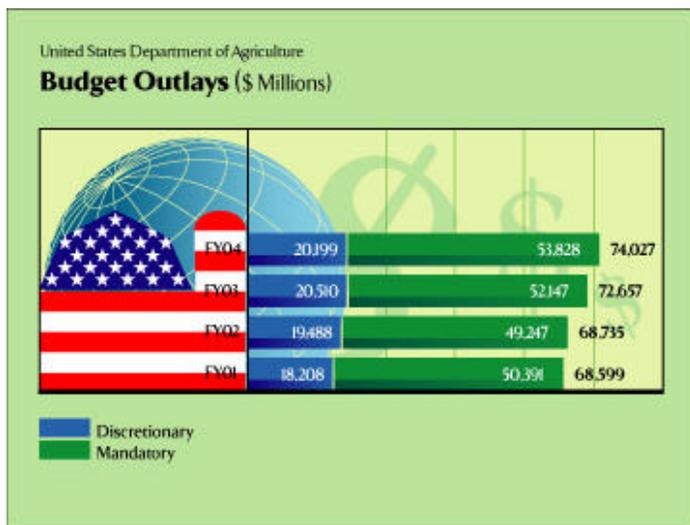


USDA BUDGET PROPOSES RECORD SPENDING FOR CONSERVATION, FOOD SAFETY, NUTRITION AND FOOD ASSISTANCE PROGRAMS

**\$74 BILLION IS 2% INCREASE OVER FY2003
8% GROWTH SINCE PRESIDENT BUSH TOOK OFFICE**

President Bush's budget proposal for USDA includes record spending for important farm conservation measures, food safety protections, and nutrition and food assistance programs.

The \$74 billion request is 2% higher (\$1.4 billion) than FY2003 and \$5.4 billion higher (or 8% growth) since FY2001.



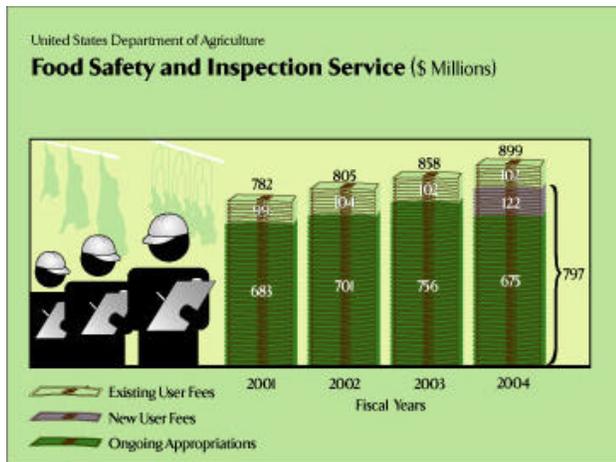
Key aspects of the budget include:

- ☑ Safeguarding America's Homeland and Protecting the Food Supply
- ☑ Continued Implementation and Administration of the 2002 Farm Bill
- ☑ Unprecedented Funding for a Food and Nutrition Safety Net
- ☑ Expanding Agricultural Trade and Supporting International Food Assistance Programs
- ☑ Increasing Housing Opportunities and Investment in Rural America
- ☑ Strengthening Forest Health and Firefighting Capabilities
- ☑ Improving USDA Services and Systems

"This budget reflects this Administration's continued commitment to strong conservation practices to help farmers, protection of our food supply and ensuring strong nutrition programs for a healthier America. We have seen USDA's budget grow by 8 percent since this Administration came to office, representing a strong record and commitment to farmers and ranchers, trade expansion and rural development." – *Secretary Ann M. Veneman*

THE DETAILS BEHIND THE PRESIDENT'S BUDGET PROPOSAL FOR USDA

Safeguarding America's Homeland and Protecting the Food Supply: The budget seeks record-level support for USDA's Food Safety Inspection System (FSIS) meat and poultry food safety programs as well as increases to strengthen agricultural protection systems. FSIS funding will increase to a program level of \$899 million, an increase of nearly \$42 million over the FY2003 and represents a \$117 million (or 15%) increase in food safety programs since FY2001.



