Farm Service Agency

Contents

FARM SERVICE AGENCY

Purpose Statement

The Farm Service Agency (FSA) was established October 13, 1994, pursuant to the Department of Agriculture Reorganization Act of 1994, Public Law (P.L.) 103-354, as amended by the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127. FSA's mission is to deliver timely, effective programs and services to America's farmers and ranchers to support them in sustaining our Nation's vibrant agricultural economy, as well as to provide first-rate support for domestic and international food aid efforts. FSA provides the personnel to carry out many of the programs funded by the Commodity Credit Corporation (CCC) and is responsible for the overall coordination of budgetary and fiscal matters of the CCC.

FSA administers programs authorized by the Agricultural Act of 2014 (Public Law 113-79), commonly called the 2014 Farm Bill and a variety of other laws. Descriptions of the programs administered by FSA and funded by CCC appear in the CCC Purpose Statement of these Explanatory Notes. The following is a summary of FSA's programs and activities.

Farm Loan Programs: FSA's farm loan programs provide a safety net for farmers and ranchers temporarily unable to obtain sufficient credit elsewhere to finance their operations at reasonable rates and terms.

Most farm loan programs administered by FSA are authorized by the Consolidated Farm and Rural Development Act, P.L. 87-128, August 8, 1961, as amended. Subtitle A of this act authorizes direct and guaranteed farm ownership and conservation loans. Subtitle B authorizes direct and guaranteed operating loans. Subtitle C authorizes emergency loans. The Agriculture Credit Improvement Act of 1992, P.L. 102-554, establishes special assistance to qualified beginning farmers and ranchers to enable them to conduct viable farming and ranching operations. Indian Tribal Land Acquisition Loans and Highly Fractionated Indian Land Loans are authorized by Public Law 91-229, April 11, 1970, as amended.

The Agricultural Credit Insurance Fund Program Account was initiated in FY 1992, as required by the Federal Credit Reform Act of 1990. The account shows the direct loan obligations and guaranteed loan commitments of FSA's farm loan programs and the associated subsidy costs. Subsidy costs are obtained by estimating the net present value of the Government's cash flows resulting from direct and guaranteed loans made through this account.

The programs funded by this account are:

- Farm Ownership Loans**.** FSA makes direct and guaranteed loans for family farmers to purchase farmland; make capital improvements to a farm or ranch; restructure their debts (guaranteed loans only), including utilizing their real estate equities to refinance heavy short-term debts; and make adjustments in their operations to comply with local sanitation and pollution abatement requirements, keep up with advances in agricultural technology, better utilize their land and labor resources, or meet changing market requirements.

  Loans are made for a term of 40 years or less. A direct loan may not exceed $300,000 and a guaranteed loan may not exceed $1,399,000, adjusted annually. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost of money to the Government plus up to 1 percent. However, loans to limited resource borrowers (farmers who need special supervision or who cannot afford the regular interest rate due to low income) bear interest of not more than one-half of the Treasury rate for marketable obligations with maturities of 5 years plus not more than 1 percentage point, with a minimum of 5 percent. Effective with the 2008 Farm Bill, interest rates for beginning farmer down-payment loans are established at 4 percentage points less than the regular borrower rate, with a minimum of 1.5 percent. Effective with the 2014 Farm Bill, interest rates for joint financing loans (loans made in conjunction with a commercial lender providing over 50 percent of the credit) are established at 2 percentage points less than the regular borrower rate, but no less than 1 percent. The interest rate for guaranteed loans is negotiated by the lender and borrower.

At least 40 percent of the amounts appropriated for guaranteed farm ownership loans will be reserved for beginning farmers and ranchers during the first 6 months of the fiscal year. Also, at least 75 percent of the amount appropriated for direct farm ownership loans will be reserved for qualified beginning farmers and ranchers.

- Farm Operating Loans. Farm operating loans are targeted to family farmers unable to obtain credit from private sources at reasonable rates and terms and are accompanied by supervisory assistance in farm and financial management.

  Operating loans may be made for paying costs incident to reorganizing a farming system for more profitable operations; purchasing livestock, poultry, and farm equipment; purchasing feed, seed, fertilizer, insecticides, and farm supplies and meeting other essential operating expenses; financing land and water development, use, and conservation; and refinancing existing indebtedness. In FY 2013, FSA implemented the Microloan program. Microloans are direct farm operating loans with a shortened application process and reduced paperwork designed to meet the needs of smaller, non-traditional, and niche type operations.

  Farm operating loans are for periods of 1 to 7 years depending on loan purposes. The loan limit is $300,000 for a direct loan, $50,000 for a Microloan and $1,399,000, adjusted annually, for a guaranteed loan. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost of money to the Government plus up to 1 percent. However, loans to limited resource borrowers bear interest of not more than one-half of the Treasury rate for marketable obligations plus not more than 1 percentage point, with a floor of 5 percent. The interest rate for guaranteed loans is negotiated by the lender and borrower and may be subsidized under the interest assistance program.

  The 2014 Farm Bill revisions expand the types of entities eligible, provide favorable interest rates for joint financing arrangements, increase loan limits for microloans, make youth loans available in urban areas, and eliminate term limits for guaranteed operating loans.

  The Agricultural Credit Improvement Act of 1992, Public Law 102-554, requires at least 50 percent of the amounts available for direct farm operating loans be reserved for qualified beginning farmers and ranchers during the first 11 months of the fiscal year.

- Emergency Loans**.** Emergency loans are made available in designated areas (counties) and in contiguous counties where property damage and/or severe production losses have occurred as a direct result of a natural disaster. Areas may be declared a disaster by the President or designated for emergency loan assistance by the Secretary of Agriculture, or by the FSA Administrator for physical loss loans only.

  Emergency loans are made to established, eligible, family-size farms and ranches (including equine farms and ranches) and aquaculture operators who have suffered at least a 30 percent loss in crop production or a physical loss to livestock, livestock products, real estate, or chattel property. Partnerships and private domestic corporations and cooperatives may also qualify, provided they are primarily engaged in agricultural or aquaculture production. Loans may be made only for actual losses arising from natural disasters. A farmer who cannot receive credit elsewhere is eligible for an actual loss loan of up to $500,000 or the calculated actual loss, whichever is less, for each disaster, at an interest rate of 1 percent above the direct operating loan interest rate. Actual loss loans may be made to repair, restore, or replace damaged or destroyed farm property, livestock and livestock products, and supplies and to compensate for disaster-related loss of income based on reduced production of crops and/or livestock products. Eligible farmers may use actual loss loan funds to pay costs incident to reorganizing a farming system to make it a sound operation that is approximately equivalent in earning capacity to the operation conducted prior to the disaster. Under certain conditions, loan funds may be used to buy essential home equipment and furnishings and for limited refinancing of debts.

All emergency loans must be fully collateralized. The specific type of collateral may vary depending on the loan purpose, repayment ability, and the individual circumstances of the applicant. If applicants cannot provide adequate collateral, their repayment may be considered as collateral to secure the loan. Repayment terms for actual loss loans also vary according to the purposes of the loan, type of collateral available to secure the loan, and the projected repayment ability of the borrower. Loans for actual production or physical losses to crops, livestock, supplies, and equipment may be scheduled for repayment for up to 7 years. Under some conditions a longer repayment period may be authorized for production loss loans, but not to exceed 20 years. Generally, real estate will be needed as security when a loan term of more than 7 years is authorized. Loss loans for actual losses to real estate will generally be scheduled for repayment within 30 years but under some conditions may be scheduled for up to 40 years. Applications for emergency loans must be received within 8 months of the county's disaster or quarantine designation date.

- Indian Tribal Land Acquisition Loans**.** These loans allow Native Americans to repurchase tribal lands and maintain ownership for future generations. They are limited to acquisition of land within the defined boundaries of a tribe's reservation. To be eligible, a tribe must be recognized by the Secretary of the Interior or be a tribal corporation established pursuant to the Indian Reorganization Act. In addition, a tribe must be without adequate funds to acquire the needed land and be unable to obtain sufficient credit elsewhere for the purchase. The tribe must also have a satisfactory management and repayment plan. Loan interest rates are fixed for the life of the loan at the current interest rate charged by FSA on the loan closing date and are made for a period not to exceed 40 years.

- Boll Weevil Eradication Loans**.** Boll weevil eradication loans provide assistance to producer associations and State governmental agencies to eradicate boll weevils. Loans are made in major cotton producing States.

- Conservation Loans**.** These are made as guaranteed loans to eligible borrowers to cover the cost of implementing qualified conservation projects. Loans for conservation projects must be part of a USDA-approved conservation plan. Eligible conservation plans may include projects for construction or establishment of conservation structures, forest and permanent cover, water conservation and waste management systems, improved permanent pasture, or other projects that comply with Section 1212 of the Food Security Act of 1985, and other purposes approved by the Secretary. Eligible borrowers include farmers, ranchers, and other entities controlled by farmers and ranchers and primarily and directly engaged in agricultural production. The program gives priority to qualified beginning farmers, ranchers, socially disadvantaged farmers or ranchers, owners or tenants who use the loans to convert to sustainable or organic agricultural production systems, and producers who use the loans to build conservation structures or establish conservation practices. Direct conservation loans have a maximum indebtedness of $300,000, and guaranteed loans have a maximum indebtedness of $1,399,000. The repayment term for direct conservation loans is a maximum of 7 years for loans secured by chattel and 20 years for real estate, unless the applicant requests a lesser term. The interest rate for direct conservation loans is equivalent to the direct farm ownership rate and the guaranteed conservation loans interest rate is determined by the lender. Loan guarantees are 80 percent of the principal amount of the loan (90 percent for beginning and socially disadvantaged farmers), and loans are to be disbursed geographically to the maximum extent possible.

- Highly Fractionated Indian Land Loans**.** These loans provide a way for tribes and tribal members to obtain loans to purchase fractionated interests through intermediary lenders. FSA lends from a revolving fund account to eligible intermediary lenders who will relend loan funds to purchasers of highly fractionated lands. Eligible purchasers are Indian tribes, tribal entities and members of both. The loan program is limited to purchases of fractionated interests of agricultural land. Eligible intermediaries must be lenders with knowledge and familiarity of working with Indian Country and experience in working with the Bureau of Indian Affairs.

- State Mediation Grants: Section 502 of the Agricultural Credit Act of 1987, P.L. 100-233, authorized the Secretary of Agriculture to help States develop and operate mediation programs to assist agricultural producers, their creditors, and other persons directly affected by the actions of USDA in resolving disputes confidentially, efficiently, and cost effectively compared to administrative appeals, litigation, and bankruptcy. Under the program, FSA makes grants to States to support mediation programs established under State statute and certified by FSA. Grants can be up to a maximum of $500,000 annually and must not exceed 70 percent of the State's cost of operating its program for the year. The 2014 Farm Bill extended the program through 2018.

  Originally designed to address farm loan disputes, the program was expanded by the Department of Agriculture Reorganization Act of 1994, P.L. 103-354, to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National forest system lands, and pesticides. Pursuant to the authority in this statute, the Secretary of Agriculture acted in 2000 to add USDA rural housing and business loans and crop insurance disputes to the list of issues that can be mediated.

  The Grain Standards and Warehouse Improvement Act of 2000, P.L. 106-472, clarified that certified State programs can provide mediation training and consulting services to producers, lenders, and USDA agencies within the context of mediation for a specific case.

Farm Programs: The Agricultural Act of 2014 (Public Law 113-79), commonly called the 2014 Farm Bill, was signed by President Obama on February 7, 2014. The 2014 Farm Bill repeals certain programs, continues some programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of these programs are authorized and funded through 2018.

OVERVIEW

- Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC) replaced the Direct and Counter Cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) Program in the 2014 Farm Bill. PLC provides payments when the effective price of a covered commodity is less than the statutory reference price for that commodity. ARC payments are issued when actual revenues are less than the guarantee. There are two types of ARC, County and Individual.

- The Marketing Assistance Loan Program **(**MAL**)** and sugar loans continue mostly unchanged. The Dairy Margin Protection Program (MPP-Dairy) provides coverage for catastrophic drops in production margin, when the national dairy production margin is less than $4.00 per hundredweight. This coverage is provided at no cost, other than a $100 annual administrative fee. MPP-Dairy also offers buy-up coverage that provides payments when margins are between $4.00 and $8.00 per hundredweight.

- The Conservation Reserve Program (CRP), USDA's largest conservation program, continues through 2018 with an annually decreasing enrolled acreage cap. The contract portion of the Grassland Reserve Program enrollment has been merged with CRP.

- The Noninsured Crop Disaster Assistance Program was expanded to include protection at higher coverage levels, similar to buy-up provisions offered under the federal crop insurance program. The Livestock Forage Disaster Program (LFP), the Livestock Indemnity Program (LIP), the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP) are considered permanent programs.

ADJUSTED GROSS INCOME**:** Adjusted gross income (AGI) provisions have been simplified and modified. Producers whose average AGI exceeds $900,000 during a crop, fiscal, or program year are not eligible to participate in most programs administered by FSA and the Natural Resources Conservation Service (NRCS). Previous AGI provisions distinguished between on-farm and nonfarm AGI.

PAYMENT LIMITATIONS**:** The total amount of payments received, directly and indirectly, by a person or legal entity (except joint ventures or general partnerships) for Price Loss Coverage, Agricultural Risk Coverage, marketing loan gains, and loan deficiency payments (other than for peanuts), may not exceed $125,000 per crop year. A person or legal entity that receives payments for peanuts has a separate $125,000 payment limitation. Separate payment limitations also apply for certain conservation programs.

For the livestock disaster programs, a total $125,000 annual limitation applies for payments under the Livestock Indemnity Program, the Livestock Forage Disaster Program, and the Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish Program. A separate $125,000 annual limitation applies to payments under the Tree Assistance Program.

ACTIVELY ENGAGED IN FARMING**:** Producers who participate in the Price Loss Coverage or Agriculture Risk Coverage programs are required to provide significant contributions to the farming operation to be considered as "actively engaged in farming." The 2014 Farm Bill required the Secretary to promulgate regulations to define “significant contribution of active personal management” as part of this determination. In December 2015, FSA published regulations to define “significant contribution of active personal management” to ensure that payments are issued only to active managers at farms that operate as joint ventures or general partnerships.

COMPLIANCE: The 2014 Farm Bill continues to require an acreage report for all cropland on the farm. The acreage report is required to be eligible for Price Loss Coverage; Agriculture Risk Coverage; Cotton Transition Assistance Payments for producers of upland cotton; marketing assistance loans; and loan deficiency payments.

Compliance with Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) provisions continues to be required for participation in most FSA and NRCS programs. These provisions place restrictions on the planting of an agricultural commodity on highly erodible land or wetlands. Further, they prohibit the conversion of a wetland to make possible the production of an agricultural commodity.

The 2014 Farm Bill added premium assistance for crop insurance as a benefit subject to compliance with HELC and WC provisions. New provisions are created for determinations, administration, and penalties relating to HELC and WC provisions that are unique to crop insurance. FSA will make HELC/WC eligibility determinations for crop insurance participants based on NRCS technical determinations of HELC/WC compliance.

PRICE LOSS COVERAGE (PLC) AND AGRICULTURE RISK COVERAGE (ARC)

Base Reallocation and Yield Updates**:** Owners of farms that participate in PLC or ARC programs for the 2014-2018 crops had a one-time opportunity, in 2015, to: (1) maintain the farm’s 2013 bases through 2018; or (2) reallocate base acres (excluding cotton bases). Covered commodities include wheat, oats, barley, corn, grain sorghum, rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed, dry peas, lentils, small chickpeas, and large chickpeas. Upland cotton is no longer considered a covered commodity, but the upland cotton base acres on the farm are renamed “generic” base acres. Producers may receive payments on generic base acres if those acres are planted to a covered commodity.

A producer also had the opportunity to update the counter-cyclical program payment yield for each covered commodity based on 90 percent of the farm’s 2008-2012 average yield per planted acre, excluding any year when no acreage was planted to the covered commodity. Program payment yields are used to determine payment amounts for the Price Loss Coverage program.

Price Loss Coverage: Payments are issued when the effective price of a covered commodity is less than the respective reference price for that commodity established in the statute. The payment is equal to 85 percent of the base acres of the covered commodity times the difference between the reference price and the effective price times the program payment yield for the covered commodity.

ARC - County**:** Payments are issued when the actual county crop revenue of a covered commodity is less than the ARC county guarantee for the covered commodity and are based on county data, not farm data. The ARC county guarantee equals 86 percent of the previous 5-year average national farm price, excluding the years with the highest and lowest price (the ARC guarantee price), times the 5-year average county yield, excluding the years with the highest and lowest yield (the ARC county guarantee yield). Both the guarantee and actual revenue are computed using base acres, not planted acres. The payment is equal to 85 percent of the base acres of the covered commodity times the difference between the county guarantee and the actual county crop revenue for the covered commodity. Payments may not exceed 10 percent of the benchmark county revenue (the ARC guarantee price times the ARC county guarantee yield).

ARC – Individual: Payments are issued when the actual individual crop revenues, summed across all covered commodities on the farm, are less than ARC individual guarantees summed across those covered commodities on the farm. The farm for individual ARC purposes is the sum of the producer's interest in all ARC farms in the State. The farm's ARC individual guarantee equals 86 percent of the farm's individual benchmark guarantee, which is defined as the ARC guarantee price times the 5-year average individual yield, excluding the years with the highest and lowest yields, and summing across all crops on the farm. The actual revenue is computed in a similar fashion, with both the guarantee and actual revenue computed using planted acreage on the farm. The individual ARC payment equals: (a) 65 percent of the sum of the base acres of all covered commodities on the farm, times (b) the difference between the individual guarantee revenue and the actual individual crop revenue across all covered commodities planted on the farm. Payments may not exceed 10 percent of the individual benchmark revenue.

Election Required: All of the producers on a farm must make a one-time, unanimous election of: (1) PLC/County ARC on a covered-commodity-by-covered-commodity basis; or (2) Individual ARC for all covered commodities on the farm. If the producers on the farm elect PLC/County ARC, the producers must also make a one-time election to select which base acres on the farm are enrolled in PLC and which base acres are enrolled in County ARC. Alternatively, if Individual ARC is selected, then every covered commodity on the farm must participate in Individual ARC.

The election between ARC and PLC is made in 2014 and a producer cannot switch to ARC (from PLC), or vice versa, in subsequent years. If an election is not made in 2014, the farm may not participate in either PLC or ARC for the 2014 crop year and the producers on the farm are deemed to have elected PLC for subsequent crop years, but must still enroll their farm to receive coverage. If the sum of the base acres on a farm is ten acres or less, the producer on that farm may not receive PLC or ARC payments, unless the producer is a socially disadvantaged farmer or rancher or is a limited resource farmer or rancher. Payments for PLC and ARC are issued after the end of the respective crop year, but not before October 1.

Producers enrolling in PLC, and who also participate in the Federal crop insurance program, may make the annual choice whether to purchase additional crop insurance coverage called the Supplemental Coverage Option (SCO). SCO provides the producer the option of covering a portion of his or her crop insurance deductible and is based on expected county yields or revenue. The cost of SCO is subsidized and indemnities are determined by the yield or revenue loss for the county or area. SCO is not available to producers who enroll in ARC.

MARKETING ASSISTANCE LOANS (MALS) AND SUGAR LOANS

The 2014 Farm Bill extends the authority for sugar loans for the 2014 through 2018 crop years and nonrecourse marketing assistance loans (MALs) and loan deficiency payment (LDPs) for the 2014-2018 crops of wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton, long grain rice, medium grain rice, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, graded and non-graded wool, mohair, honey, unshorn pelts and peanuts. Availability of loans for some commodities may be affected by appropriations language. Provisions are mostly unchanged from the 2008 farm bill, except marketing loan gains and loan deficiency payments are subject to payment limitations.

DAIRY PROGRAMS

The Margin Protection Program for Dairy Producers (MPP-Dairy) replaces Milk Income Loss Contract (MILC) program and is effective through December 31, 2018. The MPP-Dairy offers producers: (1) catastrophic coverage, at no cost to the producer, other than an annual $100 administrative fee; and (2) various levels of buy-up coverage. Catastrophic coverage provides payments to participating producers when the national dairy production margin is less than $4.00 per hundredweight (cwt). The national dairy production margin is the difference between the all-milk price and average feed costs. Producers may purchase buy-up coverage that provides payments when margins are between $4.00 and $8.00 per cwt. To participate in buy-up coverage, a producer must pay a premium that varies with the level of protection the producer elects.

In addition, the 2014 Farm Bill creates the Dairy Product Donation Program. This program is triggered in times of low operating margins for dairy producers, and requires USDA to purchase dairy products for donation to food banks and other feeding programs.

DAIRY INDEMNITY PAYMENT PROGRAM (DIPP)

The program provides payments to dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because it has been contaminated by pesticides and other residues.

CONSERVATION RESERVE PROGRAM (CRP)

The 2014 Farm Bill continues CRP with modifications. The acreage cap is gradually lowered to 24 million acres for fiscal years 2017 and 2018. The requirement to reduce rental payments under emergency haying and grazing is eliminated. Rental payment reductions of not less than 25 percent are required for managed haying and grazing.

Producers were given the opportunity for an “early-out” from their CRP contracts, but only in fiscal year 2015. The rental payment portion of the Grassland Reserve Program enrollment has been incorporated into the CRP.

The Transition Incentive Program (TIP) continues to allow for the transition of CRP land to a beginning or socially disadvantaged farmer or rancher so land can be returned to sustainable grazing or crop production. TIP now includes eligibility for military veterans (i.e., “veteran farmers”).

BIOMASS CROP ASSISTANCE PROGRAM (BCAP)

BCAP provides incentives to farmers, ranchers and forest landowners to establish, cultivate and harvest eligible biomass for heat, power, bio-based products, research and advanced biofuels. Crop producers and bioenergy facilities can team together to submit proposals to USDA for selection as a BCAP project area. BCAP has been extended through 2018 and is authorized at $25 million per fiscal year. In FY 2017 new obligational authority was limited to $3 million by the Consolidated Appropriations Act, 2017.

NONINSURED CROP DISASTER ASSISTANCE PROGRAM (NAP)

NAP has been expanded to include buy-up coverage, similar to buy-up provisions offered under the federal crop insurance program. Producers may elect coverage for each individual crop between 50 and 65 percent, in 5 percent increments, at 100 percent of the average market price. Producers also pay a fixed premium equal to 5.25 percent of the liability. The waiver of service fees has been expanded from just limited resource farmers to also include beginning farmers and socially disadvantaged farmers. The premiums for buy-up coverage are reduced by 50 percent for those same farmers. NAP coverage is expanded to include crops grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or biobased products. NAP is also made available to producers that suffered a loss to a 2012 annual fruit crop grown on a bush or tree in a county declared a disaster by the Secretary due to a freeze or frost. Grazing land is not eligible for buy-up coverage.

REIMBURSEMENT TRANSPORTATION COST PAYMENT PROGRAM (RTCP) FOR GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS

The RTCP was re-authorized and provides assistance to geographically disadvantaged farmers and ranchers for a portion of the transportation cost of certain agricultural commodities or inputs.

DISASTER PROGRAMS

The 2014 farm bill directed the Secretary of Agriculture to use such sums as necessary from the Commodity Credit Corporation to reimburse producers for losses in FY 2012 and each succeeding year as established in the following four programs. The programs were previously funded by the Agricultural Disaster Relief Trust Fund. The programs are made retroactive to Oct. 1, 2011. Producers are no longer required to purchase crop insurance or NAP coverage to be eligible for these programs (the risk management purchase requirement) as mandated by the 2008 Farm Bill.

- Livestock Forage Disaster Program (LFP): provides compensation to eligible livestock producers that have suffered grazing losses due to drought or fire on land that is native or improved pastureland with permanent vegetative cover or that is planted specifically for grazing. LFP payments for drought are equal to 60 percent of the monthly feed cost for up to 5 months, depending upon the severity of the drought. LFP payments for fire on federally managed rangeland are equal to 50 percent of the monthly feed cost for the number of days the producer is prohibited from grazing the managed rangeland, not to exceed 180 calendar days.

- Livestock Indemnity Program (LIP**):** provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather or by attacks by animals reintroduced into the wild by the Federal Government. LIP payments are equal to 75 percent of the average fair market value of the livestock.

- Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP**):** provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease (including cattle tick fever), adverse weather, or other conditions, such as blizzards and wildfires, not covered by LFP and LIP. Total payments are capped at $20 million in a fiscal year.

- Tree Assistance Program (TAP): provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines damaged by natural disasters.

FEEDSTOCK FLEXIBILITY PROGRAM (FFP)

Congress reauthorized the FFP in the 2014 Farm Bill through fiscal year 2018, allowing for the purchase of sugar to be sold for the production of bioenergy in order to avoid forfeitures of sugar loan collateral under the Sugar Program.

NON-FARM BILL PROGRAMS

The following programs continue under laws other than the 2014 Farm Bill.

Emergency Conservation Program (ECP)

ECP is authorized by Title IV of the Agricultural Credit Act of 1978, Section 401 (P.L. 95-334) (16 U.S.C. 2201). ECP provides emergency cost-share assistance to farmers and ranchers to help rehabilitate farmland and ranchland damaged by natural disasters and to carry out water conservation measures during periods of severe drought. Cost-share assistance may be offered only for emergency conservation practices to restore land to a condition similar to that existing prior to the natural disaster.

Emergency Forest Restoration Program (EFRP)

EFRP is authorized by Title IV of the Agricultural Credit Act of 1978, Section 407 (16 U.S.C. 2206). EFRP was established to provide financial and technical assistance to owners of non-industrial private forest land damaged by natural disaster to carry out emergency measures to restore damaged forests and rehabilitate forest resources.

Farm Storage Facility Loan Program (FSFL)

FSFL provides low-interest financing for producers to build or upgrade farm storage and handling facilities.

