 through **【2018】 2018** *(and fiscal year 2019 in the case of the program specified in subsection (a)(5))* shall be used by the Secretary to carry out the programs specified in such subsection and shall remain available until expended.

**TITLE 42—THE PUBLIC HEALTH AND WELFARE**

**CHAPTER 13—SCHOOL LUNCH PROGRAMS**

**§ 1758. Program requirements**

**(a) Nutritional requirements**

\* \* \* \* \*

**(h) Food safety**

**(1) In general**

\* \* \* \* \*

**(3) Audits and reports by States**

**【For fiscal year 2017】** *For fiscal year 2018*, each State shall annually—

\* \* \* \* \*

**(4) Audit by the Secretary**

**【For fiscal year 2017】** *For fiscal year 2018*, the Secretary shall annually audit State reports of food safety inspections of schools submitted under paragraph (3).

\* \* \* \* \*

**§ 1769g. Information clearinghouse**

**(a) In general**

\* \* \* \* \*

**(d) Funding**

Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall pay to the Secretary to provide to the organization selected under this section, to establish and maintain the information clearinghouse, \$200,000 for each of fiscal years 1995 and 1996, \$150,000 for fiscal year 1997, \$100,000 for fiscal year 1998, \$166,000 for each of fiscal years 1999 through 2004, and \$250,000 for each of fiscal years **【2010 through 2017】** *2010 through 2018*. The Secretary shall be entitled to receive the funds and shall accept the funds, without further appropriation.

**AGRICULTURE ACT OF 2014, PUBLIC LAW 113-79**

**TITLE I—COMMODITIES**

**Subtitle A—Repeals and Reforms**

**PART II—COMMODITY POLICY**

**SEC. 1111. DEFINITIONS.**

In this subtitle and subtitle B:

(1) **ACTUAL CROP REVENUE.**—\* \* \*

\* \* \* \* \*

(6) **COVERED COMMODITY.**—**【The term】** (A) *IN GENERAL.*—*The term “covered commodity” means wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing),*

corn, grain sorghum, long grain rice, medium grain rice, pulse crops, soybeans, other oilseeds, and peanuts.

(B) *INCLUSION.*—Effective beginning with the 2018 crop year, the term “covered commodity” includes cottonseed.

\* \* \* \* \*

(18) REFERENCE PRICE.—The term “reference price”, with respect to a covered commodity for a crop year, means the following:

(A) \* \* \*

\* \* \* \* \*

(N) For large chickpeas, \$21.54 per hundredweight.

(O) For cottonseed, \$15.00 per hundredweight.

\* \* \* \* \*

**SEC. 1113. PAYMENT YIELDS.**

(b) PAYMENT YIELDS FOR DESIGNATED OILSEEDS.—

(1) DETERMINATION OF AVERAGE YIELD.—\* \* \*

\* \* \* \* \*

(3) USE OF COUNTY AVERAGE YIELD.—If the yield per planted acre for a crop of a designated oilseed for a farm for any of the 1998 through 2001 crop years was less than 75 percent of the county yield for that designated oilseed, the Secretary shall assign a yield for that crop year equal to 75 percent of the county yield for the purpose of determining the average under paragraph (1).

(4) PAYMENT YIELD FOR COTTONSEED.—

(A) *PAYMENT YIELD.*—Subject to subparagraph (B), the payment yield for a farm for cottonseed shall be equal to 1.4 times the payment yield for upland cotton for the farm established under section 1104(e)(3) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8714(e)(3)) (as in effect on February 6, 2014).

(B) *UPDATE.*—At the sole discretion of the owner of a farm, the owner of a farm shall have a 1-time opportunity to update the payment yield described in subparagraph (A) in accordance with subsection (d).

\* \* \* \* \*

**SEC. 1114. PAYMENT ACRES.**

(b) TREATMENT OF GENERIC BASE ACRES.—

(1) IN GENERAL.—\* \* \*

(2) ATTRIBUTION.—With respect to a farm containing generic base acres, for the purpose of applying [paragraphs (1)(B) and (2)(B)] paragraphs (1) and (2) of subsection (a), generic base acres on the farm are attributed to a covered commodity in the following manner:

\* \* \* \* \*

(3) TREATED AS ADDITIONAL ACREAGE.—When generic base acres are planted to a covered commodity or acreage planted to a covered commodity is attributed to generic base acres, the



generic base acres are in addition to other base acres on the farm.

(4) *COTTONSEED.*—Effective for the 2018 crop year and each crop year thereafter, the Secretary shall allocate generic base acres for producers on a farm as follows:

(A) In the case of a farm on which no covered commodities (including cottonseed) were planted or were prevented from being planted at any time during each of the 2009 through 2016 crop years, generic base acres shall be allocated to unassigned crop base for which no payments may be made under section 1116 or 1117.

(B) In the case of a farm not described in subparagraph (A), generic base acres shall be allocated—

(i) to cottonseed base acres in a quantity equal to the greater of—

(I) subject to subparagraph (C), 80 percent of the generic base acres on the farm; and

(II) the average number of cottonseed acres planted or prevented from being planted on the farm during each of the 2009 through 2012 crop years (not to exceed the total generic base acres on the farm); or

(ii) to base acres for covered commodities (including cottonseed), by applying subparagraphs (B), (D), (E), and (F) of section 1112(a)(3).

(C) In the case of a farm on which generic base acres are allocated under subparagraph (B)(i)(I), the remaining 20 percent of generic base acres shall be allocated to unassigned crop base for which no payments may be made under section 1116 or 1117.

\* \* \* \* \*

(e) **EFFECT OF PLANTING FRUITS AND VEGETABLES.**—

(1) **REDUCTION REQUIRED.**—\* \* \*

\* \* \* \* \*

(4) **REDUCTION EXCEPTIONS.**—\* \* \*

(A) \* \* \*

(B) in any region in which there is a history of double-cropping covered commodities with crops referred to in paragraph (1) and such crops were so double-cropped on the base acres, as determined by the Secretary.

(f) *UNASSIGNED CROP BASE.*—The Secretary shall maintain information on generic base acres on a farm allocated as unassigned crop base under subparagraphs (A) and (C) of subsection (b)(4).

**SEC. 1115. PRODUCER ELECTION.**

(a) **ELECTION REQUIRED.**—**[For]** Except as provided in subsection (g), for the 2014 through 2018 crop years, all of the producers on a farm shall make a 1-time, irrevocable election to obtain—

\* \* \* \* \*

(f) PROHIBITION ON RECONSTITUTION.—The Secretary shall ensure that producers on a farm do not reconstitute the farm to void or change an election or selection made under this section.

