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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 personnel to carry out many of the programs funded by the Commodity Credit Corporation (CCC).

FSA delivers its programs through nearly 2,200 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 Farm Production and Conservation (FPAC) mission area which includes the Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA). Additionally, the majority of activities for the CCC are carried out by the personnel and through the facilities of the FSA and the FSA State and county committees. Information regarding CCC activities can be found within the CCC Explanatory Notes.

FSA's permanent, full-time, end-of-year Federal employment as of September 30, 2021, was 2,969. FSA's non-Federal permanent employment in USDA Service Centers was 6,856. The total number of Federal and non-Federal permanent full-time positions in the Washington, DC headquarters office was 138 and the total number in the field offices was 9,687. Headquarters total permanent full-time positions was 240: 138 in Washington, DC and 102 in Kansas City and various States.

FSA administers programs authorized by the Agriculture Improvement Act of 2018, P.L. 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 Explanatory Notes. The following is a summary of FSA's programs and activities. Additional information regarding these programs can be found in the corresponding accounts.

### ***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.

### ***Grassroots Source Water Protection Program***

The Grassroots Source Water Protection Program 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. uses onsite technical assistance capabilities of each State rural water association that operates a source water protection program in the State. State rural water associations deliver assistance in developing source water protection plans within watersheds for the common goal of preventing the

contamination of drinking water supplies.

### ***Dairy Indemnity Program***

The Dairy Indemnity Program (DIPP) is available to dairy farmers for milk, or cows producing milk, and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because of the presence of certain chemical or toxic residue in the products. In 2021, the DIPP regulations were amended to add provisions for the indemnification of cows that are likely to be not marketable for longer durations, as a result, for example, of per- and polyfluoroalkyl substances.

### ***Agricultural Credit Insurance Fund***

#### **Farm Loan Programs:**

FSA's farm loan programs provide a safety net for farmers and ranchers temporarily unable to obtain credit from commercial lenders, 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 P.L. 91-229, April 11, 1970, as amended. In addition, the 2018 Farm Bill authorized the Heir's Relending Program, to resolve the ownership and succession of farmland.

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

The 2018 Farm Bill authorizes several changes to farm loan programs administered by FSA, including increased loan limits for direct and guaranteed loans and reauthorizations for other initiatives. The 2018 Farm Bill also modified the 3-year experience requirement by allowing education as a partial substitute for beginning farmers seeking farm ownership loans; provided authority to offer a relending program to address highly-fractionated ownership of farmland not affiliated with Indian lands; reauthorized cooperative lending pilot projects and individual development accounts; provided equitable relief for producers who received a direct farm ownership, operating, or emergency loans; and made other miscellaneous changes and technical corrections.

FSA has implemented processes with the farm loan programs to address racial, environmental, and economic justice. By establishing regulatory guidelines in the Code of Federal Regulations (CFR), the FSA 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 FSA 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, located at USDA's Washington headquarters. 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 with the LEP Plan.

In accordance with Federal civil rights law and 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.

Additional information regarding ACIF and its programs can be found in Account 5 of this chapter, the programs funded by this account are the following:

#### 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 \$1,825,000, 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 at least 50 percent of the credit) are established at 2 percentage points less than the regular borrower rate, but no less than 2.5 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 during the first 11 months of the fiscal year, with 66 percent of that amount set aside for down payment and participation during the first 6 months of the fiscal year. 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 \$1,825,000 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 Agricultural Credit Improvement Act of 1992, P.L. 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-sized 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 associated with reorganizing a farming system to make it approximately equivalent in earning capacity to the impacted operation 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 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, historically underserved 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 may not exceed \$600,000, and guaranteed loans may not exceed \$1,825,000, adjusted annually for inflation; however, annual appropriations for direct loans were last received in Fiscal Year 2011. 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 historically underserved 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 to eligible intermediary lenders who, in turn, establish a revolving fund to 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 Department of the Interior's Bureau of Indian Affairs.

#### Heir's Relending Program

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

#### ***Emergency Conservation Program (ECP)***

ECP is authorized by Title IV of the Agricultural Credit Act of 1978, P.L. 95-334, Section 401 (16 U.S.C. 2201). ECP provides emergency cost share assistance to farmers and ranchers to help rehabilitate farmland and rangeland 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.

#### ***USDA Supplemental Assistance Program (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.

#### ***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 nonindustrial private forest land damaged by natural disaster to carry out emergency measures to restore damaged forests and rehabilitate forest resources. Funding for EFRP is appropriated by Congress and is subject to the availability of funds. County Office Committees (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 nonindustrial private forest lands, 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.

#### ***Pima Agriculture Trust Fund***

Pima Agriculture Cotton Trust Fund was authorized under Section 12314 of the 2014 Farm Bill and reauthorized under Section 12602 of the 2018 Farm Bill to reduce the economic injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric.

#### ***Agricultural Wool Manufacturers Trust Fund***

The Agriculture Wool Trust is a fund to reduce economic injury to domestic manufacturers resulting from tariffs on wool apparel that are higher than tariffs on certain apparel articles made of wool fabric.

#### **Agricultural Improvement Act of 2018 (2018 Farm Bill)**

The 2018 Farm Bill was signed into law on December 20, 2018. The majority of Farm Bill programs are authorized and funded through 2023. FSA administers programs authorized through the Farm Bill on behalf of CCC, these programs include: Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC); Marketing Assistance Loans (MALs); Sugar Loans; Loan Deficiency Payment Program (LDP); Dairy Margin Coverage (DMC); Dairy Indemnity Payment Program (DIPP); Biomass Crop Assistance Program (BCAP); Reimbursement Transportation Cost Payment Program (RTCP) for Geographically Disadvantaged Farmers and Ranchers; Noninsured Crop Disaster Assistance Program (NAP); Disaster Programs which include Livestock Forage Disaster Program (LFP), Livestock



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Indemnity Program (LIP), Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP); Tree Assistance Program (TAP); and Feedstock Flexibility Program (FFP). In addition, FSA in conjunction with NRCS administers the Conservation Reserve Program (CRP). In addition to Farm Bill programs, FSA administers on behalf of CCC Farm Storage Facility Loan Program (FSFL) and Sugar Storage Facility Loan Program (SSFL). Additional information regarding these programs can be found in the CCC Explanatory Notes.

**OIG and GAO Reports**

***Table FSA-1. Completed OIG Reports***

<b>ID</b>	<b>Date</b>	<b>Title</b>	<b>Result</b>
03702-0001-22	06/30/2021	Florida Citrus Recovery Block Grant Program	Five out of six recommendations have been implemented.
03702-0002-23	09/07/2021	2017 Hurricane Relief Emergency Conservation Program	Management decision was accepted for all recommendations.
06403-0004-11	11/15/2021	CCC Financial Statements for FY 2021 and 2020	Management decision was accepted for all recommendations.

***Table FSA-2. In-Progress OIG Reports***

<b>ID</b>	<b>Title</b>
03601-0003-31	Market Facilitation 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***

<b>ID</b>	<b>Date</b>	<b>Title</b>	<b>Result</b>
GAO-21-95	10/30/2020	Farm Programs: USDA Has Improved Its Completion of Eligibility Compliance Reviews, but Additional Oversight is Needed	The Department’s statement of action submission to GAO is being prepared.

***Table FSA-4. In Progress GAO Reports***

<b>ID</b>	<b>Title</b>
104259	Market Facilitation Program: USDA Could Improve Its Oversight of Future Supplemental Assistance to Farmers
104397	Coronavirus Aid, Relief, and Economic Security Act Assistance to Farmers
105473	Federal COVID-19 Response to Tribes

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

***Available Funds (thousands of dollars) and FTEs***

**Table FSA-5. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2020 Actual	FTE	2021 Actual	FTE	2022 Estimated	FTE	2023 Estimated	FTE
<b>Discretionary Appropriations:</b>								
Salaries & Expenses.....	\$1,122,837	7,922	\$1,142,924	8,554	\$1,142,924	8,933	\$1,231,697	9,018
FBC Transfer.....	8,000	-	-	-	-	-	-	-
Margin Protection Program Fees.....	1,153	-	1,641	-	-	-	-	-
Credit Reform Transfer.....	460	4	-	-	-	-	-	-
Uncollected Payments.....	14,012	-	-	-	-	-	-	-
Supplemental Appropriations.....	3,000	-	-	-	-	-	-	-
<b>ACIF Program Account:</b>								
S&E Transfer.....	290,917	1,984	294,114	1,964	294,114	1,984	305,803	1,984
Subsidy.....	89,240	-	68,386	-	68,386	-	46,874	-
Program Cost Loss Expense (PLCE).....	10,070	-	13,230	-	13,230	-	20,658	-
State Mediation Grants.....	5,545	-	\$6,914	-	6,914	-	6,914	-
Grassroots Source Water Protection Program.....	6,500	-	6,500	-	6,500	-	6,500	-
Geog. Disadvantaged Farmers & Ranchers.....	2,000	-	2,000	-	-	-	-	-
Assistance for Soc. Disadvantaged Farmers.....	-	-	1,960,000	-	4,341,000	-	-	-
Total Discretionary Appropriations.....	1,550,734	9,910	3,495,709	10,518	5,873,068	10,917	1,618,446	11,002
Total Supplemental Appropriations.....	3,000	-	-	-	-	-	-	-
Total Adjusted Appropriation.....	1,553,734	9,910	3,495,709	10,518	5,873,068	10,917	1,618,446	11,002
Rescission, Transfers In and Out.....	-314,542	-1,988	-295,755	-1,964	-294,114	-1,984	-305,803	-1,984
Total Appropriation.....	1,239,192	7,922	3,199,954	8,554	5,578,954	8,933	1,312,643	9,018
Balance Available, SOY.....	61,400	-	49,131	-	46,609	-	-	-
Recoveries, Other.....	1,026	-	-	-	-	-	-	-
Total Available.....	1,616,160	9,910	3,544,840	10,518	5,919,677	10,917	1,618,446	11,002
Lapsing Balances.....	-5,329	-	-4,335	-	-	-	-	-
Balance Available, EOY.....	-54,000	-	-55,374	-	-	-	-	-
Total, FSA.....	1,556,831	9,910	3,485,131	10,518	5,919,677	10,917	1,618,446	11,002
<b>Other Federal Funds:</b>								
Farm Bill.....	3,337	-	4,303	-	4,158	-	-	-
Miscellaneous.....	3,495	-	2,205	-	2,205	-	2,205	-
Rent Reimbursables.....	-	-	59	-	-	-	-	-
Total, Other Federal.....	6,832	-	6,567	-	6,363	-	2,205	-
<b>Non-Federal Funds:</b>								
Loan Service Fee Financing.....	1,565	35	1,357	28	1,569	30	1,569	30
Producer Measurement Service.....	1,446	11	1,413	9	1,449	10	1,449	10
Farm Bill.....	360	-	-	-	-	-	-	-
Miscellaneous.....	1,100	-	159	-	578	-	578	-
Rent Reimbursables.....	-	-	635	-	828	-	828	-
Total, Non-Federal.....	4,471	46	3,564	37	4,424	40	4,424	40
Total Available, FSA.....	1,568,134	9,956	3,495,262	10,555	5,930,464	10,957	1,625,075	11,042

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**Permanent Positions by Grade and FTEs**

**Table FSA-6. Permanent Positions by Grade and FTEs**

Item	2020 Actual		2021 Actual		2022 Estimated		2023 Estimated					
	D.C.	Field	D.C.	Field	D.C.	Field	D.C.	Field				
SES.....	7	-	7	4	-	4	7	-	7	-	-	7
GS-15.....	22	1	23	24	1	25	21	1	22	21	1	22
GS-14.....	46	-	46	51	-	51	55	-	55	55	-	55
GS-13.....	83	359	442	89	360	449	105	351	456	105	351	456
GS-12.....	34	794	828	44	793	837	43	977	1,020	43	977	1,020
GS-11.....	7	513	520	8	521	529	12	504	516	12	504	516
GS-9.....	18	292	310	17	315	332	20	300	320	20	300	320
GS-8.....	1	32	33	-	33	33	-	32	32	-	32	32
GS-7.....	5	541	546	2	511	513	3	511	514	3	511	514
GS-6.....	1	70	71	1	76	77	1	72	73	1	72	73
GS-5.....	-	102	102	-	95	95	-	93	93	-	93	93
GS-4.....	-	5	5	-	18	18	-	5	5	-	5	5
GS-3.....	-	4	4	-	4	4	-	4	4	-	4	4
GS-2.....	-	-	-	-	2	2	-	-	-	-	-	-
Total												
Permanent..	224	2,713	2,937	240	2,729	2,969	267	2,850	3,117	267	2,850	3,117
Unfilled, EOY.....	-	-	168	-	-	148	-	-	-	-	-	-
Total Perm. FT EOY....	224	2,713	3,105	240	2,729	3,117	267	2,850	3,117	267	2,850	3,117
FTE.....	213	2,628	2,841	227	2,818	3,045	267	2,850	3,117	267	2,850	3,117

NOTE: In addition to these numbers above, there are temporary positions as well.

