

# United States Department of Agriculture

The United States Department of Agriculture (USDA) and its agencies develop, implement, and administer policy and programs related to farming, agriculture, nutrition, food safety, land management natural resources, forestry, and rural development.<sup>1</sup> The actual program content and budget of the USDA is determined by the Farm Bill, which is generally reauthorized by Congress every five years. With its broad reach, USDA agencies impact multiple areas of the LWV Agriculture Update.

## Founding, Purpose and Mission

On May 15, 1862, President Abraham Lincoln signed legislation to establish the USDA.<sup>2</sup> At that time, about half of all Americans lived on farms, compared with about two percent today.<sup>3</sup> On February 9, 1889, President Grover Cleveland signed a bill into law that elevated the Department of Agriculture from a commissioner-led organization to a Cabinet level department.<sup>4</sup>

The USDA mission statement is that it "provides leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient management." USDA has also crafted a vision statement and strategic plan framework.<sup>5</sup> Nutrition is an area of importance to this study and is discussed in a separate Agriculture Update paper.

The following chart lists USDA's seven **mission areas**. There are currently 17 agencies and 17 offices under USDA, each of which has a specific function.<sup>6</sup> The USDA agencies and/or offices involved in each area are included in the description.<sup>7</sup>

Mission Area	Description, Agencies/Offices Involved
<b>Farm and Foreign Agricultural Services</b>	Work with farmers to guard against uncertainties of weather and markets and to improve stability of the agricultural economy. Deliver commodity, credit, conservation, disaster, and emergency assistance programs. <b>Mission area agencies</b> include: Farm Service Agency (FSA); Foreign Agricultural Service (FAS); and Risk Management Agency (RMA).

<b>Mission Area</b>	<b>Description, Agencies/Offices Involved</b>
<b>Food, Nutrition and Consumer Services</b>	Work to end hunger and improve health in the United States. Administer federal domestic nutrition assistance programs and link scientific research to the nutrition needs of consumers through science-based dietary guidance, nutrition policy coordination, and nutrition education. <b>Mission area agencies</b> include: Center for Nutrition Policy and Promotion (CNPP); and Food and Nutrition Service (FSN).
<b>Food Safety</b>	Ensure the U.S. commercial supply of meat, poultry, and egg products is safe, and is properly labeled and packaged. Key role in the President's Council on Food Safety and in coordinating a national food safety strategic plan among various partner agencies including the Food and Drug Administration in the Department of Health and Human Services and the Environmental Protection Agency. <b>Mission area agency</b> is Food Safety Inspection Service (FSIS).
<b>Marketing and Regulatory Programs</b>	Facilitate domestic and international marketing of U.S. agricultural products and ensure the health and care of animals and plants. Active participants in setting national and international standards. <b>Mission area agencies</b> include: Agricultural Marketing Service (AMS); Animal and Plant Health Inspection Service (APHIS); and Grain Inspection, Packers and Stockyards Administration (GIPSA).
<b>Natural Resources and Environment</b>	Ensure land health through sustainable management. Work to prevent damage to natural resources and the environment, restore the resource base, and promote good land management. <b>Mission area agencies</b> include: Forest Service (FS); and Natural Resources Conservation Service (NRCS).
<b>Research, Education and Economics</b>	Provide integrated research, analysis, and education with a goal of creating strong communities, families, and youth and a safe, sustainable, competitive U.S. food and fiber system. <b>Mission area agencies and offices</b> include: Agricultural Research Service (ARS); Economic Research Service (ERS); National Agricultural Library (NAL); National Agricultural Statistics Service (NASS); National Institute of Food and Agriculture (NIFA); and Office of the Chief Scientist (OCS).

Mission Area	Description, Agencies/Offices Involved
<b>Rural Development</b>	Provide financial programs to support essential public facilities and services in rural America: water and sewer systems, housing, health clinics, emergency service facilities, and electric and telephone service. Promote economic development by providing loans to businesses through banks and community-managed lending pools and by helping communities participate in community empowerment programs. <b>Mission area agency</b> is Rural Development (RD).