(g) SPECIAL ELECTION.—*In the case of a farm on which generic base acres are attributed to cottonseed or on which generic base acres are allocated to cottonseed, the producers on the farm shall be given the opportunity to make a new 1-time election under subsection (a) for the 2018 crop year and each crop year thereafter to reflect the designation of cottonseed as a covered commodity under section 1111(6)(B).*

\* \* \* \* \*

Subtitle B—Marketing Loans

**SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.**

(a) IN GENERAL.—\* \* \*

\* \* \* \* \*

(b) SINGLE COUNTY LOAN RATE FOR OTHER OILSEEDS.—The Secretary shall establish a single loan rate in each county for each kind of other oilseeds described in subsection (a)(11).

(c) COTTONSEED.—

(1) IN GENERAL.—*For purposes of section 1116(b)(2) and paragraphs (1)(B)(ii) and (2)(A)(ii)(II) of section 1117(b), the loan rate for cottonseed shall be equal to \$8.00 per hundred-weight.*

(2) EFFECT.—*Nothing in this subsection authorizes any non-recourse marketing assistance loan under this subtitle for cottonseed.*

\* \* \* \* \*

Subtitle C—Sugar

PART I—MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS

**SEC. 1401. DEFINITIONS.**

In this part and part III:

(1) ACTUAL DAIRY PRODUCTION MARGIN.—\* \* \*

(2) ALL-MILK PRICE.—\* \* \*

(3) AVERAGE FEED COST.—\* \* \*

[(4) CONSECUTIVE 2-MONTH PERIOD.—The term “consecutive 2-month period” refers to the 2-month period consisting of the months of January and February, March and April, May and June, July and August, September and October, or November and December, respectively.]

[(5) (4) DAIRY OPERATION.—\* \* \*

[(6) (5) MARGIN PROTECTOIN PROGRAM.—\* \* \*

[(7) (6) MARGIN PROTECTION PROGRAM PAYMENT.—\* \* \*

[(8) (7) PARTICIPATING DAIRY OPERATION.—\* \* \*

[(9) (8) PRODUCTION HISTORY.—\* \* \*

[(10)] (9) SECRETARY.—\* \* \*

[(11)] (10) UNITED STATES.—\* \* \*

SEC. 1402. CALCULATION OF AVERAGE FEED COST AND ACTUAL DAIRY PRODUCTION MARGINS.

(b) CALCULATION OF ACTUAL DAIRY PRODUCTION MARGIN.—

(1) IN GENERAL.—For use in the margin protection program, the Secretary shall calculate the actual dairy production margin for each [consecutive 2-month period] month by subtracting—

(A) the average feed cost for that [consecutive 2-month period] month, determined in accordance with subsection (a); from

(B) the all-milk price for that [consecutive 2-month period] month.

\* \* \* \* \*

SEC. 1404. PARTICIPATION OF DAIRY OPERATIONS IN MARGIN PROTECTION PROGRAM.

(b) REGISTRATION PROCESS.—

(1) IN GENERAL.—The Secretary shall specify the manner and form by which a participating dairy operation may register to participate in the margin protection program, including the establishment of a date each coverage year by which a dairy operation shall register for the coverage year.

(2) ELECTION.—

(A) IN GENERAL.—For the 2019 through 2023 coverage years, a dairy operation may make an irrevocable election to participate in the margin protection program.

(B) COVERAGE YEARS.—A dairy operation that elects to participate in the margin protection program under subparagraph (A) shall participate in the margin protection program for the coverage year for which the participating dairy operation elects to participate and each subsequent coverage year through coverage year 2023.

[(2)] (3) TREATMENT OF MULTIPRODUCER DAIRY OPERATIONS.—If a participating dairy operation is operated by more than 1 dairy producer, all of the dairy producers of the participating dairy operation shall be treated as a single dairy operation for purposes of participating in the margin protection program.

[(3)] (4) TREATMENT OF PRODUCERS WITH MULTIPLE DAIRY OPERATIONS.—If a dairy producer operates 2 or more dairy operations, each dairy operation of the producer shall separately register to participate in the margin protection program.

(c) ANNUAL ADMINISTRATIVE FEE.—

(1) ADMINISTRATIVE FEE REQUIRED.—\* \* \*

\* \* \* \* \*

(3) USE OF FEES.—The Secretary shall use administrative fees collected under this subsection to cover administrative costs incurred to carry out the margin protection program.

(4) *EXEMPTION.*—A limited resource, beginning, veteran, or socially disadvantaged farmer, as defined by the Secretary, shall be exempt from the administrative fee under this subsection.

\* \* \* \* \*

**SEC. 1405. PRODUCTION HISTORY OF PARTICIPATING DAIRY OPERATIONS.**

(a) **PRODUCTION HISTORY.**—

(1) **IN GENERAL.**—\* \* \*

(2) **ADJUSTMENT.**—In subsequent years, the Secretary shall adjust the production history of a participating dairy operation determined under paragraph (1) to reflect any increase in the national average milk production.

(3) **CONTINUED APPLICABILITY OF BASE PRODUCTION HISTORY.**—A production history established for a dairy operation under paragraph (1) shall be the base production history for the dairy operation in subsequent years (as adjusted under paragraph (2)).

\* \* \* \* \*

**SEC. 1406. MARGIN PROTECTION PAYMENTS.**

(a) **COVERAGE LEVEL THRESHOLD AND COVERAGE PERCENTAGE.**—For purposes of receiving margin protection payments for a [consecutive 2-month period] month, a participating dairy operation shall annually elect—

(1) a coverage level threshold that is equal to \$4.00, \$4.50, \$5.00, \$5.50, \$6.00, \$6.50, \$7.00, \$7.50, or \$8.00; and

(2) a percentage of coverage, in 5-percent increments, beginning with 25 percent and not exceeding 90 percent of the production history of the participating dairy operation.

(b) **PAYMENT THRESHOLD.**—A participating dairy operation shall receive a margin protection payment whenever the average actual dairy production margin for a [consecutive 2-month period] month is less than the coverage level threshold selected by the participating dairy operation.

(c) **AMOUNT OF MARGIN PROTECTION PAYMENT.**—The margin protection payment for the participating dairy operation shall be determined as follows:

(1) The Secretary shall calculate the amount by which the coverage level threshold selected by the participating dairy operation exceeds the average actual dairy production margin for the [consecutive 2-month period] month.

(2) The amount determined under paragraph (1) shall be multiplied by—

(A) the coverage percentage selected by the participating dairy operation; and

(B) the production history of the participating dairy operation divided by [6] 12.

