2021 USDA EXPLANATORY NOTES – FARM SERVICE AGENCY

AGENCY-WIDE

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 Agriculture Improvement Act of 2018 (Public Law 115-334), commonly called the 2018 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 credit, 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, established special assistance to qualified beginning farmers and ranchers to assist them in achieving 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. In addition, the Agriculture Improvement Act of 2018 (2018 Farm Bill) authorized the Heir's Relending Program, to resolve ownership and succession of farmland.

The Agricultural Credit Insurance Fund Program Account was initiated in 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 2018 Farm Bill authorizes several changes to farm loan programs administered by FSA, including increased loan limits for direct and guaranteed loans and reauthorizations for other initiatives.

The programs funded by this account are:

Farm Ownership Loans
FSA makes direct loans and loan guarantees 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, modernize with advances in agricultural technology, or better utilize their land and labor resources to meet changing market requirements.

Ownership loans are made for a term of 40 years or less. A direct loan may not exceed $600,000 and a guaranteed loan may not exceed $1,776,000, adjusted annually. 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. FSA also offers direct farm ownership microloans with a shortened application process and a maximum loan limit of $50,000. Like direct operating microloans, these loans are designed to meet the needs of smaller farmers.

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 used to pay normal operating costs, including reorganizing a farm to be more profitable; 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. FSA continues to operate the direct operating microloan program. Like direct ownership microloans, these microloans are direct 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 $400,000 for a direct loan, $50,000 for a microloan and $1,776,000 for a guaranteed loan, adjusted annually for inflation. 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 2018 Farm Bill also modifies the 3-year experience requirement by allowing education as a partial substitute for beginning farmers seeking farm ownership loans, provides authority to offer a relending program to address highly-fractionated ownership of farmland not affiliated with Indian lands, reauthorizes cooperative lending pilot projects and individual development accounts, provides equitable relief for producers seeking emergency loans, and makes other miscellaneous changes and technical corrections.

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, and meet all other eligibility criteria. 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 also 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 the 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 guaranteed loans support 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 $600,000, and guaranteed loans have a maximum indebtedness of $1,776,000, adjusted annually for inflation. 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, in turn, 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.

Heir's Relending Program

FSA will implement a new relending program, as authorized by the 2018 Farm Bill. The relending program will provide revolving loan funds to eligible intermediary lenders to resolve ownership and succession on farmland with multiple owners. The lenders will give loans to qualified individuals to resolve these ownership issues. The intermediary lenders will consolidate and coordinate the ownerships of the land ownership interests.

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.

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 USDA program activities and requirements 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. The 2018 Farm Bill further expands the use for state mediation grants to include organic production, lease issues, and credit counseling.

Farm Bill Programs

The Agriculture Improvement Act of 2018 (Public Law 115-334), commonly called the 2018 Farm Bill, was signed into law on December 20, 2018. Most of these programs are authorized and funded through 2023.

Overview

Adjusted Gross Income
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).

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, Agriculture 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 disaster programs, a $125,000 annual payment limit applies for payments under the Livestock Forage Disaster Program (LFP). Payment limits no longer apply for the Livestock Indemnity Program (LIP), the Tree Assistance Program (TAP), and the Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish Program (ELAP).

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."

Compliance
The 2018 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; 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 2018 Farm Bill continued 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)

Election and Yield Updates:

All of the producers on a farm must make an 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 an 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 2018 Farm Bill authorized an annual election opportunity beginning in crop year 2021, with an initial election opportunity in 2019 for both the 2019 and 2020 crop years. Also, authorization for ARC and PLC was extended through the 2023 crop year. In addition, the 2018 Farm Bill authorized a nationwide PLC yield update for the 2020 crop year.

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.

Marketing Assistance Loans (MALS) and Sugar Loans

The 2018 Farm Bill extends the authority for sugar loans for the 2019 through 2023 crop years and nonrecourse marketing assistance loans (MALs) and loan deficiency payment (LDPs) for the 2019-2023 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.

Dairy Margin Coverage (DMC)

The 2018 Farm Bill renamed the Margin Protection Program for Dairy (MPP-Dairy) to the Dairy Margin Coverage program. In addition, the 2018 Farm Bill made several major changes to include lowering premiums, adding additional levels of coverage, allowing a 50 percent refund or a 75 percent credit of premiums paid for MPP-Dairy coverage during 2014 to 2017, and allowing producers to make a separate election for covered production over 5 million pounds. Also, the 2018 Farm Bill repealed the Dairy Product Donation Program and replaced it with a new fluid milk donation program.

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 2018 Farm Bill extended and modified the authorization for CRP through FY 2023. It limits the practice incentive payments to the actual cost of practice implementation and lowers the CRP soil rental payments to 85 percent of the rental rate for general program enrollment and 90 percent for continuous program enrollment. The CRP acreage cap is increased from 24 million acres to 27 million acres by FY 2023. The 2018 Farm Bill also authorized up to $12 million in incentive payments for tree thinning and related activities.

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 was extended through 2018 and funded at $25 million per fiscal year. However, the appropriations acts capped the program at $23 million in FY 2015 and at $3 million in Fiscal Years 2016 and 2017. FY 2018 appropriations prevented FSA from using staff and other resources to administer BCAP in 2018. The 2018 Farm Bill did provide an authorization to spend up to $25 million annually through FY 2023, but changed the funding source from CCC mandatory funds to discretionary funds subject to annual appropriation. No funding was provided for FY 2020 under the Further Consolidated Appropriations Act, 2020.

Noninsured Crop Disaster Assistance Program (NAP)

NAP provides 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 2018 Farm Bill increases the service fee. Service fees are waived for limited resource, beginning farmers and socially disadvantaged farmers; buy-up coverage premiums are reduced by 50 percent for those same farmers. In addition, a payment limit of $125,000 now applies to catastrophic coverage payment under NAP and a $300,000 payment limit applies to additional NAP coverage.

Reimbursement Transportation Cost Payment Program (RTCP) for Geographically Disadvantaged Farmers and Ranchers

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

Disaster Programs

The following four disaster programs were authorized by the 2008 Farm Bill under the USDA Supplemental Disaster Assistance program. The 2014 Farm Bill made these programs permanent. These programs were re-authorized in the 2018 Farm Bill.

Livestock Forage Disaster Program (LFP)

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)

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. It also provides benefits for the sale of animals at a reduced price if the sale occurred due to injury that was a direct result of an eligible adverse weather event or due to an attack by an animal reintroduced into the wild.

Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)
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.

Tree Assistance Program (TAP)
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 2018 Farm Bill through fiscal year 2023, 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 2018 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.

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 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, 2019, was 2,815. FSA non-Federal permanent employment in USDA Service Centers was 6,781. The total number of Federal and non-Federal permanent full-time positions in the Washington, DC headquarters office was 134 and the total number in the field offices was 9,462.

OIG and GAO Reports

Table FSA-1. Completed OIG Reports

ID	Date	Title
06403-0002-11	11/19/19	CCC's Financial Statements for Fiscal Year 2019
50024-0003-22		Adjusted Gross Income Compliance Verification Process

Table FSA-2. In-Progress OIG Reports

ID	Title
03601-0003-31	Wildfires and Hurricanes Indemnity Program
03601-0003-41	FSA's Controls Over Its Contract Closeout Process
03601-0004-41	Livestock Indemnity Program
03702-0001-22	Florida Citrus Recovery Block Grant Program
03702-0001-23	2017 Hurricane Relief Emergency Assistance for Honey Bee Claims
03702-0002-23	2017 Hurricane Relief Emergency Conservation Program
50601-0009-31	Marketing Facilitation Program

Table FSA-3. Completed GAO Reports

ID	Date	Title
GAO-19-0085-R	03/05/19	Economic Adjustment Assistance: Federal Programs Intended to Help Beneficiaries Adjust to Economic Disruption
GAO-19-0464	05/09/19	Indian Issues: Agricultural Credit Needs and Barriers to Lending on Tribal Lands
GAO-19-0479	07/01/19	2017 Disaster Relief Oversight: Strategy Needed to Ensure Agencies' Internal Control Plans Provide Sufficient Information to Congress and Others
GAO-19-539	07/11/19	Agricultural Lending: Information on Credit and Outreach to Socially Disadvantaged Farmers and Ranchers is Limited
GAO-20-0049	11/19/19	SBA Microloan Program: Opportunities Exist to Strengthen Program Performance Measurement, Collaborations, and Reporting

Table FSA-4. In-Progress GAO Reports

ID	Title
102447	Actively Engaged in Farming Requirements
103936	U.S. Sugar Program

AVAILABLE FUNDS AND STAFF YEARS

Available Funds and Staff Years
(Dollars in thousands)

Item	2018 Actual		2019 Actual		2020 Enacted		2021 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Salaries and Expenses:								
Discretionary Appropriations	$1,202,146	8,528	$1,081,655	7,360	$1,122,837	7,271	$1,104,684	7,595
Mandatory Appropriations								
Supplemental Appropriations								
ACIF Program Account:								
FSA S&E and Transfer	314,998	2,214	290,917	2,669	290,917	2,710	294,114	2,710
Subsidy	87,100	-	84,539	-	89,240	-	65,347	-
Admin. Expenses Non-Recoverable Loan Costs (PLCE	10,070	-	10,070	-	10,070	-	13,230	-
State Mediation Grants	3,904	-	3,904	-	5,545	-	6,914	-
Grassroots Source Water Protection Program:								
Discretionary Appropriations	6,500	-	6,500	-	6,500	-	-	-
Mandatory Appropriations	-	-	5,000	-	-	-	-	-
Reforestation Pilot Program	600	-	600	-	-	-	-	-
Geog. Disadvantaged Farmers and Ranchers	1,996	-	1,996	-	2,000	-	-	-
Emergency Conservation Program	400,000	-	558,000	-	-	-	-	-
Subtotal Appropriations	2,027,314	10,742	2,043,181	10,029	1,527,109	9,981	1,484,289	10,305
Rescission								
Transfers in:	-	-	-	-	-	-	-	-
Credit Reform Transfers:								
CCC Export Loans Program Account	2,463	23	2,463	23	318	3	-	-
P.L. 480 Program Account	149	1	142	1	142	1	-	-
Margin Protection Program Fees	2,100	-	2,053	-	-	-	-	-
Congresssional Relations	120	-	120	-	-	-	-	-
Incidental Transfer FBC			6,849					
Adjusted Appropriation	2,032,146	10,766	2,054,808	10,053	1,527,569	9,985	1,484,289	10,305
Balance Available, SOY S&E	37,000	-	55,608	-	43,400	-	-	-
Total Available	2,069,146	10,766	2,110,416	10,053	1,570,969	9,985	1,484,289	10,305
Lapsing Balances	-9,876		-18,156					-
Balance Available, EOY (S&E)	-27,000		-43,400					-
Total Obligations	2,032,270	10,766	2,048,860	10,053	1,570,969	9,985	1,484,289	10,305
Obligations under other USDA appropriations:								
Foreign Agricultural Service	4,267	10	-	-	-	-	-	-
Risk Management Agency	3,228	9	-	-	-	-	-	-
Agricultural Marketing Service	6,788	86	-	-	-	-	-	-
Natural Resources Conservation Service	2,314	6	859,000	2	-	-	-	-
Flying Contracts	13,927	-	-	-	-	-	-	-
Farm Bill	-	-	3,341	-	4,500	-	4,500	-
CCC to Administer P.L. 480 Title II Grants	2,325	14	-	-	-	-	-	-
Miscellaneous	5,464	0	9,331	-	9,000	-	9,000	-
Total, Other USDA	38,313	125	871,672	2	13,500	-	13,500	-
Total, Agriculture Appropriations	2,070,583	10,891	2,920,532	10,055	1,584,469	9,985	1,497,789	10,305
Other Federal Funds:								
Sale of Aerial Photographs	2,183	3	-	-	-	-	-	-
Warehouse Examinations	2,157	15	-	-	-	-	-	-
Total, Other Federal	4,340	18	-	-	-	-	-	-
Non-Federal Funds			-					
Loan Service Fee Financing	2,011	26	1,368	35	1,565	35	1,565	35
Producer Measurement Service	780	20	1,446	11	1,446	11	1,446	11
Farm Bill	-	-	-	-	-	-	-	-
Miscellaneous	1,516	2	-	-	-	-	-	-
Total, Non-Federal	4,307	48	2,814	46	3,011	46	3,011	46
Total, FSA	2,079,230	10,957	2,923,346	10,101	1,587,480	10,031	1,500,800	10,351

Permanent Positions by Grade and Staff Years

Item	D.C.	Field	2018 Actual Total	D.C.	Field	2019 Actual Total	D.C.	Field	2020 Enacted Total	D.C.	Field	2021 Budget Total
SES	7	-	7	7	-	7	8	-	8	8	-	8
GS-15	59	-	59	16	-	16	18	-	18	18	-	18
GS-14	129	-	129	33	5	38	36	6	42	36	6	42
GS-13	358	350	708	55	375	430	56	382	438	56	382	438
GS-12	236	863	1,099	10	804	814	6	824	830	6	824	830
GS-11	64	555	619	4	541	545	4	536	540	4	536	540
GS-9	49	258	307	3	255	258	5	287	292	5	287	292
GS-8	14	40	54	2	40	42	2	38	40	2	38	40
GS-7	32	541	573	3	529	532	4	511	515	4	511	515
GS-6	7	45	52	1	46	47	1	53	54	1	53	54
GS-5	1	21	22	-	68	68	-	64	64	-	64	64
GS-4	-	-	-	-	-	-	-	-	-	-	-	-
Other Graded	2	-	2		-	-		-	-		-	-
Total Permanent	958	2,673	3,631	134	2,663	2,797	140	2,701	2,841	140	2,701	2,841
Unfilled, EOY	5	1	6	-	-	438	-	-	247	-	-	-
Total Perm. FT EOY	953	2,672	3,625	134	2,663	2,359	140	2,701	2,594	140	2,701	2,841
Staff Year Est	1,051	2,785	3,836	198	2,693	2,891	240	2,710	2,950	240	2,710	2,950

VEHICLE FLEET

SIZE, COMPOSITION, AND ANNUAL COSTS OF VEHICLE FLEET

Fiscal Year	Sedans and Station Wagons	Lt. Trucks, SUVs, and Vans (4x2)	Lt. Trucks, SUVs, and Vans (4x4)	Medium Duty Vehicles	Ambu- lances	Buses	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs [b]
2018	300	140	227	1	-	-	2	670	$3,486
Change	-19	-8	-13	-	-	-	-	-40	-47
2019	281	132	214	1	-	-	2	630	3,439
Change	-	-	-	-	-	-	-	-	+253
2020	281	132	214	1	-	-	2	630	3,692
Change	-	-	-	-	-	-	-	-	+210
2021	281	132	214	1	-	-	2	630	3,902

Includes vehicles that are Agency-owned and leased from GSA.