Sugar Storage Facility Loan Program (SSFL)

SSFL provides low-interest financing for processors to build or upgrade farm storage and handling facilities for raw or refined sugar.

Commercial Warehouse Activities

In FY 2018 the functions of the United States Warehouse Act (USWA), first enacted in 1916 and reauthorized by the Grain Standards and Warehouse Improvement Act of 2000, P.L. 106-472, were transferred to the USDA Agricultural Marketing Service (AMS).

AGENCY STRUCTURE

FSA delivers its programs through more than 2,100 USDA Service Centers, 50 State offices, and an area office in Puerto Rico. FSA has headquarters offices in Washington, DC, two field offices in Kansas City, an office in Salt Lake City, and a field office in St. Louis servicing farm loan programs. Personnel at the Washington headquarters office are responsible for program policy decisions, program design, and program oversight. Personnel at the Washington headquarters office and the Kansas City, Missouri complex are responsible for financial management, IT support for program delivery, and commodity operations. FSA is part of the newly organized Farm Production and Conservation (FPAC) mission area which includes the Natural Resources Conservation Service and Risk Management Agency.

FSA's permanent, full-time, end-of-year Federal employment as of September 30, 2017, was 3,954. FSA non-Federal permanent employment in USDA Service Centers was 6,962. The total number of Federal and non-Federal permanent full time positions in the Washington, DC headquarters office was 1,130 and the total number in the field offices was 9,786.

OIG Reports – Completed

06401-0008-11	11/09/17	CCC's Balance Sheet for Fiscal Year 2017
50601-0003-22	01/27/17	Coordination of USDA Farm Program Compliance – FSA, RMA and NRCS

OIG Reports – In Progress

03601-0002-31	Agriculture Risk Coverage and Price Loss Coverage Programs
03601-0002-41	FSA Commodity Purchases for International Food Assistance Programs
50024-0003-22	Adjusted Gross Income Compliance Verification Process

GAO Reports – Completed

GAO Reports – In Progress

102339	Federal Economic Adjustment Assistance Programs

FARM SERVICE AGENCY

Available Funds and Staff Years
(Dollars in thousands)

Item	2016 Actual		2017 Actual		2018 Estimate		2019 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Salaries and Expenses:								
Discretionary Appropriations	$1,200,180	9,161	$1,206,110	9,123	$1,179,741	9,040	$920,490	7,080
Mandatory Appropriations								
Supplemental Appropriations								
ACIF Program Account:								
FSA S&E and FPAC Business Center Transfer	306,998	2,174	306,998	2,182	304,913	2,214	282,517	2,098
Subsidy	69,575	-	89,962	-	89,351	-	77,347	-
Individual Development Grants	-	-	-	-	-	-	-	-
Admin. Expenses Non-Recoverable Loan Costs (PLCE)	7,920	-	10,070		10,002	-	10,070	-
State Mediation Grants	3,404	-	3,904		3,877	-	3,228	-
Grassroots Source Water Protection Program	6,500	-	6,500		6,456	-	-	-
Reforestation Pilot Program	600	-	600		596	-	-	-
Geog. Disadvantaged Farmers and Ranchers	1,996	-	1,996		1,982	-	-	-
Emergency Conservation Program	17,000	-	131,629		28,651	-	-	-
Emergency Conservation Program (Stafford)	91,000	-	-	-	-	-	-	-
Subtotal Appropriations	1,705,173	11,335	1,757,769	11,305	1,625,569	11,254	1,293,652	9,178
Transfers In:	-	-	-	-	-	-	-	-
Credit Reform Transfers:								
CCC Export Loans Program Account	354	3	2,463	23	2,446	23	335	3
P.L. 480 Program Account	2,528	21	149	1	148	1	142	1
Margin Protection Program Fees	-	-	1,323	-	1,000	-	-	-
Congresssional Relations	135	-	150	-	-	-	-	-
Transfers Out	-4,782	-	-	-	-	-	-	-
Adjusted Appropriation	1,703,408	11,359	1,761,854	11,329	1,629,163	11,278	1,294,129	9,182
Balance Available, SOY S&E	33,647	-	17,322	-	37,000	-	-	-
Balance Available, SOY Emergency Forest Restoration	-	-	-	-	-	-	-	-
Other Adjustments (Margin Protection Program)	-	-	-	-	-	-	-	-
Total Available	1,737,055	11,359	1,779,176	11,329	1,666,163	11,278	1,294,129	9,182
Lapsing Balances	-2,988	-	-13,584	-	-	-	-	-
Balance Available, EOY (S&E)	-19,282	-	-37,000	-	-	-	-	-
Balance Available, EOY (Emergency Forest Restoration)	-	-	-	-	-	-	-	-
Obligations	1,714,785	11,359	1,728,592	11,329	1,666,163	11,278	1,294,129	9,182
Obligations under other USDA appropriations:								
Foreign Agricultural Service	4,714	22	4,893	15	4,413	12	-	-
Risk Management Agency	2,501	15	2,585	11	2,800	10	-	-
Food & Nutrition Service	-	-	-	-	-	-	-	-
Agricultural Marketing Service	1,024	8	910	6	603	2	-	-
Natural Resources Conservation Service	1,028	6	1,879	2	1,321	2	-	-
Flying Contracts	10,392	-	10,661	-	14,266	-	-	-
Farm Bill	4,323	-	1,177	-	-	-	-	-
CCC to Administer P.L. 480 Title II Grants	7,089	48	5,779	26	-	-	-	-
Miscellaneous	26,251	6	16,306	8	4,148	5	-	-
Total, Other USDA	57,322	105	44,190	68	27,551	31	-	-
Total, Agriculture Appropriations	1,772,107	11,464	1,772,782	11,397	1,693,714	11,309	1,294,129	9,182
Other Federal Funds:								
Sale of Aerial Photographs	605	6	757	2	945	3	-	-
Warehouse Examinations	3,297	29	3,500	21	-	-	-	-
Total, Other Federal	3,902	35	4,257	23	945	3	-	-
Non-Federal Funds								
Loan Service Fee Financing	1,858	33	1,239	33	1,239	33	1,239	33
Producer Measurement Service	938	13	1,554	13	1,554	13	1,554	13
Farm Bill	27,943	644	1,999	51	-	-	-	-
Miscellaneous	1,822	2	1,712	2	1,992	2	1,970	2
Total, Non-Federal	32,561	692	6,504	99	4,785	48	4,763	48
Total, FSA	1,808,570	12,191	1,783,543	11,519	1,699,444	11,360	1,298,892	9,230

FARM SERVICE AGENCY

Permanent Positions by Grade and Staff Year Summary
2016 and 2017 Actuals and Estimated 2018 and 2019

Item	2016 Actual			2017 Actual			2018 Estimates			2019 President's Budget		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive Service…	14	0	14	12	0	12	12	0	12	12	0	12
Senior Level………………	0	0	0	0	0	0	0	0	0	0	0	0
GS 15……………………	59	47	106	64	0	64	59	47	106	59	47	106
GS 14……………………	146	6	152	151	1	152	146	6	152	146	6	152
GS 13……………………	410	368	778	399	356	755	379	350	729	379	350	729
GS 12……………………	306	907	1,213	271	877	1,148	306	780	1,086	306	780	1,086
GS 11……………………	103	465	568	92	505	597	103	465	568	103	465	568
GS 10……………………	0	0	0	0	0	0	0	0	0	0	0	0
GS 9……………………	62	317	379	61	342	403	66	238	304	66	238	304
GS 8……………………	22	36	58	19	41	60	25	23	48	25	23	48
GS 7……………………	46	664	710	48	603	651	46	664	710	46	664	710
GS 6……………………	7	70	77	7	64	71	7	70	77	7	70	77
GS 5……………………	8	87	95	6	43	49	8	87	95	8	87	95
GS 4……………………	12	0	12	0	3	3	12	0	12	12	0	12
GS 3……………………	0	0	0	0	0	0	0	0	0	0	0	0
GS 2……………………	0	0	0	0	0	0	0	0	0	0	0	0
Other Graded Positions......	3	0	3	2	209	211	8	1	9	8	1	9
Total Permanent Positions.	1,198	2,967	4,165	1,132	3,044	4,176	1,177	2,731	3,908	1,177	2,731	3,908
Total, Permanent Full-Time Employment, end-of-year....................	1,164	2,968	4,132	1,130	2,837	3,967	1,017	2,955	3,972	276	2,526	2,802
Total Staff-Year Estimate	**1,147**	**2,951**	**4,098**	**1,157**	**2,961**	**4,118**	**1,017**	**2,955**	**3,972**	**276**	**2,526**	**2,802**

FARM SERVICE AGENCY
Size, Composition, and Cost of Motor Vehicle Fleet

1/ The passenger motor vehicles are used by County office employees -County Executive Directors, Program Technicians, Farm Loan Managers, Farm Loan Officers, Real Estate Appraisers and Farm Loan Program Technicians as well as State Office Level Employees – State Executive Directors, Program Chiefs and Program Specialists, County Office Reviewers (COR), Administrative Officers/Executive Officers and Administrative Specialists.

FSA County office employees use vehicles to meet with farmers and ranchers on-site at their operations to perform a variety of functions to deliver Farm Programs and Farm Loan Programs (FLP) services. County office employees of FSA conduct on-site program compliance and crop inspections; real estate appraisals and inspections; and chattel appraisals and inspections. FLP employees will meet on-site with farmers and ranchers to develop projected and actual cash flows as part of the loan making and loan servicing processes. County office FSA employees use vehicles to attend outreach functions, other public meetings, attend training and travel between county offices while on detail or performing duties in shared management office situations. State office level employees use vehicles to attend outreach functions, public meetings, attend and perform training. They also travel to the county office to meet with County office employees, perform administrative functions and program reviews.

2/ Changes to the motor vehicle fleet.

For FY 2018, there is a planned disposal of one Sedan/Wagon for a net loss of one vehicle. No planned disposals from FY 2018 to FY 2019.

3/ Replacement of passenger motor vehicles. There is no proposed replacement of motor vehicles for FY 2018 or FY 2019.

4/ Impediments to managing the motor vehicle fleet. There are no identified impediments to managing the motor vehicle fleet in the most cost-effective manner.

5/

Fiscal Year	Number of Vehicles by Type *								Annual Operating Costs ($ in 000) **
	Sedans and Station Wagons	Light Trucks, SUVs, and Vans		Medium Duty Vehicles	Ambu-lances	Buses	Heavy Duty Vehicles	Total Number of Vehicles	
		4X2	4X4						
2016 Actuals	347	284	85	0	0	0	2	718	$3,669
Change	0	0	0	0	0	0	0	+0	530
2017Actuals	347	284	85	0	0	0	2	718	$4,199
Change	-1	0	0	0	0	0	0	-1	+62
2018 Estimate	346	284	85	0	0	0	2	717	$4,261
Change	0	0	0	0	0	0	0	0	0
2019 Estimate	346	284	85	0	0	0	2	717	$4,261

* Numbers include vehicles owned by the agency and leased from commercial sources or GSA.

** Excludes acquisition costs and gains from sale of vehicles as shown in FAST.

FARM SERVICE AGENCY
Shared Funding Projects
(Dollars in thousands)

	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
Working Capital Fund:				
Administration:				
HR Enterprise System Management	154	154	241	350
Integrated Procurement System	297	298	474	477
Mail and Reproduction Management	1,260	670	724	729
Material Management Service Center	217	273	271	276
Procurement Operations Division	179	67	78	104
Subtotal	2,107	1,462	1,788	1,936
Communications:				
Creative Media & Broadcast Center	297	754	487	342
Finance and Management:				
National Finance Center	5,115	4,886	9,403	9,474
Financial Management Services	14,574	7,142	6,354	6,546
Internal Control Support Services	549	644	628	629
Subtotal	20,238	12,672	16,385	16,649
Information Technology:				
National Information Technology Center	25,826	23,093	21,519	21,519
Client Technology Service	85,681	91,487	81,310	87,724
Subtotal	111,507	114,580	102,829	109,243
Correspondence Management	393	382	343	370
Total, Working Capital Fund	**134,542**	**129,850**	**121,832**	**128,540**
Departmental Shared Cost Programs:				
1890's USDA Initiatives	389	442	389	389
Advisory Committee Liaison Services	-	6	7	7
Classified National Liaison Services	63	64	128	128
Continuity of Operations Planning	246	243	219	219
Emergency Operations Center	288	280	242	242
Facility and Infrastructure Review and Assessment	53	54	47	47
Faith-Based Initiatives and Neighborhood Partnerships	47	48	41	41
Hispanic-Serving Institutions National Program	216	233	205	205
Honor Awards	9	-	8	8
Human Resources Transformation	189	200	182	182
Identity & Access Management (HSPD-12)	831	801	697	697
Intertribal Technical Assistance Network	377	359	319	319
Medical Services	97	82	96	96
People's Garden	79	77	68	68
Personnel Security Branch (formerly PDSD)	175	213	163	163
Preauthorizing Funding	458	434	384	384
Retirement Processor/Web Application	71	70	62	62
TARGET Center	177	175	150	150
USDA 1994 Program	85	95	81	81
Virtual University	244	240	206	206
Total, Departmental Shared Cost Programs	**4,094**	**4,116**	**3,694**	**3,694**
E-Gov:				
Budget Formulation and Execution Line of Business	11	11	12	12
Enterprise Human Resources Intergation	241	241	224	224
E-Training	398	-	-	-
Financial Management Line of Business	17	12	12	12
Human Resources Management Line of Business	34	33	33	33
Integrated Acquisition Environment	468	937	956	1,032
Integrated Acquisition Environment - Loans and Grants	-	-	-	-
Disaster Assistance Improvement Plan	43	42	42	42
E-Rulemaking	36	2	2	2
Geospatial Line of Business	23	13	13	13
GovBenefits.gov	127	98	100	101
Grants.gov	-	-	1	-
FOIA				2

FARM SERVICE AGENCY
Shared Funding Projects
(Dollars in thousands)

	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
Total, E-Gov	**1,398**	**1,389**	**1,395**	**1,473**
Agency Total	**140,034**	**135,355**	**126,921**	**133,707**

FARM SERVICE AGENCY

The estimates include appropriation language for this item as follows (new language underscored: deleted matter enclosed in brackets):

Salaries and Expenses (Including Transfers of Funds):

For necessary expenses of the Farm Service Agency, [$1,179,741,000]$920,490,000 Provided, **[**That not more than 50 percent of the $100,851,000 made available under this heading for information technology related to farm program delivery, including the Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) and other farm program delivery systems, may be obligated until the Secretary submits to the Committees on Appropriations of both Houses of Congress a plan for expenditure that (1) identifies for each project/investment over $25,000 (a) the functional and performance capabilities to be delivered and the mission benefits to be realized, (b) the estimated lifecycle cost, including estimates for development as well as maintenance and operations, and (c) key milestones to be met; (2) demonstrates that each project/investment is, (a) consistent with the Farm Service Agency Information Technology Roadmap, (b) being managed in accordance with applicable lifecycle management policies and guidance, and (c) subject to the applicable Department's capital planning and investment control requirements; and (3) has been reviewed by the Government Accountability Office and approved by the Committees on Appropriations of both Houses of Congress: Provided further, That the agency shall submit a report by the end of the fourth quarter of fiscal year 2016 to the Committees on Appropriations and the Government Accountability Office, that identifies for each project/investment that is operational (a) current performance against key indicators of customer satisfaction, (b) current performance of service level agreements or other technical metrics, (c) current performance against a pre-established cost baseline, (d) a detailed breakdown of current and planned spending on operational enhancements or upgrades, and (e) an assessment of whether the investment continues to meet business needs as intended as well as alternatives to the investment: Provided further,**]** That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: Provided further, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: Provided further, That funds made available to county committees shall remain available until expended **[**: Provided further, That none of the funds available to the Farm Service Agency shall be used to close Farm Service Agency county offices: Provided further, That none of the funds available to the Farm Service Agency shall be used to permanently relocate county based employees that would result in an office with two or fewer employees without prior notification and approval of the Committees on Appropriations of both Houses of Congress**]**.

The first change proposes deletion of the language included in the 2017 Enacted, specifying the funding levels for MIDAS and farm program delivery as well as the request for a project/investment expenditure plan.

The second change proposes deletion of the language included in the 2017 Enacted, prohibiting office closures and limiting employee relocations. These restrictions limit FSA’s ability to respond to changing customer needs and program delivery methods.

FARM SERVICE AGENCY

Lead-Off Tabular Statement

Salaries and Expenses

Budget Estimate, 2019		$1,187,403,000
2018 Annualized Continuing Resolution		1,505,428,000
Change in Appropriation		-318,025,000
Adjustment in 2018:		
2018 Annualized CR	$1,505,428,000	
Activities Transferred to AMS a/	18,180,000	
Adjusted Base for 2018		$1,487,248,000
2018 Annualized CR		1,187,403,000
Change in Appropriation		-299,845,000

a/ In FY 2018, FSA will transfer the international commodity procurement and warehouse functions to the Agricultural Marketing Service (AMS) totaling $18.180 million and 139 (82 direct and 57 reimbursable) Staff years

FARM SERVICE AGENCY

Project Statement
Adjusted Appropriations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2016 Actual		2017 Actual		2018 Estimates		2019 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Appropriations:								
Total Appropriations………………....	$1,510,060	11,359	$1,515,720	11,329	$1,487,249	11,278	$1,187,403	9,182
Rescissions and Transfers:..........................								
Program Transfers……………………...	-4,782	-	-	-	-	-	-	-
Farm Loan Programs...........................	-306,998	-2,174	-306,998	-2,182	-304,913	-2,214	-266,436	-2,098
Other Credit Programs	-2,882	-24	-2,612	-24	-2,594	-24	-477	-4
Total Program Transfers	-314,662	-2,198	-309,610	-2,206	-307,508	-2,238	-266,913	-2,102
Total Appropriation…………………..	1,195,398	9,161	1,206,110	9,123	1,179,741	9,040	920,490	7,080
Transfers In:...								
Cong. Relations………………………...	135	-	150	-	-	-	-	-
Margin Protection Program Fees……......	-	-	1,323	-	1,000	-	-	-
Credit Reform Transfers…………………	309,880	2,198	309,610	2,206	307,508	2,238	266,913	2,102
Subtotal…………………………………	310,015	2,198	311,083	2,206	308,508	2,238	266,913	2,102
Transfers Out:..	-	-	-	-	-	-	-	-
Rescission………………………..............	-	-	-	-	-	-	-	-
Sequestration…………………................	-	-	-	-	-	-	-	-
Bal. Available, SOY………………………..	33,647	-	17,322	-	37,000	-	-	-
Balance Available, ...	-	-	-	-	-	-	-	-
SOY (Emergency Forest Resortation).....	-	-	-	-	-	-	-	-
Recoveries, Other (Net)……………………	-	-	-	-	-	-	-	-
Total Available…………………………	1,539,060	11,359	1,534,515	11,329	1,525,249	11,278	1,187,403	9,182
Lapsing Balances………………………......	-2,988	-	-13,584	-	-	-	-	-
Bal. Available, EOY…………………….........	-19,282	-	-37,000	-	-	-	-	-
Balance Availablle.......................................	-	-	-	-	-	-	-	-
EOY (Emergency Forest Resortation).....	-	-	-	-	-	-	-	-
Total Obligations………………………	1,516,790	11,359	1,483,931	11,329	1,525,249	11,278	1,187,403	9,182

FARM SERVICE AGENCY

Project Statement
Obligations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2016 Actual		2017 Actual		2018 Estimate		Inc. or Dec.		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Obligations:										
Direct Obligations………......................	$1,206,910	9,161	$1,174,321	9,123	$1,217,741	9,040	-$297,251	-1,960	$920,490	7,080
Farm Loan Program.………...................	306,998	2,174	306,998	2,182	304,913	2,214	-38,477	-116	266,436	2,098
Other Credit Programs..........................	2,882	24	2,612	24	2,594	24	-2,117	-20	477	4
Total Transfer Obligations................	309,880	2,198	309,610	2,206	307,508	2,238	-40,595	-136	266,913	2,102
Total Obligations.......................................	1,516,790	11,359	1,483,931	11,329	1,525,249	11,278	-337,846	-2,096	1,187,403	9,182
Lapsing Balances.......................................	2,988	-	13,584	-	-	-	-	-	-	-
Bal. Available, EOY..................................	19,282	-	37,000	-	-	-	-	-	-	-
Total Available......................................	1,539,060	11,359	1,534,515	11,329	1,525,249	11,278	-337,846	-2,096	1,187,403	9,182
Transfers In..	-309,880	-2,198	-309,610	-2,206	-307,508	-2,238	+40,595	+136	-266,913	-2,102
Cong. Relations………………………...	-135	-	-150	-	-	-	-	-	-	-
Margin Protection Program Fees……….	-	-	-1,323	-	-1,000	-	-	-	-	-
Transfers Out...	-	-	-	-	-	-	-	-	-	-
Rescission..	-	-	-	-	-	-	-	-	-	-
Sequestration..										
Bal. Available, SOY...................................	-33,647	-	-17,322	-	-37,000	-	+37,000	-	-	-
Bal. Available, ...	-	-	-	-	-	-	-	-	-	-
SOY(Emergency Forest Restoration).....	-	-	-	-	-	-	-	-	-	-
Other Adjustments (Net)............................	-	-	-	-	-	-	-	-	-	-
Total Appropriation...............................	1,195,398	9,161	1,206,110	9,123	1,179,741	9,040	-260,251 -	-1,960	920,490	7,080

Justification of Increases and Decreases

A net decrease of $299,846,000 and 2,096 staff years for Farm Service Agency Salaries and Expenses ($1,487,249,000 and 11,278 direct staff years available in FY 2018)

The Budget proposes $1.2 billion to support Federal and non-Federal staffing. FSA organizational changes, part of the USDA reorganization announced by Secretary Perdue, are reflected in the 2019 Budget, including the transfer of staff and funding to the Farm Production and Conservation (FPAC) Business Center and the Agricultural Marketing Service (AMS).

The FPAC Business Center will consolidate administrative and IT functions of the Farm Service Agency, Natural Resources and Conservation Service, and the Risk Management Agency. More specifically, FPAC Business Center will be responsible for financial management, budgeting, human resources, information technology, acquisitions/procurement, customer experience, internal controls, risk management, strategic and annual planning, and other mission-wide activities. A total of $131,458,000 will be transferred from FSA to the newly formed FPAC Business Center, of which $115,377,000 is from FSA's Salaries and Expenses account and $16,081,000 is from the Agricultural Credit Insurance Fund (ACIF). FSA will also realign a total of 832 staff years which consist of 650 from headquarters and 182 from state offices.

Savings will be achieved through a number of streamlining efforts that will reduce the cost of program delivery, while maintaining customer service. Streamlining efforts include headquarter and field organizational realignment and strategic reductions in staff years throughout FSA. In addition, reductions in operating expenses and information technology investments will be made. Finally, increased funding will be provided to expand customer self-service for conservation, farm loans and farm programs through a common web portal. This portal, jointly managed by FSA and NRCS, would serve as a launch point for farmers and ranchers to apply for programs and access customer information across the mission area.

1) A net decrease of $211,807,000 and 1,136 Staff Years for Federal Offices ($821,077,000 and 3,938 staff years available in 2018)

   a. A decrease of $139,327,000 and 1,136 Staff Years for salaries and benefits ($436,156,000 and 3,938 staff years available in 2018)

      1. A decrease of $32,572,000 and 340 Staff Years for salaries and benefits

         FSA will continue streamlining efforts and realigning of personnel to further reduce federal staffing in FY 2019 by 340 staff years between headquarters and state offices. FSA will continue streamlining efforts and/or realignment of personnel to accomplish mission critical functions to support program delivery to farmers and ranchers.

      2. A decrease of $106,755,000 and 796 Staff Years for salaries and benefits

         Under the newly organized Farm Production and Conservation (FPAC) mission area, all mission support functions for FSA, NRCS and RMA are being aligned to the new FPAC Business Center. FSA will realign a total of 832 (796 direct and 36 reimbursable) staff years which consist of 650 from headquarters and 182 from state offices.

   b. A decrease of $26,671,000 in operating expenses

      1. A decrease of $13,656,000 in operating expenses

         FSA will transfer $13,656,000 to the FPAC business center in FY 2019 for operating costs required to support the 796 staff years.

2. A decrease of $13,015,000 in operating expenses

Federal operations cover everything from headquarters oversight to field office farm loan program activity. Although FSA's loan portfolio continues to grow and mandatory programs are not diminishing, FSA is working to further reduce operating costs. Reductions in FSA staffing in FY 2019 will result in savings in operating expenses. FSA will continue to look at potential cost saving measures through more efficient use of travel, contract services and postage.

c. A decrease of $7,285,000 in rent

FSA will transfer $7,285,000 to the FPAC business center in FY 2019 for GSA rental space associated with the 796 staff years to be transferred to the FPAC Business Center.

d. A decrease of $38,524,000 for Information Technology ($306,468,000 available in 2018).

The funding change is requested for the following items:

1. An increase of $5,000,000 for FPAC Information Portal

The FPAC mission area is working to deliver significant enhancements to overall USDA customer experience. The FPAC Information Portal will provide USDA customers with ready access to information, educational materials, technical support and programs opportunities by way of the Information Portal. Customers will be offered the opportunity to engage directly with USDA to transact business online. They will benefit from a modern and streamlined transactional portal allowing access to multiple USDA programs currently offered across multiple agency-specific websites, all in one place.

FSA recognizes the importance of technology in delivering its programs, and will continue to focus IT investments to ensure that we have the tools required to provide improved customer service. Within the overall IT investment, FSA will focus on the customer portal.

Working under the guidance of the FPAC Mission Area's Customer Experience group and in concert with NRCS and RMA, FSA will focus on customer experience strategies that address the desires and expectations of all three agencies. This will include key performance indicators, documenting and measuring the quality of customer experience delivery and dashboard display. Development will be completed in two phases:

Phase 1 of the FPAC portal includes strengthening and enhancing functionality on a shared customer-facing web portal project including web application to initiate NRCS and FSA programs and a user-authenticated environment.