**SEC. 1407. PREMIUMS FOR MARGIN PROTECTION PROGRAM.**

(b) **【PREMIUM PER HUNDREDWEIGHT FOR FIRST 4 MILLION POUNDS OF PRODUCTION】 TIER I: PREMIUM PER HUNDREDWEIGHT FOR FIRST 5,000,000 POUNDS OF PRODUCTION.—**

(1) **IN GENERAL.—**For the first **【4,000,000】 5,000,000** pounds of milk marketings included in the production history of a participating dairy operation, the premium per hundredweight for each coverage level is specified in the table contained in paragraph (2).

(2) **PRODUCER PREMIUMS.—**Except as provided in paragraph (3), the following annual premiums apply:

Coverage Level	Premium per Cwt.
\$4.00	None
\$4.50	<b>【\$0.010】 None</b>
\$5.00	<b>【\$0.025】 None</b>
\$5.50	<b>【\$0.040】 \$0.009</b>
\$6.00	<b>【\$0.055】 \$0.017</b>
\$6.50	<b>【\$0.090】 \$0.043</b>
\$7.00	<b>【\$0.217】 \$0.068</b>
\$7.50	<b>【\$0.300】 \$0.094</b>
\$8.00	<b>【\$0.475】 \$0.153</b>

\* \* \* \* \*

(c) **【PREMIUM PER HUNDREDWEIGHT FOR PRODUCTION IN EXCESS OF 4 MILLION POUNDS】 TIER II: PREMIUM PER HUNDREDWEIGHT FOR PRODUCTION IN EXCESS OF 5,000,000 POUNDS.—**

(1) **IN GENERAL.—**For milk marketings in excess of **【4,000,000】 5,000,000** pounds included in the production history of a participating dairy operation, the premium per hundredweight for each coverage level is specified in the table contained in paragraph (2).

\* \* \* \* \*

(e) **PREMIUM OBLIGATIONS.—**

(1) **PRO-RATION OF PREMIUM FOR NEW PARTICIPANTS.—**\* \* \*

(2) **LEGAL OBLIGATION.—**A participating dairy operation in the margin protection program **【for a calendar year shall be legally obligated to pay the applicable premium for that calendar year】 shall be legally obligated to pay the applicable premium elected by the participating dairy operation for the coverage year**, except that the Secretary may waive that obligation, under terms and conditions determined by the Secretary, for any participating dairy operation in the case of death, retirement, permanent dissolution of a participating dairy operation, or other circumstances as the Secretary considers appropriate to ensure the integrity of the program.

**BUDGETARY IMPACT OF BILL**

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(A), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee guidance <sup>1</sup>	Amount in bill	Committee guidance <sup>1</sup>	Amount in bill
Comparison of amounts in the bill with the subcommittee allocation for 2018: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies:				
Mandatory .....	111,509	111,509	100,005	<sup>2</sup> 100,005
Discretionary .....	20,525	20,525	21,621	<sup>2</sup> 21,621
Security .....				NA
Nonsecurity .....	20,525	20,525	NA	NA
Projections of outlays associated with the recommendation:				
2018 .....				<sup>3</sup> 104,859
2019 .....				5,659
2020 .....				1,282
2021 .....				565
2022 and future years .....				1,062
Financial assistance to State and local governments for 2018 .....	NA	40,438	NA	<sup>3</sup> 32,440

<sup>1</sup> There is no section 302(a) allocation to the Committee on Appropriations for fiscal year 2018.

<sup>2</sup> Includes outlays from prior-year budget authority.

<sup>3</sup> Excludes outlays from prior-year budget authority.

NA: Not applicable.

NOTE.—Pursuant to section 1002(b)(3)(B) of the 21st Century Cures Act (Public Law 114-255), \$60,000,000 in budget authority and the resulting outlays do not count for the purposes of estimates under the Congressional Budget and Impoundment Control Act of 1974 or the Balanced Budget and Emergency Deficit Control Act of 1985.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2017 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2018  
 [In thousands of dollars]

Item	2017 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2017 appropriation	Budget estimate
<b>TITLE I—AGRICULTURAL PROGRAMS</b>					
Processing, Research, and Marketing					
Office of the Secretary					
Office of the Secretary .....	5,051	4,859	5,051		+192
Office of Tribal Relations .....	502	501	502		+1
Assistant to the Secretary for Rural Development .....			800	+800	
Office of Homeland Security and Emergency Coordination .....	1,496	1,448	1,496		+48
Office of Advocacy and Outreach .....	1,209	1,171	4,209	+3,000	+3,038
Office of the Assistant Secretary for Administration .....	804	802	804		+2
Departmental Administration .....	24,124	22,501	24,124		+1,623
Subtotal, Departmental Administration .....	24,928	23,303	24,928		+1,625
Office of the Assistant Secretary for Congressional Relations .....	3,869	3,521	3,869		+348
Office of Communications .....	7,500	7,261	7,500		+239
Total, Office of the Secretary .....	44,555	42,064	48,355	+3,800	+6,291
<b>Executive Operations:</b>					
Office of the Chief Economist .....	18,917	17,211	16,917	-2,000	-294
Office of Hearings and Appeals .....	13,399	14,716	13,399		-1,317
Office of Budget and Program Analysis .....	9,525	9,093	9,525		+432
Subtotal, Executive Operations .....	41,841	41,020	39,841	-2,000	-1,179
Office of the Chief Information Officer .....	49,538	58,950	58,950	+9,412	+2,192
Office of the Chief Financial Officer .....	8,028	5,836	8,028		+5
Office of the Assistant Secretary for Civil Rights .....	901	896	901		+902
Office of Civil Rights .....	24,206	23,304	24,206		+902
Building and Facilities Agriculture Buildings and Facilities .....	84,189	62,145	67,293	-16,896	+5,148

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2017 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2018—Continued

[In thousands of dollars]