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

Statement of Proposed Purchase of Passenger Motor Vehicles

Fiscal Year	Net Active Fleet, SOY	Disposals	Replacements	Additions	Total Acquisitions	Net Active Fleet, EOY
2018	670	-	-	-	-	670
2019	670	116	76	-	76	630
2020	630	40	40	-	40	630
2021	630	40	40	-	40	630

SHARED FUNDING PROJECTS

Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Working Capital Fund:				
Administration:				
Material Management Service	271	241	338	332
Mail and Reproduction Services	724	410	497	490
Integrated Procurement Systems	474	442	397	397
Procurement Operations Services	78	281	894	477
Human Resources Enterprise Management Systems	241	151	211	221
Subtotal	1,788	1,525	2,337	1,917
Communications:				
Creative Media & Broadcast Center	487	306	221	264
Finance and Management:				
National Finance Center	9,403	7,955	4,507	4,248
Financial Management Systems	-	-	-	-
Internal Control Support Services	628	410	523	459
Financial Management Support Services	6,354	8,928	6,252	9,415
Subtotal	16,385	17,293	11,282	14,122
Information Technology:				
National Finance Center	-	-	-	-
Client Technology Services	81,310	71,691	92,186	88,479
National Information Technology Center	21,519	-	-	-
Digital Infrastucutre Services Center		19,487	32,539	28,414
Enterprise Network Services	-	5,207	2,148	7,242
Digital Administration Information Technlogy Office	-	-	311	311
Subtotal	102,829	96,385	127,184	124,446
Correspondence Management	343	178	179	192
Total, Working Capital Fund	121,832	115,687	141,203	140,941
Department-Wide Shared Cost Programs:				
1890's USDA Initiatives		-	-	-
Advisory Committee Liaison Services	7	2	2	2
Agency Partnership Outreach	848	726	780	780
Honor Awards	2	1	1	1
Human Resources Self Service Dashboard	66	56	59	-
Human Resources Transformation	101	-	-	-
Identity Access Management	-	-	-	-
Intertribal Technical Assistance Network	353	348	360	360
Medical Services	70	32	23	-
People's Garden	54	-	-	-
Office of Customer Experience	218	245	297	297
Personnel and Document Security	341	287	315	315
Physical Security		-	584	423
Retirement Processor/Web Application	-	-		
Security Detail	503	407	461	461
Security Operations	1,181	992	579	633
TARGET Center	149	116	115	115
Virtual University		-	-	-
USDA Enterprise Data Analystics Services	114		539	539
Total, Department-Wide Reimbursable Programs	4,007	3,212	4,115	3,926
E-Gov:				
Budget Formulation and Execution Line of Business	11	11	11	12
Disaster Assistance Improvement Plan	42	42	42	42
Enterprise Human Resources Integration	241	241	-	-
E-Rulemaking	2	2	3	3
Financial Management Line of Business	12	12	12	12
Geospatial Line of Business	13	13	13	13
GovBenefits.gov	100	101	120	120
Human Resources Line of Business	35	35	35	35
Integrated Acquisition Environment	956	1,032	696	696
Total, E-Gov	1,412	1,489	932	933
Agency Total	127,251	120,388	146,250	145,800

ACCOUNT 1: DISCRETIONARY SALARIES AND EXPENSES

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted language enclosed in brackets):

For necessary expenses of the Farm Service Agency, [$1,122,837,000] $1,104,684,000: Provided, 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.

LEAD-OFF TABULAR STATEMENT

Salaries and Expenses -	
2020 Appropriations	$1,414,214
Change in Appropriation	-15,416
2021 Request, Current Law	1,398,798
Change Due to Proposed Legislation	0
2021 Request, Including Proposed Legislation	**1,398,798**

PROJECT STATEMENT

Farm Service Agency
Salaries and Expense
(Dollars in Thousands)

Program/Activity	2018 Actual B.A.	2018 Actual SY	2019 Actual B.A.	2019 Actual SY	2020 Enacted B.A.	2020 Enacted SY	2021 Budget Request B.A.	2021 Budget Request SY	Change from 2020 Estimate B.A.	Change from 2020 Estimate SY
Direct Appropriations:										
Salaries and Expenses	$1,202,146	8,528	$1,081,655	7,360	$1,122,837	7,271	$1,104,684	7,595	-$18,153	324
ACIF Transfer	314,998	2,214	290,917	2,669	290,917	2,710	294,114	2,710	3,197	0
Other Credit Programs	2,612	24	2,605	24	460	4		0	-460	-4
Subtotal	1,519,756	10,766	1,375,177	10,053	1,414,214	9,985	1,398,798	10,305	-15,416	320
Recissions and Transfers (Net)	-317,610	-2,238	-293,522	-2,693	-291,377	-2,714	-294,114	-2,710	-2,737	4
Total Appropriations	1,202,146	8,528	1,081,655	7,360	1,122,837	7,271	1,104,684	7,595	-18,153	324
Transfers In:										
Cong. Relations	120		120							
MPP Fee Collection	2,100		2,053							
Credit Reform Transfers	317,610	2,238	293,522	2,693	291,377	2,714	294,114	2,710	2,737	-4
Incidental Transfer FBC			6,849							
Uncollected Payments, Federal Sources			7,731							
Subtotal, Transfers In	319,830	2,238	310,275	2,693	291,377	2,714	294,114	2,710	2,737	-4
Balance Available, SOY	37,000		55,608		-		-		-	
Total, Discretionary Funding	**1,558,976**	**10,766**	**1,447,538**	**10,053**	**1,414,214**	**9,985**	**1,398,798**	**10,305**	**-15,416**	**320**
Lapsing Balances	-9,876		-18,156						-	-
Balances, Available End of Year	-27,000		-43,400						-	-
Total Obligations	**$1,522,100**	**10,766**	**$1,385,982**	**10,053**	**$1,414,214**	**9,985**	**$1,398,798**	**10,305**	**-$15,416**	**320**

JUSTIFICATIONS OF INCREASES/DECREASES

1. **A net decrease of $15,416,000 and an net increase of 320 staff years for Farm Service Agency Salaries and Expenses ($1,414,214,000 and 9,985 direct staff years available in FY 2020)**

   A) A net decrease of $26,286,000 for Federal Offices and a decrease of 4 staff years ($724,838,000 and 2,974 staff years available in 2020)

      a) An increase of $8,990,986 for pay costs ($4,117,042 for annualization of the 2020 pay increase and $4,873,944 for the 2021 pay increase).
      This increase will support the pay increase for civilian employees. This increase will allow the FSA to continue to meet its objective to deliver timely, effective programs and services to America's farmers and ranchers to support them in sustaining our Nation's vibrant agricultural economy. This critical increase is needed to support and maintain current staffing levels to meet the programmatic and statutory requirements imposed on FSA. Failure to receive this increase would prevent us from fully performing our mission, which is necessary to ensure continued service to America's farmers and ranchers.

      b) An increase of $6,498,592 for performance awards.

      This increase will support a 1 percentage point increase in awards spending, consistent with objectives outlined in the President's Management Agenda, to enhance workforce development. Without this additional funding, USDA will be unable to absorb these costs in FY 2021, resulting in reductions to planned hiring levels, eroding USDA's ability to meet key Administration priorities contained in this Budget.

      c) An increase of $8,194,724 for the Department's increased contribution to the Federal Employees Retirement System (FERS).

      This increase will cover the expenses for the mandated increase of USDA's contribution to FERS. These increases were effective January 1, 2020, and impact approximately 9,981 employees' retirement packages.

      d) An increase of $1,000,000 for a study on the effectiveness of current farm support programs.

      This increase will be used to commission the National Academies of Sciences, Engineering, and Medicine (NASEM) to present recommendations on the appropriate government role in farm risk management and provide evidence on the effectiveness of current farm support programs.

e) A decrease of $41,370,302 in salaries and a decrease of 4 staff years.

The Agency's goal is to ensure adequate workforce distribution and alignment of personnel in high priority positions. Funding decrease of $38,203,302 is attributed to staff attrition and streamlining efforts or the realignment of personnel to accomplish mission critical functions to support program delivery to farmers and ranchers. Furthermore, FSA hopes to increase efficiencies by filling several higher-grade positions in high locality pay areas at lower grade levels, reducing salary costs. FSA will also incur a reduction of $2,737,000 and 4 staff years in other credit programs.

f) A net decrease of $9,600,000 for Information Technology (IT)

a. An increase of $20,400,000 to Farmers.gov/IT Modernization program

The additional $20,400,000 in funding for Farmers.gov will allow for development, modernization and enhancements for Farmers.gov in FY 2021. The additional funding for Farmers.gov will allow for enabling capabilities such as document management and electronic signature that support future self-service and employee service capabilities along with modernizing acreage reporting, increasing automation to more quickly identify producer eligibility, streamlining the compliance process for Highly-Erodible Land or Wetlands, providing the ability for producers to submit farm loan applications online and integrating ecommerce payment capabilities. Farmers.gov will reduce the time spent by employees on manual processes and by producers and ranchers in interacting with county offices, thus enabling better customer service.

b. A decrease of $30,000,000 for IT

This decrease will maintain IT operation and maintenance funding at the FY 2019 levels, except for the proposed enhancements for Farmers.gov. Development, modernization, and enhancement will be curtailed for all programs except the National Agriculture Imagery Program and CCC funded programs.

B) An increase of $11,300,000 and an increase of 324 staff years for Non - Federal Offices ($689,376,000 and 7,031 staff years available in FY 2020)

Additional staff years are requested to support recovery jump teams to assist producers affected by disasters. The high number and frequency of disasters across the country has exposed the need to fund jump teams that can be mobilized on short notice to aid in disaster recovery. This funding will support an additional 324 temporary employees in disaster recovery jump teams.

C) A decrease of $460,000 (4 SY) in transfers from PL 480 and CCC Export Loan Programs. These transfers had been provided to Farm Service Agency, Salaries and Expenses, as FSA had provided services associated with the PL 480 and CCC Export Loan programs. As this function has been transferred to the Business Center, so would these resources.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

State/Territory/Country	Actual	SY	Actual	SY	Enacted	SY	Budget	SY
Alabama	16,699	174	18,450	183	18,826	182	18,627	187
Alaska	1,029	7	1,195	8	1,219	8	1,206	8
Arizona	4,094	42	4,444	42	4,535	42	4,487	43
Arkansas	21,699	242	23,955	250	24,443	249	24,184	256
California	14,670	149	15,989	145	16,315	144	16,142	149
Caribbean	4,285	45	5,626	43	5,740	43	5,680	44
Colorado	12,699	138	13,668	136	13,946	135	13,798	139
Connecticut	1,914	19	2,164	20	2,208	20	2,184	20
Delaware	1,499	15	1,845	17	1,883	17	1,863	18
District of Columbia	630,555	908	406,974	209	415,264	207	410,403	214
Florida	10,543	102	10,316	99	10,526	98	10,414	101
Georgia	25,676	284	28,447	284	29,026	282	28,719	291
Hawaii	3,494	18	3,865	30	3,944	29	3,902	30
Idaho	11,885	126	12,604	123	12,861	122	12,725	126
Illinois	42,469	503	46,955	498	47,911	494	47,404	510
Indiana	29,780	341	32,374	332	33,033	330	32,683	340
Iowa	48,689	590	54,221	586	55,326	582	54,740	601
Kansas	40,574	461	44,826	471	45,739	467	45,254	482
Kentucky	28,831	328	31,511	320	32,153	317	31,812	328
Louisiana	16,225	174	16,881	169	17,225	168	17,042	173
Maine	5,169	51	5,532	51	5,644	50	5,585	52
Maryland	5,876	63	6,519	65	6,652	65	6,581	67
Massachusetts	3,280	30	3,567	30	3,640	30	3,601	30
Michigan	20,111	234	22,840	238	23,305	236	23,058	244
Minnesota	36,197	413	39,124	404	39,921	401	39,498	414
Mississippi	21,250	232	23,437	232	23,914	231	23,661	238
Missouri	36,385	414	40,569	409	41,395	407	40,957	420
Montana	19,647	205	21,425	210	21,861	208	21,630	215
Nebraska	35,523	404	40,219	417	41,039	414	40,604	427
Nevada	2,396	24	3,663	23	3,737	23	3,698	24
New Hampshire	2,244	19	2,371	20	2,419	20	2,394	20
New Jersey	3,515	34	3,900	34	3,979	34	3,937	35
New Mexico	6,863	69	7,648	68	7,804	68	7,721	70
New York	15,339	170	16,581	175	16,919	173	16,740	179
North Carolina	28,150	320	30,973	312	31,604	310	31,270	320
North Dakota	26,260	296	28,362	291	28,940	289	28,633	298
Ohio	26,731	304	28,990	296	29,580	294	29,267	303
Oklahoma	27,532	311	31,932	324	32,583	322	32,237	332
Oregon	9,348	95	9,521	93	9,715	92	9,612	95
Pennsylvania	15,848	176	17,050	171	17,397	170	17,213	175
Rhode Island	983	9	1,069	8	1,091	8	1,079	9
South Carolina	12,237	137	14,017	141	14,303	140	14,151	144
South Dakota	29,330	325	32,275	326	32,932	324	32,583	335
Tennessee	23,268	281	24,492	239	24,991	237	24,726	245
Texas	60,513	641	66,740	654	68,099	649	67,378	670
Utah	7,498	75	8,091	71	8,256	71	8,169	73
Vermont	4,200	16	4,134	37	4,219	37	4,174	38
Virginia	17,064	179	18,896	178	19,281	177	19,076	183
Washington	9,441	102	10,108	104	10,314	103	10,205	107
West Virginia	8,259	84	9,123	82	9,309	82	9,210	84
Wisconsin	28,069	333	29,711	320	30,317	318	29,995	328
Wyoming	6,269	54	6,793	65	6,931	65	6,858	67
Distribution Unknown	-	-	-	-	-	-	-	-
Obligations	1,522,104	10,766	1,385,982	10,053	1,414,214	9,985	1,398,768	10,305
Lapsing Balances	9,876	-	18,156	-	-	-	-	-
Bal. Available, EOY	27,000	-	43,400	-	-	-	-	-
Total, Available	1,558,980	10,766	1,447,538	10,053	1,414,214	9,985	1,398,768	10,305

CLASSIFICATION BY OBJECTS

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Personnel Compensation:				
	Washington D.C.	$105,218	$23,094	$29,001	$27,493
	Personnel Compensation, Field	204,323	199,350	227,887	216,041
11	Total personnel compensation	309,541	222,444	256,888	243,534
12	Personal benefits	110,375	83,200	92,504	87,696
	Total, personnel comp. and benefits	419,916	305,644	349,392	331,230
	Other Objects:				
21.0	Travel and transportation of persons	8,647	7,587	14,128	14,128
22.0	Transportation of things	1,723	1,655	2,848	2,848
23.1	Rental payments to GSA	21,077	21,843	21,737	23,060
23.2	Rental payments to others	3,147	-	-	-
23.3	Communications, utilities, and misc. charges	42	131	62	62
23.5	Postage	5,423	5,964	8,914	8,914
24.0	Printing and reproduction	610	417	966	966
25	Other contractual services	380,566	356,634	313,112	311,648
25.2	Other services from non-Federal sources (DHS)	3,677	3,028	3,578	3,660
26.0	Supplies and materials	1,114	965	6,081	6,081
31.0	Equipment	9,614	18,645	4,020	4,020
32.0	Land and structures	-	-	-	-
33.0	Investments and loans	-	-	-	-
41.0	Grants, subsidies, and contributions	666,544	663,469	689,376	692,151
	Total, Other Objects	1,102,184	1,080,338	1,064,822	1,067,538
99.9	Total, new obligations	1,522,100	1,385,982	1,414,214	1,398,768
	Position Data:				
	Average Salary (dollars), ES Position	$176,571	$174,557	$177,175	$179,833
	Average Salary (dollars), GS Position	$75,473	$80,748	$37,668	$38,233
	Average Grade, GS Position	10.0	11.0	11.0	11.0

STATUS OF PROGRAMS

Salaries and Expenses

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). U.S. Department of Agriculture agencies have delivered CCC programs for more than 80 years. Today, CCC's domestic agricultural price and income support programs are carried out primarily through the personnel and facilities of the Farm Service Agency (FSA). International programs are carried out by the Foreign Agricultural Service (FAS) and the United States Agency for International Development (USAID). CCC conservation programs are implemented by FSA and the Natural Resources Conservation Service (NRCS).