Phase 2 of the FPAC portal includes the connection of a common customer database to the customer-facing web portal.

IT architects from FSA and NRCS are engaged with business owners in a review of the processes, systems and data to identify opportunities for alignment and reduced duplication. As an example, FSA and NRCS can move to a common geospatial database to increase data availability, improve efficiency, and increase the consistency and reliability of disaster recovery services.

2. A decrease of $11,929,000 for operations and maintenance of IT systems

To more effectively plan and manage information technology operations and maintenance costs, FSA increased visibility into efforts to continually improve IT solutions to support current and updated business needs in response to legislative, regulatory, policy, and business functional changes. Updates to FSA's process for identifying, authorizing and managing information technology work decreases operations and maintenance costs and allows funds to be directed to strategic modernization efforts and thoughtful, targeted enhancements supporting continuous program enablement.

In addition, FSA improved oversight of its inventory of hardware and software equipment supporting operations in headquarters, state and county offices. FSA is able to reduce excess equipment from the inventory which decreases future costs. FSA also is updating its equipment management policies to align use of government equipment to the requirements of job functions which will further eliminate unnecessary costs

3. A decrease of $27,833,000 Farm Program Modernization

FSA realized operational efficiencies in MIDAS, including consolidation of operational support expenditures such as program management, operations, hosting costs and data management, and a reduction of contract administration fees. FSA strategically halted new development in FY 2015 to allow a third-party analysis to determine if the current enterprise solution provides the necessary functionality and is the most cost effective modernization solution. Based on the third-party analysis, an alternatives analysis was completed in FY 2017. The future direction of the MIDAS investment will be determined based on the alternatives analysis.

4. A decrease of $3,762,000 of IT related costs from Working Capital Fund

FSA will transfer funding to the FPAC Business Center in FY 2019 for IT related cost for Working Capital Fund associated with the 796 staff years transferred to the FPAC Business Center.

2) A net decrease of $88,039,000 and 960 staff years for Non - Federal Offices ($666,172,000 and 7,340 staff years available in FY 2018)

a. A decrease of $79,639,000 in salaries and benefits and 960 Staff Years

To ensure adequate workforce distribution and alignment of personnel in high priority positions, FSA will continue streamlining efforts or realignment of personnel to still continue to accomplish mission critical functions to support program delivery to farmers and ranchers.

b. A decrease of $8,400,000 in operating expenses

FSA reduced operating cost due to reduction in full time staff years. FSA will be able to maintain current levels of service in administering mandatory programs. Current reduction will allow travel requirements necessary to ensure the safety and security of federal programs, as well as providing postage services required to send out newsletters to farmers and ranchers. Supplies and equipment levels will be sufficient to continue providing adequate levels essential to conduct program administration.

FARM SERVICE AGENCY

Geographic Breakdown of Obligations and Staff Years

(Dollars in thousands and Staff years (SY's))

State/Territory	2016 Actual Amount	2016 Actual Staff Years	2017 Actual Amount	2017 Actual Staff Years	2018 Estimate Amount	2018 Estimate Staff Years	2019 President's Budget Amount	2019 President's Budget Staff Years
Alabama………………	$17,247	191	$18,448	189	$16,935	189	$14,902	164
Alaska…………………	1,074	9	963	8	1,055	8	928	8
Arizona………………	4,280	46	4,319	44	4,203	44	3,698	40
Arkansas………………	20,994	250	22,634	251	20,615	251	18,801	216
California………………	14,491	165	14,734	151	14,229	151	12,520	141
Caribbean………………	4,181	37	4,398	36	4,105	36	3,612	34
Colorado………………	12,743	140	13,895	143	12,513	143	11,241	121
Connecticut……………	1,511	18	1,834	19	1,484	19	1,306	16
Delaware………………	1,719	17	1,639	17	1,688	18	1,485	15
District of Columbia….	615,139	1,026	524,047	1,066	639,881	983	407,471	276
Florida…………………	9,934	110	11,027	105	9,755	106	8,583	95
Georgia………………	25,372	315	26,954	300	24,914	301	21,922	272
Hawaii…………………	3,117	30	3,246	31	3,061	32	2,693	26
Idaho…………………	11,859	131	12,694	130	11,645	131	10,246	113
Illinois…………………	43,204	516	46,216	519	42,424	520	37,329	445
Indiana…………………	29,554	368	31,724	345	29,020	342	25,535	317
Iowa……………………	48,969	652	53,493	607	48,084	608	42,310	561
Kansas…………………	41,310	512	44,296	481	40,564	482	35,692	440
Kentucky………………	29,128	347	30,514	330	28,602	331	25,167	300
Louisiana………………	16,735	189	17,716	181	16,433	182	14,459	163
Maine…………………	5,401	54	5,465	53	5,303	54	4,667	46
Maryland………………	6,375	65	6,555	68	6,260	69	5,508	56
Massachusetts…………	3,203	34	3,271	33	3,145	34	2,767	29
Michigan………………	21,188	245	22,699	247	20,805	248	18,307	211
Minnesota……………	36,558	382	39,321	435	35,898	436	31,587	329
Mississippi……………	22,099	224	23,634	245	21,700	246	19,094	193
Missouri………………	37,200	390	38,893	424	36,528	425	32,141	336
Montana………………	19,613	203	20,907	216	19,259	217	16,946	174
Nebraska………………	36,379	400	38,838	423	35,722	424	31,432	345
Nevada…………………	2,212	22	2,483	22	2,172	23	1,911	19
New Hampshire………	2,018	20	2,086	19	1,982	20	1,744	18
New Jersey……………	3,488	31	3,809	35	3,425	36	3,014	26
New Mexico…………	6,718	73	7,075	70	6,597	69	5,804	63
New York………………	15,876	176	16,839	177	15,589	177	13,717	152
North Carolina……….	28,786	337	29,997	332	28,266	332	24,871	290
North Dakota…………	27,170	324	28,615	304	26,679	304	23,475	279
Ohio……………………	27,314	304	28,728	317	26,821	318	23,600	262
Oklahoma………………	28,344	329	28,884	319	27,832	319	24,490	283
Oregon…………………	9,611	91	9,925	99	9,437	99	8,304	78
Pennsylvania…………	16,413	190	17,180	187	16,117	187	14,181	164
Rhode Island…………	957	9	1,027	8	940	9	827	8
South Carolina……….	12,584	140	13,307	143	12,357	144	10,873	121
South Dakota…………	29,294	344	31,047	329	28,765	330	25,310	297
Tennessee………………	23,186	258	25,329	265	22,767	266	20,033	222
Texas……………………	60,330	724	66,359	689	59,240	690	52,126	623
Utah……………………	7,379	72	7,798	78	7,246	79	6,376	62
Vermont………………	4,566	44	4,763	43	4,484	45	3,945	38
Virginia………………	16,955	189	17,955	182	16,649	183	14,649	163
Washington……………	10,331	116	10,839	114	10,144	115	8,926	100
West Virginia…………	8,576	88	9,006	86	8,421	87	7,410	75
Wisconsin………………	27,756	344	29,659	343	27,255	344	23,982	296
Wyoming………………	6,349	68	6,847	71	6,234	72	5,486	59
Obligations…………	1,516,790	11,359	1,483,931	11,329	1,525,249	11,278	1,187,403	9,182
Lapsing Balances……..	2,988		13,584					
Bal. Available, EOY ….	19,282		37,000					
Total, Avail or Est…….	1,539,060	11,359	1,534,515	11,329	1,525,249	11,278	1,187,403	9,182

FARM SERVICE AGENCY

Classification by Objects

(Dollars in thousands)

		2016 Actual	2017 Actual	2018 Estimates	2019 President's Budget
Personnel Compensation:					
	Washington D.C.	$100,896	$104,100	$102,767	$85,224
	Field	214,793	207,620	212,649	137,878
11	Total personnel compensation	315,689	311,720	315,416	223,102
12	Personal benefits	111,331	119,645	120,740	73,726
13.0	Benefits for former personnel	398	0	0	0
	Total, personnel comp. and benefits	427,418	431,365	436,156	296,829
Other Objects:					
21.0	Travel and transportation of persons	12,149	8,021	9,370	3,318
22.0	Transportation of things	1,832	1,898	2,010	1,392
23.1	Rental payments to GSA	24,831	26,198	25,525	18,204
23.2	Rental payments to others	3,505	3,659	3,659	3,695
23.3	Communications, utilities, and misc. charges	44	159	159	159
23.3	Postage	5,786	3,383	6,153	146
24.0	Printing and reproduction	1,090	540	1,222	-
25	Other contractual services	367,867	336,275	351,449	282,978
25.3	Other purchases of goods and services from Federal sources (DHS)	3,352	3,413	3,186	2,006
26.0	Supplies and materials	1,160	1,122	1,230	328
31.0	Equipment	797	1,645	958	215
41.0	Grants	666,959	666,253	684,172	578,132
42.0	Insurance claims and indemnities	0	0	0	0
43.0	Interest and dividends	0	0	0	0
	Total, Other Objects	1,089,372	1,052,566	1,089,093	890,573
99.9	Total, new obligations	1,516,790	1,483,931	1,525,249	1,187,403

	2016 Actual	2017 Actual	2018 Estimates	2019 President's Budget
Position Data:				
Average Salary (dollars), ES Position	$173,214	$173,222	$175,690	$175,690
Average Salary (dollars), GS Position	$77,535	$76,795	$77,889	$77,889
Average Grade, GS Position	11.0	11.0	11.0	11.0

SALARIES AND EXPENSES

Status of Programs

Current Activities:

FSA's major program areas are:

- **Farm Loans** – FSA's farm loan programs provide direct loans or loan guarantees to family farmers who could not otherwise obtain commercial credit. The programs improve access to capital and mitigate market losses, including those resulting from disasters, and thus contribute to the success of farms and ranches, a market-based agriculture sector, and thriving agricultural communities.
- **Income Support and Disaster Assistance** – FSA's income support and disaster assistance programs are key components of USDA's efforts to provide America's farmers and ranchers with an economic safety net to help them maintain their operations during difficult times. The programs mitigate market losses, including those resulting from disasters, and thus contribute to the success of farms and ranches, a market-based agriculture sector, and thriving agricultural communities. The programs also contribute to affordable food and fiber, a secure supply of quality food and fiber, and effective domestic and international food aid.
- **Conservation** – FSA conservation programs help maintain and enhance the nation's natural resources and environment. Certain conservation programs mitigate losses from natural disasters and thus contribute to the success of farms and ranches, a market-based agricultural sector, and thriving agricultural communities. The programs target land to maximize conservation benefits and contribute to quality soil, water, wildlife habitat, and air.

Administrative Efficiencies

Commodity Credit Corporation (CCC) Audit. CCC as a corporation has been audited since the early 1990's. The corporation has a long history of clean audits, despite the complexity of accounting for farm programs, each with unique qualifications and terms. The auditor gave an unmodified (clean) opinion on the CCC balance sheet for FY 2017.

Improper Payments and Related Compliance (Based on FY 2017 Review Cycle). The FY 2017 Improper Payment Information Act (IPIA) Review Cycle included a statistical sample of the following programs designated as high risk: Emergency Conservation Program-Hurricane Sandy (ECP-Sandy), Emergency Forest Restoration Program-Hurricane Sandy (EFRP-Sandy) (designated as high risk by Hurricane Sandy legislation), Loan Deficiency Payments (LDP), Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), Supplemental Revenue Assistance Payments (SURE), Noninsured Crop Disaster Assistance (NAP) and Agriculture Risk Coverage and Price Loss Coverage (ARC/PLC) programs.

All programs reported a projected improper payment rate of less than 10 percent. The ECP-Sandy Program was not statistically sampled due to zero outlays for the FY 2017 IPIA Review Cycle. In addition, LDP and LFP programs reported estimated improper payment rates of 1.70 percent and 3.14 percent respectively, less than the FY 2017 target rates of 3.00 percent and 4.00 percent, respectively.

Also, in coordination with Office of Management and Budget (OMB) and Office of the Chief Financial Officer (OCIO), FSA reviewed, performed risk assessment and/or statistically sample several major programs – Agriculture Risk Coverage and Price Loss Coverage (ARC/PLC) and the Margin Protection Program for Dairy (MPP-Dairy). All were determined low risk including ARC/PLC which reported an estimated improper payment rate of 0.73 percent for the FY 2017 IPIA Review Cycle.

Furthermore, the now former high risk programs ECP-Sandy, EFRP-Sandy, LIP and SURE were categorized as low risk during the FY 2017 IPIA Review Cycle. The programs demonstrated that each had at least two consecutive years of improper payments below the Improper Payment Elimination and Recovery Act (IPERA) threshold. Along with the required assertion from the Office of the Inspector General, FSA was granted approval and the ECP-Sandy, EFRP-Sandy, LIP and SURE four programs were relieved from annual improper payment reporting requirements by the Office of Management and Budget (OMB). The programs will continue to be reviewed annually in accordance to OMB regulations.

Moreover, FSA has systematically integrated the Social Security Administration (SSA) Private Death Master File (DMF) which supports pre-payment verification of Farm Program Payments. The integration prevents payments to individuals identified as deceased, until eligibility is confirmed by FSA County Office staff. FSA has also established access to Treasury's Do Not Pay (DNP) Portal for pre-award and pre-payment verification under certain conditions. The DNP Portal is a centralized system of multiple data sources to assist in determining whether an award or payment is proper or improper.

Independent Review of Workload. The Consolidated and Further Continuing Appropriations Act of 2015 directed FSA to conduct an independent review of FSA's workload analysis methods and determine a clear path forward to ensure that the agency continues to provide the highest level of customer service. FSA subsequently contracted with the National Academy of Public Administration (NAPA) to conduct the independent review.

NAPA published the independent review in September 2016. The review provided recommendations to FSA to further improve the existing processes. NAPA's review of FSA's customer service found that the agency enjoys a strong reputation for customer service. NAPA has found as part of their study that FSA's in-person service delivery model faces a number of significant challenges including budget constraints, increasing workload from ever changing mandates, increasing efforts to focus more intensively on outreach to historically underserved customer groups, changes in technology, and customer service delivery preferences, among others.

The report provided several major recommendations: 1) Improve the efficiency and quality of in-person service delivery, while developing online/self-service delivery options; 2) Adapt programs, delivery and outreach to meet the needs of historically underserved and new/beginning producers; 3) Institutionalize an integrated agency-wide approach to customer service; 4) Build workforce capacity and skills; and 5) Improve workload analysis.

FSA has conducted a review of these recommendations and begun researching, prioritizing and implementing recommendations 1-4 in the report. To address recommendation #5 in the report, a dedicated project management team was established in 2016 to manage the development, communications and feedback on the workload analysis and staffing model. A senior-level governance process was established in April 2016 with the implementation of the charter and establishment of the Managerial Cost Accounting Working Group in June 2016. In FY 2017, FSA focused on improving workload measurement tools and inputs to the staffing model as well as improving workload analytics, documentation, communications, and obtaining employee feedback on the model inputs and analytical tools. This included the design, development and rollout of workload analytics tools for each state down to the county level, the roll-out of enhanced employee training and communications on our cost accounting tracking system, and continued integration of the advisory working group into the workload process. In FY 2018, FSA is building on this infrastructure; focusing on leveraging workload (program outputs and staff usage) information to further refine and validate the agency's staffing model, improve performance and support data-driven decision making to maximize service delivery to our farmers, ranchers and procedures. We will continue to build on existing workload analysis reporting tools and have already begun a pilot nationwide workload analysis tool for the headquarters management team. The FSA cost accounting team is a key lead on the FPAC National Workload team to leverage and maximize each agency's workload measurement tools and methodologies.

Outreach and Education. FSA has strengthened program education and stakeholder engagement efforts. State and county offices participated in over 21,408 activities nationwide in FY 2017, educating producers on FSA programs and USDA initiatives such as New Farmers, Veterans in Ag, StrikeForce, Know Your Farmer, and Urban and Organic Agriculture. The three New/Beginning Farmer Coordinators, headquartered in FSA's GA, NM and KY State Offices, assisted state outreach coordinators with beginning farmer outreach, by providing support and cross–cutting customer service training to enhance partnerships and initiatives listed below.

Cooperative Agreements. In FY 2017, FSA entered into 45 cooperative agreements with non-federal entities to focus additional outreach and education to producers in underserved areas who could benefit from the additional outreach to: (1) increase access to FSA programs and services; and (2) improve technical assistance and financial education related to FSA farm and farm loan programs. Over $2.5 million was awarded in FY 2017 to nonprofits having 501(c)(3) status with the IRS and public and State controlled institutions of higher education to provide additional outreach for producers including new and beginning farmers, veterans, underserved communities, and /or established producers. Cooperative agreements between $35,000 and $99,999 were awarded to non-federal entities providing outreach, technical, or financial assistance for the benefit of every state.

Strike Force. FSA's strategic goal for StrikeForce was to increase farm loan outreach efforts in order to increase the number of applications in farm loan programs in order to expand credit and financial assistance to farmers and landowners, particularly women, minority and beginning farmers, through farm loans and microloans. Within StrikeForce areas, FSA planned to increase the number of direct, guaranteed, and microloan applications by 268 each year for a total of approximately 5,914 applications by FY 2017. FSA exceeded that goal and issued 8,210 direct loans in FY 2017 in Strikeforce counties. 6,224 of those were direct loans to Socially Disadvantaged (SDA)/Beginning Farmers (BFs). FSA guaranteed 1,673 loans in StrikeForce counties with 864 of those made to SDA/BFs. FSA required States and Counties to target StrikeForce areas by emphasizing FSA's Outreach goal to: conduct activities to increase participation in USDA programs/events by underserved audiences.

New/Beginning Farmers, Know Your Farmer Know Your Food, Organic Champions, White House Initiative on Asian American and Pacific Islanders, Native American Working Group, Environmental Justice and other initiatives. FSA partnered with the Department and other agencies on various initiatives to provide targeted outreach that supports the focus of each of these initiatives. FSA is the pre-cursor to participate in majority of USDA farm programs, therefore educating producers is vital in improving and increasing access to USDA programs. In FY 2017, FSA entered into an MOU with SCORE to provide Agricultural mentors to new and existing farmers. FSA also partnered with SBA in an interagency agreement $235K to collaborate on a mentorship initiative that will expand mentorship opportunities through case studies and data development/analysis of how mentoring supports new farmers. FSA also partnered with the Office of Tribal Relations (OTR) to provide $200K towards the completion of Ag curriculum for tribal youth. Outreach activities to increase access to USDA programs included: webinars, stakeholder discussions, reporting analysis and providing facilitated referrals to other USDA agencies.

Producers are not always aware of the cross cutting USDA programs available to assist them, such as extending their growing seasons or obtaining USDA program information in their native language. Examples of some of the activities conducted across the nation include: webinars with local and organic producers to educate them of Ag leadership opportunities available in their local communities by serving on an FSA County Committee; USDA Tribal Summits with tribal producers to educate them on various USDA programs and grants available to benefit tribal reservations; and stakeholder meetings to educate AAPI partners of the new translation service available in all county offices. These types of outreach activities conducted with non-USDA participating producers helped increase program education and access that supported the mission of these Departmental initiatives.

Bridges to Opportunity (Bridges). Bridges is an FSA service that provides customers access to a wide range of agricultural resources, referrals to agricultural experts, and facilitates collaboration among USDA agencies and local partners to enhance the value of service to farmers, ranchers, and the agricultural community. Delivery of this service is enabled by a customer relationship management application on a software-as-a-service platform provided by Salesforce.com. Customers are provided a comprehensive summary of their visit, which contains the agricultural resources and referrals they requested, and fulfills the congressionally mandated Receipt for Service requirement. Leveraging FSA's relationships with its nearly two million regular customers, Bridges involves working with other USDA agencies and non-federal partners to provide farmers and ranchers with information on topics that include organic production, beginning farmer resources, integrated pest management, disaster assistance, conservation practices, agricultural education courses, loans, grants, and other information, and financial assistance that can benefit and grow farming and ranching operations.

Providing the Bridges service to a regular FSA customer may occur when the customer calls or visits the office to complete routine FSA program business. Through the visit, the customer may inquire about other agricultural information or assistance that may help in their farming operation, beyond the scope of traditional FSA programs and services. The FSA employee, using the Bridges application, is able to quickly search and compile resources to provide to the customer, including but not limited to fact sheets, Web sites, videos, and other information provided by USDA and external partners; identify and provide contact information for or referrals to organizations and individuals with helpful expertise; and provide information on upcoming agricultural events in the area. FSA's role in compiling agricultural resources give the customer a head start on finding precisely what they need.

Bridges also is highly effective in reaching target audiences that may have been previously underserved, such as new and beginning farmers or agriculturally-based ethnic communities. In this scenario, a person who is looking for basic information on how to get into agriculture can call or visit an FSA office, and the FSA employee can use the Bridges application to search, find, compile, and deliver pertinent information to the customer. This type of service departs from FSA's traditional eligibility based programs and services, and allows FSA to help existing and new customers in ways that go beyond FSA's existing programs. Bridges repositions FSA as the connector, or bridge, between the customer seeking assistance to the organization or individual that has the expertise to help them, from within USDA and non-federal organizations.

With the reorganization of FSA, NRCS, and RMA into the Farm Production and Conservation (FPAC) mission area, USDA is building on the success of the Bridges service as the accelerator to provide a more robust, customer-centric application to be used by all FPAC agencies for customer engagement and improved service. This will include online customer self-service components, mobile access, and enhanced customer service through USDA Service Centers. With this transition, FPAC has approved that the Bridges service will be incorporated into the expanded customer relationship management application that employees, partners, and customers will use. The transition to the FPAC platform will occur in phase over the coming year.

<u>Modernize and Innovate the Delivery of Agricultural Systems (MIDAS).</u> MIDAS is an extensive information technology (IT) modernization effort to produce a secure, modern IT system that supports web-based farm program delivery and integrated business processes. Through MIDAS, farm and customer (farmer, rancher, and producer) data is centralized and integrated, providing a host of benefits to farmers and the USDA. MIDAS Farm Records and Business Partner applications are used every day in over 2,100 FSA offices to manage 5 million farms with 8.1 million tracts and 38 million fields. Several USDA agencies also utilize MIDAS for customer information, and the data from these systems is accessed by the majority of FPAC's automated systems.

Per an FY 2016 FSA IT independent assessment of FSA's MIDAS, recommended by OIG and mandated by Congress, FSA conducted an Analysis of Alternatives (AoA) to present recommendations for the best path forward for existing MIDAS applications. The results of this analysis are pending investment decisions by the current Administration. FSA continues to implement small, incremental functionality improvements to existing functionality.

With the reorganization of FSA, NRCS, and RMA into a single FPAC Mission Area, FSA will engage across the Mission Area to ensure that future plans for MIDAS align to future integration, consolidation, and modernization efforts in support of FPACs collective customers and ensure achievement of FPAC mission objectives through cost-efficient implementation of technology. Future changes to MIDAS will be considered within the context of how to best position FPAC and FSA for continued success in utilizing technology and innovation to optimize and bolster the delivery of mission programs and optimize investments in rural areas through the use of technology.

<u>Acreage Crop Reporting Streamlining Initiative (ACRSI)</u>. ACRSI is an interagency effort that includes Farm Service Agency (FSA) and Risk Management Agency (RMA). Through the recent establishment of an interagency Data Sharing Agreement (MOU) data can now be shared securely between FSA and Natural Resource Conservation Service (NRCS). ACRSI began as a data reconciliation and policy alignment effort which was accelerated due to mandates within the 2014 Farm Bill. Traditionally, producers have been required to report crop and acreage information separately to both FSA and their crop insurance provider. ACRSI is designed to reduce duplicative crop reporting of common acreage information, allowing producers to report data once that is common to multiple agencies saves time and reduces the reporting burden and costs to producers.

Between the spring of 2015 and today, four successful phases were completed proving the capabilities of the newly created ACRSI Clearinghouse. Each phase expanded capabilities to include additional geographic areas and/or additional crops as shown here:

- Spring Pilot 2015, 2 states, 30 counties, 9 crops
- Fall Pilot 2015, 15 states, all counties, 9 crops
- Spring Release 2016, all 50 states, all counties, 13 crops
- Fall Release 2016, all 50 states, all counties, 17 crops

ACRSI is now fully implemented. Crop and acreage data that is common to FSA and RMA is successfully and securely shared in near-real time for approximately 94% of all acres reported in the US. FSA and RMA continue working together to include additional crops and to fully define data standards and reporting protocols that can be published and shared with industry to create additional reporting opportunities for producers. The ACRSI team is also working to further leverage the geospatial planting data captured by a producers' precision agriculture equipment. The added capability will allow the producer to create acreage reports from their precision agricultural (precision ag) data which could be transmitted to FSA and RMA and shared with NRCS as needed, further reducing the reporting burden on producers.