Item	2017 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2017 appropriation	Budget estimate
Hazardous materials management .....	3,633	3,503	3,633	.....	+ 130
Office of Inspector General .....	98,208	92,689	98,208	.....	+5,519
Office of the General Counsel .....	44,697	42,970	44,697	.....	+1,727
Office of Ethics .....	4,136	3,538	4,136	.....	+ 598
Total, Departmental Administration .....	403,932	376,915	398,248	- 5,684	+21,333
Office of the Under Secretary for Research, Education, and Economics .....	893	891	893	.....	+2
Economic Research Service .....	86,757	76,690	86,757	.....	+ 10,067
National Agricultural Statistics Service .....	171,239	185,677	191,717	+ 20,478	+ 6,040
Census of Agriculture .....	(42,177)	(63,900)	(63,350)	(+ 21,173)	(- 550)
Agricultural Research Service:					
Salaries and expenses .....	1,170,235	993,144	1,182,435	+ 12,200	+ 189,291
Buildings and facilities .....	99,600	.....	.....	- 99,600	.....
Total, Agricultural Research Service .....	1,269,835	993,144	1,182,435	- 87,400	+ 189,291
National Institute of Food and Agriculture:					
Research and education activities .....	849,518	769,613	854,871	+ 5,353	+ 85,258
Native American Institutions Endowment Fund .....	(11,880)	(11,857)	(11,880)	.....	(+ 23)
Extension activities .....	477,391	462,890	481,376	+ 3,985	+ 18,486
Integrated activities .....	36,000	20,276	37,000	+ 1,000	+ 16,724
Total, National Institute of Food and Agriculture .....	1,362,909	1,252,779	1,373,247	+ 10,338	+ 120,468
Office of the Under Secretary for Marketing and Regulatory Programs .....	901	891	901	.....	+ 10
Animal and Plant Health Inspection Service:					
Salaries and expenses .....	946,212	810,000	953,212	+ 7,000	+ 143,212



Buildings and facilities .....	3,175	2,852	3,175	.....	+ 323
Total, Animal and Plant Health Inspection Service .....	949,387	812,852	956,387	+ 7,000	+ 143,535
Agricultural Marketing Service:					
Marketing Services .....	84,933	77,462	88,933	+ 4,000	+ 11,471
Standardization activities (user fees) .....	(65,000)	.....	(65,000)	.....	( + 65,000)
(Limitation on administrative expenses, from fees collected) .....	(61,227)	(60,982)	(60,982)	( - 245)	.....
Funds for strengthening markets, income, and supply (Section 32):					
Permanent, Section 32 .....	1,322,000	1,344,000	1,344,000	+ 22,000	.....
Marketing agreements and orders (transfer from section 32) .....	(20,705)	(20,489)	(20,489)	( - 216)	.....
Payments to States and Possessions .....	1,235	1,109	1,235	.....	+ 126
Total, Agricultural Marketing Service program .....	1,469,395	1,483,553	1,495,150	+ 25,755	+ 11,597
Grain Inspection, Packers and Stockyards Administration:					
Salaries and expenses .....	43,482	42,975	43,482	.....	+ 507
Limitation on inspection and weighing services .....	(55,000)	(60,000)	(57,500)	( + 2,500)	( - 2,500)
Office of the Under Secretary for Food Safety .....	819	814	819	.....	+ 5
Food Safety and Inspection Service .....	1,032,062	1,038,069	1,038,069	+ 6,007	.....
Lab accreditation fees .....	(1,000)	(1,000)	(1,000)	.....	.....
Total, Processing, Research, and Marketing .....	6,730,384	6,204,268	6,707,123	- 23,261	+ 502,855
Total, Title I, Agricultural Programs .....	6,730,384	6,204,268	6,707,123	- 23,261	+ 502,855
(By transfer) .....	(20,705)	(20,489)	(20,489)	( - 216)	.....
(Limitation on administrative expenses) .....	(116,227)	(120,982)	(118,482)	( + 2,255)	( - 2,500)
TITLE II—FARM PRODUCTION AND CONSERVATION PROGRAMS					
Farm Production Programs					
Office of the Under Secretary for Farm Production and Conservation .....	901	896	901	.....	+ 5
Farm Service Agency:					
Salaries and expenses .....	1,206,110	1,130,163	1,212,116	+ 6,006	+ 81,953
(Transfer from Food for Peace (Public Law 480)) .....	(149)	(149)	(149)	.....	.....
(Transfer from export loans) .....	(2,463)	(353)	(2,463)	.....	( + 2,110)
(Transfer from ACIF) .....	(306,998)	(297,386)	(306,998)	.....	( + 9,612)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2017 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2018—Continued

[In thousands of dollars]

Item	2017 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2017 appropriation	Budget estimate
Subtotal, transfers from program accounts .....	(309,610)	(297,888)	(309,610)		(+ 11,722)
Total, Salaries and expenses .....	(1,515,720)	(1,428,051)	(1,521,726)	(+ 6,006)	(+ 93,675)
State mediation grants .....	3,904	3,398	3,904		+ 506
Grassroots source water protection program .....	6,500	.....	6,500		+ 6,500
Dairy indemnity program .....	500	500	500		.....
Subtotal, Farm Service Agency .....	1,217,014	1,134,061	1,223,020	+ 6,006	+ 88,959
Agricultural Credit Insurance Fund [ACIF] Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct .....	(1,500,000)	(1,500,000)	(1,500,000)		.....
Guaranteed .....	(2,750,000)	(2,500,000)	(2,750,000)		(+ 250,000)
Subtotal .....	(4,250,000)	(4,000,000)	(4,250,000)		(+ 250,000)
Farm operating loans:					
Direct .....	(1,530,000)	(1,304,851)	(1,530,000)		(+ 225,149)
Unsubsidized guaranteed .....	(1,960,000)	(1,393,423)	(1,960,000)		(+ 566,577)
Subtotal .....	(3,490,000)	(2,698,274)	(3,490,000)		(+ 791,726)
Emergency loans .....	(22,576)	(25,610)	(22,581)	(+ 5)	(- 3,029)
Indian tribe land acquisition loans .....	(20,000)	(20,000)	(20,000)		.....
Conservation loans:					
Guaranteed .....	(150,000)	(150,000)	(150,000)		.....
Indian Highly Fractionated Land Loans .....	(10,000)	.....	(10,000)		(+ 10,000)
Boll weevil eradication loans .....	(60,000)	(60,000)	(60,000)		.....