In 2019, CCC continued its support of American agriculture through commodity, conservation, disaster, energy, specialty and organic crops, and trade programs. USDA implemented relief strategies to protect the U.S. agricultural sector from suffering economic losses due to trade retaliation by foreign nations. The Market Facilitation Program (MFP) was implemented by FSA to assist farmers and FAS administered the Agricultural Trade Promotion Program (ATP) to help develop U.S. agricultural export markets.

CCC's independent auditors issued an unmodified (clean) audit opinion on CCC's FY 2019 Consolidated Financial Statements (comparative).

Improper Payments and Related Compliance (Based on FY 2019 Review Cycle). The FY 2019 Improper Payment Information Act (IPIA) Review Cycle included a statistical sample of the following programs designated as high risk: Agriculture Risk Coverage and Price Loss Coverage (ARC/PLC), Emergency Conservation Program (ECP-HH), Livestock Forage Disaster Program (LFP), Noninsured Crop Disaster Assistance (NAP) and Wildfires and Hurricanes Indemnity Program (WHIP).

ARC/PLC, LFP and NAP attributed the majority of improper payments to insufficient or lack of documentation. To reduce the improper payment error rate, the agency held National Farm Bill Training in August 2019 and FSA's Office of Management and Strategy plans to conduct internal reviews. The new internal review process will enable the agency to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied. In addition, ECP-HH attributed the majority of improper payments to administrative process error. FSA will conduct National Conservation Program Training in late 2019 and the root causes of improper payments will be stressed throughout several presentations reiterating the importance of issuing proper payments. Concurrently, an updated internal review process will be developed that will enable the agency to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied. This will be reiterated through amended handbooks.

Also, in coordination with the Office of Management and Budget (OMB) and Office of the Chief Financial Officer, FSA reviewed, performed risk assessment, and/or statistically sampled the WHIP. A limited amount of software enhancements has been developed to help make automation more user friendly, nationwide training was provided in August 2019, and a WHIP-770 checklist was developed to assist county offices to ensure WHIP payments are issued properly. In addition, the State Office Representative is required to review the first five applications of an employee in the Service Center. The reviewer should have attended either National or State provided WHIP training and would be a qualified 3rd party reviewer. Emails, phone calls and weekly call-in meetings are also held to answer questions, advise about software updates, and interpret RMA data.

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. In FY 2019, FSA will use Managerial Cost Accounting (MCA) Program and Activity Codes (PAC) to track costs for the Staffing Model and the Optimally Productive Office (OPO) project. FSA will also customize the OPO model to meet FSA requirements.

FPAC, in FY 2019 will use MCA Work Breakdown Structure (WBS) codes to track common FPAC, FSA, RMA, and NRCS activities for the FPAC Business Center (BC).

The MCA methodology to be used by FPAC will be different than the MCA methodology previously used by FSA because:

- the FSA method is geared more to FSA Field Office activities instead BC related activities,
- the FSA method is presently limited to FSA activities only,
- FPAC wanted to adopt a more flexible way to track costs,
- FPAC will use WBS codes to track BC activities
- and because FPAC believed it was more important to transition employees into FPAC than to change how time was entered into the time reporting system (WebTA).

Program Outreach and Education. FSA has strengthened program education efforts. In FY 2019, State and county offices were allocated $257,700 for program outreach activities. There were over 21,000 activities conducted nationwide in FY 2019 educating producers on FSA programs, Farm Bill changes and USDA initiatives such as Wildfire Hurricane Indemnity Program+, Emergency Loans, Market Facilitation Program, Dairy Margin Coverage Program, ARC/PLC, Farm Storage Facility Loans, CRP, ECP, Noninsured Crop Disaster Assistance Program, Direct and Guaranteed Farm Loan Programs, Microloans, Youth Loans, Organic Certification Cost Share, Ag Mentoring Initiative and others. FSA's National Outreach office entered into an $500,000 interagency agreement with National Institute of Food and Agriculture (NIFA) to identify an organization to assist FSA in a pilot training program to provide 550 employees facilitated training in working with distressed farm producers. This was a result of research and data supporting the increase of farmer suicides in several states across the country. Training curriculum was developed, and employees received a series of online facilitated training, capped with an in-person facilitated training with Michigan State University Extension service and trained mental health professionals. The training curriculum will be made available in AgLearn to all FSA and FPAC employees pending OGC approval. The 2018 Farm Bill now includes the establishment of NIFA funding for a Farmer Stress

Assistance network to provide assistance to distressed farmers and ranchers. FSA's training will serve as a foundational model for other organizations now working on farmer stress resources and materials.

Outreach Cooperative Agreements for Farm Loan Programs. 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. To support beginning farmers, in FY 2019, FSA provided $80,000 to USDA's in support of the Secretary's Beginning Farmer Advisory Committee for Beginning Farmers and Ranchers. Additionally, in FY 2019, FSA continued participation in the mentorship initiative with SCORE to provide Agricultural mentors to new and existing farmers.

Receipt for Service. The 2014 Farm Bill requires FSA, NRCS and RD service centers to issue receipts documenting a service received or denied to customers requesting an agricultural service from either of the three service centers. In FY 2019, FSA service centers issued over 1.6 million receipts to customers through the farmers.gov employee portal.

Modernize and Innovate the Delivery of Agricultural Systems (MIDAS). MIDAS is an extensive 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 five 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 AoA is being expanded to support the FPAC Mission Area. Analysis is underway and delivery of go-forward recommendations to FPAC Business Center is targeted for 3rd quarter FY 2020. The results of this analysis will be shared with FPAC and USDA leadership to determine the path forward. FSA continues to sustain MIDAS existing functionality with incremental improvements to the system.

With the reorganization of FSA, NRCS, and RMA into a single FPAC Mission Area, customer and mission delivery requirements are being reevaluated. FSA will continue to 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 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.

Acreage Crop Reporting Streamlining Initiative (ACRSI). ACRSI is a joint FSA and RMA initiative focused on establishing a common commodity reporting framework in support of USDA programs. Mandated within the 2014 Farm Bill, ACRSI is designed to reduce the reporting burden on producers by modernizing and streamlining existing crop information collection activities, thereby eliminating or minimizing duplication of information collected by USDA agencies. The creation of a USDA data standard allows the producer to report common crop and acreage reporting data once through the reporting channel of their choice. Today, crop data is securely shared across the USDA for use by RMA, FSA, NRCS, NASS, and other agencies. USDA has established standards for this reporting feature and published it to industry (GitHub) which allows for further leveraging of industry and technology to reduce reporting costs and burden on producers.

ACRSI is also working to expand the ability to leverage Precision Agriculture (PrecisionAg) data from producers through 3rd Party providers by establishing multiple Proof-of-Concepts. The Proof-of-Concepts will provide key information on the practicality of accepting acreage report data from third party service providers and viability of processing precision ag data for use in crop reports for FSA farm programs and Federal crop insurance.

In the Spring of 2019, the Nebraska FSA State office facilitated a Proof of Concept (POC). Nebraska had 19 counties that participated in the 2019 Spring POC. This included 16 counties that participated in the 2019 fall pilot for wheat, plus two counties in south central NE and one county in southeast NE. The original 16 counties were included due to the experience and knowledge about the process that had been gained by both producers and county office employees. Three additional counties were added to reflect areas where traditional spring planted crops (such as corn and soybeans) were the primary commodities.

The Nebraska State Office held weekly conference calls with the counties to provide updated information, answer questions, and gain feedback from both staff and producers.

Members of the Nebraska State Office, National Office staff, RMA and the third-party vendor (MyAgData) met in February 2019 to review actual cases, discuss successes and needed improvements, and formulated a plan for changes in preparation of the 2019 Spring POC.

FSA Programs, Activities and Workload Indicators -

FSA programs, activities, and workload indicators in FY 2019 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.
- 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 Program: 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 to 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 paymentsystem.

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 2019, activity under the Agricultural Credit Insurance Fund included:

Number of direct loans..24,732

Dollar value of direct loans.. .... $2,634,146,597

Guaranteed Farm Loan Program: 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 2019, activity under the Agricultural Credit Insurance Fund included:

Number of guaranteed loans...7,611

Dollar value of guaranteed loans.. ....$3,106,973,647

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 2019, SMG activity included:

Number of Grants made to States.. 41

Dollar value of grants... $3,904,000

Amount of SMG payments issued... $4,054,362

Income Support and Disaster Assistance

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 an irrevocable 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 2019, FSFL program activities included:

Farm Storage Facility Loans Closed...639

Amount of Farm-Storage Facility Loans..$236,005,407.29

Price Loss Coverage (PLC) provides payments to producers on farms and commodities that have elected and enrolled in PLC for crop years 2014 through 2023. The 2018 Farm Bill reauthorized the PLC program with modifications for the 2019 through 2023 crop years. 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 2019 PLC payments were for the 2017 crop year.

FY 2019 PLC activity included:
Number of 2019 payments.. 715,679
Dollar value of PLC payments made.. $2,051,447,904

Agriculture Risk Coverage (ARC) provides payments to producers on farms and commodities that have elected and enrolled in ARC for crop years 2014 through 2023. The 2018 Farm Bill reauthorized the ARC program with modifications for the 2019 through 2023 crop years . The ARC program provides producers an option to earn payments to protect against declines in market revenue. 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 2019 ARC payments were for the 2017 crop year.

FY 2019 ARC activity included:
Number of 2019 payments.. 991,554
Dollar value of ARC payments made.. $1,084,469

Cotton Transition Assistance Program (CTAP) provided 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 2019 were used for errors, omissions and appeals for previous fiscal years.

FY 2019 CTAP activity included:
Number of 2019 payments...1
Dollar value of CTAP payments made... $4,772

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 2019 activity is residual payments related to prior crop years.

FY 2019 ACRE activity included:
Total number of ACRE payments.. 20
Dollar value of ACRE payments made.. $1,512

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 repayment 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.

FY 2019 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 [1]	16,054	$1,752,104	0	0
Grain Sorghum [1]	82	4,824	0	0
Barley [1]	204	11,599	0	0
Oats [1]	66	1,125	0	0
Wheat [1]	3,152	220,863	0	0

Rice [1]	1,933	230,708	0	0
Cotton [1 2]	22,435	2,318,559	194	$78
Soybeans	12,313	1,082,992	0	0
Minor Oilseeds [1]	265	21,332	0	0
Sugar [3]	349	1,025,045	0	0
Peanuts [1]	6,444	933,790	0	0
Honey [1]	144	5,619	0	0
Pulse Crops [1]	498	32,385	352	1,321
Wool [1]	0	0	0	0
Mohair [4]	0	0	0	0
Total	63,939	7,640,944	546	1,397

1 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.
2 Reflects loans made through the county offices. In addition, loans are made through cooperative associations; the number of those loans is not available.
3 LDP's are not available for sugar
4 No funds made available may be used to pay salaries and expenses of personnel.

Margin Protection Program for Dairy (MPP-Dairy) is a voluntary risk management program for dairy producers authorized by the 2014 Farm Bill through 12-31-2018. The 2018 Farm Bill renamed this program to the Dairy Margin Coverage (DMC) programs and made several substantive changes to the program. 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.

MPP-Dairy activity in FY 2019 included:
Number of payments.. 23,227
Amount of MPP-Dairy payments.. $38,300,711

Dairy Margin Coverage (DMC) replaced MPP-Dairy and was authorized by the 2018 Farm Bill. Much like the MPP-Dairy program, the DMC program is a voluntary program that provides dairy operations with risk management coverage that will pay producers when the difference (the margin) between the national price of milk and the average cost of feed falls below a certain level selected by the program.

An eligible dairy operation must:

- have a production history determined by the USDA Farm Service Agency (FSA).

- be registered to participate during a signup announced by FSA.
- pay a $100 administrative fee annually for each year of participation, except if the dairy operation qualifies for a waiver for limited resource, beginning, socially disadvantaged, or veteran farmers and ranchers.
- select a coverage level ranging from $4.00 to $9.50 per hundredweight in $0.50 increments.
- select a coverage percentage of the dairy operation's production history ranging from 5 percent to 95 percent, in 5 percent increments.

The DMC program offers catastrophic coverage at the $4.00 per hundredweight at no cost, other than an annual $100 administrative fee. Greater coverage, at various levels, is available for a premium in addition to a $100 administrative fee.

DMC activity in FY 2019 included:
Number of payments..58,427
Amount of DMC payments.. $280,850,650

The 2019 Market Facilitation Program (MFP) provides assistance to farmers and ranchers with commodities directly impacted by unjustified foreign retaliatory tariffs, resulting in the loss of traditional export markets. Assistance is available for agricultural producers of non-specialty crops, dairy, hogs, and specialty crops. Assistance for non-specialty crops is based on a single-county payment rate per acre basis multiplied by a farm's total plantings of MFP-eligible crops in aggregate in 2019 for that county. Those per-acre payments are not dependent on which of those crops are planted in 2019. A producer's total payment-eligible plantings cannot exceed total 2018 plantings. County payment rates range from $15 to $150 per acre, depending on the impact of unjustified trade retaliation in that county. Note: In the event a non-specialty crop was prevented from being planting and had a subsequently planted eligible cover crop planted the minimum standard national payment rate of $15/acre would be paid for those acres regardless of the county.