FSA Programs, Activities and Workload Indicators

FSA programs, activities, and workload indicators in FY 2017 are outlined in the following pages:

Common activities. A certain number of processes must be initiated for new producers and maintained for existing producers who receive loans and/or payments from FSA programs:

- Personal, contact and location information must be collected and maintained.
- Bank information must be collected and Direct Deposit records established.
- Delegation of Authority forms may be signed by a producer to designate a person with signing authority in the producer's absence. In the case of entities, persons with signing authority must be designated.
- Determinations must be completed for Payment Limitation, Adjusted Gross Income, Highly Erodible Land and Wetland Conservation, Sod Buster/Swamp Buster and Cash Rent Tenant Rule. This information must be reviewed, verified or revised annually or when changes occur. For multi-county producers these processes are completed in the producer's home county and information is passed on to all other applicable county offices.
- Acreage reports must be filed each year in order for producers to participate in many of the major programs. This consists of reporting planted crop, number of acres, planting date and intended use for each field within each tract of cropland and reporting any changes to grassland, on the producer's farm(s).
- If any Fruits and/or Vegetables (OFAVs) are reported, employees must then perform certain calculations to determine whether a violation has occurred, the severity of said violation (whether it be a Reporting Violation or a Planting Violation), and determine whether any monetary penalty applies. If a monetary penalty is applied to the contract, the participant(s) is notified in writing and provided with a copy of the OFAV Report.
- Prior to issuing payments, overpayment, receivable and claim records must be accessed and analyzed to determine whether the payment may be released to the producer. Payments processed through the National Payment Service must be reviewed and certified by one employee and approved by a second party.
- All programs require that a certain number of producers are spot checked for compliance with program rules and regulations including farming practices, weed control, verification of planted acres, quantity and quality of commodities under farm-stored loans. In most cases this requires a farm visit; however some spot checks are completed using digital photography.
- Data-matching processes that utilize information from the IRS and SSA are integrated into the producer compliance and program payment processes as internal controls to prevent the issuance of improper payments to deceased program participants and participants with incomes in excess of income limitations.
- Changing ownership, operators, or other tenants on a farm record to reflect the most current and up to date information for a farm each fiscal year. Changes to the farm structure to align with FSA definition of a "farm" through the reconstitution process where farms are either combined or divided from a parent farm resulting in child farm(s) with new unique farm number(s).

Producer compliance and payment eligibility information collected and maintained by FSA are made available through a web service for use by other USDA agencies. The NRCS and the RMA use and rely on this information in the administration of conservation and crop insurance programs.

Farm Loans

FSA provides several loan programs for beginning, socially disadvantaged, and family size farmers delivered through FSA county service centers.

Direct Farm Loan Programs. The loan staff in service centers receive applications for direct loan assistance and processes each application according to applicable statutes, FSA regulations, and other Federal program requirements. Loan staff provides the applicant with detailed information on FSA's loan programs and assistance in completing the application, if necessary.

Farm Loan Officers determine whether an applicant is eligible for assistance based on general and specific program requirements, and ensure that there is adequate collateral for loans when they are made. Farm Loan Officers work with applicants to develop an individualized farm business plan that considers the unique characteristics of the applicant, their farm, and other resources, to determine whether an applicant can repay the loan. They also provide technical assistance and credit counseling when applicants do not meet eligibility requirements or are not creditworthy, in order to help them correct problems and become eligible in the future.

All through the process, the service center staff communicate with the applicant both in person and by correspondence to ensure that he or she is up-to-date on the processing of the application. Once the loan is approved, funds are obligated, paperwork is completed, and the loan is closed. After the loan is closed, the farm loan staff provide technical assistance and supervision by visiting the farm, inspecting collateral and assessing the operation's progress, offering advice and expert referrals when necessary. The service center staff take receipt of loan repayments and process them through the established FSA payment system.

If a borrower becomes distressed or delinquent on repaying the loan, the farm loan staff may be able to provide assistance by offering the borrower a number of servicing options. They notify the borrower of the availability of loan servicing options, and when a borrower applies, they process the application required for loan servicing based on the option chosen by the borrower. The farm loan staff will assist a borrower in developing a servicing application, determine eligibility for this benefit, and explain other options if loan restructuring is not feasible.

In 2017, activity under the Agricultural Credit Insurance Fund included:

Number of direct loans.. 28,813
Dollar value of direct loans.. $2,343,280,899

Guaranteed Farm Loan Programs. In the case of FSA guaranteed loans, a commercial lender will submit an application to the FSA service center on behalf of their applicant with a request for a guarantee on the loan against loss. The service center works with the commercial lender to process the guarantee. Guaranteed loans are the property and responsibility of the lender. The lender and applicant complete the Application for Guarantee and submit it to the FSA Service Center in their lending area. The FSA farm loan officer reviews the application for eligibility, repayment ability, adequacy of collateral, and compliance with other regulations, and if the applicant meets those requirements, the guarantee is approved. The service center issues the lender a conditional commitment outlining the terms of the loan guarantee and indicates that the loan may be closed. The lender closes the loan and advances funds to the applicant (borrower), after which the service center staff issues the guarantee. The lender makes the loan and services it to maturity. If the loan defaults, the lender is responsible for foreclosure and liquidation. In the event the lender suffers a loss, FSA will reimburse the lender according to the terms and conditions specified in the guarantee.

In 2017, activity under the Agricultural Credit Insurance Fund included:

Number of guaranteed loans... 9,604
Dollar value of guaranteed loans... $3,645,499,806

State Mediation Grants (SMG): Program helps agricultural producers, their lenders and other persons directly affected by the actions of USDA resolve disputes or conflicts. Funding is provided in the form of a grant to designated State's mediation program.

In FY 2017, SMG activity included:

Number of Grants made to States…………………...40
Dollar value of grants.. $3,904,000
Amount of SMG payments issued... $3,799,000

Income Support and Disaster Assistance

Price Loss Coverage (PLC) provides payments to producers on farms and commodities that have elected and enrolled in PLC for crop years 2014 through 2018. PLC payments are authorized for a covered commodity when the effective price for the commodity is less than the reference price of the commodity.

The effective price for a covered commodity is determined by the higher of the following:

- The national average market price received by producers during the 12-month marketing year for the covered commodity as determined by the Secretary; or

- The national average loan rate for a marketing assistance loan for the covered commodity in effect for the applicable marketing year.

The payment rate for a covered commodity is the difference between the reference price and effective price, as determined above. If the difference between the reference price and the effective price is determined to be zero or negative, no payment will be issued.

Payments will be made as soon as practical after October 1 in the year following the applicable marketing year for the covered commodity. Employees review all documentation provided, i.e. recorded deeds, signed leases, partnership agreements, Articles of Incorporation, Trust papers, to determine proper vesting and the percentage of shares each applicant has in the contract. All land owned and/or operated by a participant is properly identified. Property is delineated, correct acreage is verified, and all maps are printed. Contract information is entered into the system. All shares are applied to each participant based on ownership of land and applicable lease agreement. All participant signatures are obtained, and the contract is approved by the county committee or designee. Final payments are issued once a year, the timeline varies dependent upon the crops enrolled. FY 2017 PLC payments were for the 2015 crop year.

In FY 2017, PLC activity included:

Number of 2017 payments………………………………………………………………………...681,453
Dollar value of PLC payments made……………………………………………………..... $1,952,649,915

Agriculture Risk Coverage (ARC) provides payments to producers on farms and commodities that have elected and enrolled in ARC for crop years 2014 through 2018. The ARC program provides producers an option to earn payments to protect against declines in market revenue. Current producers on the farm must elect ARC during the designated election period and then annually enroll the farm from the 2014 crop year to the conclusion of the 2014 Farm Bill. The producer must provide proof of cash lease or share crop information. Employees review all documentation provided, i.e. recorded deeds, signed leases, partnership agreements, articles of incorporation, trust papers, to determine proper vesting and the percentage of shares each applicant has in the contract. All land owned and/or operated by a participant is properly identified. Property is delineated, correct acreage is verified, and all maps are printed. Contract information is entered into the system. All shares are applied to each participant based on ownership of land and applicable lease agreement. All participant signatures are obtained, and the contract is approved by the county committee or designee. Final payments are issued once a year, the timeline varies dependent upon the crops enrolled. FY 2017 ARC payments were for the 2015 crop year.

In FY 2017, ARC activity included:

Number of 2017 payments…………………………………………………………………….... 1,796,317
Dollar value of ARC payments made…………………………………………………..…. $5,992,305,017

Cotton Transition Assistance Program (CTAP) provides assistance to producers on farms with upland cotton base acres. This assistance bridges the gap between direct program payments for upland cotton and the implementation of the Stacked Income Protection Plan (STAX) administered by the Risk Management Agency. CTAP was only authorized for the 2014 and 2015 crop years, and therefore will not be available for the 2016 crop year. Most cotton-producing counties and cotton producers had STAX for the 2015 crop year and were not eligible for CTAP. For crop year 2015, CTAP payments were issued in FY 2016. Payments made in FY 2017 were used for errors, omissions and appeals for previous fiscal years.

In FY 2017, CTAP activity included:

Number of 2017 payments…………………………………………………………………………...1,039
Dollar value of CTAP payments made……………………….…………………………………......$956,934

Average Crop Revenue Election (ACRE) program provides producers an option to earn payments to protect against declines in market revenue. To enroll, the producer completed an application which enrolled the farm from the current year to the conclusion of the 2008 Farm Bill. Producers were allowed to elect to enroll in either ACRE or DCP for the 2013 crop.

There are two payments issued in the ACRE program: 1) the Direct Payment which is based on the base acres on the farm, and 2) the ACRE payment which is calculated using the current year yield and must meet both the State and Farm Trigger. The ACRE payment is issued two years after the crop year. Effective with the 2014 Farm Bill, ACRE is no longer an active program. FY 2017 activity is residual payments related to prior crop years.

In FY 2017, ACRE activity included:

Total number of ACRE payments…...50
Dollar value of ACRE payments made ……………………………………………………….…......$253,243

Marketing Assistance Loans (MALs) offer producers interim financing at harvest time enabling them to meet their cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. MALs allow producers to delay the sale of their commodity until more favorable market conditions emerge, and they allow for more orderly marketing of commodities throughout the year. MALs are available for producers to receive loan funds using commodities as collateral. Both farm-stored and warehouse-stored commodities are available. The county office employee accepts an application which includes producer information, commodity type, certification of farm-stored bushels or hundredweights, or a warehouse receipt, and storage location. Producer eligibility and the amount of the commodity pledged must be verified. FSA prepares lien documents and requires the first lien position on all of the loan commodity. A review must be completed to determine if other liens have been previously filed on the commodity and waivers must be prepared and other lien-holders signatures obtained. Multi-county producers' MALs must be verified with other county offices to ensure that the collateral is not used for multiple loans. MALs mature in 9 months and producers may make a single or multiple repayments during the loan period. A certain amount of farm-stored loans require a spot-check inspection which includes measuring and sampling the commodity in each storage facility under loan. If the commodity is not in storable condition the producer is notified to take action or settle the loan. If producers are delinquent on a loan it may convert to a receivable and steps may be required to take physical possession of the grain to settle the debt.

Loan Deficiency Payments (LDPs) are payments to producers who, although eligible to obtain a MAL, agree to forgo the loan in return for a payment on the eligible commodity. The LDP amount is the difference between the county loan rate and CCC-determined value for the applicable commodity times the eligible harvested quantity. Although not subject to liens, all of the other steps for a MAL must be completed which includes being subject to spot-check for quantity and quality of the commodity. Producer certified LDPs may require the producer to provide production evidence to support the LDP quantity. This may be submitted in the form of sales records or may require an employee to complete a paid farm-stored measurement service to determine that the quantity in storage supports the certified quantity.

In FY 2017, MAL and LDP activity included:

Commodity	Marketing Assistance Loans		Loan Deficiency Payments (LDPs)	
	Number of Loans	Dollar Value ($000)	Number of LDP's	Dollar Value ($000)
Corn c/	18,876	$1,689,795	0	0
Grain Sorghum c/	258	6,360	0	0
Barley c/	431	15,596	0	0
Oats c/	54	552	0	0
Wheat	6,048	229,326	23,450	$52,201
Rice c/	3,400	302,359	0	0
Cotton a/ c/	9,379	2,588,235	68	50
Soybeans	7,629	529,523	0	0
Minor Oilseeds c/	313	26,399	0	0
Sugar b/	446	1,175,081	0	0
Peanuts c/	13,376	809,738	0	0
Honey c/	89	3,904	0	0
Pulse Crops c/	159	8,164	0	0
Wool d/	1	4	5	0
Mohair d/		0	2	0
Total	**60,459**	**7,385,035**	**23,525**	**52,251**

a/ Reflects loans made through the county offices. In addition, loans are made through cooperative associations; the number of those loans is not available.

b/ LDP's are not available for sugar.

c/ There was no LDP activity for corn, grain sorghum, barley, oats, rice, cotton, minor oilseeds, peanuts, pulse crops and honey. Minus (-) indicates credit adjustment to the program.

d/ Payments were made, but when rounded, total is zero.

Farm Storage Facility Loans (FSFL) allows producers of eligible commodities to obtain low-interest financing to build, acquire and/or upgrade on-farm, new or used and permanently affixed or portable storage, handling facilities, and storage and handling trucks for all CCC Charter Act commodities, plus hay, renewable biomass, fruits and vegetables (including nuts), milk, rye, maple sap, honey, meat, poultry, eggs, cheese, butter, yogurt, aquaculture, floriculture, and hops they produce. FSA employees meet with applicants to review the proposed acquisition, construction or renovation project. FSFL collateral must be used for the purpose the facility was acquired and/or constructed for the entire FSFL term. An eligibility review is necessary to determine if the producer produces an eligible FSFL commodity and has a need for storage or other eligible FSFL components.. Additionally, county office employees must determine if the proposed project is compliant with local land use laws, zoning and evaluate the potential environmental impacts. The requested loan amount is evaluated to determine credit worthiness of the applicant and whether the applicant's expected cash flow shows any debt exposure that could impact the applicant's ability to make their annual installments. Loan amounts exceeding $100,000, or aggregate loan balances exceeding $100,000, require additional security to be pledged to ensure repayment of the loan in the form of real estate lien or a letter of credit. Prior to loan approval it must be determined that environmental conditions of the construction site will not place CCC at risk and the required security is obtained. When construction is complete and all documents necessary to disburse the loan are received, the county office perform a final inspection and schedule a loan closing with the applicant. Once disbursed, FSFL's require annual servicing (repayments) to collect installment amounts for the applicable 3, 5 7, 10, or 12 year terms of the loan. Annual servicing responsibilities include verifying multi-peril crop insurance or NAP automobile insurance, structural insurance, flood insurance, and ensuring the Universal Commercial Code (UCC) financing statement is current and the structure or FSFL collateral is being maintained and used for its intended purposes. Applicants may apply for a FSFL microloan when the applicant's aggregate outstanding FSFL balance does not exceed $50,000. The applicant may self-certify to the storage need and loan terms for a FSFL microloan are 3, 5, or 7 years. CCC's objectives in carrying out its FSFL program is to help producers finance needed storage and handling facilities, and storage and handling trucks and equipment to be used for their own production.

In FY 2017, FSFL program activities included:

Farm Storage Facility Loans Closed...…………...……………………………………………………….549
Amount of Farm-Storage Facility Loans.. $214,971,032

Margin Protection Program for Dairy (MPP-Dairy) is a voluntary risk management program for dairy producers authorized by the 2014 Farm Bill through calendar year 2018. MPP-Dairy offers protection to dairy producers when the difference between the all milk price and the average feed cost –"the margin"-- falls below a certain dollar amount selected by the producer. To be eligible for MPP-Dairy, a dairy operation must produce and commercially market milk from cows located in the United States, provide proof of milk production at the time of registration, and not be enrolled in the Risk Management Agency's Livestock Gross Margin for Dairy program (LGM-Dairy). Eligible operations must register for coverage at the Farm Service Agency (FSA) office where their farm records are maintained by establishing a production history; paying the $100 administrative fee; and paying any applicable premium. An administrative fee of $100 is required to be paid for each covered year through the duration of the MPP-Dairy program. Participating dairy operations establish their production history upon initial registration and all producers in the participating dairy operation must provide adequate proof of the dairy operation's quantity of milk marketed commercially. All information provided is subject to verification and spot checked by FSA. Catastrophic Coverage (CAT) of $4 margin coverage level at 90 percent of the established production history requires no premium payment, but the dairy operation must pay the $100 administrative fee. For increased protection, dairy operations may annually select a percentage of coverage from 25 to 90 percent of the established production history in five percent increments and a coverage level threshold from $4.50 to $8.00 in 50 cent increments. Coverage election must be made prior to the end of the annual election period. After the initial year of registration, failure to make an election results in the coverage level defaulting to the CAT level of 90 percent at $4 margin. Dairy operations may only select one coverage level percentage and coverage level threshold for the applicable calendar year. All producers in the participating dairy operation with a share and risk in the milk marketing must agree to the coverage elected on the contract, and the operation must pay an applicable premium based on the level of coverage elected.

In FY 2016, FSA amended current regulations to allow dairy operations to update their production history when a son, daughter, grandchild, or spouse of a child or grandchild of a current producer participating in the MPP-Dairy program joins the operation, clarify that dairy operations that purchase buy-up coverage on less than 90 percent of their milk production history will also receive catastrophic (CAT) coverage on their remaining production up to the statutory limit of 90 percent of their production history, and set a later final premium payment due date and allow greater flexibility such as allowing producers to have the premium deducted, on a monthly basis, from the check they receive from their milk processor.

In FY 2017, MPP-Dairy activity included:

Number of payments………………………………...123
Amount of MPP-Dairy payments...$356,669

Non-Insured Crop Disaster Assistance Program (NAP). A producer obtains coverage by completing a NAP Application for Coverage by the application closing date applicable to their crop(s) and paying the applicable service fee. For 2009 and subsequent years the service fees are $250 per crop, $750 per county or $1875 per multi-county producer. Coverage was limited to 50 percent of the yield and 55 percent of the price prior to 2015.

Beginning in 2015, additional levels of coverage are available at 50/100, 55/100, 60/100, and 65/100 (yield/price). In the event a natural disaster causes damage to a NAP covered crop, a Notice of Loss must be filed within 15 calendar days after the disaster occurrence, or the date damage to the crop first became apparent. The county office will schedule a loss adjuster to visit the farm to perform an appraisal if the crop will not be harvested or if the producer intends to destroy the crop. Actual production will be used to determine loss if crop is taken to harvest. The County Committee reviews, and approves or disapproves the notice of loss and notifies the producer. The producer files an application for payment once an appraisal or harvest is complete and total production records are obtained. The deadline for filing an Application for Payment is no later than the immediately subsequent crop year acreage reporting date for the crop. Beginning in 2015, producers will be required to file an application for payment within 60 days of the harvest end date. The Program Technician, County Executive Director (CED) and/or District Director reviews the producer's application and production evidence and calculates the payment amount to be presented to the COC for action. The NAP payment is issued within 30-calendar days from the later of: the date the State Office has approved national crop data for the county, or the date the producer signs, dates, and submits a properly completed application for payment.

In FY 2017, NAP activity included:

Number of actual production history records completed for NAP... 77,306
Number of NAP applications for coverage..65,848
Amount of NAP payments issued..$157,156,832

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency relief to producers of livestock, honey bees, and farm-raised fish that have suffered eligible losses due to an eligible adverse weather event or loss condition. County office employees assist producers in filing applications by the established deadline. Eligibility requirements for livestock, honeybees and farm-raised fish must be determined. The employee collects disaster information provided by the producer such as date and location for eligible adverse weather events and loss conditions. Completed applications must be approved by the applicable County Committee. Upon approval by the County Committee, County Office employees must enter payment data into the ELAP database. After all application data is loaded for a specific program year, the National Office determines if requested program benefits exceeds the funding limitation of $20 million each fiscal year and if a national payment factor will be applied to payments.

In FY 2017, ELAP activity included:

Number of 2017 ELAP payments…………..………………….………………………...….……………………2,477
Dollar value of ELAP payments…….……………………………………………….……………...$18,222,667

Livestock Forage Disaster Program (LFP) provides assistance to livestock producers who suffer grazing losses due to drought or fire. County office employees assist producers with filing an application by the established deadline. Eligibility requirements for livestock must be determined. Proof of Federal Crop Insurance for the forage must be provided, or proof of participation in the Non-Insured Crop Disaster Assistance Program for the grazing land incurring losses. Completed applications must be approved by the applicable County Committee. Upon approval by the County Committee, payments are then issued through the National Payment Service.

In FY 2017, LFP activity included:

Number of 2017 LFP payments……………………………………………………………………….88,487
Dollar value of LFP payments……………..$350,708,774

Livestock Indemnity Payment (LIP) provides assistance to producers for livestock deaths that result from disaster. County office employees provide information and application support to producers.

In FY 2017, LIP activity included:

Number of 2017 LIP payments………………………………………...…………………………….…….3,406
Dollar value of LIP payments …………………………………….…………………………… $25,065,796

Tree Assistance Program (TAP) has provided financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines damaged by natural disasters. County office employees provide information and application support for producers.

In FY 2017, TAP activity included:

Number of 2017 TAP payments…………..531
Amount of TAP payments ………………………………………..$6,911,951

Tobacco Transition Payment Program (TTPP). TTTP established a revenue program to for FY 2005 through FY 2014 to purchase tobacco allotments that were in place prior to the buyout. During the summer of 2015, FSA closed-out the 10-year TTPP that over the course of its lifespan provided billions of dollars of benefits to former Tobacco Program quota holders.

Reimbursement Transportation Cost Payment for Geographically Disadvantaged Farmers and Ranchers Program (RTCP) reimburses geographically disadvantaged producers for a portion of the transportation cost for transporting their agricultural commodity, or inputs used to produce an agricultural commodity, during a fiscal year. County Office employees provide information and application support for producers. In FY 2017, $1.996 million in payments were made to producers. County office employees provide information and application support for producers.

Commodity Operations

Commodity Operations supports farmers through a variety of programs which are essential to promoting agricultural production and food security. This includes the establishment of posted county prices for use in loan-making activity, the purchase and delivery of commodities for foreign aid, and marketing and management of CCC inventory.

CCC-owned Inventories, Storage and Handling: The Commodity Credit Corporation (CCC) took title to approximately 18.9 million bushels of wheat, three thousand bushels of oats, and 55.7 million pounds of peanuts during FY 2017. Remaining ending inventory is 2,988,283 pounds of corn meal, 221,643 bushels of grain sorghum, 17,729 bushels of wheat, 11,024 cwt. of rice, 55,593,140 pounds of peanuts, 4,444,514 pounds of blended foods, 252,407 cwt. of peas, and 20,683,745 pounds of vegetable oil products.

Economic Adjustment Assistance Program for Domestic Users of Upland Cotton: The 2014 Farm Bill authorized USDA to provide economic adjustment assistance to domestic users of upland cotton in the form of payments. In FY 2017, $42.1 million was paid to domestic users of upland cotton to support U.S. manufacturing infrastructure.

Extra-Long Staple (ELS) Cotton Competitiveness Program: The ELS Program did not “trigger” during FY 2017. The domestic price of ELS cotton remained above the statutorily defined limit of 134 percent of the loan rate.

Foreign Food-Aid Humanitarian and Developmental Assistance Programs: In FY 2017, FSA procured more than 1,550 tons of grains, processed grain products, vegetable oil, pulses (such as dried beans, peas and lentils), and other products valued at approximately $503 million for food assistance programs throughout the world.

Market Rates/Posted County Prices (PCPs): Extensive market research is done on a daily basis to value 23 commodities that are eligible under the Marketing Assistance Loan (MAL) program. Over 160,000 prices are calculated daily to establish PCPs, based on market research. This process is directly tied to the Farm Bill, and is used by other components of USDA.

Warehouse Activities

The objective of CCC in carrying out its warehouse activities is to make efficient use of commercial facilities in the storage of CCC-owned commodities, and to license warehouses under the United States Warehouse Act (USWA). Activities under USWA will be administered by the Agricultural Marketing Service (AMS) beginning in 2018.

Licensing Activities: In FY 2017, 816 United States Warehouse Act (USWA) licenses were in effect at 3,263 locations. There were 60 staff years, which includes Federal examiners, used in administering the Federal licensing of warehouses under the USWA, performing audits for CCC programs, performing quality assurance reviews at suppliers facilities and review of on-site examinations at 1,210 grain, 256 cotton, 79 peanut, and 101 miscellaneous commodity warehouses. In addition, CCC storage agreement onsite examinations were performed at 110 grain, 174 cotton, 3 miscellaneous, and 62 sugar commodity warehouses.

In accordance with the Grain Standards and Warehouse Improvement Act of 2000, user fees were charged for warehouse examination services for warehouses licensed under the USWA.

Storage Agreement Activities: In FY 2017, CCC had storage agreements with about 2,100 commercial warehouse operators in over 6,300 locations in the United States for the storage of Government-owned and loan grain and rice, cotton, peanuts, sugar and processed commodities.

The capacities of the warehouses with CCC storage agreements in FY 2017 were as follows: 9.2 billion bushels of grain and rice; 19.6 million bales of cotton; 3.7 million short tons of peanuts; 14.0 billion pounds of sugar, and 46.2 million pounds of processed (dry). Grain, rice, and cotton warehouses that are not licensed under the USWA may be assessed fees for CCC storage agreement; the collection of these fees is currently suspended.

Conservation

Emergency Conservation Program (ECP**)** is administered subject to availability of funds. After a disaster event occurs, the County Office Committee (COC) assesses whether the damage meets the minimum requirements of the program. The COC and County Executive Director (CED) consult with state committee to obtain concurrence before approving the disaster damage for cost-share assistance. COC and CED ensure the county practice and component cost data is up-to-date, accept applications from producers and determine individual land eligibility based on on-site inspections of damaged land and. CED performs needs determinations on practices and refers certain applications to technical agencies. COC and CED determine the cost share amount for approval, the sufficiency of signatures and authority of persons signing in a representative capacity, the value of contributions of each person or legal entity involved in performing a practice. COC and CED determine whether completing a component is a reasonable attainment toward completing the conservation practice and prescribe the time for practice completion. COC and CED compute cost share to payee, approve payments to producers, determine division of payment between contributors and perform spot checks.

In FY 2017, ECP activity included:

Number of ECP payment……………..16,024
Amount of ECP payments issued.. $57,067,063

Hazardous Waste Management Program: Carbon tetrachloride, formerly used as a pesticide to treat stored grain, has been detected above the United States Environmental Protection Agency (U.S. EPA) Maximum Contaminant Level in groundwater samples taken at numerous former CCC grain storage facilities. Current environmental liability posed by these sites is estimated to exceed $50 million. CCC does not ordinarily receive an annual appropriation from the USDA Hazardous Materials Management Account (HMMA) and normally relies solely on its Section 11 borrowing authority to conduct site investigations, operate and maintain remedial systems, and monitor sites as directed by state agencies and U.S. EPA. CCC is authorized to use its borrowing authority, not to exceed $5 million, for these purposes. In FY 2017, the CCC program allocated $0 from the USDA HMMA account for the design and construction of remedial systems.