	(8,002,576)	(6,953,884)	(8,002,581)	(- 5)	(+ 1,048,697)
Total, Loan authorizations .....					
Loan subsidies:					
Farm operating loans:					
Direct .....	65,178	52,716	61,812	- 3,366	+ 9,096
Unsubsidized guaranteed .....	20,972	15,467	21,756	+ 784	+ 6,289
Subtotal .....	86,150	68,183	83,568	- 2,582	+ 15,385
Emergency Loans .....	1,262	1,260	1,111	- 151	- 149
Indian Highly Fractionated Land Loans .....	2,550	.....	2,272	- 278	+ 2,272
Total, Loan subsidies and grants .....	89,962	69,443	86,951	- 3,011	+ 17,508
ACIF administrative expenses:					
Salaries and expenses (transfer to FSA) .....	306,998	297,386	306,998	.....	+ 9,612
Administrative expenses .....	10,070	7,905	10,070	.....	+ 2,165
Total, ACIF expenses .....	317,068	305,291	317,068	.....	+ 11,777
Total, Agricultural Credit Insurance Fund .....	407,030	374,734	404,019	- 3,011	+ 29,285
(Loan authorization) .....	(8,002,576)	(6,953,884)	(8,002,581)	(- 5)	(+ 1,048,697)
Total, Farm Service Agency .....	1,624,945	1,509,691	1,627,940	+ 2,995	+ 118,249
Risk Management Agency:					
RMA Salaries and expenses .....	74,829	55,000	74,829	.....	+ 19,829
Subtotal, Risk Management Agency .....	74,829	55,000	74,829	.....	+ 19,829
Total, Farm Production Programs .....	1,699,774	1,564,691	1,702,769	+ 2,995	+ 138,078
Office of the Under Secretary for Natural Resources and Environment .....	901	896	.....	- 901	- 896
Natural Resources Conservation Service:					
Private Lands Conservation Operations .....	864,474	766,000	874,107	+ 9,633	+ 108,107
Transfer .....	.....	(985,000)	.....	.....	(- 985,000)
Farm Security and Rural Investment program (transfer authority) .....	.....	.....	.....	.....	.....
Total, Conservation operations .....	864,474	766,000	874,107	+ 9,633	+ 108,107

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2017 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
 FOR FISCAL YEAR 2018—Continued  
 (In thousands of dollars)

Item	2017 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2017 appropriation	Budget estimate
Watershed flood and prevention operations .....	150,000	.....	150,000	.....	+ 150,000
Watershed rehabilitation program .....	12,000	.....	.....	- 12,000	.....
Total, Natural Resources Conservation Service .....	1,026,474	766,000	1,024,107	- 2,367	+ 258,107
Corporations					
Federal Crop Insurance Corporation:					
Federal Crop Insurance Corporation fund .....	8,667,000	8,245,000	8,245,000	- 422,000	.....
Commodity Credit Corporation Fund:					
Reimbursement for net realized losses .....	21,290,712	17,483,000	17,483,000	- 3,807,712	.....
Hazardous waste management (limitation on expenses) .....	(5,000)	(5,000)	(5,000)	.....	.....
Total, Corporations .....	29,957,712	25,728,000	25,728,000	- 4,229,712	.....
Total, Title II, Farm Production and Conservation Programs .....	32,684,861	28,059,587	28,454,876	- 4,229,985	+ 395,289
TITLE III—RURAL DEVELOPMENT					
Office of the Under Secretary for Rural Development .....	896	891	896	.....	+ 5
Rural Development:					
Rural development expenses:					
Salaries and expenses .....	225,835	186,076	225,835	.....	+ 39,759
(Transfer from RHF) .....	(412,254)	(244,249)	(412,254)	.....	(+ 168,005)
(Transfer from RCFP) .....	.....	(147,591)	.....	.....	(- 147,591)
(Transfer from RDLFP) .....	(4,468)	.....	(4,468)	.....	(+ 4,468)
(Transfer from RETLP) .....	(33,270)	(38,027)	(33,270)	.....	(- 4,757)
(Transfer from DLIBP) .....	.....	(8,057)	.....	.....	(- 8,057)

Subtotal, Transfers from program accounts .....	(449,992)	(437,924)	(449,992)	.....	(+ 12,068)
Total, Rural development expenses .....	(675,827)	(624,000)	(675,827)	.....	(+ 51,827)
<b>Rural Housing Service:</b>					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Single family direct (Sec. 502) .....	(1,000,000)	.....	(1,000,000)	.....	(+ 1,000,000)
Unsubsidized guaranteed .....	(24,000,000)	(24,000,000)	(24,000,000)	.....	.....
Subtotal, Single family .....	(25,000,000)	(24,000,000)	(25,000,000)	.....	(+ 1,000,000)
Housing repair (Sec. 504) .....	(26,278)	.....	(26,278)	.....	(+ 26,278)
Rental housing (Sec. 515) .....	(35,000)	.....	(35,000)	.....	(+ 35,000)
Multi-family housing guarantees (Sec. 538) .....	(230,000)	(250,000)	(230,000)	.....	(- 20,000)
Site development loans (Sec. 524) .....	(5,000)	.....	(5,000)	.....	(+ 5,000)
Single family housing credit sales .....	(10,000)	(10,000)	(10,000)	.....	.....
Self-help housing land development housing loans (Sec. 523) .....	(5,000)	.....	(5,000)	.....	(+ 5,000)
Farm Labor Housing (Sec.514) .....	(23,855)	.....	(23,855)	.....	(+ 23,855)
Total, Loan authorizations .....	(25,335,133)	(24,260,000)	(25,335,133)	.....	(+ 1,075,133)
<b>Loan subsidies:</b>					
Single Family Direct (Sec. 502) .....	67,700	.....	38,500	- 29,200	+ 38,500
Housing repair (Sec. 504) .....	3,663	.....	3,240	- 423	+ 3,240
Rental housing (Sec. 515) .....	10,360	.....	9,209	- 1,151	+ 9,209
Farm labor housing (Sec.514) .....	7,051	.....	6,374	- 677	+ 6,374
Self-Help Land Development Housing Loans (Sec.523) .....	417	.....	368	- 49	+ 368
Site Development Loans (Sec.524) .....	111	.....	58	- 53	+ 58
Total, Loan subsidies .....	89,302	.....	57,749	- 31,553	+ 57,749
<b>Farm labor housing grants</b>					
RHIF administrative expenses (transfer to RD) .....	8,336	.....	8,336	.....	+ 8,336
Total, Rural Housing Insurance Fund program .....	509,892	244,249	478,339	- 31,553	+ 234,090
(Loan authorization) .....	(25,335,133)	(24,260,000)	(25,335,133)	.....	(+ 1,075,133)
<b>Rental assistance program:</b>					
Rental assistance (Sec. 521) .....	1,405,033	1,345,293	1,345,293	- 59,740	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2017 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2018—Continued

[In thousands of dollars]