The following crops are eligible for payment under this single-county payment rate: alfalfa hay, barley, canola, corn, crambe, dried beans, dry peas, extra-long staple cotton, flaxseed, lentils, long grain and medium grain rice, millet, mustard seed, oats, peanuts, rapeseed, rye, safflower, sesame seed, small and large chickpeas, sorghum, soybeans, sunflower seed, temperate japonica rice, triticale, upland cotton, and wheat.

Additional Supplemental Appropriations for Disaster Relief Act, 2019 Public Law 116-20, provides assistance to producers impacted by hurricanes and wildfires in 2019 and made changes to the CCC commodity and disaster programs.

The Additional Supplemental Appropriations for Disaster Relief Act, 2019 provided $3.005

billion of which $1.6 billion is available for programs operated by CCC, available until December 31, 2020, for disaster assistance for necessary expenses related to losses of crops (including milk, on-farm stored commodities, crops prevented from planting in 2019, and harvested adulterated wine grapes), trees, bushes, and vines, as a consequence of Hurricanes Michael and Florence, other hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms, and wildfires occurring in calendar years 2018 and 2019. USDA is administering this assistance through the 2019 Wildfires and Hurricanes Indemnity Program (WHIP+), which provides payments to eligible producers who suffered eligible crop, tree, bush, and vine losses resulting from hurricanes and wildfires that occurred in the 2018 and 2019 calendar years.

Non-Insured Crop Disaster Assistance Program (NAP) a producer obtains NAP coverage by completing a NAP Application for Coverage by the application closing date applicable to their crop(s) and paying the applicable service fee. The 2018 Farm Bill reauthorized NAP and made several changes to the program. For 2019 and subsequent years the service fees are $325 per crop or $825 per producer per administrative county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties. 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. Producers of hand-harvested crops are required to notify the county office 15 calendar days after harvest is complete and before destruction of the crop, so an appraisal of remaining production can be completed. Beginning in 2015, in addition to the requirement for a timely filed notice of loss within 15 days of the destruction or when damage is first apparent producers of hand harvested crops must notify the county office within 72 hours that a loss has occurred and also within 72 hours of the completion of 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. An approved yield is generated for the producer based on an average of prior year actual production reported for crop, or the COC assigns a yield according to NAP policy and procedure. 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 producer is provided with a NAP Estimated Calculated Payment Report reflecting a projection of the payment. The COC ensures the payments are proper by checking that eligibility documents are properly on file; the acreage report, notice of loss, and application for payment are on file; and the production evidence submitted is verifiable or reliable. The COC must approve before payment is issued. If an application for payment is disapproved, the county office notifies the producer and appeal rights are given. 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.

NAP activity in FY 2019 included:
Number of payments.. 24,218
Amount of NAP payments issued... $155,814,900

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. Physical location of the livestock, honeybees and farm-raised fish on the beginning date of the eligible adverse weather event or loss condition as well as location of inventory is required.
Acreage reports are required. 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. County Offices will enter payment data into the Common Payment System and payments are then issued through the National Payment Service.

ELAP activity in FY 2019 included:
Number of ELAP payments.. 4,597
Dollar value of ELAP payments.. $46,096,643

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. The employee collects disaster information provided by the producer such as date and location for qualifying disaster conditions. Physical location of livestock in inventory on the beginning date of the qualifying grazing loss as well as location of current livestock inventory is required. If the grazing loss was due to fire on federally managed rangelands, the applicant must provide documentation from the Federal agency to show that they were prohibited from grazing on said land due to fire. 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. Acreage reports are required. 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.

LFP activity in FY 2019 included:
Number of LFP payments.. 64,426
Dollar value of LFP payments.. $287,930,533

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. The 2018 Farm Bill authorized benefits for the sale of animals at a reduced price, if the sale occurred due to injury that was a direct result of an eligible adverse weather event or due to an attack by an animal reintroduced into the wild.

In FY 2019, LIP activity included:
Number of LIP payments.. 7,458
Dollar value of LIP payments.. $49,920,144
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.

TAP activity for FY 2019 included:
Number of TAP payments.. 576
Amount of TAP payments.. $15,435,053

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 2019, $1.996 million in payments were made to producers. County Office employees provide information and application support for producers.

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.

ECP activity in FY 2019 included:

Number of ECP payments.. 12,292

Amount of ECP payments issued.. $74,727,184

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 2019, 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.

Hazardous Waste Management Program FY 2019 activity included:

Total Contaminated Sites in CCC Inventory	97
Investigation/Remediation Complete or Active	33
Investigation/Remediation Pending	7
Sites Closed/No Further CCC Action/Liability	20
FY 2019 Funding	$4.6M
FY 2019 Funding (HMMA)	$0.0M
TOTAL	$4.6M

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.

CRP activity in FY 2019:

Technical Assistance.. $9,678,859

Number of incentive payments... 11,865

Amount of incentive payments... $27,024,571

Number of FY 2019 approved CRP contracts... 20,295

Number of CRP cost-share payments... 66,244

Amount of CRP cost-share payments... $51,729,468

Number of CRP rental payments.. 769,141

Amount of CRP annual rental payments.. $1,824,495,516

Number of CRP acres approved for enrollment.. 2,004,700

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 (e.g., Katrina, Rita). It is no longer enrolling lands but is still making rental payments to fulfill existing contracts.

EFCRP activity in FY 2019 included:

Number of EFCRP rental payments.. 810

Amount of EFCRP annual rental payments.. $1,716,548

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.

BCAP activity in FY 2019 included:

Number of BCAP Technical Assistance Payments.. 8

Amount of BCAP Technical Assistance Payments.. $127,644

Number of BCAP Annual Rental Payments.. 63

Amount of BCAP Annual Rental Payments.. $121,094

Number of BCAP Matching Payments.. 5

Amount of BCAP Matching Payments.. $17,819

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.

GRP activity in FY 2019 included:

Number of Applications.. 2,448

Number of GRP active contracts/easements.. $8,502,142

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.

EFRP activity in FY 2019 included:

Number of Applications.. 146

Amount of EFRP payments... $1,716,548

ACCOUNT 2: STATE MEDIATION GRANTS

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted language enclosed in brackets):

The appropriations language follows (new language underscored; deleted language enclosed in brackets): For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101- 3 5106), [$5,545,000]$6,914,000.

LEAD-OFF TABULAR STATEMENT

2020 Appropriations	$5,545,000
Change in Appropriation	+1,369,000
2021 Request, Current Law	6,914,000

PROJECT STATEMENT

Program/Activity	2018 Actual B.A.	2019 Actual B.A.	2020 Enacted B.A.	2021 Budget Request B.A.	Change from 2020 Estimate B.A.
Direct Appropriations:					
State Mediation Grants	$3,904	$3,904	$5,545	$6,914	$1,369
Total, Discretionary Funding	**3,904**	**3,904**	**5,545**	**6,914**	**1,369**
Total Obligations	**$3,904**	**$3,904**	**$5,545**	**$6,914**	**$1,369**

JUSTIFICATIONS OF INCREASES/DECREASES

State Mediation Grants: A net increase of $1,369,000 ($5,545,000 available in FY 2020)

With additional funding, the Agriculture Mediation Programs (AMP) will be able to mediate and address the expanded covered issues authorized by the 2018 Farm Bill, such as lease issues, family farm transition; farmer-neighbor disputes, and allow AMP's to provide financial counseling as a proactive preventive measure to address credit defaults in rural communities. The 2018 Farm Bill also provides for mediation of such other farm issues as the Secretary or head of the Department of Agriculture of each participating State considers appropriate for better serving the agricultural community and those eligible for mediation.

This increase will result in improved customer service to meet the provisions set in the 2018 Farm Bill as demand for mediation services in rural communities is projected to be increased.

Program funds are not used for staff support. FSA is absorbing the expenses to administer this program from the Agency's salary and expenses budget.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

State/Territory/Country	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Alabama	$55	$62	$88	$110
Arizona	66	25	36	44
Arkansas	56	48	68	85
California	129	129	185	230
Colorado	36	27	38	47
Connecticut	42	39	56	69
Florida	26	39	56	70
Georgia	114	90	128	159
Hawaii	54	57	79	99
Idaho	81	62	88	110
Illinois	49	43	62	77
Indiana	174	200	285	355
Iowa	260	257	364	454
Kansas	369	390	554	691
Louisiana	-	96	136	170
Maine	41	51	73	90
Maryland	62	67	95	118
Massachusetts	48	34	49	61
Michigan	59	58	83	104
Minnesota	365	405	576	718
Mississippi	53	65	92	115
Missouri	23	18	25	31
Montana	30	20	27	34
Nebraska	135	136	192	240
New Hampshire	48	57	82	102
New Jersey	15	17	24	31
New Mexico	88	60	86	108
New York	345	347	494	616
North Carolina	58	61	87	108
North Dakota	62	12	16	19
Oklahoma	188	200	284	354
Oregon	44	45	64	80
Pennsylvania	38	23	33	41
Rhode Island	60	39	55	69
South Dakota	138	104	148	184
Texas	68	73	104	129
Utah	4	8	11	13
Vermont	132	150	212	264
Virginia	44	51	72	90
Washington	88	81	114	142
Wisconsin	102	120	171	213
Wyoming	59	38	53	67
Obligations	3,904	3,904	5,545	6,914
Total, Available	3,904	3,904	5,545	6,914

CLASSIFICATION BY OBJECTS

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Other Objects:				
41.0	Grants, subsidies, and contributions	$3,904	$3,904	$5,545	$6,914
	Total, Other Objects	3,904	3,904	5,545	6,914
99.9	Total, new obligations	3,904	3,904	5,545	6,914

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 6,144[2] covered cases during Fiscal Year (FY) 2019. 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) 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 housing loans; (8) USDA Rural Development business loans; and (9) USDA Risk Management Agency crop insurance issues.

The 2018 Farm Bill expanded the area of covered issues that could be mediated. Those expanded issues include, Ag Credit Counseling, Family Farm Transition, Leases, Farmer/Neighbor disputes, and National Organics. From December 2018, to the end of the Fiscal Year, 2,977 requests for Ag Credit Counseling were received, 91 Family Farm Transition mediations, 7 lease mediations, 2 Farmer/Neighbor disputes, and 1 Organic mediation were held.

As in previous years, agricultural credit (both through private lenders and FSA) was the most frequently mediated issue, accounting for 4,953[1] cases, or more than 81 percent of the total caseload. FSA Farm Programs was second with 110 cases, followed by Rural Development Housing issues 83 cases, Forest Service grazing disputed 55 cases, NRCS with 41 cases, and Rural Development business loans also had 11 cases, Risk Management Agency crop insurance issues had 14 cases, and there were no USDA-related pesticide matters.

The 4,310 cases for FY 2019 represent an increase of approximately 1.0 percent from the previous year's 4,127 cases. The expansion of covered cases resulted in the increase of the number of cases for FY 2019.

Program Results Comparison – FY 2018 and FY 2019

	FY 2018	FY 2019
Number of cases for which mediation was requested	5,817[3]	6,144[3]
Mediation not completed in initial FY, and carried over to next FY	103	695
No mediation held (request withdrawn, settled prior to mediation, etc.)	130	2,660
Cases mediated	4,127[4]	4,310[4]
Cases resolved with agreement	4,896[5]	2,008[5]

Cases closed with no agreement	24	589
Percentage of cases mediated that resulted in agreement	84%	33%
Average cost per case	$670	$660

[1] This figure includes the State of Minnesota's 2,610 cases. The State of Minnesota is a mandatory mediation State.
[2] This figure includes the State of Minnesota's 3,608 cases. The State of Minnesota is a mandatory mediation State.
[3] This figure includes the State of Minnesota's 3,608 cases. The State of Minnesota is a mandatory mediation State.
[4] This figure includes the State of Minnesota's 2,904 cases. The State of Minnesota is a mandatory mediation State.
[5] This figure includes the State of Minnesota's 804 cases. The State of Minnesota is a mandatory mediation State.

State Mediation Grants
Grants and Outlays by State – Fiscal Year 2019
(Dollars in Thousands)

State	Grants	Outlays [1]
Alabama	$62,300.00	$62,300.00
Arizona	25,086.56	29,331.00
Arkansas	48,054.68	37,966.28
California	130,001.00	130,862.00
Colorado	26,417.99	24,248.58
Connecticut	39,134.00	39,092.00
Florida	39,452.95	40,799.00
Georgia	90,000.00	90,000.00
Hawaii	55,630.00	50,630.00
Idaho	62,100.00	62,100.00
Illinois	43,660.98	65,000.00
Indiana	200,700.00	200,700.00
Iowa	256,500.00	256,500.00
Kansas	390,295.24	390,295.24
Louisiana	96,074.00	87,854.38
Maine	51,058.25	64,400.00
Maryland	66,800.00	62,293.35
Massachusetts	34,230.79	37,000.00
Michigan	58,701.00	58,701.00
Minnesota	405,403.37	406,803.00
Mississippi	65,000.00	65,000.00
Missouri	17,624.96	13,142.42
Montana	19,185.25	16,158.43
Nebraska	135,405.92	147,000.00
New Hampshire	57,702.01	52,702.00
New Jersey	17,248.73	19,600.00
New Mexico	60,819.74	63,446.49
New York	347,600.00	347,600.00
North Carolina	61,063.85	31,217.94
North Dakota	11,000.00	63,064.71
Oklahoma	199,900.00	199,900.00
Oregon	45,000.00	45,000.00
Pennsylvania	23,320.75	48,399.96
Rhode Island	39,000.00	39,000.00
South Dakota	104,000.00	105,000.00
Texas	73,037.95	78,524.97

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

State Mediation Grants Grants and Outlays by State – Fiscal Year 2019 (Dollars in Thousands)		
State	Grants	Outlays [1]
Utah	7,490.00	5,169.63
Vermont	149,061.01	139,061.00
Virginia	51,000.00	51,001.00
Washington	80,302.00	80,302.00
Wisconsin	120,066.25	207,195.24
Wyoming	37,568.79	40,000.00
Total	**3,903,998.02**	**$4,054,361.62**

ACCOUNT 3: GRASSROOTS SOURCE WATER PROTECTION PROGRAM

APPROPRIATIONS LANGUAGE

[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

Item	Amount
2020 Appropriations	$6,500,000
Change in Appropriation	-6,500,000
2021 Request, Current Law	0

PROJECT STATEMENT

Program/Activity	2018 Actual B.A.	2019 Actual B.A.	2020 Enacted B.A.	2021 Budget Request B.A.	Change from 2020 Estimate B.A.
Direct Appropriations:					
Grassroots Source Water Protection Program	$6,500	$6,500	$6,500	$0	-$6,500
Subtotal, Direct Appropriations	6,500	6,500	6,500	0	-6,500
Transfers In:					
Commodity Credit Corporation	0	5,000	0	0	0
Subtotal, Transfers In	0	5,000	0	0	0
Total, Discretionary Funding	**6,500**	**11,500**	**6,500**	**0**	**-6,500**
Total Obligations	**$6,500**	**$11,500**	**$6,500**	**$0**	**-$6,500**

