



**United States Department of Agriculture**

**FY 2023**

**BUDGET SUMMARY**

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## ***PREFACE***

This publication summarizes the fiscal year (FY) 2023 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2023 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2021, annualized continuing resolution levels for 2022, and the President’s Budget request for 2023.

The performance tables throughout this document, unless otherwise noted, show target levels for 2022 and 2023 and a baseline amount for target comparison. Performance goals reflect performance levels at ongoing funding levels and do not include the effect of supplemental appropriations. Performance target levels are estimates and subject to change.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2023. Amounts shown in 2023 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2021 and 2022. The sequestration rate for 2021 and 2022 is 5.7 percent. The 2023 sequestration rate was not released at the time of this publication, however, mandatory funds for 2023 reflect a sequester reduction of 5.7 percent.

## **DOCUMENT ORGANIZATION**

The Budget Summary is organized into four sections:

- Overview – provides an overview of USDA’s funding.
- Budget Highlights – describes key budget proposals and changes in budget authority and outlays.
- Mission Area and Agency Details – summarizes agency funding, programs, and performance goals.
- Appendix – Department-wide summary tables.

## **BUDGET AND PERFORMANCE PLAN TERMS:**

**Budget Authority (BA):** Authority to commit funds of the Federal Treasury. Congress provides this authority through annual appropriations acts and substantive legislation, which authorizes direct spending. The President's budget requests the Congress to appropriate or otherwise provide an amount of budget authority sufficient to carry out recommended Government programs.

**Obligations:** Commitments of Government funds that are legally binding. For USDA to make a valid obligation, it must have a sufficient amount of BA to cover the obligation.

**Outlays:** Cash disbursements from the Federal Treasury to satisfy a valid obligation.

**Program Level (PL):** The gross value of all financial assistance USDA provides to the public. This assistance may be in the form of grants, guaranteed or direct loans, cost-sharing, professional services, such as research or technical assistance activities, or in-kind benefits, such as commodities.

**Performance Goal:** The target level of performance at a specified time or period expressed as a tangible, measurable outcome against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate. A performance goal comprises a performance measure with targets and timeframes.

**Performance Measures:** Indicators, statistics, or metrics used to gauge program performance. Program performance measures include outcome, output, and efficiency measures.

### **DATA DISPLAY – ZERO TREATMENT**

Amounts in text and tables throughout this document are calculated with the greatest level of precision (decimal places) available and rounded for display purposes. Therefore, amounts in tables and charts may not add to displayed totals due to rounding. Due to rounding, amounts in this document may appear to be marginally different than those shown in the President’s Budget, which is developed in millions of dollars.

In tables throughout this document, amounts equal to zero (0) are displayed as dashes (-). Amounts less than 0.5 and greater than zero are rounded and shown as a zero (0). This display treatment is used to prevent the masking of non-zero amounts that do not round up to one (1).

### **DATA DISPLAY – SCALE**

The Budget is most often depicted or described using budget authority as the scale of measurement. However, there are some cases when other measures or scales are used, so the reader should be aware of the context. Note that the budget authority tables contained in this document reflect operating levels. In addition, performance goals reflect performance levels at ongoing funding levels and do not include the effect of supplemental appropriations. Performance data for 2022 and 2023 are estimates and subject to change

### **OTHER PUBLICATIONS**

The 2021 Annual Performance Report and 2023 Annual Performance Plan, which provides performance information concerning USDA achievements in 2021 and plans for 2023, can be found at: <http://www.obpa.usda.gov>.

### **CONTACT INFORMATION**

Questions may be directed to the Office of Budget and Program Analysis via e-mail at [obpa-deputy-directors@usda.gov](mailto:obpa-deputy-directors@usda.gov).

**OVERVIEW**

**MISSION STATEMENT**

To serve all Americans by providing effective, innovative, science-based public policy leadership in agriculture, food and nutrition, natural resource protection and management, rural development, and related issues with a commitment to delivering equitable and climate smart opportunities that inspire and help America thrive.

**VISION STATEMENT**

An equitable and climate smart food and agriculture economy that protects and improves the health, nutrition and quality of life of all Americans, yields healthy land, forests and clean water, helps rural America thrive, and feeds the world.

**2023 FUNDING OVERVIEW**

Under the current law, the 2023 request for discretionary budget authority to fund programs and operating expenses is \$31.1 billion, slightly more than 12 percent increase, or \$3.8 billion, above the 2021 enacted level.

The 2023 request for mandatory programs is \$164.8 billion, a \$14.7 billion decrease from 2021 enacted levels. USDA is requesting a total of \$195.9 billion in 2023. Compared to 2021, this amount represents a decrease of around \$10.2 billion.

The budget assumes a pay cost increase of 4.6 percent and includes an increase of \$365 million across the Department to cover the pay and benefit increases.

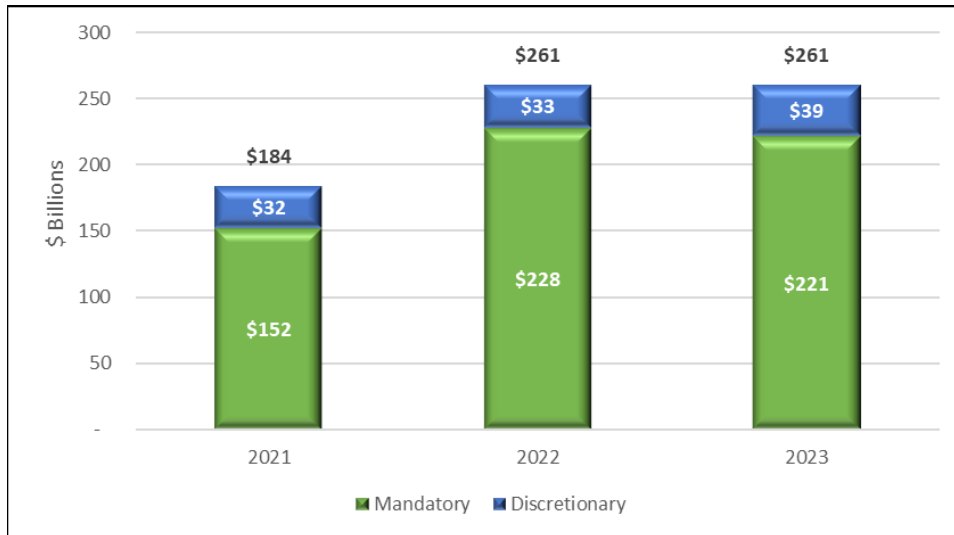
*Figure OV-1. USDA New Budget Authority*



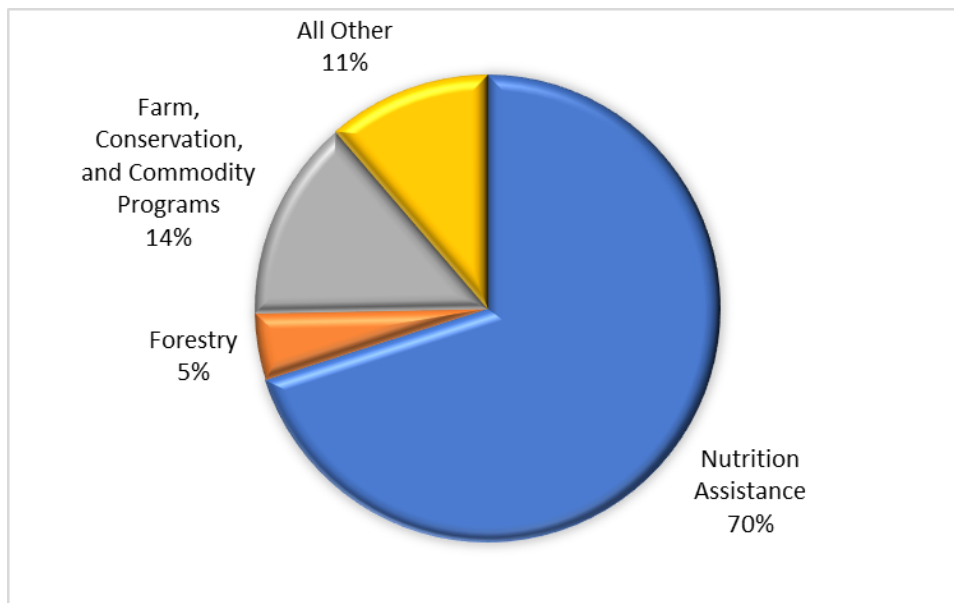
Under current law, USDA’s total outlays for 2023 are estimated at \$209.3 billion. Outlays for mandatory programs are \$169.4 billion, 80.9 percent of total outlays. Mandatory programs provide services required by law but are not funded through annual appropriations acts. Mandatory outlays include crop insurance, most nutrition assistance programs, farm commodity and trade programs, and a number of conservation programs. The remaining \$39.9 billion, or 19.1 percent, of outlays

are for discretionary programs such as: the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), food safety, rural development loans and grants, research and education, soil and water conservation technical assistance, animal and plant health, management of national forests, wildland firefighting, other Forest Service activities, and domestic and international marketing assistance.

**Figure OV-2. USDA 2023 Outlays**



**Figure OV-3. 2023 Mandatory and Discretionary Outlays (All Other includes Rural Development, Research, Food Safety, Marketing and Regulatory, and Departmental Management.)**



## *HIGHLIGHTS BY STRATEGIC GOAL*

The Budget supports achievement of USDA's six strategic goals.

### **STRATEGIC GOAL 1: COMBAT CLIMATE CHANGE TO SUPPORT AMERICA'S WORKING LANDS, NATURAL RESOURCES, AND COMMUNITIES**

Climate change poses a significant risk to agriculture, forests, and grasslands across the United States and the communities that support and depend on them. Now is the time to act. Our agricultural lands, National forests, and private working lands require conservation and restoration efforts to strengthen their resilience to drought, invasive species, and wildfire. The Department must lead with investments in science, research, and climate-smart solutions. These investments will mitigate the impacts of climate change, increase adaptation to climate change, generate new income opportunities, and build generational wealth in disadvantaged communities.

Agriculture can lead the fight on climate using climate-smart agriculture, forestry, and renewable energy practices that sequester carbon, reduce emissions, improve adaptation, and increase market opportunities for all producers. USDA is working to develop and implement a comprehensive climate-smart strategy that is centered on voluntary incentives and meeting the needs of our diverse producers, landowners, and communities. Our approach includes significant investments in resources for all producers and landowners. Additionally, it provides a host of new tools to deploy important conservation practices and the research essential to inform them.

*Table HBG-1. Departmental Administration KPIs – Climate Outreach & Education and Greenhouse Gas Reduction*

<b>Key Performance Indicator</b>	<b>Baseline</b>	<b>2022 Target</b>	<b>2023 Target</b>
Number of stakeholders supported through Climate Hubs capacity-building activities (% increase)	24,773	2.5%	5%
Percent change in Scope 1 and Scope 2 greenhouse gas emissions	482,097 MTCO <sub>2</sub> E	1%	1%

#### **Select Goal-Centric Programs and Initiatives**

##### ***Lead Efforts to Adapt to the Consequences of Climate Change in Agriculture and Forestry***

Steps are being taken across USDA to improve adaptation and increase resilience to the impacts of climate change, including identifying agency vulnerabilities. Within the Office of the Secretary, \$4.5 million is requested to coordinate such activities across the Department. In addition, the Office of the Chief Economist is requesting \$6 million for research and analysis necessary to assist stakeholders in implementing climate smart agriculture and forestry practices and oversee the production of the Department's resilience and climate change adaptation plan. The Budget includes an increase of \$39 million above the 2021 enacted for the Forest Service to invest more in research related to climate mitigation, adaptation, and resilience, including expanding the scope and scale of research and program delivery related to reforestation, carbon sequestration, carbon accounting, and fire and fuels research. The Budget includes \$6 million for Forest Service and \$8 million for the Natural Resources Conservation Service (NRCS) for climate hubs.



***Maintain and restore climate-resilient landscapes***

Within the Animal and Plant Health Inspection Service (APHIS), the agency has requested \$6 million to work with cooperators to enhance detection and response to invasive species. These plants, pathogens, and animals can have strong detrimental effects on agriculture. Through this work, APHIS will contribute to the protection of the biodiversity our rural communities are reliant upon. The Budget also seeks to improve the health and resilience of our national forests, prioritizing forest restoration, forest health, and climate smart land management. This includes a \$70 million investment to help support post-wildfire restoration work necessary for improving watershed and landscape conditions for areas impacted by catastrophic wildfire). This additional funding to rehabilitate burned areas would prevent having to choose between rehabilitation of burned areas and other natural resource management priorities. Focusing on collaborative, science-based restoration of priority forest landscapes, the Budget requests a \$26 million increase from 2021 enacted for work on Forest Health Management, Landscape Scale Restoration, and Forest Stewardship to support performance measures for the America the Beautiful initiative and other climate resilience outcomes.

***Support Carbon Sequestration and Reduce Greenhouse Gas Emissions***

Furthering USDA objective of resilience to the impacts of climate change the Rural Utilities Service will incentivize electric projects for de-carbonization.

The Budget requests \$300 million in new funding for rural electric utilities to support the transition to carbon pollution-free electricity by 2035. Additional funding of \$15 million is also requested to increase coordination between USDA, Department of Energy, and Department of Interior to support the creation of the Rural Clean Energy Initiative to achieve the President's clean energy goals. A \$261 million funding request for construction, preservation and rehabilitation under Rural Housing Service will target projects that promote clean energy or address climate resilience by improving energy or water efficiency, and energy saving features.

The Budget includes more than \$134.8 million for the USDA Agriculture Buildings and Facilities account, of which \$25 million will provide for the hire and purchase of motor vehicles and the transformation of vehicle fleet to provide hybrid, alternative, and/or electric vehicle (EV) charging infrastructure. The USDA modernization of the South Building continues to be the top priority for the Agriculture Buildings and Facilities, Building Operations and Maintenance account in 2023.

Additionally, the Budget requests \$21 million to support key climate priorities within the Natural Resources Conservation Service (NRCS), including establishing a soil health monitoring network that will include a network of soil sampling sites, integrating soil carbon monitoring into the conservation planning process, and efforts to increase the internal capacity of NRCS staff regarding key soil carbon and climate smart activities.

***Reduce the Risk of Wildfires***

Climate change is increasing the severity and frequency of wildfires. The summer of 2021 was one of the worst fire seasons in modern times- the agency was at a record 68 days at Preparedness Level 5, indicating the highest demand for wildland fire suppression resources. Wildfire risk management helps the agency improve the resilience of forest and rangeland ecosystems from

multiyear drought conditions and protect watersheds, habitat, and communities from the negative impacts of uncharacteristically severe wildfire.

The Budget includes \$2.7 billion to mitigate wildfire risk, an increase of \$751 million from 2021 enacted. This includes \$321 million for hazardous fuels reduction, an increase of \$141 million from the 2022 annualized CR level. This builds on the over \$300 million in hazardous fuels funding the Forest Service will receive through the Infrastructure Investment and Jobs Act in 2023, a significant investment to prioritize and target landscape treatments across multiple jurisdictions. In 2023 the agency projects that it will be able to mitigate wildfire risk on 3.8 million acres in high priority and high-risk areas, important progress towards implementing its 10-year Fire Risk Reduction Strategy. The strategy entails working with partners to restore fire resilience across multiple jurisdictions. In addition, the Hazardous Fuels program will move from the National Forest System account to the Wildland Fire Management account in 2023 in keeping with the intent of Congressional direction to restructure the agency budget for increased transparency.

### ***Farm Bill Conservation Programs***

The Budget includes \$2.4 billion for the Conservation Reserve Program (CRP) to protect up to 27 million acres of environmentally sensitive cropland and grassland. In addition, \$2 billion is included for the Environmental Quality Incentives Program, \$1 billion for the Conservation Stewardship Program, \$450 million for the Agricultural Conservation Easement Program, and \$300 million for the Regional Conservation Partnership Program. The budget proposes \$20 million for the Healthy Forests Reserve Program to enroll private lands and acreage owned by Indian Tribes for the purpose of restoring, enhancing, and protecting forestland to enhance carbon sequestration, improve plant and animal biodiversity, and promote recovery of endangered and threatened species under the Endangered Species Act. Of note, an increase of \$41 million for NRCS will expand staffing capacity to keep pace with increased mandatory programs.

### ***Equity Conservation Cooperative Agreements***

The budget proposes to enhance the Equity Conservation Cooperative Agreements, begun in 2021, with an additional \$50 million, bringing total funding for this initiative to \$100 million. The Agreements are two-year projects that expand the delivery of conservation assistance for climate-smart agriculture and forestry to farmers and ranchers who are beginning, limited resource, historically underserved and/or veterans.

## **STRATEGIC GOAL 2: ENSURE AMERICA'S AGRICULTURAL SYSTEM IS EQUITABLE, RESILIENT, AND PROSPEROUS**

A strong and prosperous agricultural sector is essential to the well-being of the U.S. economy. America's farmers and ranchers ensure a reliable food supply, support job growth, and promote economic development. To maintain an equitable and competitive agricultural sector, USDA will safeguard animal and plant health, support farmers and ranchers' ability to start and maintain profitable cooperatives and businesses and offer financial support to all producers affected by natural disasters. Additionally, USDA's research agencies will continue to introduce high-performance plants and animals and offer integrated management options to increase the efficiency of farming practices.

## Select Goal-Centric Programs and Initiatives

### *Commodity Programs*

The Budget provides \$9.1 billion for commodity program payments to maintain an effective farm safety net. Commodity programs are critical components of the farm safety net, serving to provide risk management and financial tools to farmers and ranchers. Approximately 1.8 million farms are enrolled in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, which are helping cushion the financial strain felt by producers due to continued low prices for many commodities.

### *Federal Crop Insurance Program*

The Budget provides \$13.2 billion for the Federal crop insurance program, enough to provide crop insurance coverage for \$151 billion in crop value. Crop insurance provides farmers and ranchers a means to effectively manage their risk through difficult periods, helping to maintain America's safe and affordable food supply.

### *Farm Loans*

The Budget includes funding to fully support the estimated \$10.7 billion demand for farm loans, providing loans to over 33,000 farmers and ranchers to finance operating expenses, refinance debt, or acquire a farm. In addition, the Budget provides \$61 million for the Heir's Relending Program, authorized in the 2018 Farm Bill, to resolve ownership and succession of farmland.

### *Research, Education and Economics*

The Budget includes \$4 billion to support research to advance the competitiveness of U.S. agriculture, promote food security and increase climate change research. This includes \$1.9 billion to support core research projects of the Agricultural Research Service (ARS) covering a wide range of critical problems facing American agriculture, ranging from animal and crop protection and production, new product development, environmental stewardship, food safety, and human nutrition. The Budget includes \$45.4 million for the construction and modernization of existing ARS buildings and facilities. Also included in the ARS budget is an increase of \$99 million for clean energy, \$92 million for climate science, \$11 million for Greenhouse Gas Monitoring and Measurement, \$11 million for Adaptation and Resilience Activities, \$55 million for additional investments and \$5 million for climate hubs.

In addition, \$2 billion is included to support extramural agricultural research, education, and extension activities of the National Institute of Food and Agriculture (NIFA), including \$564 million for competitive grants through the Agriculture and Food Research Initiative (AFRI).

For the Economic Research Service, the Budget proposes a total of \$100 million to focus on core data analysis related to agricultural production, as well as \$2 million for climate science research. For the National Agricultural Statistics Service, the Budget includes \$217 million, including \$66 million for the Census of Agriculture and \$8 million to help measure and inform climate science research.

### *Next Generation Producer Education*

The Budget includes \$50 million to educate America's next generation of farmers. Funding will be used to support agriculture science literacy programs and other community-based efforts, such

as 4-H Clubs. Developing a future agriculture workforce is not only critical to the Nation's food security, but also vital in promoting rural prosperity and improving quality of life.

#### ***Strengthening Market News***

The Budget includes \$37 million for Market News to support data collection and reporting of commodity information. This funding will enable enhancements of the cattle market reporting through Livestock Mandatory Reporting to show more clarity on formula trades. Clarity on cattle market transactions support fair and competitive markets.

#### ***Addressing Agricultural Pest and Disease***

The Budget includes \$1.149 billion to protect agriculture from pests and diseases, address sanitary (animal) and phytosanitary (plant) trade concerns, and enforce animal care legislation. This includes programs that support the U.S. field crop, cotton, forestry, livestock, poultry, and specialty crop industries. Of note, the Budget includes increases to address chronic wasting disease and fruit flies, and also proposes to build plant health initiatives that are currently funded through General Provisions into base funding. The Budget also includes an increase to sustain criminal investigations. The Budget maintains the Department's ability to transfer funds to address emergencies.

#### ***Combating Antimicrobial Resistance***

The Budget includes \$4 million to expand data collection efforts on antibiotic use in swine and cattle operations. These efforts will be key in preserving the viability of antimicrobial treatments. This work will be done in partnership with producer groups, academia, Federal partners, and other stakeholders.

#### ***National Bio and Agro-Defense Facility***

The Budget supports the continued establishment of the National Bio and Agro-Defense Facility (NBAF) and provides \$112 million for operations and maintenance costs in 2023. Once construction is complete, USDA will operate NBAF and ARS will use the facility to study diseases that threaten the animal agricultural industry and public health while the Animal and Plant Health Inspection Service (APHIS) performs diagnostics related to foreign diseases of animals. The Budget supports increased staffing as NBAF becomes fully operational.

#### ***Promote Agriculture and Food Business Innovation***

The Budget includes \$22 million to promote dairy business innovation. The 2018 Farm Bill authorized the establishment of centers to promote business innovation in the dairy sector.

### **STRATEGIC GOAL 3: FOSTER AN EQUITABLE AND COMPETITIVE MARKETPLACE FOR ALL AGRICULTURAL PRODUCERS**

America's farmers and ranchers ensure a reliable food supply, support job growth, and promote economic development. USDA will provide tools to producers so that they are well-positioned to secure a share of the growing global market for agricultural products.

Expanding international marketing opportunities for U.S. farmers and exporters is critical to fostering business and income growth across rural America. It is essential for USDA to continue its efforts to promote American agricultural products and exports through promotion activities,

development of international standards, removal of trade barriers by monitoring and enforcing existing trade agreements, and negotiation of trade agreements that benefit the U.S. agricultural economy. USDA will also work with developing countries to grow their economies and facilitate trade, developing markets of the future for all our producers. USDA will also provide tools to producers so that they are well-positioned to secure a share of the growing global market for agricultural products.

### **Select Goal-Centric Programs and Initiatives**

#### ***International Markets for U.S. Agricultural Exports***

The Budget includes \$247 million for the Foreign Agricultural Service to reduce trade barriers that disadvantage U.S. agricultural exports and to open new markets for U.S. farm products. The value of agricultural exports resulting from participation in foreign food and agricultural trade shows and missions is expected to reach \$2 billion.

#### ***Prevent Sanitary and Phytosanitary Barriers to Exports***

The Budget includes \$27 million for the Animal and Plant Health Inspection Service (APHIS) to address sanitary and phytosanitary barriers that restrict trade. This includes an increase to address the escalating cost of maintaining an overseas workforce. Producers rely on fair and open access to markets. This funding will strengthen USDA's ability to help U.S. agricultural producers export their products to other countries by resolving concerns over animal and plant health issues.

#### ***Strengthen Packers and Stockyards Oversight***

The Budget includes \$35 million for the Packers and Stockyards program, to regulate and monitor the activities of livestock, meat, and poultry market participants to support fair practices. This funding will promote competition by strengthening oversight of livestock and poultry markets, supporting new statutory requirements and minimalizing IT security vulnerabilities. The requested additional funding will allow the program to begin to address the long-standing threats to competition within the meat and poultry industry.

### **STRATEGIC GOAL 4: MAKE SAFE, NUTRITIOUS FOOD AVAILABLE TO ALL AMERICANS**

USDA plays a critical role in preventing foodborne illness and protecting public health, while ensuring Americans have access to healthy foods and beverages, as well as nutrition education that supports American agriculture and inspires public confidence. USDA is focused on ensuring that all Americans have consistent access to the safe, healthy, affordable foods and beverages essential to optimal health and well-being. While keeping the food supply safe, the Department must also reduce food insecurity and prioritize nutrition insecurity, which emphasizes providing Americans not just calories, but calories that matter for their health and well-being.

To ensure that the food supply is safe, the Department will continue to enhance its food inspection system with the goal of reducing illnesses from meat, poultry, and egg products and drive compliance with food safety regulations. At the same time, USDA's research, education, and extension programs will continue to provide science, information, tools, and technologies to reduce the incidence of foodborne illness. USDA will continue to develop partnerships that support best

practices in implementing effective programs to ensure that eligible populations have access to programs that support their nutrition needs.

### **Select Goal-Centric Programs and Initiatives**

#### ***Safeguards the Nation's Food Supply***

The Budget includes \$1.2 billion to fully fund the costs necessary to support nearly 8,600 FSIS personnel who ensure the safety of meat, poultry, and egg products at over 6,600 processing, slaughter, and import establishments in the U.S. Nearly 90 percent of these personnel act as frontline inspectors and investigators and provide surveillance to protect the Nation's food supply. Funding will ensure that FSIS has a workforce and the information technology to efficiently and effectively further its mission. FSIS also proposes to reduce the full rate charges for overtime and holiday inspection services for small and very small establishments. This will allow these operations to be competitive and expand while providing smaller farmers with more options for their product. Very small establishments would have a reduction to 25 percent of the published rate, while small establishments would pay 70 percent of the published rate.

#### ***Nutrition Assistance***

The pandemic added urgency to the already critical issue of nutrition insecurity. No one should have to worry about whether they can provide nutritious food for themselves or their children. It is not enough to return to where we were; as a nation, we must build back a better America and ensure no one is left behind. To more effectively promote healthier diets and racial equity, we need to transform the federal nutrition safety net to not only focus on food security, but also nutrition security; the idea that all people at all times have access to nutritious foods and beverages that meets their dietary needs for an active and healthy life.

Bold action by the Biden-Harris Administration in the American Rescue Plan demonstrated marked progress to addressing nutrition security. The Budget seeks to cement that progress and continue to provide access to the array of nutrition programs used by households across the nation.

The Budget includes funding to support estimated participation levels under current law, including \$111.2 billion for the Supplemental Nutrition Assistance Program (SNAP), \$28.6 billion for Child Nutrition Programs, and \$6.0 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). In 2023, estimated participation levels are on average of: 43.5 million per month for SNAP, 30 million per day for the National School Lunch Program, and 6.3 million per month for WIC.

The Budget assumes that, while economic recovery continues, the supplemental nutrition benefits designed to assist during the Public Health Emergency will largely expire. In the wake of the pandemic, work at FNS will turn toward evaluating and implementing effective strategies to tackle food and nutrition security and improve health outcomes for *all* Americans. This includes evaluation of the impact of the Thrifty Food Plan on various programs and participating populations, efforts to stimulate State, Tribal, and local government innovations and strategies to promote healthier behaviors, developing innovative partnerships with State, Tribal, and local governments, non-government organizations – and potentially the private sector –to amplify and disseminate nutrition education messages and materials. At the same time, FNS is also focusing on improving customer service to States and local agencies, as well as Tribes, farmers, vendors,

farmers' markets and retail grocery stores through the development of automated tools and the provision of additional technical assistance. Finally, the 2023 Budget request continues to provide more fruits and vegetables to WIC participants promoting greater nutrition security.

### **STRATEGIC GOAL 5: EXPAND OPPORTUNITIES FOR ECONOMIC DEVELOPMENT AND IMPROVE QUALITY OF LIFE IN RURAL AND TRIBAL COMMUNITIES**

Rural America provides our Nation's food and energy resources, produces the fiber for goods and manufacturing, contributes more than 35 percent of our Nation's military members, and operates about 80 percent of the Nation's critical infrastructure lifelines. Unfortunately, it is also where the country's majority of underserved communities and persistent poverty communities are located and where repeat disaster losses and climate change risks occur. It is also home to the country's fastest aging population, as well as the majority of the Nation's aging infrastructure. USDA is taking bold action to promote rural prosperity and economic development by providing technical assistance and financing investments in rural water, electric, broadband, housing, community facilities, local and regional food systems, and rural businesses and cooperatives. USDA will leverage funds, stimulate private-public partnerships, and collaborate with communities to increase economic opportunities in underserved communities and build rural infrastructure. This includes working with Federal partners and various stakeholder groups to help rural and Tribal communities thrive.

#### **Select Goal-Centric Programs and Initiatives**

##### ***Expands Access to Clean Energy***

The Budget includes \$6.5 billion in loan authority for rural electric loans, an increase of \$1 billion over the 2021 enacted level, to support additional clean energy, energy storage, and transmission projects that help get people back to work in good-paying jobs.

The budget also includes \$300 million in new funding to provide rural electric cooperatives financial flexibility as they continue investments in renewable energy systems, fossil fuel generating plants with carbon sequestration systems, and investments in environmental improvements to reduce emissions of pollutants and accelerate progress to zero carbon electricity by 2035 and create good paying jobs that provide the free and fair change to join a union and collective bargain. Every community can benefit from taking bold action to achieve 100 percent zero carbon electricity by 2035, including rural communities and communities of color.

##### ***Rural e-Connectivity/ReConnect***

Rural Americans are more than 10 times likelier than urban residents to lack access to quality broadband, with unique challenges for tribal communities. In addition to \$690 million for the telecommunication infrastructure program which supports communities with population of under 5,000, the Budget provides \$600 million, to support broadband loans, grants, and loan/grant combinations that will provide high speed broadband services to communities with populations under 20,000. The ReConnect Program provides grants, loans, and combinations of loans and grants to deploy broadband to tribal lands and unserved areas, particularly in communities of color. High-speed internet would serve as an economic equalizer for rural America, while the work of installing broadband would create high-paying union jobs with benefits in rural communities. This



investment would build on the funding provided in the Infrastructure Investment and Jobs Act of 2022.

The budget also provides \$35 million for broadband grants to rural Americans who currently do not receive any broadband service. In addition, the Budget includes \$60 million for distance learning and telemedicine grants.

### ***Provides Safe Drinking Water and Wastewater Infrastructure to Rural Communities***

The Budget provides \$727 million for Rural Water and Wastewater Grants and Loans. The funding supports \$1.4 billion in direct loans and \$50 million in guaranteed loans. In addition, \$140 million is requested for loans at an interest rate of 1 percent and 0 percent rates for disadvantaged communities. Safe drinking water and sanitary waste disposal systems are vital to achieving a high quality of life and are essential to rural residents. The Budget request sets aside \$100 million to replace existing lead pipes and provide clean drinking water. With USDA's targeting help to communities disproportionately lacking access to quality water and sewer infrastructure, these resources would also advance environmental justice in distressed communities and coal-based energy communities.

### ***Partners with Rural Leaders to Grow Rural Economies and Tackle Rural Poverty***

The Budget provides \$39 million for a renewed and expanded initiative to leverage USDA's extensive network of offices to help people in high poverty communities, including energy communities, tap into Federal resources, referred to as the Rural Partners Network initiative. USDA will coordinate with other Federal agencies on an all of Government approach to connect rural stakeholders with Federal programs and resources.

### ***Community Infrastructure***

The Budget includes \$2.8 billion to support the Community Facilities Direct Loan Program and \$500 million to support the Community Facilities Guaranteed Loan Program for investment in critical community infrastructure, such as healthcare, safety, and educational facilities. This funding will continue support for environmental justice for distressed communities and coal-based energy communities.

### ***Rural Housing Infrastructure***

The Budget provides \$32.3 billion in funding for Single-Family and Multi-Family housing programs which have experienced a steady increase in demand. The requested increase of \$6 billion for the Single-Family Guaranteed loan program will support the additional demand for homeownership opportunities in rural areas. With a total of \$30 billion in lending capacity, the program will increase guaranteed loans to over 163,200.

To help very low- and low-income households afford their rental payments, the Budget includes \$1.56 billion to continue assisting residents in obtaining and sustaining decent, safe, and sanitary housing and fund the existing units and the units funded under the American Rescue Plan Act. The Budget also requests \$38 million for the Rural Voucher program.



***Rural Business Support***

Rural areas have traditionally been challenged by the lack of private funding to support business development. The Business and Industry (B&I) Guaranteed Loan Program provides protection to private lenders against loan losses and encourages them to extend credit to establish, expand, or modernize rural businesses. The Budget provides \$1.5 billion in funding for B&I loan guarantees.

