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AGENCY-WIDE

PURPOSE STATEMENT

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

FSA administers programs authorized by the Agriculture Improvement Act of 2018 (Public Law 115-334), commonly referred to as the 2018 Farm Bill, and a variety of other laws. Descriptions of the programs administered by FSA and funded by CCC appear in the CCC Purpose Statement of these Explanatory Notes. The following is a summary of FSA's programs and activities.

Farm Loan Programs

FSA's farm loan programs provide a safety net for farmers and ranchers temporarily unable to obtain credit, to finance their operations, at reasonable rates and terms.

Most farm loan programs administered by FSA are authorized by the Consolidated Farm and Rural Development Act, P.L. 87-128, August 8, 1961, as amended. Subtitle A of this act authorizes direct and guaranteed farm ownership and conservation loans. Subtitle B authorizes direct and guaranteed operating loans. Subtitle C authorizes emergency loans. The Agriculture Credit Improvement Act of 1992, P.L. 102-554, established special assistance to qualified beginning farmers and ranchers to assist them in achieving viable farming and ranching operations. Indian Tribal Land Acquisition Loans and Highly Fractionated Indian Land Loans are authorized by Public Law 91-229, April 11, 1970, as amended. In addition, the Agriculture Improvement Act of 2018 (2018 Farm Bill) authorized the Heir's Relending Program, to resolve ownership and succession of farmland.

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

The 2018 Farm Bill authorizes several changes to farm loan programs administered by FSA, including increased loan limits for direct and guaranteed loans and reauthorizations for other initiatives.

Farm Loan Programs has implemented processes to address racial, environmental, and economic justice. By establishing regulatory guidelines in the Code of Federal Regulations (CFR), the Agency has developed requirements that cannot be manipulated to serve purposes of disparate treatment, favoritism, or discriminatory conduct. FSA provides continuous oversight to ensure that programs are delivered in an equitable and fair manner, by monitoring and reviewing participation in the various programs. USDA regulations also provide producers with the right to appeal adverse decisions to the Director, National Appeals Division. This helps to ensure that determinations will be free of human error, disparate treatment, or subterfuge.

As conveyed by USDA policy, all documents and forms of the Agency are to be provided in alternative mediums such as Braille or large print if requested. Such a request may be made via the local FSA office or through the Target Center. FSA State Civil Rights Coordinators perform reviews to ensure compliance with these policies. Limited English Proficiency (LEP) customers will be provided translation and/or interpretation services as needed. FSA will monitor these services in accordance to the LEP Plan.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family or parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). The USDA Program Discrimination Complaint Form, AD-3027, is available online and can be submitted by mail or email.

The programs funded by this account are:

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

Ownership loans are made for a term of 40 years or less. A direct loan may not exceed $600,000 and a guaranteed loan may not exceed $1,776,000, adjusted annually. Effective with the 2008 Farm Bill, interest rates for beginning farmer down-payment loans are established at 4 percentage points less than the regular borrower rate, with a minimum of 1.5 percent. Effective with the 2014 Farm Bill, interest rates for joint financing loans (loans made in conjunction with a commercial lender providing over 50 percent of the credit) are established at 2 percentage points less than the regular borrower rate, but no less than 1 percent. The interest rate for guaranteed loans is negotiated by the lender and borrower.

At least 40 percent of the amounts appropriated for guaranteed farm ownership loans will be reserved for beginning farmers and ranchers during the first 6 months of the fiscal year. Also, at least 75 percent of the amount appropriated for direct farm ownership loans will be reserved for qualified beginning farmers and ranchers. FSA also offers direct farm ownership microloans with a shortened application process and a maximum loan limit of $50,000. Like direct operating microloans, these loans are designed to meet the needs of smaller farmers.

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

Operating loans may be used to pay normal operating costs, including reorganizing a farm to be more profitable; purchasing livestock, poultry, and farm equipment; purchasing feed, seed, fertilizer, insecticides, and farm supplies and meeting other essential operating expenses; financing land and water development, use, and conservation; and refinancing existing indebtedness. FSA continues to operate the direct operating microloan program. Like direct ownership microloans, these microloans are direct operating loans with a shortened application process and reduced paperwork designed to meet the needs of smaller, non-traditional, and niche type operations.

Farm operating loans are for periods of 1 to 7 years depending on loan purposes. The loan limit is $400,000 for a direct loan, $50,000 for a microloan and $1,776,000 for a guaranteed loan, adjusted annually for inflation. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost of money to the Government plus up to 1 percent.

However, loans to limited resource borrowers bear interest of not more than one-half of the Treasury rate for marketable obligations plus not more than 1 percentage point, with a floor of 5 percent. The interest rate for guaranteed loans is negotiated by the lender and borrower and may be subsidized under the interest assistance program.

The 2018 Farm Bill also modifies the 3-year experience requirement by allowing education as a partial substitute for beginning farmers seeking farm ownership loans; provides authority to offer a relending program to address highly-fractionated ownership of farmland not affiliated with Indian lands; reauthorizes cooperative lending pilot projects and individual development accounts; provides equitable relief for producers seeking emergency loans; and makes other miscellaneous changes and technical corrections.

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

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

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

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

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

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

Conservation Loans
These guaranteed loans support eligible borrowers to cover the cost of implementing qualified conservation projects. Loans for conservation projects must be part of a USDA- approved conservation plan. Eligible conservation plans may include projects for construction or establishment of conservation structures, forest and permanent cover, water conservation and waste management systems, improved permanent pasture, or other projects that comply with Section 1212 of the Food Security Act of 1985, and other purposes approved by the Secretary. Eligible borrowers include farmers, ranchers, and other entities controlled by farmers and ranchers and primarily and directly engaged in agricultural production. The program gives priority to qualified beginning farmers, ranchers, socially disadvantaged farmers or ranchers, owners or tenants who use the loans to convert to sustainable or organic agricultural production systems, and producers who use the loans to build conservation structures or establish conservation practices. Direct conservation loans have a maximum indebtedness of $600,000, and guaranteed loans have a maximum indebtedness of $1,776,000, adjusted annually for inflation. The repayment term for direct conservation loans is a maximum of 7 years for loans secured by chattel and 20 years for real estate, unless the applicant requests a lesser term. The interest rate for direct conservation loans is equivalent to the direct farm ownership rate and the guaranteed conservation loans interest rate is determined by the lender. Loan guarantees are 80 percent of the principal amount of the loan (90 percent for beginning and socially disadvantaged farmers), and loans are to be disbursed geographically to the maximum extent possible.

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

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

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

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

The Grain Standards and Warehouse Improvement Act of 2000, P.L. 106-472, clarified that certified State programs can provide mediation training and consulting services to producers, lenders, and USDA agencies within the context of mediation for a specific case. The 2018 Farm Bill further expands the use for state mediation grants to include organic production, lease issues, and credit counseling.

AGRICULTURAL IMPROVEMENT ACT OF 2018 (2018 Farm Bill)

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

Overview

Adjusted Gross Income
Producers whose average AGI exceeds $900,000 as applicable to a crop, fiscal, or program year are not eligible to participate in most programs administered by FSA and the Natural Resources Conservation Service (NRCS).

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

The 2018 Farm Bill decoupled the combined $125,000 payment limit for PLC, ARC, from Loan Deficiency Program (LDP) and Market Loan Gain (MLG) for covered commodities and peanuts. Also beginning with crop year 2019, LDP's and MLG's are no longer subject to Payment Limitation or Payment Eligibility provisions, including "actively engaged in farming" and 'cash-rent tenant' provisions for covered commodities and peanuts. ARC and PLC payments are subject to a combined annual limitation of $125,000.

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

Actively Engaged in Farming
Producers who participate in the Price Loss Coverage or Agriculture Risk Coverage programs are required to provide significant contributions to the farming operation to be considered as "actively engaged in farming."

Compliance
The 2018 Farm Bill continues to require an acreage report for all cropland on the farm. The acreage report is required to be eligible for Price Loss Coverage; Agriculture Risk Coverage; marketing assistance loans; and loan deficiency payments.

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

The 2018 Farm Bill continued premium assistance for crop insurance as a benefit subject to compliance with HELC and WC provisions. New provisions are created for determinations, administration, and penalties relating to HELC and WC provisions that are unique to crop insurance. FSA will make HELC/WC eligibility determinations for crop insurance participants based on NRCS technical determinations of HELC/WC compliance.

Farm Bill Programs

Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC)
All the producers on a farm must make an election of: (1) PLC/County ARC on a covered- commodity-by-covered-commodity basis; or (2) Individual ARC for all covered commodities on the farm. If the producers on the farm elect PLC/County ARC, the producers must also make an election to select which base acres on the farm are enrolled in PLC and which base acres are enrolled in County ARC. Alternatively, if Individual ARC is selected, then every covered commodity on the farm must participate in Individual ARC. The 2018 Farm Bill authorized an annual election opportunity beginning in crop year 2021, with an initial election opportunity in 2019 for both the 2019 and 2020 crop years. Also, authorization for ARC and PLC was extended through the 2023 crop year. In addition, the 2018 Farm Bill authorized a nationwide PLC yield update for the 2020 crop year.

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

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

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

Marketing Assistance Loans (MALS) and Sugar Loans
The 2018 Farm Bill extends the authority for sugar loans for the 2019 through 2023 crop years and nonrecourse marketing assistance loans (MALs) and loan deficiency payment (LDPs) for the 2019-2023 crops of wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton, long grain rice, medium grain rice, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, graded and non-graded wool, mohair, honey, unshorn pelts and peanuts. Availability of loans for some commodities may be affected by appropriations language.

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

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

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

To target the program on climate change mitigation, FSA is introducing a new **Climate-Smart Practice Incentive** for CRP general and continuous signups that aims to increase carbon sequestration and reduce greenhouse gas emissions. Climate-Smart CRP practices include establishment of trees and permanent grasses, development of wildlife habitat, and wetland restoration. The Climate-Smart Practice Incentive is annual, and the amount is based on the benefits of each practice type.

In 2021, CRP is capped at 25 million acres, and currently 20.8 million acres are enrolled. Furthermore, the cap will gradually increase to 27 million acres by 2023. To help increase producer interest and enrollment, FSA is:

- Adjusting soil rental rates. This enables additional flexibility for rate adjustments, including a possible increase in rates where appropriate.
- Increasing payments for Practice Incentives from 20% to 50%. This incentive for continuous CRP practices is based on the cost of establishment and is in addition to cost share payments.
- Increasing payments for water quality practices**.** Rates are increasing from 10% to 20% for certain water quality benefiting practices available through the CRP continuous signup, such as grassed waterways, riparian buffers, and filter strips.
- Establishing a CRP Grassland minimum rental rate. This benefits more than 1,300 counties with rates currently below the minimum.

To boost impacts for natural resources, FSA is:

- Moving State Acres for Wildlife Enhancement (SAFE) practices to the CRP continuous signup. Unlike the general signup, producers can sign up year-round for the continuous signup and be eligible for additional incentives.
- Establishing National Grassland Priority Zones. This aims to increase enrollment of grasslands in migratory corridors and environmentally sensitive areas.
- Making Highly Erodible Land Initiative (HELI) practices available in both the general and continuous signups.

CRP has two pilot programs — the Soil Health and Income Protection Program (SHIPP) and the Clean Lakes, Estuaries and Rivers 30-year contracts (CLEAR30).

- For SHIPP, which is a short-term option (3, 4, or 5-year contracts) for farmers to plant cover on less productive agricultural lands, FSA will hold a 2021 signup in the Prairie Pothole states.
- The CLEAR30 pilot, a long-term option through CRP, will be expanded from the Great Lakes and Chesapeake Bay pilot regions to nationwide.

Additionally, in order to better target the program toward climate outcomes, USDA will invest $10 million in the CRP Monitoring, Assessment and Evaluation (MAE) program to measure and monitor the soil carbon and climate resilience impacts of conservation practices over the life of new CRP contracts. This will enable the agency to further refine the program and practices to provide producers tools for increased climate resilience.

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

Biomass Crop Assistance Program (BCAP)

BCAP provides incentives to farmers, ranchers and forest landowners to establish, cultivate and harvest eligible biomass for heat, power, bio-based products, research and advanced biofuels. Crop producers and bioenergy facilities can team together to submit proposals to USDA for selection as a BCAP project area. BCAP was extended through 2018 and funded at $25 million per fiscal year. However, the appropriations acts capped the program at $23 million in FY 2015 and at $3 million in Fiscal Years 2016 and 2017. FY 2018 appropriations prevented FSA from using staff and other resources to administer BCAP in 2018. The 2018 Farm Bill did provide an authorization to spend up to $25 million annually through FY 2023, but changed the funding source from CCC mandatory funds to discretionary funds subject to annual appropriation. No funds were appropriated for BCAP for FY 2021 under the Consolidated Appropriations Act, 2021.

Noninsured Crop Disaster Assistance Program (NAP)

NAP provides buy-up coverage, similar to buy-up provisions offered under the federal crop insurance program. Producers may elect coverage for each individual crop between 50 and 65 percent, in 5 percent increments, at 100 percent of the average market price. Producers also pay a fixed premium equal to 5.25 percent of the liability. The 2018 Farm Bill increases the service fee. Service fees are waived for limited resource, beginning farmers and socially disadvantaged farmers; buy-up coverage premiums are reduced by 50 percent for those same farmers. In addition, a payment limit of $125,000 remains for catastrophic coverage payments under NAP, while the 2018 Farm increased the payment limit for additional NAP coverage to $300,000.

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

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

Disaster Programs

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

Livestock Forage Disaster Program (LFP)

LFP provides compensation to eligible livestock producers that have suffered grazing losses due to drought or fire on land that is native or improved pastureland with permanent vegetative cover or that is planted specifically for grazing. LFP payments for drought are equal to 60 percent of the monthly feed cost for up to

5 months, depending upon the severity of the drought. LFP payments for fire on federally managed rangeland are equal to 50 percent of the monthly feed cost for the number of days the producer is prohibited from grazing the managed rangeland, not to exceed 180 calendar days.

Livestock Indemnity Program (LIP)
LIP provides benefits to eligible livestock owners and contract growers for livestock deaths in excess of normal mortality caused by an eligible loss conditions, including eligible adverse weather, eligible disease, or eligible attacks by animals reintroduced into the wild by the Federal Government or protected by federal law. LIP payments to eligible livestock owners are equal to 75 percent of the average fair market value of the livestock. Rates for contract growers of poultry or swine are based on 75 percent of national average input costs for the applicable livestock. It also provides benefits for the sale of animals at a reduced price if the sale occurred due to injury that was a direct result of an eligible adverse weather event or due to an attack by an animal reintroduced into the wild.

Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)
ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm- raised fish for losses due to disease (including cattle tick fever), adverse weather, or other conditions, such as blizzards and wildfires, not covered by LFP and LIP.

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

Feedstock Flexibility Program (FFP)
Congress reauthorized the FFP in the 2018 Farm Bill through fiscal year 2023, allowing for the purchase of sugar to be sold for the production of bioenergy in order to avoid forfeitures of sugar loan collateral under the Sugar Program.

Non-Farm Bill Programs

The following programs continue under laws other than the 2018 Farm Bill.

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

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

Farm Storage Facility Loan Program (FSFL)
FSFL provides low-interest financing for producers to build or upgrade farm storage and handling facilities.

Sugar Storage Facility Loan Program (SSFL)
SSFL provides low-interest financing for processors to build or upgrade farm storage and handling facilities for raw or refined sugar.

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

FSA's permanent, full-time, end-of-year Federal employment as of September 30, 2020, was 2,937. FSA non-Federal permanent employment in USDA Service Centers was 6,983. The total number of Federal and non-Federal permanent full-time positions in the Washington, DC headquarters office was 141 and the total number in the field offices was 9,778.

OIG and GAO Reports

Table FSA-1. Completed OIG Reports

ID	Date	Title
03702-0002-31	9/28/2020	Wildfires and Hurricanes Indemnity Program
03601-0003-31(1)	9/30/2020	Marketing Facilitation Program (Interim Report)
03601-0003-41	3/27/2020	FSA's Controls Over Its Contract Closeout Process
03601-0004-41	9/28/2020	Livestock Indemnity Program
03702-0001-23	8/28/2020	2017 Hurricane Relief Emergency Assistance for Honeybee Claims
06403-0003-11	11/20/2020	CCC Financial Statements for FY 2020 and 2019
50601-0009-31	5/11/2020	USDA's 2018 and 2019 Trade Mitigation Packages

Table FSA-2. In-Progress OIG Reports

ID	Title
03601-0003-31	Marketing Facilitation Program
03702-0001-22	Florida Citrus Recovery Block Grant Program
03702-0002-23	2017 Hurricane Relief Emergency Conservation Program
03702-0003-31	Wildfires and Hurricane Indemnity Program – Puerto Rico
03801-0001-31	COVID-19: Coronavirus Food Assistance Program -Direct Support

Table FSA-3. Completed GAO Reports

ID	Date	Title
GAO-20-249-SP	9/8/2020	Information Technology: Key Attributes of Essential Federal Mission-Critical Acquisitions
GAO-20-625	6/25/2020	COVID 19: Opportunities to Improve Federal Response & Recovery Efforts
GAO-20-700R	9/15/2020	USDA Marketing Facilitation Program: Information on Payments for 2019
GAO-20-701	9/21/2020	Federal Efforts Could Be Strengthened by Timely and Concerted Actions
GAO-21-95	11/16/2020	FARM PROGRAMS: USDA Has Improved Its Completion of Eligibility Compliance Reviews, but Additional Oversight is Needed
GAO-21-191	11/30/2020	COVID 19: Urgent Actions Needed to Ensure Effective Federal Response

Table FSA-4. In Progress GAO Reports

ID	Title
104060	Cancelled Appropriations
104187	USDA's IT Modernization Efforts
104222	USDA Trade Damage Estimates
104259	USDA's Trade Aid to Farmers Affected by Tariffs
104397	Coronavirus Aid Relief and Economic Security Act
104525	COVID 19: Cares Act (January 2021)

Available Funds and FTEs

Table FSA-5. Available Funds & FTEs

Salaries and Expenses: **Item**	**2019 Actual**	**FTE**	**2020 Actual**	**FTE**	**2021 Enacted**	**FTE**	**2022 Budget**	**FTE**
Discretionary Appropriations	$1,081,655	7,360	$1,122,837	7,922	$1,142,924	8,933	$1,175,670	9,018
Supplemental Appropriations	-	-	3,000	-	-	-	-	-
ACIF Program Account:								
FSA S&E Transfer	290,917	2,669	290,917	1,984	294,114	1,984	294,114	1,984
Subsidy	84,539	-	89,240	-	68,386	-	59,958	-
Program Loan Cost Expense (PLCE)	10,070	-	10,070	-	13,230	-	20,658	-
State Mediation Grants	3,904		5,545		6,914		6,914	
Grassroots Source Water Protection Program		-	-	-	-	-	-	-
Discretionary Appropriations	6,500	-	6,500	-	6,500	-	6,500	-
Mandatory Appropriations	5,000	-	-	-	-	-	-	-
Reforestation Pilot Program	600							
Geog. Disadvantaged Farmers & Ranchers	1,996	-	2,000	-	2,000	-	-	-
Emergency Conservation Program	558,000	-	-	-	-	-	-	-
Assistance for Soc. Disadvantaged Farmers	-	-	-	-	5,015,000	-	-	-
Transfers In	19,358	24	23,625	4	1,200	-	-	-
Total Adjusted Appropriation	2,062,539	10,053	1,553,734	9,910	6,550,268	10,917	1,563,814	11,002
Balance Available, SOY	55,608	-	61,400	-	54,000	-	-	-
Recoveries, Other	-	-	1,026	-	-	-	-	-
Total Available	2,118,147	10,053	1,616,160	9,910	6,604,268	10,917	1,563,814	11,002
Lapsing Balances	-18,156	0	-5,329	-	-	-	-	-
Balance Available, EOY	-43,400	0	-54,000	-	-	-	-	-
Total Obligations	2,056,591	10,053	1,556,831	9,910	6,604,268	10,917	1,563,814	11,002
Other Funding:								
Total Available, FSA	2,118,147	10,053	1,616,160	9,910	6,604,268	10,917	1,563,814	11,002
Other Federal Funds:								
Farm Bill			3,337	-	8,461		-	
Miscellaneous			3,495	-	-			
Total, Other Federal	-	-	6,832	-	8,461	-	-	-
Non-Federal Funds:								
Loan Service Fee Financing	1,368	35	1,565	35	1,569	30	1,569	30
Producer Measurement Service	1,446	11	1,446	11	1,449	10	1,449	10
Farm Bill	-	-	360	-	-	-		
Miscellaneous	-	-	1,100	-	578	-	578	-
Rent Reimbursables	-	-	-	-	828	-	828	-
Total, Non-Federal	2,814	46	4,471	46	4,424	40	4,424	40
Total Available, FSA	2,120,961	10,099	1,627,463	9,956	6,617,153	10,957	1,568,238	11,042

Permanent Positions by Grade and FTEs

Table FSA-6. Permanent Positions by Grade and FTEs

Salaries and Expenses	D.C.	Field	2019 Actual Total	D.C.	Field	2020 Actual Total	D.C.	Field	2021 Enacted Total	D.C.	Field	2022 Budget Total
SES	7		7	7	-	7	7		7	7	-	7
GS-15	16		16	22	1	23	21	1	22	21	1	22
GS-14	33	5	38	46	-	46	55	-	55	55	-	55
GS-13	55	375	430	83	359	442	105	351	456	105	351	456
GS-12	10	804	814	34	794	828	43	977	1,020	43	977	1,020
GS-11	4	541	545	7	513	520	12	504	516	12	504	516
GS-10			-	-	-	-			-	-	-	-
GS-9	3	255	258	18	292	310	20	300	320	20	300	320
GS-8	2	40	42	1	32	33	-	32	32	-	32	32
GS-7	3	529	532	5	541	546	3	511	514	3	511	514
GS-6	1	46	47	1	70	71	1	72	73	1	72	73
GS-5		68	68	-	102	102		93	93	-	93	93
GS-4			-	-	5	5		5	5	-	5	5
GS-3			-	-	4	4		4	4	-	4	4
Total Permanent	134	2,663	2,797	224	2,713	2,937	267	2,850	3,117	267	2,850	3,117
Unfilled, EOY	-	-	438			168			-			-
Total Perm. FT EOY	134	2,663	2,359	224	2,713	3,105	267	2,850	3,117	267	2,850	3,117
FTE	198	2,693	2,891	213	2,628	2,841	267	2,890	3,157	267	2,890	3,157

Note: In addition to those numbers above, there are temporary positions as well.