## Farm Bill and Budget Authorizations

USDA programs described in the previous table are determined in large part by the Farm Bill and the political process associated with its reauthorization. Congressional decisions about both mandatory and discretionary funding determine the budgets available to implement the programs. Mandatory funding means that the Farm Bill itself designates the amount of funding to allocate to a program. Programs with discretionary funding must go through a new appropriations process every year in which Congressional committees decide how much money should be allocated. Funding for discretionary programs is thus much less certain. The 2012 extension of the 2008 farm bill defunded parts of that bill's mandatory funding and sequestration has resulted in cuts to some programs with mandatory funding.<sup>8</sup>

Farm Bills have been setting the broad parameters of government support and regulation of the agricultural sector and food system since the 1930s. A number of the programs supported by the farm bill such as farm subsidies, food distribution and nutrition programs, and conservation programs have been hotly debated both in Congress and in the popular press, with proponents and opponents having very different views of the costs and benefits of the programs and the role that Farm Bill legislation has played in promoting the shift toward the large scale, industrialized approach to agriculture that has evolved in the U.S.<sup>9, 10</sup> The 2008 Bill was due for reauthorization in 2012. Despite proposals for new bills in both the House<sup>11</sup> and the Senate<sup>12</sup>, as of October 2013, we are still operating under the 2008 Farm Bill, as amended during the "fiscal cliff" negotiations, which extended most of the 2008 provisions to September 30, 2013.

USDA authorized spending has climbed from \$116 billion in 2009 to the \$156 billion authorized for the 2013 fiscal year before the fiscal cliff and sequester, and other cuts were made. The 132-page Fiscal Year 2014 budget proposes \$146 billion in total spending (8% below the 2013 budget), but the exact amount is not known.<sup>13</sup>

Of the \$146 billion proposed for Fiscal Year 2014, \$123 billion is for mandatory programs that include crop insurance; nutrition assistance programs, including the \$78 billion dollars allocated to the Supplemental Nutrition Assistance Program (SNAP); farm commodity and trade programs; and a number of conservation programs. Programs based on discretionary funding include Women, Infant & Children (WIC); food safety; rural development loans and grants;

research and education; soil and water conservation technical assistance; animal and plant health; management of national forests, wildland fire, and other Forest Service activities; and domestic and international marketing assistance.<sup>14</sup>

Of all funds proposed for administration under USDA for 2014, 72% are for nutrition assistance, 15% for farm and commodity programs, 6% for conservation and forestry, and 6% for all other spending combined.<sup>15</sup> These shares are fairly typical of USDA budgets in the recent past. Although the USDA budget supporting its food safety role is a relatively small share of the department's total budget, USDA agencies do receive a large share of total federal spending for food safety inspections so reliance on discretionary funding for this mission makes implementation of a reliable, consistent inspection program challenging.

Although there is no certainty about these 2014 proposed budget numbers, they provide insight about the size of the USDA budget relative to the total Federal budget and the budgets of other agencies that deal with food and agricultural issues.

### *CURRENT ISSUES*

Agriculture interest, business and consumers groups all focus on the Farm Bill each time the legislation comes up for renewal. Among the current issues of interest are:

- The relationship of Farm Bill commodity programs to structural changes in the agricultural sector (e.g., rapid growth of industrial, large scale agriculture and concentration in input, processing, and retail grocery sectors).<sup>16</sup>
- The costs, benefits, and equity implications of farmer support programs (e.g., price supports, direct payments, subsidized crop insurance) and linkages of these benefits to conservation practices.<sup>17, 18</sup>
- The extent to which Farm Bill allocations to research, extension, marketing assistance and commodity programs are promoting a "sustainable" domestic and world food system.<sup>19</sup>
- Recent growth in the number of recipients in the nutrition assistance program and Congressional debates about tightening up eligibility requirements and reducing budget allocations.<sup>20</sup>