***Use and Access Opportunities in National Forests***

National Forest System (NFS) lands have seen an unprecedented increase in the number of visitors during the pandemic, and the Forest Service is pursuing innovative ways to serve the recreational needs of new and returning visitors while managing the associated social and environmental impacts. The Budget includes \$74 million to increase capacity for critical recreation operations, planning, services, and improvements, with particular emphasis on creating welcoming, sustainable, and equitable recreation opportunities for all Americans with a focus towards underserved and Tribal communities. The Budget will prioritize permitting for outfitters and guides, maintaining, and growing strong collaborations with partners and volunteer groups, and working to address the recreational needs of today's public, who want year-round activities on NFS lands. The agency will also continue to improve its permitting processes to promote other critical land uses on NFS lands such as energy, utility, and communication infrastructure.

***Forest Service Tribal Initiatives***

The Forest Service is addressing equity by recognizing opportunities within the agency that ensure historically underserved groups more fully access and participate in Forest Service programs and services. This includes expanding Tribal Self-Governance/Co-Governance/Co-Management with impacted Tribes. In 2023, the Forest Service will utilize \$11 million of base funds from multiple programs to increase equity for Tribes to expand utilization of the Tribal Forest Protection Act (TFPA), the TFPA 638 pilot, and other authorities which allow Tribes to participate in stewardship contracts and other agreements. These authorities provide opportunity to protect and preserve Tribal trust assets on the National Forest System as well as maintain healthy landscapes.

**STRATEGIC GOAL 6: ATTRACT, INSPIRE, AND RETAIN AN ENGAGED AND MOTIVATED WORKFORCE THAT'S PROUD TO REPRESENT USDA**

At USDA, we are committed to reaching new heights by recruiting, onboarding, supporting, and retaining a diverse and talented workforce and cultivating a workplace environment that is collaborative, service-oriented, mission-centered, healthy, inclusive, and welcoming. This includes leaders and staff who work together to build a culture that welcomes, respects, and supports everyone in reaching their highest potential by ensuring equal opportunity compliance, providing proactive civil rights, and championing USDA's zero-tolerance policy for unlawful discrimination and sexual harassment for all employees. We believe this focus on organizational culture will enable us to build the USDA back better as a premier organization and model employer that lives by its values.

As the landscape of talent continues to evolve, it is imperative that USDA seek to continuously find ways to attract talent that represents the diversity of America. The COVID-19 pandemic has also catapulted leaders to rethink and reimagine where and how we work. In the coming years, we will build on best practices for a hybrid work environment and continue to evaluate the future of work at USDA. As such, we are committed to being a learning organization that tolerates risk-taking, explores the untested and unknown, and nurtures innovative ideas at all levels of the organization. We will prioritize learning and training throughout the employee experience at USDA.

*Table HBG-2. Departmental Administration KPIs – Time to Hire & Property Footprint*

<b>Key Performance Indicator</b>	<b>Baseline</b>	<b>2022 Target</b>	<b>2023 Target</b>
Period of time between Request Hiring Validation Date (SF-52 approved date) and New Hire Actual Start Date (Entry on Duty date)	90	60% of employees hired within 80 days	60% of employees hired within 80 days
Reduce the Department's overall real property footprint through effective disposal and consolidation efforts (Thousand Square Feet)	31,200,000	31,100,000	30,800,000

## Select Goal-Centric Programs and Initiatives

### *Placeholder for talent team/intern hiring*

USDA will leverage existing outreach and recruitment efforts across the Department to create effective pipelines for hiring a more diverse and talented future workforce that is responsive to and more reflective of the agricultural sector and customers. This includes creating a DEIA strategic plan and hiring the Department's first-ever Chief Diversity and Inclusion Officer.

### *Wildland Firefighter Workforce Reform*

The Budget includes an increase of \$334 million to support necessary staff levels to enhance response to year-round fire activity and allow the agency to continue important investments that support the health, well-being, and resilience of the agency's wildland firefighting force. This includes ensuring all wildland firefighters receive a minimum wage of not less than \$15 per hour and increasing the firefighting workforce by over 3,200 FTEs from 2022 (firefighters and firefighting support personnel). This builds on the additional increase for wildland fire salary and expenses from the Infrastructure Investment and Jobs Act (H.R. 3684), which provides an additional \$96,000,000 annually for five years (\$480,000,000 total). This funding will be used to support a long-term solution for a market-based salary rate to bridge the pay disparity with State, local, and private firefighting entities.

### *Effective Government Operations*

Congress has placed great confidence in the Department by providing significant funding through pandemic assistance, disaster funding, and the Bipartisan Infrastructure Law. USDA has a responsibility to ensure that these funds are managed effectively and to do so requires ample funding for key operational offices and functions that experienced significant budget cuts and staffing reductions in the recent past. The increased resources we are requesting for core operations are absolutely critical to ensuring USDA has the ability to deliver on programmatic and operational

priorities ranging from climate, equity, and implementation of the Bipartisan Infrastructure Law to the President's Management Agenda. Departmental staff offices provide essential support to Departmental agencies and programs, ensuring that all agencies can carry out their duties, and lead the Department's efforts to improve customer service to the public. The Budget proposes funding to ensure that these offices can support staffing levels needed to provide leadership, oversight, and coordination.

The Budget requests \$57.6 million to ensure that resources are available for the Office of General Counsel to carry out its full range of responsibilities and support USDA program delivery, which includes \$6.1 million and 51 FTEs to fill critical vacancies and rebuild OGC. Similarly, the request includes \$5.5 million for the Office of Ethics, an increase of \$1.2 million and 6 FTEs to address the demand for ethics services and historic reduction in ethics staffing at USDA. This Budget also includes \$15.9 million to establish the Office of Information Affairs (OIA), a standalone office within OGC that manages Freedom of Information Act (FOIA) functions and Records Management (RM) programs for the entire Department. Of this increase, \$12.5 million will support the realignment of RM from OCIO appropriations to OIA.

In addition, the Budget includes \$20.8 million for the Office of Budget and Program Analysis (OBPA) to rebuild OBPA's capacity to support the Department's mission areas, staff offices, and performance and evaluation team, as well as carry out new policy priorities.

### ***Cyber Security***

OCIO provides policy guidance, leadership and coordination for the Department's information management, technology investment and cyber security activities in support of USDA program delivery. A customer-focused approach to USDA's digital services requires us to streamline the Department's complex network of online resources that must be navigated today to find or access services. The Budget includes \$97.5 million for OCIO to fund ongoing activities and increase efforts for cybersecurity enhancements, including \$17.4 million to enhance the Department's cyber security profile through the acquisition and implementation of relevant tools and services. The Budget also includes an increase of \$5 million to support the Continuous Diagnostics and Mitigation Program, \$1.6 million for the Cyber Workforce Requirements and Training Program, and \$4.3 million to streamline the Enterprise Data Analytics Program from the Shared Costs Program compared to the 21 enacted bill. In addition to OCIO's efforts, the Budget includes an increase for remote cloud storage under APHIS. This storage will help reduce cybersecurity vulnerabilities.

## The Next Farm Bill

USDA looks forward to Congressional hearings on the status of implementation of the 2018 Farm Bill and the opportunity to consider how the urgent challenges faced by farmers, ranchers, forest landowners, workers, families, rural communities, and USDA partners can best be addressed in the next Farm Bill. The COVID-19 pandemic exposed a food system that is inequitable, rigid, consolidated, and fragile, and opened new avenues for increased fairness and competition as well as heightened attention to the critical importance of consistent access to safe, healthy, nutritious, and affordable food. We look forward to working with Congress to address climate change through climate-smart agriculture and forestry and investments in renewable energy that open new market opportunities and provide a competitive advantage for American producers of climate-smart commodities, including small and historically underserved producers and early adopters, and through voluntary incentives to reduce climate risk.

USDA's nutrition programs are among the most far-reaching tools available to improve health and well-being and to ensure all Americans have access to healthy, affordable food. This is an important moment to reconsider barriers to food assistance for vulnerable groups that are likely undermining their chances of success, such as youth who aged out of foster care, individuals re-entering society and seeking a second chance after a drug felony conviction, grandparents and other relatives taking on caregiving responsibilities for children in their families when their parents are unable to care for them, and low-income individuals pursuing opportunity and a better life through higher education. The USDA Equity Commission will deliver recommendations for policy and program reform to advance justice, equity, and opportunity for underserved communities. We encourage Congress to grant U.S. territories the option to transition from current block grants to SNAP and to make progress towards food sovereignty for Tribal nations. As we work together, we must work to ensure our policies and programs effectively speed the transition to a circular economy in rural America, so that wealth created stays in small towns and in tribal communities. The Farm Bill is a critical opportunity to advance a new vision for locally-led rural economic development—one that ensures rural communities are empowered with the technical assistance and tools necessary to thrive.

We anticipate sharing more detail on the Administration's Farm Bill priorities and look forward to working this year with Congress, partners, stakeholders, and the public to identify shared priorities for the 2023 Farm Bill that position USDA to live up to its moniker as "the People's Department" and deliver on its mission to serve all Americans by providing effective, innovative, science-based public policy leadership in agriculture, food and nutrition, natural resource protection and management, and rural development.

**Supporting Economically Distressed Farmers.** USDA is committed to examining barriers faced by all underserved borrowers, especially those in economic distress, beginning farmers, and veterans. The Administration is interested in working with Congress on legislative changes that will ease the debt burden for economically distressed farm loan borrowers to achieve a robust and competitive agriculture sector.

### **Infrastructure Investment and Jobs Act (IIJA)**

IIJA provides the Forest Service almost \$5.5 billion from 2022 through 2026. This represents a significant addition of \$1.7 billion to the agency's 2023 request of \$8.9 billion for discretionary appropriations. The additional funding in the infrastructure bill offers the Forest Service an opportunity to begin changing the wildland fire trajectory and reducing wildfire risk to communities and ecosystems now as we work long-term to benefit the climate, communities, and conservation. Broadly, the funding falls into four categories: wildland fire, ecosystem restoration, and other mission critical issues (recreation, heritage, support to rural economies, and abandoned oil and gas wells). IIJA provides the opportunity to work more inclusively with states, Tribes, other land managers, and the scientific community through shared stewardship; addressing Administration priorities around climate change, diversity, equity, inclusion, and access; cross-fertilizing our infrastructure work with priorities such as Justice 40; and learning lessons from similar experiences such as the Great American Outdoors Act.

The IIJA provides a historic federal investment of \$65 billion for broadband deployment, affordability, and digital inclusion. The majority of the funds, \$42 billion, will be distributed by the Department of Commerce's National Telecommunications and Information Administration (NTIA) to states to administer their own programs. USDA received \$2 billion of these funds for two of its broadband programs to be delivered through the Rural Utilities Service (RUS). The RUS will use these funds over the next five years to deliver higher speeds broadband service in the rural America.

The Bipartisan Infrastructure Law, signed in November by President Biden, provided \$918 million for NRCS watershed programs, which includes the Watershed and Flood Prevention Operations (WFPO) Program, Watershed Rehabilitation Program (REHAB) and Emergency Watershed Protection (EWP) Program. Through NRCS watershed programs, NRCS works with local, eligible sponsors, including state government entities, local municipalities, conservation districts and federally recognized tribal organizations.

### **American Rescue Plan: COVID Response and Recovering the Economy**

The American Rescue Plan provides USDA the opportunity to respond to the pandemic crisis while creating lasting recovery and change to systems and groups with historical vulnerabilities that were accentuated by the Corona Virus Disease 2019 (COVID-19) crisis. Throughout the COVID pandemic, USDA and its employees have provided critical support services to the American public. USDA will continue to focus on responding to the direct effects of the pandemic and will also make investments targeted at the long-term recovery of the economy that experienced dramatic negative effects because of the pandemic; and contain the COVID crisis through prevention and protection. USDA's investments will have embedded departmental goals for racial justice and equity, climate smart agriculture, supporting workers and producers, improving the food supply chain, and providing nutritious foods to millions of Americans.

#### *Delivering Nutrition Assistance to Millions*

The COVID-19 pandemic underscored how essential the nutrition assistance programs are for millions of Americans. At the peak of the hunger crisis in December of 2020, as many as 30 million

adults and 14 million children reported that they did not have enough to eat, with disproportionate impacts on communities of color. USDA's nutrition assistance programs are among the most far-reaching, powerful tools available to ensure that all Americans, regardless of race, ethnicity, or background, have access to healthy, affordable food. The American Rescue Plan provided a number of mechanisms to continue and expand these powerful tools such as:

- Extending Pandemic Electronic Benefit Transfer (P-EBT) benefits for low-income children of all ages through the summer of 2022 and increasing Women, Infants, and Children (WIC) benefits for the purchase of additional fruits and vegetables. Continuing Supplemental Nutrition Assistance Program (SNAP) benefit increases and providing additional funding for the Nutrition Assistance Programs in Puerto Rico and the other U.S. Territories.
- Providing access to meals to young adults in homeless shelters, as well as increasing access to food for seniors through the Commodity Supplemental Food Program.
- Making investments to carry out outreach, innovation and modernization of the WIC program and the WIC Farmers Market Nutrition Program.

These activities have continued to promote food access for all ages, but especially infants and young children, for whom nutrition security is particularly critical for growth and development.

In continued support of COVID relief efforts, USDA also extended a broad range of flexibilities through School Year 2021-22 to support school meal programs and childcare institutions across the country in serving healthy meals as they reopen. These flexibilities included allowing schools to serve meals at no charge to all students, providing higher reimbursement rates and additional commodities for all meals in order to help schools overcome supply chain disturbances and higher-than-expected food inflation. These flexibilities were funded through the use of carryover balances from prior years. USDA will continue to seek innovative ways to provide support and technical assistance to States and schools as they transition back to regular program operations in school year 2022-23. The budget request supports continuation of an increase in funding for fruits and vegetables in WIC through 2023 to encourage more nutritious diets and to boost retention.

#### *Strengthening the Food Supply Chain*

The COVID-19 pandemic caused widespread disruptions in the food supply chain impacting millions of Americans. The American Rescue Plan makes investments that respond to the impacts of the COVID crisis and that facilitate the recovery and transformation of our food supply system.

USDA is investing \$3.6 billion to:

- Support for infrastructure and retooling for food processors, farmers markets, food banks, local food systems, with capacity to deliver food to their recipients.
- Promote sustainable, local value chains by improving food systems for better food security and nutrition.
- Build a fairer, more transparent food system rooted in local and regional production

- Help states, tribes, and other local and regional partners purchase food from historically underserved producers.
- Provide grants and loans to reimburse or purchase personal protective equipment, test kits, and other measures to help keep essential food workers safe.

#### Ensuring Equity for Farmers of Color

For generations, historically underserved farmers have struggled due to systemic discrimination and a cycle of debt. This struggle is exacerbated by a disproportionate amount of COVID-19 infection rates, loss of property, hospitalizations, death, and economic hurt among historically underserved groups. The American Rescue plan takes key steps to address longstanding inequities in the delivery of USDA programs and services.

- \$1.01 billion in USDA funding USDA to create a racial equity commission and address longstanding discrimination across USDA by investing in land access, outreach, education, and technical assistance in overcoming barriers to accessing USDA programs, business development, and more.

#### Strengthening Infrastructure, Housing, and Health Care in Rural America

Many of the same rural families that experienced food insecurity during COVID-19 pandemic have also faced housing and healthcare insecurities. Families have lost their homes, renters continue to be under threat of eviction, and access to healthcare remains limited. The American Rescue Plan implements funding that invests in the people of Rural America:

- \$500 million through September 2023 in Community Facility Program funds to help rural hospitals and local communities broaden access to COVID-19 vaccines and food assistance; and strengthen the sustainability of rural healthcare.
- \$100 million through September 2022 in rental assistance for low-income and elderly borrowers.
- \$39 million through September 2023 to help refinance direct loans under the Single-Family Housing Loan Program and the Single-Family Housing Repair Loans.

#### **Consolidated Appropriations Act of 2021**

This Act provided supplemental appropriations for coronavirus response and relief. It provided \$11.2 billion to prevent, prepare for, and respond to coronavirus by providing support for agricultural producers, growers, and processors impacted by coronavirus, including producers and growers of specialty crops, non-specialty crops, dairy, livestock, and poultry, producers that supply local food systems, including farmers markets, restaurants, and schools, and growers who produce livestock or poultry under a contract for another entity. Further appropriations were provided for other specialty crop, local agriculture, dairy, and farm outreach efforts, among others. In addition, funds were provided to increase benefits under the Supplemental Nutrition Assistance Program, expand program eligibility, and for States' program administration.

**Implementation of America the Beautiful**

Since the Conserving and Restoring America the Beautiful Report was released, the Forest Service has been working with the Department on a series of short- and longer-term projects, activities, and commitments to fulfill the Administration's goals around America the Beautiful. These activities will contribute to the six focus areas in the report.

- Create More Parks and Safe Outdoor Opportunities in Nature-Deprived Communities
- Support Tribally Led Conservation and Restoration Priorities
- Expand Collaborative Conservation of Fish and Wildlife Habitats and Corridors
- Increase Access for Outdoor Recreation
- Incentivize and Reward the Voluntary Conservation Efforts of Fishers, Ranchers, Farmers, and Forest Owners
- Create Jobs by Investing in Restoration and Resilience



## *FARM PRODUCTION AND CONSERVATION*

### **MISSION**

The Farm Production and Conservation (FPAC) mission area focuses on domestic agricultural issues. Locating the Farm Service Agency (FSA), the Risk Management Agency (RMA), the Natural Resources Conservation Service (NRCS) and the FPAC Business Center under one mission area provides a simplified one-stop shop for USDA's primary customers, the farmers, ranchers, and forest managers across America. FSA, RMA, and NRCS implement programs designed to mitigate the significant risks of farming through crop insurance, conservation programs and technical assistance, and commodity, lending, and disaster programs.

Agriculture, food, and related industries contributed \$1.055 trillion to the U.S. gross domestic product (GDP) in 2020, a five percent share. The output of America's farms contributed \$134.7 billion of this sum—about 0.6 percent of GDP. The overall contribution of agriculture to GDP is larger than 0.6 percent because sectors related to agriculture rely on agricultural inputs to contribute added value to the economy. In 2020, 19.7 million full- and part-time jobs were related to the agricultural and food sectors—10.3 percent of total U.S. employment. Direct on-farm employment accounted for about 2.6 million of these jobs, or 1.4 percent of U.S. employment. Employment in agriculture- and food-related industries supported another 17.1 million jobs. The agricultural sector has a significant impact on not only the rural economy, but the National economy as well.

When American farmers are financially healthy, they not only support themselves and their families, but also their employees, local equipment dealers, farm service suppliers and the rural communities where they live and do business. USDA's farm safety-net and disaster programs play a critical role to help ensure that American agriculture continues to be financially healthy.

In 2021, the FPAC Mission Area worked to make several changes, as authorized by the Agriculture Improvement Act of 2018 (2018 Farm Bill), to strengthen USDA's commodity, disaster, conservation, and farm loan programs. The 2018 Farm Bill repealed certain programs, continued some programs with modifications and authorized several new programs, including improving the safety net for dairy producers. The 2018 Farm Bill included a number of changes to the Conservation Reserve Program (CRP) such as dedicating 2 million acres for grassland enrollment and gradually increasing the CRP acreage cap to 27 million acres by 2023. The 2018 Farm Bill also reauthorized and increased funding for the Environmental Quality Incentives Program (EQIP), eliminated the former Conservation Stewardship Program (CSP) authorized under the 2014 Farm Bill and authorized a new dollar-capped CSP that is more closely aligned with EQIP. The 2018 Farm Bill continued to strengthen the Federal crop insurance program and increased the loan limits under the FSA farm ownership and operating loan programs.

To improve customer service and efficiency, the FPAC Business Center was created in 2018 to provide mission support services to FSA, RMA, and NRCS including acquisition, budget, economic analysis, finance, homeland security, human resources, information technology, performance, and related activities.

In 2021, FSA provided over \$6.2 billion in Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments to producers for the 2019 crop year. ARC and PLC are an important

part of the farm safety net and provide assistance during crop revenue or commodity price downturns.

The 2018 Farm Bill authorized several changes to the Margin Protection Program for Dairy (MPP-Dairy) and renamed the program as the Dairy Margin Coverage (DMC) program. DMC 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. As of January, 2022, DMC indemnity payments since the 2018 Farm Bill total over \$1.64 billion, of which \$1.19 billion were from 2021 alone. As part of a subsequent effort by Congress to help the dairy industry respond to the pandemic and other challenges, the Consolidated Appropriations Act established Supplemental Dairy Margin Coverage Payments for calendar years 2021-2023. These payments are limited to farms enrolled in DMC with a production history of less than 5,000,000 pounds, and reflect increases in their production since 2014. The Supplemental DMC rule was published on December 13, 2021, with enrollment from December 13, 2021, through February 18, 2022. As of January 2022, approximately \$20.6 million was disbursed for 2,369 operations with established supplemental production history.

FSA continues to provide tools for America's farmers to be good stewards of the land. The Conservation Reserve Program (CRP) has protected and conserved environmentally sensitive land since 1986. To target climate impacts, FSA has made several improvements to the CRP, including providing higher rental rates to increase producer interest and enrollment; establishing a new Climate-Smart Practice Incentive for CRP general and continuous signups to increase carbon sequestration and reduce greenhouse gas emissions; and rolling out a CRP Climate Change Mitigation Assessment Initiative to measure program climate impacts and increase climate outcomes over time. In 2021, producers enrolled more than 5.3 million acres in CRP through the General, Continuous, and Grassland signups, surpassing USDA's 4-million-acre goal.

FSA farm loan programs provide an important safety net for producers, by providing a source of credit when they are temporarily unable to obtain credit from commercial sources. The majority of FSA's direct and guaranteed farm ownership and operating loans are targeted to underserved populations such as beginning farmers and historically underserved producers, who generally have had a more difficult time obtaining credit to maintain and expand their operations. In 2021, FSA provided more than 29,000 direct and guaranteed loans to farmers and ranchers, totaling about \$6.4 billion.

Crop insurance is designed to allow farmers and ranchers to effectively manage their risk through difficult periods, helping to maintain America's food supply and the sustainability of small, limited resource, historically underserved and other underserved farmers. In crop year 2021, the Federal crop insurance program provided protection for nearly \$137 billion in agricultural production.

NRCS works in partnership with private landowners, communities, local governments, and other stakeholders to promote the sustainable use and safeguard the productivity of the Nation's private working lands. The agency provides conservation planning, technical assistance, and financial assistance to farmers, ranchers, and foresters to help them conserve, enhance and protect natural resources. In addition, NRCS works with these partners to leverage resources and innovative ideas to make the landscape and critical infrastructure more resilient. In 2021, NRCS developed conservation plans covering almost 24 million acres. In accordance with those plans and utilizing

Conservation Technical Assistance (CTA) Program support, conservation practices and systems designed to improve soil quality were applied to 3.6 million acres of cropland.

### **FARM SERVICE AGENCY**

FSA supports the delivery of farm loans, commodity, conservation, disaster assistance, and related programs. FSA utilizes the Commodity Credit Corporation (CCC), which funds most of the USDA commodity, export, and conservation programs.

*Table FPAC-1. FSA Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
FSA Salaries and Expenses:			
Salaries and Expenses (Direct Appropriation).....	\$1,143	\$1,143	\$1,232
Transfer from Program Accounts .....	294	294	306
Total, Salaries and Expenses .....	1,437	1,437	1,538
Agricultural Credit Insurance Fund Program Account:			
Loan Subsidy .....	68	68	47
Loan Program Expenses .....	13	13	21
Total, ACIF Program Account .....	81	81	68
State Mediation Grants .....	7	7	7
Grassroots Source Water Protection Program .....	7	7	7
Total, FSA .....	1,534	1,532	1,618

*Totals may not sum due to rounding.*

### **Salaries and Expenses**

The Budget includes about \$1.54 billion to support Federal and non-Federal staffing. FSA delivers its programs through more than 2,100 USDA Service Centers, 50 State offices, and an area office in Puerto Rico. For 2023, the Budget includes an increase of \$5.5 million for outreach to historically underserved producers in support of the Presidential priority to promote racial and economic equity. The Budget also supports \$1.6 million for the Urban Agriculture Initiative, which would support county committees to facilitate urban agricultural production and help address climate change. An additional \$2.3 million is provided to support temporary staffing and overtime for the implementation of the Pandemic Assistance for Producers Program and loan debt forgiveness initiatives. Other funds are requested for needed IT improvements as part of an effort to modernize FSA systems to provide the highest quality service and to support participants in the Farm Loan Programs.

Funding for State Mediation Grants is proposed at \$6.9 million. These grants are made to States to support certified programs to provide alternative dispute resolution. The 2018 Farm Bill expanded the issues covered under these program funds, such as lease issues, family farm transition, and farmer-neighbor disputes.

*Table FPAC-2. FSA Staff Years*

Item	2021 Actual	2022 Estimate	2023 Budget
Federal.....	3,008	3,117	3,117
Non-Federal:			
Permanent Full-Time.....	6,900	7,168	7,168
Temporary .....	610	717	717
Total, Non-Federal .....	7,510	7,885	7,885
<b>Total, FSA Staff Years</b>	<b>10,518</b>	<b>11,002</b>	<b>11,002</b>

*Table FPAC-3. ACIF Program Level (PL) and Budget Authority (BA) (millions of dollars)*

Item	2021 PL	BA	2022 PL	BA	2023 PL	BA
<b>Discretionary:</b>						
Farm Operating Loans:						
Guaranteed Unsubsidized.....	\$2,118	\$24	\$3,042	\$24	\$2,118	\$11
Direct.....	1,633	39	1,580	39	1,633	24
Total, Operating Loans.....	3,751	63	4,622	63	3,751	35
Farm Ownership Loans:						
Guaranteed Unsubsidized.....	3,300	0	3,300	0	3,500	0
Direct.....	3,125	0	2,500	0	3,100	0
Total, Ownership Loans .....	6,425	0	5,800	0	6,600	0
Emergency Loans .....	38	*	29	*	4	*
Indian Land Acquisition Loans .....	20	0	20	0	20	0
Highly Fractionated Indian Land Loans.....	5	*	9	*	5	1
Boll Weevil Eradication Loans.....	60	0	60	0	60	0
Guaranteed Conservation Loans.....	150	0	150	0	150	0
Heirs Relending Program .....	34	5	61	5	61	11
Program Loan Cost Expense (PLCE).....	0	13	0	13	0	21
Total, ACIF .....	10,483	82	10,751	82	10,652	68

\*Represents values less than \$500,000

Totals may not sum due to rounding

The farm loan programs serve as an important safety net for America's farmers by providing a source of credit if they are temporarily unable to obtain credit from commercial sources. The 2018 Farm Bill increased the loan limits for many of the farm loan programs, thereby increasing loan demand in 2020, particularly direct farm ownership loans. To meet the anticipated demand for farm credit, the Budget supports almost \$10.7 billion in farm loans.

The Budget supports over 33,000 farmers and ranchers by financing operating expenses and providing opportunities to acquire a farm or keep an existing one. The availability of farm operating loans provides farmers with short-term credit to finance the costs of continuing or improving their farming operations, such as purchasing seed, fertilizer, livestock, feed, equipment, and other supplies. For farm operating loans, the Budget supports over \$1.6 billion in direct loans and over \$2.1 billion in guaranteed loans. The requested loan levels for operating loans will serve

approximately 20,000 farmers, about 18,000 of whom will receive direct loans and over 2,000 will receive guaranteed loans. For farm ownership loans, the Budget includes funding to support \$3.1 billion in direct loans and \$3.5 billion for guaranteed loans. These loan levels will provide an estimated 13,700 farmers with the opportunity to either acquire their own farm or keep an existing one, and an estimated 8,600 farmers will receive direct loans and about 5,100 farmers will receive guaranteed loans.

The Budget will provide \$61 million for the Heirs' Relending Program, authorized in the 2018 Farm Bill, to resolve ownership and succession of farmland. Also, the Budget supports a \$4 million loan level for emergency (EM) loans. Demand for EM loans is difficult to predict; funding is requested to be no-year money to account for this and to ensure that support is available in the event of a natural disaster. In addition, the budget includes additional authorization changes to the EM loans to make them a more useful tool to farmers who have suffered a loss due to a natural disaster. Specifically, the Budget seeks to make EM loans more accessible to producers by including provisions such as eliminating the need for both loss documentation and a Presidential or Secretarial Disaster Declaration, eliminating the requirement that applicants show denials from commercial lenders for eligibility, and ensuring that EM funds are available until expended. The Budget also supports \$60 million in boll weevil eradication loans, \$20 million in Indian Land Acquisition loans and \$5 million in funding for the Highly Fractionated Indian Loan Program.

*Table FPAC-4. FSA Key Performance Indicators Measures*

<b>Key Performance Indicators</b>	<b>2021 Actual</b>	<b>2022 Target</b>	<b>2023 Target</b>
Restored wetland acreage (million acres)	2.34	2.64	2.76
Average number of days to process direct loans	32	34	34
Percentage of direct and guaranteed loan borrowers who are beginning farmers	59.9	59.9	59.9
First installment delinquency rate on direct loans	9	9	9
Direct loan delinquency rate	7	7	7

## COMMODITY CREDIT CORPORATION (CCC) PROGRAMS

### COMMODITY PROGRAMS

*Table FPAC-5. CCC Budget Authority (millions of dollars)*

<b>Item</b>	<b>2021 Actual</b>	<b>2022 Estimate</b>	<b>2023 Budget</b>
Commodity Credit Corporation Fund .....	\$6,248	\$8,032	\$5,026

The commodity programs provide risk management and financial tools to farmers and ranchers. These programs, including the Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC), and Dairy Margin Coverage (DMC) program, provide protection against adverse market

fluctuations. As a result, outlays for many of these programs vary significantly from year to year as market conditions change. Total CCC net outlays are about \$5.7 billion, a decrease of about \$2.5 billion from the 2022 estimates.

*Table FPAC-6. CCC Net Outlays (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Commodity Programs:</b>			
Loan Deficiency Payments.....	\$10	\$2	\$0
Agriculture Risk Coverage/Price Loss Coverage .....	6,282	2,333	641
Dairy Margin Coverage* .....	771	1,579	990
Other .....	-556	98	124
<i>Subtotal, Commodity Payments</i> .....	<i>6,507</i>	<i>4,012</i>	<i>1,755</i>
Disaster Programs.....	646	1,906	563
Noninsured Crop Disaster Assistance Program.....	170	177	177
All Other** .....	493	360	169
<i>Total, CCC Commodity Programs</i> .....	<i>7,816</i>	<i>5,735</i>	<i>2,664</i>
<b>Conservation Programs:</b>			
Conservation Reserve Program .....	2,090	2,146	2,476
<i>Total, Conservation Programs</i> .....	<i>2,090</i>	<i>2,146</i>	<i>2,476</i>
<b>Export &amp; Foreign Assistance Programs:</b>			
Food for Progress .....	370	173	230
Market Access Program (MAP) .....	157	70	225
Foreign Market Development (Cooperator) Program.....	23	25	34
Quality Samples Program.....	3	3	3
Technical Assistance for Specialty Crops Program.....	4	9	9
Emerging Markets Program.....	2	8	8
Priority Trade Trust .....	3	3	4
Vessel Loading Observation.....	1	1	9
<i>Total, Export Programs</i> .....	<i>563</i>	<i>292</i>	<i>522</i>
<b>Total CCC Fund</b> .....	<b>10,469</b>	<b>8,173</b>	<b>5,662</b>
<b>Other CCC Activities:</b>			
CCC Export Loans (current, discretionary).....	6	6	6
Pima Agriculture Cotton Trust Fund.....	16	16	16
Agricultural Wool Apparel Manufacturers Trust Fund .....	30	30	30
<i>Total, Other CCC Programs</i> .....	<i>52</i>	<i>52</i>	<i>52</i>
<b>Total, Current Law</b> .....	<b>10,521</b>	<b>8,225</b>	<b>5,714</b>
<b>Total, CCC</b> .....	<b>10,521</b>	<b>8,225</b>	<b>5,714</b>

\* Includes Collections for Premiums for Dairy Margin Coverage.

\*\*All Other includes Trade Mitigation Program (MFP) and other CCC programs.