Although the funding has declined annually in real dollars, fiscal commitments have continued to increase. These include the costs of environmental monitoring and sampling needed to comply with regulatory mandates. New and more costly expenditures are anticipated to comply with regulatory determinations to install remedial systems at former CCC sites.

In FY 2017, Hazardous Waste Management Program activity included:

Total Contaminated Sites in CCC Inventory	83
Investigation/Remediation Complete or Active	46
Investigation/Remediation Pending	21
Sites Closed/No Further CCC Action/Liability	16
FY 2017 Funding	$5.0M
FY 2017 Funding (HMMA)	$0M
TOTAL	$5.0M

Conservation Reserve Program (CRP). The purpose of CRP is to cost-effectively assist farm owners and operators in conserving and improving soil, water, air, and wildlife resources by converting highly erodible and other environmentally sensitive acreage normally devoted to the production of agricultural commodities to a long-term resource-conserving cover. CRP participants enroll contracts for periods from 10 to 15 years in exchange for annual rental payments and cost-share and technical assistance for installing approved conservation practices.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands, on all highly erodible cropland, other environmentally sensitive cropland, and certain marginal pastureland meeting the eligibility criteria. In addition to cropland in areas adjacent to lakes and streams converted to buffers, and cropland that can serve as restored or constructed wetlands, eligible land may include cropland contributing to water quality problems, and other lands posing environmental threats.

CRP enrolls land through general signups, Conservation Reserve Enhancement Program (CREP) signups, and non-CREP continuous signups. Under general signup provisions, producers compete nationally during specified enrollment periods for acceptance based on an environmental benefits index. Under continuous signup provisions, producers enroll specified high-environmental value lands such as wetlands, riparian buffers, and various types of habitat at any time during the year without competition.

In FY 2017, CRP activity (excluding technical assistance of $13,575,792) included:

Number of active CRP contracts..655,054
Number of CRP cost-share payments. 44,006
Amount of CRP cost-share payments...$200,341,528
Number of CRP rental payments... 800,228
Amount of CRP annual rental payments.. $1,667,926,981
Number of CRP acres approved for enrollment..1,818,357

Emergency Forestry Conservation Reserve Program (EFCRP). The EFCRP provides financial assistance to owners of non-industrial private forestland that suffered damage resulting from the 2005 hurricanes (Katrina, Rita). It is no longer enrolling lands, but is still making rental payments to fulfill existing contracts.

In FY 2017, EFCRP activity included:

Number of EFCRP rental payments………………………………...2,017
Amount of EFCRP annual rental payments……………………………………………………..$4,664,397

The Biomass Crop Assistance Program (BCAP) provides two categories of assistance: matching payments and crop establishment and annual rental payments. County offices receive the producer applications and delineate the acreage for all payments. Matching payment applications are web based and maintained by the county office typically for a one year period, which requires the county office to delineate acreage, coordinate the development of a conservation plan, work with COC to approve the application and then receive the eligible material (e.g. bales of stover) proof of delivery documents. Establishment payments are recorded for perennial crops on a web based cost share application by the county office. County offices, following the offer of BCAP rental acreage, create a web based contract, and develop a GIS scenario to digitize the contract acreage offered. County offices record the soil rental rate in the annual rental contract and send the offered acreage over to NRCS to develop a conservation plan. The cost share web based system records the practices, components and costs associated with the conservation plan. When the conservation plan is complete the county office re-opens the annual rental contract and approves the offered acreage following a final digital delineation of the acreage. Establishment and annual rental contracts are maintained by the county office for up to five years for herbaceous crops and up to 15 years for woody crops. County offices also work with State FSA offices to provide outreach information during new project area sign ups. Project area sign-ups are typically 2 to 4 months in length.

In FY 2017, BCAP activity (excluding technical assistance of $1,545,007) included:

Number of BCAP Cost Share Payments……………………………………………………….………………14
Amount of BCAP Cost Share Payments……………………………………………………………$50,651
Number of BCAP Project Area Active contracts…………………………………………………………..852
Number of BCAP Annual Rental Payments……………………..…………………………………………760
Amount of BCAP Annual Payments…………………………………………………………..……$2,393,800
Number of BCAP Matching Payments…………………………………………………………………….122
Amount of BCAP Matching Payments…………………………………………………………….$1,315,697

Grassland Reserve Program (GRP). For active contracts, producer eligibility information is validated, county office employees establish GRP rental and easement application information in the GRP software and issue needed payments. County employees are responsible for tracking and maintaining the fiscal integrity of the program. County office employees also coordinate and share program/producer information with NRCS as needed. The Agricultural Act of 2014 repealed GRP and made up to 2 million acres of grasslands eligible for CRP.

In FY 2017, GRP activity included:

Number of Applications………...0
Number of GRP active contracts/easements.. 2,209/651

Emergency Forest Restoration Program (EFRP) provides payments to eligible owners of nonindustrial private forest (NIPF) land in order to carry out emergency measures to restore land damaged by a natural disaster. Funding for EFRP is appropriated by Congress. Subject to availability of funds, COCs are authorized to implement EFRP for all disasters except drought and insect infestations, which are authorized at the FSA national office. EFRP program participants may receive financial assistance of up to 75 percent of the cost to implement approved emergency forest restoration practices as determined by COC. To restore NIPF, EFRP program participants may implement EFRP practices, including emergency measures necessary to repair damage caused by a natural disaster to natural resources on nonindustrial private forest land; and restore forest health and forest related resources on the land. Other emergency measures may be authorized by COC, with approval from State Committee and the FSA national office.

In FY 2017, EFRP activity included:

Number of Applications………..143
Amount of EFRP payments………………………………………………………………………..$2,262,227

FARM SERVICE AGENCY
State Mediation Grants

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

State Mediation Grants:

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101-5106), [$3,398,000] $3,228,000.

Lead-Off Tabular Statement

Budget Estimate, 2019	$3,228,000
2018 Annualized Continuing Resolution	3,877,000
Change in Appropriation	-649,000

FARM SERVICE AGENCY

State Mediation Grants

Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual Amount	2017 Actual Amount	2018 Estimate Amount	Inc. or Dec Amount		2019 President's Budget Amount
Discretionary Appropriations:						
State Mediation Grants............	$3,404	$3,904	$3,877	-$649	(1)	$3,228
Subtotal................................	3,404	3,904	3,877	-649		3,228
Total Adjusted Approp............	3,404	3,904	3,877	-649		3,228
Seq. (Net)…...………..…..…	-	-	-	-		-
Total Appropriations...........	3,404	3,904	-	-		-
Rescission....................................	-	-	-	-		-
Sequestration...............................	-	-	-	-		-
Total Available........................	3,404	3,904	3,877	-649		3,228
Lapsing Balances.........................	-29	-	-	-		-
Total Obligations.....................	3,375	3,904	3,877	-649		3,228

Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual Amount	2017 Actual Amount	2018 Estimate Amount	Inc. or Dec Amount	2019 President's Budget Amount
Discretionary Obligations:					
State Mediation Grants............	$3,375	$3,904	$3,877	-$649	$3,228
Total Obligations.....................	3,375	3,904	3,877	-649	3,228
Lapsing Balances.........................	29	-	-	-	-
Total Available........................	3,404	3,904	3,877	-649	3,228
Rescission....................................	-	-	-	-	-
Sequestration...............................	-	-	-	-	-
Total Appropriation.................	3,404	3,904	3,877	-649	3,228

Justification of Increases and Decreases

There is a reduction in funding of $649,000 from the prior fiscal year to meet budgetary reduction targets and focus federal spending. This change will reduce funding by about $16,000 per state on average.

The State Mediation Grant program provides funding to States to mediate cases that are authorized by statute and the Secretary of Agricultural for funding under the grant program. Only the following issues are considered covered: (1) agricultural credit, including both direct and guaranteed FSA loans and those from commercial lenders and suppliers, (2) NRCS wetland determinations, (3) compliance with farm programs, including conservation programs, (4) rural water loan programs, (5) grazing on National Forest System lands; (6) USDA-related pesticide issues, (7) Rural Development housing loans, (8) Rural Development business loans, and (9) RMA crop insurance issues.

FARM SERVICE AGENCY
State Mediation Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actuals	2018 Estimate	2019 President's Budget
	Amount	Amount	Amount	Amount
Alabama.............................	$82	$36	$105	$87
Arizona..............................	60	69	112	93
Arkansas.............................	68	88	56	47
California............................	113	-	74	62
Colorado.............................	23	24	-	-
Connecticut.........................	45	45	82	68
Florida................................	24	-	5	4
Georgia...............................	-	34	-	-
Hawaii................................	53	-	61	51
Idaho..................................	51	-	98	82
Illinois................................	28	64	95	79
Indiana...............................	146	174	189	157
Iowa....................................	233	285	272	226
Kansas................................	329	402	225	187
Maine.................................	65	39	64	53
Maryland.............................	56	67	-	-
Massachusetts.....................	57	58	17	14
Michigan.............................	54	45	71	59
Minnesota...........................	283	360	375	312
Mississippi..........................	67	83	83	69
Missouri..............................	19	2	81	67
Montana..............................	45	49	65	54
Nebraska.............................	124	137	112	93
New Hampshire..................	58	-	-	-
New Jersey..........................	13	20	27	22
New Mexico........................	29	24	112	93
New York............................	287	335	391	326
North Carolina....................	56	79	112	93
North Dakota......................	22	119	28	23
Oklahoma............................	172	186	262	218
Oregon................................	33	61	50	42
Pennsylvania.......................	12	11	62	52
Rhode Island.......................	55	57	51	42
South Dakota......................	43	85	61	51
Texas..................................	61	65	112	93
Utah....................................	12	-	22	18
Vermont..............................	128	368	67	56
Virginia...............................	41	-	-	-
Washington.........................	54	169	112	93
Wisconsin...........................	206	194	112	93
Wyoming.............................	68	70	54	45
Undistributed......................	-	-	-	-
Obligations......................	3,375	3,904	3,877	3,228
Lapsing Balances................	29	-	-	-
Total, Available...............	3,404	3,904	3,877	3,228

FARM SERVICE AGENCY

State Mediation Grants

Classification by Objects
(Dollars in thousands)

		2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
Other Objects:					
41.0	Grants, Subsidies and Contributions..................	$3,375	$3,904	$3,877	$3,228
99.9	Total, new obligations................................	3,375	3,904	3,877	3,228

STATE MEDIATION GRANTS

Status of Programs

Current Activities: The Farm Service Agency (FSA) provides funding for State-designated mediation programs through the State Mediation Grants Program. The program reported a total of 3,991 covered cases during Fiscal Year (FY) 2017. Covered cases are authorized by the governing statute and the Secretary of Agriculture. Only the following matters are considered covered: (1) agricultural credit, including private lenders and creditors as well as FSA direct and guaranteed loans; (2) Natural Resources Conservation Service (NRCS) wetland determinations; (3) compliance with farm programs, including conservation programs; (4) rural water loan programs; (5) grazing on National Forest System lands; (6) USDA-related pesticide issues; (7) USDA Rural Development (RD) housing loans; (8) USDA RD business loans; and (9) USDA Risk Management Agency (RMA) crop insurance issues.

As in previous years, agricultural credit (both through private lenders and FSA) was the most frequently mediated issue, accounting for 1,595 cases, or more than 40 percent of the total caseload. RD housing issues were second with 62 cases, followed by NRCS - 42 cases; FSA farm programs matters - 28 cases; RMA crop insurance issues - 7 cases; Forest Service grazing disputes - 3 cases; USDA-related pesticide matters -1 case, and RD business loans - 3 cases.

The 3,991 cases for FY 2017 represents an increase of approximately 86 percent from the previous year's 2,150 cases. Several factors have contributed to this increase, with a summary of results shown below.

Program Results Comparison – FY 2016 and FY 2017

	FY 2016	FY 2017
Number of cases for which mediation was requested	2,150	3,991[1]
Mediation not completed in initial FY, and carried over to next FY	35	611
No mediation held (request withdrawn, settled prior to mediation, etc.)	30	610
Cases mediated	1,418	2,770
Cases resolved with agreement	1,350	2,198
Cases closed with no agreement	68	572
Percentage of cases mediated that resulted in agreement	95%	79%
Average cost per case	$1,570	$952

[1] This figure includes the State of Minnesota's 2,250 cases which is a mandatory mediation State.

State Mediation Grants Grants and Outlays by State – Fiscal Year 2017 (Dollars in Thousands)		
State	Grants	Outlays [2]
Alabama	$36	$54
Arizona	69	69
Arkansas	88	77
California	0	119
Colorado	24	3
Connecticut	45	38
Florida	0	23
Georgia	34	0
Hawaii	0	54
Idaho	0	81
Illinois	64	64
Indiana	174	174
Iowa	285	285
Kansas	402	368
Maine	39	55
Maryland	67	93
Massachusetts	58	50
Michigan	45	68
Minnesota	360	354
Mississippi	83	83
Missouri	2	15
Montana	49	17
Nebraska	137	137
New Hampshire	0	57
New Jersey	20	13
New Mexico	24	23
New York	335	335
North Carolina	79	67
North Dakota	119	50
Oklahoma	186	186
Oregon	61	38
Pennsylvania	11	17
Rhode Island	57	57
South Dakota	85	137
Texas	65	52
Utah	0	10
Vermont	368	137
Virginia	0	31
Washington	169	85
Wisconsin	194	164
Wyoming	70	59
Total	**3,904**	**3,799**

[2] These figures include outlays from both current and prior year obligations.

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Grassroots Source Water Protection Program:

[For necessary expenses to carry out wellhead or groundwater protection activities under section 1240O of the Food Security Act of 1985. (16 U.S.C. 3839bb-2), $6,500,000, to remain available until expended.]

Lead-Off Tabular Statement

Budget Estimate, 2019	0
2018 Annualized Continuing Resolution	$6,456,000
Change in Appropriation	-6,456,000

FARM SERVICE AGENCY

Grassroots Source Water Protection Program

Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual	2017 Actual	2018 Estimate	Inc. or Dec.		2019 President's Budget
	Amount	Amount	Amount	Amount		Amount
Discretionary Appropriations:						
Grassroots Source Water Protection...........	$6,500	$6,500	$6,456	-$6,456	(1)	-
Total Adjusted Appropriation.....................	6,500	6,500	6,456	-6,456		-
Rescissions, Transfers and Seq. (Net)........	-	-	-	-		-
Total Appropriations...............................	6,500	6,500	6,456	-6,456		-
Rescission...	-	-	-	-		-
Sequestration...	-	-	-	-		-
Total Available...	6,500	6,500	6,456	-6,456		-
Total Obligations.......................................	6,500	6,500	6,456	-6,456		-

Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual	2017 Actual	2018 Estimate	Inc. or Dec.	2019 President's Budget
	Amount	Amount	Amount	Amount	Amount
Discretionary Obligations:					
Grassroots Source Water Protection...........	$6,500	$6,500	$6,456	-$6,456	-
Subtotal..	6,500	6,500	6,456	-	-
Total Obligations.......................................	6,500	6,500	6,456	-6,456	-
Total Available...	6,500	6,500	6,456	-6,456	-
Rescission...	-	-	-	-	-
Sequestration...	-	-	-	-	-
Total Appropriation....................................	6,500	6,500	6,456	-6,456	-

Justification of Increase and Decrease

(1) A decrease of $6,456,000 for Grassroots Source Water Protection Program ($6,456,000 was available in FY 2018).

The FY 2019 President's Budget proposes no funding for this program.

FARM SERVICE AGENCY

Grassroots Source Water Protection Program

Geographic Breakdown of Obligations

(Dollars in thousands)

State/Territory	2016 Actual Amount	2017 Estimate Amount	2018 Estimate Amount	2019 President's Budget Amount
Alabama	$130	$130	$129	-
Alaska	130	130	129	
Arizona	130	130	129	-
Arkansas	130	130	129	-
California	130	130	130	-
Colorado	130	130	129	-
Connecticut	130	130	129	-
Delaware	130	130	129	-
Florida	130	130	130	-
Georgia	130	130	129	-
Hawaii	130	130	129	-
Idaho	130	130	129	-
Illinois	130	130	129	-
Indiana	130	130	129	-
Iowa	130	130	129	-
Kansas	130	130	129	-
Kentucky	130	130	129	-
Louisiana	130	130	129	-
Maine	130	130	129	-
Maryland	130	130	129	-
Massachusetts	130	130	129	-
Michigan	130	130	129	-
Minnesota	130	130	129	-
Mississippi	130	130	130	-
Missouri	130	130	129	-
Montana	130	130	129	-
Nebraska	130	130	129	-
New Hampshire	130	130	129	-
New Jersey	130	130	129	-
Nevada	130	130	129	-
New Mexico	130	130	129	-
New York	130	130	130	-
North Carolina	130	130	129	-
North Dakota	130	130	129	-
New Mexico	130	130	129	-
Ohio	130	130	129	-
Oklahoma	130	130	129	-
Oregon	130	130	129	-
Pennsylvania	130	130	129	-
Rhode Island	130	130	129	-
South Carolina	130	130	129	-
South Dakota	130	130	129	-
Tennessee	130	130	129	-
Texas	130	130	130	-
Utah	130	130	129	-
Virginia	130	130	129	-
Washington	130	130	130	-
West Virginia	130	130	129	-
Wisconsin	130	130	129	-
Wyoming	130	130	129	-
Undistributed	-	-	-	-
Obligations	6,500	6,500	6,456	-
Total, Available	6,500	6,500	6,456	-

FARM SERVICE AGENCY

Grassroots Source Water Protection Program

Classification by Objects

(Dollars in thousands)

		2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
41.0	Grants, subsidies, and contributions....................	$6,500	$6,500	$6,456	-
99.9	Total, new obligations...................................	6,500	6,500	6,456	-

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

Status of Programs

Current Activities: The Grassroots Source Water Protection Program (GSWPP) is a joint project by FSA and the nonprofit National Rural Water Association designed to help prevent source water pollution in States through voluntary practices installed by producers and other landowners at the local level. GSWPP uses onsite technical assistance capabilities of each State rural water association that operates a source water protection program in the State. State rural water associations deliver assistance in developing source water protection plans within watersheds for the common goal of preventing the contamination of drinking water supplies.

Selected Examples of Recent Activity: During FY 2017, $6.5 million was appropriated and 151 source water plans were completed with management activities implemented in the source water areas. These water plans provide protection measures for 712 public drinking water sources (662 wells and 50 surface water intakes). The GSWPP was active in all 50 States.

The following table shows appropriations from fiscal years 2005 through 2017.

Grassroots Source Water Protection Program
Appropriations for Fiscal Years 2005-2017

Fiscal Year	Appropriations	
2005	$3,244,000	1/
2006	3,712,500	
2007	3,712,500	
2008	3,687,009	
2009	5,000,000	
2010	5,000,000	
2011	4,241,000	
2012	3,817,000	
2013	5,159,043	
2014	10,526,000	2/
2015	5,526,000	
2016	6,500,000	
2017	6,500,000	

1/ Funds were transferred from the Natural Resources Conservation Service to FSA to assist in the implementation of the program.
2/ Includes mandatory funds from the Agricultural Act of 2014 (2014 Farm Bill).

FARM SERVICE AGENCY

Dairy Indemnity Program

For necessary expenses involved in making indemnity payments to dairy farmers and manufacturers of dairy products under a dairy indemnity program, such sums as may be necessary, to remain available until expended: *Provided* , That such program is carried out by the Secretary in the same manner as the dairy indemnity program described in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106-387, 114 Stat. 1549A-12).

Lead-Off Tabular Statement

Budget Estimate, 2019	$500,000
2018 Annualized Continuing Resolution	500,000
Change in Appropriation	0

FARM SERVICE AGENCY

Dairy Indemnity Program

Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual Amount	2017 Actual Amount	2018 Estimated Amount	Inc. or Dec Amount	2019 President's Budget Amount
Mandatory Appropriations:					
Dairy Indemnity Program........................	$466	$465	$467	+33	$500
Subtotal..	466	465	467	33	500
Total Adjusted Appropriation..................	466	465	467	33	500
Rescissions, Transfers, and Seq. (Net)…....………..…..…	34	35	33	-33	-
Total Appropriation.................................	500	500	500	-	500
Sequestration...	-34	-35	-33	+33	-
Total Available...	466	465	467	+33	500
Lapsing Balances...	-216	-241	-	-	-
Non-Federal Funds......................................					
Preminum Fees Collected........................	-				
Total Obligations.....................................	250	224	467	+33	500

Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual Amount	2017 Actual Amount	2018 Estimate Amount	Inc. or Dec. Amount	2019 President's Budget Amount
Mandatory Obligations:					
Dairy Indemnity Program........................	$250	$224	$467	+$33	$500
Subtotal..	250	224	467	+33	500
Total Obligations..................................	250	224	467	+33	500
Lapsing Balances...	216	241	-	-	-
Total Available...	466	465	467	+33	500
Sequestration...	34	35	33	- --33	-
Bal. Available, SOY....................................	-	-	-	-	-
Non-Federal Funds......................................				-	
Premium Fees Collected..........................	-	-	-	-	-
Total Appropriation.................................	500	500	500	-	500

Justification of Increases and Decreases

There is no change in funding requested for FY 2019. The level of funding requested is expected to be sufficient to meet the needs of producers affected by various contaminants covered under this program.

FARM SERVICE AGENCY
Dairy Indemnity Program
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actuals Amount	2017 Actuals Amount	2018 Estimated Amount	2019 President's Budget Amount
Arkansas..	$6	$3	$13	$15
Florida………………………………………….	-	8	-	-
Georgia..	10	95	132	122
Illinois..	33	-	40	32
Indiana...	-	-	3	3
Iowa...	-	-	7	7
Kansas..	-	-	62	65
Louisiana………………………………….......	19	34		
Maine……………………………………	-	14	-	-
Missouri..	14	3	19	15
Nebraska...	4	-	-	-
North Carolina..	16	-	16	15
South Carolina..	6	3	71	72
Oklahoma..	12	-	12	12
Texas...	130	64	125	142
Obligations...	250	224	500	500
Recoveries, Other (Net)....................................	-	-	-	-
Lapsing Balances...	216	241	-	-
Total, Available..	466	465	500	500

Classification by Objects
(Dollars in Thousands)

		2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
Other Objects:					
41.0	Grants, Subsidies and Contributions.................	$250	$224	$500	$500
99.9	Total, new obligations...............................	250	224	500	500

DAIRY INDEMNITY PROGRAM

Status of Programs

Current Activities: During 2017, 18 dairy farmers in 8 States filed 18 claims totaling $224,334 under the Dairy Indemnity Program. Claims primarily resulted from severe drought areas throughout the United States causing an increase in aflatoxin contamination, a naturally occurring toxin that may inadvertently contaminate grain used for feed. Outlays, including current and prior year obligations, for 2017 totaled $217,760. Payments to dairy farmers since the program's inception in 1965 total $28,150,122.

Selected Examples of Recent Activity: The following tables shows allocations and outlays by State during 2017 and payments and number of payees from 1965-2017.

Dairy Indemnity Program
Allocations and Outlays by State
Fiscal Year 2017

State	**Obligations**	**Outlays**
Arkansas	$2,708	$2,708
Florida	7,702	7,702
Georgia	95,000	95,000
Louisiana	34,471	34,471
Maine	14,313	14,313
Missouri	3,316	3,316
South Carolina	2,677	2,677
Texas	64,147	57,573
Total	224,334	217,760

Dairy Indemnity Program
Payments and Number of Payees
Fiscal Years 1965-2017

Fiscal Years	Payments to Dairy Farmers	Payments to Manufacturers of Dairy Products	Total Payments	Number of Payees
1965 to 2011	$21,133,792	$3,911,439	$25,045,231	1,495
2012	273,724	-	273,724	32
2013	917,615	-	917,615	158
2014	1,073,364	-	1,073,364	43
2015	383,711	-	383,711	26
2016	238,717	-	238,717	29
2017	217,760		217,760	18
Total	24,238,683	3,911,439	28,150,122	1,801

FARM SERVICE AGENCY

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Agricultural Credit Insurance Fund Program Account (Including Transfers of Funds):

For gross obligations for the principal amount of direct and guaranteed farm ownership (7 U.S.C. 1922 et seq.) and operating (7 U.S.C. 1941 et seq.) loans, emergency loans (7 U.S.C. 1961 et seq.), Indian tribe land acquisition loans (25 U.S.C. 488), boll weevil loans (7 U.S.C. 1989), guaranteed conservation loans (7 U.S.C. 1924 et seq.), and Indian highly fractionated land loans (25 U.S.C. 488), to be available from funds in the Agricultural Credit Insurance Fund, as follows: $2,750,000,000 for guaranteed farm ownership loans and $1,500,000,000 for farm ownership direct loans; [$1,876,541,000] $1,600,000,000 for unsubsidized guaranteed operating loans and[$1,602,362,000] $1,500,000,000 for direct operating loans; emergency loans,[$25,476,000] $37,668,000; Indian tribe land acquisition loans,$20,000,000; guaranteed conservation loans, $150,000,000; and for boll weevil eradication program loans, $60,000,000: *Provided*, That the Secretary shall deem the pink bollworm to be a boll weevil for the purpose of boll weevil eradication program loans.

For the cost of direct and guaranteed loans and grants, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm operating loans,[$64,735,000] $58,500,000 for direct operating loans,[$20,830,000] $17,280,000 for unsubsidized guaranteed operating loans, and emergency loans, [$1,253,000] $1,567,000, to remain available until expended.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [$314,915,000] $292,587,000, of which [$304,913,000] $282,517,000 shall be paid to the appropriation for "Farm Service Agency, Salaries and Expenses", and of which $16,081,000 shall be transferred to and merged with the appropriation for "Farm Production and Conservation Business Center, Salaries and Expenses".

