

# ISSUE BRIEF

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## How to Slash Billions from the Agriculture Appropriations Bill

*Daren Bakst and Romina Boccia*

Though the “farm” bill was just struck down in the House, there are still serious agriculture spending issues that must be addressed. The House is expected to take up the \$19.5 billion agriculture appropriations bill soon. This is a prime opportunity for the House to show that it is serious about cutting unnecessary agricultural spending and reducing the national debt.

From the \$350 million Supplemental Nutrition Assistance Program (SNAP) education program to the \$713 million Conservation Technical Assistance program, the Department of Agriculture’s (USDA) budget is ripe for the picking.<sup>1</sup>

- **National Institute of Food and Agriculture and Agricultural Research Service: \$628 million.** (For a more detailed breakdown, see the table below.) These are the two large research agencies within the USDA. There is unnecessary overlap of research and duplicative funding between the two, which crowds out more effective private research and is a wasteful use of taxpayer dollars.
- **Food Aid: Food for Peace Title II Grants and McGovern–Dole International Food for**

**Education: \$1.33 billion.** The legal requirements binding foreign assistance programs are inefficient and unnecessarily costly.<sup>2</sup> The responsibilities for these programs can be transferred to the U.S. Agency for International Aid, which can cover the programs with existing development funding and without the legal requirements that burden the program today.

- **Various Programs of the Rural Business-Cooperative Service: \$92 million.** The Rural Business-Cooperative Service directs a significant amount of money to rural businesses and favored activities. The federal government should not play venture capitalist with taxpayer money. Private capital will find its way to worthy rural investments.
- **Distance Learning, Telemedicine, and Broadband: \$39.9 million.** This program provides loans and grants for telecommunication projects in rural areas.<sup>3</sup> These are services best provided by the private sector. The broadband funding is unnecessary given USDA’s already massive spending on broadband expansion, which has come under scrutiny due to possible mismanagement of funds.<sup>4</sup>
- **Marketing Services: \$69 million.** Marketing Services, which is part of the Agricultural Marketing Service, provide marketing promotion programs and news services and runs the USDA’s “check-off” programs<sup>5</sup> that serve as taxes on agriculture producers to promote industry. These programs are all services that private industry

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**The Heritage Foundation**  
214 Massachusetts Avenue, NE  
Washington, DC 20002  
(202) 546-4400 | [heritage.org](http://heritage.org)

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should and would do on its own without the government. Inspection and standardization funding would not be cut.

- **Agricultural Credit Insurance Fund: \$390 million.** The Agricultural Credit Insurance Fund provides direct loans to farmers who may not qualify for credit through other institutions. The federal government should not gamble taxpayer money on poor credit risks.
- **SNAP Nutrition Education: \$350 million.** The SNAP Nutrition Education program teaches food stamp recipient families about healthy food choices.<sup>6</sup> The USDA does not need a special program to tell low-income families how to eat, and there are already other nutrition education programs. In many respects, such a special program is an insult to low-income individuals, because it treats them as if they are less capable than others to figure out what is healthy and what is not.
- **Conservation Technical Assistance: \$713 million.** This costly program gives technical assistance to property owners about maintaining

private land, enhancing recreational opportunities, and improving the aesthetic character of private land.<sup>7</sup> Private landowners are the best stewards of their land, not the government, and they can seek technical assistance if they need it. They certainly do not need help about how to make their land look pretty.

- **Obamacare's Nutrition Labeling at Chain Restaurants.** One provision in Obamacare mandates "calorie labeling on menus and menu boards in chain restaurants, retail food establishments, and vending machines with 20 or more locations."<sup>8</sup> If consumers demand this information, restaurants will meet that demand on their own without a government mandate. In addition, the Food and Drug Administration has taken an excessively broad interpretation of the relevant provisions in Obamacare to cover grocery stores and other establishments that are not remotely like restaurants.<sup>9</sup> Industry estimates that this rule would cost more than \$1 billion in its first year.<sup>10</sup> The appropriations bill should deny funding for the implementation of this rule.