ARC and PLC provide assistance only when commodity revenue or price downturns occur. Under ARC, producers were given the choice to elect ARC-County (ARC-CO) or ARC-Individual (ARC-IC). ARC-CO offers revenue protection on a county basis. ARC-IC offers revenue protection on an individual farm basis. Producers are able to elect PLC or ARC-CO on a

commodity-by-commodity basis, but ARC-IC has to be elected on a farm basis. Payments under PLC occur if the U.S. average market price for the crop is less than the effective reference price, therefore offering price protection. Payments under ARC-CO occur when actual crop revenue is below the ARC revenue guarantee for a crop year. Under ARC-IC, 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. ARC and PLC payments are issued after October 1 or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity. The ARC and PLC payment issued in fiscal year 2021 were primarily for the 2019 crop year, and similarly the payments to be made in fiscal years 2022 and 2023 are for crop years 2020 and 2021, respectively. The 2018 Farm Bill allowed producers the opportunity to elect either ARC-CO or PLC by crop for both the 2019 and 2020 crop years. Then, starting with the 2021 crop, the choice between ARC-CO and PLC can be made for each crop year through 2023. Also, the 2018 Farm Bill authorizes a nationwide one-time PLC yield update that will be in effect for 2020-2023 crops. In addition, the PLC reference price now has an escalator option, not to exceed 115 percent of the statutory reference price.

The 2018 Farm Bill renamed the Margin Protection Program for Dairy (MPP-Dairy) as the Dairy Margin Coverage (DMC) program. Other changes included lowering premiums, adding new levels of coverage, and allowing producers to make a separate election for covered production over 5 million pounds. The 2018 Farm Bill also provided for the repayment of premium previously paid under MPP-Dairy by allowing a 50 percent cash payment or a 75 percent credit toward new premiums, based on the amount of premium the dairy operation paid for coverage during 2014 to 2017. Finally, the Dairy Product Donation Program was repealed and replaced with a new fluid milk donation program. In 2021, as part of Congress' efforts to provide broader pandemic assistance, USDA expanded DMC to include coverage for supplemental production. The Supplemental DMC will provide over \$644 million to better help small- and mid-sized dairy operations.



*Table FPAC-7. CCC Payments by Commodity (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Commodity:</b>			
Feed Grains.....	\$3,125	\$1,436	\$1,410
Wheat .....	1,848	1,103	162
Rice.....	686	478	506
Extra Long Staple Cotton .....	137	87	145
Upland Cotton .....	2,179	1,723	2,125
Seed Cotton .....	988	512	24
Lentils.....	18	14	4
Honey .....	4	6	5
Dairy and Products .....	781	1,656	1,064
Soybeans.....	1,192	794	1,226
Other Oilseeds .....	123	51	21
Sugar.....	1,050	1,087	1,111
Peanuts .....	1,293	1,327	1,268
Soybeans Products.....	8	3	3
Other Commodities .....	51	49	43
<b>Total, Commodity Payments .....</b>	<b>13,482</b>	<b>10,326</b>	<b>9,118</b>

### Conservation Programs

Most of the conservation programs administered by FSA and NRCS (see NRCS section for further information) are funded through the CCC. These programs help farmers adopt and maintain conservation systems that protect water and air quality, reduce soil erosion, protect and enhance wildlife habitat and wetlands, conserve water, and sequester carbon.

#### Conservation Reserve Program (CRP)

The purpose of CRP is to 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 in 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. Amounts for CRP include financial and technical assistance. CRP enrolls highly erodible cropland, and also cropland and marginal pastureland in areas adjacent to lakes and streams that are converted to buffers, and cropland that can serve as restored or constructed wetlands, cropland contributing to water quality problems, and cropland converted to valuable wildlife habitat.

CRP enrolls land through general signups and continuous signups, including the Conservation Reserve Enhancement Program (CREP). CREP agreements are Federal/State partnerships designed to address specific environmental objectives. 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.

The 2018 Farm Bill extended and modified the authorization for CRP through 2023. The acreage cap is increased from 24 million acres to 27 million acres by 2023 and included 8.6 million acres for continuous practices and 2 million acres for grasslands. Two new pilot programs were created: the Clean Lakes, Estuaries, and Rivers initiative (CLEAR 30, which has 30-year contracts) and the Soil Health and Income Protection Program (SHIPP). FSA is expected to target at least 40 percent of continuous CRP acres to the practices considered as CLEAR 30. A proportional, historic State acreage allocation was included for a portion of the acres available for enrollment. As of February 2022, over 23,000 acres in 28 States were enrolled under the 30-year CLEAR contracts, and more than 3,000 acres in SHIPP, which focuses on the prairie pothole States of Iowa, Minnesota, Montana, North Dakota, and South Dakota. The 2018 Farm Bill authorized up to \$12 million in incentive payments for tree thinning and related activities and provides additional haying and grazing flexibilities. In addition, the 2018 Farm Bill reauthorized up to \$50 million for the Transition Incentive Program (TIP) through 2023. The TIP encourages the transition of expiring CRP land to a beginning, historically underserved, or veteran farmer or rancher so land can be returned to sustainable grazing or crop production. By early 2022, over 205,000 acres were enrolled in TIP across 28 States.

In 2021, 1.7 million acres were enrolled in CRP under general signup, about 861,000 acres were enrolled under continuous signup, and over 2.1 million acres were enrolled in the CRP Grasslands program. Total CRP enrollment at the end of 2021 was about 20.5 million acres, of which about 11.1 million acres were enrolled under general signups, 7.6 million acres under continuous signups and 1.8 million acres under grasslands signups. About 4 million acres in CRP will be expiring at the end of 2022 and 2 million expiring at the end of 2023.

CRP Grasslands helps landowners and operators protect grassland, including rangeland, pastureland, and certain other lands, while maintaining the areas as grazing lands. The program emphasizes support for grazing operations, plant and animal biodiversity, and grassland and land containing shrubs and forbs under the greatest threat of conversion.

Several assessments of CRP-related outcomes are ongoing or have recently started. These include a trio of projects that will monitor the impact on soil carbon, as well as greenhouse gas emissions and biomass carbon, of marginal cropland conversion to perennial cover. These projects involve visiting roughly 1,000 grass, tree, and wetland enrollments at least twice over the next five years to collect and analyze samples.

Riparian and grass buffers improve water quality and provide vital habitat for wildlife. By reducing water runoff and sedimentation, riparian and grass buffers protect groundwater and help improve the condition of lakes, rivers, ponds and streams.

*Table FPAC-8. KPI – CRP Acreage Enrolled*

Key Performance Indicators	2021 Actual	2022 Target	2023 Target
Acreage enrolled in Conservation Reserve Program (CRP) riparian and grass buffers (Cumulative, Million Acres)	1.46	1.56	1.61

### Agricultural Disaster Assistance

The Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP), and the Tree Assistance Program (TAP) were authorized by the 2008 Farm Bill, through September 30, 2011, under the USDA Supplemental Disaster Assistance Program. The 2018 Farm Bill made changes to several of them.

*Table FPAC-9. Supplemental Agricultural Disaster Assistance Outlays (millions of dollars)*

Item	2021 Actual	2022 Estimated	2023 Budget
<b>Commodity:</b>			
LFP .....	\$544	\$1,652	\$386
LIP .....	16	35	35
TAP .....	9	8	7
ELAP .....	76	211	135
Total, Current Law .....	645	1,906	563
Total, Supplemental Agricultural Disaster Assistance .....	645	1,906	563

*Totals may not sum due to rounding.*

LIP provides benefits to producers for livestock deaths in excess of normal mortality caused by adverse weather or attacks by animals reintroduced into the wild by the Federal Government. The 2018 Farm Bill amends LIP to include coverage for: 1) death or sale loss resulting from diseases caused by, or transmitted by, a vector that cannot be controlled by vaccination or acceptable management practices; and 2) death of unweaned livestock due to adverse weather. In addition, the Bipartisan Budget Act of 2018 eliminated the payment limit for LIP. LFP provides compensation to livestock producers who have suffered grazing losses due to drought on land that is native or improved pastureland with permanent vegetative cover or is planted specifically for grazing. It also provides compensation to producers who have suffered grazing losses due to fire on rangeland managed by a Federal agency.

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. In addition, the 2018 Farm Bill eliminated the payment limit for ELAP.

TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines damaged by natural disasters. The 2018 Farm Bill raised the number of acres for which payments could be received from 500 to 1,000 acres.

In addition to the disaster programs authorized by the Farm Bill, the Wildfire and Hurricane Indemnity Program Plus (WHIP+) provided payments to producers to offset losses from hurricanes, wildfires, and other qualifying natural disasters that occurred in 2018 and 2019. WHIP+ covered losses of crops, trees, bushes, and vines that occurred as a result of those disaster events, milk losses due to adverse weather conditions, and losses to on-farm stored commodities. The enrollment period for WHIP+ ended on October 30, 2020. Nearly \$2.4 billion in WHIP+ funding was provided in 2021. Supplemental disaster assistance authorized by Congress in the Extending Government Funding and Delivering Emergency Assistance Act (P.L. 117-43) will make \$10 billion available for a broader range of disasters and will extend WHIP+ payments to cover losses in calendar years 2020 and 2021. The expanded program includes \$750 million specifically for livestock producers with losses in 2021 due to drought and wildfire.

### **Pandemic Assistance for Producers**

USDA announced in March, 2021, the new Pandemic Assistance for Producers Program to bring financial assistance to a broader set of farmers and ranchers than in previous COVID-19 aid programs. As part of this broader program, the Coronavirus Food Assistance Program 2 (CFAP 2) was re-opened and updated to include additional payments for eligible cattle and row crop producers and the processing of payments for certain applications filed as part of CFAP Additional Assistance. CFAP 2 ultimately provided nearly \$13.4 billion to impacted farmers and ranchers in 2021. Additional eligible commodities and flexibility to payment calculations for sales-based commodities and eligible livestock and poultry contract producers were announced in August, 2021. Additional initiatives include, among others, the Organic and Transitional Education and Certification Program (OTECP), the Pandemic Assistance for Timber Harvesters and Haulers program (PATHH), the Pandemic Livestock Indemnity Program (PLIP), and the Spot Market Hog Pandemic Program (SMHPP). The OTECP provides up to \$20 million to reimburse agricultural producers and handlers who are certified organic and crop and livestock producers who are transitioning to organic for eligible expenses incurred during fiscal years 2020, 2021, and/or 2022. PATHH, a program jointly administered by FSA and USDA's Forest Service, further expands pandemic assistance to support up to \$200 million in relief to timber harvesting and timber hauling business that experienced a decrease of 10 percent or more for calendar year 2020 compared to calendar year 2019. PLIP provided over \$21 million in assistance to chicken, turkey, and swine producers who suffered losses during the pandemic due to insufficient access to processing, and for the cost of depopulation and disposal in 2021. Under SMHPP, USDA allocated \$50 million in assistance to hog producers who sold hogs through a negotiated sale from April 16, 2020, through September 1, 2020.

**RISK MANAGEMENT AGENCY***Table FPAC-10. RMA Budget Authority (millions of dollars)*

Item	2021 Enacted	2022 Estimated	2023 Budget
<b>Discretionary:</b>			
RMA Salaries and Expenses Appropriations .....	\$60	\$60	\$75
Transfer from FCIC (Mandatory) .....	7	7	7
Total, Salaries and Expenses .....	67	67	82
<b>Mandatory:</b>			
Indemnities Net of Producer Paid Premium <sup>a</sup> .....	4,257	8,884	9,630
Delivery Expense <sup>b</sup> .....	1,907	1,719	1,736
Underwriting Gain <sup>c</sup> .....	1,517	1,638	1,837
FCIA Initiatives.....	33	33	33
Mandatory Appropriations .....	7,714	12,274	13,236
Total, RMA .....	7,781	12,341	13,318

<sup>a</sup> The amount of premium subsidy paid by the Federal government is not reflected in the table above. The Budget for the Federal Crop Insurance Program assumes a crop year loss ratio (gross indemnities/total premium) of 1.0 for 2022. However, the fiscal year loss ratio could be higher or lower than 1.0 due to differences in the timing of certain cash flows (see discussion below on estimated indemnities).

<sup>b</sup> Reimbursements to private companies.

<sup>c</sup> Payments to private insurance companies. The 2023 underwriting gains reflect a projected 1.0 loss ratio for the 2023 crop year.

**Discretionary Funding – Salaries and Expenses**

Discretionary funds for the Federal crop insurance program cover most of Federal salaries and related expenses to manage the program. The Budget includes \$75 million in discretionary appropriations for these costs. Of note, this includes \$1.2 million for additional staff focused on underserved communities; \$2 million to research, review, and ensure actuarial soundness of new products addressing climate change; \$2.5 million for a critically needed upgrade to an IT system that enhances program compliance and integrity; and \$4.5 million to conduct research and development and carry out contracting and partnerships. Further, the RMA plans to transfer \$7 million each fiscal year from mandatory funding to RMA's Salaries and Expenses for program compliance and integrity reviews.

**Mandatory Funding**

The Federal crop insurance program provides a safety net that protects producers from a wide range of risks caused by natural disasters, as well as the risk of price fluctuations. The crop insurance program covers around 130 crops. However, the ten principal row crops (barley, corn, cotton, peanuts, potatoes, rice, sorghum, soybeans, tobacco, and wheat) account for around 65 percent of total insured value. The participation rate is high for the principal row crops with around 87 percent of acres covered by insurance.

Federal crop insurance is delivered to producers through private insurance companies that share in the risk of loss and opportunity for gain. The companies are reimbursed for their delivery expenses and receive underwriting gains in years of favorable loss experience. The costs associated with the Federal crop insurance programs include premium subsidies, indemnity payments (in excess of producer paid premiums), underwriting gains paid to private companies, reimbursements to private companies for delivery expenses, and other authorized expenditures.

A key performance measure for the Federal crop insurance program is the normalized value of risk protection provided by Federal Crop Insurance Corporation (FCIC)-sponsored insurance – shown in table FPAC-9 on a crop year basis. The value of FCIC risk protection is the actual dollar insurance liability for a given crop year. However, this value is strongly influenced by commodity price swings or trends. The normalized value of risk protection uses a five-year baseline to smooth variations caused by these trends. The baseline model uses the most recent crop insurance data, and other USDA market conditions data, to develop normalized value projections for major crops. For the 2021 crop year, the Federal crop insurance program provided about \$137 billion in risk protection or about \$78.2 billion in (normalized) risk protection. The 2022 and 2023 crop year targets reflect projections of normalized value of risk protection as described above.

Actual indemnities for 2021 reflect crop year 2020 losses that were paid out in 2021, plus the portion of crop year 2021 losses paid out in 2021. The loss ratio for the 2020 crop year was 0.77. Estimated losses for crop years 2022 and 2023 reflect the statutory target loss ratio of 1.0.

*Table FPAC-11. Risk Protection Through FCIC-Sponsored Insurance (billions of dollars)*

<b>Key Performance Indicators</b>	<b>2021 Actual</b>	<b>2022 Target</b>	<b>2023 Target</b>
The annual normalized value of risk protection provided to agricultural producers through the Federal Crop Insurance program (\$ billion)	78.2	78.2	78.5

In 2021, the total cost for the Federal crop insurance programs was about \$7.7 billion. Of this amount, about \$4.3 billion was for net indemnities to producers (gross indemnities minus producer paid premiums/fees). Another \$1.9 billion was paid to the private insurance companies for delivery expenses and \$1.5 billion for underwriting gains, and \$33 million was used for Federal Crop Insurance Act initiatives.

**NATURAL RESOURCES CONSERVATION SERVICE***Table FPAC-12: NRCS Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Conservation Operations .....	\$833	\$833	\$1,001
Watershed Rehabilitation Program.....	10	10	10
Watershed and Flood Prevention Operations .....	175	175	125
Urban Agriculture and Innovative Production <sup>a</sup> .....	7	7	13
Healthy Forests Reserve Program .....	-	-	20
Total, Discretionary Programs.....	1,025	1,025	1,169
Other funding:			
Water Bank Program .....	4	4	-
Wetlands Mitigation Banking.....	5	5	-
Total, Other Funding .....	9	9	-
<b>Mandatory:</b>			
Farm Bill Programs:			
Environmental Quality Incentives Program .....	1,800	1,850	2,025
Agricultural Conservation Easement Program .....	450	450	450
Regional Conservation Partnership Program.....	300	300	300
Conservation Stewardship Program (2018).....	750	800	1,000
Agricultural Management Assistance <sup>b</sup> .....	5	5	5
Conservation Reserve Program Tech. Assist.....	236	328	256
Watershed Protection and Flood Prevention .....	50	50	50
Total, Mandatory Programs <sup>c</sup> .....	3,591	3,783	4,086
<b>Supplemental:</b>			
Watershed and Food Prevention Operations (IIJA).....	-	500	-
Emergency Watershed Protection Program (IIJA) .....	-	300	-
Watershed Rehabilitation Program (IIJA).....	-	118	-
Total, Supplemental.....	-	918	-
Total, Current Law .....	4,625	5,735	5,255
Total, NRCS .....	4,625	5,735	5,255

<sup>a</sup> For 2020 and 2021, Urban Agriculture was funded through a General Provision. For 2022 and 2023, funding is requested through a new discretionary account.

<sup>b</sup> NRCS is authorized to receive 50 percent of total AMA funding and the rest is provided to RMA and AMS.

<sup>c</sup> The amounts for Total Mandatory Programs include the Technical Assistance funding levels in Table FPAC-13.

*Totals may not sum due to rounding.*

**Conservation Operations (CO)**

The proposed discretionary funding for CO for 2022 is \$1.0 billion, of which \$886 million is for the Conservation Technical Assistance (CTA) Program, and \$115 million is for Soil Survey, Snow Survey, and Plant Materials Centers. Increases are requested to address the Administration's priority of addressing climate change (climate-smart agriculture and climate hubs) and will allow

the agency to increase its staffing needed to provide assistance for its mandatory (Farm Bill) programs.

As support for climate-smart agriculture, NRCS will expand its greenhouse gas monitoring, measuring, reporting, and verification (MMRV) efforts as well as increase internal capacity related to climate change science. NRCS will integrate soil carbon monitoring work as part of a broader effort to establish a soil health monitoring network, including a network of soil sampling sites. Targeted hiring and training will further expand NRCS' ability to deliver conservation planning and technical assistance that supports soil health and climate science.

Funding for climate hubs will be used to establish regional and State-based projects that understand how natural resource conditions on working lands are affected by climate change. This is essential to improve the performance of programs that conserve the land and sustain agriculture production. Increased funding will assist the climate hubs expand NRCS outreach through more effective and efficient delivery of research to end users.

An additional \$50 million in CTA funding will be used to continue Equity Conservation Cooperative Agreements, two-year agreements which support historically underserved farmers and ranchers with climate-smart agriculture and forestry; combined with base funding, total resources for this initiative will be \$100 million.

Also within CO, the Soil Survey Program will enhance evaluation of the effects of conservation practices on soil health, soil erosion, carbon sequestration, and other resource issues. The Snow Survey and Water Supply Forecasting Program will enhance data collection and analysis to provide estimates of water availability, drought conditions, and flooding potential to water users (e.g., farmers, ranchers, recreationists) and to water managers (irrigation districts, soil and water conservation districts, municipal and industrial water providers, hydroelectric power utilities, fish and wildlife management, reservoir managers, Tribal Nations, Federal, State, and local government agencies, and the countries of Canada and Mexico). NRCS Plant Materials Centers will accelerate development of information and training for field staff to meet emerging environmental challenges associated with climate change. A total of \$1.74 billion in mandatory TA is estimated to be needed to support Farm Bill conservation program implementation.



Table FPAC-13: NRCS Technical Assistance (millions of dollars)

Item <sup>a</sup>	2021 Actual	2022 Estimate	2023 <sup>c</sup> Budget
<b>Discretionary:</b>			
Conservation Operations (Technical Assistance):			
Conservation Technical Assistance .....	\$731	\$731	\$885
Soil Surveys.....	79	79	87
Snow Surveys.....	9	9	17
Plant Materials.....	10	10	12
Watershed Projects .....	3	3	-
Total, Discretionary Programs.....	\$832	\$832	\$1,001
<b>Mandatory:</b>			
Farm Bill Programs (Technical Assistance):			
Environmental Quality Incentives Program .....	617	625	593
Agricultural Conservation Easement Program .....	192	219	162
Regional Conservation Partnership Program.....	289	370	287
Conservation Stewardship Program .....	659	504	423
Agricultural Management Assistance <sup>b</sup> .....	1	1	1
Conservation Reserve Program Tech. Assist.....	236	328	256
Voluntary Public Access and Habitat Incentive Program.....	1	2	-
Feral Swine Eradication and Control Pilot .....	3	1	1
Agriculture Water Enhancement Program.....	5	6	1
Farm and Ranchland Protection Program.....	47	40	14
Grassland Reserve Program.....	20	15	3
Wetland Reserve Program .....	17	11	1
Wildlife Habitat Incentives Program .....	5	5	1
Chesapeake Bay Watershed Program.....	4	4	-
Healthy Forest Reserve Program .....	1	1	-
Total, Mandatory Programs.....	\$2,097	\$2,132	\$1,743
Total, Technical Assistance.....	\$2,929	\$2,964	\$2,744

<sup>a</sup> This table reflects the total staff resources necessary to implement the private lands conservation programs administered by the Natural Resources Conservation Service. This table includes the total for discretionary technical assistance and associated science and technology programs provided through the Conservation Operations account in addition to the total technical assistance necessary to implement Farm Bill Program.

<sup>b</sup> NRCS is authorized to receive 50 percent of total AMA funding and the rest is provided to RMA and AMS.

<sup>c</sup> 2023 budget includes estimated carryover of \$504 million.

Totals may not sum due to rounding.

Through the CTA Program, NRCS works with landowners and managers to develop conservation plans that outline the specific conservation practices needed to improve farm operations and enhance farm environmental sustainability. NRCS partners with third-party private sector entities (known as Technical Service Providers) to collaborate and provide technical assistance for conservation planning and activities.



**Environmental Quality Incentives Program (EQIP)**

EQIP provides assistance to landowners who face serious natural resource challenges (such as soil erosion, air quality, water quality and quantity, and the sustainability of fish and wildlife habitat) that impact soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat. The 2018 Farm Bill reauthorized EQIP and provided enhanced authorities, including new conservation planning activities, increased payments for certain incentive practices, and places a greater emphasis on soil testing and health.

**Agricultural Conservation Easement Program (ACEP)**

ACEP has two components: agricultural land easements, under which NRCS assists eligible entities to protect agricultural land by limiting non-agricultural land uses; and wetland reserve easements, under which NRCS provides technical and financial assistance to landowners to restore, protect and enhance wetlands through the purchase of wetlands reserve easements. NRCS continues to maintain existing easements and contracts formed under the previous programs. The 2018 Farm Bill reauthorized funding for ACEP and further authorized new enhancements to streamline the agricultural land easement process, which will build upon prior years' efforts to help farmers and ranchers keep their land in agriculture. NRCS continues to maintain existing easements and contracts formed under the previous programs.

**Regional Conservation Partnership Program (RCPP)**

Producers receive technical and financial assistance through RCPP while NRCS and its partners help producers install and maintain conservation activities. These projects may focus on water quality and quantity, soil erosion, wildlife habitat, drought mitigation, flood control, and other regional priorities. Partners include producer associations, State or local governments, Indian Tribes, non-governmental organizations, and institutions of higher education. The 2018 Farm Bill reauthorized funding for RCPP and created new opportunities for farmers.

**Conservation Stewardship Program (CSP)**

CSP encourages participants to undertake new conservation activities to build upon existing conservation activities. CSP was authorized under the 2014 Farm Bill. However, the 2018 Farm Bill eliminated the former program and created a new CSP that is closely aligned with EQIP, provided enhanced features, and modified the program to be dollar based (not acre-based) by eliminating the \$18-per-acre payment rate.

*Table FPAC-14. NRCS Key Performance Indicators*

<b>Key Performance Indicators</b>	<b>2021 Actual</b>	<b>2022 Target</b>	<b>2023 Target</b>
Contract implementation ratio	87.0	87.0	87.0
Practice implementation rate	53.0	53.0	53.0
Cropland with conservation applied to improve soil quality (Million Acres) - EQIP	3.4	3.4	3.4
Cropland with conservation applied to improve soil quality (Million Acres) - CTA	6.0	6.0	6.0
Tons of sediment prevented from leaving cropland and entering waterbodies (Million Tons)	6.0	6.0	6.0
Working lands protected by conservation easements	163.0	163.0	163.0

### **FARM PRODUCTION AND CONSERVATION BUSINESS CENTER**

The FPAC BC was formed to consolidate mission support functions within the FPAC mission area. FPAC BC is responsible for financial management, budgeting, human resources, information technology, acquisitions/procurement, customer experience, internal controls, risk management, strategic and annual planning, and other mission-wide activities in support of the customers and employees of FSA, NRCS, and RMA. The FPAC BC was established in 2018 via a transfer of funding and personnel from FSA, RMA, and NRCS. The FPAC BC also provides administrative support for the CCC.

The 2023 Budget provides \$262 million in discretionary funding for FPAC BC. This includes, among other changes, an increase of \$12 million for additional staff to support increased demands for administrative support to implement the mission-critical work of the programmatic agencies. This reflects an increased demand on key areas such as budget, financial management, grants and agreements, human resources, and information solutions. Investment in salaries for FPAC BC also supports the agencies that FPAC BC serves. In addition, the Budget includes almost \$1 million for recruitment efforts with a special emphasis on historically underserved populations. Including mandatory funding, the 2023 budget provides a total of \$322 million for the FPAC BC.

*Table FPAC-15. FPAC Business Center Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
FPAC Business Center .....	\$231	\$231	\$262
<b>Mandatory:</b>			
NRCS - Agricultural Conservation Easement Program.....	8	8	8
NRCS - Conservation Stewardship Program.....	21	21	21
NRCS - Environmental Quality Incentives Program.....	31	31	31
Total, Mandatory Programs.....	60	60	60
Total, FPAC BC .....	291	291	322

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## *TRADE AND FOREIGN AGRICULTURAL AFFAIRS*

### **MISSION**

Agricultural trade is essential for the vitality of the U.S. agricultural sector and the economy as a whole. Agricultural exports make a critical contribution to the prosperity of local and regional economies across rural America. Every \$1 billion worth of agricultural exports supports an estimated 7,700 jobs and \$1.14 billion in additional economic activity. In 2021, U.S. farm and food exports reached a record \$172.2 billion. U.S. agricultural exports outpaced U.S. agricultural imports, generating a surplus in U.S. agricultural trade. Agricultural exports in 2022 are currently forecast to reach \$175.5 billion.

The Trade and Foreign Agricultural Affairs mission area (TFAA), works to reduce trade barriers that impede or disadvantage U.S. agricultural exports and open new markets for U.S. farm products. The mission area includes the activities of the Foreign Agricultural Service (FAS) and the U.S. Codex Alimentarius Office, an interagency partnership that engages stakeholders in the development of international governmental and non-governmental food standards.

Recent U.S. successes in international trade include prevailing in the first dispute settlement panel under the U.S.-Mexico-Canada-Agreement, securing full access to the Canadian market for the U.S. dairy sector, and securing a commitment from the Vietnamese government to reduce tariffs, giving U.S. corn, wheat and pork producers greater access to the U.S.' seventh largest agricultural export market. During the G20 Agriculture Ministers' meeting in Italy, the Secretary made the case for joint action on climate, food security, agricultural innovation and closer global integration through trade. Market access was opened or expanded for numerous farm products, including pork to India, poultry to Venezuela, processed foods to Mexico, seafood to Indonesia and beef to Egypt.

### **FOREIGN AGRICULTURAL SERVICE**

FAS administers a variety of programs that are designed to facilitate access to international markets and thereby support a competitive U.S. agricultural system. FAS also carries out activities that promote productive agricultural systems in developing countries and contribute to increased trade and enhanced global food security. Working bilaterally and with international organizations, FAS encourages the development of transparent and science-based regulatory systems that allow for the safe development and use of agricultural goods derived from new technologies. FAS works with other USDA agencies, the Office of the United States Trade Representative, and others in the Federal government to monitor and negotiate new trade agreements and enforce existing trade agreements. The United States has free trade agreements (FTA) with 20 countries around the world that expand export opportunities for U.S. food and agricultural producers.

*Table TFAA-1. FAS Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
FAS Salaries and Expenses:			
Salaries and Expenses (Direct Appropriation).....	\$222	\$222	\$241
Transfer from CCC Export Credit Program Account.....	6	6	6
Total, FAS Salaries and Expenses .....	228	228	247
Foreign Food Assistance:			
McGovern-Dole International Food for Education Program..	230	230	230
P.L. 480 Title II Donations .....	1,740	1,740	1,740
P.L. 480 Title I Program Account: .....	-	-	-
P.L. 480 Title I Program Account: Transfer to FSA S&E.....	-	-	-
CCC Export Credit Program Account:			
Transfer to FSA and FAS Salaries and Expenses.....	-	-	-
Total, Discretionary Programs.....	2,198	2,198	2,217
<b>Mandatory:</b>			
Quality Samples Program.....	3	3	3
Foreign Food Assistance:			
P.L. 480 Title II - American Rescue Plan.....	800	-	-
Food for Progress - CCC Funded .....	175	165	175
Bill Emerson Humanitarian Trust.....	-	-	-
Farm Bill Market Development Programs:			
Market Access Program.....	200	200	200
Emerging Markets Program.....	8	8	8
Foreign Market Development (Cooperator) Program.....	35	35	35
Technical Assistance for Specialty Crops Program.....	9	9	9
Priority Trade Fund .....	4	4	4
Pima Agriculture Cotton Trust Funds.....	16	16	16
Agricultural Wool Trust Fund .....	30	30	30
Total, Farm Bill Market Development Programs .....	302	302	302
Total, Mandatory Programs.....	1,280	470	480
Total, Current Law .....	3,478	2,668	2,697
Total, FAS .....	3,478	2,668	2,697

**Table Footnotes**

<sup>a</sup> \$23 million can be used for local and regional procurement in 2021.

<sup>b</sup> Assets of the Trust can be released any time the Administrator of the U.S. Agency for International Development determines that P.L. 480 Title II funding for emergency needs is inadequate to meet those needs in any fiscal year.

**CCC Export Credit Guarantee Programs (GSM-102)***Table TFAA-2. FAS CCC Export Credit Programs Program Level (PL) and Budget Authority (BA) (millions of dollars)*

Item	2021 PL	BA	2022 PL	BA	2023 PL	BA
<b>Discretionary:</b>						
GSM-102 Guarantees .....	\$2,130	-	\$5,000	-	\$5,000	-
Facilities Financing Guarantees....	-	-	500	-	500	-
Total, CCC Export Credit.....	2,130	-	5,500	-	5,500	-

The CCC (Commodity Credit Corporation) export credit guarantee programs, administered by FAS in conjunction with USDA Farm Production and Conservation (FPAC), provide payment guarantees for the commercial financing of U.S. agricultural exports. These programs facilitate exports to buyers in countries where credit is necessary to maintain or increase U.S. sales.

The Budget includes an overall program level of \$5.5 billion for CCC export credit guarantees in 2023. This estimate reflects the statutory requirement to make that level of programming available for credit guarantees each fiscal year. However, the actual level of sales expected to be registered under the export credit guarantee programs could vary from this estimate, depending upon program demand, market conditions, and other relevant factors during the course of the year. Of the total program level for export credit guarantees in 2023, \$5 billion will be made available under the GSM-102 program, which provides guarantees on commercial export credit extended with short-term repayment terms (18 months).

The Budget also includes an estimated program level of \$500 million for guarantees under the Facility Guarantee Program. Under this program, CCC provides guarantees to facilitate the financing of goods and U.S. services to improve or establish agriculture-related facilities in emerging markets where demand is constricted due to inadequate storage, processing, or handling capabilities if determined that such guarantees will primarily promote the export of U.S. agricultural commodities.

**Trade Shows**

In 2021, 179 U.S. companies and organizations participated in 11 USDA endorsed trade shows in 5 countries, drawing buyers from all over the world. Twelve-month projected sales reported by exhibitors were estimated at \$93.3 million.

**Quality Samples Program (QSP)**

Under QSP, CCC provides funding to assist private entities to furnish samples of U.S. agricultural products to foreign importers in order to overcome trade and marketing obstacles. The program, which is carried out under the authority of the CCC Charter Act, provides foreign importers with a better understanding and appreciation of the characteristics of U.S. agricultural products.

**Agricultural Trade Promotion and Facilitation Programs**

FAS administers several programs, in partnership with private sector cooperator organizations or State agencies, which support the development, maintenance, and expansion of commercial export markets for U.S. agricultural commodities and products.