Vehicle Fleet

Fleet vehicles are used to enable mission support across a wide range of driving profiles, some of which include administrative support, training attendance, community meeting forums and outreach, off-road conservation system application, farm loan and conservation plan compliance reviews, crop insurance delivery, and soil and snow survey. Fleet vehicles are essential to FSA being able to carry out its mission and provide critical transport to conduct business in both rural and developed areas.

Table FSA-7. Vehicle Fleet

Fiscal Year	Sedans and Station Wagons	Lt. Trucks, SUVs, and Vans (4x2)	Lt. Trucks, SUVs, and Vans (4x4)	Medium Duty Vehicles	Buses	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs
2019	283	136	219	1		1	640	3,439
Change	-9	-1	11	-	-	-	1	103
2020	274	135	230	1		1	641	3,542
Change	-	-	-	-	-	-	-	259
2021	274	135	230	1		1	641	3,801
Change	-	-	-	-	-	-	-	217
2022	274	135	230	1		1	641	4,018

Note: Number of vehicles by type include vehicles owned by the agency and leased from commercial sources or GSA.

Annual Operating Costs excludes acquisition costs and gains from sale of vehicles as shown in FAST.

Note: Number of vehicles by type include vehicles owned by the agency and leased from commercial sources or GSA. Annual Operating Costs excludes acquisition costs and gains from sale of vehicles as shown in FAST.

Statement of Proposed Purchase of Passenger Motor Vehicles

Fiscal Year	Net Active Fleet, SOY	Disposals	Replacements	Additions	Total Acquisitions	Net Active Fleet, EOY
2019	300	23	6		6	283
2020	283	43	34		34	274
2021	274	57	57		57	274
2022	274	26	26		26	274

Table FSA-8. Shared Funding Projects

Salaries and Expenses	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Working Capital Fund:				
Administrative Services:				
Material Management Service	241	338	332	162
Mail and Reproduction Services	410	497	474	435
Integrated Procurement Systems	442	397	291	376
Procurement Operations Services	281	894	643	799
Human Resources Enterprise Management Systems	151	211	217	217
Subtotal	1,525	2,337	1,957	1,989
Communications:				
Creative Media & Broadcast Center	306	221	225	248
Finance and Management:				
National Finance Center	7,955	4,507	4,216	4,221
Financial Shared Services	8,928	6,252	9,974	10,102
Internal Control Support Services	410	523	454	454
Subtotal	17,293	11,282	14,644	14,777
Information Technology:				
Client Experience Center	71,691	92,186	92,578	92,472
Department Administration Information Technology Office	-	311	635	375
Digital Infrastructure Services Center	19,487	32,539	23,092	25,726
Enterprise Network Services	5,207	2,148	12,624	15,186
Subtotal	96,385	127,184	128,929	133,759
Office of the Executive Secretariat	178	179	198	197
Total, Working Capital Fund	115,687	141,203	145,953	150,970
Department-Wide Shared Cost Programs:				
Advisory Committee Liaison Services	2	2	2	2
Agency Partnership Outreach	726	760	705	-
Honor Awards	-	-	1	-
Human Resources Self-Service Dashboard	56	59	-	-
Intertribal Technical Assistance Network	348	355	336	-
Medical Services	32	22	47	-
Office of Customer Experience	245	568	941	892
Personnel and Document Security Program	287	306	353	-
Physical Security	-	580	426	-
Security Detail	407	458	452	428
Security Operations Program	992	578	637	-
TARGET Center	116	112	116	-
TARGET Center NCR Interpreting Services	-	-	32	-
USDA Enterprise Data Analytics Services	-	803	491	-
Total, Department-Wide Reimbursable Programs	3,212	4,604	4,540	1,323
E-Gov:				
Budget Formulation and Execution Line of Business	11	11	11	11
E-Rulemaking	2	12	5	6
Financial Management Line of Business	12	12	12	12
Geospatial Line of Business	13	12	12	12
Benefits.gov	101	120	117	114
Grants.gov	-	-	2	2
Human Resources Line of Business	35	29	30	30
Integrated Acquisition Environment	1,032	525	758	758
Total, E-Gov	1,489	769	995	993
Agency Total	120,388	146,576	151,488	153,286

ACCOUNT 1: DISCRETIONARY SALARIES AND EXPENSES

Appropriations Language

For necessary expenses of the Farm Service Agency, [$1,142,924,000]$1,175,670,000 [, of which not less than $15,000,000 shall be for the hiring of new employees to fill vacancies and anticipated vacancies at Farm Service Agency county offices and farm loan officers and shall be available until September 30, 2022]: Provided [, That not more than 50 percent of the funding made available under this heading for information technology related to farm program delivery may be obligated until the Secretary submits to the Committees on Appropriations of both Houses of Congress, and receives written or electronic notification of receipt from such Committees of, a plan for expenditure that (1) identifies for each project/investment over $25,000 (a) the functional and performance capabilities to be delivered and the mission benefits to be realized, (b) the estimated lifecycle cost for the entirety of the project/investment, including estimates for development as well as maintenance and operations, and (c) key milestones to be met; (2) demonstrates that each project/investment is, (a) consistent with the Farm Service Agency Information Technology Roadmap, (b) being managed in accordance with applicable lifecycle management policies and guidance, and (c) subject to the applicable Department's capital planning and investment control requirements; and (3) has been reviewed by the Government Accountability Office and approved by the Committees on Appropriations of both Houses of Congress: Provided further, That the agency shall submit a report by the end of the fourth quarter of fiscal year 2021 to the Committees on Appropriations and the Government Accountability Office, that identifies for each project/investment that is operational (a) current performance against key indicators of customer satisfaction, (b) current performance of service level agreements or other technical metrics, (c) current performance against a pre-established cost baseline, (d) a detailed breakdown of current and planned spending on operational enhancements or upgrades, and € an assessment of whether the investment continues to meet business needs as intended as well as alternatives to the investment: Provided further], That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: Provided further, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: Provided further, That funds made available to county committees shall remain available until expended[:[Provided further, That none of the funds available to the Farm Service Agency shall be used to close Farm Service Agency county offices: Provided further, That none of the funds available to the Farm Service Agency shall be used to permanently relocate county based employees that would result in an office with two or fewer employees without prior notification and approval of the Committees on Appropriations of both Houses of Congress].

Change Description

The first change (lines 1 – 4 of paragraph 1) deletes language included in the 2021 Budget related to filling county office and farm loan officer vacancies. Removal is requested to maximize agency flexibility in program operations.

The second change (lines 4 – 24 of paragraph 1) deletes language included in the 2021 Budget related to information technology execution rates and reporting. Removal is requested to maximize agency flexibility in program operations.

The third change (lines 29 – 34 of paragraph 1) deletes language included in the 2021 Budget related to closing county offices and relocating county-based employees. Removal is requested to maximize agency flexibility in program operations.

Lead-Off Tabular Statement

Table FSA-9. Account 1. Lead Off Tabular

2021 Enacted	1,437,038,000
Change in Appropriation	32,746,000
Budget Estimate, 2022	1,469,784,000
Budget Estimate, Current Law 2022	1,469,784,000

Project Statement

Table FSA-10. Account 1. Project Statement Appropriations

Salaries and Expenses	**2019 Actual**	**FTE**	**2020 Actual**	**FTE**	**2021 Enacted**	**FTE**	**Inc. or Dec.**	**FTE**	**2022 Budget**	**FTE**
Discretionary Appropriations:										
Salaries and Expenses....................	1,081,655	7,360	1,122,837	7,922	1,142,924	8,933	32,746	85	1,175,670	9,018
ACIF Transfer...............................	290,917	2,669	290,917	1,984	294,114	1,984	-	-	294,114	1,984
FBC Transfer.................................	6,849		8,000		-	-	-	-		
Congressional Relations..	120			-	-	-	-	-		
Margin Protection Program Fees...	2,053	-	1,153	-	1,200	-	-1,200	-	-	-
Credit Reform Transfer.................	2,605	24	460	4	-	-				
Uncollected Payments..................	7,731		14,012	-	-	-	-	-	-	-
Subtotal...................................	1,391,930	10,053	1,437,379	9,910	1,438,238	10,917	31,546	85	1,469,784	11,002
Supplemental Appropriations:										
CARES Act.................................	-	-	3,000			-	-	-	-	-
Subtotal...................................	-	-	3,000	-	-	-	-	-	-	-
Total Adjusted Approp...........	1,391,930	10,053	1,440,379	9,910	1,438,238	10,917	31,546	85	1,469,784	11,002
Rescission, Transfers In and Out..	-310,275	-2,693	-314,542	-1,988	-295,314	-1,984	1,200	-	-294,114	-1,984
Total Appropriation................	**1,081,655**	**7,360**	**1,125,837**	**7,922**	**1,142,924**	**8,933**	**32,746**	**85**	**1,175,670**	**9,018**
Transfers In*:										
ACIF Transfer.............................	290,917	2,669	290,917	1,984	294,114	1,984	-	-	294,114	1,984
FBC Transfer..............................	6,849		8,000	-	-	-	-	-	-	-
Congressional Relations..............	120		-	-	-	-	-	-	-	-
Margin Protection Program Fees.	2,053	-	1,153	-	1,200	-	-1,200	-	-	-
Credit Reform Transfer...............	2,605	24	460	4	-	-	-	-	-	-
Uncollected Payments.................	7,731	-	14,012	-	-	-	-	-	-	-
Total Transfers In......................	310,275	2,693	314,542	1,988	295,314	1,984	-1,200	-	294,114	1,984
Recoveries, Other		-	1,026	-	-	-	-	-	-	-
Bal. Available, SOY....................	55,608	-	61,400	-	54,000	-	-54,000	-	-	-
Total Available........................	**1,447,538**	**10,053**	**1,502,805**	**9,910**	**1,492,238**	**10,917**	**-22,454**	**85**	**1,469,784**	**11,002**
Lapsing Balances........................	-18,156		-5,329			-	-	-	-	-
Bal. Available, EOY.....................	-43,400		-54,000			-	-	-	-	-
Total Obligations....................	**1,385,982**	**10,053**	**1,443,476**	**9,910**	**1,492,238**	**10,917**	**-22,454**	**85**	**1,469,784**	**11,002**

Note: The FY20 discrepancy between PS and MAX is due to $8M in Reimbursables.

Table FSA-11. Account 1. Project Statement Obligations

Salaries and Expenses	**2019 Actual**	**FTE**	**2020 Actual**	**FTE**	**2021 Enacted**	**FTE**	**Inc. or Dec.**	**FTE**	**2022 Budget**	**FTE**
Discretionary Obligations:										
Salaries and Expenses................	1,075,707	7,360	1,125,934	7,922	1,196,924	8,933	-21,254	85	1,175,670	9,018
ACIF Transfer...........................	290,917	2,669	290,917	1,984	294,114	1,984	-	-	294,114	1,984
FBC Transfer............................	6,849	-	8,000	-	-	-	-	-		
Congressional Relations..............	120	-	-	-	-	-	-	-		
Margin Protection Program Fees.	2,053	-	1,153	-	1,200	-			-	-
Credit Reform Transfer..............	2,605	24	460	4	-	-	-	-	-	-
Uncollected Payments................	7,731	-	14,012	-	-	-	-	-	-	-
Subtotal Disc oblig..................	1,385,982	10,053	1,440,476	9,910	1,492,238	10,917	-22,454	85	1,469,784	11,002
Supplemental Obligations:										
CARES Act................................	-	-	3,000	-	-	-	-	-	-	-
Subtotal Supp Oblig................	-	-	3,000	-	-	-	-	-	-	-
Total Obligations.....................	**1,385,982**	**10,053**	**1,443,476**	**9,910**	**1,492,238**	**10,917**	**-22,454**	**85**	**1,469,784**	**11,002**
Lapsing Balances........................	18,156	-	5,329	-	-	-	-	-	-	-
Total Bal. Available, EOY..........	43,400	-	54,000	-	-	-	-	-	-	-
Total Available.......................	**1,447,538**	**10,053**	**1,502,805**	**9,910**	**1,492,238**	**10,917**	**-22,454**	**85**	**1,469,784**	**11,002**
Less:										
Total Transfers In.......................	-310,275	-2,693	-314,542	-1,988	-295,314	-1,984	1,200	-	-294,114	-1,984
Total Transfers Out....................	-	-	-	-	-	-	-	-	-	-
Sequestration...............................	-	-	-	-	-	-	-	-	-	-
Recoveries, Other	-	-	-1,026	-	-	-	-	-	-	-
Bal. Available, SOY...................	-55,608	-	-61,400	-	-54,000	-	54,000	-	-	-
Total Appropriation...............	**1,081,655**	**7,360**	**1,125,837**	**7,922**	**1,142,924**	**8,933**	**32,746**	**85**	**1,175,670**	**9,018**

Note: The FY20 discrepancy between PS and MAX is due to $8M in Reimbursables.

Justification of Increases/Decreases

An increase of $32,746,000 and 85 FTE ($1,142,924,000 and 10,917 FTE available in 2021).

The funding change is requested for the following items:

A) An increase of $12,723,000 and 0 FTE for Federal Offices.

a) An increase of $4,916,910 for pay costs ($540,330 for annualization of the 2021 pay increase and $4,376,580 for the 2022 pay increase).

The increase will support a 2.7% Cost of Living pay increases for civilian employees and will allow FSA to continue to meet its objective to deliver timely, effective programs and services to America's farmers and ranchers to support them in sustaining our Nation's vibrant agricultural economy. This critical increase is needed to support and maintain current staffing levels to meet the programmatic and statutory requirements imposed on FSA. Failure to receive this increase would prevent FSA from fully performing its mission, which is necessary to ensure continued service to America's farmers and ranchers.

b) An increase of $2,306,090 for the Department's increased contribution to the Federal Employees Retirement System (FERS).

This increase will support a 1.1% increase to cover the expenses for the mandated increase of USDA's contribution to FERS.

c) An increase of $5,500,000 for Socially Disadvantaged Farmers and Ranchers.

This increase provides designated funding for Partnerships and Cooperative Agreements to conduct better outreach and program access for Pandemic Assistance for Producers, Disaster Assistance, and Heirs Property Outreach & Education Campaign to historically underserved communities to support beginning and underserved farmers.

B) An increase of $20,023,000 and 85 FTE for Non-Federal Offices.

a) An increase of $10,944,090 for pay costs ($1,202,670 for annualization of the 2021 pay increase and $9,741,420 for the 2022 pay increase).

The increase will support a 2.7% Cost of Living pay increases for civilian employees and will allow FSA to continue to meet its objective to deliver timely, effective programs and services to America's farmers and ranchers to support them in sustaining our Nation's vibrant agricultural economy. This critical increase is needed to support and maintain current staffing levels to meet the programmatic and statutory requirements imposed on FSA. Failure to receive this increase would prevent us from fully performing our mission, which is necessary to ensure continued service to America's farmers and ranchers.

b) An increase of $5,132,910 for the Department's increased contribution to the Federal Employees Retirement System (FERS).

This increase will support a 1.1% increase to cover the expenses for the mandated increase of USDA's contribution to FERS.

c) An increase of $1,600,000 and 20 FTE for the Urban Agriculture Initiative.

This increase supports establishing County Committees to support a County Executive Director and Program Technician at each of the 10 Urban Agricultural Cities. The dedicated staff will support and assist urban agricultural farmers and producers with critical issues. These positions in underserved cities will be the first step for FSA in focusing on racial inequalities for urban farmers/producers of color.

d) An increase of $2,346,000 and 65 FTE for Temporary Staff and Overtime.

This increase supports for both implementation of Pandemic Assistance for Producers and payments to satisfy outstanding loan indebtedness, which will assist with both COVID relief efforts and improvement of employee morale.

Geographic Breakdown of Obligations and FTEs

Table FSA-12. Account 1. Geographic Breakdown of Obligations & FTE s

State/Territory/Country	2019 Actual	FTE	2020 Actual	FTE	2021 Enacted	FTE	2022 Budget	FTE
Alabama	18,450	183	19,190	180	19,130	199	19,566	200
Alaska	1,195	8	1,242	8	1,239	9	1,267	9
Arizona	4,444	42	4,622	42	4,608	46	4,713	46
Arkansas	23,955	250	24,916	247	24,837	272	25,403	274
California	15,989	145	16,630	143	16,578	157	16,956	159
Caribbean	5,626	43	5,852	43	5,833	47	5,966	47
Colorado	13,668	136	14,216	134	14,171	148	14,494	149
Connecticut	2,164	20	2,250	20	2,243	21	2,295	22
Delaware	1,845	17	1,919	17	1,913	19	1,957	19
District of Columbia	406,974	209	423,296	206	421,966	227	431,581	228
Florida	10,316	99	10,730	97	10,696	107	10,940	108
Georgia	28,447	284	29,588	280	29,495	309	30,167	311
Hawaii	3,865	30	4,020	29	4,007	32	4,099	32
Idaho	12,604	123	13,110	121	13,069	134	13,366	135
Illinois	46,955	498	48,838	491	48,685	541	49,794	545
Indiana	32,374	332	33,672	327	33,567	360	34,332	363
Iowa	54,221	586	56,396	578	56,219	636	57,500	641
Kansas	44,826	471	46,623	464	46,477	511	47,536	515
Kentucky	31,511	320	32,775	315	32,672	347	33,416	350
Louisiana	16,881	169	17,558	166	17,503	183	17,901	185
Maine	5,532	51	5,754	50	5,736	55	5,866	56
Maryland	6,519	65	6,781	64	6,759	71	6,913	71
Massachusetts	3,567	30	3,710	29	3,698	32	3,783	33
Michigan	22,840	238	23,756	235	23,682	258	24,221	260
Minnesota	39,124	404	40,693	398	40,566	439	41,490	442
Mississippi	23,437	232	24,377	229	24,300	252	24,854	254
Missouri	40,569	409	42,196	404	42,063	445	43,022	448
Montana	21,425	210	22,284	207	22,214	228	22,720	230
Nebraska	40,219	417	41,832	411	41,701	453	42,651	456
Nevada	3,663	23	3,810	23	3,798	25	3,884	25
New Hampshire	2,371	20	2,466	20	2,458	22	2,515	22
New Jersey	3,900	34	4,056	33	4,043	37	4,136	37
New Mexico	7,648	68	7,955	67	7,930	74	8,110	75
New York	16,581	175	17,246	172	17,192	190	17,584	191
North Carolina	30,973	312	32,216	307	32,114	339	32,846	341
North Dakota	28,362	291	29,500	286	29,407	316	30,077	318
Ohio	28,990	296	30,152	292	30,058	321	30,742	324
Oklahoma	31,932	324	33,213	320	33,108	352	33,863	355
Oregon	9,521	93	9,903	92	9,872	101	10,096	102
Pennsylvania	17,050	171	17,733	168	17,678	186	18,081	187
Rhode Island	1,069	8	1,112	8	1,109	9	1,134	9
South Carolina	14,017	141	14,580	139	14,534	153	14,865	154
South Dakota	32,275	326	33,569	322	33,463	355	34,226	357
Tennessee	24,492	239	25,474	236	25,394	260	25,973	262
Texas	66,740	654	69,416	644	69,198	710	70,775	715
Utah	8,091	71	8,416	70	8,389	78	8,581	78
Vermont	4,134	37	4,300	37	4,287	40	4,384	41
Virginia	18,896	178	19,654	176	19,592	193	20,038	195
Washington	10,108	104	10,514	103	10,481	113	10,719	114

West Virginia	9,123	82	9,489	81	9,459	89	9,675	90
Wisconsin	29,711	320	30,903	315	30,806	347	31,508	350
Wyoming	6,793	65	7,065	64	7,043	71	7,204	71
Distribution Unknown			1,907		55,200		-	-
Obligations	**1,385,982**	**10,053**	**1,443,476**	**9,910**	**1,492,238**	**10,917**	**1,469,784**	**11,002**
Lapsing Balances	18,156	-	5,329	-	-	-	-	-
Bal. Available, EOY	43,400	-	54,000	-	-	-	-	-
Total, Available	**1,447,538**	**10,053**	**1,502,805**	**9,910**	**1,492,238**	**10,917**	**1,469,784**	**11,002**