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**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 (thousands of dollars)***

	Sedans and Station Wagons	Vans	SUVs	Light Trucks 4X2	Light Trucks 4X4	Medium Duty Vehicles	Buses	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs
<b>2020 End of Year Operating Inventory.....</b>	<b>274</b>	<b>20</b>	<b>244</b>	<b>40</b>	<b>61</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>641</b>	<b>\$3,542</b>
2021 Planned Acquisitions.....	59	3	29	5	8	0	0	0	104	
2021 Planned Disposals.....	59	3	29	5	8	0	0	0	104	
<b>2021 End of Year Operating Inventory.....</b>	<b>274</b>	<b>20</b>	<b>244</b>	<b>40</b>	<b>61</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>641</b>	<b>3,801</b>
2022 Planned Acquisitions.....	64	4	39	10	20	0	0	0	137	
2022 Planned Disposals.....	64	4	39	10	20	0	0	0	137	
<b>2022 End of Year Operating Inventory.....</b>	<b>274</b>	<b>20</b>	<b>244</b>	<b>40</b>	<b>61</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>641</b>	<b>4,018</b>
2023 Planned Acquisitions.....	35	9	32	8	9	0	0	0	93	
2023 Planned Disposals.....	35	9	32	8	9	0	0	0	93	
<b>2023 End of Year Operating Inventory.....</b>	<b>274</b>	<b>20</b>	<b>244</b>	<b>40</b>	<b>61</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>641</b>	<b>4,219</b>

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

Note: Annual Operating Costs exclude acquisition costs and gains from the 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
2020	283	43	34	0	0	274
2021	274	57	57	0	0	274
2022	274	26	26	0	0	274
2023	274	35	35	0	0	274

Shared Funding Projects

Table FSA-8. Shared Funding Projects (dollars in thousands)

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
<b>Working Capital Fund:</b>				
<b>Administrative Services:</b>				
Material Management Service.....	\$338	\$288	\$237	\$239
Mail and Reproduction Services.....	497	549	460	456
Integrated Procurement Systems.....	397	290	325	324
Procurement Operations Services.....	894	598	578	438
Human Resources Enterprise Management Systems.....	211	217	249	257
Subtotal.....	2,337	1,942	1,849	1,713
<b>Communications:</b>				
Creative Media & Broadcast Center.....	221	207	286	343
<b>Finance and Management:</b>				
National Finance Center.....	4,507	4,241	4,136	4,134
Financial Management Systems.....	6,252	11,242	9,937	10,310
Internal Control Support Services.....	523	454	443	408
Subtotal.....	11,282	15,938	14,515	14,852
<b>Information Technology:</b>				
Client Experience Center.....	92,186	95,631	92,982	95,123
Department Administration Information Technology Office.....	311	301	485	490
Digital Infrastructure Services Center.....	32,539	24,832	36,051	37,518
Enterprise Network Services.....	2,148	12,992	8,967	6,852
Subtotal.....	127,184	133,756	138,485	139,982
Office of the Executive Secretariat.....	179	198	250	250
Total, Working Capital Fund.....	141,203	152,041	155,386	157,140
<b>Department-Wide Shared Cost Programs:</b>				
Advisory Committee Liaison Services.....	2	2	2	2
Agency Partnership Outreach.....	760	670	809	809
Honor Awards.....	-	1	1	1
Human Resources Self-Service Dashboard.....	59	-	-	-
Intertribal Technical Assistance Network.....	355	331	374	374
Medical Services.....	22	47	32	32
National Capital Region Interpreting Service.....	-	16	26	32
Office of Customer Experience.....	568	938	959	959
Personnel and Document Security Program.....	306	349	360	360
Physical Security.....	580	416	465	474
Security Detail.....	458	448	497	501
Security Operations Program.....	578	629	674	674
TARGET Center.....	112	115	146	146
USDA Enterprise Data Analytics Services.....	803	528	488	488
Total, Department-Wide Reimbursable Programs.....	4,604	4,489	4,833	4,853

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>
<b>E-Gov:</b>				
Budget Formulation and Execution Line of Business.....	11	11	11	11
Disaster Assistance Improvement Plan.....	48	48	60	60
E-Rulemaking.....	12	5	13	14
Financial Management Line of Business.....	12	13	13	13
Geospatial Line of Business.....	12	13	13	13
Benefits.gov.....	120	117	119	111
Grants.gov.....	-	2	2	2
Human Resources Line of Business.....	29	30	31	31
Integrated Acquisition Environment.....	525	758	920	920
Hiring Assessment.....	-	-	25	25
Total, E-Gov.....	769	995	1,207	1,200
Agency Total.....	146,576	157,525	161,426	163,193

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**ACCOUNT 1: SALARIES AND EXPENSES**

**Appropriations Language**

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

- 1 For necessary expenses of the Farm Service Agency, [~~\$1,175,670,000~~]\$1,231,697,000:
- 2 *Provided*, That the Secretary is authorized to use the services, facilities, and authorities
- 3 (but not the funds) of the Commodity Credit Corporation to make program payments for
- 4 all programs administered by the Agency: *Provided further*, That other funds made
- 5 available to the Agency for authorized activities may be advanced to and merged with
- 6 this account: *Provided further*, That [~~funds~~]of the amount appropriated under this
- 7 heading, \$696,594,000 shall be made available to county committees [shall], to remain
- 8 available until expended: *Provided further*, That, notwithstanding the preceding proviso,
- 9 any funds made available to county committees in the current fiscal year that the
- 10 Administrator of the Farm Service Agency deems to exceed or not meet the amount
- 11 needed for the county committees may be transferred to or from the Farm Service
- 12 Agency for necessary expenses.

**Change Description**

The first change (lines 6 – 12) adds language to funding for county committees. Addition is requested to maximize agency flexibility in program operations.

**Lead Off Tabular Statement**

**Table FSA-9. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2022	\$1,437,038,000
Change in Appropriation	+100,462,000
Budget Estimate, 2023	<u>1,537,500,000</u>

**PROJECT STATEMENT**

**Table FSA-10. Project Statement Appropriations (thousands of dollars, FTE)**

Item	2020 Actual	FTE	2021 Actual	FTE	2022 Estimated	FTE	2023 Estimated	FTE	Inc. or Dec.	FTE Inc./ Dec
<b>Discretionary Appropriations:</b>										
Salaries and Expenses.....	\$1,122,837	7,922	\$1,142,924	8,554	\$1,142,924	8,933	\$1,231,697	9,018	\$88,773	85
ACIF Transfer.....	290,917	1,984	294,114	1,964	294,114	1,984	305,803	1,984	11,689	-
FBC Transfer.....	8,000	-	-	-	-	-	-	-	-	-
Margin Protection										
Program Fee.....	1,153	-	1,641	-	-	-	-	-	-	-
Credit Reform Transfer...	460	4	-	-	-	-	-	-	-	-
Uncollected Payments.....	14,012	-	-	-	-	-	-	-	-	-
Subtotal.....	1,437,379	9,910	1,438,679	10,518	1,437,038	10,917	1,537,500	11,002	100,462	85
CARES Act.....	3,000	-	-	-	-	-	-	-	-	-
Total Adjusted Approp....	1,440,379	9,910	1,438,679	10,518	1,437,038	10,917	1,537,500	11,002	100,462	85
Rescission, Transfers In and Out.....	-314,542	-1,988	-295,755	-1,964	-294,114	-1,984	-305,803	-1,984	-11,689	-
Total Appropriation.....	1,125,837	7,922	1,142,924	8,554	1,142,924	8,933	1,231,697	9,018	88,773	85
ACIF Transfer.....	290,917	1,984	294,114	1,964	294,114	1,984	305,803	1,984	11,689	-
FBC Transfer.....	8,000	-	-	-	-	-	-	-	-	-
Margin Protection										
Program Fee.....	1,153	-	1,641	-	-	-	-	-	-	-
Credit Reform Transfer...	460	4	-	-	-	-	-	-	-	-
Uncollected Payments.....	14,012	-	-	-	-	-	-	-	-	-
Total Transfers In.....	314,542	1,988	295,755	1,964	294,114	1,984	305,803	1,984	11,689	-
Recoveries, Other.....	1,026	-	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	61,400	-	49,131	-	46,609	-	-	-	-46,609	-
Total Available.....	1,502,805	9,910	1,487,810	10,518	1,483,647	10,917	1,537,500	11,002	53,853	85
Lapsing Balances.....	-5,329	-	-4,335	-	-	-	-	-	-	-
Bal. Available, EOY.....	-54,000	-	-55,374	-	-	-	-	-	-	-
Total Obligations.....	1,443,476	9,910	1,428,101	10,518	1,483,647	10,917	1,537,500	11,002	53,853	85

NOTE: The FY 2021 Obligations discrepancy between Project Statement and MAX is due to \$10 million in reimbursables.

**PROJECT STATEMENT**

**Table FSA-11. Project Statement Obligations (thousands of dollars, FTEs)**

Item	2020 Actual	FTE	2021 Actual	FTE	2022 Estimated	FTE	2023 Estimated	FTE	Inc./ Dec.	FTE Inc./ Dec.
<b>Discretionary Obligations:</b>										
Salaries and Expenses..	\$1,125,934	7,922	\$1,132,346	8,554	\$1,189,533	8,933	\$1,231,697	9,018	\$ 42,164	85
ACIF Transfer.....	290,917	1,984	294,114	1,964	294,114	1,984	305,803	1,984	11,689	-
FBC Transfer.....	8,000	-	-	-	-	-	-	-	-	-
Margin Protection										
Program Fees.....	1,153	-	1,641	-	-	-	-	-	-	-
Credit Reform										
Transfer.....	460	4	-	-	-	-	-	-	-	-
Uncollected										
Payments.....	14,012	-	-	-	-	-	-	-	-	-
Subtotal										
Disc Oblig.....	1,440,476	9,910	1,428,101	10,518	1,483,647	10,917	1,537,500	11,002	53,853	85
CARES Act.....	3,000	-	-	-	-	-	-	-	-	-
Subtotal Supp Oblig....	3,000	-	-	-	-	-	-	-	-	-
Total Obligations.....	1,443,476	9,910	1,428,101	10,518	1,483,647	10,917	1,537,500	11,002	53,853	85
Lapsing Balances.....	5,329	-	4,335	-	-	-	-	-	-	-
Total Bal. Available,										
EOY.....	54,000	-	55,374	-	-	-	-	-	-	-
Total Available.....	1,502,805	9,910	1,487,810	10,518	1,483,647	10,917	1,537,500	11,002	53,853	85
Total Transfers In.....	-314,542	-1,988	-295,755	-1,964	-294,114	-1,984	-305,803	-1,984	-11,689	-
Recoveries, Other.....	-1,026	-	-	-	-	-	-	-	-	-
Bal. Available, SOY....	-61,400	-	-49,131	-	-46,609	-	-	-	46,609	-
Total Appropriation.....	1,125,837	7,922	1,142,924	8,554	1,142,924	8,933	1,231,697	9,018	88,773	85

NOTE: The FY 2021 Obligations discrepancy between the Project Statement and MAX is due to \$10 million in reimbursables.