Funds appropriated by this Act to the Agricultural Credit Insurance Program Account for farm ownership, operating and conservation direct loans and guaranteed loans may be transferred among these programs: *Provided*, That the Committees on Appropriations of both Houses of Congress are notified at least 15 days in advance of any transfer.

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND

Lead-Off Tabular Statement

Budget Estimate, 2019	$369,934,000
2018 Annualized Continuing Resolution	404,266,000
Change in Appropriation	-34,332,000

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND

Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual		2017 Actual		2018 Estimate		Inc. or Dec.		2019 President's Budget	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Discretionary Appropriations:										
Direct Loans:										
Farm Ownership......................................	$1,500,000	-	$1,500,000	-	$1,500,000	-	-	-	$1,500,000	-
Farm Operating..	1,252,004	$53,961	1,530,000	$65,178	1,602,362	$64,735	-102,362 (1)	-$6,235	1,500,000	$58,500
Emergency...	34,667	1,262	22,576	1,262	25,476	1,253	+12,192 (1)	+314	37,668	1,567
Indian Land Acquisition..........................	2,000	-	20,000	-	20,000	-	-	-	20,000	-
Boll Weevil Eradication..........................	60,000	-	60,000	-	60,000	-	-	-	60,000	-
Indian Highly Fractionated Land.............	10,000	-	10,000	2,550	11,147	2,533	-11,147 (1)	-2,533	-	-
Subtotal..	2,858,671	55,223	3,142,576	68,990	3,218,986	68,522	-101,318	-8,455	3,117,668	60,067
Guaranteed Loans:										
Farm Ownership, Unsubsidized................	2,000,000	-	2,750,000	-	2,750,000	-	-	-	2,750,000	-
Farm Operating, Unsubsidized................	1,393,443	14,352	1,960,000	20,972	1,876,541	20,830	-276,541 (1)	-3,550	1,600,000	17,280
Conservation..	150,000	-	150,000	-	150,000	-	-	-	150,000	-
Subtotal..	3,543,443	14,352	4,860,000	20,972	4,776,541	20,830	-276,541	-3,550	4,500,000	17,280
Total, Loans/Subsidy	6,402,114	69,575	8,002,576	89,962	7,995,527	89,351	-377,858	-12,004 (2)	7,617,668	77,347
Administrative Expense										
Program Loan Cost Expense....................	-	7,920	-	10,070	-	10,002	-	+68	-	10,070
FSA Salaries and Expenses.....................	-	306,998	-	306,998	-	304,913	-	-38,477	-	266,436
FPAC Business Center.............................								+16,081		16,081
Subtotal..	-	314,918	-	317,068	-	314,915	-	-22,328 (3)	-	292,587
Total Adjusted Appropriations............	6,402,114	384,493	8,002,576	407,030	7,995,527	404,266	-377,858	-34,332	7,617,668	369,934

Table Continued on next page.

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual		2017 Actual		2018 Estimate		Inc. or Dec.		2019 President's Budget	
	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy	Loan Level	Subsidy
Direct Loans:										
Transfers(Internal) Farm Ownership	-	-		-	-	-	-	-	-	-
Transfers(Internal) Farm Operating	87,610	3,777	-	-	-	-	-	-	-	-
Subtotal, Direct Transfers	87,610	3,777	-	-	-	-	-	-	-	-
Guaranteed Loans:										
Transfers/Adjustments(Internal) Farm Ownership	500,000	-	-	-	-	-	-	-	-	-
Transfers(Internal) Farm Operating, Unsubsidized	97,573	1,005	-	-	-	-	-	-	-	-
Subtotal, Guaranteed Transfers	597,573	1,005	-	-	-	-	-	-	-	-
Working Captial Transfers:										
Transfer - Guaranteed Operating, Unsubsidized	-	-	-551,402	-5,900						
Transfer - Direct Operating, Unsubsidized	-	-	-220,657	-9,400						
Total Appropriation	7,087,297	389,275	7,230,517	391,730	7,995,527	404,266	-377,858	-34,332	7,617,668	369,934
Recissions	-	-	-	-	-	-	-	-	-	-
Sequestration	-	-	-	-	-	-	-	-	-	-
Bal Available, SOY	77,921	2,771	45,735	2,555	58,400	2,872	-23,936	-1,439	34,464	1,433
Recoveries, Other (Net)	-	-	-	-	-	-	-	-	-	-
Total Available	7,165,218	392,046	7,276,252	394,285	8,053,927	407,138	-401,794	-35,771	7,652,132	371,367
Lapsing Balances	-722,972	-397	-1,226,060	-1,859	-	-	-	-	-	-
Balance Available, EOY	-67,509	-2,483	-51,412	-2,872	-29,140	-1,433	+29,140	+1,433	-	-
Total Obligations	6,374,737	389,166	5,998,780	389,554	8,024,787	405,705	-372,654	-34,338	7,652,132	371,367

Loan levels and subsidy may change for individual programs throughout the year as authorized by the Consolidated Farm and Rural Development Act (ConAct) and annual appropriations acts.

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND

Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual Loan Level	2016 Actual Subsidy	2017 Actual Loan Level	2017 Actual Subsidy	2018 Estimate Loan Level	2018 Estimate Subsidy	Inc. or Dec. Loan Level	Inc. or Dec. Subsidy	2019 President's Budget Loan Level	2019 President's Budget Subsidy
Discretionary Appropriations:										
Direct Loans:										
Farm Ownership	$ 1,016,966	-	$ 1,044,115	-	$ 1,500,000	-	-	-	$ 1,500,000	-
Farm Operating	1,339,523	$ 57,733	1,284,035	$ 54,700	1,602,482	$ 64,740	-102,482	-6,240	1,500,000	$ 58,500
Emergency	42,725	1,555	15,131	846	54,616	2,687	17,516	313	72,132	3,000
Indian Land Acquisition	-	-	-	-	20,000	-	-	-	20,000	-
Boll Weevil Eradication	-	-	-	-	60,000	-	-	-	60,000	-
Indian Highly Fractionated Land	10,000	-	10,000	2,550	11,147	2,533	-11,147	-2,533	-	-
Subtotal	2,409,214	59,288	2,353,281	58,096	3,248,246.0	69,961	-96,114	-8,461	3,152,132	61,500
Guaranteed Loans:										
Farm Ownership, Unsubsidized	2,470,663	-	2,278,602	-	2,750,000	-	-	-	2,750,000	-
Farm Operating, Unsubsidized	1,493,461	15,357	1,366,897	14,626	1,876,541	20,830	-276,541	-3,550	1,600,000	17,280
Conservation	1,399	-	-	-	150,000	-	-	-	150,000	-
Subtotal	3,965,523	15,357	3,645,499	14,626	4,776,541	20,830	-276,541	-3,550	4,500,000	17,280
Administrative Expense										
Program Loan Cost Expense	-	7,523	-	9,834	-	10,002	-	68		10,070
Salaries and Expenses	-	306,998	-	306,998	-	304,913	-	-22,396	-	282,517
Subtotal	-	314,521	-	316,832	-	314,915	-	-22,328		292,587
Total Obligations	6,374,737	389,166	5,998,780	389,554	8,024,787	405,705	-372,654	-34,338	7,652,132	371,367
Transfer - Guaranteed Operating, Unsubsidized										
Transfer - Direct Operating, Unsubsidized										
Lapsing Balances	722,972	397	1,226,060	1,859	-	-	-	-	-	-
Balance Available, EOY	67,509	2,483	51,412	2,872	29,140	1,433	-29,140	-1,433		
Total Available	7,165,218	392,046	7,276,252	394,285	8,053,927	407,138	-401,794	-35,771	7,652,132	371,367
Bal Available, SOY	-77,921	-2,771	-45,735	-2,555	-58,400	-2,872	+23,936	+1,439	-34,464	-1,433
Total Appropriation	7,087,297	389,275	7,230,517	391,730	7,995,527	404,266	-377,858	-34,332	7,617,668	369,934

Loan levels and subsidy may change for individual programs throughout the year as authorized by the Consolidated Farm and Rural Development Act (ConAct) and annual appropriations acts.

1/ 2018 direct operating loan obligations include carry-in of $120 thousand in loan level and $5 thousand in subsidy.

2/ 2018 emergency loan obligations include carry-in of $29.140 million in loan level and $1.433 million in subsidy.

3/ 2019 emergency loan obligations include carry-in of $34.464 million in loan level and $1.433 million in subsidy.

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
Justification of Increases and Decreases

Base funds for the ACIF will provide direct and guaranteed loans to famers temporarily unable to obtain regular commercial credit. Continuing the base funding level is crucial to providing loans to the farmers.

1.) A net decrease of $377,858,000 in loan level ($7,995,527,000 available in 2018).
With recent downturns in the economy, continued demand is driven by projected reductions in farm income which will increase financial stress on farm loan borrowers. FY 2016 was a record year for farm loan obligations, with near record levels in FY 2017 as well. Congress has recognized the demand for farm loans and responded with increased appropriations in FY 2017 and FY 2018. The request for FY 2019 reflects a decrease from FY 2018 of $102.4 million for direct operating and $276.5 million for guaranteed operating. Requested loan levels still exceed the record obligations in FY 2016 and FY 2017. The proposed funding levels are deemed sufficient to meet demand in FY 2019.

No funds are requested for Highly Fractionated Indian Land (HFIL) loans, due in large part to the subsidy required to fund even one loan in this category.

These decreases are offset slightly by an increase in the request for emergency loans ($12.2 million), driven by an ongoing number of natural disasters throughout the country.

2.) A net decrease of $12,004,000 in subsidy budget authority ($89,531,000 available in 2018).
A reduction in the program's overall subsidy budget authority will provide cost savings to the Government, allowing limited resources to be utilized in other critical areas, while continuing to meet the demand and needs of America's farmers and ranchers. The subsidy reductions of $6.2 million in direct operating, $3.6 million in guaranteed operating, and $2.5 million in HFIL are directly related to the decreases in loan level. A modest increase of $314 thousand in emergency loan subsidy is directly related to the $12.2 million increase in loan level.

3.) A net decrease of $22,328,000 in administrative expenses budget authority ($314,915,000 available in 2018)
The decrease reflects an overall reduction in administrative expenses for Farm Service Agency. Reductions will be taken in salaries and benefits, IT, rent, and support costs.

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND

DIRECT FARM OWNERSHIP PROGRAM

Geographic Breakdown of Obligations

(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Loan Level	Loan Level	Loan Level	Loan Level
Alabama	$10,621	$6,502	$9,300	$9,300
Alaska	440	426	600	600
Arizona	1,543	2,478	3,600	3,600
Arkansas	19,708	22,072	31,650	31,650
California	8,039	10,862	15,600	15,600
Colorado	21,235	21,777	31,350	31,350
Connecticut	-	300	450	450
Delaware	3,250	5,506	7,950	7,950
Florida	7,367	6,139	8,850	8,850
Georgia	6,724	8,099	11,700	11,700
Hawaii	2,176	1,215	1,800	1,800
Idaho	16,935	12,015	17,250	17,250
Illinois	53,384	56,398	81,000	81,000
Indiana	31,009	34,265	49,200	49,200
Iowa	74,270	82,491	118,500	118,500
Kansas	63,846	66,619	95,700	95,700
Kentucky	44,463	41,897	60,150	60,150
Louisiana	4,686	2,337	3,300	3,300
Maine	1,695	2,412	3,450	3,450
Maryland	3,971	3,241	4,650	4,650
Massachusetts	1,755	2,210	3,150	3,150
Michigan	20,812	22,706	32,550	32,550
Minnesota	39,443	55,134	79,200	79,200
Mississippi	1,868	2,602	3,750	3,750
Missouri	44,831	47,608	68,400	68,400
Montana	11,027	12,548	18,000	18,000
Nebraska	71,709	73,796	106,050	106,050
Nevada	1,881	2,040	3,000	3,000
New Hampshire	850	288	450	450
New Jersey	948	949	1,350	1,350
New Mexico	10,326	7,879	11,250	11,250
New York	7,210	7,505	10,800	10,800
North Carolina	6,612	6,789	9,750	9,750
North Dakota	17,543	22,890	32,850	32,850
Ohio	32,539	33,474	48,150	48,150
Oklahoma	130,705	125,673	180,600	180,600
Oregon	7,360	8,409	12,150	12,150
Pennsylvania	18,298	16,256	23,400	23,400
Rhode Island	390	625	900	900
South Carolina	5,851	7,567	10,800	10,800
South Dakota	39,490	30,155	43,350	43,350
Tennessee	22,506	18,113	25,950	25,950
Texas	47,544	48,486	69,600	69,600
Utah	10,548	12,327	17,700	17,700
Vermont	5,198	3,721	5,400	5,400
Virginia	15,576	18,986	27,300	27,300
Washington	9,516	7,689	11,100	11,100
West Virginia	11,498	11,577	16,650	16,650
Wisconsin	37,701	42,418	60,900	60,900
Wyoming	6,982	4,301	6,150	6,150
American Samoa	-	-	-	-
District of Columbia	-	-	-	-
Guam	-	-	-	-
Midway Islands	-	-	-	-
N. Mariana Islands	-	-	-	-
Puerto Rico	3,087	2,343	3,300	3,300
Virgin Islands	-	-	-	-
Western Pacific Territories	-	-	-	-
Obligations	1,016,966	1,044,115	1,500,000	1,500,000
Lapsing Balances	483,034	455,885	-	-
Bal. Available, EOY	-	-	-	-
Total, Available	1,500,000	1,500,000	1,500,000	1,500,000

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
GUARANTEED FARM OWNERSHIP PROGRAM
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Loan Level	Loan Level	Loan Level	Loan Level
Alabama	$66,639	$58,046	$70,055	$70,055
Alaska	-	-	-	-
Arizona	4,622	1,018	1,229	1,229
Arkansas	134,938	99,303	119,847	119,847
California	34,671	34,105	41,161	41,161
Colorado	38,045	24,680	29,786	29,786
Connecticut	1,400	309	373	373
Delaware	12,210	20,105	24,264	24,264
Florida	17,080	13,663	16,490	16,490
Georgia	21,657	19,872	23,983	23,983
Hawaii	2,643	2,873	3,467	3,467
Idaho	36,910	27,257	32,896	32,896
Illinois	125,813	110,313	133,135	133,135
Indiana	114,697	90,353	109,045	109,045
Iowa	151,584	155,223	187,336	187,336
Kansas	68,830	73,734	88,988	88,988
Kentucky	66,003	62,439	75,356	75,356
Louisiana	10,876	16,331	19,710	19,710
Maine	2,915	1,185	1,430	1,430
Maryland	8,631	12,181	14,701	14,701
Massachusetts	2,275	3,349	4,042	4,042
Michigan	60,954	66,266	79,975	79,975
Minnesota	139,422	130,675	157,709	157,709
Mississippi	74,931	90,225	108,891	108,891
Missouri	125,347	73,560	88,778	88,778
Montana	39,906	33,321	40,214	40,214
Nebraska	123,473	146,075	176,295	176,295
Nevada	9,948	17,255	20,825	20,825
New Hampshire	905	1,668	2,013	2,013
New Jersey	419	4,208	5,078	5,078
New Mexico	16,044	14,889	17,969	17,969
New York	27,749	37,184	44,877	44,877
North Carolina	61,591	65,662	79,246	79,246
North Dakota	75,192	43,048	51,954	51,954
Ohio	171,547	170,306	205,539	205,539
Oklahoma	68,146	59,485	71,791	71,791
Oregon	18,709	26,183	31,600	31,600
Pennsylvania	13,408	17,023	20,545	20,545
Rhode Island	120	285	344	344
South Carolina	36,452	25,362	30,609	30,609
South Dakota	87,588	84,060	101,450	101,450
Tennessee	40,156	26,411	31,875	31,875
Texas	36,307	36,976	44,626	44,626
Utah	22,376	25,630	30,932	30,932
Vermont	11,399	8,991	10,851	10,851
Virginia	19,285	16,818	20,297	20,297
Washington	6,511	5,122	6,182	6,182
West Virginia	2,900	3,976	4,798	4,798
Wisconsin	239,508	203,960	246,155	246,155
Wyoming	8,562	10,239	12,357	12,357
American Samoa	-	-	-	-
District of Columbia	-	-	-	-
Guam	-	-	-	-
Midway Islands	-	-	-	-
N. Mariana Islands	-	-	-	-
Puerto Rico	9,369	7,400	8,931	8,931
Virgin Islands	-	-	-	-
Western Pacific Territories	-	-	-	-
Obligations	2,470,663	2,278,602	2,750,000	2,750,000
Lapsing Balances	29,337	471,398	-	-
Bal. Available, EOY	-	-	-	-
Total, Available	2,500,000	2,750,000	2,750,000	2,750,000

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
DIRECT FARM OPERATING PROGRAM
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Loan Level	Loan Level	Loan Level	Loan Level
Alabama	$22,270	$15,096	$18,840	$17,635
Alaska	605	658	821	769
Arizona	10,573	10,529	13,140	12,300
Arkansas	56,410	47,654	59,472	55,669
California	20,644	25,645	32,005	29,958
Colorado	22,987	22,222	27,733	25,960
Connecticut	413	1,013	1,264	1,183
Delaware	754	1,136	1,418	1,327
Florida	22,408	16,821	20,993	19,650
Georgia	33,500	30,415	37,958	35,531
Hawaii	2,347	3,882	4,845	4,535
Idaho	24,586	25,248	31,510	29,495
Illinois	15,801	14,516	18,116	16,958
Indiana	11,531	11,493	14,343	13,426
Iowa	84,758	82,645	103,141	96,545
Kansas	56,220	58,941	73,559	68,855
Kentucky	48,754	52,336	65,316	61,139
Louisiana	23,610	21,314	26,600	24,899
Maine	4,150	4,515	5,635	5,274
Maryland	2,727	1,360	1,697	1,589
Massachusetts	3,010	2,747	3,428	3,209
Michigan	19,449	19,617	24,482	22,916
Minnesota	58,948	57,881	72,236	67,616
Mississippi	18,550	15,646	19,526	18,278
Missouri	25,065	23,807	29,711	27,811
Montana	27,305	23,704	29,583	27,691
Nebraska	107,552	118,192	147,505	138,068
Nevada	4,356	5,885	7,344	6,875
New Hampshire	1,120	1,010	1,261	1,180
New Jersey	4,138	3,628	4,528	4,238
New Mexico	10,728	9,383	11,710	10,961
New York	14,630	13,989	17,458	16,342
North Carolina	29,890	25,415	31,718	29,690
North Dakota	43,137	39,095	48,791	45,671
Ohio	11,737	9,588	11,966	11,201
Oklahoma	91,724	90,987	113,552	106,290
Oregon	15,331	21,533	26,873	25,155
Pennsylvania	33,986	24,845	31,007	29,024
Rhode Island	778	342	427	399
South Carolina	29,714	19,108	23,847	22,322
South Dakota	57,736	54,256	67,712	63,381
Tennessee	29,909	27,333	34,112	31,930
Texas	91,629	79,820	99,616	93,245
Utah	19,809	27,023	33,725	31,568
Vermont	7,108	4,728	5,900	5,523
Virginia	22,035	21,814	27,224	25,483
Washington	23,103	23,937	29,873	27,963
West Virginia	13,670	14,209	17,733	16,599
Wisconsin	45,198	49,057	61,223	57,308
Wyoming	6,228	3,751	4,681	4,382
American Samoa	-	-	-	-
District of Columbia	-	-	-	-
Guam	-	-	-	-
Midway Islands	-	-	-	-
N. Mariana Islands	-	-	-	-
Puerto Rico	6,658	4,244	5,297	4,958
Virgin Islands	89	-	-	-
Western Pacific Territories	151	22	27	26
Obligations	1,339,523	1,284,035	1,602,482	1,500,000
Lapsing Balances		25,308	-	-
Bal. Available, EOY	204	117	-	-
Total, Available	1,339,727	1,309,460	1,602,482	1,500,000

2017 Figures are net of working capital fund transfer of $220.7 million in program level and $9.4 million in budget authority.

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
GUARANTEED FARM OPERATING UNSUBSIDIZED PROGRAM
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Loan Level	Loan Level	Loan Level	Loan Level
Alabama	$9,264	$5,975	$8,203	$6,994
Alaska	-	-	-	-
Arizona	2,770	6,420	8,814	7,515
Arkansas	110,223	86,587	118,871	101,353
California	29,199	49,893	68,495	58,401
Colorado	18,633	16,176	22,207	18,935
Connecticut	780	1,330	1,826	1,557
Delaware	585	300	412	351
Florida	14,882	12,293	16,876	14,389
Georgia	61,437	43,511	59,734	50,931
Hawaii	256	176	242	206
Idaho	43,859	47,705	65,492	55,840
Illinois	41,332	29,103	39,954	34,066
Indiana	42,508	39,357	54,031	46,069
Iowa	94,651	71,123	97,641	83,252
Kansas	32,293	56,693	77,831	66,361
Kentucky	17,840	19,684	27,023	23,041
Louisiana	82,573	68,448	93,969	80,121
Maine	929	1,075	1,476	1,258
Maryland	275	1,917	2,632	2,244
Massachusetts	1,129	1,331	1,827	1,558
Michigan	20,843	28,223	38,746	33,036
Minnesota	100,551	85,305	117,111	99,852
Mississippi	10,260	5,103	7,006	5,973
Missouri	54,414	36,582	50,221	42,820
Montana	32,577	37,408	51,355	43,787
Nebraska	54,891	74,076	101,695	86,708
Nevada	2,750	1,615	2,217	1,890
New Hampshire	580	501	688	586
New Jersey	205	330	453	386
New Mexico	4,563	8,645	11,868	10,119
New York	15,276	18,676	25,639	21,861
North Carolina	20,338	16,742	22,984	19,597
North Dakota	118,666	72,551	99,602	84,924
Ohio	12,161	12,675	17,401	14,836
Oklahoma	38,824	69,762	95,773	81,659
Oregon	11,887	22,202	30,480	25,988
Pennsylvania	8,225	13,745	18,870	16,089
Rhode Island	-	-	-	-
South Carolina	29,174	21,084	28,945	24,680
South Dakota	37,424	31,655	43,457	37,053
Tennessee	24,830	15,179	20,838	17,768
Texas	153,780	97,521	133,884	114,152
Utah	10,217	8,589	11,791	10,054
Vermont	8,982	7,395	10,152	8,656
Virginia	16,221	14,735	20,229	17,248
Washington	28,264	32,614	44,774	38,176
West Virginia	560	1,955	2,684	2,288
Wisconsin	63,055	58,393	80,165	68,351
Wyoming	6,227	12,801	17,574	14,984
American Samoa			-	-
District of Columbia			-	-
Guam			-	-
Midway Islands			-	-
N. Mariana Islands			-	-
Puerto Rico	2,298	1,738	2,383	2,037
Virgin Islands			-	-
Western Pacific Territories	-	-	-	-
Obligations	1,493,461	1,366,897	1,876,541	1,600,000
Lapsing Balances		41,701	-	-
Bal. Available, EOY	80	-	-	-
Total, Available	1,493,541	1,408,598	1,876,541	1,600,000

2017 figures are net of working capital fund transfer of $551.4 million in program level and $5.9 million in budget authority.

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
EMERGENCY LOAN PROGRAM
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Loan Level	Loan Level	Loan Level	Loan Level
Alabama	$1,698	$504	$1,819	$2,403
Alaska	-	-	-	-
Arizona	-	-	-	-
Arkansas	3,775	2,263	8,168	10,788
California	177	-	-	-
Colorado	-	-	-	-
Connecticut	-	-	-	-
Delaware	-	-	-	-
Florida	50	-	-	-
Georgia	406	728	2,628	3,470
Hawaii	-	-	-	-
Idaho	-	-	-	-
Illinois	180	-	-	-
Indiana	26	-	-	-
Iowa	285	-	-	-
Kansas	466	250	902	1,192
Kentucky	172	633	2,285	3,018
Louisiana	3,577	1,192	4,303	5,682
Maine	-	-	-	-
Maryland	-	-	-	-
Massachusetts	-	407	1,469	1,940
Michigan	226	-	-	-
Minnesota	388	76	274	362
Mississippi	538	-	-	-
Missouri	248	533	1,924	2,541
Montana	144	128	462	610
Nebraska	-	-	-	-
Nevada	188	-	-	-
New Hampshire	-	-	-	-
New Jersey	335	962	3,472	4,586
New Mexico	-	-	-	-
New York	64	254	917	1,211
North Carolina	6,998	3,672	13,254	17,505
North Dakota	597	948	3,422	4,519
Ohio	415	-	-	-
Oklahoma	99	843	3,043	4,019
Oregon	-	-	-	-
Pennsylvania	-	218	787	1,039
Rhode Island	-	-	-	-
South Carolina	14,218	207	747	987
South Dakota	-	-	-	-
Tennessee	-	203	733	968
Texas	4,815	649	2,343	3,094
Utah	-	-	-	-
Vermont	152	-	-	-
Virginia	2,488	461	1,664	2,198
Washington	-	-	-	-
West Virginia	-	-	-	-
Wisconsin	-	-	-	-
Wyoming	-	-	-	-
American Samoa	-	-	-	-
District of Columbia	-	-	-	-
Guam			-	-
Midway Islands	-	-	-	-
N. Mariana Islands	-	-	-	-
Puerto Rico	-	-	-	-
Virgin Islands	-	-	-	-
Western Pacific Territories	-	-	-	-
Obligations	42,725	15,131	54,616	72,132
Lapsing Balances	-	-	-	-
Bal. Available, EOY	67,225	53,063	29,140	-
Total, Available	109,950	68,194	83,756	72,132

Balance available EOY may change in the following year due to change in subsidy rate.