Classification by Objects

Table FSA-13. Account 1. Classification by Object

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
	Personnel Compensation:				
	Washington D.C.	23,094	22,986	31,770	33,343
	Personnel Compensation, Field	199,350	233,412	227,590	226,734
11	Total personnel compensation	222,444	256,398	259,360	260,077
12	Personal benefits	83,200	102,396	106,826	109,132
13	Benefits for former personnel				
	Total, personnel comp. and benefits	305,644	358,794	366,186	369,209
	Other Objects:				
21	Travel and transportation of persons	7,587	5,391	3,819	3,819
22	Transportation of things	1,655	2,119	2,245	2,245
23	Rental payments to GSA	21,843	16,362	16,321	12,030
23	Rental payments to others	-	2,897		4,976
23	Communications, utilities, and misc. charges	131	130		
24	Postage	5,964	7,020	5,013	5,013
24	Printing and reproduction	417	520	302	302
25	Other contractual services	356,634			
25	Advisory and assistance services	-	99,663	10,000	4,000
25	Other services from non-Federal sources	3,028	70,723	-	5,500
25	Other goods and services from Federal sources		176,952	309,718	286,360
25	Operation and maintenance of facilities		271		
26	Operation and maintenance of equipment		392		
26	Supplies and materials	965	2,041	1,493	1,493
31	Equipment	18,645	16,593	924	1,000
41	Grants, subsidies, and contributions	663,469	683,096	776,217	773,837
42	Insurance Claims and Indemnities		507		
43	Interest and Dividends		5		
	Total, Other Objects	1,080,338	1,084,682	1,126,052	1,100,575
100	Total, new obligations	1,385,982	1,443,476	1,492,238	1,469,784
	DHS Building Security Payments (included in 25.3)	3,028	3,442	1,518	1,669
	Information Technology Investments:				
	FBC-1001 Cust Engagement & Management Services				
11	Internal Labor	-	-	-	-
	External Labor (Contractors)	10,728	27,052	25,147	18,780
25	Outside Services (Consulting)	21,485	-	-	-

	Sub-Total	32,213	27,052	25,147	18,780
	FSA-097 Farm Program Modernization				
11	Internal Labor	269	-	-	-
	External Labor (Contractors)	9,411	4,314	3,264	3,264
25	Outside Services (Consulting)	7,642	-	-	-
	Sub-Total	17,322	4,314	3,264	3,264
	FSA-125 Farm Programs				
11	Internal Labor	5,914	-	-	-
	External Labor (Contractors)	28,064	23,115	19,575	19,825
25	Outside Services (Consulting)	8	-	-	-
	Sub-Total	33,986	23,115	19,575	19,825
	FSA-126 Farm Loan Programs				
11	Internal Labor	3,361	-	-	-
	External Labor (Contractors)	4,726	14,585	23,660	23,660
25	Outside Services (Consulting)	6,990	5,946	6,751	6,751
	Sub-Total	15,077	20,531	30,411	30,411
	FSA-127 Geospatial Services				
11	Internal Labor	8,065	-	-	-
	External Labor (Contractors)	13,673	11,440	13,504	11,924
25	Outside Services (Consulting)	1,119	880	630	399
	Sub-Total	22,857	12,320	14,134	12,323
	FSA-129 Program Financial Services				
11	Internal Labor	3,361	-	-	-
	External Labor (Contractors)	23,162	13,182	13,025	13,025
25	Outside Services (Consulting)	64	-	200	200
	Sub-Total	26,587	13,182	13,225	13,225
	NRCS-CDSI Conservation Delivery Streamline Initiative				
11	Internal Labor	-	-	-	-
	External Labor (Contractors)	-	-	-	-
	Outside Services (Consulting)	-	-	-	-
	Sub-Total	-	-	-	-
	RMA-13 Emerging Information Technology Architecture (EITA)				
	Internal Labor	-	-	-	-
	External Labor (Contractors)	-	-	-	-
	Outside Services (Consulting)	-	-	-	-
	Sub-Total	-	-	-	-
	Mission Area Non-Major Investment Totals	175,414	50,391	47,482	51,808
	Mission Area Standard Investment Totals	9,383	34,403	38,880	39,121
	Mission Area WCF Transfers	21,449	155,977	152,358	157,646
	Information Technology Investments Totals	354,288	341,285	344,476	346,403
	Position Data:				
	Average Salary (dollars), ES Position	174,557	188,664	191,494	194,366
	Average Salary (dollars), GS Position	80,748	77,208	83,793	85,050
	Average Grade, GS Position	11	11	11	10

STATUS OF PROGRAMS

Salaries and Expenses

FSA's major program areas:

- **Farm Loans** – FSA's farm loan programs provide direct loans or loan guarantees to family farmers who could not otherwise obtain commercial credit. The programs improve access to capital and mitigate market losses, including those resulting from disasters, and thus contribute to the success of farms and ranches, a market-based agriculture sector, and thriving agricultural communities.

- **Income Support and Disaster Assistance** – FSA's income support and disaster assistance programs are key components of USDA's efforts to provide America's farmers and ranchers with an economic safety net to help them maintain their operations during difficult times. The programs mitigate market losses, including those resulting from disasters, and thus contribute to the success of farms and ranches, a market-based agriculture sector, and thriving agricultural communities. The programs also contribute to affordable food and fiber, a secure supply of quality food and fiber, and effective domestic and international food aid.

- **Conservation** – FSA conservation programs help maintain and enhance the nation's natural resources and environment. Certain conservation programs mitigate losses from natural disasters and thus contribute to the success of farms and ranches, a market-based agricultural sector, and thriving agricultural communities. The programs target land to maximize conservation benefits and contribute to quality soil, water, wildlife habitat, and air.

Administrative Efficiencies

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

In 2020, CCC continued its support of American agriculture through commodity, conservation, dairy, disaster, energy, specialty and organic crops, and trade relief programs. CCC's independent auditors issued an unmodified (clean) audit opinion on CCC's FY 2020 Consolidated Financial Statements (comparative).

Improper Payments and Related Compliance (Based on FY 2020 Review Cycle). The FY 2020 Payment Integrity Review Cycle included a statistical sample of the following programs designated as high risk: Agriculture Risk Coverage and Price Loss Coverage (ARC/PLC), Emergency Conservation Program-Hurricane Harvey (ECP-HH), Livestock Forage Disaster Program (LFP), Noninsured Crop Disaster Assistance Program (NAP) and Wildfires and Hurricanes Indemnity Program (WHIP).

The ARC/PLC program reported an estimated improper payment rate of 4.72% which is less than the FY 2020 target rate of 9.99%.

ECP-HH and WHIP attributed most improper payments to administrative process errors. To reduce the improper payment error rate for ECP-HH, the Agency held a National Conservation Training in October 2019, revised the Handbook 1-ECP, that sets forth policy regarding program management, and hosted monthly conferences to address the importance of preventing improper payments within the program. For WHIP, a checklist was made to assist specialists to thoroughly complete applications and help fulfill second party reviews. LFP and NAP attributed the majority of improper payments to insufficient, or lack of, documentation. To reduce the improper payment error rate, the agency identified areas where software enhancements can mitigate errors, clarified policy, and provided training to reduce improper payments.

In coordination with the Office of Management and Budget (OMB) and the Office of the Chief Financial Officer, FSA performed risk assessments and statistically sampled two major programs—the Market Facilitation Program (MFP) and the Trade Mitigation Program (TMP). Both programs reported a projected improper payment rate of less than ten percent, or low risk.

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

Independent Review of Workload. The Consolidated and Further Continuing Appropriations Act of 2015 directed FSA to conduct an independent review of FSA's workload analysis methods. The independent review, conducted by the National Academy of Public Administration study and submitted to the Hill on November 7, 2016, concluded that FSA was on the right path with workload analysis.

Since 2016, FSA has dedicated project management teams to manage the development, communications and feedback on the workload analysis and staffing model. To date, significant work has been done looking at data from the NRCS, FSA, the Risk Management Agency (RMA), and the Business Center (BC). The Optimally Productive Office study leverages analysis of cycle time analyses, core workload, indicators and distribution of customers across the country, to determine where FPAC offices should be located and how they should be staffed. The study results are displayed in online dashboards. FPAC staff has analyzed the workload metrics, identified unique regional factors that impact productivity, and assessed outputs per full-time equivalent (FTE). The proposed workload indicators provide data-driven insight into individual and office productivity. To gain a comprehensive understanding of the impact and efficacy of program delivery, the agencies will also evaluate performance measures and metrics.

Program Outreach and Education. FSA has continued to invest in program education efforts. Despite travel limitations imposed by the COVID-19 pandemic, employees conducted over 14,000 activities nationwide in FY2020, educating producers on FSA programs, Farm Bill provisions, and USDA initiatives. Through these continued efforts, FSA expanded access to program information to stakeholders and producers and encouraged signups for disaster programs. Through its partnerships with non-profit organizations, associations, land grants and USDA funded partners, FSA conducted outreach on the following programs: Seafood Trade Relief Assistance Program, Coronavirus Food Assistance Program 1 & 2, Soil Health Income Protection Pilot Program, Farm Numbers for Heirs' Property Landowners, Conservation Reserve Program, CLEAR 30, Wildfire Hurricane Indemnity Program+, Emergency Loans, Market Facilitation Program, Dairy Margin Coverage Program, ARC/PLC, Farm Storage Facility Loans, ECP, Noninsured Crop Disaster Assistance Program, Direct and Guaranteed Farm Loan Programs, Microloans, Youth Loans, Organic Certification on Cost Share, County Committees and the new Urban Ag Committees.

In FY 2020, FSA was designated to oversee the Department's Beginning Farmer and Rancher Program and provided $122,000 in support of the Secretary's Beginning Farmer Advisory Committee In accordance with the 2018 Farm Bill, FSA hired a National Beginning Farmer and Rancher Coordinator and identified state coordinators, for every state, who would coordinate outreach efforts to beginning farmers and ranchers. FSA collaborated with beginning farmer champions from NRCS, RMA, FSA, and RD state offices to support each state coordinator, and to facilitate coordination at the field level across the different agencies.

Receipt for Service. The 2014 Farm Bill requires FSA, NRCS, and RD service centers to issue receipts documenting a service received or denied to customers requesting an agricultural service from any of the three service centers. In FY 2020, FSA service centers issued over 1.8 million receipts to customers through the farmers.gov employee portal.

Modernize and Innovate the Delivery of Agricultural Systems (MIDAS). MIDAS is an extensive IT modernization effort to produce a secure, modern IT system that supports web-based farm program delivery and integrated business process. Through MIDAS, farm and customer (farmer, rancher, and producer) data is centralized and integrated, providing a host of benefits to farmers and the USDA. MIDAS Business Partner and Farm Records are used every day at approximately 2,200 USDA Service Centers and State Offices across the country. The platform supports 5,367 active daily users, 11 million customer records, 5.5 million farm records with 8.1 million tracts, and 38 million fields. MIDAS continues to support the mission critical Business Partner and Farm Records systems, used by FSA, NRCS, RD, and RMA, to deliver farm programs to U.S. farmers, producers, and ranchers.

FPAC's Information Solutions Division (ISD) is working with a vendor to create a FPAC Architectural IT roadmap, which will look across the FPAC Mission Area enterprise and include a complete eco-system analysis. This analysis will assist FSA in identifying the best platforms, solutions, and strategies that will maximize effective use of limited IT budgets. It will do this by eliminating redundant costs, improving customer service, with modern IT solutions, and producing faster, increased-value delivery of mission critical capabilities. MIDAS continues to be an enabling system for Salesforce and all other applications requiring Business Partner data.

Acreage Crop Reporting Streamlining Initiative (ACRSI). ACRSI is a joint FSA and RMA initiative focused on establishing a common commodity reporting framework in support of USDA programs. Mandated within the 2014 Farm Bill, ACRSI was designed to reduce the reporting burden on producers. By modernizing and streamlining existing crop information collection activities, ACRSI minimized, or even eliminated, the duplication of information collected by USDA agencies. The creation of a USDA data standard allows the producer to report common crop and acreage reporting data through the reporting channel of their choice:

- FSA County Office
- Crop Insurance Agent/Approved Insurance Provider (AIP)
- Precision Agriculture/3rd party Farm Management Information System (FMIS)/Upload User Interface (UI)

Today, crop data is securely shared across the USDA for use by RMA, FSA, NRCS, NASS, and other agencies. USDA established standards for this reporting feature and published it to industry (GitHub), which allows for the leveraging of industry and technology to reduce reporting costs and burdens on producers.

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

USDA is currently building upon previous efforts to modernize the acreage reporting process by deploying a prototype to include a select number of field offices and a few dozen participating farmers. The initial stages of this initiative integrate geospatial farm imagery into the existing acreage reporting process to improve the accuracy and data of the FSA-578 acreage report. More specifically, FPAC is developing a “point and click” acreage reporting prototype. Based on the outputs of this prototype, plans to share geospatial data with RMA and other Agencies can be formalized. This initiative explores combinations of different technology solutions and field operation processes that will improve and enhance the way farmers and USDA employees report acreage across the Nation by reducing the need for paper maps, shortening process time, reducing paper storage costs, and increasing office efficiency. With the development of self-service tools, farmers, ranchers and producers will be able to compose and submit acreage reporting from home.

FSA Programs and Activities

Farm Loans

FSA provides loans to beginning, socially disadvantaged, and family size farmers through FSA county service centers.

Direct Farm Loan Program. The loan staff in service centers receive applications for direct loan assistance and process each application according to applicable statutes, FSA regulations, and other Federal program requirements. Loan staff provide applicants with detailed information on FSA’s loan programs and assistance in completing the application, if necessary.

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

All through the process, the service center staff communicate with the applicant, both in person and by correspondence, to ensure that the applicant is up to date on the processing of the application. Once the loan is approved, funds are obligated, paperwork is completed, and the loan is closed. After the loan is closed, the farm loan staff provide technical assistance to the borrower, inspect collateral, assess the operation’s progress to transition to commercial credit, and provide expert referrals when necessary.

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

In FY2020, activity under the Agricultural Credit Insurance Fund included:
Number of direct loans..26,020
Dollar value of direct loans... $3,362,025,054

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

In FY2020, activity under the Agricultural Credit Insurance Fund included:
Number of guaranteed loans...8,965
Dollar value of guaranteed loans..$4,157,887,837

State Mediation Grants (SMG). This program helps agricultural producers, their lenders, and other persons directly affected by the actions of USDA, resolve disputes or conflicts. Funding is provided in the form of grants to designated state mediation programs.

In FY 2020, SMG activity included:
Number of Grants made to States.. 42
Dollar value of grants.. $5,373,162
Amount of SMG payments issued... $4,373,769

Income Support and Disaster Assistance

Farm Storage Facility Loans (FSFL). FSFL allow producers of eligible commodities to obtain low-interest financing to build, acquire, or upgrade on-farm storage and handling facilities, including storage and handling trucks. Eligible facilities and equipment may be new or used, and permanently affixed or portable. Eligible commodities include hay, renewable biomass, fruits and vegetables (including nuts), milk, hemp, seed cotton, rye, maple sap, honey, meat, poultry, eggs, cheese, butter, yogurt, aquaculture, floriculture, and hops.

FSA employees meet with applicants to review the proposed acquisition, construction, or renovation project. An eligibility review is necessary to determine if the applicant produces an eligible FSFL commodity and has a need for storage or other eligible FSFL components. Additionally, county office employees must determine if the proposed project is compliant with local land use laws, zoning, and environmental regulations.

The requested loan amount is evaluated to determine credit worthiness of the applicant. The evaluation will consider whether the applicant's expected cash flow shows any debt exposure that could impact the applicant's ability to make their annual installments. Loan amounts exceeding $100,000, or aggregate loan balances exceeding $100,000, require additional security to be pledged to ensure repayment of the loan, in the form of real estate lien or an irrevocable letter of credit. Prior to loan approval, staff must determine that environmental conditions of the construction site will not place CCC at risk and the required security is obtained. When construction is complete and all documents necessary to disburse the loan are received, the county office performs a final inspection and schedules a loan closing with the applicant. Once disbursed, FSFLs require annual servicing (repayments) to collect installment amounts for the applicable three, five, seven, ten, or twelve-year terms of the loan. Annual servicing responsibilities include verifying multi-peril crop insurance, or NAP, automobile insurance, structural insurance, flood insurance, and ensuring the Universal Commercial Code (UCC) financing statement is current and the structure or FSFL collateral is being maintained and used for its intended purposes. Applicants may apply for a FSFL microloan when the applicant's aggregate outstanding FSFL balance does not exceed $50,000. The applicant may self-certify to the storage need. Loan terms for a FSFL microloan are three, five, or seven years.

In FY 2020, FSFL program activities included:
Farm Storage Facility Loans Closed..1,328
Amount of Farm-Storage Facility Loans...$339,541,993

Price Loss Coverage (PLC). PLC provides payments on farms and commodities to producers that have elected and enrolled in the program for crop years 2014 through 2023. The 2018 Farm Bill reauthorized the PLC program with modifications for crop years 2019 through 2023. PLC payments are authorized for a covered commodity when the effective price for the commodity is less than the reference price of the commodity.

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

- The national average market price received by producers during the 12-month marketing year for the covered commodity as determined by the Secretary; or
- The national average loan rate for a marketing assistance loan for the covered commodity in effect for the applicable marketing year.
- The payment rate for a covered commodity is the difference between the reference price and effective price, as determined above. If the difference between the reference price and the effective price is determined to be zero or negative, no payment will be issued.

Payments are made after October 1 in the year following the applicable marketing year for the covered commodity. Employees review all documentation provided, including recorded deeds, signed leases, and partnership agreements, Articles of Incorporation, and trust papers. This information will determine the applicant's percentage of shares in each contract and proper vesting. All land owned and/or operated by a participant is properly identified by delineating property, verifying correct acreage, printing maps, and ensuring contract information is entered into the system. All shares are applied to each participant based on ownership of land and applicable lease agreements. All participant signatures are obtained, and the contract is approved by the county committee or designee. Final payments are issued once a year; the timeline varies based on the crops enrolled. FY 2020 PLC payments were for the 2018 crop year.

FY 2020 PLC activity included:
Number of 2020 payments... 886,113
Dollar value of PLC payments made... $1,927,807,000

Agriculture Risk Coverage (ARC) provides payments to producers on farms and commodities that have elected and enrolled in ARC for crop years 2014 through 2023. The 2018 Farm Bill reauthorized the ARC program with modifications for the 2019 through 2023 crop years . The ARC program provides producers an option to earn payments to protect against declines in market revenue. The producer must provide proof of cash lease or share crop information.

Employees review all documentation provided, i.e. recorded deeds, signed leases, partnership agreements, articles of incorporation, trust papers, to determine proper vesting and the percentage of shares each applicant has in the contract. All land owned and/or operated by a participant is properly identified. Property is delineated, correct acreage is verified, and all maps are printed. Contract information is entered into the system. All shares are applied to each participant based on ownership of land and applicable lease agreement. All participant signatures are obtained, and the contract is approved by the county committee or designee.
Final payments are issued once a year, the timeline varies dependent upon the crops enrolled. FY 2020 ARC payments were for the 2018 crop year.

FY 2020 ARC activity included:
Number of 2020 payments... 704,745
Dollar value of ARC payments made... $689,624,642

Marketing Assistance Loans (MALs). MALs offer producers interim financing at harvest time, enabling them to meet their cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows.

MALs allow producers to delay the sale of their commodity until more favorable market conditions emerge, and allow for more orderly marketing of commodities throughout the year. MALs are available for producers to receive loan funds using commodities as collateral. Both farm-stored and warehouse-stored commodities are available. The county office employee accepts an application, which includes producer information, commodity type, certification of farm-stored bushels or hundredweights, or a warehouse receipt, and storage location. Producer eligibility and the amount of the commodity pledged must then be verified. FSA prepares lien documents and requires the first lien position on all the loan commodity. A review must be completed to determine if other liens have been previously filed on the commodity. In the case other liens have previously filed, staff must prepare waivers and obtain signatures from the other lienholders. Multi-county producers' MALs must be verified with other county offices to ensure that the collateral is not used for multiple loans. MALs mature in 9 months and producers may make a single repayment or multiple repayments during the loan period. A certain number of farm-stored loans require a spot-check inspection, which includes measuring and sampling the commodity in each storage facility under loan. If the commodity is not in storable condition, the producer is notified to take action or settle the loan. If producers are delinquent on a loan, it may convert to a receivable and steps may be required to take physical possession of the grain to settle the debt.

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

FY 2020 MAL and LDP activity included:

Table FSA-14. MAL & LDP Number and Value

Commodity	Marketing Assistance Loans (MALs)		Loan Deficiency Payments (LDPs)	
	Number of Loans	Dollar Value ($000)	Number of LDP's	Dollar Value ($000)
Corn [1]	14,253	1,740,218	-	-
Grain Sorghum [1]	68	5,399	-	-
Barley [1]	197	16,517	-	-
Oats [1]	58	2,314	-	-
Wheat [1]	2,103	230,016	-	-
Rice [1]	1,518	270,944	-	-
Cotton	27,963	3,308,973	3,875	16,150
Soybeans [1]	9,661	955,135	-	-
Minor Oilseeds [1]	242	26,303	-	-
Sugar [2]	285	940,860	-	-
Peanuts [1]	5,646	797,377	-	-
Honey [1]	67	6,324	-	-
Pulse Crops	212	18,705	2,039	6,010
Wool [3]	3	138	1,429	2,079
Mohair [1]	-	-	-	-
Total	**62,276**	**8,319,223**	**7,343**	**24,188**

1.There was no LDP activity for corn, grain sorghum, barley, oats, rice, minor oilseeds, peanuts, honey and mohair. Minus (-) indicates credit adjustment to the program.
2. LDP's are not available for sugar
3.Includes unshorn pelts

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

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

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

DMC activity in FY 2020 included:
Number of payments.. 48,613
Amount of DMC payments……………………………………………..….. $182,800,777.42

Market Facilitation Program (MFP). MFP provides assistance to farmers and ranchers with commodities directly impacted by unjustified foreign retaliatory tariffs, resulting in the loss of traditional export markets. Assistance is available for agricultural producers of non-specialty crops, dairy, hogs, and specialty crops. Assistance for non-specialty crops is based on a single- county payment rate per acre basis multiplied by a farm's total plantings of MFP-eligible crops in aggregate in 2019 for that county. Those per-acre payments are not dependent on which of those crops are planted in 2019. A producer's total payment-eligible plantings cannot exceed total 2018 plantings. County payment rates range from $15 to $150 per acre, depending on the impact of unjustified trade retaliation in that county. In the event a non-specialty crop was prevented from being planting and had a subsequently planted eligible cover crop planted the minimum standard national payment rate of $15/acre would be paid for those acres regardless of the county. MFP was provided $9.510 billion in FY 2020 to fulfill approved 2019 MFP applications and resolve outstanding errors, omissions and appeals.