**JUSTIFICATIONS**

An increase in direct appropriation of \$100,462,000 and 85 FTE (\$1,437,038,000 and 10,917 FTE available in 2021).

The funding change is requested for the following items:

(1) An increase of \$48,939,000 for Federal Offices.

a. An increase of \$4,917,000 for pay costs (\$541,000 for annualization of the 2021 pay increase and \$4,376,000 for the 2022 pay increase).

The increase will support a 2.7 percent 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.

b. An increase of \$2,306,000 for the Department’s increased contribution to the 2022 Federal Employees Retirement System (FERS).

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

c. An increase of \$15,826,000 for the 2023 Pay.

This increase will support the annualization of the 2022, 2.7 percent Cost of Living pay increase and the 2023 4.6 percent Cost of Living pay increase. This 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.

d. 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.

e. An increase of \$2,000,000 for Rent.

The additional \$2 million in rent is necessary to fund negotiated rate increases and tenant improvements required to renew expired lease agreements.

f. An increase of \$2,000,000 for Working Capital Fund and Shared Costs.

The Department anticipates FSA's departmental shared cost programs to increase by \$2 million.

(2) An overall increase \$16,390,000 in Information Technology.

a. An increase of \$3,390,000 in ACIF Information Technology.

The increase of \$3.390 million is for additional ACIF IT initiatives to enhance its mission. Farm Loan Programs needs digital transformation and enhancement from legacy systems to the platforms of the future that will improve users' experience and decrease processing times for loan making and loan servicing. The technologies currently used by the Farm Loan Programs systems are outdated and no longer sustainable. The modernization effort will move from legacy systems to software delivery services that can sustain the program for years to come. The objective is to provide the highest quality service and support to the Farm Loan Programs business community by providing process improvement for software solutions and improved customer experiences. FSA and its business partners need the tools, capabilities, and infrastructure to provide streamlined automated services from both mobile and in-office locations.

b. An increase of \$13,000,000 in Information Technology (EDAPT).

The increase of \$13 million is to support their migration from USDA Enterprise Data Warehouse Information Technology (EDW IT) platform to the Enterprise Data Analytics Platform and Toolset (EDAPT) IT platform. The migration is critical as the current hardware is approaching end of life. This data migration includes reporting data, Finance and Farm Loan reporting data into a singular reporting platform across FSA. Other operations will be paused reducing the overall increase funding needed.

(3) An increase of \$51,523,000 and 85 FTE for Non-Federal Offices.

a. An increase of \$10,944,000 pay costs (\$1,203,000 for annualization of the 2021 pay increase and \$9,741,000 for the 2022 pay increase).

The increase will support a 2.7 percent 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 \$5,133,000 for the Department's increased contribution to the 2022 Federal Employees Retirement System (FERS).

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

c. An increase of \$27,500,000 for Pay Costs (\$4,398,000 for annualization of the 2022 pay cost and \$23,102,000 for the 2023 pay cost).

This increase will support the annualization of the 2022 2.7 percent Cost of Living pay increase and the 2023 4.6 percent Cost of Living pay increase. This 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

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

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.

d. An increase of \$4,000,000 for Rent.

Additional rent is necessary to fund negotiated rate increases and tenant improvements required to renew expired agreements.

e. 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 equities for urban producers.

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

This increase supports for both the CFAP implementation and loan debt forgiveness which will assist with both COVID relief efforts and improvement of employee morale.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**

***Table FSA-12. Geographic Breakdown of Obligations and FTE (thousands of dollars, FTEs)***

State/Territory/ Country	2020		2021		2022		2023	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Alabama.....	\$19,190	180	\$19,011	191	\$19,751	193	\$20,467	200
Alaska.....	1,242	8	1,231	8	1,279	8	1,325	9
Arizona.....	4,622	42	4,579	44	4,757	45	4,930	46
Arkansas.....	24,916	247	24,683	262	25,643	264	26,574	274
California.....	16,630	143	16,475	152	17,116	153	17,737	159
Caribbean.....	5,852	43	5,797	45	6,022	46	6,241	47
Colorado.....	14,216	134	14,083	142	14,631	144	15,162	149
Connecticut.....	2,250	20	2,229	21	2,316	21	2,400	22
Delaware.....	1,919	17	1,901	18	1,975	18	2,047	19
D.C.....	423,296	206	419,342	218	435,652	220	451,465	228
Florida.....	10,730	97	10,629	103	11,043	104	11,444	108
Georgia.....	29,588	280	29,311	298	30,451	300	31,556	311
Hawaii.....	4,020	29	3,982	31	4,137	31	4,287	32
Idaho.....	13,110	121	12,987	129	13,493	130	13,982	135
Illinois.....	48,838	491	48,382	521	50,264	526	52,088	545
Indiana.....	33,672	327	33,358	347	34,655	351	35,913	363
Iowa.....	56,396	578	55,869	613	58,042	619	60,149	641
Kansas.....	46,623	464	46,188	492	47,984	497	49,726	515
Kentucky.....	32,775	315	32,469	334	33,732	338	34,956	350
Louisiana.....	17,558	166	17,394	177	18,070	178	18,726	185
Maine.....	5,754	50	5,700	53	5,922	54	6,137	56
Maryland.....	6,781	64	6,717	68	6,979	69	7,232	71
Massachusetts...	3,710	29	3,675	31	3,818	31	3,957	33
Michigan.....	23,756	235	23,534	249	24,450	251	25,337	260
Minnesota.....	40,693	398	40,313	423	41,881	426	43,401	442
Mississippi.....	24,377	229	24,149	243	25,088	245	25,999	254
Missouri.....	42,196	404	41,802	428	43,428	432	45,004	448
Montana.....	22,284	207	22,076	220	22,935	222	23,767	230
Nebraska.....	41,832	411	41,442	436	43,053	440	44,616	456
Nevada.....	3,810	23	3,774	24	3,921	24	4,063	25

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State/Territory/ Country	2020		2021		2022		2023	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
New Hampshire.	2,466	20	2,443	21	2,538	21	2,630	22
New Jersey.....	4,056	33	4,018	35	4,175	36	4,326	37
New Mexico...	7,955	67	7,880	71	8,187	72	8,484	75
New York.....	17,246	172	17,085	183	17,750	184	18,394	191
North Carolina...	32,216	307	31,915	326	33,156	329	34,360	341
North Dakota....	29,500	286	29,224	304	30,361	307	31,463	318
Ohio.....	30,152	292	29,871	310	31,032	313	32,159	324
Oklahoma.....	33,213	320	32,902	339	34,182	342	35,423	355
Oregon.....	9,903	92	9,810	97	10,192	98	10,562	102
Pennsylvania....	17,733	168	17,568	179	18,251	180	18,914	187
Rhode Island.....	1,112	8	1,102	9	1,145	9	1,186	9
South Carolina...	14,580	139	14,443	147	15,005	149	15,550	154
South Dakota....	33,569	322	33,255	342	34,549	345	35,803	357
Tennessee.....	25,474	236	25,236	250	26,218	252	27,170	262
Texas.....	69,416	644	68,768	684	71,443	690	74,036	715
Utah.....	8,416	70	8,337	75	8,661	75	8,976	78
Vermont.....	4,300	37	4,260	39	4,426	39	4,586	41
Virginia.....	19,654	176	19,470	186	20,227	188	20,961	195
Washington.....	10,514	103	10,415	109	10,821	110	11,213	114
West Virginia...	9,489	81	9,400	86	9,766	87	10,120	90
Wisconsin.....	30,903	315	30,614	335	31,805	338	32,959	350
Wyoming.....	7,065	64	6,999	68	7,272	69	7,536	71
Unknown.....	1,907	-	-	-	-	-	-	-
Obligations.....	1,443,476	9,910	1,428,101	10,518	1,483,647	10,917	1,537,500	11,002
Lapsing Balances.....	5,329	-	24,335	-	-	-	-	-
Bal. Available, EOY.....	54,000	-	35,374	-	-	-	-	-
Total, Available	1,502,805	9,910	1,487,810	10,518	1,483,647	10,917	1,537,500	11,002

Note: The FY 2021 Obligations discrepancy between Project Statements and MAX is due to \$10 in reimbursables.

**CLASSIFICATIONS BY OBJECTS**

*Table FSA-13. Classification by Objects (thousands of dollars)*

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
<b>Personnel Compensation:</b>					
	Washington D.C.....	\$22,986	\$29,020	\$31,770	\$33,073
	Personnel Compensation, Field.....	233,412	209,840	227,590	238,424
11	Total personnel compensation.....	256,398	238,860	259,360	271,497
12	Personal benefits.....	102,396	96,209	106,826	113,612
13.0	Benefits for former personnel.....	-	775	-	-
	Total, personnel comp. and benefits.....	358,794	335,844	366,186	385,109
<b>Other Objects:</b>					
21.0	Travel and transportation of persons.....	5,391	1,888	3,819	3,819
22.0	Transportation of things.....	2,119	1,747	2,245	2,245
23.1	Rental payments to GSA.....	16,362	11,988	16,321	18,321
23.2	Rental payments to others.....	2,897	2,876	-	-
23.3	Communications, utilities, and misc. charges.....	130	48	-	-
24.0	Printing and reproduction.....	7,540	7,811	5,315	5,315
25	Other contractual services.....	-	-	-	-
25.1	Advisory and assistance services.....	99,663	77,391	10,000	17,500
25.2	Other services from non-Federal sources.....	70,723	4,501	-	-
25.3	Other goods and services from Federal sources.....	173,510	235,376	308,200	304,182

