

**SENATE AGRICULTURE COMMITTEE
BUDGET RECONCILIATION PACKAGE
SECTION-BY-SECTION**

Summary of Savings

Title	2006	2006-2010
Commodities	-\$180 million	-\$1,145 million
Conservation	-\$7 million	-\$1,054 million
Nutrition	-\$40 million	-\$574 million
Other (Research)	-\$8 million	-\$227 million
Total	-\$235 million	-\$3,000 million

Subtitle A -- Commodity Programs

Sec. 1101. Reduction of Commodity Program Payments

This section will reduce by 2.5 percent for the 2006 through 2010 crop years all payments and marketing loan gains producers receive for the following commodities: wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, rice, soybeans, other oilseeds, wool, mohair, honey, dry peas, lentils, small chickpeas, unshorn pelts, silage, hay and peanuts. The Secretary will calculate the amount a producer is entitled to receive in direct payments, counter-cyclical payments, marketing loan gains, and loan deficiency payments and then reduce that amount by 2.5 percent.

Beginning on October 1, 2005, and ending on September 30, 2007, payments received by dairy producers under the extended MILC program will be reduced by 2.5 percent.

Sec. 1102. Origination Fee for Nonrecourse Sugar Loans

This section will impose an origination fee on nonrecourse loans. The fee will be equal to one percent of the applicable loan rate and applies to the 2006 through 2010 sugar crops.

Sec. 1103. Cotton Competitiveness Program

This section will eliminate the upland cotton Step 2 program as of August 1, 2006.

Sec. 1104. National Dairy Market Loss Payments

This section will extend the National Dairy Market Loss Payment program, also known as the Milk Income Loss Contract (MILC) program, through September 30, 2007. The payment factor will be reduced from 45 percent to 34 percent.

Sec. 1105. Advance Direct Payments

This section will reduce the amount a producer may receive in an advance direct payment to a maximum of 40 percent for the 2006 through 2011 crop years. The producer will still receive the full direct payment amount (minus the 2.5 percent reduction required by Section 1101).

Subtitle B -- Conservation

Sec. 1201. Conservation Reserve Program (CRP)

This section will reduce the acreage cap from 39.2 million acres to 36.4 million acres for calendar years 2006 to 2010. In 2011, the acreage cap will increase to 38.3 million acres. This section includes a provision to ensure current contracts are honored.

Sec. 1202. Conservation Security Program (CSP)

This section will limit CSP's baseline to \$1.954 billion for fiscal years 2006 through 2010 and will limit it to \$5.2 billion for fiscal years 2006 through 2015. This will allow the program to continue and to grow.

Sec. 1203. Environmental Quality Incentives Program (EQIP)

This section will slightly reduce funding for fiscal year 2006 through fiscal year 2010. This provision will limit spending on EQIP to \$1.185 billion in fiscal year 2006 and \$1.270 billion in fiscal year 2007 through fiscal year 2010. It will restore funding to \$1.3 billion in fiscal year 2011.

Subtitle C -- Nutrition

Sec. 1301. Eligible Households

This section will limit categorical eligibility to only the Temporary Assistance for Needy Families (TANF) program participants who receive cash benefits. TANF participants who receive only in-kind services, such as pamphlets, vouchers for child care or transportation, will have to go through the normal application process to receive food stamps.

Subtitle D -- Miscellaneous

Sec. 1401. Initiative for Future Agriculture and Food Systems

This section will limit annual funding for the Initiative to \$104 million in fiscal year 2006 and \$130 million for fiscal year 2007 through fiscal year 2010. It restores funding to \$200 million in fiscal year 2011.