Item	2017 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2017 appropriation	Budget estimate
Multi-Family Housing Revitalization Program Account:					
Rural housing voucher program .....	19,400	20,000	19,400	.....	- 600
Multi-family housing revitalization program .....	22,000	.....	22,000	.....	+ 22,000
Total, Multi-family housing revitalization .....	41,400	20,000	41,400	.....	+ 21,400
Mutual and self-help housing grants .....	30,000	.....	30,000	.....	+ 30,000
Rural housing assistance grants .....	33,701	.....	33,701	.....	+ 33,701
Rural Community Facilities Program Account:					
Loan authorizations:					
Community facility:					
Direct .....	(2,500,000)	(3,000,000)	(3,000,000)	(+ 400,000)	.....
Guaranteed .....	(148,305)	.....	(148,305)	.....	(+ 148,305)
Total, Loan authorizations .....	(2,748,305)	(3,000,000)	(3,148,305)	(+ 400,000)	(+ 148,305)
Loan subsidies and grants:					
Community facility:					
Guaranteed .....	3,322	.....	4,850	+ 1,528	+ 4,850
Grants .....	30,000	.....	30,000	.....	+ 30,000
Rural community development initiative .....	4,000	.....	4,000	.....	+ 4,000
Economic impact initiative grants .....	5,778	.....	5,778	.....	+ 5,778
Tribal college grants .....	4,000	.....	4,000	.....	+ 4,000
RCFP administrative expenses (transfer to RD) .....	.....	147,591	.....	.....	- 147,591
Total, RCFP Loan subsidies and grants .....	47,100	147,591	48,628	+ 1,528	- 98,963
Subtotal, grants and payments .....	110,801	147,591	112,329	+ 1,528	- 35,262
Total, Rural Housing Service .....	2,067,126	1,757,133	1,977,361	- 89,765	+ 220,228

(Loan authorization) .....	(28,083,438)	(27,260,000)	(28,483,438)	(+ 400,000)	(+ 1,223,438)
<b>Rural Business—Cooperative Service:</b>					
Rural Business Program Account:					
(Guaranteed business and industry loans) .....	(919,765)	.....	(919,765)	.....	(+ 919,765)
Loan subsidies and grants:					
Guaranteed business and industry subsidy .....	35,319	.....	37,342	+ 2,023	+ 37,342
Rural business development grants .....	24,000	.....	24,000	.....	+ 24,000
Delta Regional Authority and Appalachian Regional Commission .....	6,000	.....	3,000	- 3,000	+ 3,000
Total, RBP loan subsidies and grants .....	65,319	.....	64,342	- 977	+ 64,342
<b>Intermediary Relending Program Fund Account:</b>					
(Loan authorization) .....	(18,889)	.....	(18,889)	.....	(+ 18,889)
Loan subsidy .....	5,476	.....	4,361	- 1,115	+ 4,361
Administrative expenses (transfer to RD) .....	4,468	.....	4,468	.....	+ 4,468
Total, IRP Fund .....	9,944	.....	8,829	- 1,115	+ 8,829
<b>Rural Economic Development Loans Program Account:</b>					
(Loan authorization) .....	(42,213)	.....	(42,213)	.....	(+ 42,213)
Limit cushion of credit interest spending .....	(132,000)	(176,000)	(196,000)	(+ 64,000)	(+ 20,000)
(Rescission) .....	- 132,000	- 176,000	- 196,000	- 64,000	- 20,000
<b>Rural Cooperative Development Grants:</b>					
Cooperative development .....	5,800	.....	5,800	.....	+ 5,800
Appropriate Technology Transfer for Rural Areas .....	2,750	.....	2,750	.....	+ 2,750
Grants to assist minority producers .....	3,000	.....	3,000	.....	+ 3,000
Value-added agricultural product market development .....	15,000	.....	15,000	.....	+ 15,000
Total, Rural Cooperative development grants .....	26,550	.....	26,550	.....	+ 26,550
<b>Rural Energy for America Program (Loan authorization) .....</b>	<b>(7,576)</b>	.....	<b>(7,576)</b>	.....	<b>(+ 7,576)</b>
Loan subsidy and grants .....	352	.....	293	- 59	+ 293
Total, Rural Energy for America Program .....	352	.....	293	- 59	+ 293
<b>Total, Rural Business-Cooperative Service .....</b>	<b>- 29,835</b>	<b>- 176,000</b>	<b>- 95,986</b>	<b>- 66,151</b>	<b>+ 80,014</b>
(Loan authorization) .....	<b>(988,443)</b>	.....	<b>(988,443)</b>	.....	<b>(+ 988,443)</b>

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2017 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2018—Continued

[In thousands of dollars]

Item	2017 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2017 appropriation	Budget estimate
Rural Utilities Service:					
Rural water and waste disposal program account:					
Loan authorizations:					
Direct .....	(1,200,000)	.....	(1,200,000)	.....	(+ 1,200,000)
Guaranteed .....	(50,000)	.....	(50,000)	.....	(+ 50,000)
Total, Loan authorization .....	1,250,000	.....	1,250,000	.....	+ 1,250,000
Loan subsidies and grants:					
Direct subsidy .....	52,080	.....	25,680	-26,400	+ 25,680
Guaranteed subsidy .....	240	.....	230	-10	+ 230
Water and waste revolving fund .....	1,000	.....	1,000	.....	+ 1,000
Water well system grants .....	993	.....	993	.....	+ 993
Colonias and AK/HI grants .....	64,000	.....	66,500	+ 2,500	+ 66,500
Water and waste technical assistance .....	20,000	.....	20,000	.....	+ 20,000
Circuit rider program .....	16,897	.....	18,000	+ 1,103	+ 18,000
Solid waste management grants .....	4,000	.....	4,000	.....	+ 4,000
High energy cost grants .....	10,000	.....	10,000	.....	+ 10,000
Water and waste disposal grants .....	391,980	.....	393,980	+ 2,000	+ 393,980
306A(i)(2) grants .....	10,000	.....	10,000	.....	+ 10,000
Total, Loan subsidies and grants .....	571,190	.....	550,383	-20,807	+ 550,383
Rural Electrification and Telecommunications Loans Program Account:					
Loan authorizations:					
Electric:					
Direct, FFB .....	(5,500,000)	(5,500,000)	(5,500,000)	.....	.....
Guaranteed underwriting .....	(750,000)	(750,000)	(750,000)	.....	(+ 750,000)
Subtotal, Electric .....	(6,250,000)	(5,500,000)	(6,250,000)	.....	(+ 750,000)