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

<b>Item No.</b>	<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>
25.3	DHS Building Security Payments	3,442	1,518	1,518	1,926
25.4	Operation and maintenance of facilities.....	271	11	-	-
25.7	Operation and maintenance of equipment.....	392	5,147	-	-
26.0	Supplies and materials.....	2,041	1,617	1,493	1,493
31.0	Equipment.....	16,593	11,254	924	924
41.0	Grants, subsidies, and contributions.....	683,096	729,084	767,626	796,666
42.0	Insurance Claims and Indemnities.....	507	-	-	-
43.0	Interest and Dividends.....	5	-	-	-
	Total, Other Objects.....	1,084,682	1,092,257	1,117,461	1,152,391
99.9	Total, new obligations.....	1,443,476	1,428,101	1,483,647	1,537,500
<b>Information Technology Investments:</b>					
<b>FSA-1001 Cust Engagement &amp; Mgt. Services:</b>					
11	External Labor (Contractors).....	27,052	25,147	5,370	1,932
	Sub-Total.....	27,052	25,147	5,370	1,932
<b>FSA-097 Farm Program Modernization:</b>					
11	External Labor (Contractors).....	4,314	3,264	11,522	3,461
	Sub-Total.....	4,314	3,264	11,522	3,461
<b>FSA-125 Farm Programs:</b>					
11	External Labor (Contractors).....	23,115	19,575	26,119	6,403
	Sub-Total.....	23,115	19,575	26,119	6,403
<b>FSA-126 Farm Loan Programs:</b>					
11	External Labor (Contractors).....	14,585	23,660	39,544	29,697
25.2	Outside Services (Consulting).....	5,946	6,751	-	7,047
	Sub-Total.....	20,531	30,411	39,544	36,744
<b>FSA-127 Geospatial Services:</b>					
11	External Labor (Contractors).....	11,440	13,504	17,267	-
25.2	Outside Services (Consulting).....	880	630	-	354
	Sub-Total.....	12,320	14,134	17,267	354
<b>FSA-129 Program Financial Services:</b>					
11	External Labor (Contractors).....	13,182	13,025	6,960	2,399
25.2	Outside Services (Consulting).....	-	200	-	-
	Sub-Total.....	13,182	13,225	6,960	2,399
	<b>Mission Area Non-Major Investment Totals.....</b>	<b>50,391</b>	<b>47,482</b>	<b>46,418</b>	<b>44,427</b>
	Mission Area Standard Investment Totals.....	34,403	38,880	47,542	35,376
25.3	Mission Area WCF Transfers.....	155,977	152,358	172,456	173,433
	Total Non-Major Investment.....	240,771	238,720	266,416	253,236
	<b>Total IT Investments.....</b>	<b>341,285</b>	<b>344,476</b>	<b>373,198</b>	<b>304,529</b>
Position Data:					
	Average Salary (dollars), ES Position.....	188,664	191,494	195,372	202,112
	Average Salary (dollars), GS Position.....	77,208	83,793	85,490	88,439
	Average Grade, GS Position.....	11	11	11	11

FY 2022: IT in the Object Class table reflects FSA's budgeted amount, not the Joint Certification Memo amount dated 11/29/22.

FY 2021: IT investments reflect FY 2021 Enacted until FY 2021 Actuals are available.

NOTE: The FY 2021 Obligations discrepancy between Project Statements and MAX is due to \$10 million reimbursables.

**FSA ADVERTISING EXPENDITURES**

*Table FSA-14. Advertising Expenditures (thousands of dollars)*

Item	2021 Number of Contracts	2021 Dollars Obligated	2022 Number of Contracts	2022 Dollars Obligated	2023 Number of Contracts	2023 Dollars Obligated
Total Contracts for Advertising Services.....	4	\$15,886	-	-	-	-
Contracts for Advertising Services to Socially and Economically Disadvantaged Small Businesses.....	3	-	-	-	-	-
Contracts for Advertising Services to Women-Owned and Minority-Owned Small Businesses.....	-	-	-	-	-	-

**STATUS OF PROGRAMS**

**Salaries and Expenses**

FSA personnel administer the following major programs, on behalf of the CCC. Additional information regarding these programs is available in the CCC Explanatory Notes:

- **Farm Loans** – FSA administers farm loan programs that 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 administers income support and disaster assistance programs on behalf of CCC. These 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 an affordable and secure supply of quality food and fiber and effective domestic and international food aid.
- **Conservation** – FSA, in conjunction with NRCS, administers conservation programs that 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***

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 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 FSA. 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 (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 agency 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 6,950 activities nationwide in FY 2021, 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, Heirs' Property Relending Program, Pandemic Assistance for Timber Harvesters and Haulers, CRPRM, CLEAR 30, Emergency Loans, 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 Urban Ag Committees in pilot states.

FSA, designated authority by the Secretary to oversee the Department's Beginning Farmer and Rancher Program, provided \$122,000 in support of the Secretary's Beginning Farmer Advisory Committee. The National Beginning Farmer and Rancher Coordinator worked with State Beginning Farmer and Rancher coordinators from FSA, NRCS, RMA and RD, in implementing outreach efforts to beginning farmers and ranchers. FSA collaborated with beginning farmer agency champions 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 2021, FSA service centers issued over 1.4 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 are 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, or
- Precision Agriculture/third party Farm Management Information System (FMIS)/Upload User Interface (UI).

Today, crop data are securely shared across the USDA for use by RMA, FSA, NRCS, National Agriculture Statistics Service, 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 data from producers, through third party providers, by establishing multiple Proofs-of-Concepts. The Proofs-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 Agriculture 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.

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**ACCOUNT 2: STATE MEDIATION GRANTS**

**APPROPRIATIONS LANGUAGE**

1 For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101- 3  
 2 5106), \$6,914,000.

**LEAD-OFF TABULAR STATEMENT**

*Table FSA-15. Lead Off Table*

<b>Item</b>	<b>Amount</b>
2022 President's Budget Level.....	\$6,914,000
Change in Appropriation.....	-
Budget Estimate, 2023.....	<u>6,914,000</u>

**PROJECT STATEMENT**

*Table FSA-16. Project Statement Appropriations (thousands of dollars, FTEs)*

<b>Item</b>	<b>2020 Actual</b>	<b>FTE</b>	<b>2021 Actual</b>	<b>FTE</b>	<b>2022 Estimate</b>	<b>FTE</b>	<b>2023 Budget</b>	<b>FTE</b>	<b>Inc./ Dec.</b>	<b>Chg Key</b>
<b>Discretionary Appropriations:</b>										
State Mediation.....	\$5,545	-	\$6,914	-	\$6,914	-	\$6,914	-	-	-
Subtotal.....	5,545	-	6,914	-	6,914	-	6,914	-	-	-
Total Appropriation....	5,545	-	6,914	-	6,914	-	6,914	-	-	-
Bal. Available, SOY...	-	-	-	-	1,751	-	-	-	-1,751	-
Total Available.....	5,545	-	6,914	-	8,665	-	6,914	-	-1,751	-

*Table FSA-17. Project Statement Obligations (thousands of dollars, FTEs)*

<b>Item</b>	<b>2020 Actual</b>	<b>FTE</b>	<b>2021 Actual</b>	<b>FTE</b>	<b>2022 Estimate</b>	<b>FTE</b>	<b>2023 Budget</b>	<b>FTE</b>	<b>Inc./ Dec.</b>	<b>Chg Key</b>
<b>Discretionary Obligations:</b>										
State Mediation.....	\$5,545	-	\$6,914	-	\$6,914	-	\$6,914	-	-	-
Subtotal.....	5,545	-	6,914	-	6,914	-	6,914	-	-	-
Bal. Available, SOY...	-	-	-	-	1,751	-	-	-	-1,751	-
Total Appropriation...	5,545	-	6,914	-	8,665	-	6,914	-	-	-
Bal. Available, EOY...	-	-	-1,751	-	-	-	-	-	-	-
Total Obligations.....	5,545	-	5,163	-	8,665	-	6,914	-	-1,751	-

**JUSTIFICATIONS**

State Mediation Grants is requesting the FY 2022 level.



**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

*Table FSA-18. Geographic Breakdown of Obligations (in thousands)*

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimate	2023 Budget
Alabama.....	\$88	\$71	\$70	\$70
Alaska.....	-	-	102	102
Arizona.....	36	-	13	13
Arkansas.....	68	59	130	130
California.....	185	192	192	192
Colorado.....	38	76	183	183
Connecticut.....	56	69	66	66
Florida.....	56	36	88	88
Georgia.....	128	85	82	82
Hawaii.....	79	84	83	83
Idaho.....	88	103	102	102
Illinois.....	62	132	190	190
Indiana.....	285	216	217	217
Iowa.....	364	375	375	375
Kansas.....	554	303	500	500
Louisiana.....	136	65	88	88
Maine.....	73	66	174	174
Maryland.....	95	62	75	75
Massachusetts.....	49	43	57	57
Michigan.....	83	60	58	58
Minnesota.....	576	296	480	480
Mississippi.....	92	114	110	110
Missouri.....	25	6	48	48
Montana.....	27	12	45	45
Nebraska.....	192	165	165	165
New Hampshire.....	82	91	91	91
New Jersey.....	24	23	26	26
New Mexico.....	86	95	113	113
New York.....	494	475	490	490
North Carolina.....	87	64	79	79
North Dakota.....	16	111	178	178
Oklahoma.....	284	217	217	217
Oregon.....	64	75	76	76
Pennsylvania.....	33	35	63	63
Rhode Island.....	55	88	89	89
South Dakota.....	148	116	262	262
Texas.....	104	135	300	300
Utah.....	11	3	4	4
Vermont.....	212	197	196	196
Virginia.....	72	59	68	68
Washington.....	114	108	108	108
Wisconsin.....	171	204	256	256
Wyoming.....	-	46	120	120
Other Countries.....	53	-	-	-
Distribution Unknown.....	-	331	2,236	485
Total, Available.....	5,545	5,163	8,665	6,914

**CLASSIFICATION BY OBJECTS**

*Table FSA-19. Classification by Objects (thousands of dollars)*

Item No.	Item	2020 Actual	2021 Actual	2022 Estimate	2023 Budget
41.0	Grants, subsidies, and contributions.....	\$5,545	\$5,163	\$8,665	\$6,914
	Total, Other Objects.....	5,545	5,163	8,665	6,914
99.9	Total, new obligations.....	5,545	5,163	8,665	6,914

**STATUS OF PROGRAMS**

The Farm Service Agency (FSA) provides funding for State-designated mediation programs through the State Mediation Grants Program. SMG assist 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 2021, SMG activity included:

Number of Grants made to States.....	42
Dollar value of grants.....	\$5,518,640
Amount of SMG payments issued.....	\$4,373,858

The program reported a total of 3,758<sup>1</sup> covered cases during FY 2021. 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 (RD) housing loans; (8) USDA RD 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. For FY 2021, 145 requests for Credit Counseling were received, 261 cases of Family Farm Transition mediations, 102 cases of Land Lease mediations, 6 cases of Equipment Lease mediations, 59 cases of Farmer/Neighbor disputes, and 16 cases of Organic mediations were conducted.

As in previous years, agricultural credit (both through private lenders and FSA) was the most frequently mediated issue, accounting for 1,261 cases, or more than 34 percent of the total caseload. FSA Farm Programs was second with 160 cases, followed by Rural Development Housing issues 31 cases, Rural Development Business Loans 9 cases, Forest Service grazing disputed 15 cases, NRCS with 46 cases, Risk Management Agency crop insurance issues had 13 cases, and there were 8 cases of USDA-related pesticide matters.

The 3,758 cases for FY 2021 represent a decrease of approximately 15 percent from the previous year's 5,559 cases. The COVID-19 pandemic had a significant impact on the number of cases conducted for FY 2021. The following table provides a comparison of program results from FY 2020 to FY 2021.

<sup>1</sup> This figure includes the State of Minnesota's 1,261 cases. The State of Minnesota is a mandatory mediation State.

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**Table FSA-20. Program Results Comparison – FY 2020 and FY 2021**

Item	FY 2020	State of MN Cases FY 2020	FY 2021	State of MN Cases FY 2021
Number of cases for which mediation was requested .....	5,573	3,160	3,758	1,261
Mediation not completed in initial FY, and carried over to next FY.....	1,086	875	536	348
No mediation held (request withdrawn, settled prior to mediation, etc.) ....	2,183	1,353	1,551	679
Cases mediated.....	3,557	2,246	2,787	1,261
Cases resolved with agreement .....	1,838	692	2,513	1,212
Cases closed with no agreement .....	461	280	550	343
Percentage of cases mediated that resulted in agreement.....	-	-	1	-
Average cost per case.....	\$787	-	\$1,285	-

The following table provides a State-by-State breakdown of grants provided and the corresponding outlays occurring in FY 2021.