**Market Access Program (MAP)**

Under MAP, CCC funds are used to reimburse participating organizations for a portion of the cost of carrying out overseas marketing and promotional activities, such as consumer promotions. MAP participants include nonprofit agricultural trade organizations, State-regional trade groups,

cooperatives, and state agencies. MAP has a brand promotion component that provides export promotion funding to small companies and thereby helps expand the number of small and medium-sized entities that export. The 2018 Farm Bill provides not less than \$200 million per year for this program.

#### **Emerging Markets Program (EMP)**

EMP authorizes CCC funding to be made available to carry out technical assistance activities that promote the export of U.S. agricultural products and address the food and rural business system needs of emerging markets. Many types of technical assistance activities are eligible for funding, including feasibility studies, market research, industry sector assessments, specialized training, and business workshops. The 2018 Farm Bill provides not more than \$8 million per year for this program.

#### **Foreign Market Development (Cooperator) Program**

This program provides cost-share assistance to nonprofit commodity and agricultural trade associations to support overseas market development activities that are designed to remove long-term impediments to increased U.S. trade. These activities include technical assistance, trade servicing, and market research. Unlike MAP, Cooperator Program activities are carried out on a generic commodity basis and do not include brand-name or consumer promotions. The 2018 Farm Bill provides not less than \$34.5 million per year for this program.

#### **Technical Assistance for Specialty Crops (TASC) Program**

TASC is designed to address unique barriers that prohibit or threaten the export of U.S. specialty crops. Under the program, grants are provided to assist U.S. organizations in activities designed to overcome sanitary, phytosanitary, or technical barriers to trade. The 2018 Farm Bill provides \$9 million per year for this program.

#### **Priority Trade Fund**

When the amounts requested under applications for the Agricultural Trade Promotion and Facilitation Programs exceed available funding for one or more of those programs, the 2018 Farm Bill provides an additional \$3.5 million per year through the Priority Trade Fund to access, develop, maintain, and expand markets for United States agricultural commodities via these programs.

#### **Foreign Food Assistance**

USDA supports global food security through in-country capacity building, basic and applied research, improved market information, statistics and analysis, as well as food assistance. FAS contributes to these efforts by carrying out a variety of food aid programs that support economic growth and development in recipient countries.

#### **McGovern-Dole International Food for Education and Child Nutrition Program**

The program provides for the donation of U.S. agricultural commodities and associated financial and technical assistance to carry out preschool and school feeding programs in foreign countries. Maternal, infant, and child nutrition programs also are authorized under the program. The Budget provides \$230 million for McGovern-Dole.

#### **International Food Aid**

Assistance provided under the authority of P.L. 480 is a primary means by which the United States provides foreign food assistance. Title I provides for sales of U.S. agricultural commodities

governments and private entities of developing countries through concessional financing agreements, however, new Title I agreements are no longer utilized. P.L. 480 Title II provides emergency and development food assistance in foreign countries.

### ***P.L. 480 Title II***

P.L. 480 Title II grants fund emergency and development food aid programs authorized under Title II of the Food for Peace Act (P.L. 83-480). Funding for Title II is appropriated to the USDA and is administered by the U.S. Agency for International Development (USAID). The Budget provides \$1.74 billion for P.L. 480 Title II.

### ***Food for Progress***

The Food for Progress Act of 1985 authorizes U.S. agricultural commodities to be provided to developing countries and emerging democracies that have made commitments to introduce and expand free enterprise in their agricultural economies. Food for Progress agreements can be entered into with foreign governments, private organizations, nonprofit agricultural organizations, cooperatives, or intergovernmental organizations. Agreements currently provide for the commodities to be supplied on grant terms. The Food for Progress authorizing statute provides for the use of CCC funding for commodity procurement, transportation, and associated non-commodity costs for the program. The 2018 Farm Bill authorizes funding for this program based on metric tonnage, which is estimated to equate to \$175 million in 2023.

### ***Bill Emerson Humanitarian Trust***

The Bill Emerson Humanitarian Trust (the Trust) is a commodity and/or monetary reserve designed to ensure that the United States can meet its international food assistance commitments under P.L. 480 Title II. The Trust's assets can be released any time the Administrator of the United States Agency for International Development (USAID) determines that P.L. 480 Title II funding for emergency needs is inadequate to meet those needs in any fiscal year. When a release from the Trust is authorized, the Trust's assets (whether commodities or funds) cover all commodity costs associated with the release. All non-commodity costs, including ocean freight charges; internal transportation, storage, and handling overseas; and certain administrative costs are paid for by CCC.

No assistance has been provided using the Trust's authority in 2021 or to date in 2022. As of December 31, 2021, the Trust held \$282 million of cash and no commodities.

### **Trust Funds**

The 2018 Farm Bill authorized two trust funds for payments to reduce injury to domestic manufacturers resulting from U.S. tariffs on inputs to their manufacturing processes. These include the Agricultural Wool Apparel Manufacturers Trust Fund, which provides CCC funding for up to \$30 million for reducing injury to domestic manufacturers resulting from tariffs on wool fabric that are higher than tariffs on certain apparel articles made of wool fabric, and the Pima Agriculture Cotton Trust Fund, which provides CCC funding of up to \$16 million for reducing injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric. Payments are made to manufacturers that submit an affidavit certifying that U.S. tariffs caused them injury.

### **Salaries and Expenses**

FAS headquarters staff and attaches covering more than 170 countries partner with other U.S. government agencies, trade associations, as well as regional and international organizations in a



coordinated effort to negotiate trade agreements; establish transparent, science-based standards; and resolve trade barriers.

*Table TFAA-3. FAS Salaries and Expenses (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Appropriated Programs .....	\$222	\$222	\$241
Reimbursable Program Activities:			
FAS Computer Facility and Other IRM Costs Funded by CCC...	23	20	20
USAID and Dept. of State Assist. and Reconstruction and Stabilization.....	33	33	33
Other Reimbursable Agreements.....	27	31	31
Total, Reimbursable Program Activities .....	83	84	84
Total, FAS Salaries and Expenses.....	305	306	325

Unnecessarily restrictive regulations to address risks to human, animal, and plant health (SPS) are major barriers to the expansion of global agricultural trade. The proliferation of labeling, registration, certification, and quality standards requirements for routinely consumed food products can also result in unnecessary technical barriers to trade (TBT). Working in concert with other U.S. trade and regulatory agencies and in frequent communication with private sector stakeholders, FAS works to improve market access for U.S. agricultural products and reduce the harm to the industry resulting from unnecessarily restrictive regulations by monitoring and enforcing international rules, strengthening the global regulatory framework, and encouraging the adoption of international standards.

FAS promotes science-based standards and supports trade in U.S. agricultural products produced with new technologies by monitoring worldwide developments in technologies, including their adoption and regulation by trading partners, and promoting the use of new technologies in support of food security and sustainable agriculture. A proactive stance is critical, because the development of divergent regulatory systems for new technologies could bring a virtual halt to trade in some commodities with a potential trade impact reaching billions of dollars.

*Table TFAA-4. KPI – Export Support (billions of dollars)*

Key Performance Measure	2021 Actual	2022 Target	2023 Target
Value of agricultural exports resulting from participation in foreign agricultural trade shows and trade missions	0.1*	2.13	2.00
Value of trade preserved through resolution of foreign market access issues such as U.S. export detainment, restrictive SPS and TBT issues, and trade regulations	5.78	6.10	5.75

\*This KPI is unmet due to the cancelation of activities due to the Global COVID-19 pandemic.

In 2023, FAS will conduct its activities and programs through offices in Washington, D.C. and at 97 overseas locations, including two new offices that FAS plans to open in Almaty, Kazakhstan and Guadalajara, Mexico. The overseas offices represent and advocate for U.S. agricultural interests; provide reporting on agricultural policies, production, and trade for more than 170 countries; assist U.S. exporters, trade groups, and State export marketing officials in their trade promotion efforts; and help to implement technical assistance and trade capacity building programs that contribute to increased food security. The Budget provides an appropriated funding level of \$241 million for FAS activities. The Budget supports an increase of \$4.2 million for overseas costs, including International Cooperative Administrative Support Services, Capital Security Cost-Sharing, and the Department of State IT Transition, as well as an increase of \$7.3 million for pay and inflation costs.

In addition, the Budget assumes an estimated \$84 million in funding to be made available to FAS through reimbursable agreements. This includes funding for technical assistance, training, and research activities that FAS carries out overseas on behalf of USAID, foreign governments, and international organizations, and development assistance activities that are funded by USAID and the Department of State. Although funded by other agencies, these activities are an important component of the Department's efforts to support economic development and enhance food security in developing countries. Six million will be transferred from CCC for administrative expenses to carry out the CCC Export Credit Guarantee Program.

## ***RURAL DEVELOPMENT***

### **MISSION**

USDA's Rural Development (RD) serves a leading role in facilitating rural prosperity and economic development by financing investments in rural utilities, housing, and business investments. Building and modernizing rural America's infrastructure is critical to create jobs and increase our country's productivity of vital goods and services. Additionally, communities that do not invest in critical infrastructure upgrades risk losing their ability to provide clean, safe, and reliable water; electric, broadband, health, other community services; and business growth. Continued investment will be required to close infrastructure gaps and connect rural residents and businesses to nationwide and global commerce. RD is comprised of three agencies: (1) Rural Business-Cooperative Service (RBCS) provides assistance for the development of business and industry, including small businesses, and renewable energy and energy improvement projects; (2) Rural Housing Service (RHS) provides assistance for home ownership, multi-family housing, and essential community facilities such sectors as healthcare, education, and public safety; and (3) Rural Utilities Service (RUS) provides financing to build or improve rural water and waste disposal, rural electric and telecommunications infrastructure (including broadband access).

RD is committed to driving prosperity across rural America, securing environmental justice, and spurring economic opportunity for disadvantaged communities that have been historically marginalized, overburdened by pollution, and have experienced underinvestment in essential services. Through the programs administered by RD, USDA will promote job creation and economic development, increase availability of high-speed e-connectivity, strengthen community infrastructure, provide affordable and safe housing, advance education opportunities, modernize healthcare, strengthen utility infrastructure, and support workforce training and veterans' employment to enhance quality of life in the rural communities. RD programs will also continue to expand stakeholder participation and facilitate the involvement of local, tribal, and State governments to support inclusive rural prosperity efforts.

The type of assistance offered includes direct and guaranteed loans, grants, and other payments. RD staff and partners also provide technical assistance to help communities access RD's programs. Several programs require or encourage recipients to contribute their own resources or obtain third-party financing to support the total cost of projects, thereby leveraging government support with private sector financing.

Direct and guaranteed loan subsidy costs depend on several factors, including default rates, the prevailing interest rates, whether the interest rate is subsidized by the government, and whether there are fees. All the loan programs also have administrative costs. In the tables below the budget authority for each loan program reflects the subsidy cost to the government to support these loan levels. Several of the loan programs operate at a very low or negative subsidy rate. These less-costly loan programs provide most of the financial assistance in RD's loan portfolio.

The programs of RD directly support the Secretary's Strategic Goals 1, 2, 5 and 6 of the Department's Strategic Goals in the current 2022 – 2026 plan.

- Objective 1.4: Increase Carbon Sequestration and Reduce Greenhouse Gas Emissions
- Objective 2.2: Build Resilient Food Systems, Infrastructure, and Supply Chain
- Objective 5.1: Improve Rural and Tribal Community Infrastructure, Including Affordable

E-Connectivity, Cornerstone Community Facilities, Sustainable and Reliable Power, and Clean and Safe Water and Sewer Systems

- Objective 5.2: Boost the Financial Security of Rural and Tribal Communities through Access to Affordable Housing
- Objective 5.3: Increase Capacity, Sustainability, and Economic Vitality in Rural and Tribal Communities
- Objective 5.4: Promote Environmental Justice by Maximizing Sustainable and Green Economic Development in Rural and Tribal communities
- Objective 6.2: Establish a Customer-Centric, Inclusive, High-Performing Workforce that is Representative of America and the Communities we serve.

*Table RD-1. KPIs*

Key Performance Indicators	2021 Actual	2022 Target	2023 Target
<b>E-Connectivity:</b> Number of households with potential access to RD-funded new and/or improved e-connectivity services	156,501	200,000	250,000
<b>Equity in Field-Based Programs:</b> Engagement in underserved, historically underserved and vulnerable rural and Tribal communities in field-based programs, and investment in these designated communities. (EC=Equity Communities)	Not Applicable	460 EC \$12M	460 EC \$18M
<b>Distressed Communities Assistance:</b> Percentage of RD assistance that went to distressed communities (measured at the zip code level)	20%	25%	30%
<b>Non-Federal Funding:</b> Percentage of RD commercial/infrastructure investments that leverage non-Federal funding	81%	81%	81%
<b>Climate/Coal Decline Geographies:</b> Percentage of 25 priority geographies hard-hit by declines in coal production and consumption that are being served by RD programs	6%	7%	8%
<b>OneRD Customer Experience:</b> Percentage of OneRD customers whose application processing time (receipt to Conditional Commitment) does not exceed 30 days. Part 2: Percentage of OneRD program customer (lender) satisfaction survey ratings of 4 or above	Processing: 39% CX Survey: 55%	Processing: 45%, CX: 60%	Processing: 55%, CX: 65%

## RURAL UTILITIES SERVICE

*Table RD-2. RUS Program Level (PL) and Budget Authority (BA) (millions of dollars)*

Item	2021		2022		2023	
	PL	BA	PL	BA	PL	BA
<b>Discretionary:</b>						
Electric Programs:						
Direct Loans	\$5,500	-	\$5,500	-	\$6,500	-
Direct Loans/Grants, Carbon Pollution Free	-	-	-	-	-	\$300
Rural Clean Energy Technical Assistance					15	15
Rural Energy Saving Program	107	\$11	199	\$11	254	26
Guaranteed Loans	750	-	750	-	-	-
Telecommunications Programs:						
Treasury Loans	345	2	759	2	690	4
Treasury Loans, modifications	-	-	-	-	-	25
Direct FFB	345	-	345	-	-	-
Distance Learning and Telemedicine Grants	60	60	60	60	60	60
Broadband Programs:						
Direct Loans	12	2	13	2	15	2
Direct Loans/Grants Combination	642	531	531	531	600	600
Direct Loans/Grants Combination - CoC Account	(104)	(104)	(104)	(104)	-	-
Grants	35	35	35	35	35	35
High Energy Costs Grants	10	10	10	10	10	10
Water and Waste Disposal Programs:						
Direct Loans	1,400	-	1,400	-	1,400	-
Direct 0%	-	-	-	-	70	17
Direct 1%	-	-	-	-	70	10
Guaranteed Loans	50	-	67	-	50	-
Grants	617	617	617	617	717	690
Subtotal, Water and Waste	2,067	617	2,084	617	2,307	717
Subtotal, RUS Programs	9,873	1,268	10,286	1,268	10,486	1,794
Salaries and Expenses	33	33	33	33	33	33
Total, Discretionary Programs	9,906	1,301	10,319	1,301	10,519	1,827
<b>Supplemental Funding:</b>						
Infrastructure Investment and Jobs Act:						
IIJA Reconnect Grants/Loans	-	-	2,000	2,000	-	-
Total, Supplemental Funding	-	-	2,000	2,000	-	-
Total, RUS	9,906	1,301	12,319	3,301	10,519	1,827

### Electric and Telecommunications Programs

RUS provides loan and grant financing for electric and broadband infrastructure serving rural and remote communities through the Electric and Telecommunications programs.

#### Electric Loan Program

The Budget supports \$6.5 billion in electric loans to construct, acquire, and improve electric infrastructure including renewable energy, electric transmission, distribution, smart grid

technology, energy efficiency, grid resiliency, and security enhancements. The lending will be split between \$4.3 billion in direct Treasury loans and \$2.2 billion in the Federal Financing Bank loan guarantees. This is an increase of \$1 billion over the 2021 enacted level to support additional reliable and affordable clean energy, energy storage, and transmission projects to put people back to work in good-paying jobs to help meet the climate adaptation and resilience goals of the administration.

The Budget provides \$300 million in new funding to support de-carbonization of the electric grid in order to meet the Administration's goal of zero carbon electricity by 2035.

The Budget also provides \$26 million for the Rural Energy Savings Program to implement cost-effective energy efficiency measures in rural areas to advance clean energy and decrease energy use or costs for rural families and small businesses.

Furthermore, the Budget provides \$15 million for a new technical assistance funding to support the Rural Clean Energy Initiative. This initiative will increase coordination between USDA, Department of Energy, and Department of Interior to achieve the President's de-carbonation goals and ensure clean energy funding is implemented effectively in rural areas.

#### **Telecommunication Loan Program**

The Budget supports \$690 million in telecommunications Treasury loans for the construction, extension and improvement of telecommunication facilities that expand broadband and e-connectivity to communities with populations of up to 5,000.

The Budget also provides \$25 million for modification of existing loans for financially distressed borrowers, and for refinancing outstanding loans where the borrower maintains service despite non-payment and offers broadband service with the speed of at least 100/20 megabits per second.

#### **Broadband, Distance Learning and Telemedicine Programs**

The Budget includes \$600 million in budget authority to continue the Broadband Pilot Program (ReConnect) that provides loans, grants, and a loan/grant combination. This amount builds on the \$2 billion provided in the Infrastructure Investment and Jobs Act (P.L. 117-58) for the rural e-connectivity program. ReConnect provides financial assistance to deploy broadband to underserved areas. In addition, the Budget continues to include \$35 million for broadband grants to support new or improved broadband access in communities with populations of up to 20,000. These programs provide capital access for strengthening e-connectivity that broadens economic opportunities and job creation in rural America. Improved connectivity means rural communities can offer robust business services, expand access to modern healthcare, and improve education.

The Budget also includes \$60 million for Distance Learning and Telemedicine (DLT) grants. This program is designed specifically to assist rural communities that would otherwise be without access to learning and medical services over the Internet.

#### **Water and Waste Disposal Program**

The Water and Waste Disposal Program provides financing for rural communities to establish, expand or modernize water treatment and waste disposal facilities. These facilities provide safe drinking water and sanitary waste disposal for residential users, and help communities thrive by attracting new business. Projects are designed to improve the energy efficiency of water and waste facilities and expand water conservation efforts.

The Budget supports \$1.4 billion in regular direct loans and \$50 million in guaranteed loans for water and waste disposal facilities to provide safe and sanitary water services. A set aside, not to exceed \$26.5 million has been requested to support distressed communities at 0% and 1% direct loans that will provide an additional \$70 million in direct loans for each new risk category. Overall, the budget requests \$727 million in budget authority, of which \$717 million will provide a total water and waste disposal program level of \$2.28 billion. This funding is an increase of more than \$100 million over the 2021 enacted level, including an increase of \$25 million over enacted for grants targeted to Colonias, Native Americans, and Alaska Native Villages. The remaining \$10 million will be directed to High Energy Cost Grants.

Priority for financing is given to communities with low median household income levels. The funding also makes lead pipe replacement a priority by setting aside \$100 million for this purpose. The Water and Waste Direct program focuses on rural water and waste infrastructure needs of rural communities. Assistance may be provided to financially needy communities with populations of up to 10,000 through direct loans and grants, and up to 50,000 with guaranteed loans.

### **RURAL HOUSING SERVICE**

*Table RD-3. RHS Program Level (PL) and Budget Authority (BA) (millions of dollars)*

Item	2021		2022		2023	
	PL	BA	PL	BA	PL	BA
<b>Discretionary:</b>						
Single Family Housing (Sec. 502):						
Direct Loans .....	\$1,000	\$55	\$2,978	\$55	\$1,500	\$56
Native American Relending Pilot Loans .....	-	-	-	-	21	7
Guaranteed Loans .....	24,000	-	24,000	-	30,000	-
Multi Family Housing:						
Direct Loans (Sec. 515) .....	40	7	75	7	200	38
Multi-Family Housing Preservation and Revitalization <sup>a/</sup> ...	-	-	-	-	75	75
Guaranteed Loans (Sec. 538) .....	230	-	230	-	400	-
Very Low-Income Repair (Sec. 504):						
Direct Loans .....	28	2	128	2	50	4
Grants .....	30	30	30	30	45	45
Farm Labor Housing Grants (Sec. 516) .....	10	10	10	10	18	18
Farm Labor Housing Loans (Sec. 514) .....	28	5	50	5	50	10
All Other Direct Loans .....	20	1	43	1	20	0
Grants and Payments:						
Rental Assistance (Sec. 521) .....	1,410	1,410	1,410	1,410	1,564	1,564
Multi-Family Housing Voucher <sup>b/</sup> .....	-	-	-	-	38	38
Mutual and Self-Help (Sec. 523) .....	31	31	31	31	40	40
Multi-Family Housing Preservation and Revitalization <sup>a/</sup> ...	28	28	28	28	-	-
Multi-Family Housing Voucher <sup>b/</sup> .....	40	40	40	40	-	-
Rural Housing Preservation .....	15	15	15	15	30	30
Community Facilities Programs:						
Direct Loans .....	2,800	-	2,800	-	2,800	-
Guaranteed Loans .....	500	-	500	-	500	-
Non-Conforming CF Loans .....	-	25	-	25	-	-
Grants .....	55	55	55	55	74	74

Item	2021		2022		2023	
	PL	BA	PL	BA	PL	BA
Subtotal, RHS Programs.....	30,265	1,714	32,423	1,714	37,425	2,000
Salaries and Expenses.....	412	412	412	412	412	412
Total, Discretionary Programs.....	30,677	2,126	32,835	2,126	37,837	2,412
<b>Supplemental Funding:</b>						
American Rescue Plan:						
Single Family Housing (Sec. 502).....	657	36	-	-	-	-
Very Low-Income Repair (Sec. 504).....	18	1	-	-	-	-
Admin. Expenses.....	1	1	-	-	-	-
Rental Assistance (Sec. 521).....	100	100	-	-	-	-
Rural Community Facilities Grants.....	475	475	-	-	-	-
Admin. Expenses - Technical Assistance.....	10	10	-	-	-	-
Admin. Expenses.....	15	15	-	-	-	-
Total, Supplemental Funding.....	1,276	639	-	-	-	-
Total, RHS.....	31,953	2,765	32,835	2,126	37,837	2,412

**Table Footnotes**

<sup>a/,b/</sup> 2023 is proposing moving this program under different treasury symbol.

**Single Family Loan Program**

The Single-Family Housing programs support homeownership opportunities for low-income families in rural areas. Guaranteed loans are limited to families with incomes less than 115 percent of area median income. The interest rate on guaranteed loans is negotiated between the borrower and the private lender.

The Budget provides \$56 million to support a \$1.5 billion Single Family Housing Direct Loan program. The Budget also supports a \$30 billion loan level for the Guaranteed Single Family Housing program. Together, these two programs are expected to provide approximately 171,000 homeownership opportunities. The Budget continues to support \$10 million in program level for Single Family Housing Credit Sales of acquired property, increases very low-income housing repair grants from \$30 million to \$45 million and doubles the Housing Preservation grants from \$15 million to \$30 million.

**Multi-Family Housing Programs**

The Multi-Family Housing program (direct and guaranteed loan portfolio) provides financing for rental housing projects and rental assistance payments for the low-income tenants of those projects. The increased funding levels for the Multifamily (MF) housing programs reflects the Administration's commitment to preserving and providing additional low-income multifamily housing in rural areas in a way that promotes climate resilient construction. This includes the requested proposal to authorize the decoupling of the rental assistance grants from MF mortgage, with this design, the demand for USDA tenant protection vouchers is expected to decrease. To address this, instead of new vouchers for paid off properties that don't decouple, the Budget reflects up to \$20 million in funding for the HUD Tenant Protection Vouchers for those beneficiaries. This provides a better voucher for the tenant, reduces duplication within Federal programs, and allows USDA to fully focus on its priority mission of preservation and promotion of climate smart housing construction and renovation.

A key component of the increases in rural housing funding is an additional requirement that all of the housing funding for construction or rehabilitation be targeted to projects that improve energy



or water efficiently, implement green features, including clean energy generation or building electrification, electric car charging station installations, or address climate resilience of properties.

Specifically, the Budget requests \$1.564 billion in budget authority for Rental Assistance to fund the regular renewals and to make permanent the actual Pandemic Emergency Rental Assistance contracts. The Budget also includes \$38 million for Vouchers ensuring continued benefits to the existing residents receiving these vouchers. The requested amount will be used to renew existing contracts to provide rental assistance payments. Most Section 515 projects that are financed with direct loans receive rental assistance payments. These payments are made to the project sponsors and are used to reduce the rents of occupants to no more than 30 percent of the family income. Vouchers are provided for those tenants living in projects graduating from the USDA mortgage on the property, either because of foreclosure or payoff/graduation. The budget is requesting authority for RHS to continue providing Rental Assistance to certain properties that no longer have Direct Multi-Family Housing direct loans (Section 515). Several Section 515 properties are aging and will be exiting the multi-family housing program leaving tenants without Rental Assistance and affordable housing. This request of decoupling of properties from the Rental Assistance program will ensure a steady cash flow to these projects and ensure safe and affordable housing for tenants in rural areas. The Budget is also requesting an increase of \$38 million for repair, rehabilitation and new construction of rental housing to further the objective of affordable housing. Savings from this proposal will be realized in 2025 and 2026.

The Budget increases support for the Section 538 Guaranteed Loans for Multi-Family Housing to \$400 million. This increase of \$170 million from the 2021 enacted authority will focus on new construction in 2023 to improve the overall housing stock in rural areas. In addition, the Budget requests \$75 million in budget authority for the Multi-Family Housing Preservation and Revitalization program.

### **Community Facilities Loan Program**

Community Facilities loans provide funding for a wide range of essential community facilities to rural communities with populations of 20,000 or less, with priority given to healthcare, public safety, and education facilities.

The Budget continues to support \$2.8 billion in Community Facilities Direct Loans and \$500 million in Community Facilities Guaranteed Loans. The Budget requests \$52 million in Community Facilities Grants, which will be targeted towards underserved communities.

The Budget doubles the request from \$6 million to \$12 million for Rural Community Development Initiative grants to provide financial and technical assistance to low-income communities, nonprofit organizations, and tribes. The Budget also provides \$10 million for Tribal College grants to improve education and career-building opportunities, specifically for STEM (science, technology, engineering, and math) programs.

**RURAL BUSINESS-COOPERATIVE SERVICE***Table RD-4. RBS Program Level (PL) and Budget Authority (BA) (millions of dollars)*

Item	2021 PL	BA	2022 PL	BA	2023 PL	BA
<b>Discretionary:</b>						
Business and Industry Guar. Loans .....	\$912	\$10	\$517	\$10	\$1,500	\$32
Rural Business Development Grants .....	37	37	37	37	37	37
Regional Grants .....	9	9	9	9	9	9
Intermediary Relending Program .....	19	3	36	3	19	3
Healthy Food Financing Initiative .....	5	5	5	5	5	5
Rural Economic Development <sup>a/</sup> :						
Direct Loans .....	50	-	50	-	75	-
Grants .....	10	-	10	-	15	-
Rural Microentrepreneur Assistance Lns. and Grts....	18	6	25	6	25	6
Rural Innovation Stronger Economy Grant.....	5	5	5	5	5	5
Rural Cooperative Development Grants:						
Rural Cooperative Development Grants.....	6	6	6	6	6	6
Appropriate Tech. Transfer to Rural Areas .....	3	3	3	3	3	3
Grants to Assist Minority Producers.....	3	3	3	3	4	4
Agriculture Innovation Center .....	3	3	3	3	3	3
Value-Added Producer Grants.....	12	12	12	12	15	15
Rural Energy for America Grants.....	10	10	10	10	30	30
Rural Energy for America Loans.....	20	0	47	0	20	0
Subtotal, RBS Programs.....	1,122	112	778	112	1,771	158
Salaries and Expenses.....	4	4	4	4	4	4
Total, Discretionary Programs.....	1,126	117	783	117	1,775	163
<b>Mandatory:</b>						
Farm Bill:						
Biorefinery for Advanced Biofuels .....	7	7	7	7	7	7
Higher Blends Infrastructure Program.....	-	-	100	100	-	-
Rural Energy for America Loans.....	530	10	595	5	635	1
Rural Energy for America Grants.....	40	40	45	45	49	49
Local Agriculture Market Program .....	19	19	19	19	19	19
Biobased Market Program .....	3	3	3	3	3	3
Rural Economic Development Grants .....	-	-	5	5	5	5
Total, Mandatory Programs.....	598	78	774	184	718	84
<b>Supplemental Funding:</b>						
Value-Added Producer Grants (LAMP COVID) .....	38	38	-	-	-	-
Total, Supplemental Funding .....	38	38	-	-	-	-
Total, RBS.....	1,763	233	1,557	301	2,493	247

**Table Footnotes**

<sup>a/</sup> Funding for these programs is provided from electric cooperative investments and fees.

**Business and Industry Guaranteed Loan Program**

The Business and Industry (B&I) Guaranteed Loan Program provides lenders protection against loan losses so they are willing to extend credit to establish, expand, or modernize rural businesses. The B&I program promotes the creation and expansion of rural businesses by assisting them to secure start-up capital, finance business expansion, and create jobs, which helps to diversify the rural economy, including in such sectors as local and regional food and the bioenergy/bio-economy.

The Budget supports \$1.5 billion in B&I loan guarantees – an increase of \$600 million from the 2021 enacted level with a budget authority of \$32 million.

**Rural Innovation Stronger Economy Grants (RISE)**

The Budget requests \$5 million for the Rural Innovation Stronger Economy grants program established by the Agriculture Improvement Act of 2018. These grants will assist distressed rural communities, particularly energy communities, in establishing jobs accelerators to create good jobs.

**Rural Business Development Grants**

The Budget maintains \$37 million in budget authority for the rural business development grant program. The program provides grants and technical assistance to small and emerging private businesses in rural areas for economic and community development.

**Intermediary Relending Program**

The Intermediary Relending Program provides one percent interest direct loans to entities that relend to rural businesses and use their interest earnings to pay for their administrative expenses and develop capital reserves. The Budget maintains a program level of \$19 million in direct loans.

**Rural Economic Development Loans and Grants**

This program provides zero percent interest loans to local utilities which, in turn, provide funding to local businesses for projects that will create and retain employment in rural areas. Grant funds are provided to local utility organizations that use the funding to establish revolving loan funds. Loans are made from the revolving loan fund to projects that will create or retain rural jobs. The Budget requests an increase of \$5 million in grants to \$15 million and an increase of \$25 million in loans to a total of \$75 million in loans.

**Rural Microentrepreneur Assistance Program**

The Budget request \$6 million in budget authority to support a total program level of \$30 million. Grants are made to provide training, operational support, business planning, and market development assistance. Loans are made to microenterprise development organizations for relending to rural businesses. This program is essential for developing small business in rural areas.

**Rural Cooperative Development Grants**

The Budget increase its request by \$4.1 million from the 2021 enacted level to \$30.7 million for Rural Cooperative Development Grants. The request includes \$4.1 million to assist minority producers with distribution systems for locally produced products and the development of new cooperatives. This request also includes \$15 million for the Value-Added Producer Grants Program and \$3 million for the Agriculture Innovation Center.

**Rural Energy for America Program (Section 9007).**

The Budget requests \$20 million in loans and \$30 million in grants under this program in addition to the mandatory funding of \$50 million for renewable energy systems and energy efficiency improvements.

**Healthy Foods Financing Initiative.**

The Budget requests \$5 million for loans and grants under the Healthy Foods Financing Initiative. This program supports access to healthy foods in underserved areas, helping create and preserve quality jobs and revitalize low-income communities.

**RURAL DEVELOPMENT**

In USDA's efforts to enhance customer services with streamlined processes, RD is making strides to reduce redundancies and inefficiencies. Supporting these objectives, the Budget proposes an increase of 593 FTEs, of which 16 FTEs are supported by ReConnect administrative set aside. The Budget provides a total of \$954 million for salaries and expenses, which will enable RD to modernize its workforce by building capacity with an emphasis on customer service, of which \$93.7 million increase is for increased staffing capacity. The Budget requests \$73.6 million for Information Technology (IT) capabilities to support a mobile workforce, improve customer interactions, and to replace or migrate IT legacy systems.

Over the past 20 years, RD staff has declined significantly while program level funding has increased. RD used productivity data to create a five-year staffing model to estimate the full staffing level required to deliver its authorized permanent programs (not including supplemental programs such as those authorized in the CARES Act, the American Rescue Plan Act, or the Infrastructure Investment and Jobs Act) and determined it would require 6,556 FTES (including 3,185 at the State level and 1,172 program staff in RUS, RHS, and RBCS) to effectively deliver those programs.

