

Section 3: Department of Agriculture

In FY 2010, the Department of Agriculture received \$26.8 billion in discretionary funding, a six percent increase over last year's non-emergency discretionary level.

This amendment would rescind \$1.3 billion (five percent) from the Department and direct the Secretary to eliminate and consolidate the over 130 duplicative programs at the Department and eliminate waste to produce savings.

Duplicative USDA Programs

Economic Action Program

The Forest Service administers the **Economic Action Program**, a program that receives about \$5 million annually for technical and financial assistance to forest communities. The President's FY 2010 budget called for the elimination of the program. The program duplicates existing USDA programs (**Urban and Community Forestry**) and has been poorly managed.

High Energy Cost Grant Program

The USDA also administers the **High Energy Cost grant program** (\$18 million in FY 2009) intended to bring affordable electricity to rural areas. Though it was appropriated \$18 million in FY 2009, the program maintains \$20 million in carryover funds. Also, as administered, few states qualify for the grant program, and it is duplicative of low interest loan programs offered by the agency's **Rural Utilities Service** already available to all of rural America (funded at \$6.6 billion annually).

Foreign Market Development Program

USDA's Foreign Agricultural Service administers the **Foreign Market Development Program**, which is funded at \$24 million annually and works with agricultural trade associations and groups representing the commodity sellers to market their goods in foreign countries. This federal program is duplicative of the **Foreign Agriculture Service's Market Access Program**, which also works to market American goods in foreign countries. Elimination of the Fund was included in the President's FY 2010 federal budget.

The Foreign Market Development Program administers programs that promote exports of agricultural products from the U.S., such as grains and oilseed but also higher value products, such as *meat and poultry*. It also provides nutritional and technical assistance to other countries. The Market Access Program, which works similarly to create and expand foreign markets for U.S. agricultural products,

specifically, promotes the export of products, such as eggs, fruit, *meat, poultry*, seafood, tree nuts, and vegetables. Both provide funds for overseas marketing.

Conservation Stewardship Program

The **Conservation Stewardship Program** provides payments to agricultural producers for five years or more to adopt conservation activities to improve their land. Many of these practices are already in the best interest of farmers and ranchers who own the land. In 2006 GAO revealed CSP is duplicative of other USDA conservation efforts, such as the **Conservation Reserve Program**, particularly in creating conservation buffers around cropped fields and the duplicate farmer payments for the same activity. Other USDA conservation programs include: Environmental Quality Incentives Program, Wetlands Reserve Program, Farmland Protection Program, Wildlife Habitat Program, Grassland Reserve Program.

Biomass Programs

The Department of Energy **Biomass Program** primarily conducts research and development of biofuels, including generation and conversion technologies. However, it also receives a significant amount of tax dollars for grant programs that invest in biorefineries and bioenergy projects. This program received \$235 million in FY 2010.

This overlaps with several **Department of Agriculture biomass programs**. Moreover, the Stimulus provided a total of \$800 million for bioenergy projects, including \$480 million for the **Solicitation for Integrated Pilot and Demonstration-Scale Biorefineries**, and \$176 million for **Commercial-Scale Biorefinery Projects**. USDA also administers several bioenergy promotion programs, as follows:

- The **Biomass Crop Assistance Program** provides grants and loan guarantees to commercial scale biorefineries that produce advanced biofuels, such as cellulosic ethanol from wood chips.
- The **Biorefinery Program for Advanced Fuels Program**, administered by the Farm Service Agency (funded by its Commodity Credit Corporation) provides payments to producers to increase production of ethanol and biodiesel. (\$25 million in FY 2010)
- The **Biobased Products and Bioenergy Program**, administered by USDA's Rural Development arm, finances technology necessary to convert biomass into biobased products and bioenergy.
- The **Biorefinery Repowering Assistance Program** provides payments to biorefineries to replace fossil fuels used to produce heat or power in biorefineries with renewable biomass. (\$35 million in FY 2009)

- The **New Era Rural Technology Competitive Grants Program** for technology development, applied research, and/or training to develop an agriculture-based renewable energy (bioenergy and pulp and paper manufacturing) workforce to serve rural communities with total funding of \$850,000.

Alternative Energy Programs

The **Rural Energy for America Program**, (\$25 million in FY 2009) administered by UDA's Rural Development arm, provides grants and loan guarantees to agriculture producers and rural small businesses for the purchase of renewable energy systems and making energy efficiency improvements. This financial assistance for improvements also include wind, solar, biomass and geothermal projects. The Department of Energy already maintains an entire program for each of these areas, as follows:

- The **Geothermal Technology Program**, which received \$44 million from the FY 2010 Energy and Water Appropriations bill. The stimulus provided an additional \$400 million in geothermal projects.[6]
- The **Wind Energy Program**, which received \$80 million from the FY 2010 Energy and Water Appropriations bill. The stimulus provided \$118 million for wind energy projects
- The **Solar Energy Technologies Program**, which received \$225 million from the FY 2010 Energy and Water Appropriations. The stimulus provided \$117.6 million for solar projects.