**Table FSA-21. State Mediation Grants and Outlays by State (FY 2021, whole dollars)**

State	Grants	Outlays <sup>1</sup>	State	Grants	Outlays <sup>1</sup>
Alabama.....	\$70,690	\$70,690	Missouri.....	\$45,601	\$6,394
Arizona.....	26,888	-	Montana.....	43,708	12,188
Arkansas.....	130,782	58,980	Nebraska.....	165,096	165,096
California.....	192,000	192,000	New Hampshire....	91,000	91,000
Colorado.....	218,009	75,597	New Jersey.....	25,001	22,961
Connecticut.....	71,270	68,638	New Mexico.....	111,702	94,678
Florida.....	36,069	36,069	New York.....	475,000	475,000
Georgia.....	121,250	85,044	North Carolina.....	78,880	64,250
Hawaii.....	83,600	83,600	North Dakota.....	184,223	111,283
Idaho.....	102,850	102,850	Oklahoma.....	217,069	217,069
Illinois.....	132,352	132,352	Oregon.....	74,813	74,813
Indiana.....	217,601	215,571	Pennsylvania.....	61,152	34,527
Iowa.....	375,000	375,000	Rhode Island.....	88,427	88,427
Kansas.....	500,000	302,526	South Dakota.....	161,805	115,616
Louisiana.....	96,075	64,617	Texas.....	300,000	135,152
Maine.....	109,630	65,772	Utah.....	8,058	3,478
Maryland.....	73,704	62,195	Vermont.....	196,800	196,800
Massachusetts....	55,182	42,794	Virginia.....	67,362	58,971
Michigan.....	68,499	59,826	Washington.....	108,036	108,036
Minnesota.....	482,939	296,020	Wisconsin.....	299,293	203,802
Mississippi.....	113,750	113,750	Wyoming.....	120,224	45,559
Totals Amount of Grants provided in FY 2021					
Totals FY 2021 Outlays			6,201,390		
			4,828,993		

<sup>1</sup> These figures include outlays from both current and prior year obligations

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**ACCOUNT 3: GRASSROOTS SOURCE WATER PROTECTION PROGRAM**

**APPROPRIATIONS LANGUAGE**

- 1 For necessary expenses to carry out wellhead or groundwater protection activities under section 12400 of the
- 2 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-22. Lead-Off Tabular Statement (In dollars)*

Item	Amount
2022 President's Budget Level	\$6,500,000
Change in Appropriation	-
Budget Estimate, 2023	<u>6,500,000</u>

**PROJECT STATEMENT**

*Table FSA-23. Project Statement Appropriations (thousands of dollars, FTEs)*

Item	2020 Actual	2021 Actual	2022 Estimate	2023 Budget	Inc./ Dec.	FTE
<b>Discretionary Appropriations:</b>						
Grassroots Source Water Protection Program.....	\$6,500	\$6,500	\$6,500	\$6,500	-	-
Another Program.....	-	-	-	-	-	-
Another Program.....	-	-	-	-	-	-
Subtotal.....	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	-	-
Total Appropriation.....	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	-	-
Total Available.....	6,500	6,500	6,500	6,500	-	-

*Table FSA-24. Account 3. Project Statement Obligations (thousands of dollars)*

Item	2020 Actual	2021 Actual	2022 Estimate	2023 Budget	Inc./ Dec
<b>Discretionary Obligations:</b>					
Grassroots Water Source Protection Program.....	\$6,500	\$6,500	\$6,500	\$6,500	-
Subtotal Disc oblig.....	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	-
Total Obligations.....	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	-
Total Available.....	6,500	6,500	6,500	6,500	-
Total Appropriation.....	6,500	6,500	6,500	6,500	-

**JUSTIFICATIONS**

Grassroots Source Water Protection Program is requesting the FY 2022 level.

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**

*Table FSA-25. Geographic Breakdown of Obligations (thousands of dollars, FTEs)*

State/Territory/Country	2020 Actual	FTE	2021 Actual	FTE	2022 Estimate	FTE	2023 Budget	FTE
Alabama.....	\$130	-	\$130	-	\$130	-	\$130	-
Alaska.....	130	-	130	-	130	-	130	-
Arizona.....	130	-	130	-	130	-	130	-
Arkansas.....	130	-	130	-	130	-	130	-
California.....	130	-	130	-	130	-	130	-
Colorado.....	130	-	130	-	130	-	130	-
Connecticut.....	130	-	130	-	130	-	130	-
Delaware.....	130	-	130	-	130	-	130	-
Florida.....	130	-	130	-	130	-	130	-
Georgia.....	130	-	130	-	130	-	130	-
Hawaii.....	130	-	130	-	130	-	130	-
Idaho.....	130	-	130	-	130	-	130	-
Illinois.....	130	-	130	-	130	-	130	-
Indiana.....	130	-	130	-	130	-	130	-
Iowa.....	130	-	130	-	130	-	130	-
Kansas.....	130	-	130	-	130	-	130	-
Kentucky.....	130	-	130	-	130	-	130	-
Louisiana.....	130	-	130	-	130	-	130	-
Maine.....	130	-	130	-	130	-	130	-
Maryland.....	130	-	130	-	130	-	130	-
Massachusetts.....	130	-	130	-	130	-	130	-
Michigan.....	130	-	130	-	130	-	130	-
Minnesota.....	130	-	130	-	130	-	130	-
Mississippi.....	130	-	130	-	130	-	130	-
Missouri.....	130	-	130	-	130	-	130	-
Montana.....	130	-	130	-	130	-	130	-
Nebraska.....	130	-	130	-	130	-	130	-
Nevada.....	130	-	130	-	130	-	130	-
New Hampshire.....	130	-	130	-	130	-	130	-
New Jersey.....	130	-	130	-	130	-	130	-
New Mexico.....	130	-	130	-	130	-	130	-
New York.....	130	-	130	-	130	-	130	-
North Carolina.....	130	-	130	-	130	-	130	-
North Dakota.....	130	-	130	-	130	-	130	-
Ohio.....	130	-	130	-	130	-	130	-
Oklahoma.....	130	-	130	-	130	-	130	-
Oregon.....	130	-	130	-	130	-	130	-
Pennsylvania.....	130	-	130	-	130	-	130	-
Rhode Island.....	130	-	130	-	130	-	130	-
South Carolina.....	130	-	130	-	130	-	130	-
South Dakota.....	130	-	130	-	130	-	130	-
Tennessee.....	130	-	130	-	130	-	130	-
Texas.....	130	-	130	-	130	-	130	-
Utah.....	130	-	130	-	130	-	130	-
Vermont.....	130	-	130	-	130	-	130	-
Virginia.....	130	-	130	-	130	-	130	-
Washington.....	130	-	130	-	130	-	130	-
West Virginia.....	130	-	130	-	130	-	130	-
Wisconsin.....	130	-	130	-	130	-	130	-
Other Countries.....	130	-	130	-	130	-	130	-
Obligations.....	6,500	-	6,500	-	6,500	-	6,500	-
Bal. Available, EOY.....	-	-	-	-	-	-	-	-
Total, Available.....	6,500	-	6,500	-	6,500	-	6,500	-

**CLASSIFICATION BY OBJECTS**

***Table FSA-26. Classification by Objects (thousands of dollars)***

Item No.	Item	2020 Actual	2021 Actual	2022 Estimate	2023 Budget
41.0	Grants, subsidies, and contributions.....	\$6,500	\$6,500	\$6,500	\$6,500
	Total, Other Objects.....	6,500	6,500	6,500	6,500
99.9	Total, new obligations.....	6,500	6,500	6,500	6,500

**STATUS OF PROGRAMS**

The Grassroots Source Water Protection Program (GSWPP) is a joint project by FSA and the non-profit 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***

During FY 2021, for necessary expenses to carry out wellhead and groundwater protection activities, and in accordance with the Further Consolidated Appropriation Act, 2020 (December 20, 2019), P.L 116-94: \$6,500,000 to remain available until expended. 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, which included 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 2021.

***Table FSA-27. Account 3. GWSPP Appropriations (thousands of dollars)***

Fiscal Year	Appropriation	Fiscal Year	Appropriation
2005 <sup>1</sup> .....	\$3,244	2014 <sup>2</sup> .....	\$10,526
2006.....	3,713	2015.....	5,526
2007.....	3,713	2016.....	6,500
2008.....	3,687	2017.....	6,500
2009.....	5,000	2018.....	6,500
2010.....	5,000	2019 <sup>3</sup> .....	11,500
2011.....	4,241	2020.....	6,500
2012.....	3,817	2021.....	6,500
2013.....	5,159	2022 <sup>4</sup> .....	6,500

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).

4/ Amount requested in FY 2022 President’s Budget

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**ACCOUNT 4: DAIRY INDEMNITY PROGRAM**

**APPROPRIATIONS LANGUAGE**

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

**LEAD-OFF TABULAR STATEMENT**

*Table FSA-28. Lead-Off Tabular Statement (In dollars)*

Item	Amount
2022 President's Budget Level	\$500,000
Change in Appropriation	-
Budget Estimate, 2023	500,000

**PROJECT STATEMENT**

*Table FSA-29. Project Statement Appropriations (thousands of dollars, FTEs)*

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated	Inc./ Dec.
<b>Mandatory Appropriations:</b>					
Dairy Indemnity Payment Program....	\$7,400	\$8,100	\$500	\$500	-
Sequestration.....	-437	-462	-	-	-
Total Appropriation.....	6,963	7,638	500	500	-
Lapsing Balances.....	-1,302	-5,178	-	-	-
Total Available.....	5,661	2,460	500	500	-

*Table FSA-30. Project Statement Obligations (thousands of dollars, FTEs)*

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated	Inc./ Dec.
<b>Mandatory Obligations:</b>					
Dairy Indemnity Program.....	\$5,661	\$2,460	\$500	\$500	-
Subtotal Disc obligations.....	5,661	2,460	500	500	-
Total Obligations.....	5,661	2,460	500	500	-
Lapsing Balances.....	1,302	5,178	-	-	-
Total Available.....	6,963	7,638	500	500	-
Sequestration.....	437	462	-	-	-
Total Appropriation.....	7,400	8,100	500	500	-

**JUSTIFICATIONS**

Program is requesting the FY 2022 level.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**

*Table FSA-31. Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)*

State/Territory/Country	2020 Actual	2020 FTE	2021 Actual	2021 FTE	2022 Estimate	2022 FTE	2023 Budget	2023 FTE
Florida.....	\$7	-	-	-	\$6	-	\$6	-
Georgia.....	10.5	-	\$1	-	49	-	49	-
Illinois.....	-	-	9	-	9	-	9	-

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

State/Territory/Country	2020		2021		2022		2023	
	Actual	FTE	Actual	FTE	Estimate	FTE	Budget	FTE
Kansas.....	-	-	847	-	139	-	139	-
Maine.....	5	-	0	-	46	-	46	-
Mississippi.....	34	-	0	-	35	-	35	-
Missouri.....	16	-	0	-	6	-	6	-
Nebraska.....	-	-	0	-	75	-	75	-
New Mexico.....	5,395	-	1439	-	-	-	-	-
Oklahoma.....	-	-	4	-	3	-	3	-
South Carolina.....	-	-	0	-	29	-	29	-
Texas.....	194	-	160	-	104	-	104	-
Obligations.....	5,661	-	2,460	-	500	-	500	-
Lapsing Balances.....	-1,302	-	-5,178	-	-	-	-	-
Bal. Available, EOY.....	1,302	-	5,178	-	-	-	-	-
Total, Available.....	5,661	-	2,460	-	500	-	500	-

**CLASSIFICATION BY OBJECTS**

*Table FSA-32. Classification by Objects (in thousands)*

Item No.	Item	2020 Actual	2021 Actual	2022 Estimate	2023 Budget
41.0	Grants, subsidies, and contributions.....	\$5,661	\$2,460	\$500	\$500
	Total, Other Objects.....	5,661	2,460	500	500
99.9	Total, New Obligations.....	5,661	2,460	500	500