It is essential that RD continue to increase its staffing levels, especially because of the new, more comprehensive programs being implemented, such as climate-smart building requirements in the housing programs, that require more time to review and evaluate applications and to obligate the funding. Providing additional program funding without building the capacity to deliver on those programs means the full potential for those programs may not be realized.

Similarly, RD faces a serious backlog in its efforts to modernize its IT infrastructure. RD implemented an Investment Review Board (IRB) process in 2021 that ensures agency leadership can evaluate and rank IT DME requests and identify those that best support Administration priorities and/or mitigate agency risks. Those rankings, along with other factors such as critical operational upgrades or IT needs for new programs, are used to make final funding decisions for IT DME projects. Failure to upgrade and modernize the IT infrastructure increases the manual workload on staff, delays funding decisions for program participants, and increases the risk for improper payments or errors.

Some key IT investments include modernizing the mission systems, including single family housing delegated authority; modernizing the financial system, including the loan accounting platform and the default management service; and improving document management, including enhanced automated mail processing. Some projects would improve the customer experience, empowering the public to access RD programs remotely, while others would lessen the administrative burden on staff, enabling them to focus on program customer service.

Included in the Budget request is \$39 million for a renewed and expanded initiative to leverage USDA’s extensive network of county-based offices to help people in high poverty counties, including energy communities. Referred to as the Rural Partners Network, RD will coordinate with other USDA and Federal agencies in an all-of-Government approach to connect rural stakeholders with Federal programs and resources.

*Table RD-5. Rural Development (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
Salaries and Expenses:			
Appropriation .....	\$264	\$264	\$504
Transfers:			
Rural Electric and Telecommunications Loan Program.....	33	33	33
Rural Housing Insurance Fund Program .....	412	412	412
Rural Development Loan Fund Program.....	4	4	4
Total, Transfers.....	450	450	450
Total, Salaries and Expenses .....	714	714	954
Total, Rural Development .....	714	714	954

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## *FOOD, NUTRITION, AND CONSUMER SERVICES*

### **MISSION**

The Food and Nutrition Service (FNS) mission area includes programs and funding to provide access to safe, nutritious, and wholesome meals, while promoting a healthy diet.

Within the FNS mission, the Food and Nutrition Service (FNS) administers USDA's domestic nutrition assistance programs. Working in partnership with State agencies and other cooperating organizations, FNS helps ensure children and low-income Americans have sufficient food to support nutritious diets. Within FNS, the Center for Nutrition and Policy Promotion (CNPP) improves the health of Americans by developing and promoting dietary guidance that links the best evidence-based, scientific research to the nutrition needs of Americans. Over the course of a year, one in four Americans is served by one of USDA's 15 nutrition assistance programs. FNS is committed to continually improving the performance, efficiency, and integrity of these programs.

FNS Federal staff leverage their efforts by working with State and local partners to deliver nutrition assistance through the Supplemental Nutrition Assistance Program (SNAP); Child Nutrition Programs, including the National School Lunch Program (NSLP), the School Breakfast Program (SBP), the Summer Food Service Program (SFSP), and the Child and Adult Care Food Program (CACFP); the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); The Emergency Food Assistance Program (TEFAP); the Food Distribution Program on Indian Reservations (FDPIR); and several similar programs targeted to specific needs.

## **FOOD AND NUTRITION SERVICE**

The Budget provides funding for the major nutrition assistance programs, accounting for projected program participation and food cost inflation. It seeks to prevent and reduce food insecurity and improve the nutritional status of recipients.

FNS will continue efforts to promote healthy eating in part by the use and promotion of MyPlate and the Dietary Guidelines for Americans. CNPP works in collaboration with the Department of Health and Human Services to develop the Dietary Guidelines for Americans to promote health and prevent chronic disease. Funding requested for nutrition education and security will be used to address core Administration priorities such as tackling health inequities by meeting the individual needs of culturally diverse communities; understanding key barriers and motivators to healthy eating; lifting up credible voices and working with those trusted partners to help reach these communities with evidence-based strategies and resources that meet people where they are culturally, financially and personally; and identifying systems of support to encourage sustained healthy eating behaviors to protect their health.

Mounting evidence supports the effectiveness of USDA nutrition education and promotion efforts to improve knowledge and catalyze healthier behaviors. Still, USDA faces multiple challenges in its efforts to deliver effective and cohesive nutrition education across programs. The Budget seeks funding for a new initiative to build and broaden FNS' capacity to deliver effective nutrition education and promotion to *all* Americans within existing program structures by supporting research and evaluation of effective strategies; leveraging partnerships with States, local, and nongovernmental organizations; targeting underserved communities with culturally appropriate resources and interventions; and improving public access to USDA's nutrition education resources.

*Table FNS-1. FNS Budget Authority (millions of dollars)*

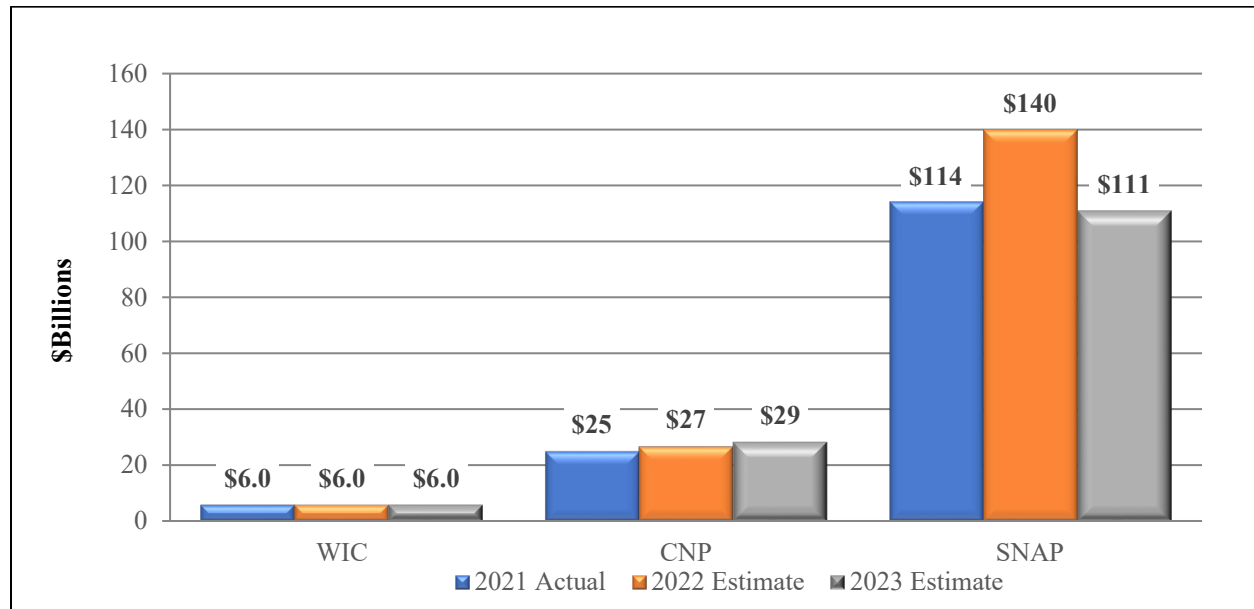
Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary Programs:</b>			
Special Supplemental Nutrition Program (WIC) <sup>a</sup> .....	\$6,000	\$6,000	\$6,000
Commodity Assistance Program:			
Commodity Supplemental Food Program .....	325	325	339
The Emergency Food Assistance Program (TEFAP), Soup Kitchens, Food Banks.....	80	80	100
Farmers' Market Nutrition Program .....	21	21	25
Pacific Island Assistance and Disaster Assistance.....	1	1	1
Nutrition Services Incentive Program <sup>b</sup> .....	1	-	-
Total, Commodity Assistance Program.....	428	427	465
Nutrition Programs Administration .....	157	157	239
Total, Discretionary Programs.....	6,585	6,584	6,704
<b>Mandatory Programs:</b>			
WIC: Universal Product Database.....	1	1	1
Supplemental Nutrition Assistance Program (SNAP).....	114,040	140,360	111,182
Child Nutrition Programs (CNP).....	25,124	26,850	28,588
Permanent Appropriations.....	214	219	230
Farm Bill:			
Seniors Farmers' Market Nutrition Program.....	21	21	21

Item	2021 Actual	2022 Estimate	2023 Budget
TEFAP Farm Bill Projects.....	4	4	4
Total, Mandatory Programs.....	139,404	167,455	140,026
Total, FNS .....	145,988	174,039	146,730
Additional Coronavirus Response and Relief:			
<b>Emergency Supplemental (Division N)</b>			
Pandemic EBT.....	44,000	-	-
PEBT Grants to States .....	1,100	-	-
Emergency Costs for State and Local CN Providers .....	1,500	-	-
SNAP Waiver Authority.....	3,600	-	-
SNAP Relief Benefits – 15% increase to SNAP .....	7,634	-	-
SAE Mass Change.....	100	-	-
Puerto Rico Supplemental .....	597	-	-
American Samoa Supplemental.....	2	-	-
CNMI Supplemental.....	14	-	-
TEFAP Food and Admin.....	400	-	-
Commodity Supplemental Food Program .....	13	-	-
Online Purchasing & Tech Improvements.....	5	-	-
<b>American Rescue Plan Act</b>			
SNAP Relief Benefits – Extension of 15% increase .....	3,817	-	-
State Administrative Expenses .....	1,135	-	-
P-EBT Benefits.....	-	25,000	-
PEBT Grants to States .....	-	300	-
Online Purchasing & Tech Improvements.....	25	-	-
Puerto Rico Supplemental .....	966	-	-
American Samoa Supplemental.....	4	-	-
CNMI Supplemental.....	30	-	-
Extension of SNAP Waiver Authority .....	-	3,600	-
Commodity Supplemental Food Program .....	37	-	-
Improvements to WIC Benefits .....	490	-	-
WIC Program Modernization .....	390	-	-
CACFP Benefits in Homeless Shelters up to Age 25 .....	180	-	-
Total, Additional Coronavirus Response and Relief .....	66,039	28,900	-
Total, FNS	212,027	202,939	146,730

a/ Does not reflect cancelled unobligated balances.

b/ Funds are transferred from the Department of Health and Human Services, Administration on Aging. Funds for 2022 will be determined at a later date.



*Figure FNS-1. FNS Budget Authority*

### Supplemental Nutrition Assistance Program (SNAP)

SNAP will continue to respond to economic need during the Nation's recovery from the pandemic. In 2023, participation is estimated to increase to an average level of 43.5 million participants per month from 42.3 million in 2022. This post-recession uptick in SNAP is consistent with participation trends following past economic crisis. While participation is expected to increase, the overall cost of the program is expected to decrease. The decrease is due to the expected expiration of emergency authorization (EA) payments that were provided through the Families First Coronavirus Response Act (FFCRA) during fiscal years 2020 through 2022. EA payments and other program waivers are anticipated to continue for the length of the Public Health Emergency, likely through the majority of 2022.

Requested increases for SNAP focus on research funding to evaluate the changes to the Thrifty Food Plan, improving customer service for retailers through the development of an on-line case management and communication portal, increasing the number of store visits, and developing a fraud framework information clearinghouse.

Research has shown that participation in SNAP reduces food insecurity and enables families to have healthier diets. SNAP stretches the food budget of eligible low-income people by providing a monthly allotment of benefits on a debit card to purchase healthy food at authorized stores. The SNAP participation rate is the percentage of eligible people in the United States who participate in the program. Participation rates vary widely from State to State with the highest rates at close to 100 percent and the lowest at around 50 percent. Often, the lowest participation rates are among the working poor, i.e., those families with earned income that still qualify for SNAP. Strategies to improve participation rates include efforts to reduce the time, cost, and administrative burdens of States participating in the nutrition assistance programs so that State agencies can spend more time on outreach and application support for SNAP participants.

*Table FNS-2. KPI – Access to Food and Participation in SNAP*

<b>Key Performance Indicator</b>	<b>2021 Actual</b>	<b>2022 Target</b>	<b>2023 Target</b>
Percentage of American households with consistent, dependable access to food	-	89.2	89.4
Annual average monthly Supplemental Nutrition Assistance Program (SNAP) participation rate	-	82.1	82.2

FDPIR provides food packages to Indian Tribal Organizations to improve nutrition and provide culturally appropriate sustenance. The Budget requests \$145 million in 2023 to fund FDPIR food and administrative costs, up from \$126 million in 2022. The increase is due to an expected increase in FDPIR participation as Emergency Allotment payments in SNAP expire - with a resulting decline in monthly SNAP benefits. FDPIR participants are generally able to choose whether they participate in SNAP or FDPIR. As SNAP benefits decline, the budget anticipates that more eligible Tribal members will choose to participate in FDPIR. The program is projected to serve 80,000 participants a month in 2023, an increase from expected annual participation of about 55,000 in 2022. The request includes almost \$31 million for the Nutrition Assistance Program (NAP) in The Commonwealth of the Northern Mariana Islands (CNMI) to ensure they have the resources needed to support current NAP participation and benefit levels.

### **Child Nutrition Programs**

Through subsidies for meals that meet program standards, the National School Lunch Program, School Breakfast Program, Summer Food Service Program, Child and Adult Care Food Program, Fresh Fruit and Vegetable Program, and Special Milk Program assist State and local governments and private non-profit organizations in ensuring that meals provided to children in schools and child care – and adults in adult day care programs – meet their nutritional needs, foster healthy eating habits, and safeguard their health with a goal of reducing the number of overweight and obese children. The Budget funds the Child Nutrition Programs through new appropriations and prior year balances, at a level that will support anticipated increases in participation and food cost inflation. The Budget projects serving 5.6 billion lunches and snacks (an increase of about 350 million over the current estimate for 2022) and 2.7 billion breakfasts in schools, 2.2 billion meals in child and adult care programs, and 145 million meals through the Summer Food Service Program.

Requested increases for Child Nutrition Programs include funding to research the feasibility of a national technology system for States conducting Administrative Reviews of the school meals programs, as well as reviews of CACFP and SFSP providers, additional funding to expand Food Safety education, modernizing food ordering and commodity inventory management systems, and funding to restore FNS' ability to provide timely technical support to States.

The budget request includes a level of funding for State Administrative Expenses, to ensure that States are held harmless from dramatic shifts in Child Nutrition operations during School Year 2021-2022 as a result of the pandemic.

The Budget funds Farm to School initiatives at \$23.4 million, including \$6.4 million for the Farm to School Team, \$5 million provided annually under Section 18 of the Richard B. Russell National School Lunch Act for Farm to School grants, and an additional \$12 million requested in a General Provision.

The budget also maintains the maximum level of a Farm to School grant of \$500,000, as provided in 2021 appropriations to ensure that the grants are large enough to launch or expand Farm to School programming. These grants ensure continued support of local and regional food systems by facilitating linkages between schools and their local food producers.

*Table FNS-3. KPI - National School Lunch Program (NSLP) and School Breakfast Program (SBP) Participation*

Key Performance Indicator	2021	2022	2023
	Actual	Target	Target
Annual percentage of eligible children participating in NSLP	*	82.1	82.2
Annual percentage of eligible children participating in School Breakfast Program	*	31	31

\* Note: Due to unanticipated school closures as a result of the Coronavirus pandemic (COVID-19), the actual 2021 figure is impacted due to the changes in meal service levels. Additionally, many schools served meals through the Summer Food Service Program (SFSP) which is not included in this metric.

### Special Supplemental Nutrition Program for Women, Infant, and Children (WIC)

WIC helps improve the health and nutritional intake of low-income pregnant, breastfeeding, and postpartum women, infants, and children up to their fifth birthday. WIC serves about half of all babies in the United States. It provides participants with benefits, redeemable at certified WIC retailers, for foods dense in nutrients known to be lacking in the diets of eligible groups. The program also provides nutrition education, breastfeeding counseling, and referrals to critical health and social services.

The Budget includes \$6.0 billion to serve all projected participants seeking WIC benefits in 2023. Building on increases provided by the American Rescue Plan Act in 2021, the budget proposes to continue the provision of enhanced Cash Value Benefits (CVBs) through 2023 to ensure that all participating women and children have access to the scientific-based recommended level of fruits and vegetables thereby improving health outcomes as well as program retention. In addition, the program projects an increase in the food package cost that is being driven by food inflation costs. In 2023, an average of 6.3 million low-income women, infants and children are expected to participate in the program each month.

*Table FNS-4. KPI – Participation in WIC (in millions)*

Key Performance Indicator	2021	2022	2023
	Actual	Target	Target
Annual average monthly participation in the Special Supplemental Nutrition Program for Women, Infants, and Children	6.25	6.15	6.25

### Commodity Assistance Program (CAP)

The Budget provides \$464 million for CAP. The Budget includes a \$13.6 million increase for the Commodity Supplemental Food Program to ensure caseloads do not decline; a \$20.4 million increase for TEFAP administration, bringing the request up to the authorized level of \$100 million; and a \$3.5 million increase for the Farmers' Market Nutrition Program.

### Nutrition Programs Administration (NPA)

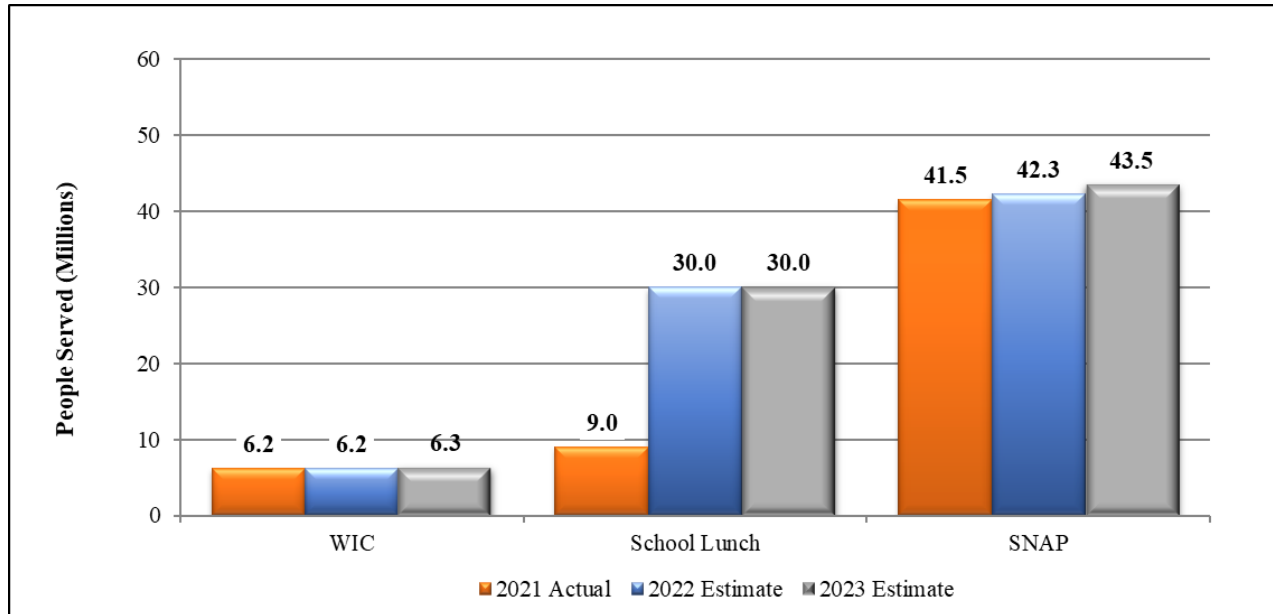
The Budget provides almost \$239 million for NPA to support Federal management and oversight of USDA's investment in nutrition programs. This will help ensure oversight and program integrity, simplify, and improve the programs, and encourage healthy and nutritious diets. The request includes an increase of over \$17 million for CNPP, an increase of \$2 million to provide cross-program technical assistance for Tribal Communities, an increase of \$1 million to ensure FNS programs are administered equitably, an increase of \$16 million to focus on improving

nutrition security, an increase of \$1 million to research the impact of the Thrifty Food Plan on FNS programs outside of SNAP, and an increase of \$6 million to focus on research into infant and maternal mortality.

*Table FNS-5. FNS Key Indicators*

Item	2021 Actual	2022 Estimate	2023 Estimate
<b>Average Participation, Millions:</b>			
Supplemental Nutrition Assistance Program (per month)	41.5	42.3	43.5
Free School Lunch	9.0	21.0	21.0
All School Lunches (per day)	9.0	30.0	30.0
Free School Breakfast	6.0	13.0	13.0
All School Breakfasts (per day)	6.0	16.0	16.0
WIC (per month)	6.2	6.2	6.3
Commodity Supplemental Food Program (CSFP):			
Elderly (per month)	0.66	0.76	0.76
FDPIR (per month)	0.05	0.06	0.08
<b>Average/Person/Month Food Benefit:</b>			
Supplemental Nutrition Assistance Program	\$217.33	\$250.98	\$186.99
WIC <sup>1/</sup>	36.01	49.03	51.56
CSFP: Elderly (FNS Funded)	27.37	33.24	37.31
FDPIR (FNS Funded)	78.51	81.96	85.42
<b>Per Meal Subsidies Including Commodities:</b>			
<b>School Lunch:</b>			
Free	3.60	3.75	3.90
Reduced	3.20	3.35	3.50
Paid	0.42	0.44	0.45
<b>School Breakfast:</b>			
Free	2.26	2.35	2.44
Reduced	1.96	2.05	2.14
Paid	0.32	0.33	0.34

<sup>1/</sup> Includes the cost of the additional Cash Value Voucher funding in 2022 and 2023.

*Figure FNS-2. People Served Through Nutrition Assistance Programs (Actual and Projected)*

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## *FOOD SAFETY*

### **MISSION**

The Food Safety mission area is responsible for ensuring that the Nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and properly labeled and packaged. This includes products produced domestically in Federally inspected establishments, and products imported from foreign countries.

The mission area covers the activities of the Food Safety and Inspection Service (FSIS), a public health regulatory agency which provides Federal inspection of meat (including Siluriformes fish), poultry and egg products; supports cost-share funding of State meat and poultry inspection programs; implements the Public Health Information System to assign and track science-based, data-driven inspections; and determines international equivalence of foreign food safety systems and verifies that these systems maintain equivalence. Additionally, the Under Secretary for Food Safety chairs the U.S. Codex Policy Committee, which is an interagency partnership providing leadership for U.S. Government participation in the work of the Codex Alimentarius to develop the international food standards used by governments and industry to protect consumer health and to ensure fair trade practices. FSIS coordinates the development of its policies with other USDA and Federal agencies, including the Food and Drug Administration (FDA), the Centers for Disease Control and Prevention (CDC), and the Environmental Protection Agency, to support an integrated approach to food safety.

One of FSIS' strategic goals is to prevent foodborne illness. Foodborne illness is recognized as a significant public health problem in the United States. About 128,000 people are hospitalized, and 3,000 die each year from foodborne diseases, according to estimates from the CDC. USDA and other Federal agencies are working in cooperation to ensure that Americans have access to safe and healthy food and to prevent foodborne illnesses.

The safety and well-being of FSIS employees continues to be a top priority as the agency fulfills its Congressionally mandated mission to provide safe and wholesome meat, poultry, and egg products to consumers. Throughout the COVID-19 pandemic, FSIS protected its employees by supplying and requiring the use of personal protective equipment (PPE) and adapted its policies as the CDC, Occupational Safety and Health Administration and USDA guidance evolved.

In 2021, FSIS and the state of South Dakota finalized a Cooperative Interstate Shipment (CIS) agreement, which allow for certain state-inspected very small and small meat and poultry processors to ship their products across state lines, bringing the total number of states participating in this program to nine. FSIS continues to work with additional states to bring them into the CIS program which will allow for the expansion of business opportunities for state-inspected meat and poultry establishments that have fewer than 25 employees. Recognizing how critical small and very small plants are to the Nation's food supply, FSIS is working to strengthen and build fairer markets for these producers through critical infrastructure and business investments in 2021. In the American Rescue Plan Act (ARP), enacted on March 11, 2021, Congress provided FSIS with \$100 million to reduce the costs of overtime and holiday inspection fees for small and very small federally inspected meat, poultry, and egg products establishments.

In 2021, FSIS announced the availability of revised guidelines to assist poultry establishments in controlling *Salmonella* and *Campylobacter* in raw poultry. The revised guidelines will assist FSIS

in achieving its public health goal of preventing foodborne illnesses and further protecting the food supply by providing “best practice” recommendations for poultry establishments.

FSIS will continue to move forward in developing a more comprehensive strategy to reduce *Salmonella* illnesses associated with poultry products. The agency is initiating several key activities to gather the data and information necessary to support future action. FSIS will seek stakeholder feedback on specific *Salmonella* control and measurement strategies, including pilot projects, in poultry slaughter and processing establishments. A key component of this approach is encouraging preharvest controls to reduce *Salmonella* contamination coming into the slaughterhouse. The data generated from pilots and other sources will be used to determine if a different approach could result in a reduction of *Salmonella* illness in consumers. FSIS has created a new Key Performance Indicator in 2022 to track its success with these activities.

In addition to its work ensuring safe and wholesome products are available to the consumer, FSIS also develops materials for consumers and conducts public education campaigns to inform consumers about safe food handling methods to decrease the likelihood of foodborne illness from improper storage, handling, or preparation.

FSIS continues to strengthen its collaboration with the CDC and FDA to meet its goal to improve coordination of Federal food safety efforts and address cross-cutting priorities for food safety data collection, analysis, and use. On July 28, 2021, USDA and FDA signed a Memorandum of Understanding (MOU) to permit more efficient use of resources and contribute to improved public health protection. FSIS expects the MOU to enhance the exchange of information between USDA and FDA related to dual jurisdiction establishments and operations. In recent years, the development of cell-cultured products derived from the cells of animals has raised questions about regulatory jurisdiction, food safety controls and the labeling of cell-cultured meat and poultry products. FSIS and FDA also continued their collaboration on cellular agriculture through 2021. FSIS published an advance notice of proposed rulemaking (ANPR) to solicit public comments pertaining to the labeling of meat and poultry products comprised of or containing cultured cells derived from animals subject to the FMIA or the PPIA. FSIS will use the comments and information submitted through this ANPR to develop proposed regulations for the labeling of meat and poultry products made using animal cell culture technology.

To accomplish its functions, FSIS inspectors are located at over 6,600 regulated establishments, including slaughtering and processing establishments and import establishments. Headquarter personnel are responsible for overseeing administration of inspection and ensuring that scientific and technological developments are incorporated into inspection procedures, as well as developing policies and guidance documents for the regulated industry.

*Table FSIS-1 Key Performance Indicator Targets by Fiscal Year*

Item	2021 Actual	2022 Target	2023 Target
Percent reduction in the proportion of poultry samples with <i>Salmonella</i> serotypes commonly associated with human illness*	0	2	4

\*Targets are a total reduction from a baseline established in 2021.

## **BUDGET**

The Budget proposes discretionary funding of \$1.226 billion, an increase of \$150.4 million from the 2022 Annualized Continuing Resolution (CR). FSIS spends 80 percent of its funding on salaries and benefits, predominantly for inspection personnel in establishments, and other frontline employees such as investigators and laboratory technicians. The budget includes \$52.2 million for pay costs, \$6.4 million for Federal Employees' Retirement System contributions, and \$4.9 million for non-salary inflationary increases to support and maintain the staffing levels necessary to carry out the Agency's critical food safety mission.

USDA continues to make significant investments to expand capacity and increase competition in meat and poultry slaughter and processing in an effort to make agricultural markets more accessible, fair, competitive, and resilient for American farmers and ranchers. With funding made available in the American Rescue Plan, FSIS has reduced the overtime and holiday fees by 30 percent for small and 75 percent for very small establishments. The agency continues to assess the factors affecting the ability of small slaughter and processing establishments to remain competitive with larger facilities that can more easily absorb the overtime charges due to their production volume. To alleviate the disproportionate financial impact that overtime and holiday inspection fees have on small and very small establishments, the Budget includes \$44.1 million to continue reducing the full rate charges that hamper small and very small establishment's ability to be competitive and expand. This proposal will not only help small establishments stay in business, but it also helps provide smaller farmers with more options for their product.

The Budget also includes an investment of \$10.3 million to modernize FSIS' aging information technology (IT) infrastructure. These funds will be used to increase connectivity to mission critical systems for frontline FSIS inspectors, veterinarians and public health professionals; reduce security issues; facilitate domestic and international trade; and develop a capability to receive lab sample data from external organizations. Mission critical IT assets, such as the Public Health Information System, facilitate the collection and sharing of vital data that allows FSIS to continually improve performance of its food safety mission and achieve operational excellence.

To address the continuing difficulty that FSIS has in recruiting and retaining Public Health Veterinarians (PHVs), the budget includes \$2.8 million for incentives to recruit and retain PHVs. With this funding, FSIS is expected to decrease vacancies, reduce in-plant PHV turnover, improve employee morale and free up supervisors to perform other important functions instead of continually recruiting, interviewing, and training new PHV employees.

Lastly, the Budget requests the final installment of \$29.7 million for the relocation, due to environmental issues and deteriorating infrastructure, of its Mid-Western Laboratory (MWL) currently located in St. Louis, Missouri. The General Services Administration has developed more detailed build requirements for the MWL and assessed local factors more closely resulting in the latest cost estimate.

FSIS continually searches for ways to improve its processes and gain savings through ongoing management reforms and modernization efforts. These efforts will allow FSIS to maintain food safety oversight and reduce operating expenses while allowing FSIS to continue to meet its mandate to protect public health.



*Table FdS-1. FSIS Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Federal Food Safety and Inspection .....	\$957	\$957	\$1,104
State Food Safety and Inspection .....	67	67	68
International Food Safety and Inspection .....	17	17	19
Public Health Data Communication Infrastructure System.....	35	35	35
Goodfellows Mid-Western Laboratory Relocation (GP).....	16	-	-
Total, Discretionary Programs.....	1,092	1,076	1,226
<b>Mandatory:</b>			
Trust Funds (Voluntary Inspection Services) .....	18	17	17
User Fees (Overtime/Holiday Inspection Services).....	253	205	205
American Rescue Plan.....	100	-	-
Total, Mandatory Programs.....	371	222	222
<b>Total, FSIS .....</b>	<b>1,462</b>	<b>1,298</b>	<b>1,448</b>

### User Fees and Trust Funds

FSIS estimates it will collect \$222 million in 2023 through existing user fee and trust fund activities for providing overtime, holiday, and voluntary inspection services.

### Proposed Legislation

In 2023, FSIS will propose changes to the current Overtime/Holiday billing policy. Current policy prevents FSIS from employing part-time employees or providing flexible schedules to employees while still collecting fees for services provided as requested by the plant.

FSIS will propose changes to provide flexible scheduling for inspectors who prefer to work fewer hours rather than requiring them to work all hours and days of plant operations. FSIS will also review how fees are applied to establishments outside of their normal hours of operations to ensure that there is equity between very small, small, and large establishments.

**NATURAL RESOURCES AND ENVIRONMENT**

**MISSION**

The Natural Resources and Environment (NRE) mission area ensures the sustainable and productive use of the over 193 million acres of National Forest System (NFS) lands, works to increase the resilience of Federal, State, private, and Tribal lands to the impacts of climate change, delivers high quality and equitable recreation and other human connections to National Forests, supports jobs and the economic stability of rural and urban forest-dependent communities, and helps the Nation mitigate wildfire risk through improved forest conditions and wildland fire fighting. The Mission Area includes the Forest Service.