Food Assistance

The **USDA Foreign Agricultural Service** (\$180 million in FY 2010) provides people in foreign countries with direct donations and five concessional programs. This is duplicative of other USDA and USAID efforts:

- The **Food for Progress Program** provides donation or credit sale of U.S. commodities to developing countries and emerging democracies. (\$2.8 million in FY 2010_
- The **McGovern-Dole International Food for Education and Child Nutrition Program** supports education, child development, and food security by donating U.S. commodities as well as financial and technical assistance for poor countries. (\$209 million in FY 2010)
- The **Food for Peace Act** provides government-to-government sales of U.S. commodities to developing countries by credit or grants and also provides food donations to foreign counties. (over \$1 billion in FY 2010)
- The **Bill Emerson Humanitarian Trust** is administered by both USDA and USAID. It is comprised of cash and commodities, is a food reserve in case

Title II funds are deemed insufficient for international food assistance. (\$20 million in FY 2010)

Exporters Assistance

The USDA Agricultural Marketing Service offers **Exporter's Assistance** offers educational forums and technical assistance for American exporters. **Twenty federal agencies administer more than 100 export programs** that provide export counseling programs, information on trade promotion events, export financing, educational outreach and compliance data.¹

- The Department of Commerce administers the International Trade Administration. Within this umbrella program is the **Commercial Service**, which conducts market research, host trade events to promote products, connects buyers and distributors, provides counseling and advocacy. The International Trade Administration was provided \$456.204 million in FY 2010 appropriations.²
- The **Export-Import Bank** offers export finance information and was appropriated \$2.5 million in FY 2010.³
- The Small Business Administration administers the **Office of International Trade**, which provides export promotion and finance network in U.S. Export Assistance Centers as well as collaborates with other agencies to advance international trade. It received \$14.666 million in FY 2009 and was guaranteed no less in FY 2010.⁴

USDA Waste and Mismanagement

USDA ends each fiscal year with billions in unspent and unobligated funds. The Department is estimated to have ended FY 2009 with \$5.4 billion in unobligated balances.

In FY 2009, the USDA made \$4.2 billion worth of improper payments.⁵

¹ <http://www.ita.doc.gov/>

² HUD appropriations, Title I, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr366.111.pdf

³ HUD appropriations, Title VI, Export and Investment Assistance, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr366.111.pdf

⁴ http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_budget_2010_justification.pdf

⁵ <http://medicareupdate.typepad.com/files/ombimproperdata.pdf>

In FY 2008, the USDA spent \$5.9 million on conferences, with over 7,000 employees attending conferences. Some place total spending much higher (\$22 million in FY 2005⁶). This includes sending 250 employees to San Francisco (\$126,000) for a Farm Service Agency conference, 180 employees to San Diego (\$246,000) for an insect conference, and \$44,701 for two employee awards conferences.⁷

The USDA is ranked among the four worst federal agencies in paying its travel credit bills on time. Ten percent of USDA travel cards are in delinquent status, costing taxpayers untold amounts in extra charges and rebates.⁸ For example, a USDA employee used agency credit cards to embezzle more than \$600,000 from Forest Service firefighting funds for her boyfriend to gamble, purchase a car, and for other personal purchases. The action went undetected for six years. Another agency credit card was used to purchase a Toyota Sienna and a Toyota Land Cruiser (\$80,000 total), which were then shipped to USDA offices overseas—all without required federal waivers.⁹

The USDA maintains 57,523 buildings and structures, representing more than 57 million square feet of space.¹⁰ Of these, the Office of Management and Budget (OMB) classifies 4,645 as “excess,” and valued at \$889 million.¹¹ Despite this excess property, the Department spends \$193 million annually renting an additional 11.9 million square feet of building space.

⁶ http://coburn.senate.gov/oversight/index.cfm?FuseAction=Files.View&FileStore_id=39e27579-e6db-47a5-8058-922bf381067e

⁷ United States Department of Agriculture, Office of the Chief Financial Officer: “2008 Conference Transparency Report,” http://www.catts.ocfo.usda.gov/ocfo_conferences_2008.asp.

⁸ Congressional Research Service, “Waste, Fraud, and Abuse in Agency Travel Card Programs,” July 20, 2009, <http://www.crs.gov/Pages/Reports.aspx?ProdCode=R40580>.

⁹ Government Accountability Office, Government-wide Purchase Cards: Actions Needed to Strengthen Internal Controls to Reduce Fraudulent, Improper, and Abusive Purchases, GAO-08-333, March 2008, <http://www.gao.gov/new.items/d08333.pdf>.

¹⁰ General Services Administration, “2008 Federal Real Property Report,” August 2009, http://www.gsa.gov/graphics/ogp/FY_2008_Real_Property_Report.pdf.

¹¹ Office of Management and Budget, “Response to Section 408 of Public Law 109-396,” June 15, 2007, http://coburn.senate.gov/oversight/index.cfm?FuseAction=Files.View&FileStore_id=e3a53dbc-d6af-4be7-9c06-364ce3c605fd.