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
GUARANTEED CONSERVATION LOAN PROGRAM
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Loan Level	Loan Level	Loan Level	Loan Level
Wisconsin	$1,399	-	-	-
Undistributed	-	-	$150,000	$150,000
Obligations	1,399	-	150,000	150,000
Lapsing Balances	148,601	150,000	-	-
Total, Available	150,000	150,000	150,000	150,000

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
BOLL WEEVIL ERADICATION LOAN PROGRAM
Geographic Breakdown of Obligations
(Dollars in thousands)

	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Loan Level	Loan Level	Loan Level	Loan Level
Undistributed	-	-	$60,000	$60,000
Total Obligation	-	-	60,000	60,000
Lapsing Balances	$60,000	$60,000	-	-
Total, Available	60,000	60,000	60,000	60,000

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
INDIAN LAND ACQUISITION LOAN PROGRAM
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Loan Level	Loan Level	Loan Level	Loan Level
Undistributed	-	-	$20,000	$20,000
Total Obligation	-	-	20,000	20,000
Lapsing Balances	$2,000	$20,000	-	-
Total, Available	2,000	20,000	20,000	20,000

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
INDIAN HIGHLY FRACTIONATED LAND PROGRAM
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Loan Level	Loan Level	Loan Level	Loan Level
Montana	$10,000	$10,000	$11,147	-
Undistributed	-	-	-	-
Total Obligation	10,000	10,000	11,147	
Lapsing Balances	-	-	-	-
Total, Available	10,000	10,000	11,147	-

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
Classification by Objects
(Dollars in thousands)

		2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
25.3	Other purchases of goods and services from Federal sources	$314,521	$316,832	$314,915	$292,587
41.0	Grants, subsidies and contributions	74,645	72,722	90,790	78,780
99.9	Total, new obligations	389,166	389,554	405,705	371,367

AGRICULTURAL CREDIT INSURANCE FUND

Status of Programs

Current Activities: Through the Agricultural Credit Insurance Fund (ACIF), FSA offers direct and guaranteed loans to farmers temporarily unable to obtain private commercial credit. Under the guaranteed loan program, FSA guarantees up to 95 percent of the principal amount of loans made by conventional agricultural lenders. Applicants unable to qualify for a guaranteed loan may be eligible for a direct loan made and serviced by FSA loan officers, who also provide loan supervision and credit counseling.

- Farm Ownership Loans. FSA makes direct and guaranteed loans to family farmers to purchase farmland; restructure debts, including utilizing real estate equity to refinance heavy short-term debts; and modify their operations to comply with sanitation and pollution abatement requirements, keep up with advances in agricultural technology, better utilize their land and labor resources, or meet changing market requirements.

- Farm Operating Loans. Direct and guaranteed operating loans may be made to pay costs incidental to reorganizing a farming system for more profitable operations; purchasing livestock, poultry, and farm equipment; purchasing feed, seed, fertilizer, insecticides, and farm supplies and meeting other essential operating expenses; financing land and water development, use, and conservation; developing recreation and other non-farm enterprises; and refinancing existing indebtedness.

- Emergency Loans. Direct loans are made available in designated counties and contiguous counties where property damage or severe production losses have occurred as a result of natural disaster.

- Indian Tribe Land Acquisition Loans. Direct loans are made to eligible Native American tribes to assist them in repurchasing lands within the boundaries of their reservations and maintaining ownership for future generations.

- Boll Weevil Eradication Loans. Direct loans assist producer associations and State governmental agencies in cotton-producing States to carry out boll weevil eradication programs.

- Conservation Loans. Guaranteed loans allow farming operations of any size access to credit to implement conservation practices approved by the Natural Resources Conservation Service.

- Highly Fractionated Indian Land Loans. A revolving loan fund is available to qualified private and tribal nonprofit corporations, public agencies, Indian tribes, or other qualified lending institutions, who borrow from the FSA and re-lend the funds to eligible Tribal members to purchase highly fractionated Indian lands.

Direct and guaranteed loan programs provided assistance totaling $2.6 billion to beginning farmers during 2017, of which $1.4 billion was in the ownership program and $1.2 billion was in the operating program. Loans for socially disadvantaged farmers totaled $832 million, of which $437 million was in the farm ownership program and $395 million was in the farm operating program.

Selected Examples of Recent Progress: Lending to beginning farmers was strong during 2017. FSA loaned or guaranteed beginning farmer loans for 21,011 borrowers. Outreach efforts by FSA field offices to promote and inform beginning and socially disadvantaged farmers about available FSA programs have resulted in increased lending to these groups in the last few years.

Though overall loan totals were slightly lower in FY 2017 compared to FY 2016, the amount of direct and guaranteed operating and farm ownership loan assistance provided in FY 2017 was the second highest total in agency history. Likewise, though loan assistance provided to beginning and socially disadvantaged farmers decreased slightly in FY 2017 compared to FY 2016, the trend in lending to underserved groups has remained relatively stable as a percentage of total loans made. The number of beginning farmer loans decreased slightly by one percent and the number of socially disadvantaged loans decreased by four percent. In summary, FY 2017 loan assistance provided in the direct and guaranteed operating and farm ownership programs decreased slightly from the record FY 2016 level – this also applies loan assistance provided to beginning farmers and socially disadvantaged farmers.

The following tables reflect 2017 ACIF program activity:

FY 2017 Actual Agricultural Credit Insurance Fund Loans and Obligations

Total Direct and Guaranteed Loans			
	FY 2016	**FY 2017**	**Percent Change**
Total Number Of Loans			
Direct Farm Ownership	5,460	5,542	2%
Direct Farm Ownership - Microloans	185	200	8%
Guaranteed Farm Ownership	5,067	4,663	-8%
Ownership Subtotal	**10,712**	**10,405**	**-3%**
Direct Operating	16,878	16,466	-2%
Direct Farm Operating - Microloans	6,703	6,481	-3%
Guaranteed Operating	4,981	4,941	-1%
Operating Subtotal	**28,562**	**27,888**	**-2%**
Grand Total Number of Loans	**39,274**	**38,293**	**-2%**
Total Dollar Value Of Loans ($000)			
Direct Farm Ownership	$1,010,278	$1,036,642	3%
Direct Farm Ownership – Microloans	6,688	7,473	12%
Guaranteed Farm Ownership	2,472,062	2,278,602	-8%
Ownership Subtotal	**3,489,028**	**3,322,717**	**-5%**
Direct Operating	1,172,135	1,131,343	-3%
Direct Farm Operating - Microloans	167,388	152,692	-9%
Guaranteed Operating	1,493,461	1,366,897	-8%
Operating Subtotal	**2,832,984**	**2,650,932**	**-6%**
Grand Total Dollar Value of Loans	**6,322,012**	**5,973,649**	**-6%**

Beginning Farmer Loans a/			
	FY 2016	**FY 2017**	**Percent Change**
Total Number Of Loans			
Direct Farm Ownership	1,986	1,999	1%
Direct Farm Ownership Down-payment	2,191	2,253	3%
Guaranteed Farm Ownership	1,818	1,766	-3%
Ownership Subtotal	**5,995**	**6,018**	**0%**
Direct Operating	13,674	13,349	-2%
Guaranteed Operating	1,565	1,644	5%
Operating Subtotal	**15,239**	**14,993**	**-2%**
Grand Total Number of Loans	**21,234**	**21,011**	**-1%**
Total Dollar Value Of Loans ($000)			
Direct Farm Ownership	$358,634	$368,107	3%
Direct Farm Ownership Down-payment	396,352	410,619	4%
Guaranteed Farm Ownership	718,609	691,910	-4%
Ownership Subtotal	**1,473,595**	**1,470,636**	**0%**
Direct Operating	840,744	802,459	-5%
Guaranteed Operating	369,943	372,432	1%
Operating Subtotal	**1,210,687**	**1,174,891**	**-3%**
Grand Total Dollar Value of Loans	**2,684,282**	**$2,645,527**	**-1%**

Socially Disadvantaged Farmer Loans a/			
Total Number Of Loans			
	FY 2016	**FY 2017**	**Percent Change**
Direct Farm Ownership	1,214	1,178	-3%
Guaranteed Farm Ownership	478	465	-3%
Ownership Subtotal	**1,692**	**1,643**	**-3%**
Direct Operating	7,013	6,581	-6%
Guaranteed Operating	387	480	24%
Operating Subtotal	**7,400**	**7,061**	**-5%**
Grand Total Number of Loans	**9,092**	**8,704**	**-4%**
Total Dollar Value Of Loans ($000)			
Direct Farm Ownership	$209,740	$203,632	-3%
Guaranteed Farm Ownership	241,555	233,789	-3%
Ownership Subtotal	**451,295**	**437,421**	**-3%**
Direct Operating	277,673	250,222	-10%
Guaranteed Operating	112,687	144,552	28%
Operating Subtotal	**390,360**	**394,774**	**1%**
Grand Total Dollar Value of Loans	**841,655**	**832,195**	**-1%**

a/ Please note that, while loans made are subsets of the total, any one loan could be counted in more than one category so that the grand total does not equal the sum of the subtotals. For example, a direct farm ownership socially disadvantaged farmer (borrower) could also be a beginning farmer and would be included in both categories; however, this would only count as one loan in the grand total.

FARM SERVICE AGENCY

Reforestation Pilot Program

Lead-Off Tabular Statement

Budget Estimate, 2019	0
2018 Annualized Continuing Resolution	$596,000
Change in Appropriation	-596,000

FARM SERVICE AGENCY
Reforestation Pilot Program
Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual	2017 Actual	2018 Estimate	Inc. or Dec.		2019 President's Budget
	Amount	Amount	Amount	Amount		Amount
Discretionary Appropriations:						
Reforestation Pilot Program.......................	$600	$600	$596	-$596	(1)	-
Total Appropriation....................................	600	600	596	-596		-
Total Available...	600	600	596	-596		-
Total Obligations..	600	600	596	-596		-

Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual	2017 Actual	2018 Estimate	Inc. or Dec.	2019 President's Budget
	Amount	Amount	Amount	Amount	Amount
Discretionary Obligations:					
Reforestation Pilot Program.......................	$600	$600	$596	-$596	-
Total Obligations..	600	600	596	-596	-
Total Available...	600	600	596	-596	-
Total Appropriation....................................	600	600	596	-596	-

Justification of Increases and Decreases

(1) A decrease of $596,000 for Reforestation Pilot Program ($596,000 was available in 2018).

The FY 2019 President's Budget proposes no funding for this program.

FARM SERVICE AGENCY

Reforestation Pilot Program

Geographic Breakdown of Obligations

(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Amount	Amount	Amount	Amount
Louisiana	$100	$100	$99	-
Mississippi	500	500	497	-
Obligations	600	600	596	-
Total, Available	600	600	596	-

Classification by Objects

(Dollars in thousands)

		2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
41.0	Grants, Subsidies and Contributions	$600	$600	$596	-
99.0	Total, new obligations	600	600	596	-

REFORESTATION PILOT PROGRAM

Status of Programs

The 2008 Agriculture Appropriations Act (PL 110-161) directed FSA to carry out a pilot program to demonstrate the use of new technologies that increase the rate of growth of reforested hardwood trees on private, non-industrial forest lands on the coast of the Gulf of Mexico damaged by Hurricane Katrina in 2005. In addition to loss of human lives and destruction of property, the hurricanes of 2005 also caused significant damage to forest resources in the area. Larger hardwood seedlings, such as those produced through root production methodologies (RPM), are believed to have better survival and early growth. For over eight years, FSA has engaged with Mississippi State University (MSU) in a demonstration project to evaluate the efficacy of the implementation of such new technologies and establishment of larger seedlings in improving hardwood reforestation success. The study is conducting trials on different types of planting stock to determine which have the highest survival and growth rates. First year plantings have shown that the RPM seedlings were two to four times larger than other planted stock at establishment. Due to different species, planting sites and growing conditions, second year plantings exhibited results slightly different from the first year with the RPM seedlings again showing exceptional growth rates.

Current Activities: In 2017, $600,000 was made available to Mississippi State University to continue the pilot program. The MSU Forest and Wildlife Research Center planted an additional 258 acres with 9,600 RPM and equivalent type of trees, 9,600 barefoot and 9,600 conventional seedlings in 2017.

Selected Examples of Past Activity: Since the initial funding in the Agriculture Appropriations Act of 2008 through 2017, $6.58 million has been appropriated to support the pilot program designed to enhance restoration of hardwood forests severely damaged by Hurricane Katrina and associated storms that ravaged the Gulf Coast in 2005. Approximately 257,851 trees have been planted and 2,551 acres of hardwood forests have been restored by the program.

FARM SERVICE AGENCY

Emergency Conservation Program

Lead-Off Tabular Statement

Budget Estimate, 2019	0
2018 Annualized Continuing Resolution	28,651,000
Change in Appropriation	-28,651,000

FARM SERVICE AGENCY

Emergency Conservation Program

Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual Amount	2017 Actual Amount	2018 Estimate Amount	Inc. or Dec. Amount		2019 President's Budget Amount
Discretionary Appropriations:						
Emergency Conservation Program Regular.................	$17,000	$28,651	+$28,651	-$28,651	(1)	-
Emergency Conservation Program Stafford.................	$91,000	-	-	-		-
Emergency Conservation Program PL 114-254...........	-	102,979	-	-		-
Subtotal..	108,000	131,630	28,651	-28,651		-
Supplemental Appropriations:						
Emergency Conservation Program Sandy	-	-	-	-		-
Total Adjusted Approp..	108,000	131,630	28,651	-28,651		-
Rescissions, Transfers, and Seq. (Net).............................	-	-	-	-		-
Total Appropriation...	108,000	131,630	28,651	-28,651		-
Transfers Out:						
EFRP...	-	-	-	-		-
EWPP...	-	-	-	-		-
Subtotal..	-	-	-	-		-
Sequestration...	-	-	-	-		-
Rescission..	-	-				
Bal. Available, SOY..	135,332	180,856	239,822	-171,349		68,473
Recoveries, Other (Net)...	8,158	31,648	-	+1,527		1,527
Total Available..	251,490	344,134	268,473	-198,473		70,000
Bal. Available, EOY..	-180,856	-239,822	-68,473	+68,473		-
Total Obligations...	70,634	104,312	200,000	-130,000		70,000

Emergency Conservation Program
Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual Amount	2017 Actual Amount	2018 Estimate Amount	Inc. or Dec. Amount	2019 President's Budget Amount
Discretionary Obligations:					
Emergency Conservation Program Regular.................	$29,609	$18,803	$36,051	-$23,433	$12,618
Emergency Conservation Program Stafford.................	41,025	41,320	79,224	-51,496	27,728
Emergency Conservation Program PL 114-254...........	-	44,189	84,725		29,654
Subtotal..	70,634	104,312	200,000	-130,000	70,000
Supplemental Obligations:					
Emergency Conservation Program Sandy Stafford......	-	-	-	-	-
Subtotal..	-	-	-	-	-
Total Obligations...	70,634	104,312	200,000	-130,000	70,000
Bal. Available, EOY..	180,856	239,822	68,473	-68,473	-
Total Available..	251,490	344,134	268,473	-198,473	70,000
Transfers In..	-	-	-	-	-
Transfers Out...	-	-	-	-	-
Rescission..	-	-	-	-	-
Sequestration...	-	-	-	-	-
Bal. Available, SOY..	-135,332	-180,856	-239,822	+171,349	-68,473
Other Adjustments (Net)...	-8,158	-31,648	-	-1,527	-1,527
Total Appropriation...	108,000	131,630	28,651	-28,651	-

Justification of Increase and Decrease

The FY 2019 Budget proposes no funding for this program.

FARM SERVICE AGENCY
Emergency Conservation Program
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Amount	Amount	Amount	Amount
Alabama	$3,090	$2,639	$5,060	$1,771
Arizona	150	-	-	-
Arkansas	895	9,099	17,446	6,106
California	3,995	1,702	3,263	1,142
Colorado	175	378	725	254
Connecticut/Rhode Island	9	14	27	9
Delaware	-	-	-	-
Florida	21	2,722	5,219	1,827
Georgia	189	2,396	4,594	1,608
Hawaii	2,911	34	65	23
Idaho	316	4,100	7,860	2,751
Illinois	141	420	805	282
Indiana	-	10	19	7
Iowa	6	296	568	199
Kansas	2,520	10,258	19,667	6,884
Kentucky	65	164	314	110
Louisiana	-	760	1,457	510
Maine	-	145	278	97
Maryland	4	-	-	-
Massachusetts	-	934	1,792	627
Michigan	29	-	-	-
Minnesota	134	17	33	11
Mississippi	438	617	1,183	414
Missouri	6,477	5,762	11,047	3,866
Montana	814	2,691	5,159	1,806
Nebraska	5,642	399	766	268
Nevada	188	42	80	28
New Hampshire	46	272	522	183
New Jersey	40	-	-	-
New Mexico	473	363	695	243
New York	107	747	1,432	501
North Carolina	108	13,191	25,292	8,852
North Dakota	-	85	163	57
Ohio	387	3	6	2
Oklahoma	5,885	9,368	17,962	6,287
Oregon	4,599	833	1,596	559
Pennsylvania	-	96	184	64
South Carolina	1,675	8,398	16,101	5,635
South Dakota	2,588	6,315	12,108	4,238
Tennessee	1,451	583	1,117	391
Texas	7,531	8,996	17,249	6,037
Utah	31	374	716	251
Vermont	-	39	74	26
Virginia	245	175	335	117
Washington	16,248	5,284	10,130	3,546
West Virginia	112	948	1,818	636
Wisconsin	-	623	1,195	418
Wyoming	866	2,023	3,879	1,358
Puerto Rico	33	-	-	-
Undistributed	-	-	-	-
Obligations	70,634	104,312	200,000	70,000
Bal. Available, EOY	180,856	239,822	68,473	-
Total, Available	251,490	344,134	268,473	70,000

FARM SERVICE AGENCY

Emergency Conservation Program

Classification by Objects
(Dollars in thousands)

		2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
41.0	Grants	$70,634	$104,312	$200,000	$70,000
99.9	Total, new obligations	70,634	104,312	200,000	70,000

EMERGENCY CONSERVATION PROGRAM

Status of Programs

Current Activities: During FY 2017, 41 States participated in the Emergency Conservation Program (ECP), with new or continued activity from the previous year, involving approximately $57 million in cost-share and technical assistance funds outlays. In FY 2017, $102,978,524 of ECP funding was provided by P.L. 114-254, the Further Continuing and Security Assistance Appropriations Act, 2017 to remain available until expended, provided all amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. In addition, $28,651,000 was provided by P.L. 115-31, the Consolidated Appropriations Act, 2017 to remain available until expended for emergencies not declared as a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42U.S.C. 5121 et seq.). Approximately $57 million was outlayed in FY 2017, which includes prior year unobligated balances brought forward.

Selected Examples of Recent Activity: ECP provisions in current and prior years' supplemental appropriations have targeted funding needs for both regular ECP and specific disasters, such as the pervasive Upper Plains drought conditions, Midwest flooding, tornado damage, and Plains states wildfires. Funds are monitored through separate disaster identification accounts. ECP funds continue to assist agricultural producers to rehabilitate natural disaster damaged farmland by removing flood and tornado deposited debris from farmland, which returns the land to its productive agricultural capacity, providing emergency water for livestock in parts of the Northern Plains where severe drought continues to pervade the region, grading and reshaping farmland scoured by flood waters, and restoring livestock fences and conservation structures destroyed by wildfire, tornados, and hurricanes. During FY 2017, ECP allocated $47.5 million in Stafford Act funds and $148.2 million in unrestricted funds, totaling $195.7 million. These allocations include the reallocation of unrestricted and Stafford funds remaining from previous years' disasters to help producers faced with new natural disaster events.

The following tables show (A) appropriations and outlays for 1981 through 2017 and (B) FY 2017 allocations by State.

Table A

Emergency Conservation Program Appropriations and Outlays Fiscal Years 1981-2017			
Fiscal Year	Appropriation	1/ to 5/	Outlays
1981 - 2010	$1,131,860,070		$926,918,418
2011	0	6/	35,138,268
2012	122,700,000	7/	56,113,938
2013	25,049,415	8/	41,084,135
2014	0		22,879,879
2015	9,216,000	9/	23,926,138
2016	108,000,000	10/	28,159,321
2017	131,629,524	11/	57,067,063
TOTAL	1,528,455,009		1,191,287,160

1/ $199.8 million in supplemental funding provided by P.L. 109-148. $38 million was transferred to NOAA by P.L. 109-234.
2/ $18 million in supplemental funding was provided by P.L. 110-28; $2 million was for Kansas only.
3/ $89.4 million in supplemental funding was provided by P.L. 110-252 and used for multiple disasters throughout the nation, and much of this funding addressed damage from the 2008 Midwest Floods. $115 million in a second supplemental was provided by P.L. 110-329 and was also used for multiple disasters throughout the nation. Much of this funding addressed damage from Hurricanes Ike and Gustav and also provided additional funding to address damage from the 2008 Midwest Floods.
4/ $66.314 million was internally re-allotted from Hurricane Katrina and Adjusted Gross Income accounts into the regular ECP account to be used for any natural disaster, per P.L. 111-32, signed June 24, 2009.

5/ During 2010, ECP provided $53.3M in total allocations.
6/ During 2011, ECP provided $28.0M in total allocations.
7/ During 2012, ECP provided $148.9M in total allocations. Also in FY 2012, $122.7 million in ECP funding was provided from the Consolidated and Further Continuing Appropriations Act, 2012, P.L. 112-55 enacted November 18, 2011, for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). Also, using the interchange authority under 7 U.S.C. 2257, $14 million in Farm Service Agency funding was transferred from the Emergency Assistance for Livestock, Honey Bees and Farm Raised Fish Program (ELAP) to ECP.
8/ In FY 2013, $15 million of ECP supplemental funding for Super Storm Sandy major disaster relief declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act was provided by PL. 113-2, the Disaster Relief Appropriations Act of 2013. $11.1 million of ECP funding was provided by P.L. 113-6, the Consolidated and Further Continuing Appropriations Act of 2013. Appropriated amounts shown are net of sequester and rescissions.
9/ In FY 2015, $9.216 million of ECP funding was also provided by P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015 for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).
10/ In FY 2016, $108 million of ECP funding was provided by P.L. 114-113, and the Consolidated Appropriations Act, 2016 provided $91 million was made available for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The remaining $17 million is considered unrestricted funds.
11/ In FY2017, $102.9 million of ECP funding was provided by P.L. 114-254, and the Further Continuing and Security Assistance Appropriations Act, 2017 to remain available until expended, provided all amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b) (2) (A) (i) of the Balanced Budget and Emergency Deficit Control Act of 1985. In addition, $28,651,000 was provided by P.L. 115-31, the Consolidated Appropriations Act 2017 to remain available until expended for emergencies not declared as a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42U.S.C. 5121 et seq.).

Table B

EMERGENCY CONSERVATION PROGRAM FY 2017 Allocations by State		
State	Disaster	Total Allocations
AL	Drought, ,Flooding, Severe Storms, Tornados	$1,363,800
AR	Drought, Flooding, Severe Storms, Tornados	10,539,838
CA	Flooding, Wildfires	2,321,300
CNMI	Severe Storms	89,000
CO	Flooding, Wildfires	446,752
FL	Hurricane	3,527,800
GA	Flooding, Hurricane, Severe Storms, Tornados	4,556,084
IA	Flooding, Tornados	1,311,600
ID	Drought, Flooding, Wildfires	6,093,498
IL	Flooding	800,500
IN	Tornado	10,000
KS	Flooding, Tornados, Wildfires	24,928,316
KY	Flooding, Severe Storms	283,000
LA	Flooding, Tornados	1,270,068
MA	Drought	2,158,300
ME	Drought	348,400
MO	Flooding, Severe Storms, Tornados	7,630,000
MS	Drought, Flooding, Severe Storms, Tornados	1,407,450
MT	Drought, Flooding, Wildfires	7,385,300
NC	Flooding, Hurricane, Severe Storms	29,650,514
ND	Drought	199,500
NE	Drought, Flooding	55,300
NH	Drought, Flooding	861,000
NM	Flooding	871,368
NV	Flooding	2,752,600
NY	Drought, Flooding	2,055,000
OK	Flooding, Severe Storms, Tornados, Wildfires	12,521,460
OR	Flooding, Wildfires	1,938,400
PA	Flooding	109,100
RI	Flooding	15,300
SC	Flooding, Hurricane, Tornados	11,520,200
SD	Drought, Wildfires	21,699,090
TN	Drought, Flooding, Severe Storms, Tornados	500,000
TX	Flooding, Severe Storms, Tornados, Wildfires	27,136,754
UT	Flooding	490,900
VA	Flooding, Severe Storms	83,900
VT	Severe Storms	39,279
WA	Wildfires	2,020,620
WI	Flooding	750,000
WV	Flooding, Severe Storms	1,180,700
WY	Drought, Flooding, Wildfires	2,783,300
Total		195,705,291

FARM SERVICE AGENCY

Agricultural Disaster Relief Fund

Lead-Off Tabular Statement

Budget Estimate, 2019	0
2018 Annualized Continuing Resolution	0
Change in Appropriation	0

FARM SERVICE AGENCY

Agricultural Disaster Relief Fund

Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual	2017 Actual	2018 Estimate	Inc. or Dec.	2019 President's Budget
	Amount	Amount	Amount	Amount	Amount
Mandatory Appropriations:					
Agricultural Disaster Relief Fund...	$72	$47	-	-	-
Total Appropriation.........................	72	47	-	-	-
Transfers In:					
Borrowing Authority.......................	-	-	-	-	-
Subtotal..	-	-	-	-	-
Sequestration.......................................	-	-	-	-	-
Bal. Available, SOY............................	-	15,676	-	-	-
Recoveries, Other (Net).......................	1,050	39	-	-	-
Total Available................................	1,122	15,762	-	-	-
Bal. Available, EOY............................	-	-15,184	-	-	-
Total Obligations.............................	1,122	578	-	-	-

Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual	2017 Estimate	2018 Estimate	Inc. or Dec.	2019 President's Budget
	Amount	Amount	Amount	Amount	Amount
Mandatory Obligations:					
Agricultural Disaster Relief............	$1,122	$578	-	-	-
Subtotal..	1,122	578	-	-	-
Total Obligations.............................	1,122	578	-	-	-
Bal. Available, EOY............................	-	15,184	-	-	-
Total Available................................	1,122	15,762	-	-	-
Transfers In					
(Borrowing Authority)	-	-	-	-	-
Transfers Out.......................................	-	-	-	-	-
Sequestration.......................................	-	-		-	-
Bal. Available, SOY............................	-	-15,676	-	-	-
Other Adjustments (Net).....................	-1,050	-39	-	-	-
Total Appropriation.........................	72	47	-	-	-

Justification of Increases and Decreases

The 2017 funds are for the remainder of payments projected for this program. Payments to be made in FY 2017 are due to residual payments/corrections/appeals/upward adjustments to prior year obligations for projects under the authorization in PL 110-246, including SURE. No FY 2018 or FY 2019 requirements are projected.