Specifically, the budget request includes:

- Funding for 7,680 food safety inspectors, an increase of 80 inspectors, provides specialized training for the inspection workforce, increases microbiological testing and sampling, strengthens foreign surveillance programs and increases public education efforts
- Nearly \$47 million in new funding to strengthen laboratory security measures; conduct research on emerging animal diseases; develop new vaccines; create new bio-security database systems; and

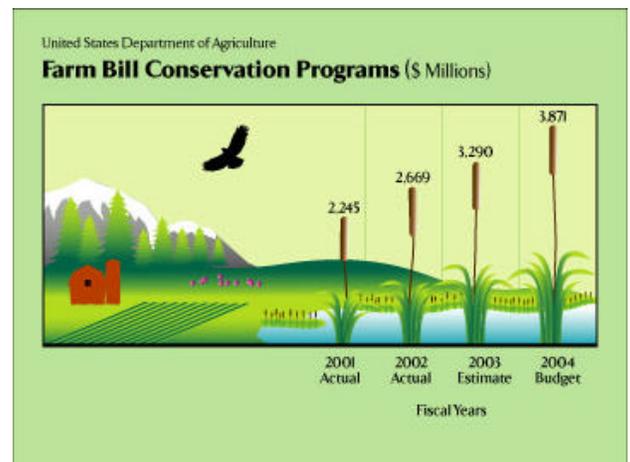
continue development of the unified Federal-State Diagnostic Network for identifying and responding to high risk pathogens

- \$30 million increase for APHIS inspection services; expanding the availability of foot-and-mouth disease vaccines; providing protection against chronic wasting disease and poultry diseases; and expanding diagnostic and other scientific/technical services
- \$200 million requested for the National Research Initiative

Continued Implementation and Administration of 2002 Farm Bill: The budget supports the continued implementation of the 2002 Farm Bill, which includes providing historic increases for conservation funding and protecting natural resources. Total program level funding for Farm Bill conservation programs increases by \$1.7 billion, from \$2.2 billion in FY2001 to almost \$3.9 billion in FY2004. This includes \$432 million for conservation technical assistance in support of Farm Bill implementation.

Specifically, the budget request includes:

- \$2 billion for the Conservation Reserve Program (+\$139 million)
- \$850 million for the EQIP program (+\$255 million)
- \$250 million for the Wetlands Reserve Program to enroll an additional 200,000 acres
- \$112 million for the Farmland Protection Program (+\$27 million)
- \$85 million for the Grassland Reserve Program (+\$13 million)
- \$51 million for Ground and Surface Water Conservation (+\$13 million)
- \$42 million for the Wildlife Habitat Incentives Program (+\$16 million)
- \$19 million for the new Conservation Security Program; and
- \$8 million for water conservation and water quality enhancements in the Klamath Basin of Oregon and California

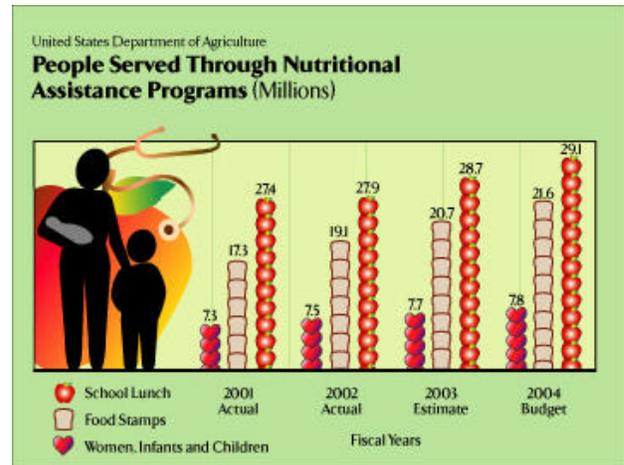


Unprecedented Funding for a Food and Nutrition Safety Net:

The FY2004 budget reflects the Bush Administration's continued commitment to the nutrition safety net by including a record of \$42.9 billion for domestic food assistance programs, a \$1.7 billion increase over FY2003.