Telecommunications:						
Direct, Treasury rate	(345,000)	(345,000)	(345,000)	(345,000)		
Direct, FFB	(345,000)	(345,000)	(345,000)	(345,000)		
Subtotal, Telecommunications	(690,000)	(690,000)	(690,000)	(690,000)		
Total, Loan authorizations	(6,940,000)	(6,190,000)	(6,940,000)	(6,940,000)		(+ 750,000)
Loan Subsidy:						
Telecommunications Direct, Treasury Rate	3,071	863	863	863	- 2,208	
Total, Loan subsidies	3,071	863	863	863	- 2,208	
RETLP administrative expenses (transfer to RD)	33,270	38,027	33,270	33,270		- 4,757
Total, Rural Electrification and Telecommunications Loans Program Account (Loan authorization)	36,341	38,890	34,133	34,133	- 2,208	- 4,757
	(6,940,000)	(6,190,000)	(6,940,000)	(6,940,000)		(+ 750,000)
Broadband Program:						
Loan authorizations:	(27,043)	(26,991)	(27,043)	(27,043)		(+ 52)
Broadband telecommunications	(27,043)	(26,991)	(27,043)	(27,043)		(+ 52)
Total, Loan authorizations	(27,043)	(26,991)	(27,043)	(27,043)		(+ 52)
Loan subsidies and grants:						
Distance learning and telemedicine:						
Grants	26,600		26,600	26,600		+ 26,600
Broadband telecommunications:						
Direct	4,500	4,521	4,530	4,530	+ 30	+ 9
Grants	34,500		30,000	30,000	- 4,500	+ 30,000
Total, Loan subsidies and grants	65,600	4,521	61,130	61,130	- 4,470	+ 56,609
DLTBP administrative expenses (transfer to RD)		8,057				- 8,057
Total, Rural Utilities Service (Loan authorization)	673,131	51,468	645,646	645,646	- 27,485	+ 594,178
	(8,217,043)	(6,216,991)	(8,217,043)	(8,217,043)		(+ 2,000,052)
Rural Economic Infrastructure Grants		161,893				- 161,893

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2017 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2018—Continued

[In thousands of dollars]

Item	2017 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2017 appropriation	Budget estimate
Total, Title III, Rural Development Programs	2,937,153	1,981,461	2,753,752	- 183,401	+ 772,291
(By transfer)	(449,992)	(437,924)	(449,992)	.....	(+ 12,068)
(Loan authorization)	(37,288,924)	(33,476,991)	(37,688,924)	(+ 400,000)	(+ 4,211,933)
TITLE IV—DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services	814	809	814	.....	+ 5
Food and Nutrition Service:					
Child nutrition programs	22,745,982	24,233,309	24,243,505	+ 1,497,523	+ 10,196
School breakfast program equipment grants	25,000	.....	30,000	+ 5,000	+ 30,000
Demonstration projects (Summer EBT)	23,000	22,957	23,000	.....	+ 43
Total, Child nutrition programs	22,793,982	24,256,266	24,296,505	+ 1,502,523	+ 40,239
Special supplemental nutrition program for women, infants, and children (WIC)	6,350,000	6,150,000	6,350,000	.....	+ 200,000
Supplemental nutrition assistance program:					
(Food stamp program)	75,479,696	70,611,504	70,611,504	- 4,868,192	.....
Reserve	3,000,000	3,000,000	3,000,000	.....	.....
FDPIR nutrition education services	998	996	998	.....	+ 2
Total, Food stamp program	78,480,694	73,612,500	73,612,502	- 4,868,192	+ 2
Fiscal year 2017	(78,480,694)	(73,612,500)	(73,612,502)	(- 4,868,192)	(+ 2)
Commodity Assistance Program:					
Commodity supplemental food program	236,120	238,120	238,120	+ 2,000	.....
Farmers market nutrition program	18,548	.....	18,548	.....	+ 18,548
Emergency food assistance program	59,401	54,401	59,401	.....	+ 5,000
Pacific island and disaster assistance	1,070	1,070	1,070	.....	.....

Total, Commodity assistance program .....	315,139	293,591	317,139	+ 2,000	+ 23,548
Nutrition programs administration .....	170,716	148,541	153,841	- 16,875	+ 5,300
Total, Food and Nutrition Service .....	108,110,531	104,460,898	104,729,987	- 3,380,544	+ 269,089
Fiscal year 2017 .....	(108,110,531)	(104,460,898)	(104,729,987)	(- 3,380,544)	(+ 269,089)
Total, Title IV, Domestic Food Programs .....	108,111,345	104,461,707	104,730,801	- 3,380,544	+ 269,094
Fiscal year 2017 .....	(108,110,531)	(104,460,898)	(104,729,987)	(- 3,380,544)	(+ 269,089)
TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Office of the Under Secretary for Trade and Foreign Agricultural Affairs .....			875	+ 875	+ 875
Foreign Agricultural Service .....					
Salaries and expenses .....	196,571	188,167	197,506	+ 935	+ 9,339
(Transfer from export loans) .....	(6,074)	(6,382)	(6,074)		(- 308)
Total, Salaries and expenses .....	202,645	194,549	203,580	+ 935	+ 9,031
Food for Peace Title I Direct Credit and Food for Progress Program Account, Administrative Expenses:					
Farm Service Agency, Salaries and expenses (transfer to FSA) .....	149	149	149		
Expenses .....	1,466,000		1,600,000	+ 134,000	+ 1,600,000
Commodity Credit Corporation Export Loans Program Account (administrative expenses):					
Salaries and expenses (Export Loans):					
Foreign Agriculture Service, S&E (transfer to FAS) .....	6,074	6,382	6,074		- 308
Farm Service Agency S&E (transfer to FSA) .....	2,463	353	2,463		+ 2,110
Total, CCC Export Loans Program Account .....	8,537	6,735	8,537		+ 1,802
McGovern-Dole International Food for Education and Child Nutrition program grants .....	201,626		206,626	+ 5,000	+ 206,626
Total, Title V, Foreign Assistance and Related Programs .....	1,872,883	195,051	2,013,693	+ 140,810	+ 1,818,642
(By transfer) .....	(6,074)	(6,382)	(6,074)		(- 308)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2017 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
 FOR FISCAL YEAR 2018—Continued  
 [In thousands of dollars]