## Recommended Reading

Executive Office of the President, Council of Economic Advisors, "Challenges and Opportunities in U.S. Agriculture" (Chapter 8 of the *Economic Report of the President- 2013*) available at <http://www.gpo.gov/fdsys/pkg/ERP-2013/pdf/ERP-2013-chapter8.pdf>

This is an excellent introductory document offering background on such topics as the role of agriculture in the U.S. economy, structural changes that have taken place since the 1920s, the recent development of new markets (e.g., organic, local), the contribution of research and development to productivity growth, agriculture in world trade, and the challenges of agricultural risk management. The document offers the Obama Administration's perspective

on some of the accomplishments of U.S. farm policy over time and therefore provides some balance to the very critical Food & Water Watch perspective.

Farm Bill Primer, *The Farm Bill Primer*, available at <http://farmbillprimer.org/>

This website is supportive of the Farm Bill overall. The site is run by two individuals who do a good job of listing the links to the House and Senate bills, amendments from Committee and on the floor, and the status of each amendment. The site also provides links to publications by other organizations.

Mercier, Stephanie, "Review of U. S. Farm Programs", November 2012, *AGree*, <http://foodandagpolicy.org/content/review-us-farm-programs>

The document provides a detailed and comprehensive overview of federal farm programs (e.g., farm support, disaster assistance, insurance, specialty crops and conservation) including historical background and information about the distribution of benefits.

Food & Water Watch, *Farm Bill 101*, January 2012, available at <http://www.foodandwaterwatch.org/reports/farm-bill-101/>

F&WW is a non-profit consumer advocacy organization concerned with food and water safety and access. This report provides a well-documented history of how the Farm Bill has shaped the U.S. agricultural sector since its origins in the 1930s. Although well-documented, the conclusions tend to be one-sided, highlighting F&WW's concerns without giving much space to any of the positive accomplishments of U.S. farm policy. An alternative perspective is offered in the next reference listed.

National Association of State Departments of Agriculture (NASDA), *Farm Bill*, available at <http://www.nasda.org/9887.aspx>

This site provides a collective view of the Farm Bill activity and links to individual state-level departments of agriculture that cover a variety of state and national issues.

United States Department of Agriculture, *USDA FY 2014 Budget Summary and Annual Performance Plan*, <http://www.obpa.usda.gov/budsum/FY14budsum.pdf>

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<sup>1</sup> United States Department of Agriculture (USDA), "About USDA – A Quick Reference Guide", February 2012,

<sup>2</sup> Wikipedia. Enacted through 12 Stat. 387, now codified at 7 U.S.C. § 2201, [http://en.wikipedia.org/wiki/United\\_States\\_Department\\_of\\_Agriculture](http://en.wikipedia.org/wiki/United_States_Department_of_Agriculture). The text of 7 U.S.C. §2201 was available as of August 15, 2013 from Cornell Law at <http://www.law.cornell.edu/uscode/text/7/2201>, accessed 10/26/13.

<sup>3</sup> United States Environmental Protection Agency, "Ag 101: Demographics," last modified April 15, 2013, <http://www.epa.gov/agriculture/ag101/demographics.html>, accessed 10/26/13.

<sup>4</sup> Wikipedia, Enacted through 25 Statute 625, [http://en.wikipedia.org/wiki/United\\_States\\_Department\\_of\\_Agriculture](http://en.wikipedia.org/wiki/United_States_Department_of_Agriculture), accessed 8/5/13.

<sup>5</sup> USDA, "Mission Statement", last modified February 25, 2013, [http://www.usda.gov/wps/portal/usda/usdahome?navid=MISSION\\_STATEMENT](http://www.usda.gov/wps/portal/usda/usdahome?navid=MISSION_STATEMENT), accessed 10/26/13.