Specifically, the budget request includes:

- Funding for an estimated 21.6 million food stamp participants
- Funding for a record level of 7.8 million low-income, nutritionally at risk, Women Infants and Children (WIC) participants
- Funding for an average of 29 million school children each day in the School Lunch program
- \$2 billion contingency reserve for food stamps and a \$150 million contingency reserve for WIC to be available to cover unanticipated increases in participation on these programs

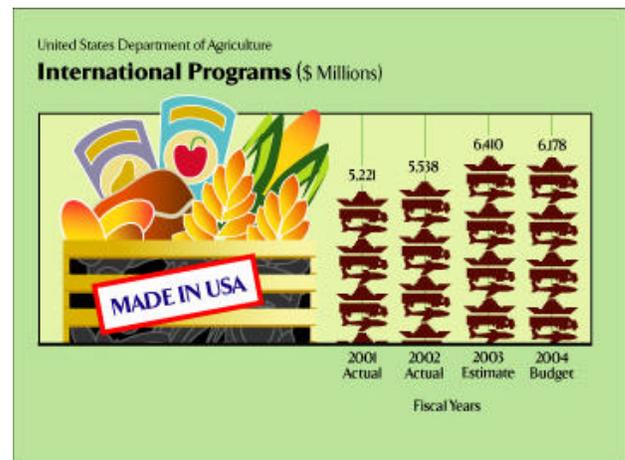


Expanding Agricultural Trade and Supporting International Food Assistance Programs:

The FY2004 budget continues a strong commitment to export promotion and foreign market development efforts by proposing \$6.2 billion in spending. This represents an 18 percent increase since the Administration came into office, or \$961 million in additional spending since FY2001.

Specifically, the budget request includes:

- Funding for USDA's market development programs, including the Market Access and Cooperator Programs, which are increased by \$15 million
- Establishment of a new, centralized fund of \$6.6 million to support important, cross-cutting trade issues, compliance monitoring, dispute resolution, and biotechnology activities within the Department
- A program level of \$4.2 billion is provided for CCC export credit guarantee activities
- Nearly \$1.6 billion requested for U.S. foreign food assistance activities, including \$50 million for the new McGovern-Dole International Food for Education and Child Nutrition Program

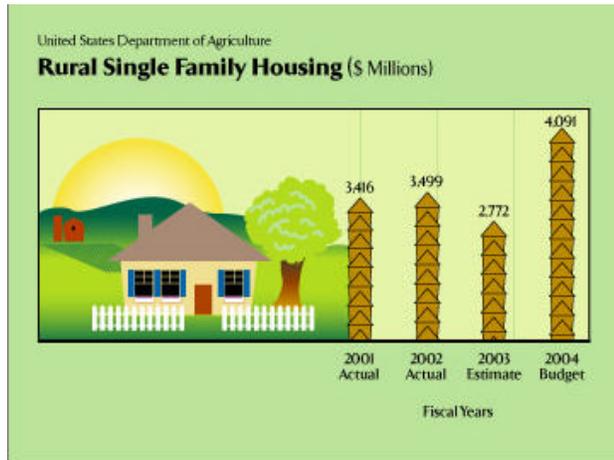


Increasing Housing Opportunities and Investment in Rural America:

The Administration proposes spending \$11.9 billion for rural development programs. The budget supports the President's homeownership initiative, particularly for minority families with a 50 percent increase for single-family housing.

Specifically, the budget request includes:

- Nearly \$4.1 billion is requested for direct and guaranteed Section 502 single family housing loans, compared to a current estimate of \$2.8 billion for FY2003



- The President's budget will provide 49,000 new homeownership opportunities for low- and moderate-income families in rural areas
- The water and waste disposal program is maintained at its FY2003 level of \$1.5 billion
- The budget proposes \$196 million for broadband loans and loan guarantees to rural telecommunications providers in FY2004, building upon a \$1.4 billion program developed over the past two years

Strengthening Forest Health and Firefighting Capabilities:

The FY2004 budget proposes \$4.9 billion for U.S. Forest Service programs.

Specifically, the budget request includes:

- Highest level ever requested for fire suppression and dramatically increases efforts to improve forest health through the President's Healthy Forests Initiative
- Approximately \$1.57 billion for the National Fire Plan, an increase of \$173 million over FY 2003
- Funding for the Forest Legacy Program at \$91 million, a \$21 million increase over 2003, and represents a \$61 million increase since FY2000

Healthy Forests An Initiative for Wildfire Prevention and Stronger Communities



Improving Departmental Services and Systems: The budget supports the Department's strategic plan and supports several management initiatives to better integrate computer systems and technology to provide employees and customers the necessary tools to efficiently operate and deliver services.

Specifically, the budget request includes:

- \$178 million in FY2004, an increase of \$45 million, to upgrade technology in its County Service Centers
- Funding of \$800,000 for the new Assistant Secretary for Civil Rights

For more information, visit www.usda.gov