Additional Supplemental Appropriations for Disaster Relief Act, 2019.The Additional Supplemental Appropriations for Disaster Relief Act, 2019, provided funding for disaster assistance for necessary expenses related to losses of crops (including milk, on-farm stored commodities, crops prevented from planting in 2019, and harvested adulterated wine grapes), trees, bushes, and vines, as a consequence of Hurricanes Michael and Florence, other hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms, and wildfires occurring in calendar years 2018 and 2019. USDA administers this assistance through the Wildfires and Hurricanes Indemnity Program (WHIP+), which provides payments to eligible producers who suffered eligible crop, tree, bush, and vine losses resulting from hurricanes and wildfires that occurred in the 2018 and 2019 calendar years.

The Further Consolidated Appropriations Act, 2020 expanded the WHIP+ program to include quality, excessive moisture, and D3 and D4 drought conditions in 2018 and 2019. The 2020 Act also included $285 million to compensate grower members of sugar beet processors cooperatives for sugar beet losses in 2018 and 2019.

Seafood Trade Relief Program (STRP). STRP provides direct payments to fishermen impacted by adverse trade actions from foreign governments on eligible seafood species harvested in 2019. STRP was provided $530 million to remain available through FY2021. USDA's Farm Service Agency has paid out over $177 million to over 7,000 fishermen through 2020. The signup period for STRP began September 14, 2020 and ended January 15, 2021.

Coronavirus Food Assistance Program (CFAP).The Coronavirus Food Assistance Program (CFAP) 1 and 2 assist producers who face continuing market disruptions, reduced farm-level prices, and increased production and marketing costs as a result of the COVID-19 pandemic. These additional costs are associated with declines in demand, surplus production, or disruptions to shipping patterns and marketing channels. CFAP 1 and CFAP 2 payments are supported by the Coronavirus Aid Relief, and Economic Security Act (CARES) funding and the CCC funding. CFAP 1 received $9.5 billion in CARES Act funding and $6.5 billion in CCC funds. CFAP 2 received an estimated $14 billion in CCC funds.

Non-Insured Crop Disaster Assistance Program (NAP). Producers obtain NAP coverage by completing a NAP application for coverage by the application closing date, applicable to their crop(s), and paying the applicable service fee. The 2018 Farm Bill reauthorized NAP and made several changes to the program. For 2019 and subsequent years, the service fees are $325 per crop or $825 per producer per administrative county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties. Beginning in 2015, additional levels of coverage were available at 50/100, 55/100, 60/100, and 65/100 (yield/price). In the event a natural disaster causes damage to a NAP covered crop, a Notice of Loss must be filed within 15 calendar days after the disaster occurrence, or on the date when damage to the crop first became apparent. The county office will schedule a loss adjuster to visit the farm to perform an appraisal if the crop will not be harvested or if the producer intends to destroy the crop. Actual production will be used to determine loss if the crop is taken to harvest. Producers of hand-harvested crops are required to notify the county office 15 calendar days after harvest is complete and before destruction of the crop, so an appraisal of remaining production can be completed. In addition to this requirement, producers of hand harvested crops must notify the country office within 72 that a loss has occurred and also within 72 hours of the completion of the harvest. The County Committee then reviews the notice of loss, and notifies the producer. The producer will file an application for payment once an appraisal or harvest is complete and total production records are obtained.

The deadline for filing an application for payment is no later than the immediately subsequent crop year acreage reporting date for the crop. Since 2015, producers have been required to file an application for payment within 60 days of the harvest end date. An approved yield is generated for the producer based on an average of prior year actual production reported for the crop or is assigned by the County Office Committee (COC) according to NAP policy and procedure. The Program Technician, County Executive Director (CED) and/or District Director reviews the producer’s application and production evidence and calculates the payment amount to be presented to the COC for action. The producer is provided with a NAP Estimated Calculated Payment Report reflecting a projection of the payment. The COC ensures payments are proper by checking that eligibility documents, acreage reports, notice of loss forms, and applications for payment are properly filed. The COC also checks to ensure that submitted production evidence is verifiable and reliable. The COC must approve, before any payment is issued. If an application for payment is disapproved, the county office notifies the producer, and provides appeal rights. The NAP payment is issued within 30-calendar days from the later of: the date the State Office has approved national crop data for the county, or the date the producer signs, dates, and submits a properly completed application for payment.

NAP activity in FY 2020 included:
Number of payments.. 11,394
Amount of NAP payments issued.. $117,827,901

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP). ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease (including cattle tick fever), adverse weather, or other conditions, such as blizzards and wildfires, not covered by LFP and LIP. County office employees assist producers in filing applications by the established deadline. Eligibility requirements for livestock, honeybees and farm-raised fish must be determined. The employee works with the producer to collect disaster information on the date and location for eligible adverse weather events and loss conditions. The physical location of the livestock, honeybees and farm-raised fish on the beginning date of the eligible adverse weather event or loss condition, as well as the location of the inventory is required. Acreage reports are also required. Completed applications must be approved by the applicable County Committee. Upon approval by the County Committee, County Office employees must enter payment data into the ELAP database. County Offices will enter payment data into the Common Payment System and payments are then issued through the National Payment Service.

ELAP activity in FY 2020 included:
Number of ELAP payments...3,473
Dollar value of ELAP payments.. $60,421,000

Livestock Forage Disaster Program (LFP). LFP provides assistance to livestock producers who suffer grazing losses due to a drought or fire. County office employees assist producers with filing an application by the established deadline. Eligibility requirements for livestock must be determined. The employee works with the producer to collect disaster information on the date and location for eligible adverse weather events and loss conditions. The physical location of the livestock inventory on the beginning date of the qualifying grazing loss, as well as the location of the current livestock inventory is required. If the grazing loss was due to a fire on federally managed rangelands, the applicant must provide documentation from the Federal agency to show that they were prohibited from grazing on said land due to the fire. Proof of Federal Crop Insurance for the forage, or proof of participation in the Non-Insured Crop Disaster Assistance Program, must be provided for the grazing land incurring losses. Acreage reports are also required. Completed applications must be approved by the applicable County Committee. Upon approval by the County Committee, payments are then issued through the National Payment Service.

LFP activity in FY 2020 included:
Number of LFP payments..54,563
Dollar value of LFP payments.. $198,757,023

Livestock Indemnity Payment (LIP). LIP provides assistance to producers for livestock deaths that result from disasters. County office employees provide information and application support to producers. The 2018 Farm Bill authorized benefits for the sale of animals at a reduced price, if the sale occurred due to injury that was a direct result of an eligible adverse weather event, or was due to an attack by an animal reintroduced into the wild.

In FY 2020, LIP activity included:
Number of LIP payments..8,006
Dollar value of LIP payments... $39,758,759

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

TAP activity for FY 2020 included:
Number of TAP payments...446
Amount of TAP payments.. $54,254,000

Conservation

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

ECP activity in FY 2020 included:
Number of ECP payments..15,717
Amount of ECP payments issued...$116,709,862

Conservation Reserve Program (CRP). The purpose of CRP is to cost-effectively assist farm owners and operators in conserving and improving soil, water, air, and wildlife resources. CRP assists farm owners and operators 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.

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

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

CRP activity in FY 2020:
Technical Assistance..$7,918,000
Number of incentive payments...7,732
Amount of incentive payments...$14,825,323
Number of FY 2020 approved CRP contracts..77, 432
Number of CRP cost-share payments...47,764
Amount of CRP cost-share payments.. .$32,511,409
Number of CRP rental payments..684,376
Amount of CRP annual rental payments.. $1,685,140,757
Number of CRP acres approved for enrollment.. 3,971,285

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

EFCRP activity in FY 2020 included:
Number of EFCRP rental payments.. 241
Amount of EFCRP annual rental payments.. $662,711

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

In FY2020, only a few remaining annual rental payments were disbursed. All payments related to matching payments and establishments were complete. The last OMB funding apportionment for BCAP related to new agreements was in FY 2017. There was a funding apportionment related to BCAP in FY2020; however, this was only for correcting errors, omissions and appeals in 2019, and was not used for any new agreements.

BCAP activity in FY 2020 included:
Number of BCAP Annual Rental Payments..45
Amount of BCAP Annual Rental Payments.. $100,837

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

GRP activity in FY 2020 included:
Number of GRP Active Contracts..1444

Number of GRP Easements..10
Amount of GRP Annual Rental Payments.. $4,687,872

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

EFRP activity in FY 2020 included:
Number of Applications..192
Amount of EFRP payments... $2,912,787

ACCOUNT 2: STATE MEDIATION GRANTS

Appropriations Language

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

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101- 3 5106), $6,914,000.

Lead-Off Tabular Statement

Table FSA-15. Account 2. Lead Off Table

Item	Amount
2021 Enacted	$6,914,000
Change in Appropriation	0
Budget Estimate, 2022	6,914,000
Budget Estimate, Current Law 2022	$6,914,000

Project Statement

Table FSA-16. Account 2. Project Statement Appropriations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	Chg Key	2022 Budget
Discretionary Appropriations:						
State Mediation	$3,904	$5,545	$6,914	$0	0	$6,914
Subtotal	3,904	5,545	6,914	0		6,914
Total Appropriation	**3,904**	**5,545**	**6,914**	**0**	**0**	**6,914**
Total Bal. Available, SOY	0	0	172	828		1,000
Total Available	**3,904**	**5,545**	**7,086**	**+828**	**0**	**7,914**
Total Bal. Available, EOY		-172	-1,000			-1000
Total Obligations	**3,904**	**5,373**	**6,086**	**+828**	**0**	**6,914**

Table FSA-17. Account 2. Project Statement Obligations

Item	2019 Actual	2020 Actual	2021 Estimate	Inc. or Dec.	2022 Budget
Discretionary Obligations:					
State Mediation	3,904	5,373	6,086	+828	6,914
Subtotal Disc oblig	3,904	5,373	6,086	+828	6,914
Total Obligations	**3,904**	**5,373**	**6,086**	**828**	**6,914**
Total Bal. Available, EOY	-	172	1,000	-	1,000
Total Available	**3,904**	**5,545**	**7,086**	**+828**	**7,914**
Bal. Available, SOY	-	-	-172	-828	-1,000
Total Appropriation	**3,904**	**5,545**	**6,914**	**-**	**6,914**

Justifications

State Mediation Grants is requesting the FY 2021 enacted level.

Geographic Breakdown of Obligations and FTEs

Table FSA-18. Account 2. Geographic Breakdown of Obligations and FTEs

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	62	62	71	81
Arizona	25	26	27	37
Arkansas	48	114	131	141
California	129	153	192	202
Colorado	27	149	218	228
Connecticut	39	47	71	81
Florida	39	29	36	46
Georgia	90	106	121	131
Hawaii	57	71	84	94
Idaho	62	96	103	113
Illinois	43	116	132	142
Indiana	200	191	218	228
Iowa	257	320	375	400
Kansas	390	433	500	500
Louisiana	96	83	96	106
Maine	51	93	110	120
Maryland	67	71	74	84
Massachusetts	34	49	55	65
Michigan	58	56	69	79
Minnesota	405	500	483	500
Mississippi	65	93	114	124
Missouri	18	38	46	56
Montana	20	30	44	54
Nebraska	136	143	165	175
New Hampshire	57	77	91	101
New Jersey	17	21	25	35
New Mexico	60	97	112	122
New York	347	394	475	500
North Carolina	61	67	79	89
North Dakota	12	134	184	194
Oklahoma	200	190	217	227
Oregon	45	54	76	86
Pennsylvania	23	60	61	71
Rhode Island	39	67	89	99
South Dakota	104	253	162	172
Texas	73	260	300	310
Utah	8	5	8	0
Vermont	150	157	197	207
Virginia	51	67	67	77
Washington	81	99	108	118
Wisconsin	120	350	300	310
Wyoming	38	103	0	0
Undistributed	0	146	0	332
Obligations	**3,904**	**5,373**	**6,086**	**6,914**
Admin Reserve	0	0		
Bal. Available, SOY				
Bal. Available, EOY	0	172	1,000	1,000
Total, Available	**3,904**	**5,545**	**7,086**	**7,914**

Classification by Objects

Table FSA-19. Account 2. Classification by Objects

Item No.	Item	2019 Actual	2020 Actual	2021 Estimate	2022 Budget
41.0	Grants, subsidies, and contributions	3,904	5,373	6,086	7,914
	Total, Other Objects	3,904	5,373	6,086	7,914
99.9	**Total, new obligations**	**3,904**	**5,373**	**6,086**	**7,914**

STATUS OF PROGRAMS

The Farm Service Agency provides funding for state-designated mediation programs through the State Mediation Grants Program. The program reported a total of 5,559[2] covered cases during FY 2020. Covered cases are authorized by the governing statute and the Secretary of Agriculture. Only the following matters are considered covered: (1) agricultural credit, including private lenders and creditors as well as FSA direct and guaranteed loans; (2) NRCS wetland determinations; (3) compliance with farm programs, including conservation programs; (4) rural water loan programs; (5) grazing on National Forest System lands; (6) USDA-related pesticide issues; (7) USDA Rural Development housing loans; (8) USDA Rural Development business loans; and (9) USDA Risk Management Agency crop insurance issues.

The 2018 Farm Bill expanded the area of covered issues that could be mediated. Those expanded issues include, credit counseling, family farm transition, leases (land and equipment), farmer/neighbor disputes, and national organics. In FY 2020, FSA received 322 requests for credit counseling. FSA also conducted 166 family farm transition mediations, 31 land lease mediations, 14 equipment lease mediations, 46 farmer/neighbor disputes, and 19 organic mediations.

As in previous years, agricultural credit (both through private lenders and FSA) was the most frequently mediated issue, accounting for 4,078[1] cases, or more than 73 percent of the total 5,559 count caseload. FSA farm programs was second with 89 cases. The COVID-19 pandemic had a significant impact on the number of cases conducted for FY 2020. Overall, FSA saw a decrease of approximately 10 percent from the previous year's 6,144 cases.

Program Results Comparison – FY 2019 and FY 2020

	FY 2019	**FY 2020**
Number of cases for which mediation was requested	6,144[3]	5,559[3]
Mediation not completed in initial FY, and carried over to next FY	695	1,086
No mediation held (request withdrawn, settled prior to mediation, etc.)	2,660	2,183
Cases mediated	4,310[4]	3,557[4]
Cases resolved with agreement	2,008[5]	1,838[5]
Cases closed with no agreement	589	461
Percentage of cases mediated that resulted in agreement	33%	33%
Average cost per case	$660	$787

FY 2019

[1] This figure includes the State of Minnesota's 3,160 cases. The State of Minnesota is a mandatory mediation State.
[2] This figure includes the State of Minnesota's 3,608 cases. The State of Minnesota is a mandatory mediation State.
[3] This figure includes the State of Minnesota's 3,608 cases. The State of Minnesota is a mandatory mediation State.
[4] This figure includes the State of Minnesota's 2,246 cases. The State of Minnesota is a mandatory mediation State.
[5] This figure includes the State of Minnesota's 692 cases. The State of Minnesota is a mandatory mediation State.

FY 2020

[1] This figure includes the State of Minnesota's 1,925 cases. The State of Minnesota is a mandatory mediation State.
[2] This figure includes the State of Minnesota's 3,160 cases. The State of Minnesota is a mandatory mediation State.
[3] This figure includes the State of Minnesota's 3,160 cases. The State of Minnesota is a mandatory mediation State.
[4] This figure includes the State of Minnesota's 2,904 cases. The State of Minnesota is a mandatory mediation State.
[5] This figure includes the State of Minnesota's 804 cases. The State of Minnesota is a mandatory mediation State.

State Mediation Grants Grants and Outlays by State – Fiscal Year 2020 (Dollars in Thousands)		
State	Grants	Outlays [1]
Alabama	61,500.00	$61,500.00
Arizona	25,501.22	$23,301.22
Arkansas	114,433.72	$114,433.72
California	153,202.00	$63,204.62
Colorado	149,027.92	$40,945.64
Connecticut	$46,542.00	$46,279.00
Florida	$28,794.24	$28,794.24
Georgia	$105,502.00	$98,204.73
Hawaii	$70,502.00	$67,502.00
Idaho	$95,719.60	$95,719.60
Illinois	$115,700.00	$78,194.62
Indiana	$190,400.00	$190,400.00
Iowa	$319,500.00	$319,500.00
Kansas	$433,000.00	$433,000.00
Louisiana	$83,220.62	$68,453.70
Maine	$93,000.00	$91,306.99
Maryland	$71,000.00	$70,256.72
Massachusetts	$49,144.80	$39,787.16
Michigan	$56,400.00	$56,400.00
Minnesota	$500,000	$500,000.00
Mississippi	$92,994.42	$92,994.42
Missouri	$38,207.58	$25,016.42
Montana	$29,591.57	$9,517.10
Nebraska	$142,975.10	$137,548.97
New Hampshire	$76,500.00	$73,500.00
New Jersey	$21,200.00	$20,000.00
New Mexico	$96,900.00	$88,539.37
New York	$393,500.00	$393,500.00
North Carolina	$67,000.0	$54,352.64
North Dakota	$134,000.00	$68,555.05
Oklahoma	$189,500.00	$189,500.00
Oregon	$54,000.00	$51,797.80
Pennsylvania	$60,318.77	$28,443.91
Rhode Island	$66,500.00	$66,500.00
South Dakota	$252,500.00	$137,091.42
Texas	$260,375.03	$121,099.78
Utah	$5,284.58	$4,537.75
Vermont	$157,000.00	$157,000.00
Virginia	$66,766.56	$30,567.42
Washington	$98,936.39	$98,936.39
Wisconsin	$349,500.00	$96,279.94
Wyoming	$145,604.12	$70.267.21
Total	**5,373,000.00**	**4,373,858.31**

ACCOUNT 3: GRASSROOTS SOURCE WATER PROTECTION PROGRAM

Appropriations Language

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

Lead-Off Tabular Statement

Table FSA-20. Account 3. Lead Off Table

Item	Amount
2021 Enacted	$6,500,000
Change in Appropriation	0
Budget Estimate, 2022	6,500,000
Budget Estimate, Current Law 2022	$6,500,000

Project Statement

Table FSA-21. Account 3. Project Statement Appropriations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Discretionary Appropriations:					
Grassroots Source Water Protection Program	$6,500	$6,500	$6,500	-	$6,500
Subtotal..........................	6,500	6,500	6,500	-	6,500
Mandatory Appropriations					
Commodity Credit Corporation	5,000				
Total Adjusted Approps.....	11,500	6,500	6,500	-	6,500
Rescission, Transfers In and Out	-5,000	-	-	-	-
Total Appropriation...........	**6,500**	**6,500**	**6,500**	**-**	**6,500**
Transfers In*:					
Commodity Credit Corporation	5,000	-	-	-	-
Total Transfers In...........	5,000	-	-	-	-
Total Available...................	**11,500**	**6,500**	**6,500**	**-**	**6,500**
Total Obligations................	**11,500**	**6,500**	**6,500**	**-**	**6,500**

Table FSA-22. Account 3. Project Statement Obligations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Discretionary Obligations:					
Grassroots Water Source Protection Program	11,500	6,500	6,500	-	6,500
Subtotal Disc oblig..................	11,500	6,500	6,500	-	6,500
Total Obligations.........................	**11,500**	**6,500**	**6,500**	**-**	**6,500**
Total Available...........................	**11,500**	**6,500**	**6,500**	**-**	**6,500**
Total Transfers In..........................	-5,000			-	
Total Appropriation.....................	**6,500**	**6,500**	**6,500**	**-**	**6,500**

Justifications

Grassroots Source Water Protection Program is requesting the FY 2021 enacted level.