**FOREST SERVICE**

*Table NRE-1. FS Budget Authority (millions of dollars)*

Items	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Forest Service Operations.....	\$1,026	\$1,026	\$1,113
Forest and Rangeland Research.....	259	259	318
State and Private Forestry.....	267	267	307
National Forest System.....	1,787	1,787	2,181
Wildland Fire Activities .....	1,927	1,927	2,679
Capital Improvement and Maintenance.....	140	140	140
Land Acquisition accounts .....	1	1	1
Other Appropriations.....	4	4	3
Total, Discretionary Programs.....	5,411	5,411	6,741
<b>Wildfire Suppression Operations Reserve Fund:</b>			
Wildfire Suppression Operations Reserve Fund.....	2,040	2,040	2,210
<b>Mandatory:</b>			
Permanent Appropriations.....	487	507	507
Trust Funds.....	141	236	236
Other Mandatory .....	221	221	221
Total, Mandatory Programs.....	850	964	964
<b>Supplemental Appropriations:</b>			
Disaster Relief Appropriations (P.L. 117-43).....	-	1,360	-
Infrastructure Investment and Jobs Act (P.L. 117-58).....	-	1,666	945
Total, Supplemental Appropriations.....	-	3,026	945
Total, FS .....	8,301	11,442	10,860

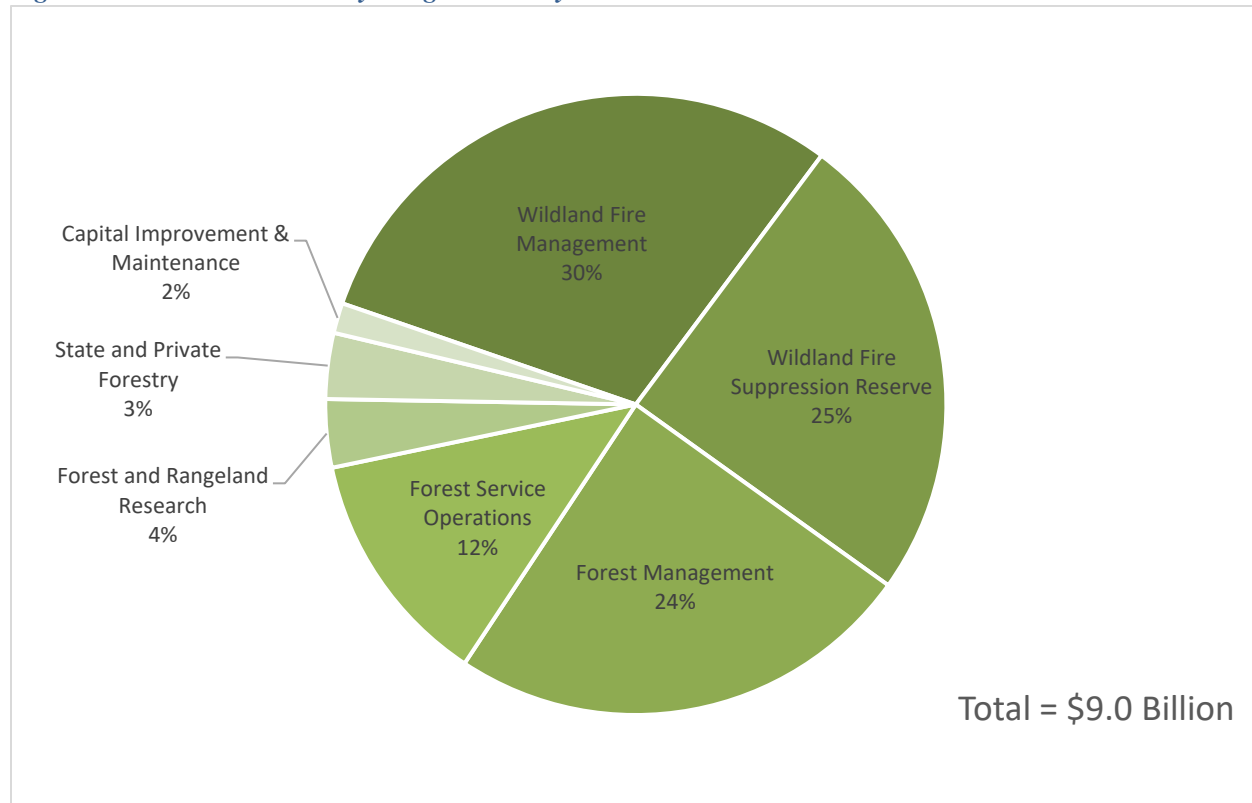
Table Footnote 1: Other Mandatory includes Forest Legacy (Great American Outdoors Act), Land Acquisition (Great American Outdoors Act), and Land facilities enhancement.

Table Footnote 2: The 2023 Infrastructure Investment and Jobs Act (P.L. 117-58) funds are advance appropriations.

The 2023 Forest Service Budget request prioritizes critical investments to address threats from wildfire, tackle climate change, protect communities, provide economic relief through job creation, advance racial equity, and further improve our work environment. To address these challenges, the Forest Service requests significant investments for wildfire risk management to implement the Administration’s climate innovation agenda. Wildfire risk management helps the agency improve the resilience of forest and rangeland ecosystems from multiyear drought conditions and protect

watersheds, habitat, and communities from the negative impacts of uncharacteristically severe wildfire. These priorities build on the unprecedented additional funding provided by the Infrastructure Investment and Jobs Act, (P.L. 117-58), and will allow the Forest Service to build new and increased capacity to work with partners to improve the resilience of landscapes and watersheds across boundaries, reduce wildfire risk by treating the right acres at the right scale, restore infrastructure, support outdoor recreation, and invest in the reforestation of impacted landscapes. The proposed 2023 investments are detailed in Figure NRE-1 and described in further detail in the program areas below.

*Figure NRE-1. FS Discretionary Budget Authority*



### **Forest Service Operations**

For 2023, \$1.1 billion is proposed for Forest Service Operations to support staff salaries and expenses, facilities maintenance and leases, information technology, and administrative support for the agency. This account was created in 2021 as part of the Forest Service budget restructure and is the result of the agency's ongoing commitment to transparency in the delivery of its mission. The Budget provides funds for increased staffing levels necessary to address the Administration's priorities of racial justice, equity, and inclusion, as well as increased Information Technology funds to help the agency address climate resilience and conservation on public and private lands, remediate abandoned wells and mines, and mitigate wildfire risk through data and system developments.

### **Forest and Rangeland Research**

The Forest Service maintains the world's largest forest research organization, with a mission to develop the knowledge and technology needed to improve the health and use of our Nation's forests and grasslands, making the agency uniquely poised to help mitigate the adverse impacts from climate change. For 2023, \$318 million is proposed for Forest and Rangeland Research to continue investments in scientific research priorities, including improving the understanding of

climate change, increasing adaptation and resilience to climate change, and pursuing nature-based climate solutions. This funding includes an increase of \$39 million, which will allow the Forest Service to invest more in research related to climate mitigation, adaptation, and resilience, including expanding the scope and scale of research and program delivery related to reforestation, carbon sequestration, carbon accounting, and fire and fuels research. The Forest Service will also dedicate \$6 million to USDA Climate Hubs, accelerating science production and technology transfer to aid land management agencies, private landowners, and agricultural producers, including foresters, with information on scientifically sound climate adaptation practices.

### **State and Private Forestry**

Through State and Private Forestry programs, the Forest Service advances the health of Federal, State, and private lands, creating a more connected, contiguous, and resilient forest landscape. For 2023, \$307 million is proposed for State and Private Forestry programs, which will help provide support to keep working forests intact, facilitate sound stewardship of lands across all ownerships on a landscape scale, and provide an avenue for nature-based climate solutions to enhance ecosystem and human community resilience to climate change.

State and Private Forestry programs support voluntary stewardship efforts of private landowners to pursue a collaborative and inclusive approach to conservation. The Budget continues the Forest Service's Shared Stewardship approach of working together to make decisions and take actions on the land, sharing information and risks, and achieving measurable outcomes. Focusing on collaborative, science-based restoration of priority forest landscapes, the Budget requests a \$26 million increase, in addition to an associated increase for salary and expense funding, for work on Forest Health Management, Landscape Scale Restoration, and Forest Stewardship to support performance measures for the America the Beautiful initiative and other climate resilience outcomes.

### **National Forest System**

The Forest Service manages over 193 million acres of public land in 44 States and Puerto Rico, collectively known as the National Forest System (NFS). The Budget proposes to fund NFS at \$2.2 billion, prioritizing forest restoration, recreation service delivery, climate smart land management, and reducing wildfire risk. Over the past 15 years, the Forest Service has lost more than 40 percent of its non-fire positions, significantly limiting its ability to perform other critical mission work within the NFS. The Budget includes an investment of \$170 million to strengthen its workforce in support of the Infrastructure Investment and Jobs Act (H.R. 3684) and other agency priorities.

NFS lands have seen an unprecedented increase in the number of visitors during the pandemic, and the Forest Service is pursuing innovative ways to serve the recreational needs of new and returning visitors while managing the associated social and environmental impacts. The Budget includes a \$74 million increase to expand capacity for critical recreation operations, planning, services, and improvements, which will allow the Forest Service to address and serve the recreational needs of the increasing numbers of visitors on NFS lands, particularly in more dispersed recreation settings.

The Budget requests a \$70 million investment in Vegetation and Watershed Management to help support post-wildfire restoration work necessary for improving watershed and landscape conditions for areas impacted by catastrophic wildfire that do not qualify for Burned Area

Emergency Response (BAER). This additional funding to rehabilitate burned areas would reduce the negative impacts of having to choose between rehabilitation of burned areas and other natural resource management priorities.

### **Wildland Fire Management**

Climate change is increasing the severity and frequency of wildfires. The summer of 2021 was one of the worst fire seasons in modern times- the agency was at a record 68 days at Preparedness Level 5, indicating the highest demand for wildland fire suppression resources. Traditional fire seasons of the past have now extended to year-round events, with wildfires occurring outside of historic fire season timeframes in different parts of the country, and in 2022, the agency anticipates, and is prepared for, another significant fire year. Through Wildland Fire Management (WFM), the Forest Service protects life, property, and natural resources on NFS lands, other Federal lands, and an additional 20 million acres of non-Federal lands under protection agreements. The Budget proposes \$2.7 billion for WFM activities, focusing critical investments in hazardous fuels treatments, firefighter compensation, and supporting the objectives of the agency's 10-year strategy to confront the Nation's wildfire crisis.

The Budget includes an increase of \$334 million to support necessary staff levels to enhance response to year-round fire activity and allow the agency to continue important investments that support the health, well-being, and resilience of the agency's wildland firefighting force. This includes ensuring all wildland firefighters receive a minimum wage of not less than \$15 per hour and increasing the firefighting workforce by over 3,200 FTEs from 2022 (firefighters and firefighting support personnel).

The Hazardous Fuels program will move from the NFS account to the WFM account in 2023. Along with this realignment, the Budget dedicates \$321 million toward management for hazardous fuels reduction, an increase of \$141 million from the 2022 annualized CR level. This will allow the agency to mitigate wildfire risk on 3.8 million acres in high priority and high-risk areas and builds on the over \$300 million in hazardous fuels funding the Forest Service will receive through the Infrastructure Investment and Jobs Act in 2023, a significant investment to prioritize and target landscape treatments across multiple jurisdictions. Critically, this investment will focus resources on high-priority, large-scale fuel mitigation, forest resilience projects, and other restoration work, helping the agency improve the resilience of forest and rangeland ecosystems from multiyear drought conditions and protect watersheds, habitat, and communities from the negative impacts of uncharacteristically severe wildfire. The Budget proposes \$1.01 billion for Suppression to fund firefighters and equipment in direct support of wildfire incidents; aviation asset operations; incident support functions; and wildfire management administration. This funding amount was established by *Division O of the Consolidated Appropriations Act of 2018* (P.L. 115-141). The Budget also includes \$192 million for Preparedness, an increase of \$40 million, to maintain a robust aviation program to maximize the agency's capacity to ensure safe, timely, and effective aerial response. The Forest Service continues to improve Preparedness budgeting by evaluating cost centers, eliminating redundancies, and ensuring more consistency in contracting for assets on wildfire incidents.

### **Wildfire Suppression Operations Reserve Fund**

The risk and frequency of severe wildfire continues to increase, but the Forest Service is mitigating the risk, protecting public safety, property, and natural resources. *Division O of the Consolidated Appropriations Act of 2018* (P.L. 115-141) provided new budget authority to fight wildfires known as the "fire fix." Beginning in 2020, the Forest Service and the Department of the Interior have

budget authority available when base Suppression funding has been exhausted. This budget authority is \$2.55 billion in 2023 (of which \$2.21 billion is allocated to the Forest Service) and increases by \$100 million each year through 2027. The budget stability enabled by the additional budget authority allows the agency to take a more strategic approach to the fiscal planning and execution of both wildland fire management programs and national forest system management programs.

### Capital Improvement and Maintenance

The Forest Service manages a capital asset portfolio to provide public access to national forests for recreation; facilities for fire response and forest research; and infrastructure for businesses and industries. For 2023, the Budget proposes \$140 million for the construction and maintenance of infrastructure on NFS lands. Capital Improvement and Maintenance funding is also complemented by the Great American Outdoors Act (P.L. 116-152) National Parks and Public Land Legacy Restoration Fund, which provides mandatory funding for deferred maintenance projects on public lands. The Budget contains 2023 National Parks and Public Land Legacy Restoration Fund project lists, which will reduce the deferred maintenance backlog, while at the same time improve access, enhance forest conditions, and improve the quality of the visitor experience.

*Table NRE-2. KPI -Terrestrial Condition Assessment*

Key Performance Indicator	2021 Actual	2022 Target	2023 Target
Percent of National Forest System (NFS) landscape ecosystems improved, maintained, or recovering due to management actions, Terrestrial Condition Assessment (TCA)	33	35	38

*Table NRE-3. KPI – Forest Legacy Program*

Key Performance Indicator	2021 Actual	2022 Target	2023 Target
Number of private forest acres protected through the Forest Legacy Program	69,000	69,000	64,000

<sup>a</sup> This is a new KPI in 2022.

*Table NRE-4. KPI – Wildfire Risk Reduction*

Key Performance Indicator	2021 Actual	2022 Target	2023 Target
Number of high priority areas where treatments have occurred to reduce wildfire risk to communities (number of firesheds, annually) <sup>a</sup>	0	3	3

<sup>a</sup> Fireshed is a term similar to watershed. It refers to a geographic region with a similar risk of wildfire to adjacent communities. Reducing hazardous fuels within parts of the fireshed may reduce the overall risk to the adjacent community.

*Table NRE-5. KPI – Hazardous Fuels Reduction*

Key Performance Indicator	2021 Actual	2022 Target	2023 Target
Annual acreage treated to reduce or maintain fuel conditions on NFS and non-Federal lands (million acres, annually)	3.6	3.7	3.8

*Table NRE-6. KPI – Final Acreage Treatment*

<b>Key Performance Indicator</b>	<b>2021 Actual</b>	<b>2022 Target</b>	<b>2023 Target</b>
Annual acreage of NFS lands where final treatment effectively mitigates wildfire risk (million acres, annually)	1.28	1.4	1.6

*Table NRE-7. KPI – Timber Volume*

<b>Key Performance Indicator</b>	<b>2021 Actual</b>	<b>2022 Target</b>	<b>2023 Target</b>
Timber volume sold (billion board feet)	2.8	3.4	3.4

*Table NRE-8. KPI – Watershed Restoration*

<b>Key Performance Indicator</b>	<b>2021 Actual</b>	<b>2022 Target</b>	<b>2023 Target</b>
Number of watersheds moved to improved condition class or sustained in Condition Class 1	12	15	16

*Table NRE-9. KPI – National Forest Customer Satisfaction*

<b>Key Performance Indicator</b>	<b>2021 Actual</b>	<b>2022 Target</b>	<b>2023 Target</b>
Percent of customers satisfied with recreation facilities, services, and settings in National Forest	95	95	98

***MARKETING AND REGULATORY PROGRAMS*****MISSION**

The Marketing and Regulatory Programs (MRP) mission is to facilitate and expand the domestic and international marketing of U.S. agricultural products, to help protect the agricultural sector from animal and plant health threats, and to ensure humane care and treatment of regulated animals. These programs provide the basic infrastructure to improve agricultural market competitiveness for the overall benefit of consumers and producers of American agriculture. U.S. agricultural exports totaled \$146 billion in 2020, supported by MRP and other mission areas in USDA.

To meet demand for American grain and to ensure consistent grain quality, MRP is providing service at export facilities 24 hours a day. MRP also assists producers in management and domestic marketing by providing market trend analysis and business and marketing tools. MRP also helps increase the competitiveness of the agricultural sector by working to protect the Nation's agriculture from pests and diseases, thereby increasing the efficiency of production.

**ANIMAL AND PLANT HEALTH INSPECTION SERVICE***Table MRP-1. APHIS Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Safeguarding and Emergency Preparedness/Response:			
Animal Health:			
Animal Health Technical Services	\$38	\$38	\$39
Aquatic Animal Health	2	2	2
Avian Health	63	63	65
Cattle Health	105	105	109
Equine, Cervid and Small Ruminant Health	29	29	32
National Veterinary Stockpile	6	6	6
Swine Health	25	25	26
Veterinary Biologics	21	21	22
Veterinary Diagnostics	57	57	59
Zoonotic Disease Management	20	20	24
Total, Animal Health	366	366	384
Plant Health:			
Agricultural Quarantine Inspection (Appropriated)	33	33	37
Cotton Pests	14	14	14
Field Crop and Rangeland Ecosystems Pests	11	11	15
Pest Detection	28	28	29
Plant Protection Methods Development	21	21	22
Specialty Crop Pests	197	197	219
Tree and Wood Pests	60	60	63
Total, Plant Health	363	363	399



Item	2021 Actual	2022 Estimate	2023 Budget
Wildlife Services:			
Wildlife Damage Management	112	112	116
Wildlife Services Methods Development	21	21	25
Total, Wildlife Services	133	133	141
Regulatory Services:			
Animal and Plant Health Regulatory Enforcement	16	16	18
Biotechnology Regulatory Services	19	19	20
Total, Regulatory Services	35	35	38
Emergency Management:			
Civilian Climate Corps	-	-	6
Contingency Fund	<i>a</i>	<i>a</i>	<i>a</i>
Emergency Preparedness & Response	41	41	44
Total, Emergency Management	42	42	51
Total, Safeguarding and Emergency Preparedness	939	939	1,013
Safe Trade and International Technical Assistance:			
Agriculture Import/Export	16	16	16
Overseas Technical & Trade Operations	24	24	27
Total, Safe Trade and International Technical Assistance	40	40	43
Animal Welfare	34	34	35
Agency-Wide Activities (including GSA Rent/DHS Security)	52	52	58
Total, Salaries and Expenses	1,064	1,064	1,149
Buildings and Facilities	3	3	3
General Provisions:			
Citrus Greening	9	9	-
Cogongrass	3	3	-
Total, Non-Emergency Programs	1,079	1,079	1,152
Total, Discretionary Programs	1,079	1,079	1,152
<b>Mandatory:</b>			
Agricultural Quarantine Inspection (AQI) Fees	234	234	234
Consolidated Appropriations Act, Division A, GP 799D	635	-	-
American Rescue Plan	300	-	-
Trust Funds and User Fees	8	9	9
Farm Bill: Plant Pest and Disease Mgmt. and Disaster Prev.	71	71	71
Total, Mandatory Programs	1,248	314	314
Total, APHIS	2,327	1,393	1,466

*a/* Amounts less than \$1 million.

APHIS works cooperatively with State and local agencies, private groups, and foreign governments to protect the Nation's agriculture. The Budget includes discretionary funding of \$1.149 billion for Salaries and Expenses and \$3.175 million for the Buildings and Facilities account. These levels include funding to provide a minimum wage of \$15 an hour.

*Table MRP-2. APHIS KPI – Wildlife Disease Sampling and Climate Suitability Mapping*

Key Performance Measure	2021 Actual	2022 Target	2023 Target
Number of zoonotic and agricultural diseases sampled in wildlife	15	16	17
Number of priority pests for which climate suitability maps have been completed	6	14	22

As part of the Salaries and Expenses amount, the Budget requests \$1.0 billion to support safeguarding and emergency programs. Animal health and plant health programs protect domestic livestock, poultry, field crop, and specialty crops production annually valued at more than \$233 billion.

To combat any sudden, urgent, and unforeseen pest and disease outbreaks, the Secretary retains authority to transfer funds from the Commodity Credit Corporation or other USDA accounts.

### ***Animal Health***

The Budget supports a total of \$383.560 million for Animal Health. The Budget proposes to enhance chronic wasting disease efforts and to expand antimicrobial resistance data collection. The Budget continues support for cattle, poultry, swine, and aquatic animal health efforts. At the proposed funding level, APHIS is requesting an increase to further staff the National Bio and Agro-Defense Facility. The Budget also proposes a decrease of \$4.000 million in discretionary funding for the National Animal Health Laboratory Network as mandatory funds are also provided for this purpose.

### ***Plant Health***

The Budget includes \$398.755 million for Plant Health. The Budget proposes building plant health initiatives that are currently funded through General Provisions into base funding. This shows as an increase to address cogongrass and citrus greening in base funding. In addition, the Budget proposes an increase to address fruit flies given detections in recent years.

### ***Wildlife Services***

The Budget includes a total of \$141.137 million for Wildlife Services. APHIS will use this funding to continue to resolve human/wildlife conflicts and protect agriculture, human health and safety, personal property, and natural resources from wildlife damage and wildlife-borne diseases in the United States, including the management of rabies and other zoonotic diseases caused by various wildlife species. The Budget proposes an increase for chronic wasting disease research, including, but not limited to, the persistence of causal agents of the disease in the environment. This research is especially important given the changing climate.

### ***Regulatory Services***

The Budget includes \$38.492 million for Regulatory Services. This includes an increase for the Animal and Plant Health Regulatory Enforcement (APHRE) program, which promotes the integrity of APHIS programs by providing effective investigative and enforcement services. In 2021, APHRE initiated 1,253 new cases, issued 466 official warnings, issued 491 pre-litigation settlements resulting in the collection of \$883,525 in stipulated penalties, and obtained administrative orders assessing \$48,100 in civil penalties.

***Emergency Management***

The Budget includes \$50.794 million for Emergency Management. The Budget proposes funding for the Civilian Climate Corps (Climate Corps) as part of a Government-wide initiative. With this funding, APHIS will lead coordination between Federal agencies and the Climate Corps on issues related to invasive species. Under this initiative, APHIS will expand efforts to develop and implement surveillance methods to more quickly detect incursions of invasive pests as well as develop mitigation methods to address those already present and causing economic and environmental damages.

***Safe Trade and International Technical Assistance***

The Budget provides \$43.360 million for Safe Trade and International Technical Assistance activities. This includes an increase to address rising costs associated with maintaining a robust overseas presence which will allow APHIS to continue to facilitate safe U.S. agricultural trade. In 2021, APHIS successfully secured the release of 275 shipments worth approximately \$84 million.

***Animal Welfare***

The Budget for Animal Welfare activities is \$35.477 million. APHIS will continue to support activities related to the protection of animal species covered under the Animal Welfare Act and the Horse Protection Act.

**Buildings and Facilities**

The Budget includes \$3.175 million in funding for general facility improvement projects. The program will continue to centrally coordinate and prioritize facility improvement projects using available funds.

**User Fees**

In addition to discretionary funding, APHIS collects mandatory user fees to cover costs related to agricultural quarantine and inspection activities that occur at ports of entry. A portion of these collections are provided to the Department of Homeland Security's Customs and Border Protection (CBP) to conduct front line inspections at points of entry. With user fee funding, APHIS supports international trade by assessing the plant and animal health risks associated with such trade. APHIS also develops regulations to protect agricultural health; inspects and quarantines imported plant materials intended for planting; trains agricultural inspectors and detector dog teams; and provides the scientific support necessary to carry out these activities as well as those carried out by CBP. Given recent disruption to mandatory user fee collections, APHIS is exploring options to facilitate full cost recovery based on program data.

**AGRICULTURAL MARKETING SERVICE***Table MRP-3. AMS Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Marketing Services:			
Market News	\$34	\$34	\$37
Shell Egg Surveillance	3	3	3
Standardization	5	5	6
Market Protection and Promotion	41	41	43
National Bioengineered Food Disclosure Standard	2	2	2
Transportation and Market Development	9	9	10
Farmers Market and Local Food Promotion Program	7	7	7
Acer Access and Development	6	6	6
Packers and Stockyards	23	23	35
Hemp Production	17	17	16
Grain Regulatory	18	18	20
US Warehouse Activities	10	10	11
Appropriated GSA Rent and DHS Security	4	4	6
International Food Procurement Program	9	9	9
Dairy Business Innovation	<i>a</i>	<i>a</i>	22
Total, Marketing Services	188	188	233
Payments to States and Possessions	1	1	1
General Provisions:			
Micro-Grants for Food Security	5	5	-
Dairy Business Innovation	22	22	-
Total, Discretionary Programs	216	216	234
<b>Mandatory:</b>			
Funds for Strengthening Markets, Income, and Supply (Section 32):			
Commodity Program Expenses	1,204	1,491	1,212
Section 32 Administrative Funds:			
Marketing Orders and Agreements	18	21	22
Commodity Purchase Services	36	37	37
Total, Section 32 Administrative Funds	54	58	59
Total, Section 32 Funds	1,258	1,549	1,271
User Fees:			
Perishable Agricultural Commodities Act	11	11	11
Commodity Grading Services	167	170	175
Inspection and Weighing Services	55	55	55
Total, User Fee Funded Programs	233	236	241
Farm Bill:			
Wool Research, Development and Promotion	2	2	2
Specialty Crop Block Grants	85	85	85
Local Agriculture Market Program	31	31	31
Milk Donation Program	5	5	5
Modernization Tech--National Organic Program	<i>c</i>	<i>c</i>	<i>c</i>
Sheep Production and Marketing Grant Program	<i>c</i>	<i>c</i>	<i>c</i>
Total, Farm Bill Programs	123	123	123
Additional Coronavirus Response and Relief:			
Dairy Donation Program	400	-	-
Specialty Crop Block Grant	100	-	-
Meat and Poultry Interstate Shipment Grants	60	-	-
Local Agriculture Market Program	62	-	-
Total, Mandatory Programs	2,236	1,908	1,635
Total, AMS	2,452	2,124	1,869

a Funded through General Provision, specific to dairy (FY20 - 20M, FY21 - 22M).

b Funding shifted into Marketing Services for Business Innovation Centers.

c Funding made available in previous years is available for multiple years.

*Table MRP-4. AMS KPI – Grader’s Time Livestock and Poultry*

Key Performance Measure	2021 Actual	2022 Target	2023 Target
Recover 83 percent of graders’ time through customer billing (poultry)	95	83	83
Recover 83 percent of graders’ time through customer billing (meat livestock)	95	83	83

AMS’ mission is to facilitate the competitive and efficient marketing of agricultural products in domestic and international markets, while ensuring fair trading practices. AMS programs aid producers in meeting the changing demands of consumers and domestic and international marketing practices. The Budget proposes discretionary funding of \$234 million.

AMS administers a variety of programs that enhance the marketing and distribution of agricultural products. Activities include, but are not limited to: the collection, analysis, and dissemination of market information; surveillance of shell egg handling operations; development of commodity grade standards; protection of producers from unfair marketing practices; statistical sampling and analysis of commodities for pesticide residues; development and enforcement of organic standards; facilitating hemp production; enforcing labeling standards; and research and technical assistance aimed at improving efficiency of food marketing and distribution.

## **Marketing Services**

### ***Market News***

The Budget proposes \$37.060 million for Market News to support data collection and reporting of commodity information. The information provided by Market News assists producers and other marketers of farm products and those in related industries in making critical daily decisions.

### ***Egg Surveillance***

The Budget funds Shell Egg Surveillance at \$2.769 million. The Shell Egg Surveillance Program inspects registered shell egg facilities and monitors the disposition of restricted eggs to limit the number of restricted eggs in consumer channels. The program prevents eggs not meeting minimum U.S. standards from entering the consumer marketplace.

### ***Standardization***

The Budget funds Standardization at \$5.604 million. This program develops, reviews, and maintains agricultural commodity standards that describe a product’s attributes for trade purposes.

### ***Market Protection and Promotion-Federal Seed Act Program***

The Budget provides \$2.567 million for the Federal Seed Act Program. This program promotes fair competition in the seed trade, by among other requirements, ensuring seed is accurately labeled.

***Market Protection and Promotion-Country of Origin Labeling***

The Budget provides \$5.062 million for the Country of Origin Labeling program. The program requires retailers to notify their customers of the country of origin of covered commodities, and that the method of production for fish and shellfish be noted at the final point of sale.

***Market Protection and Promotion-Pesticide Data Program***

The Budget provides \$15.782 million for the Pesticide Data Program, which is the main supplier of data regarding actual levels of pesticide residues on commodities. The program works collaboratively with the Environmental Protection Agency and the Centers for Disease Control and Prevention to target residue data collection related to high-risk commodities and vulnerable populations.

***Market Protection and Promotion-National Organic Program***

The Budget provides \$19.436 million for the National Organic Program, which works to meet consumer demand for organically-produced goods by supporting the development, maintenance, and enforcement of national standards governing the production and handling of organic agricultural products.

***Farmers Market and Local Food Promotion Program***

The Budget maintains funding for this program at \$7.400 million. The program executes competitive grants through the Farmers Market Promotion Program (FMPP) and the Local Food Promotion Program (LFPP) to develop, coordinate, and expand local food markets in the U.S to help increase access to and availability of locally and regionally produced agricultural products. This funding is used in concert with funding provided by P.L. 115-334, Sec. 10102.

***National Bioengineered Food Disclosure Standard***

The Budget requests \$2.094 million to maintain the National Bioengineered Food Disclosure Standard efforts. The Standard requires food manufacturers, importers, and certain retailers to ensure bioengineered foods are appropriately disclosed.

***Transportation and Market Development***

The Budget requests \$9.855 million for Transportation and Market Development, which conducts research and outreach related to grain shipping and supply chains. The program connects agricultural producers with high value market opportunities through its national market directories.

***Dairy Business Innovation Centers***

Dairy Business Innovation grants were authorized by the 2018 Farm Bill and funded in 2020 and 2021 through General Provisions. These initiatives provide direct technical assistance and grants to dairy businesses. The 2023 budget request \$22 million for this effort.

***Acer Access and Development***

The Budget requests \$6.004 million for Acer Access and Development to support market development and promotion projects that improve consumer, producer, and landowner awareness and understanding of the American maple syrup and maple-sap industry and related products and production.

***Packers and Stockyards***

The Budget includes \$35.555 million for the Packers and Stockyards program, which regulates and monitors the activities of livestock, meat, and poultry market participants to support fair

practices. Increased funding is requested to fund new statutory requirements, to strengthen oversight of livestock and poultry markets and minimize IT security vulnerabilities.

### ***Hemp Production***

The Budget includes \$15.547 million for the Hemp Production program, which regulates the commercial production of industrial hemp as authorized by Section 10113 of the 2018 Farm Bill. The decreases result from increased efficiencies and maturation of the program.

### ***Grain Regulatory Program***

The Budget includes \$20.023 million for the Federal Grain Inspection Service. The program establishes the official U.S. standards and quality assessment methods for grain and related products and regulates handling practices to ensure compliance with the United States Grain Standards Act and the Agricultural Marketing Act of 1946. This funding is used in combination with user-fee funded field activities.

### ***U.S. Warehouse Activities***

The Budget requests \$11.289 million for U.S. Warehouse Activities. This program supports the efficient use of commercial facilities in the storage of Commodity Credit Corporation-owned commodities. The program administers a nationwide warehousing system, establishes posted county prices for major farm program commodities, and manages CCC commodity inventories. The United States Warehouse Act (USWA) authorizes the licensing of operators who store agricultural products and a separate licensing for qualified persons to sample, inspect, weigh, and grade agricultural products. The USWA authorizes the application of user fees to cover the costs of administering the Act, including unannounced warehouse examinations to encourage compliance. Warehouses engaged in export food aid operations are required to be licensed.

### ***International Food Procurement***

The Budget requests \$9.035 million for International Food Aid Commodity Procurement. Through this program, AMS purchases and delivers U.S.-produced food aid commodities for international food aid programs for overseas use to meet USDA and USAID program requirements, assisting vulnerable populations around the world.

### **Payments to States and Possessions**

The Budget requests \$1.235 million for the Federal-State Marketing Improvement Program (FSMIP). The proposed funding level is consistent with the fiscal year 2021 enacted level.

### **Section 32 Funds**

Section 32 of the Act of August 24, 1935, authorizes the appropriation for each fiscal year of an amount equal to 30 percent of the gross receipts from duties collected under customs laws of the United States during the preceding calendar year. These funds are used to encourage domestic consumption of perishable commodities that are not eligible for price support from USDA and encourage the export of agricultural products. This includes purchases of commodities and removal of surplus commodities from the marketplace for distribution to Federal nutrition assistance programs such as the National School Lunch Program and diversion programs that bring production in line with demand. Section 32 funds are also used to finance the administrative costs associated with the purchase of commodities and developing the specifications used for food procurement throughout the Federal government.

