

Letter from USDA on NIFA Funding Cuts

Colleagues.

As you are likely aware, due to the failure of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President was required by law to issue a sequestration order canceling approximately \$85 billion in budgetary resources across the Federal government for the remainder of the fiscal year (FY) 2013.

It is our intent at the National Institute of Food and Agriculture (NIFA) and the Department of Agriculture (USDA) to provide you with clear information about how these budget cuts impact us, and in turn what it means for funds provided to our land-grant universities and other partners who benefit from programs administered by NIFA.

At this time, USDA is taking every step to mitigate the effects of these cuts, but based on our initial analysis, it is possible that your organization's workforce, revenue, and planning processes may be affected. Based on the 5 percent sequestration reductions that apply to the FY 2013 funding amounts, NIFA anticipates the following funding impacts:

- A reduction of \$13 million for the Agriculture and Food Research Initiative (AFRI), competitive grants program, potentially resulting in fewer new proposals that may be funded during FY 2013;
- AFRI Continuation awards from previous Fiscal Years will not be impacted by the sequestration, and, continued funding will be based on evaluations of performance and meeting stated goals;
- Reductions totaling almost \$37 million for capacity/formula funding; and,
- Reductions for other research, education and extension programs totaling over \$10 million.

While we are currently operating under the FY 2013 Continuing Resolution, which provides temporary funding through March 27, 2013, NIFA is proceeding with announcements for Requests for Applications for most competitive grants programs and will hold competitive peer review panels. However, grant awards will be contingent upon receipt of final FY 2013 appropriations.

NIFA plans to release some Formula Grant Opportunities announcements soon. Consistent with the FY 2013 Continuing Resolution, only up to 40 percent of the FY 2012 funding level will be released for the first two quarters.

Thank you for your continued partnership with the USDA and NIFA, and for your cooperation as we work together to manage these challenging circumstances.

As always, we will continue to notify you as the situation with FY 2013 funding levels moves through the appropriations process in Congress.

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USDA-NIFA