Geographic Breakdown of Obligations and FTEs

Table FSA-23. Account 3. Classification by Objects

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	230	130	130	130
Alaska	230	130	130	130
Arizona	230	130	130	130
Arkansas	230	130	130	130
California	230	130	130	130
Colorado	230	130	130	130
Connecticut	230	130	130	130
Delaware	230	130	130	130
Florida	230	130	130	130
Georgia	230	130	130	130
Hawaii	230	130	130	130
Idaho	230	130	130	130
Illinois	230	130	130	130
Indiana	230	130	130	130
Iowa	230	130	130	130
Kansas	230	130	130	130
Kentucky	230	130	130	130
Louisiana	230	130	130	130
Maine	230	130	130	130
Maryland	230	130	130	130
Massachusetts	230	130	130	130
Michigan	230	130	130	130
Minnesota	230	130	130	130
Mississippi	230	130	130	130
Missouri	230	130	130	130
Montana	230	130	130	130
Nebraska	230	130	130	130
Nevada	230	130	130	130
New Hampshire	230	130	130	130
New Jersey	230	130	130	130
New Mexico	230	130	130	130
New York	230	130	130	130
North Carolina	230	130	130	130
North Dakota	230	130	130	130
Ohio	230	130	130	130
Oklahoma	230	130	130	130
Oregon	230	130	130	130
Pennsylvania	230	130	130	130
Rhode Island	230	130	130	130
South Carolina	230	130	130	130
South Dakota	230	130	130	130
Tennessee	230	130	130	130
Texas	230	130	130	130
Utah	230	130	130	130
Vermont	230	130	130	130
Virginia	230	130	130	130
Washington	230	130	130	130
West Virginia	230	130	130	130
Wisconsin	230	130	130	130
Other Countries	230	130	130	130
Obligations	**11,500**	**6,500**	**6,500**	**6,500**
Bal. Available, EOY	0	0	0	0
Total, Available	**11,500**	**6,500**	**6,500**	**6,500**

Classification by Objects

Table FSA-24. Account 3. Classification by Objects

Item No.	Item	2019 Actual	2020 Actual	2021 Estimate	2022 Budget
41.0	Grants, subsidies, and contributions	11,500	6,500	6,500	6,500
	Total, Other Objects	11,500	6,500	6,500	6,500
99.9	**Total, new obligations**	**11,500**	**6,500**	**6,500**	**6,500**

STATUS OF PROGRAMS

Current Activities

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

Selected Examples of Recent Activity

In FY 2020, FSA was appropriated $6,500,000 in necessary expenses to carry out wellhead and groundwater protection activities, in accordance with the Further Consolidated Appropriations Act, 2020 ((December 20, 2019), P.L 116-94). The GSWPP completed 177 source water plans, with management activities implemented in the source water areas. These water plans provide protection measures for 483 public drinking water sources (433 wells and 50 surface water intakes). The GSWPP was active in all 50 states. The following table shows appropriations from fiscal years 2005 through 2020.

Grassroots Source Water Protection Program
Appropriations for Fiscal Years 2005-2020

Fiscal Year	Appropriations	
2005	$3,244,000	1/
2006	3,712,500	
2007	3,712,500	
2008	3,687,009	
2009	5,000,000	
2010	5,000,000	
2011	4,241,000	
2012	3,817,000	
2013	5,159,043	
2014	10,526,000	2/
2015	5,526,000	
2016	6,500,000	
2017	6,500,000	
2018	6,500,000	
2019	11,500,000	3/
2020	6,500,000	

1/ Funds were transferred from the Natural Resources Conservation Service to FSA to assist in the implementation of the program.
2/ Includes mandatory funds from the Agricultural Act of 2014 (2014 Farm Bill).
3/ Includes mandatory funds from the Agriculture Improvement Act of 2018 (2018 Farm Bill.

ACCOUNT 4: DAIRY INDEMNITY PROGRAM

Appropriations Language

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

Lead-Off Tabular Statement

Table FSA-25. Account 4. Lead Off Table

Item	Amount
2021 Enacted	$500,000
Change in Appropriation	-500,000
Budget Estimate, 2022	500,000
Net 2022 Request	$500,000

Project Statement

Table FSA-26. Account 4. Project Statement Appropriations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Mandatory Appropriations:					
Dairy Indemnity Program............	$5,878	$6,963	$500	-	$500
Another Program.......................	-	-	-	-	-
Subtotal..................................	5,878	6,963	500	-	500
Total Adjusted Approp.................	5,878	6,963	500	-	500
Sequestration................................	389	437	-	-	-
Total Appropriation......................	**6,267**	**7,400**	**500**	**-**	**500**
Sequestration................................	-389	-437	-	-	-
Total Available...........................	**5,878**	**6,963**	**500**	**-**	**500**
Lapsing Balances..........................	-1,742	-1,302	-	-	-
Total Obligations.........................	**4,136**	**5,661**	**500**	**-**	**500**

Table FSA-27. Account 4. Project Statement Obligations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Mandatory Obligations:					
Dairy Indemnity Program..........	4,136	5,661	500	-	500
Subtotal Disc oblig..................	4,136	5,661	500	-	500
Total Obligations.......................	**4,136**	**5,661**	**500**	**-**	**500**
Lapsing Balances........................	1,742	1,302	-	-	-
Total Available.........................	**5,878**	**6,963**	**500**	**-**	**500**
Sequestration..............................	389	437	-	-	-
Total Appropriation..................	**6,267**	**7,400**	**500**	**-**	**500**

Justifications

The Dairy Indemnity Program is requesting the FY 2021 enacted level.

Geographic Breakdown of Obligations and FTEs

Table FSA-28. Account 4. Geographic Breakdown of Obligations & FTEs

State/Territory/Country	2019 Actual	FTE	2020 Actual	FTE	2021 Estimate	FTE	2022 Budget	FTE
Arkansas	3	0	0	0	0	0	0	0
Florida	0	0	7	0	6	0	6	0
Georgia	111	0	11	0	49	0	49	0
Illinois	18	0	0	0	9	0	9	0
Kansas	0	0	0	0	139	0	139	0
Maine	7	0	5	0	46	0	46	0
Mississippi	0	0	34	0	35	0	35	0
Missouri	5	0	16	0	6	0	6	0
Nebraska	0	0	0	0	75	0	75	0
New Mexico	3,905	0	5,395	0	0	0	0	0
Oklahoma	0	0	0	0	3	0	3	0
South Carolina	0	0	0	0	29	0	29	0
Texas	88	0	194	0	104	0	104	0
Obligations	4,136	0	5,661	0	500	0	500	0
Lapsing Balances	-1742	0	-1,302	0	0	0	0	0
Total, Available	4,136	0	5,661	0	500	0	500	0

Classification by Objects

Table FSA-29. Account 4. Classification by Objects

Item No.	Item	2019 Actual	2020 Actual	2021 Estimate	2022 Budget
41.0	Grants, subsidies, and contributions	4,136	5,661	500	500
	Total, Other Objects	4,136	5,661	500	500
99.9	**Total, new obligations**	**4,136**	**5,661**	**500**	**500**

STATUS OF PROGRAMS

DAIRY INDEMNITY PROGRAM

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

Current Activities

During FY 2020, 20 dairy farmers, in 7 states, filed 39 claims, totaling $5,662,350 under the Dairy Indemnity Program. Claims resulted from chemical contamination of groundwater provided to dairy cows and from severe drought in areas throughout the United States, which caused an increase in aflatoxin contamination, a naturally occurring toxin that may inadvertently contaminate grain used for feed. Outlays, including current and prior year obligations for 2020, totaled $5,662,225. Payments to dairy farmers since the program's inception in 1965 total $38,127,789.

Dairy Indemnity Program
Allocations and Outlays by State
Fiscal Year 2020

State	Obligations	Outlays
Florida	7,276	7,261
Georgia	11,014	11,014
Maine	4,882	4,882
Mississippi	33,807	33,807
Missouri	15,827	15,812
New Mexico	5,395,660	5,395,660
Texas	193,884	193,789
Total	**5,662,350**	**5,662,225**

Dairy Indemnity Program
Payments and Number of Payees
Fiscal Years 1965-2020

Fiscal Years	Payments to Dairy Farmers	Payments to Manufacturers of Dairy Products	Total Payments	Number of Payees
1965 to 2011	21,133,792	3,911,439	25,045,231	1,495
2012	273,724	-	286,777	32
2013	917,615	-	917,615	158
2014	1,073,364	-	1,073,364	43
2015	383,711	-	383,711	26
2016	238,717	-	238,717	29
2017	217,760	-	217,760	18
2018	165,444	-	165,444	16
2019	4,136,820	-	4,136,820	16
2020	5,662,350	-	5,662,350	20
Total	**$34,203,297**	**$3,911,439**	**$38,127,789**	**1,853**

ACCOUNT 5: AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

Appropriations Language

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

For gross obligations for the principal amount of direct and guaranteed farm ownership (7 U.S.C. 1922 et seq.) and operating (7 U.S.C. 1941 et seq.) loans, emergency loans (7 U.S.C. 1961 et seq.), Indian tribe land acquisition loans (25 U.S.C. 488), boll weevil loans (7 U.S.C. 1989), guaranteed conservation loans (7 U.S.C. 1924 et seq.), and Indian highly fractionated land loans (25 U.S.C. 488), to be available from funds in the Agricultural Credit Insurance Fund, as follows: [$3,300,000,000] $3,500,000,000 for guaranteed farm ownership loans and [$2,500,000,000] $2,800,000,000 for farm ownership direct loans; $2,118,482,000 for unsubsidized guaranteed operating loans and $1,633,333,000 for direct operating loans; emergency loans, $37,668,000; Indian tribe land acquisition loans, $20,000,000; guaranteed conservation loans, $150,000,000; relending program loans, $33,693,000; Indian highly fractionated land loans, $5,000,000; and for boll weevil eradication program loans, $60,000,000: Provided, That the Secretary shall deem the pink bollworm to be a boll weevil for the purpose of boll weevil eradication program loans.

For the cost of direct and guaranteed loans and grants, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm operating loans, [$38,710,000] $40,017,000 for direct operating loans, [$23,727,000] $16,524,000 for unsubsidized guaranteed operating loans, and emergency loans, [$207,000] $267,000, relending program, [$5,000,000] $2,743,000; Indian highly fractionated land loans, [$742,000] $407,000; and $60,000 for boll weevil eradication loans, to remain available until expended.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [$307,344,000] $314,772,000 of which $294,114,000 shall be paid to the appropriation for “Farm Service Agency, Salaries and Expenses”.

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

Lead-Off Tabular Statement

Table FSA-30. Account 5. Lead Off Table

Item	Amount
2021 Enacted	$414,845,000
Change in Appropriation	40,115,000
Budget Estimate, 2022	374,730,000
Budget Estimate, Current Law 2022	$374,730,000
Net 2022 Request	374,730,000

Project Statement

Table FSA-31. Account 5. Project Statement

Item	2019 Program Level	2019 BA Actual	2020 Program Level	2020 BA Actual	2021 Program Level	2021 BA Enacted	Inc. or Dec. PL	Inc. or Dec.	Chg Key	2022 Program Level	2022 BA Budget
Discretionary Appropriations:											
ACIF Direct Appropriations:											
Farm Ownership	1,500,000	-	2,343,750	-	2,500,000	-	300,000	-	(1)	2,800,000	-
Farm Operating	1,530,000	59,670	1,550,133	58,440	1,633,333	38,710	-	1,307	(3)	1,633,333	40,017
Emergency	37,668	1,567	37,668	2,023	37,668	207	-	60	(3)	37,668	267
Indian Land Acquistion	20,000	-	20,000	-	20,000	-	-	-		20,000	-
Boll Weevil Eradication	30,000	-	60,000	60	60,000	-	-	-		60,000	-
Indian Highly Fractionated Land	10,000	2,134	10,000	2,745	5,000	742	-	-335	(3)	5,000	407
Heir's Property Relending Program (HPRP)	-	-	18,215	5,000	33,693	5,000	-	-2,257	(3)	33,693	2,743
ACIF Guaranteed Appropriations:											
Farm Ownership	2,750,000	-	3,300,000	-	3,300,000	-	200,000	-	(2)	3,500,000	-
Farm Operating	1,960,000	21,168	1,960,000	20,972	2,118,482	23,727	-	-7,203	(3)	2,118,482	16,524
Conservation	150,000	-	150,000	-	150,000	-	-	-		150,000	-
ACIF Administrative Expenses:											
Program Loan Cost Expense		10,070		10,070		13,230	-	7,428	(4)		20,658
Salaries and Expenses		290,917		290,917		294,114	-	-			294,114
FPAC Business Center		16,081		16,081			-	-			-
Subtotal Discretionary Approp	7,987,668	401,607	9,449,766	406,308	9,858,176	375,730	500,000	-1,000		10,358,176	374,730
Mandatory Appropriations:											
Modification Costs for ARP Payments	-	-	-	-		39,115	-	-39,115	(5)	-	-
Total Adjusted Approp	7,987,668	401,607	9,449,766	406,308	9,858,176	414,845	500,000	-40,115		10,358,176	374,730
Add back:											
Total Appropriation	**7,987,668**	**401,607**	**9,449,766**	**406,308**	**9,858,176**	**414,845**	**500,000**	**-40,115**		**10,358,176**	**374,730**
Transfers In*:											
Program Loan Cost Expense				705							
Total Transfers In	-	-	-	705	-	-	-	-		-	-
Transfers Out*:											
Farm Operating, Guaranteed			-65,879	-705							
Total Transfers Out	-	-	-65,879	-705	-	-	-	-		-	-
Recoveries, Other		2,798	89,624	3,500			-	-		-	-
Bal. Available, SOY											
Total Bal. Available, SOY	1,391,204	30,210	2,809,608	60,532	5,676,799	91,500	-588,478	-19,488		5,088,321	72,012
Total Available	**9,378,872**	**434,615**	**12,283,119**	**470,340**	**15,534,975**	**506,345**	**-88,478**	**-59,603**		**15,446,497**	**446,742**
Lapsing Balances	-921,707	-358	-760,079	-359	-	-	-	-		-	-
Bal. Available, EOY											
Direct Operating	-814,551	-34,428	-1,271,943	-47,952	-1,517,476	-35,964	416,217	8,984		-1,101,259	-26,980
Direct Emergency	-109,262	-4,547	-120,175	-6,453	-1,173,348	-6,453	264,441	-0		-908,907	-6,453
Indian Highly Fractionated Land	-10,000	-2,134	-17,774	-5,000	-27,877	-4,137	-7,946	1,221		-35,823	-2,916
Boll Weevil Eradication			-60,000	-60	-	-	-	-		-	-
Heir's Property Relending Program (HPRP)			-18,215	-4,879	-33,693	-5,000	-21,424	513		-55,117	-4,487
Guaranteed Farm Operating, Unsubsidized	-1,782,232	-19,302	-2,515,020	-27,032	-1,810,185	-20,274	-139,246	5,068		-1,949,431	-15,206
Program Subsidy no longer in use		-121	-	-124	-	-184	-	-		-	-184
Bal. Available, EOY	-2,716,045	-60,532	-4,003,127	-91,500	-4,562,579	-72,012	512,042	15,786		-4,050,537	-56,226
Total Obligations	**5,741,120**	**373,725**	**7,519,913**	**378,481**	**10,972,396**	**434,333**	**423,564**	**-43,817**		**11,395,960**	**390,516**

Table FSA-32. Account 5. Project Statement Obligations Justifications

Item	2019 Program Level	2019 BA Actual	2020 Program Level	2020 BA Actual	2021 Program Level	2021 Enacted	Inc. or Dec. PL	Inc. or Dec.	2022 Program Level	2022 Budget
Discretionary Obligations:					PL	BA			PL	BA
ACIF Direct										
Farm Ownership	1,473,263	-	2,078,837	-	2,500,000	-	300,000	-	2,800,000	-
Farm Operating	1,147,713	44,760	1,280,734	48,276	2,139,158	50,698	-139,158	-1,698	2,000,000	49,000
Emergency	13,170	548	2,455	132	37,668	207	0	60	37,668	267
Indian Land Acquistion	-	-	-	-	20,000	-	0	-	20,000	-
Boll Weevil Eradication	-	-	-	-	60,000	-	0	-	60,000	-
Indian Highly Fractionated Land	-	-	-	-	10,000	1,484	10,000	144	20,000	1,628
Heir's Property Relending Program	-	-	-	-	33,693	5,000	6,307	-1,744	40,000	3,256
Total Direct	2,634,146	45,308	3,362,026	48,408	4,800,519	57,389	177,149	-3,238	4,977,668	54,151
ACIF Guaranteed										
Farm Ownership	2,055,030	-	2,974,834	-	3,300,000	-	200,000	-	3,500,000	-
Farm Operating	1,051,944	11,707	1,183,053	12,659	2,721,877	30,485	46,415	-8,892	2,768,292	21,593
Conservation	-	-	-	-	150,000	-	-	-	150,000	-
Total Guaranteed	3,106,974	11,707	4,157,887	12,659	6,171,877	30,485	246,415	-8,892	6,418,292	21,593
ACIF Administrative Expenses:										
Program Loan Cost Expense		9,712		10,416		13,230		7,428		20,658
Salaries and Expenses		290,917		290,917		294,114		-		294,114
FPAC Business Center		16,081		16,081		-		-		-
Total Administrative Expenses		316,710		317,414		307,344		7,428		314,772
Subtotal Disc oblig	5,741,120	373,725	7,519,913	378,481	10,972,396	395,218	423,564	-4,702	11,395,960	390,516
Mandatory Obligations										
Modification Costs for ARP Payments						39,115		-39,115	-	-
Total Obligations	**5,741,120**	**373,725**	**7,519,913**	**378,481**	**10,972,396**	**434,333**	**423,564**	**-43,817**	**11,395,960**	**390,516**
Add back:										
Lapsing Balances	921,707	358	760,079	359	-	-	-	-	-	-
Bal. Available, EOY										
Direct Operating	814,551	34,428	1,271,943	47,952	1,517,476	35,964	-416,217	-8,984	1,101,259	26,980
Direct Emergency	109,262	4,547	120,175	6,453	1,173,348	6,453	-264,441	0	908,907	6,453
Indian Highly Fractionated Land	10,000	2,134	17,774	4,879	27,877	4,137	7,946	-1,221	35,823	2,916
Boll Weevil Eradication	0	0	60,000	60	-	-	-	-	-	-
Heir's Property Relending Program (HPRP)	-	-	18,215	5,000	33,693	5,000	21,424	-513	55,117	4,487
Guaranteed Farm Operating, Unsubsidized	1,782,232	19,302	2,515,020	27,032	1,810,185	20,274	139,246	-5,068	1,949,431	15,206
Program Subsidy no longer in use	-	121	-	124	-	184	-	-	-	184
Total Bal. Available, EOY	2,716,045	60,532	4,003,127	91,500	4,562,579	72,012	-512,042	-15,786	4,050,537	56,226
Total Available	**9,378,872**	**434,615**	**12,283,119**	**470,340**	**15,534,975**	**506,345**	**-88,478**	**-59,603**	**15,446,497**	**446,742**
Less:										
Total Transfers In Program Loan Cost Expense				-705						
Total Transfers Out Guaranteed Operating			65,879	705						
Recoveries, Other		-2,798	-89,624	-3,500	-	-	-	-	-	-
		-								
Balance Available, SOY	1,391,204	-30,210	-2,809,608	-60,532	-5,676,799	-91,500	588,478	19,488	-5,088,321	-72,012
Total Appropriation	**7,987,668**	**401,607**	**9,449,766**	**406,308**	**9,858,176**	**414,845**	**500,000**	**-40,115**	**10,358,176**	**374,730**

The ACIF Program will provide direct and guaranteed loans to famers temporarily unable to obtain regular commercial credit.

1.) An increase of $300,000,000 for direct ownership loans ($2,500,000,000 available in 2021)
The requested increase of $300 million will allow direct ownership loans to keep pace with increased demand. Since passage of the 2018 Farm Bill that authorized an increase to loan limitations from $300 thousand to $600 thousand, the average loan size has increased by 45% for direct ownership loans. In addition, a new market segment has now been opened which has led to increased loan volume. These trends are expected to continue. Direct ownership loans reached an historic level in FY 2020, exceeding $2 billion, which was higher than the original appropriated amount. Additional loan level authority will allow FSA to meet the demand and support the small and disadvantaged borrowers that this program targets. Because this program operates at a negative subsidy rate, there is no budgetary impact of this increase.

2.) An increase of $200,000,000 for guaranteed ownership loans ($3,300,000,000 available in 2021)

The requested increase of $200 million in guaranteed ownership loans is due to a combination of factors. In FY 2020, guaranteed ownership loans reached their highest level ever at approximately $3 billion. There has been an increase in loan demand due the increased loan limits included in the 2018 Farm Bill. As of FY 2021, the average loan size had increased by 14 percent since June 2018. Economic indicators suggest this trend will continue into the next few fiscal years, especially given economic uncertainty in the Farm Economy. Not only is the loan size increasing, more lenders are seeking a guarantee on borrowers they previously did not due to the risk mitigation the FLP guaranteed provides. Lenders are using this assistance to their customers in helping them achieve feasible cashflow projections. This assistance helps support farmers who want to start or expand their business and enable succession within farm families or to others. Because this program operates at a negative subsidy rate, there is no budgetary impact of this increase.

3.) A net decrease of $8,428,000 in subsidy costs ($68,386,000 available in 2021)

Subsidy cost changes are due entirely to changes in subsidy rates. No loan level differences are requested in any loan category with positive subsidy. Subsidy rate changes were largely due to changes in interest rates.

4.) An increase of $7,428,000 in administrative expenses budget authority ($307,344,000 available in 2021)

The requested increase of $7.428 million in program loan cost expense is being proposed due largely to the increase in the projected loan levels for direct ownership loans. PLCE administers the cost of appraisals for new ownership loans. Based on a substantial increase in the number of loans (more than 12,000 new loans projected in FY 2022), appraisals alone would account for nearly $16 million in funding. In addition, estimated costs for loan servicing and inventory property appraisals, chattel inspections, business and consumer credit report fees, and borrower year-end financial analysis support also must be continued in order to service existing loans.

5.) A decrease of $39,115,451 in mandatory funding for American Rescue Plan (ARP) modification costs ($39,115,451 available in 2021)

The decrease reflects the change for modification costs associated with the ARP modification costs for payments to Socially Disadvantaged Farmers and Ranchers. The modification was a one-time cost recorded in 2021, the year the modification occurred.

