

U.S. Department of Agriculture

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HIGHLIGHTS

- Organic Agriculture Research and Extension Initiative would continue to increase from 2008 levels.
- Biomass Research and Development would increase by 40 percent to \$28 million.
- Specialty Crop Research Initiative would be funded at \$50 million.
- National Institute of Food and Agriculture (NIFA) will replace Cooperative State Research, Education, and Extension Service (CSREES) at the end of the fiscal year.
- Within Agricultural and Food Research Initiative (AFRI) funding for the Hatch Act has fallen by more than \$26 million, in constant dollars, since FY 1991.

OVERVIEW

The U.S. Department of Agriculture (USDA) serves as the principal government agency for agricultural research and development. USDA seeks to advance American agriculture by providing leadership and support related to food, agriculture, and natural resources. USDA aims to develop public policies and programs that are based on high quality, cutting-edge science as well as efficient management practices.

INITIATIVES

The Organic Agriculture Research and Extension Initiative (\$20 million): With an ever-increasing interest in organic farming, this initiative seeks to integrate research and extension activities in an effort to better understand related issues, develop priorities, and solve

problems. There would be a focus on assisting current producers and processors to grow and market their products. The \$20 million funding request for FY 2010 would be an increase of \$2 million over the current FY 2009 estimate, but would be a significant increase of \$17 million over the FY 2008 enacted funding level of \$3 million.

Biomass Research and Development (\$28 million): The Obama Administration has vowed that renewable energy will be a hallmark of its efforts. With a proposed increase of \$8 million in funding, this particular initiative would be conducted jointly with the Department of Energy (DOE). The three focus areas would be feedstocks development, biofuels and biobased products development, and biofuels development analysis. A level of \$28 million in funding would reflect a 40 percent increase over FY 2009, although the potential increase is not as noteworthy as the ten-fold expansion in last year's budget when it was raised to \$20 million (estimate) from \$2 million.

Specialty Crop Research Initiative Program (SCRI) (\$50 million): This program addresses the critical needs of the specialty crop industry by developing and disseminating science-based tools to address the specific needs of specific crops and their regions. The program gives priority to projects that are multi-state, multi-institutional, or transdisciplinary and includes explicit mechanisms to communicate results to producers and the public. The SCRI received \$30 million in mandatory funding in FY 2008 and \$50 million would be made available for the program through FY 2012.

USDA AGENCIES

Agricultural Research Service (ARS): ARS is the in-house research arm of USDA and serves as a major producer of the nation's agricultural research. For FY 2010, the President's budget proposes a funding level of \$1.2 billion for salaries and expenses. This would be an increase of \$13 million over the FY 2009 estimate and \$25 million more than FY 2008. About \$40 million from eliminated congressional earmarks would be redirected to high-priority research initiatives. A \$13 million increase would fund high-priority activities, including creating new products, improving product quality, and increasing value added. Of the \$13 million, \$11 million would be targeted for renewable energy research to develop new varieties and hybrids of feedstocks that can be converted to biofuels. Additionally, \$13 million of the proposed \$92 million mandate for human nutrition research would focus on health and childhood

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obesity prevention research. Research funding for environmental stewardship would be up by \$8 million, with the risks of climate change as it relates to agricultural systems and production being a major focus.

National Institute of Food and Agriculture (NIFA): The 2008 Farm Bill renames the current Cooperative State Research, Education, and Extension Service (CSREES) to NIFA, a change which must take place by the end of this fiscal Year (30 September 2009). NIFA would partner with land-grant universities to carry out agriculturally-based research that addresses issues of importance to American agriculture. For FY 2010, the President's budget proposes a funding level of \$1.3 billion. This would be a decrease of \$44 million over the FY 2009 estimate. However, as in years past, the Administration removes all congressionally-earmarked projects and grants from its request. In FY 2009, Congress appropriated \$128 million (less than the \$139 million funding level in FY 2008) for research awards that addressed issues that Congressmen deemed as critical for their states.

Research funding is provided through two principal mechanisms: statutory formula funding and competitive grants. Relative to competitive grants, the 2008 Farm Bill established the Agricultural and Food Research Initiative (AFRI). AFRI plays the same role as did the National Research Initiative (NRI): provide meaningful funding to support agricultural research that will strengthen American agriculture. AFRI would be nimble as it allows single function projects and integrated research, education, and extension awards. Like the NRI, AFRI will serve as the principal competitive grants program of USDA.

For FY 2010, funding for AFRI would remain static with a request for \$202 million, the same amount appropriated in FY 2009 (estimate). Considering the nature of competitive grants, this level of funding is not significantly higher than the FY 2008 level of \$191 million. Many constituent groups of USDA are requesting \$300 million to fund AFRI in FY 2010.

Land-grant universities, long-time partners with USDA in the state agricultural experiment stations, proposed an increase in appropriation in FY 2010 to \$225 million for food and agricultural research funded by the Hatch Act program. Universities cited statistics which show that the investment of taxpayer funds for the agricultural experiment stations produce "an annual return to society of approximately 50 percent." However, funding would remain at \$207 million for the second year in a

row. Measured in constant 2000 dollars, this means that actual funding for the Hatch Act has fallen by more than \$26 million since FY 1991. Additionally, no funding changes are proposed for the other formula grant programs: 1890 Research and Extension grant program (\$46 million), the McIntire-Stennis Cooperative Forestry program (\$28 million), and the Animal Health and Disease Research program (\$3 billion). Funding for selected integrated activities would also remain the same, with water quality again receiving \$13 million and food safety \$15 million. Other research programs include pest control/management activities, which would receive \$6 million, the same amount as the 2009 estimate, and sustainable agriculture research and extension, which would remain at a funding level of \$15 million.

Economic Research Service (ERS): ERS provides economic, social science information, and analysis on agriculture, food, the environment, and rural development. USDA uses this information to form policy and program decisions made within its various agencies. For FY 2010, the President's budget proposes a funding level of \$82.5 million, an increase of \$3 million over the FY 2009 estimate. Because agriculture plays an important part in domestic "cap-and-trade" proposals for addressing climate change, funding would support research on the economics and policies for reducing greenhouse gas emissions. Emphasis would be on the development of tools and strategies to help develop efficient environmental service markets, focusing on markets for carbon offsets.

National Agricultural Statistics Services (NASS): NASS provides timely, unbiased data to agricultural markets, rural communities, and researchers. For FY 2010, the President's budget proposes a funding level of \$161.8 million. This would be an increase of \$10 million over the FY 2009 estimate. Included in the budget request is \$1.85 million to establish a data series on key elements of bioenergy production and utilization. This data would provide crucial information for development of bioenergy programs in the future.

Forest Service (FS): The FS is the world's largest forest research organization. Research activities seek to address the changing needs of managing the National Forest System. For FY 2010, the President's budget proposes a funding level of \$354 million for Forest and Rangeland Research. This includes a \$1 million rescission of unused prior year funds from lower-priority research work.