**STATUS OF PROGRAMS**

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 2021, 24 dairy farmers in six states filed 24 claims totaling approximately \$2.5 million. Claims resulted from chemical contamination of groundwater provided to dairy cows, and also severe drought in areas throughout the United States causing an increase in aflatoxin contamination, a naturally occurring toxin that may inadvertently contaminate grain used for feed. Since the program inception in 1965 approximately \$41million payments has been made to dairy farmers,

*Table FSA-33. Amount of DIP Payments (thousands of dollars, payees)*

Fiscal Years	Farmers	Manufacturers	Total	No. of Payees
1965 to 2011 .....	\$21,134	\$3,911	\$25,045	1,495
2012.....	274	-	274	32
2013.....	918	-	918	158
2014.....	1,073	-	1,073	43
2015.....	384	-	384	26
2016.....	239	-	239	29
2017.....	218	-	218	18
2018.....	165	-	165	16
2019.....	4,137	-	4,137	16
2020.....	5,662	-	5,662	20
2021.....	2,488	-	2,488	24
Total .....	36,691	3,911	40,603	1,877



**ACCOUNT 5: AGRICULTURAL CREDIT INSURANCE FUND PROGRAM**

**APPROPRIATIONS LANGUAGE**

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

2 For gross obligations for the principal amount of direct and guaranteed farm ownership (7 U.S.C. 1922 et  
3 seq.) and operating (7 U.S.C. 1941 et seq.) loans, emergency loans (7 U.S.C. 1961 et seq.), Indian tribe land  
4 acquisition loans (25 U.S.C. 5136), boll weevil loans (7 U.S.C. 1989), guaranteed conservation loans (7  
5 U.S.C. 1924 et seq.), relending program (7 U.S.C. 1936c), and Indian highly fractionated land loans (25  
6 U.S.C. 5136) to be available from funds in the Agricultural Credit Insurance Fund, as follows:  
7 \$3,500,000,000 for guaranteed farm ownership loans and [~~\$2,800,000,000~~]\$3,100,000,000 for farm  
8 ownership direct loans; [~~\$2,118,492,000~~]\$2,118,491,000 for unsubsidized guaranteed operating loans and  
9 \$1,633,333,000 for direct operating loans; emergency loans, [~~\$37,668,000~~]\$4,062,000; Indian tribe land  
10 acquisition loans, \$20,000,000; guaranteed conservation loans, \$150,000,000; relending program,  
11 [~~\$33,693,000~~]\$61,426,000; Indian highly fractionated land loans, \$5,000,000; and for boll weevil eradication  
12 program loans, \$60,000,000: *Provided*, That the Secretary shall deem the pink bollworm to be a boll weevil  
13 for the purpose of boll weevil eradication program loans.

14 For the cost of direct and guaranteed loans and grants, including the cost of modifying loans as defined in  
15 section 502 of the Congressional Budget Act of 1974, as follows: [~~\$40,017,000~~]\$249,000 for emergency loans,  
16 to remain available until expended; and ~~\$23,520,000~~ for direct farm operating loans, [~~\$16,524,000~~]\$11,228,000 for  
17 unsubsidized guaranteed farm operating loans, [~~\$267,000~~ for emergency loans, ~~\$2,743,000~~]\$10,983,000 for the  
18 relending program, and [~~\$407,000~~]\$894,000 for Indian highly fractionated land loans[, to remain available until  
19 expended].

20 In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs,  
21 [~~\$314,772,000~~]\$326,461,000: *Provided*, That of this amount, [~~\$294,114,000~~]\$305,803,000 shall be  
22 transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

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

**Change Description**

The change moves “to be available until expended” to apply only to emergency loans. In addition, the borrower rate change to emergency loans will incentivize the use of the emergency loan program rather than the regular loan program when the producer has a qualifying emergency.

**LEAD-OFF TABULAR STATEMENT**

***Table FSA-34. Lead-Off Tabular Statement (In dollars)***

<b>Item</b>	<b>Amount</b>
Estimate, 2022	\$375,730,000
Change in Appropriation	-2,395,000
Budget Estimate, 2023	373,335,000
Budget Estimate, Current Law 2023	373,335,000
Change Due to Proposed Legislation	-
Net 2023 Request	373,335,000

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**PROJECT STATEMENT**

***Table FSA-35. Project Statement Appropriations (thousands of dollars)***

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Est. BA	2023 Program Level	2023 Est. BA	Program Level Inc/ Dec.	BA Inc./ Dec.
<b>ACIF Disc. Appropriations:</b>										
Direct Farm Ownership.....	\$2,343,750	-	\$3,125,000	-	\$2,500,000	-	\$3,100,000	-	\$600,000	-
Direct Farm Operating.....	1,550,133	\$58,440	1,633,333	\$38,710	1,580,000	\$38,710	1,633,333	\$23,520	53,333	-\$15,190
Emergency.....	37,668	2,023	37,668	207	29,155	207	4,062	249	-25,093	+42
Indian Land Acquisition.....	20,000	-	20,000	-	20,000	-	20,000	-	-	-
Boll Weevil Eradication.....	60,000	60	60,000	-	60,000	-	60,000	-	-	-
Indian Highly Fractionated Land	10,000	2,745	5,000	742	9,115	742	5,000	894	-4,115	+152
Heir's Prop. Rel. Prog. (HPRP)...	18,215	5,000	33,693	5,000	61,425	5,000	61,426	10,983	1	+5,983
Guaranteed Farm Ownership.....	3,300,000	-	3,300,000	-	3,300,000	-	3,500,000	-	200,000	-
Guaranteed Farm Operating.....	1,960,000	20,972	2,118,482	23,727	3,041,923	23,727	2,118,491	11,228	-923,432	-12,499
Guaranteed Conservation.....	150,000	-	150,000	-	150,000	-	150,000	-	-	-
Program Loan Cost Expense.....	-	10,070	-	13,230	-	13,230	-	20,658	-	+7,428
Salaries and Expenses.....	-	290,917	-	294,114	-	294,114	-	305,803	-	+11,689
FPAC Business Center.....	-	16,081	-	-	-	-	-	-	-	-
Subtotal.....	9,449,766	406,308	10,483,176	375,730	10,751,618	375,730	10,652,312	373,335	-99,306	-2,395
<b>Mandatory Appropriations:</b>										
Mod. Costs for ARP Payments...	-	-	-	55,454	-	-	-	-	-	-
Total Adjusted Appropriation....	9,449,766	406,308	10,483,176	431,184	10,751,618	375,730	10,652,312	373,335	-99,306	-2,395
Total Appropriation.....	9,449,766	406,308	10,483,176	431,184	10,751,618	375,730	10,652,312	373,335	-99,306	-2,395
<b>Transfers In:</b>										
Total Transfers In.....	-	705	-	-	-	-	-	-	-	-
<b>Transfers Out:</b>										
Guaranteed Farm Operating.....	-65,879	-705	-	-	-	-	-	-	-	-
Total Transfers Out.....	-65,879	-705	-	-	-	-	-	-	-	-
Rescission.....	-	-	-	-	-	-	-10,695,388	-94,959	-10,695,388	-94,959
Recoveries, Other.....	89,624	3,500	-	4,604	-	-	-	-	-	-
Bal. Available, SOY.....	2,809,608	60,532	5,676,800	91,501	9,264,483	131,530	11,586,469	116,289	2,321,986	-15,241
Total Available.....	12,283,119	470,340	16,159,976	527,289	20,016,101	507,260	11,543,393	394,665	-8,472,708	-112,595
Lapsing Balances.....	-760,079	-359	-1,787,420	-2,241	-	-	-	-	-	-
Bal. Available, EOY.....	-4,003,127	-91,500	-7,701,799	-131,530	-8,507,549	-116,289	-	-	8,507,549	+9
Total Obligations.....	7,519,913	378,481	6,670,757	393,518	11,508,552	390,971	11,543,393	394,665	+34,841	+3,694

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**Table FSA-36. Project Statement Obligations (thousands of dollars)**

Item	2020 Program Level	2020 Actual BA	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Est. BA	2023 Program Level	2023 Est. BA	Program Level Inc/ Dec.	BA Inc/ Dec.
<b>ACIF Disc. Obligations:</b>										
Direct Farm Ownership.....	\$2,078,837	-	\$2,134,132	-	\$2,500,000	-	\$3,100,000	-	\$600,000	-
Direct Farm Operating.....	1,280,734	\$48,276	1,021,554	\$24,211	2,091,510	\$51,242	1,729,514	\$24,905	-361,996	-\$26,337
Emergency.....	2,455	132	754	4	37,668	267	111,713	6,848	74,045	+6,581
Indian Land Acquisition.....	-	-	-	-	20,000	-	20,000	-	-	-
Boll Weevil Eradication.....	-	-	-	-	60,000	-	60,000	-	-	-
Indian Highly Fractionated Land..	-	-	-	-	20,000	1,628	5,000	894	-15,000	-734
Heir's Prop. Rel. Prog. (HPRP)....	-	-	-	-	61,425	5,000	117,355	20,983	55,930	+15,983
Total Direct.....	3,362,026	48,408	3,156,440	24,215	4,790,603	58,137	5,143,582	53,630	352,979	-4,507
Guaranteed Farm Ownership.....	2,974,834	-	2,733,448	-	3,300,000	-	3,500,000	-	+200,000	-
Guaranteed Farm Operating.....	1,183,053	12,659	780,869	8,746	3,267,949	25,490	2,749,811	14,574	-518,138	-10,916
Guaranteed Conservation.....	-	-	-	-	150,000	-	150,000	-	-	-
Total Guaranteed.....	4,157,887	12,659	3,514,317	8,746	6,717,949	25,490	6,399,811	14,574	-318,138	-10,916
<b>Administrative Expenses:</b>										
Program Loan Cost Expense.....	-	10,416	-	10,989	-	13,230	-	20,658	-	+7,428
Salaries and Expenses.....	-	290,917	-	294,114	-	294,114	-	305,803	-	+11,689
FPAC Business Center.....	-	16,081	-	-	-	-	-	-	-	-
Total Administrative Expenses....	-	317,414	-	305,103	-	307,344	-	326,461	-	+19,117
Subtotal Disc Oblig.....	7,519,913	378,481	6,670,757	338,064	11,508,552	390,971	11,543,393	394,665	34,841	+3,694
<b>Mandatory Obligations:</b>										
Mod. Costs for ARP Payments...	-	-	-	55,454	-	-	-	-	-	-
Subtotal Mand Oblig.....	-	-	-	55,454	-	-	-	-	-	-
Total Obligations.....	7,519,913	378,481	6,670,757	393,518	11,508,552	390,971	11,543,393	394,665	34,841	+3,694
<b>Add back:</b>										
Lapsing Balances.....	760,079	359	1,787,420	2,241	-	-	-	-	-	-
<b>Balances Available, EOY:</b>										
Direct Operating.....	1,271,943	47,952	2,635,081	66,934	2,220,490	54,402	-	-	-2,220,490	-54,402
Direct Emergency.....	120,175	6,453	1,210,262	6,659	929,374	6,599	-	-	-929,374	-6,599
Indian Highly Fractionated Land..	17,774	4,879	37,877	5,621	58,169	4,735	-	-	-58,169	-4,735
Boll Weevil Eradication.....	60,000	60	-	-	-	-	-	-	-	-
Heir's Prop. Rel. Prog. (HPRP)....	18,215	5,000	67,386	10,000	122,850	10,000	-	-	-122,850	-10,000
Guaranteed Farm Operating.....	2,515,020	27,032	3,751,193	42,141	5,176,666	40,378	-	-	-5,176,666	-40,378
Program Subsidy no longer used...	-	124	-	175	-	175	-	-	-	-175
Total Bal. Available, EOY.....	4,003,127	91,500	7,701,799	131,530	8,507,549	116,289	-	-	-8,507,549	-116,289
Total Available.....	12,283,119	470,340	16,159,976	527,289	20,016,101	507,260	11,543,393	394,665	-8,472,708	-112,595
<b>Less:</b>										
Rescission.....	-	-	-	-	-	-	-	-	-	-
Direct Operating.....	-	-	-	-	-	-	3,681,736	53,017	3,681,736	+53,017
Indian Highly Fractionated Land..	-	-	-	-	-	-	26,482	4,735	26,482	+4,735
Guaranteed Farm Operating .....	-	-	-	-	-	-	6,987,170	37,032	6,987,170	+37,032
Program Subsidy no longer used...	-	-	-	-	-	-	-	175	-	+175
Total Rescission.....	-	-	-	-	-	-	10,695,388	94,959	10,695,388	+94,959
Total Transfers In.....	-	-705	-	-	-	-	-	-	-	-
Tot. Trans. Out Guaranteed Op....	65,879	705	-	-	-	-	-	-	-	-
Recoveries, Other.....	-89,624	-3,500	-	-4,604	-	-	-	-	-	-
Bal. Available, SOY.....	-2,809,608	-60,532	-5,676,800	-91,501	-9,264,484	-131,530	-11,586,469	-116,289	-2,321,986	+15,241
Total Appropriation.....	9,449,766	406,308	10,483,176	431,184	10,751,617	375,730	10,652,312	373,335	-99,306	-2,395