Federal expenses for administration and oversight of Marketing Orders and Agreements are also funded from Section 32.

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Marketing Orders and Agreements help stabilize market prices and the supply of milk and certain specialty crops. The Orders are administered locally by marketing order committees and market administrators. Local activities are funded through assessments on regulated handlers.

### **User Fee Programs**

AMS operates select programs through license fees and user fees. The Commodity Grading Services program provides voluntary commodity grading and classing services for dairy products, fresh and processed fruits and vegetables, meat and meat products, poultry, eggs, tobacco, and cotton. Due to the improving economy, we are expecting collections to increase. AMS also offers certification services to verify contract specifications on quantity and quality, acceptance and condition inspection services for all agricultural commodities upon request, and export certification services for a number of commodities. AMS' audit verification services review production and quality control systems and verify industry marketing claims. The Warehouse Examinations license fee provides for unannounced examinations to encourage compliance with licensing terms under the USWA.

In addition, AMS enforces the Perishable Agricultural Commodities Act which prohibits unfair and fraudulent practices in the marketing of perishable agricultural commodities by regulating shippers, distributors, and retailers. Full and prompt payment for fresh fruits and vegetables is a key objective of the program.

The Grain Inspection and Weighing user fees provide for the mandatory inspection and weighing of grain at export ports and the inspection and weighing of grain at domestic locations. AMS is required to conduct or delegate inspection and weighing, and to supervise such activities.

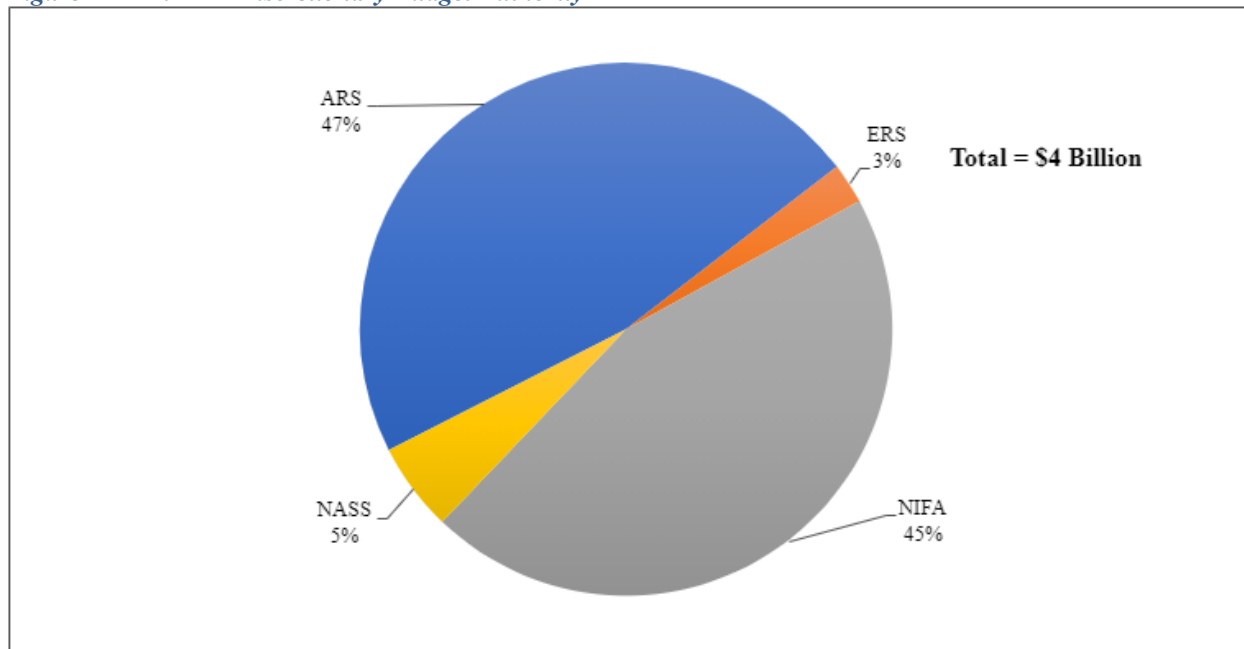


## ***RESEARCH, EDUCATION, AND ECONOMICS***

### **MISSION**

USDA supports a variety of agricultural research topics to address complex challenges that require multi-faceted approaches through in-house research and in partnership with land-grant institutions, non-profits, and the private sector. USDA brings together expertise from a wide range of scientific disciplines to address sustainable agricultural growth and food security. Key themes include: Sustainable Agricultural Intensification, Agricultural Climate Mitigation and Adaptation, Food and Nutrition Translation, Value-added Innovations, and Agriculture Science-Policy Leadership. These programs, among others, will ensure that the U.S. can do its part to meet present and future food, feed, fiber, and fuel needs both at home and abroad as the world population is expected to grow to nearly 10 billion people by 2050.

Research, Education, and Economics (REE) responsibilities are carried out by four agencies and a staff office: (1) the Agricultural Research Service (ARS) conducts intramural research in natural and biological sciences; (2) the National Institute of Food and Agriculture (NIFA) partners with land-grant and non-land grant colleges and universities in carrying out extramural research, higher education, and extension activities; (3) the Economic Research Service (ERS) performs intramural economic and social science research and market analysis, and produces indicators of agricultural and rural economic performance, and of food security; (4) the National Agricultural Statistics Service (NASS) conducts the Census of Agriculture and provides the official, current statistics on agricultural production and indicators for the economic and environmental health of the farm sector; and (5) the Office of the Chief Scientist (OCS) provides strategic coordination of the science that informs the Department's and the Federal government's decisions, policies, and regulations that impact all aspects of U.S. food and agriculture, related landscapes, and communities. In 2021, ARS conducted retrospective reviews of its Food Animal Production; and Plant Genetic Resources, Genomics and Genetic Improvement research programs. Overall, the programs were found to have had high impact (i.e., significant benefit or influence). In 2021, NIFA invested \$146.8 million in research projects to improve the sustainability of the nation's food supply through the second and third installments of a new program within NIFA's AFRI Sustainable Agricultural Systems program. During 2021, NASS collected data from the 2020 Local Food Marketing Practices Survey. This survey will provide updated metrics on the value of agriculture products sold by marketing practice and marketing channel, as well as the geographic location of production and the distance traveled to market directly to consumers. This Census Special Study, conducted as a follow-on survey to the 2017 Census of Agriculture, is the leading source of detailed data for these agricultural marketing practices. In 2021, ERS funded 22 cooperative research efforts to analyze food security; assess the impacts of several initiatives related to sustainable agriculture; research equity in agricultural programs; analyze research and development costs of greenhouse gas mitigation and address market responses to, and trade and global security implications of, the COVID-19 pandemic. Their selection strategy covered a broad range of commodities, including specialty crops, livestock commodities, and field crops, including ethanol.

*Figure REE-1. REE Discretionary Budget Authority*

REE performance, evaluation, evidence, and risk management efforts are coordinated and led by the Office of the Chief Scientist (OCS) on behalf of the Mission Area. REE and OCS activities contribute to the success of USDA's mission to provide effective, innovative, science-based public policy leadership in agriculture, food and nutrition, natural resource protection and management, rural development, and related issues with a commitment to deliverable equitable and climate-smart opportunities that inspire and help America thrive.

Additionally, the REE/OCS Mission Area:

- coordinates efforts to develop and manage USDA's science strategy,
- leads efforts to articulate, measure and communicate the impact of USDA Science (through the development of Key Performance Indicators (KPIs))
- coordinates and leads USDA Science initiatives in support of The Foundations of Evidence-Based Policymaking Act (PUB.L. 115-435),
- and other Department-wide efforts to coordinate the integrity and impact of USDA science.

The Mission Area is responsible for achieving and measuring results with respect to the following 2022 – 2026 Strategic Goal and Objectives:

Strategic Goal 2: Ensure America's Agricultural System is Equitable, Resilient, and Prosperous Waterways

- Objective 2.3: Foster Agricultural Innovation

Strategic Goal 6: Attract, Inspire, and Retain an Engaged and Motivated Workforce that's Proud to Represent USDA

- Objective 6.2: Establish a Customer-Centric, Inclusive, High-Performing Workforce that is Representative of America and the Communities We Serve

*Table REE-1. KPI – Agriculture Innovation / Science Impact / Science Workforce Development*

Key Performance Indicators	2021 Actual	2022 Target	2023 Target
Technology Transfer Percentage (Number of USDA Patents Licensed / Number of USDA Patents Issued) (Percentage)	50	35	35
Citations of REE Reports (Number of Citations)	109	126	129
Agriculture Workforce Development (Number of AFRI-supported undergraduate/graduate/post-doctoral students) (	4,462	3,342	4,016

### AGRICULTURAL RESEARCH SERVICE

ARS is the USDA's chief scientific, in-house research agency. ARS conducts research to solve technical problems of broad scope and high national priority and provides access to scientific information. ARS's research covers a wide range of critical problems affecting American agriculture and the Nation as a whole, ranging from animal and crop protection and production to human nutrition, food safety, and natural resources conservation. ARS employs over 6,000 employees and carries out approximately 690 research projects at 90 research locations throughout the Nation and in several foreign countries. ARS includes the National Arboretum and the National Agricultural Library, the Nation's major information resource on food, agriculture, and natural resource sciences.

The Budget includes discretionary funding of \$1.9 billion to support ARS research, including increases of \$127 million for climate science and adaptation and resilience research, \$101 million for clean energy R&D, \$5 million for Climate Hubs, and \$75 million for additional high priority investments.

The ARS Budget also includes an increase of \$48 million for research and operations at the National Bio and Agro-Defense Facility (NBAF), a state-of-the-art biocontainment facility for the study of foreign, emerging, and zoonotic animal diseases that pose a threat to U.S. animal agriculture and public health, which will replace the Plum Island Animal Disease Center. The Budget also provides \$45 million for renovation/construction at the Beltsville Agricultural Research Center (BARC) in Maryland and capital improvement at NBAF.

*Table REE-2. ARS Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Product Quality/Value Added .....	\$121	\$121	\$205
Livestock Production.....	124	124	144
Crop Production .....	301	301	347
Food Safety.....	116	116	130
Livestock Protection.....	127	127	160
Crop Protection .....	223	223	249

Item	2021 Actual	2022 Estimate	2023 Budget
Human Nutrition.....	99	99	102
Environmental Stewardship.....	252	252	355
Total, Research Programs.....	1,363	1,363	1,692
National Agricultural Library.....	29	29	35
Repair and Maintenance.....	20	20	20
ARPA-C.....	-	-	-
Buildings and Facilities.....	36	36	45
NBAF Operations and Maintenance.....	81	81	112
Total, Discretionary Programs.....	1,529	1,529	1,904
<b>Mandatory:</b>			
Human Nutrition.....	20	20	20
Trust Funds.....	17	17	18
Total, Mandatory Programs.....	37	37	38
Total, ARS.....	1,566	1,566	1,942

### Product Quality/Value Added

The Budget includes \$205 million for this program. ARS has active research programs directed toward: (1) improving the efficiency and reducing the cost for the conversion of agricultural products into biobased products and biofuels; (2) developing new and improved products for domestic and foreign markets; and (3) providing higher quality, healthy foods that satisfy consumer needs in the U.S. and abroad.

### Livestock Production

The Budget includes \$144 million for this program. ARS' livestock production program is directed toward: (1) safeguarding and utilizing animal genetic resources, associated genetic and genomic databases, and bioinformatic tools; (2) developing a basic understanding of the physiology of livestock and poultry; and (3) developing information, tools, and technologies that can be used to improve animal production systems. The research is heavily focused on the development and application of genomics technologies to increase the efficiency and product quality of beef, dairy, swine, poultry, aquaculture, and sheep systems.

### Crop Production

The Budget includes \$347 million for this program. ARS' crop production program focuses on developing and improving ways to reduce crop losses while protecting and ensuring a safe and affordable food supply. The research program concentrates on effective production strategies that are environmentally friendly, safe to consumers, and compatible with sustainable and profitable crop production systems. Research activities are directed at safeguarding and utilizing plant genetic resources and their associated genetic, genomic, and bioinformatic databases that facilitate selection of varieties and/or germplasm with significantly improved traits.

### Food Safety

The Budget includes \$130 million for this program. Ensuring that the U.S. has the highest levels of affordable, safe food requires that the food system be protected at each stage from production through processing and consumption from pathogens, toxins, and chemical contaminants that cause diseases in humans. ARS' current food safety research is designed to yield science-based knowledge on the safe production, storage, processing, and handling of plant and animal products;

and on the detection and control of toxin producing and/or pathogenic bacteria and fungi, parasites, chemical contaminants, and plant toxins.

### **Livestock Protection**

The Budget includes a total of \$160 million for this program. ARS' animal health program is directed at protecting and ensuring the safety of the Nation's agriculture and food supply through improved disease detection, prevention, control, and treatment. Basic and applied research approaches are used to solve animal health problems, with emphasis on methods and procedures to control animal diseases.

### **Crop Protection**

The Budget includes \$249 million to support these activities. ARS research on crop protection is directed to understand pest and disease transmission mechanisms and identify and apply new technologies that increase understanding of virulence factors and host defense mechanisms.

### **Human Nutrition**

The Budget includes \$102 million for this program. As excessive consumption replaces diseases related to malnutrition as a primary public health concern in the U.S., the ARS human nutrition research program has increasingly focused on research studying the maintenance of health throughout the lifespan along with prevention of obesity and chronic diseases via food-based recommendations. ARS also receives \$20 million annually in mandatory funding to address gaps in nutrition research, human nutrition and health. This funding was provided in the FY 2021 Consolidated Appropriations Act.

### **Environmental Stewardship**

The Budget includes \$355 million for this program. ARS research programs in environmental stewardship emphasize developing technologies and systems that support profitable production and enhance the Nation's vast renewable natural resource base. ARS is currently developing the scientific knowledge and technologies needed to meet challenges and opportunities in: water availability and watershed management, changes in climate, gaseous and particulate matter emissions, soil health and productivity, agricultural and industrial byproducts, agricultural system competitiveness and sustainability, and conservation and restoration of range lands, pasture ecosystems, and agroecosystems.

### **National Agricultural Library (NAL)**

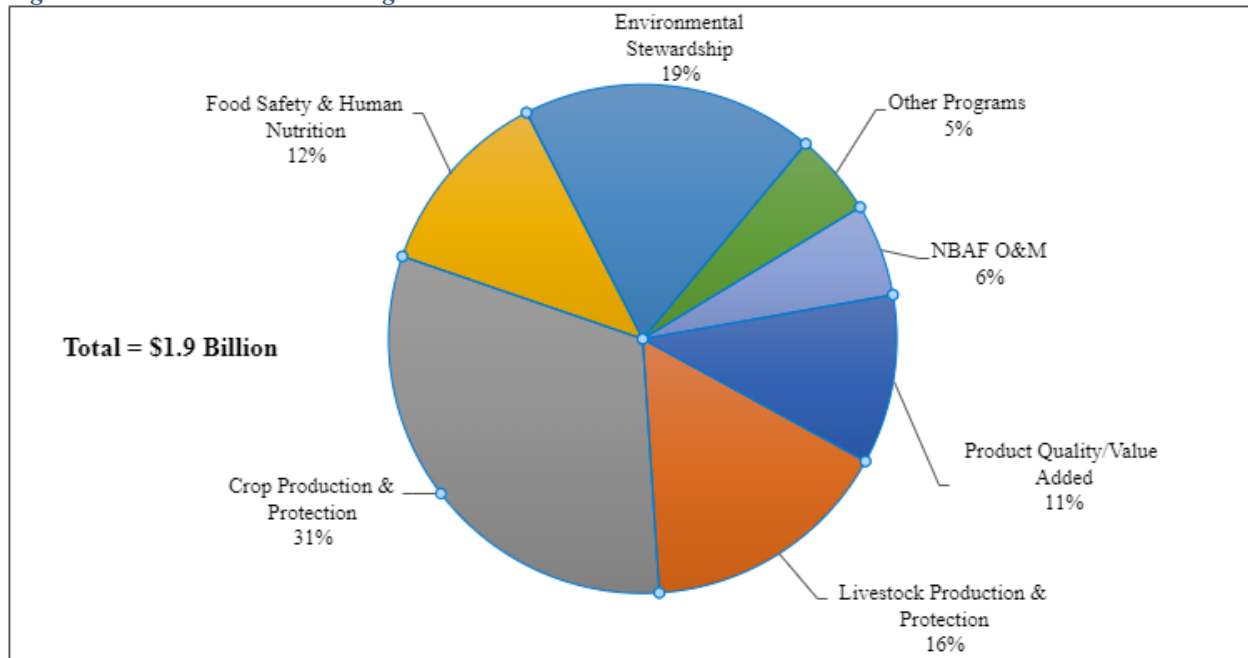
The Budget includes \$35 million for NAL. NAL is the primary agricultural information resource of the U.S. NAL is the premier library for collecting, managing, and disseminating agricultural knowledge. It provides services directly to the staff of USDA and to the public, primarily via the NAL web site, [www.nal.usda.gov](http://www.nal.usda.gov). NAL provides library and information services that delivers agricultural information to the public through Agricultural Online Access (AGRICOLA); conserves rare and at-risk items; and works in partnership with other USDA and Federal agencies to broadly disseminate information.

### **Repair and Maintenance**

The Budget includes \$20 million to address repair and maintenance needs. ARS allocates funding for the repair and maintenance of existing ARS facilities and infrastructure. Performing regular repair and maintenance on ARS infrastructure can extend the life span of research laboratories and facilities, provide opportunities for longer term savings, and ensure Federal scientists' capacity to

conduct safe, quality research. Funding will support specific projects such as the replacement of air handling units, boilers, and chillers that have reached the end of their service lives.

*Figure REE-2. ARS Research Programs*



### **NATIONAL INSTITUTE OF FOOD AND AGRICULTURE**

NIFA provides linkages between the Federal and State components of a national agricultural research, extension, and education system. NIFA funds projects conducted in partnership with State Agricultural Experiment Stations, the Cooperative Extension System, the Land-grant University System, colleges of agriculture, community colleges, and other institutions, as well as non-governmental organizations and small businesses. NIFA programs propel cutting-edge discoveries from research laboratories to farms, classrooms, and communities, with the help of Cooperative Extension. Federal funds are distributed to enhance capacity at universities and institutions by statutory formula funding and competitive grants. NIFA administers the Nation's leading competitive grants program for agricultural sciences, the Agriculture and Food Research Initiative (AFRI), which supports research with strong potential to contribute to major breakthroughs in the food, agricultural, natural resource, and human sciences. NIFA's mission is to invest in and advance agricultural research, education and extension to solve societal challenges related to food and agriculture.

The Budget includes \$1.8 billion in discretionary funding for NIFA, including \$564 million for AFRI. The Department continues to support capacity funds and competitive grants to generate science-based solutions to the Nation's critical food and agriculture problems and to proactively identify and address emerging needs and opportunities using a grassroots model in every community in the Nation. The additional funding provided to capacity programs is to be coordinated with the funding for research and extension activities at Historically Black Colleges and Universities and multicultural serving institutions provided in the agriculture portion of the American Rescue Plan along with a wide range of programs for historically underserved farmers, ranchers and producers.

### **Formula (Capacity) Programs**

The Budget includes \$863 million for these programs. NIFA manages programs that provide grants to the States using statutory formulas. These formula grants provide long-term, sustainable

support needed to grow the capacity for agricultural research, education, and extension activities at land-grant institutions and State Agricultural Experiment Stations. These programs include Hatch Act, Smith-Lever 3(b) and 3(c), 1890 Land-grant Institutions, McIntire-Stennis Cooperative Forestry, and other grants. In 2023, NIFA will increase its investments to \$265 million for Hatch Act programs, to support agricultural research at 1862 Land-grant Universities (LGUs) and State Agricultural Experiment Stations (SAES). Hatch Act funded scientists undertake critical research on the national, regional and local challenges to agricultural systems through sustained efforts. An increase of \$7.3 million will be invested in the McIntire-Stennis Research Program in 2023. These funds, totaling \$43.3 million, will be used to support research in some of the following topic areas: understanding the impacts of new stressors and developing management solutions; adaptation to climate change environmental factors and utilization of forest ecosystems to mitigate climate change; utilization of wood and new applications for forest products; and increasing the use of agroforestry by landowners and communities, with a priority on underserved and minority audiences. Increases of \$18.5 million are provided to Extension capacity programs for increasing services and ensuring equity in access and opportunities to minority, historically underserved, or Tribal communities with special emphasis on climate change, workforce, nutrition and health promotion education, and support for youth Climate Corps through 4-H programming.

#### **Agriculture and Food Research Initiative (AFRI)**

The Budget includes \$564 million for AFRI. AFRI is the Nation's premier competitive, peer-reviewed research program for fundamental and applied sciences in agriculture. It is broad in scope with programs ranging from fundamental science to farm management and community issues. NIFA will also include a broad emphasis on climate-smart agriculture, nutrition security, and the application of clean energy. Focused investments in these topics will be made in the three major complementary components of AFRI: 1) Sustainable Agricultural Systems, 2) Foundational and Applied Science, and 3) Education and Workforce Development. Transformative innovations in U.S. agriculture are needed to address climate change, promote innovations in nutrition research, and enhance economic growth and agricultural education, especially in historically underserved communities. Through this investment, NIFA will contribute to a whole-of-government approach to climate change by supporting research, extension and education projects that advance the achievement of economy-wide, net-zero emissions, by 2050. These investments address the Presidents priorities to combat climate change, lay the foundation for economic growth and creation of good-paying jobs, and ensure that benefits accrue to marginalized and underserved communities.

#### **Minority-Serving Institution Programs**

The Budget includes \$315 million for Minority-Serving Institution (MSI) programs. Partnerships with MSI programs support capacity building initiatives, education, and pathways to employment for students and faculty and help develop a strong pipeline of talented individuals for USDA and USDA partner jobs. NIFA administers programs dedicated to strengthening research and extension capacity at minority-serving institutions and the ability of these institutions to continue their effective programming. These include research, extension, teaching, and facilities programs at the 1890 Land-grant institutions; research, education and extension grants for Tribal colleges (including the Federally Recognized Tribes Extension Program) and Hispanic-serving institutions; and education grants for Alaska Native-Serving, Native Hawaiian-serving institutions, and Insular Areas institutions; New Beginning for Tribal Students, Centers of Excellence at 1890 Institutions, Institution Challenge, Multicultural Scholars, and Graduate Fellowships, Agriculture Business Innovation Centers at Historically Black Colleges and Universities, and Grants for Insular Areas. Evans-Allen capacity funds support agricultural research activities at 1890 LGUs. The increased

funding totaling \$93 million in 2023 is distributed to Historically Black LGUs and is leveraged with matching funding from non-federal sources. Currently, the program supports over 200 active research projects that will enhance innovation support training of the next generation of black workers and researchers and address various issues in limited-resourced communities such as food security and nutrition, climate change and workforce development. This program supports many of the Administration's budget priorities, including ensuring the benefits accrue to marginalized and overburdened communities.

The Budget includes \$2.3 million for Women and Minorities in STEM Fields. The goal of the Women and Minorities in Science, Technology, Engineering and Mathematics Fields Grant Program (WAMS) is to develop and implement robust collaborations to increase the representation, participation, and entrepreneurial skills and abilities of rural women and underrepresented minorities from rural areas in STEM careers, thereby contributing to economic prosperity in rural areas across the nation. This funding will further support development of a robust and diverse food and agricultural STEM workforce that is highly competent applying STEM knowledge and skills, with increased participation of women and minorities from rural areas across a broad spectrum of rural, local, State or national communities.

*Table REE 3. NIFA Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Formula Grants:			
Smith-Lever 3 (b) and (c) .....	\$315	\$315	\$320
Hatch Act.....	259	259	265
1890 Research and Extension.....	135	135	158
McIntire-Stennis Cooperative Forestry.....	36	36	43
Expanded Food and Nutrition Education Program .....	70	70	70
Renewable Resources Extension Act (RREA) .....	4	4	4
Facility Improvements at 1890 Institutions .....	22	22	22
Tribal Colleges Education Equity Grants Program.....	5	5	15
Animal Health and Disease Research .....	4	4	4
Total, Formula Grants.....	850	850	901
1890 Capacity Building Grants (Research) .....	26	26	26
Agriculture and Food Research Initiative.....	435	435	564
Integrated Activities - Section 406 Organic Transition .....	7	7	7
Crop Protection and Pest Management Activities .....	20	20	20
Sustainable Agriculture Research/Education and Extension .....	40	40	60
IR-4 Minor Crop Pest Management .....	12	12	20
Scholarships at 1890 Institutions.....	10	10	10
Native American Endowment Fund Interest.....	5	5	5
Other Higher Education Programs.....	46	46	47
Federally-Recognized Tribes Extension Program .....	3	3	8
Food Safety Outreach Program .....	10	10	10
Extension Services at 1994 Institutions .....	9	9	19
Federal Administration.....	20	20	23
Electronic Grants Administration System .....	8	8	8
Food and Ag. Defense Initiative (Reg. Diagnostic Network).....	8	8	8
Veterinary Medical Services Act.....	9	9	9



Item	2021 Actual	2022 Estimate	2023 Budget
Children, Youth, and Families at Risk.....	8	8	9
Bioproduct Pilot Program.....	-	5	5
Other Research, Extension and Integrated Programs.....	79	80	77
Total, Discretionary Programs.....	1,605	1,611	1,836
<b>Mandatory:</b>			
Native American Endowment Fund .....	12	12	12
Farm Bill:			
Food Insecurity Nutrition Incentive Program/Gus Schumacher Nutrition.....	45	50	53
Agricultural Risk Management Education Program.....	9	9	9
Beginning Farmer and Rancher Development Program .....	17	19	24
Specialty Crop Research Initiative .....	75	75	75
Emergency Citrus Research and Extension Program.....	24	24	24
Organic Agriculture Research and Education Initiative .....	24	28	47
Urban, Indoor & Other Emerging Ag Production.....	-	-	-
Scholarships for 1890 Students .....	-	-	-
Total, Farm Bill Programs .....	194	205	232
Suppl-COVID.....	141	-	-
Total, Mandatory Programs.....	347	217	244
Total, NIFA .....	1,952	1,828	2,080

### **ECONOMIC RESEARCH SERVICE**

ERS' mission is to inform and enhance public and private decision making by anticipating emerging issues and conducting sound, peer-reviewed economic research on policy-relevant issues related to agriculture, food, natural resources, and rural America. ERS is also the primary source of statistical indicators that, among other things, gauge the health of the farm sector (including farm income estimates and projections), assess the current and expected performance of the agricultural sector (including trade), and provide measures of food security in the U.S. and abroad. The Agency's intramural research is conducted by a highly trained staff of economists and social scientists through an integrated program of research, market outlook, analysis, and data development addressing a broad range of topics, including but not limited to global agricultural market conditions, trade restrictions, agribusiness concentration, farm business and household income, farm program participation and risk management, farm and retail food prices, foodborne illnesses, food labeling, local and organic products and markets, nutrition, food assistance programs, drought resilience, conservation, technology adoption, and rural employment. Key clientele includes White House and USDA policy officials, program administrators/managers, the U.S. Congress, other Federal agencies, State and local government officials, and organizations including farm and industry groups interested in public policy issues. ERS develops its research program in coordination with other USDA research agencies, USDA-program agencies, and other external collaborators.

The budget includes \$100 million in program funding, and an additional \$2 million to support climate science activities. Research results and economic indicators on such important agricultural, food, natural resource, and rural issues are fully disseminated to public and private decision makers through reports and articles; special staff analyses, briefings, and presentations; databases; and individual contact. ERS will expand its research portfolio to address Administration priorities, including climate change, open and competitive markets, and racial and social equity.

It also included an increase of \$6.5 million for conducting a second round of the USDA’s National Household Food Purchase and Acquisition Survey (FoodAPS-2).

The research from FoodAPS-1 has produced the much-needed evidence for policy and program officials on several critical areas of concern: 1) food choices and shopping behaviors of SNAP and low-income households, 2) impact of SNAP benefits on diet quality and food security of low-income households, 3) affordability of healthy diets, and 4) the role of the local food environment and other geographic factors driving food purchase and acquisition decisions of SNAP and non-SNAP households.

With this FY 2023 initiative, ERS and FNS jointly propose to field a second round of FoodAPS called FoodAPS-2. Several projects have assessed lessons learned from FoodAPS-1 to develop new data collection methodologies and contents that minimize respondent burden and improve data quality for a FoodASP-2. Examples include 12-month data collection to reduce seasonality, expanded target population to cover Alaska and Hawaii, WIC as a sampling domain leading to larger WIC sample, better identification of SNAP, WIC, and school meal program participants, and addition of new survey concepts – food pantry usage, veterans’ status, online ordering.

*Table REE-4. ERS Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Economic Research Service .....	\$85	\$85	\$100
Total, ERS .....	85	85	100

#### **NATIONAL AGRICULTURAL STATISTICS SERVICE**

NASS’ mission is to provide timely, accurate, and useful statistics in service to U.S. agriculture. Each year, NASS conducts over 450 surveys on 200 different commodities. These data illustrate the changing nature and needs of agriculture and provide accurate and up-to-date information necessary for decision-making by producers, agribusinesses, farm organizations, commodity groups, public officials, and others. NASS data also keep agricultural markets stable, efficient, and fair by ensuring accessible and objective data are available to both commodity market buyers and sellers. NASS also conducts the quinquennial Census of Agriculture (Ag Census), a complete count of U.S. farms and ranches and the people who operate them. The Ag Census surveys farmers and ranchers on land use and ownership, operator characteristics, production practices, income and expenditures, and other topics.

The Budget includes \$217 million in program funding, including \$8 million to help measure climate science research.

The Ag Census provides comprehensive data on the agricultural economy with national, State, and county level details. The Ag Census data are relied upon to measure trends and new developments in the agricultural sector. Fiscal Year 2023 marks the fourth year in the five-year funding cycle for conducting the 2022 Census of Agriculture. The largest portion of the funding will be used for outsourcing all necessary functions associated with mailing and processing the Census of Agriculture.

*Table REE-5. NASS Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Agricultural Estimates .....	\$138	\$138	\$151
Census of Agriculture .....	46	46	66
Total, NASS .....	184	184	217

**OFFICE OF THE CHIEF SCIENTIST**

The mission of the Office of the Chief Scientist (OCS) is to provide strategic coordination of the science that informs the Department's and the Federal government's decisions, policies, and regulations that impact all aspects of U.S. food and agriculture, related landscapes, and communities. The OCS was established in accordance with the Food, Conservation, and Energy Act of 2008 to provide strategic coordination of the science that informs the Department's and the Federal government's decisions, policies and regulations that impact all aspects of U.S. food and agriculture and related landscapes and communities.

OCS advises USDA's Chief Scientist and the Secretary of Agriculture in the following areas of science:

- Agricultural Systems and Technology
- Animal Health and Production, and Animal Products
- Plant Health and Production, and Plant Products
- Renewable Energy, Natural Resources, and Environment
- Food Safety, Nutrition, and Health
- Agricultural Economics and Rural Communities

The OCS supports larger goals of scientific prioritization and coordination across the entire Department through which federal agencies provide Senior Advisors to serve in a detail capacity within OCS. The OCS identifies, prioritizes and evaluates Department-wide agricultural research, education, and extension needs. In addition, the Office of the Chief Scientist regularly convenes a [USDA Science Council](#) to further facilitate cross-Departmental scientific coordination and collaboration.

**DEPARTMENTAL ACTIVITIES****MISSION**

Departmental staff offices provide essential support to Departmental agencies and programs, ensuring that all agencies can carry out their duties and lead the Department's efforts to improve customer service to the public. Their functions include legal counsel, promoting civil rights, economic analysis, communications coordination, financial management, budget and policy support, and program appeal hearings for the Department's program activities. The Budget proposes funding to ensure that these offices can support staffing levels needed to provide leadership, oversight, and coordination.