JUSTIFICATIONS

Grassroots Source Water Protection Program: A decrease of $6,500,000 from the FY 2020 Appropriations

The 2021 President's Budget requests no funding for this program.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

State/Territory/Country	2018	2019	2020	2021
Alabama	$130	$230	$130	-
Alaska	130	230	130	-
Arizona	130	230	130	-
Arkansas	130	230	130	-
California	130	230	130	-
Colorado	130	230	130	-
Connecticut	130	230	130	-
Delaware	130	230	130	-
Florida	130	230	130	-
Georgia	130	230	130	-
Hawaii	130	230	130	-
Idaho	130	230	130	-
Illinois	130	230	130	-
Indiana	130	230	130	-
Iowa	130	230	130	-
Kansas	130	230	130	-
Kentucky	130	230	130	-
Louisiana	130	230	130	-
Maine	130	230	130	-
Maryland	130	230	130	-
Massachusetts	130	230	130	-
Michigan	130	230	130	-
Minnesota	130	230	130	-
Mississippi	130	230	130	-
Missouri	130	230	130	-
Montana	130	230	130	-
Nebraska	130	230	130	-
Nevada	130	230	130	-
New Hampshire	130	230	130	-
New Jersey	130	230	130	-
New Mexico	130	230	130	-
New York	130	230	130	-
North Carolina	130	230	130	-
North Dakota	130	230	130	-
Ohio	130	230	130	-
Oklahoma	130	230	130	-
Oregon	130	230	130	-
Pennsylvania	130	230	130	-
Rhode Island	130	230	130	-
South Carolina	130	230	130	-
South Dakota	130	230	130	-
Tennessee	130	230	130	-
Texas	130	230	130	-
Utah	130	230	130	-
Vermont	130	230	130	-
Virginia	130	230	130	-
Washington	130	230	130	-
West Virginia	130	230	130	-
Wisconsin	130	230	130	-
Wyoming	130	230	130	-
Obligations	6,500	11,500	6,500	-
Total, Available	6,500	11,500	6,500	-

CLASSIFICATION BY OBJECTS

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Other Objects:				
41.0	Grants, subsidies, and contributions	$6,500	$11,500	$6,500	$0
	Total, Other Objects	6,500	11,500	6,500	0
99.9	Total, new obligations	6,500	11,500	6,500	0

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 (NRWA) 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 2019, $6.5 million was provided by the Consolidated Appropriations Act, 2019 (P.L. 116-6). An Additional $5 million was provided by the Agriculture Improvement Act of 2018 (P.L.115-334). The GSWPP completed 171 source water plans with management activities implemented in the source water areas. These water plans provide protection measures for 618 public drinking water sources (579 wells and 37 surface water intakes). The GSWPP was active in all 50 states. The following table shows appropriations from fiscal years 2005 through 2019.

Grassroots Source Water Protection Program
Appropriations for Fiscal Years 2005-2019

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	
2018	6,500,000	
2019	11,500,000	3/

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).
3/ Includes mandatory funds from the Agriculture Improvement Act of 2018 (2018 Farm Bill).

ACCOUNT 4: DAIRY INDEMNITY PROGRAM

APPROPRIATIONS LANGUAGE

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

Item	Amount
Dairy Indemnity Payment Program	
2020 Appropriations/Annualized CR	$5,500,000
Change in Appropriation	-5,000,000
2021 Request, Current Law	500,000

PROJECT STATEMENT

Program/Activity	2018 Actual B.A.	2019 Actual B.A.	2020 Enacted B.A.	2021 Budget Request B.A.	Change from 2020 Estimate B.A.	Change from 2020 Estimate SY
Mandatory Funds:						
Dairy Indemnity Payment Program	$500	$6,267	$5,500	$500	-5,000	0
Subtotal, Mandatory Funds	500	6,267	5,500	500	-5,000	0
Sequestration	-33	-389	-325	0	325	0
Recoveries, Other	0	0	0	0	0	0
Total Available	**467**	**5,878**	**5,176**	**500**	**-4,676**	**0**
Lapsing Balances	-294	-1,742	0	0	0	0
Total Obligations	**$173**	**$4,137**	**$5,176**	**$500**	**-$4,676**	**0**

JUSTIFICATIONS

Dairy Indemnity Program: A decrease of $5,000,000 from the FY 2020 Appropriations

The level of funding requested will support producers affected by various contaminants covered under this program.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

State/Territory/Country	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Arkansas	-	$3	-	-
Florida	$2	-	$22	$6
Georgia	17	111	185	49
Illinois	3	18	33	9
Kansas	48	-	522	139
Maine	16	7	174	46
Mississippi	12	-	130	35
Missouri	2	5	22	6
Nebraska	26	-	283	75
New Mexico	-	3,905	3,295	-
Oklahoma	1	-	11	3
South Carolina	10	-	109	29
Texas	36	88	391	104
Obligations	173	4,137	5,176	500
Lapsing Balances	294	1,742	-	-
Total, Available	173	4,137	5,176	500

CLASSIFICATION BY OBJECTS

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
41.0	Grants, subsidies, and contributions	$173	$4,137	$5,176	$500
	Total, Other Objects	173	4,137	5,176	500
99.9	Total, new obligations	173	4,137	5,176	500

STATUS OF PROGRAMS

The Dairy Indemnity Program is available to dairy farmers for milk, or cows producing milk, and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because of the presence of certain chemical or toxic residue in the products.

Current Activities

During FY 2019, 16 dairy farmers in 7 states filed 28 claims totaling $4,136,820 under the Dairy Indemnity Program. Claims resulted from chemical contamination of groundwater provided to dairy cows and severe drought in 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 2019, totaled $4,136,820. Payments to dairy farmers since the program's inception in 1965 total $32,465,439.

Dairy Indemnity Program
Allocations and Outlays by State
Fiscal Year 2019

State	Obligations	Outlays
Arkansas	2,684	2,684
Georgia	110,647	110,647
Illinois	18,495	18,495
Maine	7,247	7,247
Missouri	4,501	4,501
New Mexico	3,904,861	3,904,861
Texas	88,384	88,384
Total	4,136,820	4,136,820

Dairy Indemnity Program

Payments and Number of Payees

Fiscal Years 1965-2018

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	-	286,777	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
2018	165,444	-	165,444	16
2019	4,136,820	-	4,136,820	16
Total	$28,540,947	$3,911,439	$32,465,439	1,833

ACCOUNT 5: AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

APPROPRIATIONS LANGUAGE

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 [$1,875,000,000] $2,119,000,000 for farm ownership direct loans; [$1,960,000,000] $2,118,482,000 for unsubsidized guaranteed operating loans and [$1,550,133,000] $1,633,333,000 for direct operating loans; emergency loans, $37,668,000; Indian tribe land acquisition loans, $20,000,000; guaranteed conservation loans, $150,000,000; relending program loans, $18,215,000; [Indian highly fractionated land loans, $10,000,000;] 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, [$58,440,000] $38,7100,000 for direct operating loans, [$20,972,000] $23,727,000 for unsubsidized guaranteed operating loans, and emergency loans, [$2,023,000] $207,000, relending program, [$5,000,000] $2,703,000[;Indian highly fractionated land loans, $2,745,000; and $60,000 for boll weevil eradication loans], to remain available until expended.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [$317,068,000] $307,344,000 of which [$290,917,000] $294,114,000 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.

LEAD-OFF TABULAR STATEMENT

Agricultural Credit Insurance Fund	
2020 Appropriations	$406,308,000
Change in Appropriation	-33,616,826
2021 Estimate, Current Law	372,691,174
Change Due to Proposed Legislation	0
2021 Request, Including Proposed Legislation	**372,691,174**

PROJECT STATEMENT

	2018 Actual		2019 Actual		2020 Enacted		2021 Estimate		Change Appeal from 2020 Estimate	
Program/Activity	P.L	B.A	P.L	B.A	P.L	B.A	P.L	B.A	P.L	B.A
ACIF Direct Appropriations:										
Farm Ownership	$1,500,000	-	$1,500,000	-	$1,875,000	-	$2,119,000	-	$244,000	-
Farm Operating	1,530,000	61,812	1,530,000	59,670	1,550,133	58,440	1,633,333	38,710	83,200	-19,730
Emergency	25,610	1,260	37,668	1,567	37,668	2,023	37,668	207	-	-1,816
Indian Land Acquisition	20,000	-	20,000	-	20,000	-	20,000	-	-	-
Boll Weevil Edradication	60,000	-	30,000	-	60,000	60	60,000	-	-	-60
Indian Highly Fractionated Land	10,000	2,272	10,000	2,134	10,000	2,745	-	-	-10,000	-2,745
Relending Program	-	-	-	-	18,215	5,000	18,215	2,703	-	-2,297
Subtotal, ACIF Direct Appropriations	3,145,610	65,344	3,127,668	63,371	3,571,016	68,268	3,888,216	41,620	317,200	-26,648
ACIF Guaranteed Appropriations:										
Farm Ownership, Unsubsidized	$2,750,000	-	$2,750,000	-	$2,750,000	-	$2,750,000	-	-	-
Farm Operating, Unsubsidized	1,960,000	21,756	1,960,000	21,168	1,960,000	20,972	2,118,482	23,727	158,482	2,755
Conservation	150,000	-	150,000	-	150,000	-	150,000	-	-	-
Subtotal, ACIF Guaranteed Appropriations	4,860,000	21,756	4,860,000	21,168	4,860,000	20,972	5,018,482	23,727	158,482	2,755
Administrative Expense:										
Program Loan Cost Expense	-	10,070	-	10,070	-	10,070	-	13,230	-	3,160
Salaries and Expenses	-	314,998	-	290,917	-	290,917	-	294,114	-	3,197
FPAC Business Center	-		-	16,081	-	16,081	-	-	-	-16,081
Subtotal, Administrative Expense	-	325,068	-	317,068	-	317,068	-	307,344	-	-9,724
Total, Discretionary Funding	**8,005,610**	**412,168**	**7,987,668**	**401,607**	**8,431,016**	**406,308**	**8,906,698**	**372,691**	**475,682**	**-33,617**
Carryover from Prior Years:										
Farm Operating (Direct)	-	-	432,264	16,858	913,199	34,428	726,329	17,214	-186,870	-17,214
Emergency	58,400	2,872	84,764	3,526	84,683	4,547	413,364	2,274	328,681	-2,274
Indian Highly Fractionated Land	-	-	-	-	7,774	2,134	14,380	2,134	6,606	-
Farm Operating, Unsubsidized (Guaranteed)	-	-	874,176	9,709	1,803,952	19,302	861,696	9,651	-942,256	-9,651
Program Subsidy No longer in use)				118		121				
Subtotal, Carryover	58,400	2,872	1,391,204	30,212	2,809,608	60,533	2,015,769	31,273	-793,839	-29,139
Rescissions	-	-	-	-	-	-	-	-	-	-
Sequestration	-		-	-	-	-	-	-	-	-
Recoveries, Other	-	142	-	2,798	-	-	-	-	-	-
Total Available	**8,064,010**	**415,182**	**9,378,872**	**431,819**	**11,240,624**	**466,841**	**10,922,467**	**403,964**	**-318,157**	**-62,756**
Lapsing Balances	-1,215,366	-1,264	-921,707	-	-	-	-	-	-	-
Balances, Available End of Year	-1,363,171	-30,094	-2,716,045	-60,533	-1,408,690	-31,273	-401,032	-2,206	1,007,658	29,067
Total Obligations	**5,485,473**	**383,824**	**5,741,120**	**371,286**	**9,831,934**	**435,568**	**10,521,435**	**401,758**	**689,501**	**-33,689**

Due to subsidy rate changes, the loan level carried out from one fiscal year will not be the same as the loan level available in the following fiscal year.

JUSTIFICATIONS OF INCREASES/DECREASES

ACIF/Direct Farm Ownership Loans: An increase of $244,000,000 in loan level from the FY 2020 omnibus appropriations bill:

The FY 2021 President's Budget includes additional funding for this program which has experienced an unprecedented increase in loan obligations. Based on both the increases that have already occurred and on projections for FY 2021, ACIF will require additional funding to meet demand. This demand is partly driven by the increase in individual loan limits in the 2018 Farm Bill, from $300,000 to $600,000 per loan. The average size of loans has increased by 2% per month since the Farm Bill was passed. In addition, a new market segment has now been opened which has led to increased loan volume. Between FY 2017 and FY 2018, direct ownership loan obligations increased by 14%, and by another 6% during FY 2019.

Additional loan level authority will allow FSA to meet the demand and support the small and disadvantaged borrowers that this program targets. Because this program operates at a negative subsidy rate, there is no budgetary impact of this increase.

ACIF/Direct Farm Operating Loans: An increase of $83,200,000 in loan level and a decrease of $19,730,000 subsidy budget authority from the FY 2020 omnibus appropriations bill:
This change is being proposed partly due to the increase in the loan limitation from $300,000 to $400,000 authorized in the 2018 Farm Bill that is expected to drive up the average loan size. In addition, low commodity prices have put additional stress on family farmers, especially in the area of day to day operations supported by this loan category. FSA anticipates increased demand along with the increase in the average loan size that will require additional loan level availability.

Due to a decrease (-1.4%) in the subsidy rate for this program, the increased loan level can be supported with a subsidy decrease of $19,730,000. The decrease in subsidy rate is due to a projected decline in the overall default rate as well as a decrease in the borrower interest rate.

ACIF/Emergency Loans: A decrease of $1,816,000 in subsidy budget authority from the FY 2020 omnibus appropriation bill:
This decrease is due to the reduction in the subsidy rate for Emergency loans. The subsidy rate dropped significantly due to a large drop in the interest component of subsidy. The resulting subsidy rate is very low and requires only a small amount of subsidy budget authority to support the same loan level as appropriated in FY 2020.

ACIF/Boll Weevil Eradication Loans: A decrease of $60,000 in subsidy budget authority from the FY 2020 omnibus appropraiton bill:
The decrease in the Boll Weevil Eradication Loan subsidy is due to a decrease of -0.25% in the subsidy rate that has resulted in a negative subsidy rate. No subsidy budget authority is required to support the $60,000,000 loan level requested in FY 2021.

ACIF/Indian Highly Fractionated Land: A decrease of $2,750,000 in subsidy budget authority from the FY 2020 omnibus appropriations bill:
No subsidy budget authority is requested for this program. Instead, carryover budget authority will be used to provide a program level of $14,380,000.

ACIF/Relending Program: A decrease of $2,297,000 in subsidy budget authority from the FY 2020 omnibus appropriations bill
The decrease in the amount of subsidy is due to the change in the subsidy rate for this program. The change is in the interest rate component based on the President's economic assumptions.