FARM SERVICE AGENCY
Agricultural Disaster Relief Fund
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
	Amount	Amount	Amount	Amount
Alabama	-	-	-	-
Alaska	-	-	-	-
Arizona	-	-$1	-	-
Arkansas	-	-	-	-
California	-$1	2	-	-
Colorado	-6	1	-	-
Connecticut	-	-	-	-
Delaware	-	-	-	-
Florida	24	-	-	-
Georgia	6	9	-	-
Hawaii	-10	11	-	-
Idaho	-	-	-	-
Illinois	4	-	-	-
Indiana	-	1	-	-
Iowa	-6	-	-	-
Kansas	74	10	-	-
Kentucky	2	-	-	-
Louisiana	2	1	-	-
Maine	-	-	-	-
Maryland	-	16	-	-
Massachusetts	32	-	-	-
Michigan	5	-	-	-
Minnesota	4	33	-	-
Mississippi	1	-	-	-
Missouri	-	-	-	-
Montana	100	113	-	-
Nebraska	239	1	-	-
Nevada	-	-	-	-
New Hampshire	-	-	-	-
New Jersey	14	-	-	-
New Mexico	-115	90	-	-
New York	-	-	-	-
North Carolina	419	10	-	-
North Dakota	34	7	-	-
Ohio	1	1	-	-
Oklahoma	3	31	-	-
Oregon	-	-	-	-
Pennsylvania	-	-	-	-
Rhode Island	-	-	-	-
South Carolina	-	-	-	-
South Dakota	35	2	-	-
Tennessee	-	-	-	-
Texas	183	180	-	-
Utah	-	-	-	-
Vermont	-	-	-	-
Virginia	-	52	-	-
Washington	1	-	-	-
West Virginia	1	-	-	-
Wisconsin	12	-	-	-
Wyoming	-	6	-	-
Puerto Rico	64	-	-	-
Undistributed	-	2	-	-
Obligations	1,122	578	-	-
Lapsing Balances	-	-	-	-
Bal. Available, EOY	-	15,184	-	-
Total, Available	1,122	15,762	-	-

FARM SERVICE AGENCY

Agricultural Disaster Relief Fund

Classification by Objects
(Dollars in thousands)

		2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
41.0	Grants	$1,122	$578	-	-
99.9	Total, new obligations	1,122	578	-	-

AGRICULTURAL DISASTER RELIEF TRUST FUND

Status of Programs

Current Activities: The Food, Conservation, and Energy Act of 2008, P.L. 110-246, authorized the implementation of Supplemental Agricultural Disaster Assistance under Sections 12033 and 15001. Using funds from the Agricultural Disaster Relief Trust Fund, established under section 902 of the Trade Act of 1974, the program is administered by the USDA Farm Service Agency (FSA). The Taxpayer Relief Act of 2012 provided authority for discretionary funds to be used to execute several of the disaster programs for fiscal year 2013, but no funds were appropriated.

Funds from the Agricultural Disaster Relief Trust Fund were used to make payments to farmers and ranchers under the following disaster assistance programs: Agricultural Disaster Relief (DTF); Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP) Program; Livestock Forage Disaster Program (LFP); Livestock Indemnity Program (LIP); Supplemental Revenue Assistance Payments (SURE) Program; Tree Assistance Program (TAP).

During 2017, funds were used to make remaining residual payments to farmers and ranchers, including adjustments to prior year obligations. Obligations totaled $577,766 and total outlays were $579,060.

The Agriculture Act of 2014 shifted the funding authority for disaster programs from the Agricultural Disaster Relief Trust Fund to the Commodity Credit Corporation.

Programs	Obligations	Outlays
DTF	0	$642
ELAP	0	0
LFP	213,522	215,005
LIP	31,599	32,519
SURE	314,730	312,980
TAP	17,915	17,914
Total	577,766	579,060

FARM SERVICE AGENCY

USDA Supplemental Assistance

Lead-Off Tabular Statement

Budget Estimate, 2019	0
2018 Annualized Continuing Resolution	1,982,000
Change in Appropriation	-1,982,000

FARM SERVICE AGENCY

USDA Supplemental Assistance

Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual Amount	2017 Actual Amount	2018 Estimated Amount	Inc. or Dec. Amount	2019 President's Budget Amount
Discretionary Appropriations:					
Geographically Disadvantaged Farmers and Ranchers	$1,996	1,996	1,982	-$1,982 (1)	-
Total Adjusted Approp....................	1,996	1,996	1,982	-$1,982	-
Total Appropriation.........................	1,996	1,996	1,982	-1,982	-
Total Available................................	1,996	1,996	1,982	-1,982	-
Total Obligations.............................	1,996	1,996	1,982	-1,982	-

Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual Amount	2017 Actual Amount	2018 Estimated Amount	Inc. or Dec. Amount	2019 President's Budget Amount
Discretionary Obligations:					
Geographically Disadvantaged Farmers and Ranchers	$1,996	$1,996	$1,982	-$1,982	-
Other..	-	-	-	-	-
Subtotal..	1,996	1,996	1,982	-1,982	-
Total Obligations.............................	1,996	1,996	1,982	-1,982	-
Lapsing Balances	-	-	-	-	-
Bal. Available, EOY...........................	-	-	-	-	-
Total Available................................	1,996	1,996	1,982	-1,982	-
Total Appropriation.........................	1,996	1,996	1,982	-1,982	-

(1) A decrease of $1,982,000 for Geographically Disadvantaged Farmers and Ranchers ($1,982,000 is available in FY 2018).

The Agricultural Act of 2014 (the 2014 Farm Bill), re-authorized the Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers (RTCP) to reimburse geographically disadvantaged producers with a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity. Current year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency. The FY 2019 Budget proposes no funding for this program.

FARM SERVICE AGENCY
USDA Supplemental Assistance
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual	2017 Actual	2018 Estimated	2019 President's Budget
	Amount	Amount	Amount	Amount
Alaska	$306	$332	$330	-
Guam	18	19	18	-
Hawaii	840	795	795	-
North Dakota	2	-	-	-
Oregon	3	-	-	-
U.S. Virgin Islands	13	14	14	-
Amnerican Samoa	8	7	7	-
N. Mariana	4	2	2	-
Puerto Rico	778	761	775	-
Unknown	24	66	41	-
Obligations	1,996	1,996	1,982	-
Bal. Available, EOY	-	-	-	-
Total, Available	1,996	1,996	1,982	-

Classification by Objects
(Dollars in thousands)

	2016 Actual	2017 Actual	2018 Estimated	2019 President's Budget
41.0 Grants	$1,996	$1,996	1,982	-
99.9 Total, new obligations	1,996	1,996	1,982	-

USDA SUPPLEMENTAL ASSISTANCE PROGRAM

Status of Programs

REIMBURSEMENT TRANSPORTATION COST PAYMENT (RTCP) PROGRAM FOR GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS

The Agricultural Act of 2014 (Public Law 113-79), re-authorized the Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers (RTCP). The Consolidated Appropriations Act, 2017 authorized $1.996 million for FY 2017 to reimburse geographically disadvantaged producers with a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity for each succeeding FY subject to appropriate funding.

The purpose of the Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers (RTCP) program is to offset a portion of the higher costs of transporting agricultural inputs and commodities over long distances. This program assists farmers and ranchers residing outside the 48 contiguous states that are at a competitive disadvantage when transporting agriculture products to the market.

Current Activities: RTCP benefits are calculated based on the costs incurred by the producer for transportation of the agricultural commodity or inputs during a fiscal year, subject to an $8,000 per producer cap per fiscal year. RTCP enrollments for FY 2017 began on July 17, 2017, and ended on September 8, 2017. Payments for FY 2017 signup will be disbursed in FY 2018.

FARM SERVICE AGENCY

Emergency Forest Restoration Program

Lead-Off Tabular Statement

Budget Estimate, 2019	0
2018 Annualized Continuing Resolution	0
Change in Appropriation	0

FARM SERVICE AGENCY

Emergency Forest Restoration Program

Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual Amount	2017 Actual Amount	2018 Estimate Amount	Inc. or Dec. Amount	2019 President's Budget Amount
Discretionary Appropriations:					
Emergency Forest Restoration Program Regular	$4,000	-	-	-	-
Emergency Forest Restoration Program Stafford	2,000	-	-	-	-
Total Adjusted Approp	6,000	-	-	-	-
Rescissions, Transfers, and Seq. (Net)	-	-	-	-	
Total Appropriations	6,000	-	-	-	-
Transfers In:				-	
ECP (Sandy Stafford)	-	-	-	-	-
Subtotal	-	-	-	-	-
Rescission	-	-	-	-	-
Sequestration	-	-			
Bal. Available, SOY	52,762	$60,002	$60,713	-15,000	$45,713
Recoveries, Other (Net)	4,119	6,093	-	-	-
Total Available	62,881	66,095	60,713	-15,000	45,713
Bal. Available, EOY	-60,002	-60,713	-45,713	+15,000	-30,713
Total Obligations	2,879	5,382	15,000	-	15,000

Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual Amount	2017 Actual Amount	2018 Estimate Amount	Inc. or Dec. Amount	2019 President's Budget Amount
Discretionary Obligations:					
Emergency Forest Restoration Program Regular	$1,120	$4,062	$11,320	+$1	$11,320
Emergency Forest Restoration Program Stafford	1,751	1,320	3,678	+0	3,679
Subtotal	2,871	5,382	14,998	+1	14,999
Supplemental Obligations:					
Emergency Forest Restoration Program Sandy Stafford	8	-	2	-1	1
Total Obligations	2,879	5,382	15,000	-	15,000
Bal. Available, EOY	60,002	60,713	45,713	-15,000	30,713
Total Available	62,881	66,095	60,713	-15,000	45,713
Transfers In	-	-	-	-	-
Rescission	-	-	-	-	-
Sequestration	-	-	-	-	-
Bal. Available, SOY	-52,762	-60,002	-60,713	+15,000	-45,713
Recoveries, Other (Net)	-4,119	-6,093	-	-	-
Total Appropriation	6,000	-	-	-	-

Justification of Increases and Decreases

The budget proposes no funding for this program in FY 2019.

FARM SERVICE AGENCY
Emergency Forest Restoration Program
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2016 Actual Amount	2017 Actual Amount	2018 Estimate Amount	2019 President's Budget Amount
Alabama	$8	-	$42	-
Arkansas	6	$92	31	$256
California	-	122	-	340
Colorado	13	-	68	-
Connecticut	-	7	-	20
Georgia	295	211	1,537	588
Idaho	-	-	-	-
Iowa	-	-	-	-
Kansas	-	-	-	-
Kentucky	3	-	16	-
Maine	8	-	42	-
Maryland	-	-	-	-
Massachusetts	-	322	-	897
Michigan	-	-	-	-
Minnesota	-	-	-	-
Mississippi	582	493	3,032	1,374
Montana	-	248	-	691
Nebraska	68	-	354	-
New Hampshire	-	6	-	17
New Jersey	-	4	-	11
New York	-	-	-	-
North Carolina	-	136	-	379
Ohio	8	13	42	36
Oregon	1,005	1,510	5,236	4,208
Pennsylvania	-	3	-	8
South Carolina	797	87	4,152	242
South Dakota	-	-	-	-
Tennessee	54	14	281	39
Texas	8	-	42	-
Vermont	-	-	-	-
Virginia	24	3	125	8
Washington	-	-	-	-
West Virginia	-	-	-	-
Wisconsin	-	206	-	574
Wyoming	-	-	-	-
American Samoa	-	-	-	-
KCMO-DMD	-	-	-	-
Undistributed	-	1,905	-	5,312
Obligations	2,879	5,382	15,000	15,000
Bal. Available, EOY	60,002	60,713	45,713	30,713
Total, Available	62,881	66,095	60,713	45,713

Emergency Forest Restoration Program
Classification by Objects
(Dollars in thousands)

	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
41.0 Grants……………	$2,879	$5,382	$15,000	$15,000
99.0 Total, new obligations......	2,879	5,382	15,000	15,000

EMERGENCY FOREST RESTORATION PROGRAM

Status of Programs

Current Activities: The Emergency Forest Restoration Program (EFRP) provides payments to eligible owners of non-industrial private forest land for implementation of emergency measures to restore forests and forest resources damaged by natural disasters. No EFRP funds were appropriated in FY 2017. During FY 2017, 14 States participated in EFRP with new or continued activity from the previous year. In FY 2017, $2.3 million was outlayed, which includes prior year unobligated balances brought forward.

Selected Examples of Recent Activity: EFRP provisions in prior year supplemental appropriations have targeted funding for both regular EFRP, such as wild fires and tornado damage, and Stafford Act funds targeted to specific disaster needs, such as hurricanes. EFRP funds continue to assist with the rehabilitation of forest and forest resources damaged by natural disaster events such as ice storm and tornado damage by removing forest debris and replanting tree species and wildlife habitat. In FY 2017, $7.2 million in EFRP unrestricted and Stafford Act designated funds were allocated to 14 States to assist private forest landowners impacted by natural disasters.

The following tables show appropriations and outlays for 2010 through 2016 and FY 2017.

Table A

Emergency Forest Restoration Program
Appropriations and Outlays
Fiscal Years 2010-2017

Fiscal Year	Appropriation		Outlays
2010	$18,000,000	1/	0
2011	0		$232,825
2012	28,400,000	2/	1,991,152
2013	35,665,468	3/	5,452,319
2014	0		1,981,531
2015	3,203,000	4/	4,391,289
2016	6,000,000	5/	4,719,927
2017	0		2,262,227
TOTAL	91,268,468		21,031,270

1/ $18,000,000 in supplemental funding provided by P.L. 111-212.

2/ $28,400,000 in supplemental funding provided by P.L. 112-55.

3/ $23 million in EFRP supplemental funding for Super Storm Sandy major disaster relief declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act was provided by PL. 113-2, the Disaster Relief Appropriations Act of 2013. $14.2 million was provided by P.L. 113-6, Consolidated and Further Continuing Appropriations Act of 2013. Amounts shown are net of sequester and rescissions.

4/ $3.203 million in EFRP funding was provided by P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015 for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

5/ In FY 2016, $6 million of ECP funding was provided by P.L. 114-113, the Consolidated Appropriations Act, 2016 provided that $2 million of the funding was made available for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

FARM SERVICE AGENCY

Pima Agriculture Cotton Trust Fund

Lead-Off Tabular Statement

Budget Estimate, 2019	0
2018 Annualized Continuing Resolution	$16,000,000
Change in Appropriation	-16,000,000

FARM SERVICE AGENCY

Pima Agriculture Cotton Trust Fund

Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual	2017 Actual	2018 Estimate	Inc. or Dec.	2019 President's Budget
	Amount	Amount	Amount	Amount	Amount
Mandatory Appropriations:	-	-	-	-	-
Total Adjusted Approp.	-	-	-	-	-
Transfers In:					
Commodity Credit Corporation	$16,000	$16,000	$16,000	-$16,000	-
Total	16,000	16,000	16,000	-16,000	-
Transfers Out:					
Rescission	-	-	-	-	-
Sequestration	-1,088	-1,104	-	-	-
Bal. Available, SOY	-	-	-	-	-
Recoveries, Other (Net)	-	-	-	-	-
Total Available	14,912	14,896	16,000	-16,000	-
Total Obligations	14,912	14,896	16,000	-16,000	-

Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual	2017 Actual	2018 Estimate	Inc. or Dec.	2019 President's Budget
	Amount	Amount	Amount	Amount	Amount
Mandatory Obligations:					
Pima Agriculture Cotton Trust Fund	$14,912	$14,896	$16,000	-$16,000	-
Subtotal	14,912	14,896	16,000	-16,000	-
Mandatory Obligations:					
Total Obligations	14,912	14,896	16,000	-16,000	-
Total Available	14,912	14,896	16,000	-16,000	-
Transfers In	-16,000	-16,000	-16,000	+16,000	-
Sequestration	1,088	1,104	-	-	-
Total Appropriation	-	-	-	-	-

Justification of Increases and Decreases

The Pima Agriculture Cotton Trust fund was established by the Agricultural Act of 2014 and extends from FY 2014 to FY 2018. The FY 2019 President's Budget proposes no funding for this program.

FARM SERVICE AGENCY

Pima Agriculture Cotton Trust Fund

Classification by Objects
(Dollars in thousands)

		2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
Other Objects:					
41.0	Grants, Subsidies and Contributions....................	$14,912	$14,896	$16,000	-
99.9	Total, new obligations....................................	14,912	14,896	16,000	-

FARM SERVICE AGENCY

Agriculture Wool Apparel Manufacturers Trust Fund

Lead-Off Tabular Statement

Budget Estimate, 2019	30,000,000
2018 Annualized Continuing Resolution	30,000,000
Change in Appropriation	0

FARM SERVICE AGENCY

Agriculture Wool Apparel Manufacturers Trust Fund

Project Statement
Adjusted Appropriations Detail
(Dollars in thousands)

Program	2016 Actual	2017 Actual	2018 Estimate	Inc. or Dec.	2019 President's Budget
	Amount	Amount	Amount	Amount	Amount
Mandatory Appropriations:	-	-	-	-	-
Total Adjusted Approp.	-	-	-	-	-
Transfers In:					
Commodity Credit Corporation	$30,000	$30,000	$30,000	-	$30,000
Total	30,000	30,000	30,000	-	30,000
Transfers Out:					
Rescission	-	-	-	-	-
Sequestration	-2,040	-2,070	-	-	-
Bal. Available, SOY	14,490	14,490	15,847	-	15,847
Recoveries, Other (Net)	-	-	-	-	-
Total Available	42,450	42,420	45,847	-	45,847
Bal. Available, EOY	-14,490	-15,847	-15,847	-	-13,867
Total Obligations	27,960	26,573	30,000	-	30,000

Project Statement
Obligations Detail
(Dollars in thousands)

Program	2016 Actual	2017 Actual	2018 Estimate	Inc. or Dec.	2019 President's Budget
	Amount	Amount	Amount	Amount	Amount
Mandatory Obligations:					
Agriculture Wool Apparel Manufacturers Trust Fund	$27,960	$26,753	$30,000	-	30,000
Subtotal	27,960	26,753	30,000	-	30,000
Mandatory Obligations:					
Total Obligations	27,960	26,573	30,000	-	30,000
Total Available	27,960	26,573	30,000	-	30,000
Transfers In	-30,000	-30,000	-30,000	-	-30,000
Transfers Out	-	-	-	-	-
Bal. Available, SOY	-14,490	-14,490	-15,847	-	-15,847
Sequestration	2,040	2,070	-	-	-
Bal. Available, EOY	14,490	15,847	15,847	-15,847	15,847
Total Appropriation	-	-	-	-15,847	-

Justification of Increases and Decreases

The Agriculture Wool Apparel Manufacturers Trust fund was established by the Agricultural Act of 2014 and extends from FY 2014 to FY 2019.

FARM SERVICE AGENCY

Agriculture Wool Apparel Manufacturers Trust Fund

Classification by Objects
(Dollars in thousands)

		2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
Other Objects:					
41.0	Grants, Subsidies and Contributions....................	$27,960	$26,573	$30,000	$30,000
99.9	Total, new obligations...................................	27,960	26,573	30,000	30,000

FARM SERVICE AGENCY

Summary of Budget and Performance

The Farm Service Agency (FSA) was established October 13, 1994, pursuant to the Department of Agriculture (USDA) Reorganization Act of 1994, P.L. 103-354. FSA's mission is to serve our nation's farmers and ranchers professionally, efficiently, equitably, and in a manner that is customer, taxpayer, and employee friendly.

USDA Key Performance Measures:

FSA has three Key Performance Measures that contribute to the Department's new Strategic Goal 2: Maximize the Ability of American Agricultural Producers to Prosper by Feeding and Clothing the World, and Strategic Goal 5: Strengthen the Stewardship of Private Lands through Technology and Research

Average number of days to process direct loans			
	Baseline (2017 Actual)	2018 Target	2019 Target
Days	31	31	30

CRP restored wetland acreage (million acres)			
	Baseline (2015 Actual)	2018 Target	2019 Target
Acres	1.9	1.9	1.9

Acreage enrolled in Conservation Reserve Program (CRP) riparian and grass buffers (million acres)			
	Baseline (2017 Actual)	2018 Target	2019 Target
Acres	1.6	1.6	1.6

Other FSA Performance Measures

FSA also has several additional Agency performance measures that contribute to FSA's strategic plan.

Average number of days to process guaranteed loans							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Days	8	9	10	11	11	10	10

Percentage of direct and guaranteed loan borrowers who are beginning farmers							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Percent	41.10	45.51	48.05	50.02	52.24	53	54

Percentage of direct and guaranteed loan borrowers who are socially disadvantaged (SDA)							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Percent	18.16	18.17	19.00	19.19	18.96	19	19

Number of Farms enrolled in Agriculture Risk Coverage (ARC) & Price Loss Coverage (PLC)

	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Number of Farms	N/A	1.45	1.48	1.66	1.65	1.66	1.66

<u>Selected Past Accomplishments Toward Achievement of the Key Outcomes:</u>

Farm Loan Programs

- FSA farm loan programs provide access to credit for tens of thousands of farmers and ranchers who are temporarily unable to obtain financing from a commercial source at reasonable rates and terms. During FY 2017, FSA continued to experience strong demand for its direct and guaranteed loan programs due to tighter credit conditions.
- Direct and guaranteed obligations totaled $5.9 billion in Fiscal 2017, the second highest amount in FSA's history, decreasing slightly from the record $6.3 billion in obligations in FY 2016. Direct Farm Ownership (FO) obligations totaled $1.04 billion, the highest in the Agency's history. FSA has seen in increase in its loan portfolio in recent years. With almost 83,000 borrowers at the end of FY 2017, the direct loan portfolio is at its highest since FY 2003, while with over 37,000 borrowers, the guaranteed loan portfolio is at its highest since FY 2005.
- FSA continued to see improvements in the percentage of both beginning and socially disadvantaged farmers in the direct loan portfolio and the guaranteed loan portfolio. However, reductions in staffing levels, combined with increases in demand for loan assistance have created challenges in maintaining loan processing times. The average number of days to process both direct and guaranteed loans have increased over the past five years.

Production, Emergency, and Compliance Programs

- FSA provides millions of dollars in income support and disaster assistance payments each year to agricultural commodity producers. These payments stabilize, support, and protect farm income. FSA payments for these programs are driven by commodity market prices, payment eligibility rules established in public policy, and natural disasters. USDA payments are best explained in the context of a commodity crop year, which does not directly correspond to financial statement reporting.
- Although there were annual changes to ownership and operation of farms, the number of farms enrolled in ARC/PLC remained constant for FY 2017. This activity is expected to remain consistent in FY 2018.

Conservation Programs

- Conservation Reserve Program (CRP) encourages producers to plant long-term, resource-conserving perennial vegetative covers to improve water and air quality, control soil erosion, and enhance wildlife habitat on land formerly used in agricultural production. In return, the program provides participants with annual rental and cost-share payments and technical assistance. Contract terms run between ten and 15 years. CRP is designed to restore and enhance wetland and riparian areas to improve water quality and provide quality habitat for waterfowl and other wildlife.
- CRP buffer practice enrollment ended in FY 2017 at 1.60 million acres. Wetland practice enrollment ended at 2.16 million acres. Both of these key performance measures have had mixed results since FY 2014 due to several factors, primarily the acreage cap set in the 2014 Farm Bill, currently at 24 million acres.

<u>Selected Accomplishments Expected at the FY 2019 Proposed Resource Level:</u>

Farm Loan Programs

- Increased financial distress for producers is likely due to disasters and economic factors. This distress negatively impacts cash flows of agricultural producers, and could increase demand for both direct and guaranteed loan assistance by established farmers who are neither beginning nor socially disadvantaged applicants, thereby creating challenges in achieving performance targets. Reduced staffing levels, combined with potential increases in demand, will create challenges in maintaining processing times and conducting outreach activities to beginning and socially disadvantaged applicants.

Production, Emergency, and Compliance Programs

- The new safety net programs under the 2014 Farm Bill, including ARC and PLC, have substantial outlay potential depending on the extent and duration of market swings, and yields.

Conservation - Programs

- Increasing demand for CRP enrollment and the current 24 million acre cap may result in challenges in meeting targets. The shortage of conservation technical assistance providers, particularly engineers, could limit the integration of saturated buffers and bioreactors into CRP buffers. Additionally, if new legislation is not completed by the end of FY 2018, when authorization for the CRP expires, enrollment into the CRP will be disrupted.

- CRP will continue to integrate saturated buffers and bioreactors into existing and new riparian buffers and grass filters. These highly cost-effective practices remove nitrate from drainage water improving water quality, and in the case of existing buffers do not require any additional CRP enrollment.