*Table DA-1. Departmental Activities Budget Authority (millions of dollars)*

Item	2021 Actual	2022 Estimate	2023 Budget
<b>Discretionary:</b>			
Office of the Secretary.....	\$21	\$41	\$39
Office of Tribal Affairs.....	-	3	6
Office of Homeland Security.....	1	13	2
Office of Partnerships and Public Engagement .....	7	13	11
Departmental Administration .....	22	27	35
Office of Communications .....	7	11	11
Total, Office of the Secretary .....	59	108	104
Executive Operations:			
Office of the Chief Economist.....	25	31	32
Office of Hearings and Appeals .....	15	16	17
Office of Budget and Program Analysis.....	10	13	21
Office of the Chief Information Officer .....	67	101	98
Office of the Chief Financial Officer.....	6	7	7
Office of Civil Rights .....	23	29	32
Office of the General Counsel .....	45	61	58
Office of Ethics.....	4	4	6
Office of Information Affairs .....	-	-	16
Agriculture Buildings and Facilities .....	108	133	135
Office of Safety, Security and Protection .....	23	27	26
Hazardous Materials Management .....	7	7	7
Total, Discretionary Programs.....	392	538	559
<b>Mandatory:</b>			
Farm Bill:			
Farming Opportunities and Training Outreach.....	18	20	-
Multiple Crop and Pesticide Use Survey .....	1	-	-
Total, Mandatory Programs.....	19	20	-
<b>Supplemental Funding:</b>			
Office of the Secretary.....			
Coronavirus Food Assistance (CFAP) Payments .....	9,688	3,600	-

Item	2021 Actual	2022 Estimate	2023 Budget
Animal Health .....	-	300	-
Assistance and Support for Socially Disadvantaged Farmers, Ranchers, Forest Land Owners and Operators, and Groups .....	-	1,010	-
Total, Supplemental Funding .....	9,688	4,910	-
Total, Departmental Staff Offices .....	10,098	5,468	559

## **DEPARTMENTAL STAFF OFFICES**

### **Office of the Secretary (OSEC)**

OSEC serves as the management arm of the Department, administering and overseeing the work of the organization. This involves formulating and providing policy direction for all areas of the Department's responsibilities including research, educational and regulatory activities, nutrition, conservation and farm programs, forestry, and international agriculture. This Budget includes \$38.3 million for OSEC, of which \$4.9 million will support the Agriculture Advanced Research and Development Authority (AgARDA) in the Office of the Chief Scientist. The Budget also requests \$6.2 million to bring the offices up to optimal staffing levels to better serve America's agricultural interests, meet the needs of its customers, and remain in compliance with USDA's Department policies and federal laws and regulations. The Budget also provides \$6.5 million for the Office of Tribal Relations, of which \$1.8 million will facilitate the realignment of programs within the Shared Cost Programs to direct appropriations.

The Office of the Secretary is led by the Secretary of Agriculture and includes the Deputy Secretary, Chief of Staff, Under Secretaries, Assistant Secretaries, the Executive Secretariat, and members of their immediate staffs. The Office of the Secretary serves as the management arm of the Department, administering and overseeing the work of the organization. This involves formulating and providing policy direction for all areas of the Department's responsibilities including research, educational and regulatory activities, nutrition, conservation and farm programs, forestry, and international agriculture. It also involves maintaining relationships with organizations and others in the development of programs and maintaining a liaison with the Executive Office of the President and members of Congress on all matters pertaining to Departmental policy. The Office of the Secretary also oversees special projects that are conducted at the behest of Congress and the Administration. These projects include short-term studies, investigations, and research on matters affecting agriculture or the agricultural community. Project results are reported to the appropriate Congressional Committees.

### **Office of Homeland Security (OHS)**

The Budget includes \$2.3 million for OHS to provide overall leadership and coordination of programs in the Department to plan for and respond to major natural and terrorist emergencies and threats. This involves coordination with mission areas/agencies for policy formulation, response plans, reporting, and action assignments to meet acute and major threats to the food and agriculture system and key USDA assets.

### **Office of Partnerships and Public Engagement (OPPE)**

This Budget includes \$10.5 million for OPPE. The Secretary established the OPPE to rapidly expand outreach to America's agricultural community and facilitate greater access to USDA

programs. Additionally, OPPE serves as the lead agent for USDA partnership and outreach activities, with tasking and reporting authority to direct, coordinate, and control all target programs. Programs include all components of the former Office of Advocacy and Outreach, including Small Farms and Beginning Farmer/Rancher and Youth Outreach and Integration into Workforce Diversity 2030, Military Veterans Agricultural Liaison and Supporting Veterans Program Initiative, The Center for Faith-Based and Neighborhood Partnerships, and any other outreach or partnership program that the Secretary deems essential to serve the interest of USDA. In addition, the 2018 Farm Bill provides mandatory funding for the Farming Opportunities Training and Outreach Program, formerly known as the Outreach and Education for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program – 2501 Grant Program. The Budget includes \$4 million to develop general technical assistance capabilities and training curriculum for partner organizations so that the Department can more effectively serve disadvantaged communities and expand participation in and results from USDA programs.

#### **Departmental Administration (DA)**

DA was established to ensure that the USDA administrative programs and policies meet the needs of USDA program organizations and are consistent with laws and mandates. DA provides leadership to ensure the timely and effective delivery of high quality and cost-effective mission support services across the Department and coordinates human resources, procurement, property management, emergency preparedness and response activities, and programs for small and disadvantaged business utilization. This Budget includes \$33.3 million for DA. This includes: \$1.3 million to support the Acquisition Workforce Succession Plan which requires hiring of interns and experienced personnel who will succeed the work force that is eligible for retirement in the next five years; \$2 million for the Office of Customer Experience to lead USDA's coordination and response to Executive Order (E.O.) 14058 and support the implementation of the President's Management Agenda Priority #2 and USDA Agency Priority Goal (APG) planning process; \$1.3 million for the Office of Property and Environmental Management to build staffing capacity and support E.O. 14057 on the acquisition of zero-emission vehicles in 2022 and beyond; and \$5.9 million for the Office of Human Resource Management to establish the Office of Employee Engagement, a Diversity, Recruitment, and Employee Engagement Division, a Training and Talent Management Division, and a Strategic Human Resources Planning and Accountability Division.

#### **Office of Communications (OC)**

OC provides leadership and coordination for the development of communication strategies for the Department and plays a critical role in disseminating information about USDA's programs to the general public. The Budget includes \$11.4 million for OC to continue to develop effective communications strategies that increase the visibility and the transparency of USDA programs. The Budget will support an increase of \$1.6 million to support the launch of Digital Magazine that will feature long-form analysis, news stories, and in-depth examples for farmers, foresters, producers, and ranchers to learn about and utilize USDA programs to benefit their operations.

#### **Office of the Chief Economist (OCE)**

OCE advises the Secretary and Department officials on the economic implications of Department policies, programs, associated regulations, and proposed legislation; and serves as the focal point for the Department's economic intelligence, analysis and review related to domestic and international food and agriculture markets.

OCE also leads the Department in energy and environmental policy by providing advice and analysis on bioenergy, global climate change, environmental services markets, sustainable development, agricultural labor, and new uses of agricultural products. The Budget requests \$32 million for OCE, of which \$6 million will be used for activities relating to climate change, including coordinating such activities across the Department and \$0.4 million will be used for IT support for the World Agricultural Outlook Board. The Budget also proposes to shift \$500,000 for a Food Loss and Waste Reduction Liaison provided under a General Provision in 2021 and 2022 to discretionary appropriations in 2023. Ensuring consistency in the program over the long term requires permanent appropriated funding for the program.

#### **Office of Hearings and Appeals (OHA)**

OHA, formerly the National Appeals Division, conducts evidentiary administrative appeal hearings and reviews arising from program operations of the Service Center Agencies, which include the Rural Development mission area, and Farm Production and Conservation. OHA is also responsible for the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges and the Judicial Officer. The Budget includes \$16.7 million for OHA, including a \$471,000 increase compared to the 2021 enacted bill to fill three critical positions to ensure that OHA can carry out its mission of promoting the fairness, transparency, and consistency of USDA hearings and appeals services and coordinate administrative and legal activities for the National Appeals Division, the Office of the Administrative Law Judges, and the Office of the Judicial Officer.

#### **Office of Budget and Program Analysis (OBPA)**

OBPA ensures that USDA programs are delivered efficiently, effectively, and with integrity by incorporating performance, evidence and risk into decision making OBPA advocates for the necessary resources required and executes the budget to ensure the USDA can effectively and efficiently accomplish its mission for the benefit of the American people. OBPA leads USDA's strategic planning; enterprise risk management; performance management and reporting; budget analysis, justification, and control; and legislative and regulatory actions. The Budget requests \$20.7 million for OBPA. This includes: \$7.5 million to support the Department's Evidence Act Deliverables and lead the design, direction, and oversight of evidence building activities, developing and implementing evaluation policy and procedures, and enhancing performance management throughout the Department; \$0.6 million for a Regulatory Management System (ESPER); \$0.8 million to support the realignment of the Departmental Directives and 3 FTEs from the Office of the Chief Information Officer to OBPA; and \$1.5 million for hiring and personnel costs to rebuild OBPA's capacity to support the Department's Mission Areas and staff offices.



**Office of the Chief Information Officer (OCIO)**

OCIO provides policy guidance, leadership and coordination for the Department's information management, technology investment and cyber security activities in support of USDA program delivery. A customer-focused approach to USDA's digital services requires us to streamline the Department's complex network of online resources that must be navigated today to find or access services. The Budget includes \$97.5 million for OCIO to fund ongoing activities and increase efforts for cybersecurity enhancements, including \$17.4 million to enhance the Department's cyber security profile through the acquisition and implementation of relevant tools and services. The Budget also includes an increase of \$5 million to support the Continuous Diagnostics and Mitigation Program, \$1.6 million for the Cyber Workforce Requirements and Training Program, and \$4.3 million to streamline the Enterprise Data Analytics Program from the Shared Costs Program compared to the 21 enacted bill.

**Office of the Chief Financial Officer (OCFO)**

OCFO provides overall direction and leadership in the development of financial management policies and systems and produces the Department's consolidated financial statements. OCFO also oversees the provision of administrative accounting, payroll, and related systems for USDA and other agencies through the operation of the National Finance Center. The Budget includes \$7.3 million to support these activities, of which \$1 million will be used to support hiring and personnel costs. OCFO is responsible for the financial leadership of an enterprise that has more than 100,000 employees, 14,000 offices and field locations, \$208 billion in assets, and \$143 billion in annual spending. As USDA has grown to meet the demands of the American farmers and ranchers, OCFO's funding has remained relatively flat. In order to meet demands and ensure proper fiscal stewardship, OCFO has had to absorb inflation, cost of living adjustments, promotions, and within grade increases, which has resulted in reduced services to USDA. These resources will enable OCFO to better meet the needs of its customers and remain in compliance with USDA's Department policies and Federal laws and regulations.

**Agriculture Buildings and Facilities (Ag B&F)**

The Agriculture Building and Facilities (AgBF) account finances the repair, improvement, maintenance, physical security, sustainability and energy conservation activities at the USDA Headquarters Complex and the George Washington Carver Center (GWCC) in Beltsville, MD, including the administrative costs for the building management and support staff. Since 1984, USDA has been delegated the responsibility for managing, operating, maintaining, repairing, improving and securing the Headquarters Complex, which encompasses 14.1 acres of grounds and 2 buildings containing approximately 2.5 million gross square feet of space, as well as the USDA-owned GWCC that comprises 350,000 gross square feet, located on 73 acres in Beltsville, MD. The Budget provides \$134.8 million, of which \$25 million shall be available for the hire and purchase of zero emission passenger motor vehicles and supporting charging and fueling infrastructure.

**Office of Safety, Security, and Protection (OSSP)**

OSSP improves facility emergency management and response. OSSP provides Department-wide leadership, policy, and management in the safeguarding of property and personnel. OSSP is committed to identifying and addressing security risks that may affect USDA personnel, infrastructure, and facilities. The Budget includes \$25.5 million, which includes \$3.7 million to



facilitate the realignment of programs within the Shared Cost Programs to direct appropriations and a decrease of \$1.7 million due to a security contract refunded to OSSP through an Inter-Agency Agreement.

### **Hazardous Materials Management (HMM)**

HMM provides for the efficient management and cleanup of hazardous materials on facilities and lands under the jurisdiction, custody, and control of the Department, and the prevention of releases of hazardous substances from USDA facilities. The Budget includes \$6.6 million for the HMM program.

### **Office of Civil Rights (OCR)**

OCR provides policy guidance, leadership, coordination and training, and complaint adjudication and processing for the Department and its agencies. OCR's mission is to facilitate the fair and equitable treatment of USDA customers and employees and ensure the delivery and enforcement of civil rights programs and activities. The Budget requests \$31.7 million for OCR, which includes \$6.1 million in appropriated funding to replace the current reimbursable funding source, which significantly hampers Department-wide EEO complaint processing. The 2023 request also includes a \$0.9 million increase from the 21 enacted bill to support OASCR in reducing Program Complaint Processing to under 365 days and a \$0.6 million increase for the maintenance of the Civil Rights Management System.

### **Office of the General Counsel (OGC)**

OGC provides legal oversight, counsel, and support to the Department's agencies and offices. The Budget requests \$57.6 million to ensure that resources are available for OGC to carry out its full range of responsibilities and support USDA program delivery, which includes \$6.1 million and 51 FTEs to fill critical vacancies and rebuild OGC's capacity so that it can better support the Department's needs. The request includes \$5.5 million for the Office of Ethics, which reports to the General Counsel, to administer ethics regulations and statutes governing employee conduct; carry out public confidential financial disclosure reporting programs; develop and implement supplemental ethics policies, provide advice and assistance to USDA employees; and train employees on all ethics statutes, regulations, and policies. This includes an increase of \$1.2 million and 6 FTEs to address the demand for ethics services and historic reduction in ethics staffing at USDA. This Budget also includes \$15.9 million in 2023 to establish the Office of Information Affairs (OIA), a standalone office within OGC that manages Freedom of Information Act (FOIA) functions and Records Management (RM) programs for the entire Department. Of this increase, \$12.5 million will support the realignment of RM from OCIO appropriations to OIA. OIA. This funding will be used to procure an add-on to its existing suite of services in Microsoft Office that will save hundreds of thousands of dollars annually on resources required to maintain large volumes of records at the Federal Records Centers. This request also includes \$2.6 million to establish the FOIA function through direct appropriations within OIA and \$0.8 to hire 5 additional FTEs within the RM division.

***OFFICE OF INSPECTOR GENERAL*****MISSION**

The Office of Inspector General provides the Secretary and Congress with information or intelligence about fraud, other serious problems, mismanagement, and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problems. The Office reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact these laws have on the Department's programs and the prevention and detection of fraud and mismanagement in such programs. The Office provides policy direction and conducts, supervises, and coordinates all audits and investigations. The Office supervises and coordinates other activities in the Department and between the Department and other Federal, State and local government agencies whose purposes are to: (a) promote economy and efficiency; (b) prevent and detect fraud and mismanagement; and (c) identify and prosecute people involved in fraud or mismanagement. The Budget requests \$112.1 million for OIG to conduct critical oversight for a full range of USDA's programs and operations, including response to the COVID19 pandemic and other Department initiatives. A portion of this funding would also allow OIG to investigate allegations of criminal activity in USDA's hurricane and other disaster relief assistance programs, as well as the Supplemental Nutrition Assistance Program (SNAP), crop insurance indemnity payments, grants, and loans to ensure entitlements and benefits are distributed based on eligibility and used for their intended purpose. Of this funding, \$2 million will be used for additional oversight for funds provided under the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 and \$4.3 million will be used to provide key mission support of audits, investigations, and IT infrastructure.

***Table OIG-1. OIG Budget Authority (millions of dollars)***

<b>Item</b>	<b>2021 Actual</b>	<b>2022 Estimate</b>	<b>2023 Budget</b>
<b>Discretionary:</b>			
Office of Inspector General .....	\$100	\$100	\$112
<b>Supplemental Funding:</b>			
Audits and Investigations .....	-	9	-
Total, Office of Inspector General.....	100	109	112

Note: Appendix tables do not include proposed legislation.

*Table APP-1. New Budget Authority (millions of dollars)*

Mission Area / Agency	2021 Enacted	2022 Estimate	2023 Budget
<b>FARM PRODUCTION AND CONSERVATION</b>			
Farm Service Agency *	\$1,534	\$1,532	\$1,618
Commodity Credit Corporation	6,248	8,032	5,026
Risk Management Agency	7,781	12,341	13,318
Natural Resources Conservation Service	4,625	5,735	5,255
FPAC Business Center	291	291	322
<b>TRADE AND FOREIGN AGRICULTURAL AFFAIRS</b>			
Foreign Agricultural Service *	2,043	1,234	1,282
P.L. 480	1,740	1,740	1,740
<b>RURAL DEVELOPMENT *</b>			
Rural Business-Cooperative Service	233	301	247
Rural Housing Service	2,765	2,126	2,412
Rural Utilities Service	1,301	3,301	1,827
Salaries and Expenses	264	264	504
<b>FOOD, NUTRITION, AND CONSUMER SERVICES</b>			
Food and Nutrition Service	212,027	202,939	146,730
<b>FOOD SAFETY</b>			
Food Safety and Inspection Service	1,462	1,298	1,448
<b>NATURAL RESOURCES AND ENVIRONMENT</b>			
Forest Service	8,301	11,442	10,860
<b>MARKETING AND REGULATORY PROGRAMS</b>			
Agricultural Marketing Service	-1,258	-1,549	371
Animal and Plant Health Inspection Service	-8	-9	1,457
Section 32 Funds	1,258	1,549	1,271
<b>RESEARCH, EDUCATION, AND ECONOMICS</b>			
Agricultural Research Service	1,566	1,566	1,942
Economic Research Service	85	85	100
National Agricultural Statistics Service	184	184	217
National Institute of Food and Agriculture	1,952	1,828	2,080
<b>DEPARTMENTAL ACTIVITIES</b>			
Office of the Secretary	59	59	104
Agriculture Buildings and Facilities	108	108	135
Executive Operations	224	224	320
Office of Inspector General	100	100	112
Office of Civil Rights	23	23	32
Farm Bill Programs	19	20	0
Supplemental Funding Programs	9,689	4,919	0
Subtotal, USDA	<b>264,617</b>	<b>261,683</b>	<b>200,730</b>
Offsetting Receipts, Rescissions & Other Adjustments			
<b>Total, U.S. Department of Agriculture</b>	<b>264,617</b>	<b>261,683</b>	<b>200,730</b>

Note: \* FSA, RD, and FAS Salaries and Expenses transfers for these agencies are shown in the agencies in which funds are initially appropriated.

*Table APP-2. Available Resources Discretionary / Mandatory (millions of dollars)*

Mission Area / Agency	2021 Enacted	2022 Estimate	2023 Budget
<b>FARM PRODUCTION AND CONSERVATION</b>			
Farm Service Agency *			
DISC	\$1,535	\$1,535	\$1,524
MAND	2,371	4,605	20
Commodity Credit Corporation			
DISC	6	6	6
MAND	6,226	7,986	4,991
Risk Management Agency			
DISC	66	60	75
MAND	7,703	12,272	13,234
Natural Resources Conservation Service			
DISC	1,034	2,167	1,109
MAND	3,324	4,478	3,832
FPAC Business Center			
DISC	231	291	322
MAND	60	0	0
<b>TRADE AND FOREIGN AGRICULTURAL AFFAIRS</b>			
Foreign Agricultural Service *			
DISC	451	453	471
MAND	-116	-26	-30
P.L. 480			
DISC	1,740	1,740	1,740
MAND	800	0	0
<b>RURAL DEVELOPMENT *</b>			
Rural Business-Cooperative Service			
DISC	114	116	163
MAND	130	224	75
Rural Housing Service			
DISC	2,126	2,127	2,412
MAND	487	-115	-314
Rural Utilities Service			
DISC	1,290	3,297	1,827
MAND	1,416	987	-23
Salaries and Expenses			
DISC	274	274	504
MAND	3	3	3
<b>FOOD, NUTRITION, AND CONSUMER SERVICES</b>			
Food and Nutrition Service			
DISC	5,848	5,449	6,571
MAND	206,044	196,226	139,887
<b>FOOD SAFETY</b>			
Food Safety and Inspection Service			
DISC	1,091	1,092	1,226
MAND	117	17	17
<b>NATURAL RESOURCES AND ENVIRONMENT</b>			
Forest Service			
DISC	7,436	10,443	9,892
MAND	1,078	1,209	1,237

Mission Area / Agency	2021 Enacted	2022 Estimate	2023 Budget
<b>MARKETING AND REGULATORY PROGRAMS</b>			
Agricultural Marketing Service			
DISC	213	216	234
MAND	1,448	297	302
Animal and Plant Health Inspection Service			
DISC	1,579	1,079	1,152
MAND	819	333	286
Section 32			
DISC	0	-31	0
MAND	1,135	1,203	1,284
<b>RESEARCH, EDUCATION, AND ECONOMICS</b>			
Agricultural Research Service			
DISC	1,529	1,528	1,904
MAND	37	36	36
Economic Research Service			
DISC	85	85	100
MAND	2	0	0
National Agricultural Statistics Service			
DISC	184	184	217
National Institute of Food and Agriculture			
DISC	1,605	1,610	1,834
MAND	335	206	232
<b>DEPARTMENTAL ACTIVITIES</b>			
Office of the Secretary			
DISC	60	10,060	104
MAND	16,901	432	188
Agricultural Buildings and Facilities			
DISC	108	108	135
Executive Operations			
DISC	245	245	317
MAND	0	1	1
Office of Inspector General			
DISC	100	109	117
MAND	3	0	0
Working Capital Fund			
DISC	14	0	0
<b>Offsetting Receipts</b>			
Department of Agriculture			
DISC	-534	-539	-539
MAND	-3,698	-4,949	-973
NET	-5	-5	-5
Undistributed Offsetting Receipts			
NET	0	-1	-1
<b>Total, U.S. Department of Agriculture.....</b>	<b>275,050</b>	<b>269,123</b>	<b>197,696</b>

*Table APP-3. Program Level (millions of dollars)*

Mission Area / Agency	2021 Enacted	2022 Estimate	2023 Budget
<b>FARM PRODUCTION AND CONSERVATION</b>			
Farm Service Agency .....	\$10,483	\$10,751	\$10,652
Commodity Credit Corporation .....	6,248	8,032	5,026
Risk Management Agency .....	7,781	12,341	13,318
Natural Resources Conservation Service .....	4,625	5,735	5,255
FPAC Business Center .....	292	292	322
<b>TRADE AND FOREIGN AGRICULTURAL AFFAIRS</b>			
Foreign Agricultural Service .....	335	427	441
P.L. 480 .....	2,540	1,740	1,740
Export Credit Guarantee .....	2,130	5,500	5,500
<b>RURAL DEVELOPMENT</b>			
Rural Business-Cooperative Service .....	1,763	1,557	2,493
Rural Housing Service .....	31,953	32,835	37,837
Rural Utilities Service .....	9,906	12,319	10,519
Salaries and Expenses .....	714	714	954
<b>FOOD, NUTRITION, AND CONSUMER SERVICES</b>			
Food and Nutrition Service .....	145,988	174,039	146,730
<b>FOOD SAFETY</b>			
Food Safety and Inspection Service .....	1,208	1,109	1,243
<b>NATURAL RESOURCES AND ENVIRONMENT</b>			
Forest Service .....	8,301	11,442	10,860
<b>MARKETING AND REGULATORY PROGRAMS</b>			
Agricultural Marketing Service .....	1,661	513	536
Animal and Plant Health Inspection Service .....	2,398	1,412	1,438
Section 32 Funds .....	1,177	1,203	1,284
<b>RESEARCH, EDUCATION, AND ECONOMICS</b>			
Agricultural Research Service .....	1,566	1,566	1,942
Economic Research Service .....	85	85	100
National Agricultural Statistics Service .....	184	184	217
National Institute of Food and Agriculture .....	1,952	1,828	2,080
<b>DEPARTMENTAL ACTIVITIES</b>			
Office of the Secretary .....	59	59	104
Agriculture Buildings and Facilities .....	108	108	135
Executive Operations .....	225	225	320
Office of Inspector General .....	100	100	112
Working Capital Fund .....	49	50	50
Farm Bill Programs .....	19	20	0
Supplemental Funding Programs .....	9,688	4,919	0
Subtotal, USDA .....	<b>253,538</b>	<b>291,105</b>	<b>261,208</b>
Offsetting Receipts, Rescissions & Other Adjustments .....			
<b>Total, U.S. Department of Agriculture .....</b>	<b>253,538</b>	<b>291,105</b>	<b>261,208</b>

*Table APP-4. Discretionary Outlays (millions of dollars)*

Mission Area / Agency	2021 Enacted	2022 Estimate	2023 Budget
<b>FARM PRODUCTION AND CONSERVATION</b>			
Farm Service Agency	\$1,553	\$1,851	\$1,726
Commodity Credit Corporation	10	15	6
Risk Management Agency	65	59	72
Natural Resources Conservation Service	1,136	1,269	1,731
FPAC Business Center	248	299	302
<b>TRADE AND FOREIGN AGRICULTURAL AFFAIRS</b>			
Foreign Agricultural Service	402	850	511
P.L. 480	1,810	1,272	1,395
<b>RURAL DEVELOPMENT</b>			
Rural Business-Cooperative Service	678	1,401	2,811
Rural Housing Service	1,998	1,950	2,231
Rural Utilities Service	109	133	142
Salaries and Expenses	255	323	491
<b>FOOD, NUTRITION, AND CONSUMER SERVICES</b>			
Food and Nutrition Service	6,149	5,677	6,592
<b>FOOD SAFETY</b>			
Food Safety and Inspection Service	1,060	1,103	1,207
<b>NATURAL RESOURCES AND ENVIRONMENT</b>			
Forest Service	7,968	8,624	7,393
<b>MARKETING AND REGULATORY PROGRAMS</b>			
Agricultural Marketing Service	237	238	228
Animal and Plant Health Inspection Service	1,072	1,217	1,241
<b>RESEARCH, EDUCATION, AND ECONOMICS</b>			
Agricultural Research Service	1,477	1,929	2,259
Economic Research Service	80	96	112
National Agricultural Statistics Service	180	226	212
National Institute of Food and Agriculture	1,268	1,568	2,449
<b>DEPARTMENTAL ACTIVITIES</b>			
Office of the Secretary	4,302	1,913	6,105
Agricultural Buildings and Facilities	58	118	148
Executive Operations	258	389	384
Office of Inspector General	96	116	114
Working Capital Fund	-88	586	19
<b>Subtotal, USDA</b>	<b>32,381</b>	<b>33,222</b>	<b>39,881</b>
Offsetting Receipts, Rescissions & Other Adjustments .....	-534	-539	-539
<b>Total, U.S. Department of Agriculture .....</b>	<b>31,847</b>	<b>32,683</b>	<b>39,342</b>

Table APP-5. Outlays (millions of dollars)

Mission Area / Agency	2021 Estimate	2022 Estimate	2023 Budget
<b>FARM PRODUCTION AND CONSERVATION</b>			
Farm Service Agency *	\$1,953	\$2,120	\$1,750
Commodity Credit Corporation	10,513	8,196	5,695
Risk Management Agency	6,743	12,906	13,113
Natural Resources Conservation Service	4,325	5,308	6,108
FPAC Business Center	308	299	302
<b>TRADE AND FOREIGN AGRICULTURAL AFFAIRS</b>			
Foreign Agricultural Service	211	840	481
P.L. 480	2,019	1,592	1,635
<b>RURAL DEVELOPMENT *</b>			
Rural Business-Cooperative Service	193	893	656
Rural Housing Service	1,831	2,202	2,132
Rural Utilities Service	2,594	2,389	2,790
Salaries and Expenses	227	324	506
<b>FOOD, NUTRITION, AND CONSUMER SERVICES</b>			
Food and Nutrition Service	166,567	202,133	145,537
<b>FOOD SAFETY</b>			
Food Safety and Inspection Service	1,088	1,146	1,234
<b>NATURAL RESOURCES AND ENVIRONMENT</b>			
Forest Service	8,550	9,599	8,424
<b>MARKETING AND REGULATORY PROGRAMS</b>			
Agricultural Marketing Service	1,429	1,579	1,533
Animal and Plant Health Inspection Service	521	996	832
Section 32	1,483	1,156	1,234
<b>RESEARCH, EDUCATION, AND ECONOMICS</b>			
Agricultural Research Service	1,496	1,965	2,295
Economic Research Service	80	98	112
National Agricultural Statistics Service	180	226	212
National Institute of Food and Agriculture	1,410	1,653	2,703
<b>DEPARTMENTAL ACTIVITIES</b>			
Office of the Secretary	25,382	7,408	9,284
Agricultural Buildings and Facilities	58	118	148
Executive Operations	258	391	385
Office of Inspector General	98	116	114
Working Capital Fund	-88	586	19
<b>Subtotal, USDA</b>	<b>239,429</b>	<b>266,239</b>	<b>209,234</b>
Offsetting Receipts, Rescissions & Other Adjustments .....	-4,237	-5,494	-1,518
<b>Total, U.S. Department of Agriculture .....</b>	<b>235,192</b>	<b>260,745</b>	<b>207,716</b>

Note: \* FSA and RD mandatory funding includes downward reestimates.



Table APP-6. FTEs

Mission Area / Agency	2021 Estimate	2022 Estimate	2023 Budget
<b>FARM PRODUCTION AND CONSERVATION</b>			
Farm Service Agency	3,045	3,078	3,157
Risk Management Agency	385	385	426
Natural Resources Conservation Service	9,671	11,091	11,746
FPAC Business Center	1,561	1,606	1,760
<b>Trade and Foreign Agricultural Affairs:</b>			
Foreign Agricultural Service	728	825	825
<b>RURAL DEVELOPMENT</b>			
Rural Development	4,434	4,766	5,359
<b>FOOD, NUTRITION, AND CONSUMER SERVICES</b>			
Food and Nutrition Service	1,391	1,539	1,821
<b>FOOD SAFETY</b>			
Food Safety and Inspection Service	8,408	8,777	8,777
<b>NATURAL RESOURCES AND ENVIRONMENT</b>			
Forest Service	31,539	32,991	39,982
<b>MARKETING AND REGULATORY PROGRAMS</b>			
Animal and Plant Health Inspection Service	7,605	8,251	8,331
Agricultural Marketing Service	3,317	3,717	3,752
<b>RESEARCH, EDUCATION, AND ECONOMICS</b>			
Agricultural Research Service	6,045	6,405	7,491
National Institute of Food and Agriculture	280	381	406
Economic Research Service	288	329	329
National Agricultural Statistics Service	821	850	890
<b>DEPARTMENTAL ACTIVITIES</b>			
Office of the Secretary and Assistant Secretaries	93	123	149
Office of Homeland Security and Emergency Coordination	45	50	50
Office of Partnerships and Public Engagement	41	43	53
Departmental Administration	250	296	353
Office of Communications	45	45	55
Agriculture Buildings and Facilities	62	63	63
Office of Security, Safety and Protection	4	5	5
Hazardous Materials Management	20	48	48
Office of the Chief Economist	59	62	70
Office of Hearings and Appeals	73	78	81
Office of Budget and Program Analysis	41	45	58
Office of Chief Information Officer	1,468	1,680	1,716
Office of Chief Financial Officer	1,140	1,247	1,255
Office of the General Counsel	243	241	288
Office of Ethics	22	22	28
Office of Information Affairs	0	0	9
Office of Civil Rights	121	128	128
Office of Inspector General	436	450	450
<b>Subtotal, USDA Federal Staffing .....</b>	<b>83,681</b>	<b>89,617</b>	<b>99,911</b>
FSA, Non-Federal Staffing .....	7,510	7,885	7,885
<b>TOTAL, U.S. DEPARTMENT OF AGRICULTURE STAFFING ....</b>	<b>91,191</b>	<b>97,502</b>	<b>107,796</b>

*Table APP-7. Budget Related Proposals (millions of dollars)*

Mission Area / Agency / Proposal	2023 BA	2023 Outlays
<b>Natural Resources and Environment:</b>		
Forest Service:		
Reauthorize the Federal Lands Recreation Enhancement Act to enable the agency to continue to retain recreation fees for use in providing quality recreation facilities and supporting land management operations. Total savings over ten years are expected to be \$790 million .....	-\$118	-\$79
Reauthorize the Forest Service Facility Realignment and Enhancement Act to enable the agency to continue to convey facilities and retain sales proceeds to maintain infrastructure safety and customer service. Total savings over ten years are expected to be \$20 million .....	-3	-2
Reauthorize the Forest Botanical Products program to allow the agency to continue to charge and retain fees for the harvest of forest botanical products. Total savings over ten years are expected to be \$10 million .....	-1	-1
Establish an interest-bearing Treasury account to deposit funds received in settlements and other legal actions. This proposal has no associated costs..	0	0



**United States Department of Agriculture**