
D.C. UPDATE

All eyes on budget reconciliation, appropriations

by Bob Gray,

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During October, both the U.S. Senate and House of Representatives worked on the completion of two very important federal budget-related bills.

One was the Budget Reconciliation Bill. Congress has not passed a Reconciliation Bill since 1997. The purpose of Reconciliation is to make cuts in mandatory spending programs in order to help bring the \$319 billion budget deficit down. The Senate targeted \$35 billion in cuts in mandatory programs and the House upped the ante to \$50 billion. Of these total cuts, the Senate earmarked \$3 billion from agriculture programs while the House targeted \$3.7 billion. All of these cuts would be made over a five-year period.

The mandatory programs targeted included the commodity and conservation programs, food stamps, research and rural development. The conservation programs took some stiff cuts in both the Senate and House Reconciliation Bills. Also, the Conservation Security Program (CSP) took the brunt of the cuts in both bills as spending was capped, to reduce spending by \$821 million over the next five years. Additional cuts were made in the Environmental Quality Incentives

Program (EQIP) and the Conservation Reserve Program. The Senate and House still had to resolve the differences between their two bills but it is clear that the conservation programs are taking a hard hit.

In terms of funding for organic programs, there were no major differences between the House and Senate versions on support for National Organic Program staff, research and data collection. Most importantly, language strongly advocated by OTA was included in the bill to correct the problems caused by the Harvey lawsuit. Implementation of the Country of Origin Labeling law, included in the 2002 Farm Bill, was delayed for two more years.

The Agricultural Management Assistance funding, which provides cost share for organic transition funding in the Northeastern states and three western states, was reduced from the Senate's recommendation of \$20 million to just \$6 million. This reduction could also affect organic cost-share certification spending as well. Value-Added producer grants, used by organic farmers, had its funding level increased by \$5 million to \$20.5 million in the final bill. In addition, Specialty Crop Block Grants were funded at \$7 million, which the House had proposed in its bill. 