**JUSTIFICATIONS**

The farm loan programs serve as an important safety net for America's farmers by providing a source of credit if they are temporarily unable to obtain credit from commercial sources. The 2018 Farm Bill increased the loan limits for many of the farm loan programs, thereby increasing loan demand in 2020, particularly direct farm ownership loans. To meet the anticipated demand for farm credit, the Budget supports almost \$10.7 billion in farm loans, an increase of more than \$800 million.

- (1) An increase of \$600,000,000 for direct ownership loans (\$2,500,000,000 available in 2022).

The requested increase of \$600 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 \$300,000 to \$600,000, the average loan size has increased by 45 percent 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 2021, exceeding \$2 billion. 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 \$53,333,000 for direct operating loans (\$1,580,000,000 available in 2022).

The proposed increase of over \$53.3 million in direct operating loans will allow FSA to continue to meet the current demand for these loans. The requested loan level is the same as what was authorized in the FY 2021 appropriations act. The increase is due to the constraints of the FY 2022 loan level, which is based on the same budget authority and a higher subsidy rate than in FY 2021. Since passage of the 2018 Farm Bill that authorized an increase to loan limitations from \$300,000 to \$400,000, the average loan size increased by 27 percent for direct operating loans.

- (3) A decrease of 25,093,000 for emergency loans (\$29,155,000 available in 2022).

The proposed decrease of nearly \$25.1 million in emergency loans is due to changes to the structure of the borrower terms that will make these loans more useful to farmers in times of need. Through two general provisions in the Budget, the borrower's interest rate has been lowered to be equal to regular operating loans, and the credit elsewhere test has been eased. These changes acknowledge that when there is a loss due to an emergency the current structure is onerous and counter to FSA's mission to providing support during an emergency. The changes resulted in the subsidy rate for these loans to increase in direct proportion to the lowering of the interest rate. However, with the same authorize budget authority, the supportable loan level, while lower, is still sufficient to meet demand for this program. In addition, the "no year" funding status has been maintained for the emergency loans to consider the uncertainty of when these loans will be needed.

- (4) A decrease of \$4,115,000 for Indian Highly Fractionated land loans (\$9,115,000 available in 2022).

The proposed decrease of \$4.1 million in Indian highly fractionated land loans is due to the increase in the subsidy rate. The FY 2022 loan level is artificially high due to the annualized FY 2022 amounts; however, the loan level proposed for FY 2023 is the same as authorized in the FY 2021 appropriations bill.

- (5) An increase of \$1,000 for Heirs Property Relending (\$61,425,000 available in FY 2022).

While the proposed increase maintains the level of funding available in FY 2022, it is an increase of \$27.7 million over the appropriated loan level in FY 2021. The agency proposes this increase in keeping with priorities of ensuring credit is available to farmers and ranchers where the absence of clear title has prevented landowners (heirs) from effectively managing the land.

- (6) An increase of \$200,000,000 for guaranteed farm ownership loans (\$3,300,000,000 available in 2022).

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 19 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 guaranteed farm ownership loan 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.

- (7) A decrease of \$923,432,000 for guaranteed operating loans (\$3,041,923,000 available in 2022).

The proposed decrease of \$923.4 million in guaranteed operating loans is due to the constraints of the annualized amounts shown for FY 2022. FY 2022 loan level availability is artificially high due to a lower subsidy rate in FY 2022 than in FY 2021. The same loan level is requested for FY 2023 as was authorized in for FY 2021. FSA anticipates that the requested loan level will be sufficient to meet demand.

- (8) An increase of \$7,428,000 in administrative expenses budget authority (\$13,230,000 available in 2022).

The requested increase of over \$7.4 million in program loan cost expense (PLCE) is being proposed due largely to the increase in the projected loan levels for direct ownership loans. PLCE funds are used to administer the cost of appraisals for new ownership loans. Based on a substantial increase in the number of loans (more than 8,000 new loans projected in FY 2022), appraisals alone would account for nearly \$14 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.

- (9) An increase of \$11,689,000 in salaries and expenses (\$294,114,000 available in 2022).

The requested increase of nearly \$11.7 million in salaries and expenses reflects an overall increase in FSA's administrative expenses. Specifically, \$3.4 million of the increase is for ACIF-related Information Technology improvements to enhance the digital transformation and enhancement from legacy systems. The remainder is due to an \$8.3 million increase in pay costs and mandated contributions to FERS.

- (10) A net decrease of \$21,512,000 in subsidy costs (\$68,386,000 available in 2022).

Subsidy cost changes are due to changes in subsidy rates and the changes in loan level back to the FY 2021 level for positive subsidy programs. Subsidy rate changes were largely due to changes in Treasury interest rates and, for emergency loans, to the revised borrower interest rate.

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**

*Table FSA-37. Geographic Breakdown of Obligations (thousands of dollars)*

<b>State/Territory/Country</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>
Alabama.....	\$5,345	\$9,022	\$10,569	\$13,105
Alaska.....	300	806	944	1,171
Arizona.....	10,358	12,005	14,063	17,438
Arkansas.....	78,100	73,397	85,980	106,615
California.....	25,803	27,066	31,706	39,316
Colorado.....	26,521	33,242	38,941	48,287
Connecticut.....	1,409	2,323	2,721	3,374
Delaware.....	4,001	2,031	2,379	2,950
Florida.....	6,301	6,243	7,313	9,068
Georgia.....	14,192	19,836	23,237	28,813
Guam.....	310	-	-	-
Hawaii.....	10,147	10,189	11,936	14,800
Idaho.....	28,285	21,772	25,505	31,626
Illinois.....	121,921	134,788	157,896	195,791
Indiana.....	61,154	47,237	55,335	68,616
Iowa.....	209,255	237,483	278,196	344,963
Kansas.....	111,123	150,921	176,794	219,225
Kentucky.....	79,420	78,184	91,588	113,569
Louisiana.....	5,915	2,691	3,152	3,909
Maine.....	2,418	3,592	4,208	5,218
Maryland.....	6,025	4,151	4,863	6,030
Massachusetts.....	3,072	1,618	1,895	2,350
Michigan.....	35,296	34,707	40,657	50,415
Minnesota.....	100,256	105,340	123,399	153,015
Mississippi.....	4,664	3,772	4,419	5,479
Missouri.....	94,688	71,330	83,559	103,613
Montana.....	30,868	28,853	33,799	41,911
Nebraska.....	155,385	165,518	193,894	240,428
Nevada.....	2,726	1,840	2,155	2,673
New Hampshire.....	1,274	250	293	363
New Jersey.....	3,188	3,198	3,746	4,645
New Mexico.....	31,095	27,574	32,301	40,053
New York.....	9,457	12,803	14,998	18,597
North Carolina.....	14,801	9,722	11,389	14,122
North Dakota.....	58,422	70,039	82,046	101,737
Ohio.....	45,345	35,614	41,720	51,732
Oklahoma.....	190,462	214,375	251,125	311,400
Oregon.....	17,648	19,277	22,582	28,001
Pennsylvania.....	41,738	36,466	42,718	52,970
Puerto Rico.....	283	1,159	1,358	1,684
Rhode Island.....	1,017	1,460	1,710	2,121
South Carolina.....	7,858	7,829	9,171	11,372
South Dakota.....	95,156	84,352	98,813	122,528
Tennessee.....	31,287	24,575	28,788	35,697
Texas.....	98,989	84,895	99,449	123,317
Utah.....	27,525	24,327	28,498	35,337
Vermont.....	2,058	2,590	3,034	3,762
Virginia.....	42,727	44,312	51,909	64,367
Washington.....	16,723	26,774	31,364	38,891
West Virginia.....	17,156	15,379	18,016	22,339
Wisconsin.....	75,625	81,122	95,029	117,836
Wyoming.....	13,745	16,051	18,803	23,315
Distribution Unknown.....	-	32	37	46
Obligations.....	2,078,837	2,134,132	2,500,000	3,100,000
Lapsing Balances.....	264,913	990,868	-	-
Total, Available.....	2,343,750	3,125,000	2,500,000	3,100,000

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**Guaranteed Farm Ownership**

**Table FSA-38. Guaranteed Farm Ownership Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2020	2021	2022	2023
	Actual	Actual	Estimated	Estimated
Alabama.....	\$56,051	\$61,479	\$74,222	\$78,720
Alaska.....	8,506	6,660	8,040	8,528
Arizona.....	140,991	144,250	174,148	184,703
Arkansas.....	30,816	34,458	41,600	44,121
California.....	30,403	18,041	21,780	23,100
Colorado.....	2,176	2,380	2,873	3,047
Connecticut.....	15,602	6,182	7,463	7,916
Delaware.....	17,097	7,997	9,655	10,240
Florida.....	52,995	52,451	63,322	67,160
Georgia.....	820	-	-	-
Guam.....	38,069	25,762	31,102	32,987
Hawaii.....	267,745	217,914	263,080	279,025
Idaho.....	104,879	110,503	133,407	141,492
Illinois.....	216,070	172,993	208,849	221,506
Indiana.....	56,501	48,477	58,525	62,072
Iowa.....	80,242	69,274	83,632	88,701
Kansas.....	15,777	8,211	9,913	10,514
Kentucky.....	3,377	837	1,010	1,072
Louisiana.....	6,398	6,673	8,056	8,544
Maine.....	982	3,858	4,658	4,940
Maryland.....	79,400	80,225	96,853	102,723
Massachusetts.....	203,073	175,651	212,058	224,910
Michigan.....	63,806	49,409	59,650	63,265
Minnesota.....	154,290	179,962	217,262	230,429
Mississippi.....	55,964	43,963	53,075	56,292
Missouri.....	89,838	93,892	113,353	120,223
Nevada.....	9,100	9,674	11,679	12,387
New Hampshire.....	-	525	634	672
New Jersey.....	1,750	2,528	3,052	3,237
New Mexico.....	25,836	20,324	24,536	26,024
New York.....	30,015	32,349	39,054	41,421
North Carolina.....	75,559	79,412	95,871	101,682
North Dakota.....	54,406	37,358	45,101	47,834
Ohio.....	210,074	198,187	239,265	253,765
Oklahoma.....	74,546	104,477	126,132	133,776
Oregon.....	28,369	25,258	30,493	32,341
Pennsylvania.....	24,399	14,145	17,077	18,112
Puerto Rico.....	1,132	1,375	1,660	1,761
Rhode Island.....	32,078	36,135	43,625	46,268
South Carolina.....	115,085	100,642	121,502	128,865
South Dakota.....	49,654	68,205	82,342	87,332
Tennessee.....	66,711	54,685	66,019	70,021
Texas.....	43,539	30,700	37,063	39,309
Utah.....	4,162	2,338	2,823	2,994
Vermont.....	18,014	12,935	15,616	16,562
Virginia.....	-	7,521	9,080	9,630
Washington.....	5,763	-	-	-
West Virginia.....	7,582	2,675	3,229	3,425
Wisconsin.....	284,651	247,981	299,377	317,520
Wyoming.....	20,541	22,517	27,184	28,832
Obligations.....	2,974,834	2,733,448	3,300,000	3,500,000
Lapsing Balances.....	325,166	566,552	-	-
Total, Available.....	3,300,000	3,300,000	3,300,000	3,500,000