<sup>6</sup> USDA, "USDA Agencies and Offices", last modified May 6, 2013, [http://www.usda.gov/wps/portal/usda/usdahome?navid=AGENCIES\\_OFFICES\\_C](http://www.usda.gov/wps/portal/usda/usdahome?navid=AGENCIES_OFFICES_C), accessed 10/26/13. All seventeen (17) USDA agencies are noted in the above mission chart; however, only one USDA office is mentioned in the mission chart. Reference the "USDA Agencies and Offices" web page to see the full list of agencies and offices, descriptions of each, and links to agency and office web sites.

<sup>7</sup> USDA, "USDA Mission Areas", last modified May 28, 2013, [http://www.usda.gov/wps/portal/usda/usdahome?navid=USDA\\_MISSION\\_AREAS](http://www.usda.gov/wps/portal/usda/usdahome?navid=USDA_MISSION_AREAS), accessed 10/26/13.

<sup>8</sup> National Sustainable Agriculture Coalition, "Path AWAY from a 2012 Farm Bill: Pending House Extension Doooms Farm Bill Programs", July 28<sup>th</sup>, 2012, <http://sustainableagriculture.net/blog/extension-dooms-programs/>, accessed 10/26/13.

<sup>9</sup> Food & Water Watch, Farm Bill 101, January 2012, <http://www.foodandwaterwatch.org/reports/farm-bill-101/>, accessed 10/26/13.

<sup>10</sup> Executive Office of the President, Council of Economic Advisors, "Challenges and Opportunities in U.S. Agriculture" (Chapter 8 of the Economic Report of the President- 2013) available at <http://www.gpo.gov/fdsys/pkg/ERP-2013/pdf/ERP-2013-chapter8.pdf>, accessed 10/26/13.

<sup>11</sup> For details and updates on House discussions of the Farm Bill, see [http://agriculture.house.gov/sites/republicans.agriculture.house.gov/files/documents/FARRM\\_Summary.pdf](http://agriculture.house.gov/sites/republicans.agriculture.house.gov/files/documents/FARRM_Summary.pdf), accessed 10/26/13.

<sup>12</sup> For details and updates on Farm Bill discussions in the Senate, see <http://www.ag.senate.gov/issues/farm-bill>, accessed 10/26/13.

<sup>13</sup> Ellis, Stu, "USDA's 2014 Proposed Budget: A Summary for the Curious Farmer," <http://www.farms.com/Commentaries/stu-ellis-usda-s-2014-proposed-budget-a-summary-for-the-curious-farmer-61486.aspx>, accessed 10/26/13. This blog provides some detail on which parts of the budget are proposed to increase or decrease.

<sup>14</sup> "USDA's 2014 Proposed Budget: A Summary for the Curious Farmer" is the source of the budget numbers given.

<sup>15</sup> "USDA's 2014 Proposed Budget: A Summary for the Curious Farmer" is the source of the budget numbers given.

<sup>16</sup> Food & Water Watch, Farm Bill 101, January 2012, <http://www.foodandwaterwatch.org/reports/farm-bill-101/>, accessed 11/14/13.

<sup>17</sup> Executive Office of the President, Council of Economic Advisors, "Challenges and Opportunities in U.S. Agriculture"(Chapter 8 of the *Economic Report of the President- 2013*) available at <http://www.gpo.gov/fdsys/pkg/ERP-2013/pdf/ERP-2013-chapter8.pdf>, accessed 10/26/13.

<sup>18</sup> Outdoor America, 2013 Issue 1, Izaak Walton League of America.

<sup>19</sup>National Sustainable Agriculture Coalition, Farming for the Future: A Sustainable Agriculture Agenda For the 2013 Food & Farm Bill, <http://sustainableagriculture.net/our-work/fbcampaign/>, accessed 10/26/13.

<sup>20</sup> Crop circles, editorial, The Washington Post, June 3, 2013.