

Conference Report on the Deficit Reduction Act

Courtesy: House Committee on Agriculture

The final disposition of the House/Senate conference committee on the Deficit Reduction Act was to strip all farm program reductions (the 1 percent to 2.5 percent across the board reduction on farm programs) and reduce the final savings to \$2.7+ billion.

Commodity Programs

- No extension of commodity programs
- No across-the-board cuts for commodity programs
- Advance direct payments reduced in 2006 and further reduced in 2007
- Cotton Step 2 program terminated effective August 1, 2006
- Milk Income Loss Contract (MILC) extension for 2 years at Senate-passed level

Conservation Programs

- Conservation programs extended to 2011
- Environmental Quality Incentives Program (EQIP) funds reduced
- Conservation Security Program (CSP) funds reduced
- Watershed Rehabilitation program - Cancellation of funds available prior to October 1, 2006

Rural Development/Energy/Research Programs

- Renewable Energy Program – Limit FY07 funds to \$3M
- Value-added Grant program – Cancellation of funds available prior to October 1, 2006
- Enhanced Access to Broadband Telecommunication Services in Rural Areas – Cancellation of funds available prior to October 1, 2006
- Rural Business Investment Program – Cancellation of funds available prior to October 1, 2006
- Rural Business Strategic Investment Grant Program – Cancellation of funds available prior to October 1, 2006
- Rural Fire fighters Grant Program – Cancellation of funds available prior to October 1, 2006
- Initiative for Agriculture and Food Systems – Cancellation of funds for FY 07–09

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