Geographic Breakdown of Obligations and FTEs

Direct Farm Ownership

Table FSA-33. Account 5. Direct Farm Ownership Geographic Breakdown of Obligations

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	10,135	5,345	6,428	7,199
Alaska	19	300	361	404
Arizona	6,102	10,358	12,456	13,951
Arkansas	40,411	78,100	93,923	105,193
California	17,853	25,803	31,031	34,754
Colorado	18,403	26,521	31,894	35,721
Connecticut	835	1,409	1,694	1,898
Delaware	2,969	4,001	4,812	5,389
Florida	7,279	6,301	7,578	8,487
Georgia	10,723	14,192	17,067	19,115
Guam	90	310	373	418
Hawaii	4,557	10,147	12,203	13,667
Idaho	21,608	28,285	34,015	38,097
Illinois	93,895	121,921	146,622	164,216
Indiana	45,047	61,154	73,544	82,369
Iowa	146,074	209,255	251,649	281,848
Kansas	78,954	111,123	133,636	149,672
Kentucky	65,819	79,420	95,510	106,971
Louisiana	3,784	5,915	7,113	7,967
Maine	2,029	2,418	2,908	3,257
Maryland	1,938	6,025	7,246	8,115
Massachusetts	3,153	3,072	3,694	4,138
Michigan	28,755	35,296	42,447	47,540
Minnesota	76,722	100,256	120,567	135,036
Mississippi	2,324	4,664	5,609	6,282
Missouri	57,551	94,688	113,871	127,536
Montana	22,674	30,868	37,122	41,576
Nebraska	94,560	155,385	186,865	209,289
Nevada	1,832	2,726	3,278	3,672
New Hampshire	300	1,274	1,532	1,716
New Jersey	513	3,188	3,834	4,294
New Mexico	15,359	31,095	37,395	41,882
New York	7,638	9,457	11,373	12,738
North Carolina	10,121	14,801	17,800	19,936
North Dakota	40,992	58,422	70,258	78,689
Ohio	35,877	45,345	54,532	61,075
Oklahoma	168,219	190,462	229,048	256,535
Oregon	15,126	17,648	21,223	23,770
Pennsylvania	26,462	41,738	50,194	56,217
Puerto Rico	2,261	283	340	381
Rhode Island	200	1,017	1,223	1,370
South Carolina	9,599	7,858	9,450	10,584
South Dakota	66,507	95,156	114,434	128,166
Tennessee	24,217	31,287	37,626	42,141

Direct Farm Ownership, *Continued*

Texas	44,001	98,989	119,044	133,329
Utah	17,884	27,525	33,101	37,074
Vermont	1,682	2,058	2,475	2,772
Virginia	29,249	42,727	51,383	57,549
Washington	12,499	16,723	20,111	22,524
West Virginia	12,060	17,156	20,632	23,108
Wisconsin	59,751	75,625	90,946	101,860
Wyoming	6,651	13,745	16,530	18,513
Obligations	**1,473,263**	**2,078,837**	**2,500,000**	**2,800,000**
Lapsing Balances	26,737	264,913		
Total, Available	**1,500,000**	**2,343,750**	**2,500,000**	**2,800,000**

Guaranteed Farm Ownership

Table FSA-34. Account 5. Guaranteed Farm Ownership Geographic Breakdown of Obligations & FTE

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	56,545	56,051	62,178	65,946
Arizona	4,618	8,506	9,436	10,008
Arkansas	128,120	140,991	156,402	165,881
California	28,154	30,816	34,184	36,256
Colorado	22,026	30,403	33,726	35,770
Connecticut	1,051	2,176	2,414	2,560
Delaware	11,433	15,602	17,307	18,356
Florida	11,704	17,097	18,966	20,115
Georgia	34,645	52,995	58,788	62,351
Hawaii	2,089	820	910	965
Idaho	25,704	38,069	42,230	44,790
Illinois	119,727	267,745	297,011	315,012
Indiana	66,095	104,879	116,343	123,394
Iowa	153,880	216,070	239,688	254,214
Kansas	42,718	56,501	62,677	66,475
Kentucky	63,048	80,242	89,013	94,408
Louisiana	6,464	15,777	17,502	18,562
Maine	80	3,377	3,746	3,973
Maryland	5,812	6,398	7,097	7,527
Massachusetts	1,154	982	1,089	1,155
Michigan	87,693	79,400	88,079	93,417
Minnesota	106,483	203,074	225,271	238,924
Mississippi	39,981	63,806	70,780	75,070
Missouri	110,819	154,290	171,155	181,528
Montana	31,491	55,964	62,081	65,844
Nebraska	57,934	89,838	99,658	105,698
Nevada	8,304	9,100	10,095	10,706
New Hampshire	1,277		-	-
New Jersey	472	1,750	1,941	2,059
New Mexico	15,803	25,836	28,660	30,397
New York	41,542	30,015	33,296	35,314

Guaranteed Farm Ownership, *Continued*

North Carolina	56,066	75,559	83,818	88,898
North Dakota	37,294	54,406	60,353	64,011
Ohio	108,177	210,074	233,036	247,160
Oklahoma	45,429	74,546	82,694	87,706
Oregon	18,187	28,369	31,470	33,377
Pennsylvania	10,486	24,399	27,066	28,706
Puerto Rico	1,949	1,132	1,256	1,332
Rhode Island	-		-	-
South Carolina	29,717	32,078	35,584	37,741
South Dakota	73,813	115,085	127,664	135,402
Tennessee	38,498	49,654	55,081	58,420
Texas	68,849	66,711	74,003	78,488
Utah	26,688	43,539	48,298	51,225
Vermont	11,910	4,162	4,617	4,897
Virginia	15,499	18,014	19,983	21,194
Washington	7,388	5,763	6,393	6,780
West Virginia	4,013	7,582	8,411	8,920
Wisconsin	204,612	284,650	315,764	334,901
Wyoming	9,589	20,541	22,786	24,167
Obligations	**2,055,030**	**2,974,834**	**3,300,000**	**3,500,000**
Lapsing Balances	694,970	325,166	-	
Total, Available	**2,750,000**	**3,300,000**	**3,300,000**	**3,500,000**

Direct Operating Loans

Table FSA-35. Account 5. Direct Operating Loans Geographic Breakdown of Obligations & FTE

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	6,612	7,587	12,672	11,848
Alaska	260	358	598	559
Arizona	9,927	13,819	23,081	21,580
Arkansas	53,303	69,783	116,556	108,973
California	23,824	22,322	37,284	34,858
Colorado	14,862	19,759	33,003	30,856
Connecticut	2,007	1,679	2,804	2,622
Delaware	1,221	1,941	3,242	3,031
Florida	7,461	10,045	16,778	15,686
Georgia	26,612	23,822	39,789	37,201
Guam	68	113	189	176
Hawaii	3,396	2,886	4,820	4,507
Idaho	22,754	23,078	38,546	36,039
Illinois	14,542	15,917	26,586	24,856
Indiana	10,792	14,314	23,908	22,353
Iowa	85,911	101,077	168,825	157,842
Kansas	35,075	46,465	77,609	72,560
Kentucky	42,241	41,585	69,458	64,939
Louisiana	13,359	16,224	27,098	25,335
Maine	5,592	5,378	8,983	8,398

Direct Operating Loans, *Continued*

Maryland	2,083	2,039	3,406	3,184
Massachusetts	1,528	2,038	3,404	3,183
Michigan	13,821	16,580	27,693	25,891
Minnesota	73,625	72,499	121,092	113,215
Mississippi	13,493	13,976	23,344	21,825
Missouri	19,233	21,455	35,835	33,504
Montana	32,689	38,688	64,619	60,415
Nebraska	122,343	133,407	222,822	208,329
Nevada	3,379	2,674	4,466	4,176
New Hampshire	964	802	1,340	1,252
New Jersey	1,705	2,776	4,637	4,335
New Mexico	9,127	12,256	20,471	19,139
New York	9,896	9,221	15,401	14,400
North Carolina	28,269	24,432	40,808	38,153
North Dakota	47,380	57,961	96,810	90,512
Ohio	8,075	10,272	17,157	16,041
Oklahoma	69,676	82,638	138,027	129,048
Oregon	15,862	17,872	29,851	27,909
Pennsylvania	21,755	22,840	38,149	35,667
Puerto Rico	2,807	1,779	2,971	2,778
Rhode Island	391	573	957	895
South Carolina	15,713	12,800	21,379	19,989
South Dakota	61,690	74,082	123,736	115,687
Tennessee	26,077	28,480	47,569	44,474
Texas	52,765	65,479	109,367	102,252
Utah	18,403	20,053	33,494	31,315
Vermont	3,005	3,713	6,202	5,798
Virginia	17,809	13,020	21,747	20,332
Washington	25,840	25,373	42,379	39,623
West Virginia	10,840	11,876	19,836	18,546
Wisconsin	30,721	33,792	56,441	52,770
Wyoming	6,930	7,136	11,919	11,144
Obligations	**1,147,713**	**1,280,734**	**2,139,158**	**2,000,000**
Bal. Available, EOY	814,551	1,271,943	1,517,476	1,101,259
Total, Available	**1,962,264**	**2,552,677**	**3,656,634**	**3,101,259**

Guaranteed Operating Loans

Table FSA-36. Account 5. Guaranteed Operating Loans Geographic Breakdown of Obligations & FTE

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	2,732	4,384	10,086	10,259
Arizona	2,936	6,546	15,061	15,317
Arkansas	62,232	71,160	163,719	166,511
California	26,178	25,066	57,670	58,653
Colorado	15,161	10,759	24,753	25,176
Connecticut	400	1,211	2,786	2,834
Delaware	200	178	410	417
Florida	6,143	10,195	23,456	23,855
Georgia	38,573	40,806	93,883	95,484
Hawaii	401		-	-
Idaho	40,572	34,489	79,350	80,702
Illinois	29,953	41,506	95,494	97,123
Indiana	37,401	38,762	89,181	90,701
Iowa	64,500	67,955	156,346	159,012
Kansas	24,045	27,433	63,116	64,192
Kentucky	20,591	20,673	47,563	48,374
Louisiana	44,690	72,860	167,631	170,489
Maine	878	1,451	3,338	3,395
Maryland	2,395	1,812	4,169	4,240
Massachusetts	810	2,056	4,730	4,810
Michigan	29,517	22,191	51,055	51,926
Minnesota	72,154	85,935	197,713	201,084
Mississippi	8,361	7,424	17,081	17,372
Missouri	35,702	41,018	94,371	95,980
Montana	22,495	28,709	66,051	67,177
Nebraska	39,480	47,517	109,323	111,188
Nevada	1,503	1,246	2,867	2,915
New Hampshire	1,605		-	-
New Jersey	628	1,451	3,338	3,395
New Mexico	10,426	11,160	25,676	26,114
New York	28,837	15,736	36,204	36,822
North Carolina	20,454	13,997	32,203	32,753
North Dakota	60,866	99,322	228,514	232,409
Ohio	8,686	13,265	30,519	31,040
Oklahoma	34,880	35,413	81,475	82,865
Oregon	8,048	6,434	14,803	15,055
Pennsylvania	3,581	6,774	15,585	15,851
Puerto Rico		2,331	5,363	5,454
South Carolina	14,375	19,803	45,561	46,338
South Dakota	31,985	40,109	92,280	93,853
Tennessee	9,947	18,659	42,929	43,661
Texas	78,613	78,956	181,656	184,753
Utah	3,967	5,870	13,505	13,736
Vermont	13,172	3,595	8,271	8,413
Virginia	13,025	9,342	21,493	21,859
Washington	13,665	23,581	54,253	55,179

Guaranteed Operating Loans, *Continued*

West Virginia	1,821	946	2,176	2,214
Wisconsin	53,644	50,028	115,101	117,063
Wyoming	9,716	12,939	29,769	30,279
Obligations	**1,051,944**	**1,183,053**	**2,721,877**	**2,768,292**
Bal. Available, EOY	1,782,232	2,515,020	1,810,185	1,949,431
Total, Available	**2,834,176**	**3,698,073**	**4,532,062**	**4,717,723**

Emergency Loans

Table FSA-37. Account 5. Emergency Loans Geographic Breakdown of Obligations & FTE

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Arkansas	1,145	1,056	5,306	5,306
California	313		755	755
Delaware	240		579	579
Florida	275		663	663
Georgia	266		641	641
Illinois	-	15	36	36
Iowa	99		239	239
Kentucky	191		460	460
Louisiana	423		1,020	1,020
Michigan	-	471	1,135	1,135
Montana	209		504	504
New Jersey	345		832	832
New York	266	33	721	721
North Carolina	2,229	-	5,374	5,374
North Dakota	-	110	265	265
Oklahoma	30	-	72	72
Pennsylvania	1,258	-	3,033	3,033
Puerto Rico	383	-	923	923
South Carolina	3,941	-	9,502	9,502
South Dakota	165	93	622	622
Tennessee	-	125	301	301
Texas	852	439	3,112	3,112
Utah	40	-	96	96
Virginia	-	113	272	272
Wisconsin	500		1,205	1,205
Obligations	**13,170**	**2,455**	**37,668**	**37,668**
Bal. Available, EOY	109,262	120,175	1,173,348	908,907
Total, Available	**122,432**	**122,630**	**1,211,016**	**946,575**

Geographic Breakdown of Obligations and FTEs
(dollars in thousands)

Table FSA-38. Account 5. Geographic Breakdown of Obligations & FTEs

INDIAN LAND ACQUISITION LOAN PROGRAM

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Undistributed	-	-	$20,000	$20,000
Obligations	-	-	20,000	20,000
Lapsing Balances	$20,000	$20,000	-	-
Total, Available	20,000	20,000	20,000	20,000

BOLL WEEVIL ERADICATION LOAN PROGRAM

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Undistributed	-	-	$60,000	$60,000
Obligations	-	-	60,000	60,000
Lapsing Balances	$30,000	-	-	-
Bal. Available, EOY	-	$60,000		
Total, Available	30,000	60,000	60,000	60,000

INDIAN HIGHLY FRACTIONATED LAND LOAN PROGRAM

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Undistributed	-	-	$10,000	$20,000
Obligations		-	10,000	20,000
Bal. Available, EOY	$10,000	$17,774	27,877	35,823
Total, Available	10,000	17,774	37,877	55,823

HEIRS PROPERTY RELENDING PROGRAM

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Undistributed	-	-	$33,693	$40,000
Obligations	-	-	33,693	40,000
Bal. Available, EOY	-	18,215	33,693	55,117
Total, Available	-	18,215	67,386	95,117

GUARANTEED CONSERVATION LOAN PROGRAM

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Undistributed	-	-	$150,000	$150,000
Obligations	-	-	150,000	150,000
Lapsing Balances	$150,000	$150,000	-	-
Total, Available	150,000	150,000	150,000	150,000

Classification by Objects
(dollars in thousands)

Table FSA-39. Account 5. Classification by Objects

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
	Other Objects:				
25.3	Other goods and services from Federal sources	316,710	317,414	307,344	314772
41.0	Grants, subsidies, and contributions	57,015	61,067	126,989	75,744
	Total, Other Objects	373,725	378,481	434,333	390,516
99.9	**Total, new obligations**	**373,725**	**378,481**	**434,333**	**390,516**

STATUS OF PROGRAMS

Current Activities

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

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

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

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

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

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

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

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

Heirs' Property Relending Program Loans. A revolving loan fund is available to qualified nonprofit organizations, cooperatives, and credit unions, who borrow from the FSA and re-lend the funds to eligible individuals and entities for projects that assist heirs with undivided ownership interests to resolve ownership and succession on farmland that has multiple owners.

Direct and guaranteed loan programs provided assistance totaling $3.5 billion to beginning farmers during 2020, of which $2.4 billion was in the ownership program and $1.1 billion was in the operating program. Loans for socially disadvantaged farmers totaled $1.1 billion, of which $739 million was in the farm ownership program and $349 million was in the farm operating program.

Selected Examples of Recent Progress

Lending to beginning farmers was strong during 2020. FSA loaned or guaranteed beginning farmer loans for 19,568 borrowers. Outreach efforts by FSA field offices to promote and inform beginning and socially disadvantaged farmers about available FSA programs have resulted in increased lending to these groups in the last few years.

The amount of direct and guaranteed operating and farm ownership loan assistance provided in FY 2020 increased compared to FY 2019. The FY 2020 loan assistance in these programs was the third highest total in Agency history. Likewise, loan assistance provided to beginning and socially disadvantaged farmers increased in FY 2020 compared to FY 2019, continuing the constant trend in lending to these underserved groups as a percentage of total assistance provided. Since 2019, the amount of beginning farmer assistance increased by 26 percent and the amount of socially disadvantaged assistance increased by 38 percent. In summary, FY 2020 loan assistance provided through the direct and guaranteed operating and farm ownership programs increased significantly from the FY 2019 level.

The following tables reflect 2020 ACIF program activity:

FY 2020 Actual Agricultural Credit Insurance Fund Loans and Obligations

Total Direct and Guaranteed Loans			
	FY 2019	**FY 2020**	**Percent Change**
Total Number of Loans			
Direct Farm Ownership	6,464	7,595	17%
Direct Farm Ownership - Microloans	167	202	21%
Guaranteed Farm Ownership	3,976	5,258	32%
Ownership Subtotal	**10,607**	**13,055**	**23%**
Direct Operating	13,243	13,190	0%
Direct Farm Operating - Microloans	4,755	5,012	5%
Guaranteed Operating	3,635	3,707	2%
Operating Subtotal	**21,633**	**21,909**	**1%**
Grand Total Number of Loans	**32,240**	**34,964**	**8%**
Total Dollar Value Of Loans (thousands of dollars)			
Direct Farm Ownership	1,466,928	2,070,763	41%
Direct Farm Ownership – Microloans	6,335	8,074	27%
Guaranteed Farm Ownership	2,055,030	2,974,834	45%
Ownership Subtotal	**3,528,293**	**5,053,671**	**43%**
Direct Operating	1,036,454	1,157,233	12%
Direct Farm Operating - Microloans	111,259	123,501	11%
Guaranteed Operating	1,051,944	1,182,393	12%
Operating Subtotal	**2,199,657**	**2,463,127**	**12%**
Grand Total Dollar Value of Loans	**5,727,950**	**7,516,799**	**31%**

Beginning Farmer Loans, a/			
	FY 2019	**FY 2020**	**Percent Change**
Total Number of Loans			
Direct Farm Ownership	2,033	3,401	67%
Direct Farm Ownership Down-payment	2,698	1,989	-26%
Guaranteed Farm Ownership	1,680	2,053	22%
Ownership Subtotal	**6,411**	**7,443**	**16%**
Direct Operating	10,658	10,870	2%
Guaranteed Operating	1,285	1,255	-2%
Operating Subtotal	**11,943**	**12,125**	**2%**
Grand Total Number of Loans	**18,354**	**19,568**	**7%**
Total Dollar Value of Loans (thousands of dollars)			
Direct Farm Ownership	479,369	988,406	106%
Direct Farm Ownership Down-payment	554,377	439,255	-21%
Guaranteed Farm Ownership	691,609	921,592	33%
Ownership Subtotal	**1,725,355**	**2,349,253**	**36%**
Direct Operating	713,921	781,811	10%
Guaranteed Operating	294,530	319,559	8%
Operating Subtotal	**1,008,451**	**1,101,370**	**9%**
Grand Total Dollar Value of Loans	**2,733,806**	**3,450,623**	**26%**

Socially Disadvantaged Farmer Loans, a/

Total Number of Loans			
	FY 2019	**FY 2020**	**Percent Change**
Direct Farm Ownership	1,146	1,357	18%
Guaranteed Farm Ownership	426	596	40%
Ownership Subtotal	**1,572**	**1,953**	**24%**
Direct Operating	4,658	4,507	-3%
Guaranteed Operating	326	392	20%
Operating Subtotal	**4,984**	**4,899**	**-2%**
Grand Total Number of Loans	**6,556**	**6,852**	**5%**
Total Dollar Value of Loans (thousands of dollars)			
Direct Farm Ownership	243,266	350,497	44%
Guaranteed Farm Ownership	262,422	388,638	48%
Ownership Subtotal	**505,689**	**739,135**	46%
Direct Operating	193,226	218,190	13%
Guaranteed Operating	90,441	131,013	45%
Operating Subtotal	**283,667**	**349,203**	**23%**
Grand Total Dollar Value of Loans	**789,356**	**1,088,338**	**38%**

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

ACCOUNT 6: EMERGENCY CONSERVATION PROGRAM

Lead-Off Tabular Statement

Table FSA-40. Account 6. Lead Off Table

Item	Amount
2021 President's Budget Level	$0
Change in Appropriation	0
Budget Estimate, 2022	0
Net 2022 Request	0

Project Statement

Table FSA-41. Account 6. Project Statement Appropriations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Discretionary Appropriations:					
Emergency Conservation Program Regular	$0	$0	$0	$0	$0
Emergency Conservation Program Stafford	0	0	0	0	0
Emergency Conservation Program PL 114-254	0	0	0	0	0
Emergency Conservation Program PL 115-123	0	0	0	0	0
Emergency Conservation Program PL 116-20	558,000	0	0	0	0
Total Adjusted Approp	558,000	0	0	0	0
Total Appropriation	**558,000**	**0**	**0**	**0**	**0**
Recoveries, Other	46,031	50,253	0	0	0
Bal. Available, SOY	498,299	992,481	775,693	200,000	575,693
Total Available	**1,102,330**	**1,042,734**	**775,693**	**200,000**	**575,693**
Bal. Available, EOY	-992,481	-775,693	-575,693	100,000	-475,693
Total Obligations	**109,849**	**267,041**	**200,000**	**100,000**	**100,000**

Table FSA-42. Account 6. Project Statement Obligations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Discretionary Obligations:					
Emergency Conservation Program Regular	$13,702	$10,350	$7,752	-3,876	$3,876
Emergency Conservation Program Stafford	9,737	3,717	2,784	-1,392	1,392
Emergency Conservation Program PL 114-254	7,554	2,686	2,012	-1,006	1,006
Emergency Conservation Program PL 115-123	78,856	124,255	93,061	-46,531	46,530
Emergency Conservation Program PL 116-20	0	126,033	94,392	-47,196	47,196
Total Obligations	**109,849**	**267,041**	**200,000**	**-100,000**	**100,000**
Balances Available, EOY:	992,481	775,693	575,693	-100,000	475,693
Total Available	**1,102,330**	**1,042,734**	**775,693**	**-200,000**	**575,693**
Less:					
Recoveries, Other	-46,031	-50,253	0		0
Bal. Available, SOY	-498,299	-992,481	-775,693	-200,000	-575,693
Total Appropriation	**558,000**	**0**	**0**		**0**

Geographic Breakdown of Obligations and FTEs

Table FSA-43. Account 6. Geographic Breakdown of Obligations & FTEs

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Alabama	638	1,555	1,165	582
Arizona	77	421	315	158
Arkansas	522	8,181	6,127	3,064
California	10,004	4,845	3,629	1,814
Colorado	1,443	302	226	113
Connecticut	11	0	0	0
Delaware	0	12	9	4
Florida	13,579	31,515	23,603	11,802
Georgia	8,476	34,099	25,538	12,769
Hawaii	997	242	181	91
Idaho	838	227	170	85
Illinois	0	582	436	218
Iowa	675	9,247	6,926	3,463
Kansas	2,915	1,201	899	450
Kentucky	86	280	210	105
Louisiana	0	21	16	8
Maine	1	18	13	7
Maryland	0	131	98	49
Michigan	65	34	25	13
Mississippi	282	2,433	1,822	911
Missouri	1,226	20,699	15,502	7,751
Montana	2,278	267	200	100
Nebraska	15,534	41,746	31,266	15,633
Nevada	368	839	628	314
New Hampshire	93	47	35	18
New Mexico	60	616	461	231
New York	82	19	14	7
North Carolina	12,881	20,229	15,150	7,575
Ohio	0	543	407	203
Oklahoma	6,598	4,676	3,502	1,751
Oregon	10,412	9,149	6,852	3,426
Pennsylvania	423	3	2	1
Puerto Rico	972	625	468	234
South Carolina	374	3,291	2,465	1,232
South Dakota	2,146	3,207	2,402	1,201
Tennessee	448	3,123	2,339	1,169
Texas	7,853	2,964	2,220	1,110
Utah	11	500	374	187
Vermont	175	126	94	47
Virgin Islands	5	681	510	255
Virginia	1,640	1,183	886	443
Washington	3,163	57	43	21
West Virginia	139	148	111	55
Wisconsin	629	720	539	270
Wyoming	1,693	433	324	162
KCMO-DMD	0	55,804	41,794	20,897
Obligations	**109,849**	**267,041**	**200,000**	**100,000**
Bal. Available, EOY	992,481	775,693	575,693	475,693
Total, Available	**1,102,330**	**1,042,734**	**775,693**	**575,693**

Classification by Objects

Table FSA-44. Account 6. Classification by Objects

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
41.0	Grants, subsidies, and contributions	109,849	267,041	200,000	100,000
	Total, Other Objects	109,849	267,041	200,000	100,000
99.9	**Total, new obligations**	**109,849**	**267,041**	**200,000**	**100,000**

STATUS OF PROGRAMS

Current Activities

During FY 2020, 38 states and 1 territory participated in the Emergency Conservation Program (ECP), with new or continued activity from the previous year, involving approximately $144 million in cost-share and technical assistance funds outlays.