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1. These figures are taken from the 2014 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, <http://appropriations.house.gov/uploadedfiles/hrpt-113-hr-2014-agriculture.pdf> (accessed June 25, 2013); and U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2014: Appendix* (Washington, DC: U.S. Government Printing Office, 2013), pp. 61-197, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/agr.pdf> (accessed June 25, 2013).
  2. Bryan Riley and Brett D. Schaefer, "U.S. Food Aid Should Focus on Combating Hunger and Malnutrition in Poor Nations," *Heritage Foundation Issue Brief* No. 3910, April 15, 2013, <http://www.heritage.org/research/reports/2013/04/us-food-aid-should-focus-on-combating-hunger-and-malnutrition-in-poor-nations>.
  3. U.S. Department of Agriculture, "About the DLT Program," [http://www.rurdev.usda.gov/UTP\\_DLT.html](http://www.rurdev.usda.gov/UTP_DLT.html) (accessed June 25, 2013).
  4. U.S. House of Representatives, Committee on Energy and Commerce, "Letters to USDA and GAO Regarding Broadband Stimulus Oversight," March 2013, <http://energycommerce.house.gov/letter/letters-usda-and-gao-regarding-broadband-stimulus-oversight> (accessed on June 17, 2013).
  5. Current check-off programs include marketing and research for the blueberry, beef, mango, milk, popcorn, processed raspberry, and watermelon industries. U.S. Department of Agriculture, "Research and Promotion Programs," <http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateB&navID=ResearchandPromotion&leftNav=ResearchandPromotion&page=ResearchandPromotion&acct=AMSPW> (accessed June 25, 2013).
  6. U.S. Department of Agriculture, "Supplemental Nutrition Assistance Program Education," <http://www.fns.usda.gov/supplemental-nutrition-assistance-program-education-snap-ed> (accessed June 25, 2013).
  7. U.S. Department of Agriculture, Natural Resources Conservation Service, "Technical Assistance," <http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/technical/> (accessed June 25, 2013).
  8. U.S. Food and Drug Administration, "Overview of FDA Proposed Labeling Requirements for Restaurants, Similar Retail Food Establishments and Vending Machines," <http://www.fda.gov/Food/IngredientsPackagingLabeling/LabelingNutrition/ucm248732.htm> (accessed June 25, 2013).
  9. Diane Katz, "Tales of the Red Tape #34: FDA Invades Piggly Wiggly," *The Heritage Foundation, The Foundry*, June 27, 2012, <http://blog.heritage.org/2012/06/27/tales-of-the-red-tape-34-fda-invades-piggly-wiggly/>.
  10. Amalia K. Corby-Edwards, "Nutrition Labeling of Restaurant Menus," Congressional Research Service *Report for Congress*, November 19, 2012, <http://www.fas.org/sgp/crs/misc/R42825.pdf> (accessed June 25, 2013).

—**Daren Bakst** is a Research Fellow in Agricultural Policy and **Romina Boccia** is Assistant Director of the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation.

TABLE 1

## Recommended Cuts in the Agriculture Appropriations Bill

| PROGRAM   | AMOUNT CUT             | % CUT |
|---|------------------------|-------|
| <b>National Institute of Food and Agriculture (NIFE)</b>                                  |                        |       |
| Hatch Act   | \$47,266,800           | 20%   |
| Agriculture and Food Research Initiative  | 290,657,000            | 100%  |
| Veterinary Medicine Loan Repayment  | 4,790,000              | 100%  |
| Global Change/UV Monitoring   | 1,405,000              | 100%  |
| Multicultural Scholars, Graduate Fellowships, and Institution Grants                      | 9,000,000              | 100%  |
| Secondary and Two-Year Post-Secondary Education   | 900,000                | 100%  |
| McIntire-Stennis Cooperative Forestry Act   | 6,586,800              | 20%   |
| <b>Total</b>  | <b>360,605,600</b>     |       |
| <b>Agricultural Research Service</b>  |                        |       |
| Human Nutrition Research  | 96,000,000             | 100%  |
| Flexible Cuts (16% of ARS spending)   | 171,866,080            | —     |
| <b>Total</b>  | <b>267,866,080</b>     |       |
| <b>Foreign Assistance and Related Programs</b>  |                        |       |
| Food for Peace Title II Grants  | 1,149,680,000          | 100%  |
| McGovern-Dole International Food for Education  | 180,320,000            | 100%  |
| Commodity Credit Corporation Export Loans Program   | 6,635,000              | 100%  |
| <b>Total</b>  | <b>1,336,635,000</b>   |       |
| <b>Rural Business-Cooperative Service</b>   |                        |       |
| Rural Business Program Account  | 71,777,000             | 100%  |
| Rural Cooperative Development Grants  | 17,250,000             | 100%  |
| Rural Energy for America Program  | 3,000,000              | 100%  |
| <b>Total</b>  | <b>92,027,000</b>      |       |
| <b>Rural Utilities Service</b>  |                        |       |
| Distance Learning, Telemedicine, and Broadband  | 39,934,000             | 100%  |
| <b>Agricultural Marketing Service</b>   |                        |       |
| Marketing Services (\$77,035,000), Excluding Inspection and Standardization (\$8,000,000) | 69,035,000             | 90%   |
| <b>Farm Service Agency</b>  |                        |       |
| Agricultural Credit Insurance Fund*   | 390,235,000            | 100%  |
| <b>Food and Nutrition Service</b>   |                        |       |
| SNAP Nutrition Education  | 350,000,000            | 100%  |
| <b>Natural Resources Conservation Service</b>   |                        |       |
| Conservation Technical Assistance   | 713,895,000            | 100%  |
| <b>TOTAL SAVINGS</b>  | <b>\$3,620,232,680</b> |       |

\* Estimated loan subsidy and administrative expenses levels.

**Source:** Savings estimates are based on appropriations in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, Fiscal Year 2014, as approved by the House Appropriations Committee on June 13, 2013, <http://appropriations.house.gov/uploadedfiles/hrpt-113-hr-2014-agriculture.pdf> (accessed June 25, 2013), and the Office of Management and Budget, *The Appendix, Budget of the United States Government, Fiscal Year 2014*, <http://www.whitehouse.gov/omb/budget/appendix> (accessed June 25, 2013). All figures come from the appropriations bill except for Human Nutrition Research and Inspection and Standardization, which come from the budget.