ACIF/Guaranteed Farm Operating Unsubsidized Loans: An increase of $158,482,000 in loan level and an increase of $2,755,000 in subsidy budget authority from the FY 2020 omnibus appropriations bill:
Increased loan level for the guaranteed operating loans is similar to reasons for increases in the direct operating loan program. Low commodity prices, economic stress on borrowers, and the need to recover from poor growing seasons in several parts of the country due to a number of weather factors have all driven up anticipated demand in the guaranteed operating loan program. FSA anticipates not only increased participation but an increase in the average loan size due to the loan limitation increase provided in the Farm Bill. Guaranteed lenders service a larger segment of the farm community than FSA does in its direct lending programs. This is due to the restrictions on direct borrowers.

ACIF/Program Loan Cost Expense (PLCE): An increase of $3,160,000 in budget authority from the FY 2020 omnibus appropriations bill:
This change is being proposed due largely to the increase in the projected loan levels for direct ownership loans. PLCE administers the cost of appraisals for new ownership loans. Based on a substantial increase in the number of loans (more than 8,000 new loans projected in FY 2021), appraisals alone would account for nearly $11 million in funding. In addition, estimated costs for loan servicing and inventory property appraisals, chattel inspections, business and consumer credit report fees, and borrower year-end financial analysis support also must be continued in order to service existing loans.

ACIF/Salaries and Expenses transferred to FSA: An increase of $3,197,000 in budget authority from the FY 2020 omnibus appropriations bill:
As a credit provider with more than $28.6 billion in direct loans and guaranteed contingent liabilities, FSA's Farm Loan Programs (FLP) serves the critical role of providing credit to farmers and ranchers who are unable to obtain commercial agricultural credit. Over more than a decade, FLP has become increasingly challenged by its limited resources to meet the volume and complexity of farmers and ranchers' supervised credit needs, which FSA is statutorily-mandated to provide. The increase will allow FSA to continue to hire loan officers throughout the county office network nationwide.

ACIF/Salaries and Expenses transferred to FPAC Business Center: A decrease of $16,180,000 in budget authority from the FY 2020 omnibus appropriations bill:
This decrease reflects a move of the administrative expenses associated with farm loans from the ACIF program account directly to the FPAC Business Center Salaries and Expenses account.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

DIRECT FARM OWNERSHIP PROGRAM

State/Territory	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Alabama	$5,082	$10,135	$12,899	$14,577
Alaska	140	19	24	27
Arizona	2,300	6,102	7,766	8,777
Arkansas	25,013	40,411	51,430	58,123
California	14,921	17,853	22,721	25,678
Colorado	18,774	18,403	23,421	26,469
Connecticut	865	835	1,063	1,201
Delaware	1,800	2,969	3,779	4,270
Florida	6,307	7,279	9,264	10,469
Georgia	8,139	10,723	13,647	15,423
Hawaii	601	4,557	5,800	6,554
Idaho	19,050	21,608	27,500	31,079
Illinois	65,410	93,895	119,499	135,049
Indiana	36,101	45,047	57,331	64,791
Iowa	102,315	146,074	185,906	210,099
Kansas	73,878	78,954	100,483	113,560
Kentucky	46,628	65,819	83,767	94,668
Louisiana	2,940	3,784	4,816	5,443
Maine	1,937	2,029	2,582	2,918
Maryland	1,965	1,938	2,466	2,787
Massachusetts	1,582	3,153	4,013	4,535
Michigan	20,195	28,755	36,596	41,358
Minnesota	55,446	76,722	97,643	110,349
Mississippi	2,162	2,324	2,958	3,343
Missouri	51,966	57,551	73,244	82,776
Montana	11,470	22,674	28,857	32,612
Nebraska	77,907	94,560	120,345	136,006
Nevada	1,438	1,832	2,332	2,635
New Hampshire	45	300	382	431
New Jersey	1,384	513	653	738
New Mexico	10,591	15,359	19,547	22,091
New York	7,447	7,638	9,721	10,986
North Carolina	5,952	10,121	12,881	14,557
North Dakota	24,779	40,992	52,170	58,959
Ohio	39,913	35,877	45,660	51,602
Oklahoma	139,232	168,219	214,090	241,950
Oregon	9,780	15,126	19,251	21,756
Pennsylvania	17,912	26,462	33,678	38,060
Rhode Island	50	200	255	288
South Carolina	5,788	9,599	12,216	13,806
South Dakota	51,008	66,507	84,642	95,657
Tennessee	20,598	24,217	30,821	34,831
Texas	44,805	44,001	55,999	63,287
Utah	15,644	17,884	22,761	25,723
Vermont	2,807	1,682	2,141	2,419
Virgin Islands	-	-	-	-
Virginia	18,394	29,249	37,225	42,069
Washington	7,486	12,499	15,907	17,977
Western Pacific Territories	-	90	115	129
West Virginia	11,237	12,060	15,349	17,346
Wisconsin	46,922	59,751	76,047	85,943
Wyoming	5,849	6,651	8,465	9,566
Puerto Rico	1,371	2,261	2,878	3,252
Obligations	1,145,326	1,473,263	1,875,000	2,119,000
Lapsing Balances	354,674	26,737	-	-
Total, Available	1,500,000	1,500,000	1,875,000	2,119,000

GUARANTEED FARM OWNERSHIP PROGRAM

State/Territory	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Alabama	$49,570	$56,545	$70,055	$75,667
Arizona	2,788	4,618	1,229	6,180
Arkansas	117,865	128,120	119,847	171,448
California	25,030	28,154	41,161	37,675
Colorado	25,813	22,026	29,786	29,475
Connecticut	640	1,051	373	1,406
Delaware	8,144	11,433	24,264	15,299
Florida	11,729	11,704	16,490	15,662
Georgia	22,963	34,645	23,983	46,361
Hawaii	1,906	2,089	3,467	2,795
Idaho	34,291	25,704	32,896	34,397
Illinois	110,828	119,727	133,135	160,216
Indiana	90,839	66,095	109,045	88,447
Iowa	147,648	153,880	187,336	205,919
Kansas	57,183	42,718	88,988	57,164
Kentucky	72,550	63,048	75,356	84,370
Louisiana	5,457	6,464	19,710	8,650
Maine	2,660	80	1,430	107
Maryland	14,617	5,812	14,701	7,778
Massachusetts	1,543	1,154	4,042	1,544
Michigan	57,797	87,693	79,975	117,349
Minnesota	115,949	106,483	157,709	142,494
Mississippi	49,315	39,981	108,891	53,502
Missouri	94,526	110,818	88,778	148,295
Montana	26,734	31,491	40,214	42,141
Nebraska	109,975	57,934	176,295	77,526
Nevada	10,358	8,304	20,825	11,112
New Hampshire	-	1,277	2,013	1,709
New Jersey	1,631	472	5,079	632
New Mexico	17,716	15,803	17,969	21,147
New York	44,766	41,542	44,877	55,591
North Carolina	43,883	56,066	79,246	75,026
North Dakota	31,104	37,294	51,954	49,906
Ohio	138,253	108,177	205,539	144,760
Oklahoma	67,156	45,429	71,791	60,792
Oregon	20,641	18,187	31,600	24,338
Pennsylvania	20,221	10,486	20,545	14,032
Rhode Island	190	-	344	-
South Carolina	26,735	29,717	30,609	39,767
South Dakota	85,907	73,813	101,450	98,775
Tennessee	34,156	38,498	31,875	51,517
Texas	52,883	68,849	44,626	92,132
Utah	28,659	26,688	30,932	35,713
Vermont	8,921	11,910	10,851	15,938
Virgin Islands	-	-	20,297	-
Virginia	19,182	15,499	6,182	20,740
Washington	11,875	7,388	-	9,886
Western Pacific Territories	-	-	4,799	-
West Virginia	5,696	4,013	246,155	5,370
Wisconsin	183,281	204,613	12,357	273,807
Wyoming	7,386	9589		12,832
Puerto Rico	348	1,949	8,931	2,608
Obligations	2,119,308	2,055,030	2,750,000	2,750,000
Lapsing Balances	630,692	694,970	-	-
Total, Available	2,750,000	2,750,000	2,750,000	2,750,000

DIRECT FARM OPERATING PROGRAM

State/Territory	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Alabama	$9,178	$6,612	$11,561	$13,595
Alaska	693	260	455	535
Arizona	7,964	9,927	17,357	20,410
Arkansas	47,059	53,303	93,198	109,593
California	22,227	23,824	41,655	48,983
Colorado	18,996	14,862	25,986	30,557
Connecticut	1,001	2,007	3,509	4,126
Delaware	619	1,221	2,135	2,510
Florida	13,306	7,461	13,045	15,340
Georgia	25,266	26,612	46,530	54,715
Hawaii	3,371	3,396	5,938	6,982
Idaho	22,723	22,754	39,785	46,783
Illinois	13,329	14,542	25,426	29,899
Indiana	9,627	10,792	18,869	22,189
Iowa	77,388	85,911	150,212	176,637
Kansas	42,636	35,075	61,327	72,116
Kentucky	46,455	42,241	73,857	86,849
Louisiana	14,633	13,359	23,358	27,467
Maine	3,513	5,592	9,777	11,497
Maryland	1,317	2,083	3,642	4,283
Massachusetts	1,671	1,528	2,672	3,142
Michigan	15,938	13,821	24,166	28,417
Minnesota	57,185	73,625	128,731	151,376
Mississippi	13,667	13,493	23,592	27,742
Missouri	19,209	19,233	33,628	39,544
Montana	25,769	32,689	57,156	67,210
Nebraska	112,257	122,342	213,910	251,456
Nevada	6,156	3,379	5,908	6,947
New Hampshire	332	964	1,686	1,982
New Jersey	2,337	1,705	2,981	3,506
New Mexico	8,782	9,127	15,958	18,766
New York	12,566	9,896	17,303	20,347
North Carolina	22,162	28,269	49,427	58,122
North Dakota	38,268	47,380	82,842	97,415
Ohio	9,215	8,075	14,119	16,603
Oklahoma	73,327	69,676	121,826	143,257
Oregon	18,984	15,862	27,734	32,613
Pennsylvania	20,071	21,755	38,038	44,729
Rhode Island	141	391	684	804
South Carolina	12,680	15,713	27,474	32,307
South Dakota	49,367	61,690	107,863	126,837
Tennessee	26,106	26,077	45,595	53,615
Texas	64,007	52,765	92,258	108,487
Utah	15,680	18,403	32,177	37,837
Vermont	3,372	3,005	5,254	6,178
Virgin Islands	-	-	-	-
Virginia	19,313	17,809	31,138	36,616
Washington	24,500	25,841	45,180	53,128
Western Pacific Territories	47	68	119	140
West Virginia	11,894	10,840	18,953	22,288
Wisconsin	37,446	30,721	53,715	63,164
Wyoming	4,964	6,930	12,117	14,248
Puerto Rico	4,121	2,807	4,909	5,771
Obligations	1,112,835	1,147,713	2,006,733	2,359,662
Bal. Available, EOY	417,285	814,551	456,599	
Total, Available	1,530,120	1,962,264	2,463,332	2,359,662

GUARANTEED FARM OPERATING UNSUBSIDIZED PROGRAM

State/Territory	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Alabama	$1,899	$2,732	$7,433	$7,740
Arizona	5,318	2,936	7,988	8,318
Arkansas	62,533	62,232	169,312	176,305
California	32,440	26,178	71,221	74,163
Colorado	14,034	15,161	41,248	42,951
Connecticut	1,759	400	1,088	1,133
Delaware	870	200	544	567
Florida	11,363	6,143	16,713	17,403
Georgia	33,361	38,573	104,944	109,278
Hawaii	276	401	1,091	1,136
Idaho	36,525	40,572	110,382	114,941
Illinois	28,178	29,953	81,492	84,857
Indiana	31,465	37,401	101,755	105,958
Iowa	77,074	64,500	175,482	182,730
Kansas	39,347	24,045	65,418	68,120
Kentucky	33,448	20,591	56,021	58,335
Louisiana	48,256	44,690	121,586	126,608
Maine	2,338	878	2,389	2,487
Maryland	600	2,395	6,516	6,785
Massachusetts	246	810	2,204	2,295
Michigan	19,268	29,517	80,306	83,622
Minnesota	80,315	72,154	196,306	204,414
Mississippi	3,655	8,361	22,747	23,687
Missouri	24,281	35,702	97,133	101,145
Montana	22,103	22,495	61,201	63,729
Nebraska	36,041	39,480	107,411	111,848
Nevada	558	1,503	4,089	4,258
New Hampshire	-	1,605	4,367	4,547
New Jersey	400	628	1,709	1,779
New Mexico	8,180	10,426	28,366	29,537
New York	29,920	28,837	78,456	81,696
North Carolina	8,140	20,454	55,648	57,947
North Dakota	70,154	60,866	165,595	172,434
Ohio	22,231	8,686	23,632	24,608
Oklahoma	52,373	34,880	94,896	98,816
Oregon	15,002	8,048	21,896	22,800
Pennsylvania	9,151	3,581	9,743	10,145
Rhode Island	50	-	-	-
South Carolina	14,270	14,375	39,109	40,725
South Dakota	30,795	31,985	87,020	90,614
Tennessee	11,596	9,947	27,062	28,180
Texas	81,378	78,613	213,879	222,712
Utah	5,615	3,967	10,793	11,239
Vermont	7,095	13,172	35,836	37,317
Virgin Islands	-		-	-
Virginia	5,931	13,025	35,437	36,900
Washington	18,818	13,665	37,178	38,713
Western Pacific Territories	791	1,821	4,954	5,159
Wisconsin	33,526	53,644	145,947	151,975
Wyoming	11,019	9,716	26,434	27,526
Puerto Rico	1,305	-	-	-
Obligations	1,085,291	1,051,944	2,861,976	2,980,178
Bal. Available, EOY	874,709	1,782,232	901,976	
Total, Available	1,960,000	2,834,176	3,763,952	2,980,178

EMERGENCY LOAN PROGRAM

State/Territory	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Arkansas	$588	$1,145	$6,956	$4,347
California	612	313	1,901	1,188
Delaware	150	240	1,458	911
Florida	1,046	275	1,671	1,044
Georgia	314	266	1,616	1,010
Idaho	237	-	-	-
Iowa	-	99	601	376
Kansas	-	-	-	-
Kentucky	-	191	1,160	725
Louisiana	495	423	2,570	1,606
Michigan	159	-	-	-
Mississippi	1,037	-	-	-
Montana	3,262	209	1,270	793
New Jersey	-	345	2,096	1,310
New York	438	266	1,616	1,010
North Carolina	-	2,229	13,541	8,462
North Dakota	1,826	-	-	-
Oklahoma	370	30	182	114
Pennsylvania	-	1,258	7,642	4,776
South Carolina	-	3,941	23,947	14,965
South Dakota	87	165	1,002	626
Texas	782	852	5,176	3,234
Utah	148	40	243	152
Vermont	213	-	-	-
West Virginia	196	-	-	-
Wisconsin	-	500	3,037	1,898
Puerto Rico	753	383	2,327	1,454
Obligations	12,713	13,170	80,010	50,000
Bal. Available, EOY	71,177	109,262	42,341	401,032
Total, Available	83,890	122,432	122,351	451,032

GUARANTEED CONSERVATION LOAN PROGRAM

State/Territory	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Distribution Unknown	-	-	$150,000	$150,000
Obligations	-	-	150,000	150,000
Lapsing Balances		$150,000		
Bal. Available, EOY	$150,000	-	-	-
Total, Available	150,000	150,000	150,000	150,000

BOLL WEEVIL ERADICATION LOAN PROGRAM

State/Territory	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Distribution Unknown	-	-	$60,000	$60,000
Obligations	-	-	60,000	60,000
Lapsing Balances		$30,000		
Bal. Available, EOY	$60,000	-	-	-
Total, Available	60,000	30,000	60,000	60,000

INDIAN LAND ACQUISITION LOAN PROGRAM

State/Territory	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Distribution Unknown	-	-	$20,000	$20,000
Obligations	-	-	20,000	20,000
Lapsing Balances		$20,000		
Bal. Available, EOY	$20,000	-	-	-
Total, Available	20,000	20,000	20,000	20,000

INDIAN HIGHLY FRACTIONATED LAND LOAN PROGRAM

State/Territory	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Montana	$10,000	-	-	-
Distribution Unknown	-	-	$10,000	$14,380
Obligations	-	-	10,000	14,380
Bal. Available, EOY	-	$10,000	7,774	-
Total, Available	-	10,000	17,774	14,380

No subsidy budget authority is requested for this program in 2021. ACIF budget subsidy carryover of $2.1 million from 2019 appropriations will provide for a program level of $7.8 million in 2020 or $14.4 million in 2021, due to a decrease in the loan subsidy rate in 2021.

