

## [Senate Amendment to H.R. 2051, Agriculture Reauthorizations Act of 2015](#)

### FLOOR SITUATION

On Monday, September 28, 2015, the House will consider a Senate Amendment to [H.R. 2051](#), the Agriculture Reauthorizations Act of 2015, under suspension of the rules. H.R. 2051 was introduced on April 28, 2015 by Rep. K. Michael Conaway (R-TX) and passed the House by [voice vote](#) on June 9, 2015. The Senate passed the bill, with an amendment in the nature of a substitute, by [unanimous consent](#) on September 21, 2015.

### SUMMARY

Title I of the bill reauthorizes Section 260 of the Agricultural Marketing Act of 1946, extending authority for certain livestock mandatory price reporting programs, which are set to expire on September 30, 2015, until September 30, 2020. The Senate amendment eliminates the requirement that the Secretary of Agriculture continue to receive and publish required daily reporting information during a government shutdown.

Title I also requires the Secretary to begin daily reporting of certain negotiated purchases of swine and makes certain changes to lamb reporting requirements under the Act. The bill requires the Agricultural Marketing Service (AMS) within the USDA, in consultation with specified experts and stakeholders, to submit to Congress a report on the implementation of livestock mandatory price reporting.

Title II of the bill authorizes the appropriation of \$3 million for National Forest Foundation for each of the fiscal years 2016 to 2018.

Title III of the bill reauthorizes provisions of the United States Grain Standards Act through 2020, and amends the Act to provide alternative mechanism to hold the agency accountable for grain inspection services in the event of an interruption of official inspection services.

The Federal Grain Inspection Service (FGIS), which operates under the USDA, is responsible for ensuring standard grain inspection procedure in the U.S. The bill provides that in the event of an

anticipated disruption in service not caused by a major disaster, the delegated State agency shall give FGIS at least 72 hours prior notice. FGIS is required to report daily to Congress the reason(s) for the service interruption and the steps necessary to resume official services. The title retains a House provision that mandates the Secretary of Agriculture to waive official inspection and weighing, provided certain conditions are met, during an interruption of services.

The Title also changes the fee calculation for inspection and weighing services based on export tonnage to be based on a five-year rolling average of export tonnage volumes. The five year rolling average is designed to provide more predictability and better reflect the market. The bill also directs the Secretary of Agriculture to annually adjust the fees to maintain a three to six month operation reserve.

## BACKGROUND

Title I of the Senate Amendment is similar to the House-passed version of [H.R. 2051](#), the Mandatory Price Reporting Act of 2015, which passed the House by voice vote on June 9, 2015. Title II of the Senate Amendment is similar to [H.R. 2394, the National Forest Foundation Reauthorization Act of 2015](#), which passed the House by voice vote on June 9, 2015. Title III of the Senate Amendment is similar to [H.R. 2088](#), the *United States Grain Standards Act Reauthorization Act of 2015*, which also passed the House by voice vote on June 9, 2015.

**Title I, Mandatory Price Reporting**--The Livestock Mandatory Reporting Act of 1999 was passed as an amendment to the Agricultural Marketing Act of 1946, establishing a program to collect and publish information regarding the marketing of cattle, swine, lambs, and the products of such livestock. The purpose of the program was to provide information that could be readily understood by producers, improve the price and supply reporting services of USDA, and encourage competition in the marketplace for livestock and livestock products. The livestock mandatory reporting provisions of the Act are currently set to expire on September 30, 2015.<sup>1</sup>

During the FY 2014 government shutdown, the USDA Agricultural Marketing Service's Market News reports, including livestock mandatory reporting data, was not available. According to the Committee, the inability to deliver the mandatory price information for livestock, meat, and certain dairy products caused a significant disruption to the orderly marketing of these products and generated extensive media coverage. Several stakeholders have requested these reports be considered an "excepted activity," so that reporting would continue in the event of another government shutdown.<sup>2</sup>

**Title II, National Forest Foundation Act Reauthorization**—The National Forest Foundation was created by Congress in 1993 to support and promote the conservation of the 193 million acre National Forest System. The Foundation uses federal dollars as a match for private donations to restore and enhance our national forests and grasslands. In past years, federal funds have been leveraged by additional resources at an overall ratio of 4.3 to 1.<sup>3</sup> Today, there are 154 national forests and 20 grasslands in 44 states and Puerto Rico, covering approximately 193 million acres.<sup>4</sup> The Foundation's authorization expired in 1997. H.R. 2051 authorizes the appropriation of \$3 million for

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<sup>1</sup> See [House Report 114-132](#) at 3.

<sup>2</sup> Id. at 4.

<sup>3</sup> See [House Report 114-138](#) at 5.

<sup>4</sup> See [U.S. Forest Service "Our History"](#).

National Forest Foundation for each of the fiscal years 2016 to 2018, which is consistent with the funding it has received in recent years.<sup>5</sup>

**Title III, United States Grain Standards Act Reauthorization**—The United States Grain Standards Act (USGSA) of 1916 authorizes the Secretary of Agriculture to establish official marketing standards for grains and oilseeds, and to provide procedures for grain inspection and weighing. Most of the Act is permanently authorized, including mandatory inspection and weighing of exported grain, as well as authority to amend grain quality standards; however, several provisions of the Act expire on September 30, 2015.

The Federal Grain Inspection Service (FGIS) was established by Congress in 1976 to manage the national grain inspection system. The goal of creating a single Federal grain inspection entity was to ensure development and maintenance of uniform U.S. standards, to develop inspection and weighing procedures for grain in domestic and export trade, and to facilitate grain marketing.<sup>6</sup> Certain States which performed export inspection functions prior to July 1, 1976, were delegated the authority to conduct mandatory export inspection services. The FGIS is permitted to designate inspection authority for voluntary domestic weighing and grading services to certain state and private entities that adhere to certain inspection standards.

In early July 2014, the Washington State Department of Agriculture (WSDA), the delegated State agency providing export inspections at the United Grain Corporation terminal at the Port of Vancouver (Washington), discontinued its export inspection service amid an ongoing labor dispute between several grain companies and unions and contractors, stating at the time that the provision of inspection services would not aid in resolving the labor dispute. In mid-July 2014, a number of agricultural groups and the Grain Inspection Advisory Committee urged the FGIS to take immediate action to restore service, by using either federal inspectors or qualified inspectors from other delegated agencies.<sup>7</sup>

FGIS declined to use federal inspectors to resume inspections at the port, claiming that inspectors would not have safe access to the facility, although they never provided documentation of these safety concerns to the Committee after repeated requests. The USDA security inspector sent to the facility to conduct a security audit confirmed to the Committee that there existed no security risks that would prevent the immediate resumption of inspection services. Although FGIS is statutorily required to step in to resume export inspections in situations such as this, inspections did not resume until August of 2014 when the grain companies and unions reached an agreement.<sup>8</sup>

## COST

The Congressional Budget Office (CBO) [estimates](#) that implementing this bill would cost \$36 million over the 2016 to 2020 period, assuming appropriation of the necessary amounts. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

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<sup>5</sup> See Senate Agriculture Press Release, [Senate Agriculture Committee Passes Reauthorization Package for Price Reporting, Forest Foundation and Grain Inspection](#), September 17, 2015.

<sup>6</sup> See [USDA GIPSA History and Mission](#).

<sup>7</sup> See [House Report 114-133](#) at 2.

<sup>8</sup> Id. at 3.

## STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.