Selected Examples of Recent Activity

ECP provisions in prior years' supplemental appropriations targeted funding needs for both regular ECP and specific disasters, such as the mid-west flooding, hurricanes, tornado damage, and west and western plain states wildfires. Funds are monitored through separate disaster identification accounts. ECP funds continue to assist agricultural producers to rehabilitate natural disaster-damaged farmland by removing flood and tornado deposited debris from farmland. This returns the land to its productive agricultural capacity, providing emergency water for livestock in parts of the Northern Plains, where severe drought continues to pervade the region. ECP will help grade and reshape farmland scoured by flood waters and restore livestock fences and conservation structures destroyed by wildfire, tornados, and hurricanes. During FY 2020, ECP allocated $33.5 million in Stafford Act funds and $110 million in unrestricted funds, totaling $144 million. These allocations include the reallocation of unrestricted and Stafford funds remaining from previous years' disasters to help producers faced with new natural disaster events.

The following tables show (A) appropriations and outlays for 1981 through 2020 and (B) FY 2020 allocations by State.

Table A

Emergency Conservation Program Appropriations and Outlays
Fiscal Years 1981-2020

Fiscal Year	Appropriation		Outlays
1981 - 2010	$1,131,860,070	1/ to 5/	$926,918,418
2011	0	6/	35,138,268
2012	122,700,000	7/	56,113,938
2013	25,049,415	8/	41,084,135
2014	0		22,879,879
2015	9,216,000	9/	23,926,138
2016	108,000,000	10/	28,159,321
2017	131,629,524	11/	57,067,063
2018	400,000,000	12/	97,286,299
2019	558,000,000	13/	74,643,848
2020	0		116,680,337
TOTAL	**2,486,455,009**		**1,479,897,644**

1/ $199.8 million in supplemental funding provided by P.L. 109-148. $38 million was transferred to NOAA by P.L. 109-234.
2/ $18 million in supplemental funding was provided by P.L. 110-28; $2 million was for Kansas only.
3/ $89.4 million in supplemental funding was provided by P.L. 110-252 and used for multiple disasters throughout the nation, and much of this funding addressed damage from the 2008 Midwest Floods. $115 million in a second supplemental was provided by P.L. 110-329 and was also used for multiple disasters throughout the nation. Much of this funding addressed damage from Hurricanes Ike and Gustav and also provided additional funding to address damage from the 2008 Midwest Floods.
4/ $66.314 million was internally re-allotted from Hurricane Katrina and Adjusted Gross Income accounts into the regular ECP account to be used for any natural disaster, per P.L. 111-32, signed June 24, 2009.
5/ During 2010, ECP provided $53.3M in total allocations.
6/ During 2011, ECP provided $28.0M in total allocations.
7/ During 2012, ECP provided $148.9M in total allocations. Also, in FY 2012, $122.7 million in ECP funding was provided from the Consolidated and Further Continuing Appropriations Act, 2012, P.L. 112-55 enacted November 18, 2011, for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). Also, using the interchange authority under 7 U.S.C. 2257, $14 million in Farm Service Agency funding was transferred from the Emergency Assistance for Livestock, Honey Bees and Farm Raised Fish Program (ELAP) to ECP.
8/ In FY 2013, $15 million of ECP supplemental funding for Super Storm Sandy major disaster relief declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act was provided by PL. 113-2, the Disaster Relief Appropriations Act of 2013. $11.1 million of ECP funding was provided by P.L. 113-6, the Consolidated and Further Continuing Appropriations Act of 2013. Appropriated amounts shown are net of sequester and rescissions.
9/ In FY 2015, $9.216 million of ECP funding was also provided by P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015 for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).
10/ In FY 2016, $108 million of ECP funding was provided by P.L. 114-113, and the Consolidated Appropriations Act, 2016 provided $91 million was made available for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The remaining $17 million is considered unrestricted funds.
11/ In FY 2017, $102.9 million of ECP funding was provided by P.L. 114-254, and the Further Continuing and Security Assistance Appropriations Act, 2017 to remain available until expended, provided all amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b) (2) (A) (i) of the Balanced Budget and Emergency Deficit Control Act of 1985. In addition, $28,651,000 was provided by P.L. 115-31, the Consolidated Appropriations Act 2017 to remain available until expended for emergencies not declared as a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).
12/ In FY 2018, $400,000,000 was provided by P.L. 115-123, the Bipartisan Budget Act of 2018 for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria and of wildfires occurring in calendar year 2017, and other disasters to remain available until expended. Provided, that such amount is designated by Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.
13/ In FY 2019, $558,000,000 was provided by P.L. 116-20, the Additional Supplemental Appropriations for Disaster Relief Act, 2019 for necessary expenses related to the consequences of Hurricanes Michael and Florence and wildfires occurring in calendar year 2018, tornadoes and floods occurring in calendar year 2019, and other natural disasters, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Table B

EMERGENCY CONSERVATION PROGRAM FY 2020 Allocations by State		
State	**Disaster (s)**	**Total Allocations**
AL	Flooding, Hurricane, Severe Storms, Tornados	$676,235
AR	Flooding, Severe Storms, Tornados	$10,180,218
AZ	Drought	$457,753
CA	Drought, Flooding, Wildfires	$1,874,843
CO	Flooding, Wildfire	$403,251
DE	Tornados	$12,312
FL	Hurricane, Tornado	$3,843,903
GA	Flooding, Hurricane, Sever Storm, Tornado	$730,509
HI	Drought, Flooding	$89,700
ID	Flooding	$146,253
IA	Flooding	$11,641,217
IL	Flooding	$1,205,676
KY	Flooding, Severe Storms, Tornados	$351,355
KS	Flooding, Tornado, Wildfire	$18,719,914
LA	Flooding, Tornados,	$68,882
MD	Flooding	$215,984
MI	Flooding	$5,459,279
ME	Flooding, Severe Storms	$19,684
MO	Flooding, Tornados	$46,932,500
MS	Flooding, Severe Storms, Tornados	$2,637,399
MT	Flooding, Wildfire	$325,590
NC	Flooding, Hurricane, Severe Storm, Tornado	$1,828,877
NH	Severe Storm	$150,000
NV	Flooding, Wildfires	$175,408
OH	Flooding	$448,733
OK	Flooding, Severe Storms, Tornados, Wildfire	$7,318,198
OR	Flooding, Severe Storms, Tornados, Wildfire	$16,539,781
PA	Flooding	$393,873
SC	Flooding, Hurricane, Tornados, Severe Storms	$3,802,907
SD	Flooding	$2,215,476
TN	Flooding, Severe Storms, Tornados	$3,405,100
TX	Wildfire	$556,621
UT	Flooding, Wildfire	$778,193
VA	Flooding, Tornados	$5,400
VT	Flooding, Severe Storms	$260,498
WA	Flooding, Wildfire	$302,850
WV	Flooding	$172,517
WY	Flooding	$33,200
Total		**$144,380,089**

ACCOUNT 7: USDA SUPPLEMENTAL ASSISTANCE PROGRAM

Lead-Off Tabular Statement

Table FSA-45. Account 7. Lead Off Table

Item	Amount
2021 Enacted	$2,000,000
Change in Appropriation	-2,000,000
Budget Estimate, 2022	0
Change Due to Proposed Legislation	0
Net 2022 Request	0

Project Statement

Table FSA-46. Account 7. Project Statement Appropriations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Discretionary Appropriations:					
USDA Supplemental Assistance (*Geographically Disadvantaged Farmer and Ranchers)*	$1,996	$2,000	$2,000	-2000	$0
Total Appropriations	**1,996**	**2,000**	**2,000**	**-2000**	**0**
Bal. Available, SOY	4,445	4,454	4,454		4,454
Total Available	6,450	6,454	6,454	-2000	4,454
Bal. Available, EOY	-4,454	-4,454	-4,454		-2,454
Total Obligations	**1,996**	**2,000**	**2,000**		**2,000**

Table FSA-47. Account 7. Project Statement Obligations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Discretionary Obligations:					
USDA Supplemental Assistance (*Geographically Disadvantaged Farmer and Ranchers)*	$1,996	$2,000	$2,000	-$2,000	$0
Total Obligations	1,996	2,000	2,000	-2,000	0
Total Bal. Available, EOY	4,454	4,454	4,454	0	2,454
Total Available	6,450	6,454	6,454	-2,000	4,454
Recoveries, Other	-9	0	0	0	0
Bal. Available, SOY	-4,454	-4,454	-4,454	0	-4,454
Total Appropriation	**1,996**	**2,000**	**2,000**	**-2,000**	**2000**

Justifications

There is a decrease of $2,000,000 from the FY 2021 Appropriations.

Funding for this program has historically occurred through general provisions. The Agricultural Act of 2014 permanently reauthorized the Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers to reimburse a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity. Current year funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the Agency.

Geographic Breakdown of Obligations and FTEs

Table FSA-48 Account 7. Geographic Breakdown of Obligations & FTEs

State/Territory/Country	2019 Actual	2020 Actual	2021 Estimate	2022 Budget
Distribution Unknown	1996	2,000	2,000	0
Obligations	**1,996**	**2,000**	**2,000**	**0**
Bal. Available, EOY	4,454	4,454	0	0
Total, Available	**6,450**	**6,454**	**0**	**0**

Classification by Objects

Table FSA-49. Account 7. Classification by Objects

Item No.	Item	2019 Actual	2020 Actual	2021 Estimate	2022 Budget
41.0	Grants, subsidies, and contributions	$1,996	$2,000	$2,000	$0
42.0	Insurance Claims and Indemnities	0	0	0	0
43.0	Interest and Dividends	0	0	0	0
	Total, Other Objects	1,996	2,000	2,000	0
99.9	**Total, new obligations**	**1,996**	**2,000**	**2000**	**0**

STATUS OF PROGRAMS

Current Activities

The Agricultural Act of 2014 (Public Law 113-79), re-authorized the Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers (RTCP). The Further Consolidated Appropriations Act, 2020 authorized $2 million for fiscal year 2020 to reimburse geographically disadvantaged producers with a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity for each succeeding fiscal year subject to appropriate funding.

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

Current Activities: RTCP benefits are calculated based on the costs incurred by the producer for transportation of the agricultural commodity or inputs during a fiscal year, subject to an $8,000 per producer cap per fiscal year. RTCP enrollments for FY 2020 began on July 13, 2020 and ended on September 4, 2020. Payments for FY 2020 signup will be disbursed in FY 2021.

ACCOUNT 8: EMERGENCY FOREST RESTORATION PROGRAM

Lead-Off Tabular Statement

Table FSA-50. Account 8. Lead Off Table

Item	Amount
2021 President's Budget Level	$0
Change in Appropriation	0
Budget Estimate, 2022	0
Budget Estimate, Current Law 2022	$0
Change Due to Proposed Legislation	0
Net 2022 Request	0

Project Statement

Table FSA-51. Account 8. Project Statement Appropriations

Item	2019 Actual	2020 Actual	2021 Estimate	Inc. or Dec.	2022 Budget
Discretionary Appropriations:					
Emergency Forest Restoration Program PL 116-20	$480,000	0	0	0	0
Total Appropriation	**480,000**	**0**	**0**	**0**	**0**
Recoveries, Other	1,486	5,270	0	0	0
Bal. Available, SOY	52,951	532,600	469,811	-100,000	369,811
Total Available	**534,437**	**537,870**	**469,811**	**-100,000**	**369,811**
Bal. Available, EOY	-532,600	-469,811	-369,811	100,000	-269,811
Total Obligations	**1,837**	**68,059**	**100,000**	**0**	**100,000**

Table FSA-52. Account 8. Project Statement Obligations

Item	2019 Actual	2020 Actual	2021 Estimate	Inc. or Dec.	2022 Budget
Discretionary Obligations:					
Emergency Forest Restoration Program Stafford	$993	$2,750	$4,041	0	$4,041
Emergency Forest Restoration Program Regular	844	1,348	$1,981	0	$1,981
Emergency Forest Restoration Program PL 116-20	0	63,961	$93,979	0	$93,979
Total Obligations	**1,837**	**68,059**	**100,000**	**0**	**100,000**
Balances Available, EOY:	532,600	469,811	369,811	100,000	269,811
Total Available	**534,437**	**537,870**	**469,811**	**100,000**	**369,811**
Recoveries, Other	-1,486	-5,270	0	0	0
Bal. Available, SOY	-52,951	-532,600	-469,811	100,000	-369,811
Total Appropriation	**480,000**	**0**	**0**		**0**

Geographic Breakdown of Obligations and FTEs

Table FSA-53. Account 8. Geographic Breakdown of Obligations & FTEs

State/Territory/Country	2019 Actual	2020 Actual	2021 Estimate	2022 Budget
Alabama	31	2,622	3,853	3,853
Florida	0	14,882	21,866	21,866
Georgia	1,219	4,303	6,322	6,322
Michigan	0	749	1,101	1,101
Mississippi	0	984	1,446	1,446
Montana	167	24	35	35
New Hampshire	4	0	0	0
New Jersey	10	0	0	0
North Carolina	3	191	281	281
Oregon	80	5,628	8,269	8,269
South Carolina	131	273	401	401
Washington	192	2	3	3
KCMO-DMD	0	38,401	56,423	56,423
Obligations	**1,837**	**68,059**	**100,000**	**100,000**
Bal. Available, EOY	532,600	469,811	369,811	269,811
Total, Available	**534,437**	**537,870**	**469,811**	**369,811**

Classification by Objects

Table FSA-54. Account 8. Classification by Objects

Item No.	Item	2019 Actual	2020 Actual	2021 Estimate	2022 Budget
41.0	Grants, subsidies, and contributions	1,837	68,059	100,000	100,000
42.0	Insurance Claims and Indemnities	0	0	0	0
43.0	Interest and Dividends	0	0	0	0
	Total, Other Objects	1,837	68,059	100,000	100,000
99.9	**Total, new obligations**	**1,837**	**68,059**	**100,000**	**100,000**

STATUS OF PROGRAMS

Current Activities

EMERGENCY FOREST RESTORATION PROGRAM

The Emergency Forest Restoration Program (EFRP) provides payments to eligible owners of non-industrial private forest land for implementation of emergency measures to restore forests and forest resources damaged by natural disasters. During FY 2020, 10 States participated in EFRP with new or continued activity from the previous year. In FY 2020, $2.9 million was outlayed, which includes prior year unobligated balances brought forward.

Selected Examples of Recent Activity

EFRP provisions in prior year supplemental appropriations have targeted funding for both regular EFRP, such as drought and tornado damage, and Stafford Act funds targeted to specific disaster needs, such as hurricanes. EFRP funds continue to assist with the rehabilitation of forest and forest resources damaged by natural disaster events, such as ice storm and tornado damage, by removing forest debris and replanting tree species and wildlife habitat. In FY 2020, $89.9 million in EFRP unrestricted and Stafford Act designated funds were allocated to 10 States to assist private forest landowners impacted by natural disasters.

The following tables show (A) appropriations and outlays for 2010 through 2020 and (B) FY 2020 allocations by State.

Table A

Emergency Forest Restoration Program Appropriations and Outlays Fiscal Years 2010-2020			
Fiscal Year	**Appropriation**		**Outlays**
2010	$18,000,000	1/	0
2011	0		$232,825
2012	28,400,000	2/	1,991,152
2013	35,665,468	3/	5,452,319
2014	0		1,981,531
2015	3,203,000	4/	4,391,289
2016	6,000,000	5/	4,719,927
2017	0		2,262,227
2018	0		2,211,465
2019	480,000,000	6/	1,137,889
2020	0		2,912,787
TOTAL	**571,268,468**		**27,293,411**

1/ $18,000,000 in supplemental funding provided by P.L. 111-212.
2/ $28,400,000 in supplemental funding provided by P.L. 112-55.
3/ $23 million in EFRP supplemental funding for Super Storm Sandy major disaster relief declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act was provided by PL. 113-2, the Disaster Relief Appropriations Act of 2013. $14.2 million was provided by P.L. 113-6, Consolidated and Further Continuing Appropriations Act of 2013. Amounts shown are net of sequester and rescissions.
4/ $3.203 million in EFRP funding was provided by P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015 for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).
5/ In FY 2016, $6 million of ECP funding was provided by P.L. 114-113, the Consolidated Appropriations Act, 2016 which provided that $2 million of the funding was made available for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
6/ In FY2019, $480,000,000 was provided by P.L. 116-20, the Additional Supplemental Appropriations for Disaster Relief Act, 2019 for necessary expenses related to the consequences of Hurricanes Michael and Florence and wildfires occurring in calendar year 2018, tornadoes and floods occurring in calendar year 2019, and other natural disasters, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Table B

EMERGENCY FOREST RESTORATION PROGRAM FY 2020 Allocations by State		
State	**Disaster (s)**	**Total Allocations**
AL	Hurricane, Tornado	$3,289,128
CA	Tornado	$2,100,000
FL	Hurricane	$66,301,674
GA	Hurricane, Sever Storm, Tornado	$8,130,163
MI	Sever Storm	$809,933
MS	Sever Storm, Tornado	$1,632,159
NC	Hurricane	$194,603
OR	Drought, Sever Storm	$6,841,306
PR	Hurricane	$69,117
SC	Tornado	$495,000

	TOTAL	$89,863,083

ACCOUNT 9: PIMA AGRICULTURE TRUST FUND

Lead-Off Tabular Statement

Table FSA-55. Account 9. Lead Off Table

Item	Amount
2021 Enacted	$16,000,000
Change in Appropriation	0
Budget Estimate, 2022	16,000,000
Net 2022 Request	16,000,000

Project Statement

Table FSA-56. Account 9. Project Statement Appropriations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Mandatory Appropriations:					
PIMA Agriculture Cotton............	$15,008	$15,056	$15,088	-	$15,088
Subtotal..................................	15,008	15,056	15,088	-	15,088
Total Adjusted Approp.................	15,008	15,056	15,088	-	15,088
Sequestration................................	992	944	912	-	912
Total Appropriation......................	**16,000**	**16,000**	**16,000**	**-**	**16,000**
Sequestration................................	-992	-944	-912	-	-912
Bal. Available, SOY......................	130	6	-	-	-
Total Available...........................	**15,138**	**15,062**	**15,088**	**-**	**15,088**
Bal. Available, EOY......................	-6	-	-	-	-
Total Obligations.........................	**15,132**	**15,062**	**15,088**	**-**	**15,088**