Relending Program

State/Territory	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Distribution Unknown	-	-	$18,215	$18,215
Obligations	-	-	18,215	18,215
Total, Available	-	-	18,215	18,215

CLASSIFICATION BY OBJECTS

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
25.2	Other services from non-Federal sources	323,921	316,710	317,068	307,344
41.0	Grants, subsidies, and contributions	59,903	54,576	118,500	94,414
	Total, Other Objects	383,824	371,286	435,568	401,758
99.9	Total, new obligations	383,824	371,286	435,568	401,758

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 $2.7 billion to beginning farmers during 2019, of which $1.7 billion was in the ownership program and $1.0 billion was in the operating program. Loans for socially disadvantaged farmers totaled $789 million, of which $506 million was in the farm ownership program and $284 million was in the farm operating program.

Selected Examples of Recent Progress: Lending to beginning farmers was strong during 2019. FSA loaned or guaranteed beginning farmer loans for 18,354 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.

"The amount of direct and guaranteed operating and farm ownership loan assistance provided in FY 2019 increased compared to FY 2018. The FY 2019 loan assistance in these programs was the third highest total in Agency history. Likewise, loan assistance provided to beginning and socially disadvantaged farmers increased in FY 2019 compared to FY 2018, continuing the constant trend in lending to these underserved groups as a percentage of total assistance provided. The amount of beginning farmer assistance increased by 6 percent and the amount of socially disadvantaged assistance increased by 3 percent. In summary, FY 2019 loan assistance provided in the direct and guaranteed operating and farm ownership programs increased from the FY 2018 level – this also applies in loan assistance provided to beginning farmers and socially disadvantaged farmers."

The following tables reflect 2019 ACIF program activity:

FY 2019 Actual Agricultural Credit Insurance Fund Loans and Obligations

Total Direct and Guaranteed Loans			
	FY 2018	**FY 2019**	**Percent Change**
Total Number Of Loans			
Direct Farm Ownership	6,032	6,464	7%
Direct Farm Ownership - Microloans	204	167	-18%
Guaranteed Farm Ownership	4,401	3,976	-10%
Ownership Subtotal	**10,637**	**10,607**	**0%**
Direct Operating	14,136	13,243	-6%
Direct Farm Operating - Microloans	5,785	4,755	-18%
Guaranteed Operating	3,974	3,635	-9%
Operating Subtotal	**23,895**	**21,633**	**-9%**

Grand Total Number of Loans	**34,532**	**32,240**	**-7%**
Total Dollar Value Of Loans ($000)			
Direct Farm Ownership	1,137,614	1,466,928	29%
Direct Farm Ownership – Microloans	7,712	6,335	-18%
Guaranteed Farm Ownership	2,119,308	2,055,030	-3%
Ownership Subtotal	**3,264,634**	**3,528,293**	**8%**
Direct Operating	977,314	1,036,454	6%
Direct Farm Operating - Microloans	135,521	111,259	-18%
Guaranteed Operating	1,085,291	1,051,944	-3%
Operating Subtotal	2,198,126	2,199,657	0%
Grand Total Dollar Value of Loans	5,462,761	5,727,950	5%

Beginning Farmer Loans a/			
	FY 2018	**FY 2019**	**Percent Change**
Total Number Of Loans			
Direct Farm Ownership	1,902	2,033	7%
Direct Farm Ownership Down-payment	2,668	2,698	1%
Guaranteed Farm Ownership	1,874	1,680	-10%
Ownership Subtotal	**6,444**	**6,411**	**-1%**
Direct Operating	11,850	10,658	-10%
Guaranteed Operating	1,449	1,285	-11%
Operating Subtotal	**13,299**	**11,943**	**-10%**
Grand Total Number of Loans	**19,743**	**18,354**	**-7%**
Total Dollar Value Of Loans ($000)			
Direct Farm Ownership	351,834	479,369	36%
Direct Farm Ownership Down-payment	491,000	554,377	13%
Guaranteed Farm Ownership	722,011	691,609	-4%
Ownership Subtotal	**1,564,844**	**1,725,355**	**10%**
Direct Operating	707,223	713,921	1%
Guaranteed Operating	318,256	294,530	-7%
Operating Subtotal	**1,025,478**	**1,008,451**	**-2%**
Grand Total Dollar Value of Loans	**2,590,322**	**2,733,806**	**6%**

Socially Disadvantaged Farmer Loans a/

Total Number Of Loans			
	FY 2018	**FY 2019**	**Percent Change**
Direct Farm Ownership	1,163	1,146	-1%
Guaranteed Farm Ownership	452	426	-6%
Ownership Subtotal	**1,615**	**1,572**	**-3%**
Direct Operating	5,642	4,658	-17%
Guaranteed Operating	397	326	-18%
Operating Subtotal	**6,039**	**4,984**	**-17%**
Grand Total Number of Loans	**7,654**	**6,556**	**-14%**
Total Dollar Value Of Loans ($000)			
Direct Farm Ownership	204,361	243,266	19%
Guaranteed Farm Ownership	231,932	262,422	13%
Ownership Subtotal	**436,293**	**505,689**	**16%**
Direct Operating	211,572	193,226	-9%
Guaranteed Operating	117,633	90,441	-23%
Operating Subtotal	**329,205**	**283,667**	**-14%**
Grand Total Dollar Value of Loans	**765,498**	**789,356**	**3%**

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.

ACCOUNT 6: REFORESTATION PILOT PROGRAM

LEAD-OFF TABULAR STATEMENT

Table. Lead-Off Tabular Statement

Item	Amount
2020 Appropriations	$0
Change in Appropriation	-0
2021 Request, Current Law	0

PROJECT STATEMENT

Program/Activity	2018 Actual	2019 Actual	2020 Enacted	2021 Budget	Change from 2020 Estimate
Direct Appropriations:					
Reforestation Pilot Program	$600	$0	$0	$0	$0
Subtotal, Direct Appropriations	600	0	0	0	0
Total Available	**600**	**0**	**0**	**0**	**0**
Total Obligations	**$600**	**$0**	**$0**	**$0**	**$0**

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Mississippi	$600	-	-	-
Obligations	600	-	-	-
Total, Available	600	-	-	-

CLASSIFICATION BY OBJECTS

	ITEM	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Other Objects:				
41.0	Grants, subsidies, and contributions	$600	$0	$0	$0
	Total, Other Objects	600	0	0	0
99.9	Total, New Obligations	600	0	0	0

STATUS OF PROGRAMS

The 2008 Agriculture Appropriations Act (PL 110-161) directed FSA to carry out a pilot program to encourage more hardwood reforestation on private forest lands damaged by Hurricane Katrina and demonstrate the effectiveness of new technologies that increase the rate of growth of reforested hardwood trees. In addition to loss of human lives and destruction of property, it is estimated that Hurricane Katrina caused heavy damage to more than a million acres of forest land in Louisiana and Mississippi when it passed through in 2005. While pine forests are relatively easy to re-establish, the same cannot be said for hardwood forests. Some believe that the use of potted planting stock, such as hardwood saplings produced through root production methodologies (RPM), would increase hardwood reforestation success, as such trees have better initial survival and early growth following planting than the more traditional containerized and bare-root seedlings used in most plantings. For over ten years, the USDA Farm Service Agency (FSA) has engaged with Mississippi State University (MSU) in a demonstration pilot program to encourage more hardwood reforestation and evaluate the efficacy of the three types of planting stock in ensuring hardwood reforestation success. The study looks at height and diameter growth across the three types of planting stock for two years following establishment. RPM seedlings were two to four times larger than other planting stock at establishment and showed higher survival rates and early diameter and height growth for the two years following planting. While not the focus of this applied research, other studies have found that containerized and bare root planting stock catch up to the potted stock over longer periods of time.

Current Activities

In Fiscal Year 2019, $600,000 was made available to Mississippi State University to continue evaluation of the plantings done under the pilot program. Mississippi State University is currently analyzing second year results associated with 2018 plantings and will be submitting a report of their findings in early 2020. RPM stock is relatively expensive for plantings on landscape scales; however, such planting stock may be a suitable option for reforesting high priority sites where vertical vegetative structure is needed in the short term.

Past Activity

Beginning in 2008 and continuing through 2019 approximately $7.24 million has been appropriated to support the pilot program, 309,400 trees have been planted, and 2,874 acres of hardwood forests have been restored by the program.

ACCOUNT 7: EMERGENCY CONSERVATION PROGRAM

LEAD-OFF TABULAR STATEMENT

Item	Amount
2020 Appropriations	$0
Change in Appropriation	-0
2021 Request, Current Law	0

PROJECT STATEMENT

Program/Activity	2018 Actual B.A.	2019 Actual B.A.	2020 Enacted B.A.	2021 Budget Request B.A.	Change from 2020 Estimate B.A.
Discretionary Appropriations:					
Emergency Conservation Program PL 115-123	$400,000	0	0	0	0
Emergency Conservation Program PL 116-20	0	$558,000	0	0	0
Subtotal, Discretionary Appropriations	400,000	558,000	0	0	0
Carryover from Prior Years:					
Emergency Conservation Program	239,823	498,299	$992,481	$692,481	
Subtotal, Carryover	239,823	498,299	992,481	692,481	
Recoveries, Other	34,937	46,031	0	0	0
Total Available	**674,760**	**1,102,330**	**992,481**	**692,481**	**-300,000**
Lapsing Balances	0	0	0	0	0
Balances, Available End of Year	-498,299	-992,481	-692,481	-492,481	200,000
Total Obligations	**$176,461**	**$109,849**	**$300,000**	**$200,000**	**-$100,000**

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

State/Territory/Country	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Alabama	$792	$638	$1,346	$898
Arizona	-	77	-	-
Arkansas	4,986	522	8,477	5,651
California	12,588	10,004	21,401	14,267
Colorado	105	1,443	179	119
Connecticut	-	11	-	-
Florida	35,161	13,579	59,777	39,851
Georgia	12,416	8,476	21,108	14,072
Hawaii	6,729	997	11,440	7,627
Idaho	334	838	568	379
Illinois	46	-	78	52
Indiana	84	-	143	95
Iowa	595	675	1,012	674
Kansas	13,575	2,915	23,079	15,386
Kentucky	261	86	444	296
Louisiana	5	-	9	6
Maine	88	1	150	100
Massachusetts	439	-	746	498
Michigan	-	65	-	-
Mississippi	120	282	204	136
Missouri	3,030	1,226	5,151	3,434
Montana	13,395	2,278	22,773	15,182
Nebraska	35	15,534	60	40
Nevada	1,758	368	2,989	1,993
New Hampshire	427	93	726	484
New Mexico	311	60	529	352
New York	585	82	995	663
North Carolina	8,602	12,881	14,624	9,749
North Dakota	331	37	563	375
Ohio	29	-	49	33
Oklahoma	14,797	6,598	25,156	16,771
Oregon	1,601	10,412	2,722	1,815
Pennsylvania	28	423	48	32
South Carolina	2,258	374	3,839	2,559
South Dakota	9,231	2,146	15,694	10,462
Tennessee	174	448	296	197
Texas	17,154	7,853	29,163	19,442
Utah	5	11	9	6
Vermont	493	175	838	559
Virginia	133	1,640	226	151
Washington	4,620	3,163	7,854	5,236
West Virginia	421	139	716	477
Wisconsin	68	629	116	77
Wyoming	1,186	1,693	2,016	1,344
KCMO-DMD	206	-	350	233
Puerto Rico	749	972	1,273	849
Virgin Islands	6,510	5	11,068	7,378
Obligations	176,461	109,849	300,000	200,000
Bal. Available, EOY	498,299	992,481	692,481	492,481
Total, Available	674,760	1,102,330	992,481	692,481

CLASSIFICATION BY OBJECTS

Item		2018 Actual	2019 Actual	2020 Enacted	2021 Budget
41.0	Grants, subsidies and contributions...........	$176,461	$109,849	$300,000	$200,000
99.9	Total, new obligations...........................	176,461	109,849	300,000	200,000

STATUS OF PROGRAMS

Current Activities

During FY 2019, 39 States and 1 territory participated in the Emergency Conservation Program (ECP), with new or continued activity from the previous year, involving approximately $318 million in cost-share and technical assistance funds outlays. In FY19, $558 million was provided by P.L. 116-20, the Additional Supplemental Appropriations for Disaster Relief Act, 2019 for necessary expenses related to the consequences of Hurricanes Michael and Florence and wildfires occurring in calendar year 2018, tornadoes and floods occurring in calendar year 2019, and other natural disasters, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Approximately $74.6 million was outlayed in FY 2019, 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, mid-Atlantic flooding, hurricanes, tornado damage, and west and western plain 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 2019, ECP allocated $245 million in Stafford Act funds and $73 million in unrestricted funds, totaling $318 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 2019 and (B) FY 2019 allocations by State.

Table A

Emergency Conservation Program Appropriations and Outlays Fiscal Years 1981-2019			
Fiscal Year	Appropriation		Outlays
1981 - 2010	$1,131,860,070	1/ to 5/	$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
2018	400,000,000	12/	97,286,299
2019	558,000,000	13/	74,643,848
TOTAL	**2,486,455,009**		**1,363,217,307**

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 FY 2017, $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 (42 U.S.C. 5121 et seq.).

