

FUNCTION 350: AGRICULTURE

FUNCTION SUMMARY

Function 350 includes funding for federal programs intended to promote the economic stability of agriculture, provide regulatory, inspection and reporting services for food and fiber markets, and promote research and education in agriculture and nutrition. Programs in this function include direct assistance and loans to food and fiber producers, market information and agricultural research.

Price support programs operated by the Commodity Credit Corporation (CCC) make up most of the spending in this function. Agriculture spending has varied widely over the last 25 years; CCC spending has ranged from \$0.6 billion in 1975 to a record \$26 billion in 1986.

As reflected in the spending summary table, Function 350 under the freeze baseline will decrease from \$11.8 billion in 1998 to \$10.8 billion in 2003. This is due primarily to reduced spending on CCC programs. Over the same period, spending on CCC programs will decrease by \$1.83 billion reflecting the success of implementing the reforms enacted under the Federal Agriculture Improvement and Reform (FAIR) Act of 1996.

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SPENDING SUMMARY (\$ billions)

		1998	1999	2000	2001	2002	2003
Chairman's Mark	BA	11.8	12.0	11.6	10.3	10.2	10.4
	OT	10.8	10.5	9.9	8.7	8.5	8.8
BBA	BA	11.8	11.9	11.5	10.2	10.0	10.4
	OT	10.8	10.3	9.8	8.7	8.4	8.8
Freeze Baseline	BA	11.8	12.2	11.9	10.7	10.6	10.8
	OT	10.8	10.6	10.2	9.1	8.9	9.2
Chairman's Mark compared to:							
BBA	BA	--	+0.1	+0.1	+0.2	+0.1	-0.1
	OT	--	+0.2	+0.1	+0.1	+0.1	-0.1
Freeze Baseline	BA	--	-0.2	-0.3	-0.4	-0.4	-0.5
	OT	--	-0.1	-0.3	-0.4	-0.4	-0.5

DESCRIPTION OF THE CHAIRMAN'S MARK

Discretionary spending for this function in 1999 would decrease by \$211 million in BA and \$108 million in outlays below the freeze baseline, to \$4.1 billion in BA and \$4.2 billion in outlays. The Chairman's Mark assumes total discretionary spending of \$19.6 billion in BA and \$19.9 billion in outlays over the five-year period, a decrease of \$1.8 billion in BA and \$1.7 billion in outlays below the freeze baseline.

The Chairman's Mark is \$0.1 billion in BA and \$0.2 billion in outlays above the BBA levels. The Mark assumes discretionary spending for 1999 and over the next five years to be slightly higher than the President's request. Discretionary program reductions proposed in the President's budget that are assumed in the Mark include:

- ▶ A reduction of \$97 million in BA and \$53 million in outlays under the freeze baseline for the **PL 480 Program** and **Ocean Freight Grants** in 1999. Over the five-year period the Chairman's Mark assumes a reduction of \$0.5 billion in BA and \$0.4 billion in outlays below the freeze baseline.
- ▶ A reduction of \$114 million in BA and \$55 million in outlays below the freeze baseline in

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1999 for buildings and facilities, salaries and expenses, and various programs under the **Agriculture Research Service (ARS)**, the **Animal and Plant Health Inspection Service (APHIS)**, the **Grain Inspection, Packers and Stockyards Administration (GIPSA)**, the **Economic Research Service (ERS)**, and the **National Agricultural Statistics Service (NASS)**. Over the five-year period, the Chairman's Mark assumes a reduction of \$1.4 billion in BA and \$1.2 billion in outlays below the freeze baseline.

Over the five-year period mandatory spending decreases from \$7.9 billion in BA and \$6.2 billion in outlays for 1999 to \$6.6 billion in BA and \$4.9 billion in outlays for 2003. The Chairman's Mark assumes total mandatory spending of \$34.8 billion in BA and \$26.5 billion in outlays for the five-year period.

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