Table FSA-57. Account 9. Project Statement Obligations

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Mandatory Obligations:					
PIMA Agriculture Cotton...............	15,132	15,062	15,088	-	15,088
Subtotal Disc oblig.................	15,132	15,062	15,088	-	15,088
Total Obligations.......................	**15,132**	**15,062**	**15,088**	**-**	**15,088**
Total Bal. Available, EOY...........	6	-	-	-	-
Total Available..........................	**15,138**	**15,062**	**15,088**	**-**	**15,088**
Sequestration..............................	992	944	912	912	-
Bal. Available, SOY....................	-130	-6			-
Total Appropriation..................	**16,000**	**16,000**	**16,000**	**912**	**15,088**

Classification by Objects

Table FSA-58. Account 9. Classification by Objects

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
41.0	Grants, subsidies, and contributions	15,132	15,062	15,088	15,088
	Total, Other Objects	15,132	15,062	15,088	15,088
99.9	**Total, new obligations**	**15,132**	**15,062**	**15,088**	**15,088**

ACCOUNT 10: AGRICULTURAL WOOL MANUFACTURERS TRUST FUND

Lead-Off Tabular Statement

Table FSA-59. Account 10. Lead Off Table

Item	Amount
2021 Enacted	$30,000,000
Change in Appropriation	0
Budget Estimate, 2022	30,000,000
Net 2022 Request	30,000,000

Project Statement

Table FSA-60. Account 10. Project Statement Appropriations

Item	2019 Actual	2020 Actual	2021 Estimate	Inc. or Dec.	2022 Budget
Mandatory Appropriations:					
Agricultural Wool Manufacturing Trust...	$28,140	$28,230	$28,290	-	$28,290
Subtotal..	28,140	28,230	28,290	-	28,290
Total Adjusted Approp...........................	28,140	28,230	28,290	-	28,290
Sequestration..	1,860	1,770	1,710	-	1,710
Total Appropriation................................	**30,000**	**30,000**	**30,000**	**-**	**30,000**
Sequestration..	-1,860	-1,770	-1,710	-	-1,710
Recoveries, Other	39	-	-	-	-
Bal. Available, SOY................................	15,977	16,619	18,355	-9,355	9,000
Total Available......................................	**44,156**	**44,849**	**46,645**	**-9,355**	**37,290**
Bal. Available, EOY................................	-16,619	-18,355	-9,000	+8,000	-1,000
Total Obligations..................................	**27,537**	**26,494**	**37,645**	**-1,355**	**36,290**

Item	2019 Actual	2020 Actual	2021 Estimate	Inc. or Dec.	2022 Budget
Mandatory Obligations:					
Agricultural Wool Manufacturing Trust	27,537	26,494	37,645	-1,355	36,290
Subtotal Disc oblig.................	27,537	26,494	37,645	-1,355	36,290
Total Obligations.......................	**27,537**	**26,494**	**37,645**	**-1,355**	**36,290**
Total Bal. Available, EOY...........	16,619	18,355	9,000	-	1,000
Total Available..........................	**44,156**	**44,849**	**46,645**	**-1,355**	**37,290**
Sequestration..............................	1,860	1,770	1,710	912	1,710
Recoveries, Other	-39	-	-	-	-
Bal. Available, SOY....................	-15,977	-16,619	-18,355		-9,000
Total Appropriation..................	**30,000**	**30,000**	**30,000**	**-443**	**30,000**

Geographic Breakdown of Obligations and FTEs

Table FSA-61. Account 10. Geographic Breakdown of Obligations & FTEs

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Distribution Unknown	27537	26,494	37,645	36,290
Obligations	27,537	26,494	37,645	36,290
Lapsing Balances	0	0	0	0
Rescinded Balances	0	0	0	0
Bal. Available, EOY	16,619	18,355	9,000	1,000
Total, Available	**44,156**	**44,849**	**46,645**	**37,290**

Classification by Objects

Table FSA-62. Account 10. Classification by Objects

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
41.0	Grants, subsidies, and contributions	27,537	26,494	37,645	36,290
42.0	Insurance Claims and Indemnities	0	0	0	0
43.0	Interest and Dividends	0	0	0	0
	Total, Other Objects	27,537	26,494	37,645	36,290
99.9	**Total, new obligations**	**27,537**	**26,494**	**37,645**	**36,290**

ACCOUNT 11: ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS

PROJECT STATEMENT

Table FSA-63. Account 11. Project Statement on Basis of Appropriation (thousands of dollars)

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Mandatory Appropriations:					
Payments to SDA Borrowers Direct Farm Loans			$2,750,000	-$2,750,000	
Payments to SDA Borrowers Guaranteed Farm Loans			2,250,000	-2,250,000	
Payments to SDA Borrowers Farm Storage Facility Loans			15,000	-15,000	
Subtotal	-	-	5,015,000	-5,015,000	
Total Adjusted Approp	-	-	5,015,000	-5,015,000	
Total Appropriation	**-**	**-**	**5,015,000**	**-5,015,000**	
Total Available	**-**	**-**	**5,015,000**	**-5,015,000**	
Total Obligations	**-**	**-**	**5,015,000**	**-5,015,000**	

Table FSA-64. Account 11. Project Statement on Basis of Obligation (thousands of dollars)

Item	2019 Actual	2020 Actual	2021 Enacted	Inc. or Dec.	2022 Budget
Mandatory Obligations:					
Payments to SDA Borrowers Direct Farm Loans	-	-	$2,750,000	$-2,750,000	-
Payments to SDA Borrowers Guaranteed Farm Loans	-	-	2,250,000	-2,250,000	-
Payments to SDA Borrowers Farm Storage Facility Loans	-	-	15,000	-15,000	-
Subtotal Mand Oblig	-	-	5,015,000	-5,015,000	-
Total Obligations	**-**	**-**	**5,015,000**	**-5,015,000**	-
Total Available	**-**	**-**	**5,015,000**	**-5,015,000**	-
Total Appropriation	**-**	**-**	**5,015,000**	**-5,015,000**	-

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table FSA-65. Account 11. Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Distribution Unknown	-	-	5,015,000	-
Obligations	**-**	**-**	**5,015,000**	**-**
Lapsing Balances	-	-	-	-
Rescinded Balances	-	-	-	-
Bal. Available, EOY	-	-	-	-
Total, Available	**-**	**-**	**5,015,000**	**-**

CLASSIFICATION BY OBJECTS

Table FSA-66. Account 11. Classification by Objects (thousands of dollars)

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
	Personnel Compensation:				
	Other Objects:				
41.0	Grants, subsidies, and contributions	-	-	$5,015,000	-
	Total, Other Objects	-	-	5,015,000	-
99.9	**Total, new obligations**	**-**	**-**	**5,015,000**	**-**

AGENCY-WIDE PERFORMANCE

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

NRCS will work with OBPA once guidance is issued from the Department on adjusting, adding or developing Key Performance Indicators based on the new USDA Strategic Plan. NRCS will work across Deputy Areas, States, and with data stewards, others, etc. to solicit feedback/input on these new measures in support of the agency's strategic goals.

In an effort to measure, monitor, quantify results, and verify (MMRV) CRP climate outcomes, USDA will invest $10 million in the CRP Monitoring, Assessment and Evaluation (MAE) program to measure and monitor the soil carbon and climate resilience impacts of conservation practices over the life of new CRP contracts. This will enable the agency to further refine the program and practices to provide producers tools for increased climate resilience.

SUMMARY OF PERFORMANCE

FY 2022-2026 Priorities:

- Employee Morale
- COVID Relief
- Equity and Inclusion
- Climate Change and Agriculture
- Rural Community and Economic Development
- Food Safety & Food and Nutrition Security
- Open and Competitive Markets
- Forest Service

Measure Status Determination:

- Exceeds (Exc): Surpasses target
- Met: 100% of target
- Needs Improvement (NI): Within 10% of target
- Unmet: Greater than 10%

FSA Farm Loans Program (FLP)

Strategic Objective 2.1		FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
2.1.2 Average number of days to process direct loans	Results	N/A	31	30	32	34	TBD	TBD
	Target	N/A	Baseline	31	30	32	32	34
	Status	N/A	N/A	Met	NI	NI	TBD	TBD

Alignment to 2022-2026 priorities (see above):

- **N/A –** this measure concerns agricultural production and producer support.

Strategic Objective 2.1		FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
2.1.3 Percentage of direct and guaranteed loan borrowers who are beginning farmers	Results	N/A	N/A	55	54.5	58.6	TBD	TBD
	Target	N/A	N/A	Baseline	53	59.9	59.9	59.9
	Status	N/A	N/A	N/A	Exc	NI	TBD	TBD

Alignment to 2022-2026 priorities (see above):

- **N/A –** this measure concerns agricultural production and producer support.

Strategic Objective 2.1		FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
2.1.4 First installment delinquency rate on direct loans	Results	N/A	N/A	N/A	N/A	9.9	TBD	TBD
	Target	N/A	N/A	N/A	N/A	8	8	9
	Status	N/A	N/A	N/A	N/A	Unmet	TBD	TBD

Alignment to 2022-2026 priorities (see above):
- **N/A –** this measure concerns agricultural production and producer support.

Strategic Objective 2.1		FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
2.1.5 Direct loan delinquency rate	Results	N/A	N/A	N/A	N/A	4.3	TBD	TBD
	Target	N/A	N/A	N/A	N/A	7	7	7
	Status	N/A	N/A	N/A	N/A	Exc	TBD	TBD

Alignment to 2022-2026 priorities (see above):
- **N/A –** this measure concerns agricultural production and producer support.

PROGRESS Toward the Achievement of Strategic Objectives FY2020
Additional information regarding performance can be located within the Annual Performance Report submitted in conjunction with our Congressional Justifications. A high-level summary of progress is provided below:

In FY 2020, FSA FLP was not able to meet its performance targets due to:
- Average number of days to process direct loans: Due to an ongoing emphasis to balance loan making with loan servicing (e.g., loan restructure, debt resolution), and COVID-19 measures impacting field offices/staff, the number of days to process direct loans increased.
- Percentage of direct and guaranteed loan borrowers who are beginning farmers: This metric has declined each month since January 2020 when it was 63% (but is higher than in FY 2019 when it was in the mid-50s). This decline predates the pandemic and reflects the longer-term stress in the farm economy, but more recently compounded by the COVID-19 pandemic.
- First installment delinquency rate on direct loans: Rather than this metric declining as it typically does in December – April when cash flows improve from commodity sales in the spring through autumn, the rate increased. FSA FLP believes this increase was primarily due to lower commodity prices and the economic effects of COVID-19.

However, even when faced with these challenges, FSA FLP was able accomplish the following:

- Loan flexibility
  - FSA provided flexibility to direct farm loan borrowers to defer a loan payment for at least one year. In the four months that this option has been available, more than 1,980 borrowers with payments totaling over $18.7 million have had a loan payment deferred as of September 28, 2020.

- Robust loan making
  - There was a substantial increase in USDA's FY 2020 direct and guaranteed farm loan making. The volume of loan obligations was up 8% for direct and guaranteed loans, with the amount of obligations increasing by 31 percent to $7.5 billion. Growth in demand for guaranteed and direct farm ownership loans was so substantial that the Secretary used his authority to increase Direct Farm Ownership funds by 25% and to increase Guaranteed Farm Ownership funds by 20%, which can be done because both programs have a negative subsidy rate and require no budget authority.

  - FLP IT Modernization
    - FLP—in conjunction with FPAC-IT, OCIO and contractor support—is undertaking an extraordinary effort to retire, modernize and integrate the more than 20 systems that support farm loans that will deliver significant benefits to customers and field employees. Among the objectives are automation of paper-based and manual processes performed by borrowers and employees, become FMMI compliant, replace a 40-year old accounting system, provide online loan application and loan repayment features to customers interfaced with Farmers.gov, and expand data analytics capabilities to support data-driven decision making.

- In September 2020, a contract was awarded to develop an IT roadmap to accomplish this modernization. In FY2021, a contract will be awarded to implement the IT roadmap, which is expected to be a five-year effort and is dependent on the availability of funding.
- FSA is discussing with Rural Development how the agencies may be able to leverage common commercial loan requirements, such as both agencies using the same loan origination commercial off the shelf software; the Secretary has expressed an interest in USDA loan-making agencies using common components where possible.

- Data entry "bots" deployment and Business Process Reengineering (BPR) Benefits
  - In FY2020, FSA for the first time began using bot automation. FLP deployed three bots to perform data entry tasks previously done by loan officials. Use of these bots will save field staff an estimated 20,400 hours annually that can be spent with customers and working on value-added analysis.
  - Another significant benefit is that during the bot requirements process, two separate forms were combined into one form, which is now pre-filled by a bot. By eliminating a form that was previously produced and mailed to about 33,000 loan applicants each year, field staff will save an estimated 5,500 hours to spend with customers and to work on more value-added activities. In addition, there is an estimated annual cost avoidance of $16,995 in paper, toner, and postage expenses.

Expected Progress at the 2022 Proposed Resource Level
At the requested budget levels, FSA FLP will be able to meet its projected performance target outlined in the table above.

In FY 2021, FSA FLP mitigates challenges presented in FY 2020 by:

- **Producer cash flow challenges**
  - Loan servicing is always a priority, but it is even more important to assist borrowers during economically stressful periods. The more attention given by FSA loan officials to assist financially distressed borrowers, the more likely a farm operation will withstand difficult periods. FSA continues to monitor loan demand and delinquency metrics closely and is administering the loan servicing flexibilities that it can under statute.

- **Funds management**
  - Predictive analytics for loan demand were developed in FY2020 after FLP nearly exhausted its Farm Ownership funding in FY2019 when the Farm Bill raised loan limits significantly without a corresponding increase in appropriations. Rigorous monitoring protocols are now in place and this analysis has been essential to informing the Department, OMB and Congress about program funding needs. FLP continues to refine its methodology and regularly updates the Department with current and future funding assessments.
  - For Direct Farm Ownership loans, a funding shortfall was predicted for summer 2021 in some borrower cohorts; statute requires that a large portion of funds be set aside for beginning and SDA borrowers, and this limits the funds available to borrowers who are ineligible for the set aside funds. In April, FSA updated its model with actual loan obligation data from October 2020 through March 2021, and based on forecasted demand for the remainder of FY2021, provided to the Secretary a Congressional Notification for his signature exercising his authority to add 25% (maximum allowed) in funding to the original appropriation, which can be done with a Congressional Notification because the direct Farm Ownership program requires no budget authority due to its negative subsidy rate.

- **Data analytics and IT modernization to improve program delivery**
  - The 5-7 year IT initiative to modernize, integrate or retire the more than 20 systems that support Farm Loans is a large and complex project. FSA has established additional project management and governance oversight, including onboarding in February an experienced IT project manager. FSA began its budget and contracts planning for this effort several years in advance; continued funding is essential to the project's completion and ongoing maintenance.

- Multiple data analytics efforts were launched to improve program operations. Among these efforts, with support from FPAC's Economic and Policy Analysis Division, is developing an econometric data (e.g., commodity prices, interest rates, land values) model to better predict loan demand and loan portfolio performance. A second project is to assess factors influencing borrower success, and with this information modify program regulations, procedures, and employee and/or borrower training and outreach to improve farmer outcomes.

- **Credit quality standards**
  - More rigorous loan making compliance following statutory, regulatory and handbook requirements that loan officers must meet annually became effective on October 1, 2020.
  - Training has been provided on the standards and the tools used to track, analyze, and report each loan officer's compliance, with aggregation to the service center, state and national levels.

FSA Conservation Reserve Program (CRP)

Strategic Objective 5.3		FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
5.3.1 Acreage enrolled in Conservation Reserve Program (CRP) riparian and grass buffers (Cumulative, Million Acres)	Results	1.70	1.60	1.53	1.43	1.36	TBD	TBD
	Target	1.70	1.70	1.60	1.43	1.41	1.46	1.56
	Status	Met	NI	NI	Met	NI	TBD	TBD

Alignment with 2022-2026 priorities:

- **Climate Change and Agriculture**: This measure supports a significant impact to climate objectives by removing land from annual production and establishing conservation cover for, at a minimum, the life of the contract. In general, CRP practices increase carbon sequestration, reduce greenhouse gas emissions, and otherwise are climate smart practices. This measure further protects and improves water quality which builds agricultural resiliency.

Strategic Objective 5.3		FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
5.3.3 Restored wetland acreage (million acres)	Results	2.09	1.90	2.30	2.34	2.35	TBD	TBD
	Target	1.90	1.90	1.90	2.34	2.41	2.34	2.64
	Status	Exc	Met	Exc	Met	NI	TBD	TBD

Alignment with 2022-2026 priorities:

- **Climate Change and Agriculture**: This measure supports a significant impact to climate objectives by removing land from annual production and establishing conservation cover for, at a minimum, the life of the contract. In general, CRP practices increase carbon sequestration, reduce GHG emissions, and otherwise are climate smart practices. This measure further protects and improves water quality which builds agricultural resiliency.

PROGRESS Toward the Achievement of Strategic Objectives FY2021
Additional information regarding performance can be located within the Annual Performance Report submitted in conjunction with our Congressional Justifications. A high-level summary of progress is provided below:

In FY 2020 and FY 2021, FSA CRP is not able to meet its performance targets (both measures) due to:

- COVID-19 which required telework and limiting the number of staff who could be in the field office at the same time, resulting in face to face appointments (to process new and re-enrolled land) being limited or prohibited.

However, even when faced with these challenges, FSA CRP was able accomplish the following:

- ***Expanded acreage cap***
  - The 2018 Farm Bill extended enrollment authority to September 30, 2023, and incrementally increased overall enrollment caps from 24 million acres in FY 2019, 24.5 million acres in FY2020, 25 million acres in FY2021, 25.5 million acres in FY2022 and to 27 million acres in FY 2023.

- ***CRP Evaluation***
  - The new administration is currently evaluating all aspects of CRP and determine if changes are needed. There are several proposed changes been reviewed.

- ***General Signup***
  - Signup is an annual competitive opportunity for producers starting in FY 2020. The FY 2021 General Signup began on January 4, 2021 and is on-going, having been extended indefinitely to allow for evaluation of the program. The General Signup includes enhanced opportunities for enrollment of wildlife habitats through the State Acres for Wildlife Enhancement (SAFE) Initiative.

- ***Continuous Signup***
  - Signup for continuous CRP is on-going with the FY2021 signup beginning on October 1, 2020. The 2018 Farm Bill prioritized water quality practices, specifically through the Clean Lakes, Estuaries, and Rivers (CLEAR) initiative under Continuous CRP which includes practices that benefit water resources such as grass waterways, contour grass strips, filter strips, riparian buffers, wetland and wetland buffers, saturated buffers, or other similar water quality practices. In addition, the 2018 Farm Bill set a target of 8.6 million acres of continuous signup of which 40% are targeted to be CLEAR practices. As of end of February 2021, we are exceeding this target with 46%.

- ***Agency collaboration***
  - FSA and NRCS National Staff and State subject matter experts collaborated on a regular basis regarding conservation planning and monitoring of CRP contracts. NRCS provides the technical assistance for the program, including such activities as development of the conservation plan, site visits to verify practice establishment, and status reviews.

- ***CLEAR30 Pilot***
  - The CLEAR30 program is a CRP pilot to enroll eligible land into a 30-year CRP contract. The pilot began in FY2020. Certain CRP water quality practices under continuous CRP contracts that are expiring may be offered into CLEAR30. Re-enrolled practices will continue to reduce sediment loadings, nutrient loadings, and harmful algal blooms. For FY 2020 the pilot focused on the Great Lakes and Chesapeake Bay Priority Areas. Financial benefits include 30 years of annual rental payments, a rental rate incentive of 27.5% more than non-CREP Continuous re-enrollment and funding the cost of contract maintenance either to the participant who completes the contract maintenance or a third party vendor who is contracted to complete the maintenance activities.

- ***Removal of CRP acreage allocation caps for buffers and wetlands***
  - State acreage allocations limited acre enrollment through SAFE and all wetland practice enrollment prior to FY 2020. FSA administratively removed these allocation limits beginning in FY20.

In FY 2021, FSA CRP will mitigate challenges by:

- ***Improved outreach***
  - FSA CRP Program Outreach materials are available to FSA State and County employees and State Outreach Coordinators. The Outreach Toolkit includes outreach meeting PowerPoints, CRP Fact Sheets, State press release templates, GovDelivery Toolkit and talking points. USDA holds stakeholder webinars for the two active pilots (SHIPP and CLEAR30), the Forest Management Incentives (FMI) initiative, as well as for changes to the General and Continuous CRP. In addition, national press releases are published announcing various CRP signup dates and deadlines. CRP participants are becoming more accustomed to remotely enrolling on FSA programs which should translate to increased enrollment in CRP in FY 2022.

- ***Increased partner collaboration***
  - FSA Conservation Division will be increasing collaboration and interactions with NGO partner organizations and state partners, in addition to collaboration with NRCS and FS, to further increase partner awareness of available practices, pilots, and incentives. This is expected to result in increased interest and participation by producers.

Expected Progress at the 2022 Proposed Resource Level
At the requested budget levels, FSA CRP will be able to meet its projected performance target outlined in the table above. Funding at the proposed levels will allow CRP to:

FSA CRP program outreach materials are available to FSA State and County employees and State Outreach Coordinators. The Outreach Toolkit includes outreach meeting PowerPoints, CRP Fact Sheets, State press release templates, GovDelivery Toolkit and talking points. USDA held stakeholder webinars including webinars for SHIPP, FMI, General CRP signup, and CLEAR30. In addition, national press releases were published announcing various CRP signup dates and deadlines. Similar strategies will be used for FY 2022 CRP signup announcements and promotion. CRP participants are becoming more accustomed to remotely enrolling on FSA programs which should translate to CRP in FY 2022.