12/ In FY 2018, $400,000,000 was provided by P.L. 115-123, the Bipartisan Budget Act of 2018 for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria and of wildfires occurring in calendar year 2017, and other disasters to remain available until expended. Provided, that such amount is designated by Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

13/ In FY 2019, $558,000,000 was provided by P.L. 116-20, the Additional Supplemental Appropriations for Disaster Relief Act, 2019 for necessary expenses related to the consequences of Hurricanes Michael and Florence and wildfires occurring in calendar year 2018, tornadoes and floods occurring in calendar year 2019, and other natural disasters, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Table B

EMERGENCY CONSERVATION PROGRAM

FY 2019 Allocations by State

State	Disaster (s)	Total Allocations
AL	Flooding, Hurricane, Severe Storms, Tornados	$1,997,221
AR	Flooding, Severe Storms, Tornados	$620,678
AZ	Drought, Wildfires	$86,204
CA	Flooding, Wildfires	$20,974,000

ACCOUNT 8: AGRICULTURAL DISASTER RELIEF TRUST FUND

LEAD-OFF TABULAR STATEMENT

Item	Amount
2020 Appropriations	$0
Change in Appropriation	-0
2021 Request, Current Law	0

PROJECT STATEMENT

Program/Activity	2018 Actual B.A.	2019 Actual B.A.	2020 Enacted B.A.	2021 Budget Request B.A.	Change from 2020 Estimate B.A.
Mandatory Funds:					
Agricultural Disaster Relief Trust Fund	$64	$28	0	0	0
Subtotal, Mandatory Funds	64	28	0	0	0
Carryover from Prior Years:					
Agricultural Disaster Relief Trust Fund	15,184	15,111	$14,551	$14,551	
Recoveries, Other	115	11	0	0	0
Total Available	**15,363**	**15,151**	**14,551**	**14,551**	**0**
Balances, Available End of Year	-15,111	-14,551	-14,551	-14,551	0
Total Obligations	**$251**	**$600**	**$0**	**$0**	**$0**

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

State/Territory/Country	2018 Actuals	2019 Actuals	2020 Enacted	2021 Budget
Colorado	$47	-	-	-
District of Columbia	14	-	-	-
Florida	1	-	-	-
Indiana	1	-	-	-
Iowa	18	-	-	-
Kansas	10	-	-	-
Minnesota	103	-	-	-
New Jersey	1	-	-	-
New Mexico	1	-	-	-
Oklahoma	1	-	-	-
South Dakota	1	-	-	-
Texas	62	-	-	-
Distribution Unknown	-9	$600	-	-
Obligations	251	600	-	-
Bal. Available, EOY	15,111	14,551	$14,551	$14,551
Total, Available	15,363	15,151	14,551	14,551

CLASSIFICATION BY OBJECTS

	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budg
	Other Objects:				
41.0	Grants, subsidies, and contributions……………	$251	$600	$0	$0
	Total, Other Objects………………………………	251	600	0	0
99.9	Total, new obligations…………………………………	251	600	0	0

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).

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 FY 2019, funds were used to make remaining residual payments to farmers and ranchers, including adjustments to prior year obligations. Obligations totaled $571,320 and total outlays were $571,320.

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

Agricultural Disaster Relief Trust FY 2019 Outlays

Programs	Outlays
DTF	$0
ELAP	0
LFP	59,220
LIP	0
SURE	515,098
TAP	0
Total	571,320

ACCOUNT 9: USDA SUPPLEMENTAL ASSISTANCE PROGRAM

LEAD-OFF TABULAR STATEMENT

Item	Amount
2020 Appropriations	$2,000,000
Change in Appropriation	-2,000,000
2021 Request, Current Law	0

PROJECT STATEMENT

Program/Activity	2018 Actual B.A.	2019 Actual B.A.	2020 Enacted B.A.	2021 Budget Request B.A.	Change from 2020 Estimate B.A.
Discretionary Appropriations:					
USDA Supplemental Assistance	$1,996	$1,996	$2,000	0	-$2,000
Subtotal, Discretionary Appropriations	1,996	1,996	2,000	0	-2,000
Total, Discretionary Funding	**1,996**	**1,996**	**2,000**	**0**	**-2,000**
Carryover from Prior Years:					
USDA Supplemental Assistance	4,445	4,445	4,454	$4,454	
Recoveries, Other	0	9	0	0	0
Total Available	**6,441**	**6,450**	**6,454**	**4,454**	**-2,000**
Balances, Available End of Year	-4,445	-4,454	-4,454	-4,454	0
Total Obligations	**$1,996**	**$1,996**	**$2,000**	**$0**	**-$2,000**

JUSTIFICATIONS

Geographically disadvantaged farmers and ranchers: A decrease of $2,000,000 from the FY 2020 Appropriations

Funding for this program has historically occurred through general provisions. The Agricultural Act of 2014 permanently reauthorized the Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers to reimburse 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.

CLASSIFICATION BY OBJECTS

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Other Objects:				
41.0	Grants, subsidies, and contributions	$1,996	$1,996	$2,000	$0
	Total, Other Objects	1,996	1,996	2,000	0
99.9	Total, new obligations	1,996	1,996	2,000	0

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, 2019 authorized $1.996 million for fiscal year 2019 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 fiscal year 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 2019 began on July 15, 2019, and ended on September 6, 2019. Payments for FY 2019 signup will be disbursed in FY 2020.

ACCOUNT 10: EMERGENCY FOREST RESTORATION PROGRAM

LEAD-OFF TABULAR STATEMENT

Item	Amount
2020 Appropriations	$0
Change in Appropriation	-0
2021 Request, Current Law	0

PROJECT STATEMENT

Program/Activity	2018 Actual B.A.	2019 Actual B.A.	2020 Enacted B.A.	2021 Budget Request B.A.	Change from 2020 Estimate B.A.
Discretionary Appropriations:					
Emergency Forest Restoration Program Regular	$0	$480,000	$0	$0	$0
Subtotal, Discretionary Appropriations	0	480,000	0	0	0
Carryover from Prior Years:					
Emergency Forest Restoration Program	60,713	52,951	532,600	182,600	
Recoveries, Other	4,963	1,486	0	0	0
Total Available	**65,676**	**534,437**	**532,600**	**182,600**	**-350,000**
Lapsing Balances	0	0	0	0	0
Balances, Available End of Year	-52,951	-532,600	-182,600	-82,600	100,000
Total Obligations	**$12,725**	**$1,837**	**$350,000**	**$100,000**	**-$250,000**

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

State/Territory/Country	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Alabama	$1,405	$31	$38,644	$11,041
Arkansas	17	-	468	134
Florida	64	-	1,760	503
Georgia	4,582	1,219	126,028	36,008
Kansas	4,005	-	110,157	31,473
Maine	2	-	55	16
Massachusetts	124	-	3,411	974
Mississippi	44	-	1,210	346
Montana	150	167	4,126	1,179
New Hampshire	23	4	633	181
New Jersey	-	10	-	-
North Carolina	-	3	-	-
Oregon	337	80	9,269	2,648
South Carolina	22	131	605	173
Washington	1,942	192	53,414	15,261
West Virginia	8	-	220	63
Obligations	12,725	1,837	350,000	100,000
Bal. Available, EOY	52,951	532,600	182,600	82,600
Total, Available	65,676	534,437	532,600	182,600

CLASSIFICATION BY OBJECTS

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Other Objects:				
41.0	Grants, subsidies, and contributions………	$12,725	$1,837	$350,000	$100,000
	Total, Other Objects…………………………	12,725	1,837	350,000	100,000
99.9	Total, new obligations……………………	12,725	1,837	350,000	100,000

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. During FY 2019, 10 States participated in EFRP with new or continued activity from the previous year. In FY 2019, $1.1 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 western wild fires storms and tornado damage, and Stafford Act funds targeted to specific disaster needs, such as Hurricane Irma. 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 2019, $14 million in EFRP unrestricted and Stafford Act designated funds were allocated to 4 States to assist private forest landowners impacted by natural disasters.

The following tables show appropriations and outlays for 2010 through 2019.

Table A

Emergency Forest Restoration Program Appropriations and Outlays Fiscal Years 2010-2019			
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
2018	0		2,211,465

2019	480,000,000	6/	1,137,889
TOTAL	**571,268,468**		**24,380,624**

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 which 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.

6/ In FY2019, $480,000,000 was provided by P.L. 116-20, the Additional Supplemental Appropriations for Disaster Relief Act, 2019 for necessary expenses related to the consequences of Hurricanes Michael and Florence and wildfires occurring in calendar year 2018, tornadoes and floods occurring in calendar year 2019, and other natural disasters, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

ACCOUNT 11: PIMA AGRICULTURE TRUST FUND

LEAD-OFF TABULAR STATEMENT

Item	Amount
2020 Appropriations ………………………………………………….	$16,000,000
Change in Appropriation………………………………………………..	0
2021 Request, Current Law………………………………………………	16,000,000

PROJECT STATEMENT

Program/Activity	2018 Actual B.A.	2019 Actual B.A.	2020 Enacted B.A.	2021 Budget Request B.A.	Change from 2020 Estimate B.A.
Transfers In:					
Commodity Credit Corporation	$16,000	$16,000	$16,000	$16,000	0
Carryover from Prior Years:					
Pima Agriculture Cotton Trust Fund …………	0	130	6	0	
Sequestration ……………	-1,056	-992	-944	0	944
Total Available………………………………	**14,944**	**15,138**	**15,062**	**16,000**	**938**
Balances, Available End of Year……………	-130	-6	0	0	0
Total Obligations …………………………	**14,814**	**15,132**	**15,062**	**16,000**	**938**

JUSTIFICATIONS

This is a mandatory program funded by transfers from the Commodity Credit Corporation. The 2021 funding level reflects 2018 Farm Bill authorized amounts.

The 2021 Budget includes a legislative proposal to remove all funding for this program.

CLASSIFICATION BY OBJECTS

	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budge
	Other Objects:				
41.0	Grants, subsidies, and contributions………	$14,814	$15,132	$15,062	$16,000
	Total, Other	14,814	15,132	15,062	16,000
99.9	Total, new	14,814	15,132	15,062	16,000

ACCOUNT 12: AGRICULTURAL WOOL MANUFACTURERS TRUST FUND

LEAD-OFF TABULAR STATEMENT

Item	Amount
2020 Appropriations/Annualized CR..	$30,000,000
Change in Appropriation..	-
2021 Request, Current Law..	30,000,000

PROJECT STATEMENT

Program/Activity	2018 Actual B.A.	2019 Actual B.A.	2020 Enacted B.A.	2021 Budget Request B.A.	Change from 2020 Estimate B.A.
Transfers In:					
Commodity Credit Corporation...	$30,000	$30,000	$30,000	$30,000	0
Carryover from Prior Years:					
Agriculture Wool Apparel Manufacturers Trust Fund.......	15,847	15,977	16,619	9,423	
Sequestration	-1,980	-1,860	-1,770	0	1,770
Recoveries, Other	0	39	0	0	0
Total Available..	**43,867**	**44,155**	**44,849**	**39,423**	**-5,426**
Balances, Available End of Year....................................	-15,977	-16,619	-9,423	-1,571	7,852
Total Obligations	**$27,890**	**$27,536**	**$35,426**	**$37,852**	**$2,426**

JUSTIFICATIONS

This is a mandatory program funded by transfers from the Commodity Credit Corporation. The 2021 funding level reflects 2018 Farm Bill authorized amounts.

The 2021 Budget includes a legislative proposal to remove all funding for this program.

CLASSIFICATION BY OBJECTS

	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
	Other Objects:				
41.0	Grants, subsidies, and contributions.................	$27,890	$27,536	$35,426	$37,852
	Total, Other Objects....................................	27,890	27,536	35,426	37,852
99.9	Total, new obligations......................................	27,890	27,536	35,426	37,852

AGENCY-WIDE 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.

SUMMARY OF PERFORMANCE

Starting FY 2020 FSA is proposing eight Key Performance Measures that contribute to the Department's 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

Farm Loans Program (FLP)

Average number of days to process direct loans

	2018 Actual	2019 Actual	2019 Target	2019 Result	2020 Target	2021 Target
Days	30	32	30	Needs Improvement[1]	32	32

Percentage of direct and guaranteed loan borrowers who are beginning farmers

	2018 Actual	2019 Actual	2019 Target	2019 Result	2020 Target	2021 Target
Percent	N/A 2018	54.5	53	Met	59.9	59.9

First-year delinquency rate on new direct loans[2]

	2018 Actual	2019 Actual	2019 Target	2019 Result	2020 Target	2021 Target
Percent	N/A 2018	6.1	10	Met	N/A[2]	N/A[2]

First installment default rate on direct loans[5]

	2018 Actual	2019 Actual	2019 Target	2019 Result	2020 Target	2021 Target
Percent	N/A[3]	N/A[3]	N/A[3]	N/A[3]	8	8

Direct loan delinquency rate

	2018 Actual	2019 Actual	2019 Target	2019 Result	2020 Target	2021 Target
Percent	N/A[3]	N/A[3]	N/A[3]	N/A[3]	7	7

[1] Average number of days to process a direct loan application has been trending upwards for years as staff resources have become more limited. The Government lapse in funding of 35 days in 2019 has compounded this upward trend, causing a substantial backlog.
[2] Beginning in FY 2020, the KPI for "first year delinquency rate on new direct loans" is being replaced with "first installment delinquency rate." This is a better indicator because due to amortization scheduling some loans do not have a payment due in the first year. This change aligns with FLP's management goals established for FY 2020-2024.
[3] New measure starting in FY2020.

Selected Past Accomplishments Toward Achievement of the Key Outcomes:
With over 87,000 direct borrowers, the direct loan portfolio is at its highest level since FY 2003. FSA makes or guarantees loans of about $5.5 billion annually and has a total loan portfolio of about $28 billion to over 125,000 borrowers nationwide. In FY 2019 as of September 30, FSA has approved more than 32,000 direct and guaranteed loans. The value of direct and guaranteed obligations is five percent higher when comparing September 30, 2019 to a year earlier.

Conservation Reserve Program (CRP)

Acreage enrolled in CRP riparian and grass buffers (Cumulative, Million Acres)

	2018 Actual	2019 Actual	2019 Target	2019 Result	2020 Target	2021 Target
Days	1.53	1.43	1.43	Met	1.43	1.43

Acreage enrolled in CRP grasslands

	2018 Actual	2019 Actual	2019 Target	2019 Result	2020 Target	2021 Target
Million Acres	N/A 2018	.92	.97	Needs Improvement[1]	N/A[2]	N/A[2]

Restore wetland acreage

	2018 Actual	2019 Actual	2019 Target	2019 Result	2020 Target	2021 Target
Million Acres	N/A[3]	N/A[3]	N/A[3]	N/A[3]	2.34	2.34

[1] USDA opted to not have a signup in FY 2019.
[2] FSA is proposing this measure to discontinue after FY 2019
[3] FSA is proposing this measure to begin FY 2020.