Item	2017 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2017 appropriation	Budget estimate
TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation .....	2,759,378	1,819,718	2,760,378	+1,000	+940,660
Prescription drug user fees .....	(754,524)	(1,262,182)	(937,434)	(+182,910)	(-324,748)
Medical device user fees .....	(126,083)	(439,001)	(193,291)	(+67,208)	(-245,710)
Human generic drug user fees .....	(323,011)	(615,746)	(493,600)	(+170,589)	(-122,146)
Biosimilar biological products user fees .....	(22,079)	(86,736)	(54,000)	(+31,921)	(-32,736)
Animal drug user fees .....	(23,673)	(70,252)	(24,142)	(+469)	(-46,110)
Animal generic drug user fees .....	(11,341)	(18,475)	(12,100)	(+759)	(-6,375)
Tobacco product user fees .....	(635,000)	(672,000)	(672,000)	(+37,000)	.....
Subtotal, user fees, enacted and definite .....	(1,895,711)	(3,164,392)	(2,386,567)	(+490,856)	(-777,825)
Subtotal (including user fees) .....	(4,655,089)	(4,984,110)	(5,146,945)	(+491,856)	(+162,835)
Mammography user fees .....	(20,522)	(21,000)	(20,522)	.....	(-478)
Export and color certification user fees .....	(14,378)	(15,000)	(14,758)	(+380)	(-242)
Food and Feed Recall user fees .....	(1,434)	(1,000)	(1,434)	.....	(+434)
Food Reinspection fees .....	(6,414)	(6,000)	(6,414)	.....	(+414)
Voluntary qualified importer program fees .....	(5,300)	(5,000)	(5,300)	.....	(+300)
Pharmacy compounding fees (CBO estimate) .....	(1,370)	(1,000)	(1,370)	.....	(+370)
Priority review vouchers (PRV) pediatric disease .....	(7,686)	(8,000)	(7,686)	.....	(-314)
Third party auditor .....	(1,400)	(1,000)	(1,400)	.....	(+400)
Subtotal, FDA user fees .....	(1,954,215)	(3,222,392)	(2,445,451)	(+491,236)	(-776,941)
Subtotal, FDA (including user fees) .....	(4,713,593)	(5,042,110)	(5,205,829)	(+492,236)	(+163,719)
Buildings and facilities .....	11,788	8,771	11,788	.....	+3,017

FDA Innovation account .....	20,000	60,000	60,000	60,000	+40,000	.....
Offset of appropriation pursuant to Section 1002(b)(3)(B) of the 21st Century Cures Act (P.L. 114-255) .....	-20,000	-60,000	-60,000	-60,000	-40,000	.....
Total, FDA (w/user fees, including proposals) .....	(4,725,381)	(5,050,881)	(5,050,881)	(5,217,617)	(+492,236)	(+166,736)
Total, FDA (w/enacted user fees only) .....	(4,725,381)	(5,050,881)	(5,050,881)	(5,217,617)	(+492,236)	(+166,736)
Total, FDA (excluding user fees) .....	2,771,166	1,828,489	2,772,166	2,772,166	+1,000	+943,677
INDEPENDENT AGENCIES						
Farm Credit Administration (limitation on administrative expenses) .....	(68,600)	(72,600)	(69,000)	(69,000)	(+400)	(-3,600)
Total, Title VI, Related Agencies and Food and Drug Administration .....	2,771,166	1,828,489	2,772,166	2,772,166	+1,000	+943,677
TITLE VII—GENERAL PROVISIONS						
Limit Dam Rehab (Sec. 714(1)) .....	-54,000	-55,000	-55,000	-55,000	-1,000	.....
Limit Environmental Quality Incentives Program (Sec. 714(2)) .....	-179,000	-209,000	-209,000	-179,000	.....	+30,000
Limit Biomass Crop Assistance Program (Sec. 714(3)) .....	-20,000	-20,000	-20,000	-21,000	-1,000	.....
Limit Biorefinery Assistance (Sec. 714(4)) .....	-20,000	.....	.....	-36,000	-16,000	-36,000
Limit Ag Management Assistance (Sec. 714 (5)) .....	-2,000	-9,000	-9,000	.....	+2,000	+9,000
Limit Biorefinery Assistance (Sec. 714 (4)) (cancellation) .....	.....	-175,000	.....	.....	.....	+175,000
Limit fruit and vegetable program (Sec. 715) .....	-125,000	-125,000	-125,000	-125,000	-32,000	.....
Section 32 (Sec. 715) (rescission) .....	-231,000	-263,000	-263,000	-263,000	-47,000	.....
APHIS B&F—Fruit Fly Rearing (Sec. 743) .....	47,000	.....	.....	.....	+50,000	.....
WIC (rescission) (Sec. 745) .....	-850,000	-500,000	-500,000	-800,000	-19,000	-300,000
TEFAP (Sec. 748) .....	19,000	.....	.....	.....	-10,000	.....
Ebola/Zika Funding (Sec. 752) .....	10,000	.....	.....	.....	.....	+5,500
Citrus Greening (Sec. 757) .....	5,500	.....	.....	5,500	.....	.....
RD balances (Sec. 758) (rescission) .....	-3,951	.....	.....	.....	+3,951	.....
Healthy Food Financing Initiative .....	1,000	.....	.....	1,000	.....	.....
RD unobligated balances (rescission) .....	.....	-108,000	.....	.....	.....	+1,000
ARS B&F unobligated balances (rescission) .....	.....	-211,697	.....	.....	.....	+108,000
Hardwood Trees (Reforestation Pilot Program) .....	.....	.....	.....	.....	.....	+211,697
Water Bank program .....	600	.....	.....	600	.....	+600
Geographic Disadvantaged farmers .....	4,000	.....	.....	4,000	.....	+4,000
Emergency Conservation Program .....	1,996	.....	.....	1,996	.....	+1,996
Food for Peace .....	28,651	.....	.....	.....	-28,651	.....
Rural Energy Savings Program .....	134,000	.....	.....	.....	-134,000	.....
Maturing mortgage pilot .....	8,000	.....	.....	8,000	.....	+8,000
FSA ARC pilot .....	1,000	.....	.....	1,000	.....	+1,000
NIFA Military Veteran Grants .....	5,000	.....	.....	5,000	.....	+5,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2017 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2018—Continued

[In thousands of dollars]

Item	2017 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2017 appropriation	Budget estimate
Conservation Reserve Program Pilot .....	.....	.....	1,000	+1,000	+1,000
Child Nutrition Training pilot .....	.....	.....	2,000	+2,000	+2,000
Cottonseed Dairy program .....	.....	.....	-66,000	-66,000	-66,000
Electric Loan Refinancing .....	13,800	.....	.....	-13,800	.....
STEM Program .....	500	.....	.....	-500	.....
Total, Title VII, General Provisions .....	-1,199,904	-1,675,697	-1,509,904	-310,000	+165,793
Grand total .....	153,907,888	141,054,866	145,922,507	-7,985,381	+4,867,641
Appropriations fiscal year 2017 .....	(155,124,839)	(142,488,563)	(147,181,507)	(-7,943,332)	(+4,692,944)
Disaster relief .....	.....	.....	.....	.....	.....
Advance appropriations, fiscal year 2017 .....	.....	.....	.....	.....	.....
(By transfer) .....	(786,381)	(762,683)	(786,165)	(-216)	(+23,482)
(Loan authorization) .....	(45,291,500)	(40,430,875)	(45,691,505)	(+400,005)	(+5,260,630)
(Limitation on administrative expenses) .....	(189,827)	(198,582)	(192,482)	(+2,655)	(-6,100)