*Direct Operating Loans*

**Table FSA-39. Direct Operating Loans Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2020	2021	2022	2023
	Actual	Actual	Estimated	Estimated
Alabama.....	\$7,587	\$5,400	\$11,056	\$9,142
Alaska.....	358	268	549	454
Arizona.....	13,819	12,631	25,860	21,385
Arkansas.....	69,783	54,959	112,522	93,047
California.....	22,322	15,002	30,715	25,399
Colorado.....	19,759	13,488	27,615	22,835
Connecticut.....	1,679	1,761	3,605	2,981
Delaware.....	1,941	684	1,400	1,158
Florida.....	10,045	4,533	9,281	7,674
Georgia.....	23,822	22,026	45,096	37,291
Guam.....	113	-	-	-
Hawaii.....	2,886	2,284	4,676	3,867
Idaho.....	23,078	17,156	35,125	29,045
Illinois.....	15,917	15,178	31,075	25,697
Indiana.....	14,314	11,953	24,472	20,237
Iowa.....	101,077	77,664	159,008	131,487
Kansas.....	46,465	39,612	81,101	67,064
Kentucky.....	41,585	35,485	72,651	60,077
Louisiana.....	16,224	13,096	26,812	22,172
Maine.....	5,378	5,573	11,410	9,435
Maryland.....	2,039	1,296	2,653	2,194
Massachusetts.....	2,038	1,262	2,584	2,137
Michigan.....	16,580	12,768	26,141	21,617
Minnesota.....	72,499	56,532	115,743	95,710
Mississippi.....	13,976	10,869	22,253	18,401
Missouri.....	21,455	13,121	26,864	22,214
Montana.....	38,688	25,645	52,505	43,418
Nebraska.....	133,407	104,487	213,925	176,899
Nevada.....	2,674	1,736	3,554	2,939
New Hampshire.....	802	715	1,464	1,211
New Jersey.....	2,776	1,411	2,889	2,389
New Mexico.....	12,256	12,073	24,718	20,440
New York.....	9,221	8,330	17,055	14,103
North Carolina.....	24,432	18,240	37,344	30,881
North Dakota.....	57,961	43,048	88,136	72,881
Ohio.....	10,272	6,195	12,684	10,488
Oklahoma.....	82,638	72,367	148,163	122,519
Oregon.....	17,872	14,291	29,259	24,195
Pennsylvania.....	22,840	15,545	31,827	26,318
Puerto Rico.....	1,779	683	1,398	1,156
Rhode Island.....	573	389	796	659
South Carolina.....	12,800	10,757	22,024	18,212
South Dakota.....	74,082	60,267	123,389	102,033
Tennessee.....	28,480	22,612	46,295	38,283
Texas.....	65,479	57,216	117,143	96,868
Utah.....	20,053	17,351	35,524	29,376
Vermont.....	3,713	1,625	3,327	2,751
Virgin Islands.....	-	31	63	52
Virginia.....	13,020	11,032	22,587	18,677
Wake Island.....	-	25,919	53,066	43,881
Washington.....	25,373	-	-	-
West Virginia.....	11,876	10,587	21,676	17,924
Wisconsin.....	33,792	28,819	59,003	48,791
Wyoming.....	7,136	5,422	11,101	9,180
Distribution Unknown.....	-	160	328	271
Obligations.....	1,280,734	1,021,554	2,091,510	1,729,514
Bal. Available, EOY.....	1,271,943	2,635,081	2,220,490	-
Total, Available.....	2,552,677	3,656,635	4,312,000	1,729,514



**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**Guaranteed Operating Loans**

**Table FSA-40. Guaranteed Operating Loans Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Alabama.....	\$4,384	\$2,476	\$10,362	\$8,719
Arizona.....	6,546	8,014	33,539	28,221
Arkansas.....	71,160	56,347	235,813	198,425
California.....	25,066	22,576	94,481	79,501
Colorado.....	10,759	8,031	33,610	28,281
Connecticut.....	1,211	1,142	4,779	4,022
Delaware.....	178	-	-	-
Florida.....	10,195	4,813	20,142	16,949
Georgia.....	40,806	20,515	85,856	72,243
Idaho.....	34,489	23,313	97,565	82,096
Illinois.....	41,506	30,843	129,078	108,613
Indiana.....	38,762	29,382	122,964	103,468
Iowa.....	67,955	42,252	176,825	148,789
Kansas.....	27,433	18,717	78,331	65,911
Kentucky.....	20,673	7,423	31,065	26,140
Louisiana.....	72,860	44,871	187,786	158,012
Maine.....	1,451	7,346	30,743	25,869
Maryland.....	1,812	200	837	704
Massachusetts.....	2,056	100	419	352
Michigan.....	22,191	16,073	67,266	56,601
Minnesota.....	85,935	47,500	198,788	167,270
Mississippi.....	7,424	7,418	31,044	26,122
Missouri.....	41,018	21,494	89,953	75,691
Montana.....	28,709	23,963	100,286	84,385
Nebraska.....	47,517	27,598	115,498	97,186
Nevada.....	1,246	1,015	4,248	3,574
New Jersey.....	1,451	150	628	528
New Mexico.....	11,160	3,169	13,262	11,160
New York.....	15,736	10,844	45,382	38,187
North Carolina.....	13,997	9,238	38,664	32,530
North Dakota.....	99,322	61,517	257,450	216,631
Ohio.....	13,265	7,601	31,810	26,767
Oklahoma.....	35,413	33,290	139,319	117,230
Oregon.....	6,434	6,395	26,763	22,520
Pennsylvania.....	6,774	3,462	14,489	12,191
Puerto Rico.....	2,331	563	2,356	1,983
South Carolina.....	19,803	16,644	69,655	58,611
South Dakota.....	40,109	15,612	65,336	54,977
Tennessee.....	18,659	11,799	49,379	41,550
Texas.....	78,956	58,612	245,292	206,401
Utah.....	5,870	2,817	11,789	9,920
Vermont.....	3,595	1,780	7,449	6,268
Virginia.....	9,342	9,256	38,737	32,595
Washington.....	23,581	15,864	66,391	55,865
West Virginia.....	946	1,406	5,884	4,951
Wisconsin.....	50,028	30,843	129,078	108,613
Wyoming.....	12,939	6,585	27,558	23,189
Obligations.....	1,183,053	780,869	3,267,949	2,749,811
Bal. Available, EOY.....	2,515,020	3,751,193	5,176,666	-
Total, Available.....	3,698,073	4,532,062	8,444,615	2,749,811

**Emergency Loans**

**Table FSA-41. Emergency Loans Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Arkansas.....	\$1,056	\$253	\$12,639	\$37,485
Illinois.....	15	-	-	-
Louisiana.....	-	22	1,099	3,260
Michigan.....	471	-	-	-
Minnesota.....	-	65	3,247	9,630
New York.....	33	15	751	2,222
North Dakota.....	110	47	2,348	6,964
Pennsylvania.....	-	224	11,190	33,187
South Dakota.....	93	-	-	-
Tennessee.....	125	-	-	-
Texas.....	439	-	-	-
Utah.....	-	60	2,997	8,890
Virginia.....	113	68	3,397	10,075
Obligations.....	2,455	754	37,668	111,713
Bal. Available, EOY.....	120,175	1,210,262	929,374	-
Total, Available.....	122,630	1,211,016	967,042	111,713

**Boll Weevil Eradication Loan Program**

**Table FSA-42. Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown.....	-	-	\$60,000	\$60,000
Total Obligation.....	-	-	60,000	60,000
Lapsing Balances.....	-	\$60,000	-	-
Bal. Available, EOY.....	\$60,000	-	-	-
Total, Available.....	60,000	60,000	60,000	60,000

**Indian Land Acquisition Loan Program**

**Table FSA-43. Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown.....	-	-	\$20,000	\$20,000
Total Obligation.....	-	-	20,000	20,000
Lapsing Balances.....	\$20,000	\$20,000	-	-
Total, Available.....	20,000	20,000	20,000	20,000

**Indian Highly Fractionated Loan Program**

**Table FSA-44. Account 5. Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown.....	-	-	\$20,000	\$5,000
Total Obligation.....	-	-	20,000	5,000
Bal. Available, EOY.....	\$17,774	\$37,877	58,169	-
Total, Available.....	17,774	37,877	78,169	5,000

**Relending Program**

**Table FSA-45. Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Undistributed.....	-	-	\$61,425	\$117,355
Total Obligation.....	-	-	61,425	117,355
Bal. Available, EOY.....	\$18,215	\$67,386	122,850	-
Total, Available.....	18,215	67,386	184,275	117,355

**Guaranteed Conservation Loan Program**

**Table FSA-46. Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution				
Unknown.....	-	-	\$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**

**Table FSA-47. Classification by Objects (thousands of dollars)**

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
25.3	Other goods and services from Federal sources...	\$317,414	\$305,103	\$307,344	\$326,461
41.0	Grants, subsidies, and contributions.....	61,067	88,415	83,627	68,204
	Total, Other Objects.....	378,481	393,518	390,971	394,665
99.9	Total, New Obligations.....	378,481	393,518	390,971	394,665

**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 \$3.3 billion to beginning farmers during 2021, of which \$2.4 billion was in the ownership program and \$9 million was in the operating program. Loans for historically underserved farmers totaled \$1.1 billion, of which \$845 million was in the farm ownership program and \$295 million was in the farm operating program.

***Selected Examples of Recent Progress***

Lending to beginning farmers was strong during 2021. FSA loaned or guaranteed beginning farmer loans for 16,810 borrowers. Outreach efforts by FSA field offices to promote and inform beginning and historically underserved 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 2021 decreased compared to FY 2020. The FY 2020 loan assistance in these programs was the third highest total in Agency history. Likewise, loan assistance provided to beginning and historically underserved farmers increased in FY 2021 compared to FY 2020, continuing the constant trend in lending to these underserved groups as a percentage of total assistance provided. Since 2020, the amount of beginning farmer assistance decreased by 4 percent and the amount of historically underserved assistance increased by 5 percent. In summary, FY 2021 loan assistance provided through the direct and guaranteed operating and farm ownership programs increased significantly from the FY 2020 level.

**FY 2021 Actual Agricultural Credit Insurance Fund Loans and Obligations**

***Table FSA-48. Total Direct and Guaranteed Loans (number of loans, percent change).***

Item	FY 2020	FY 2021	Change
Direct Farm Ownership.....	7,595	7,305	-4%
Direct Farm Ownership – Microloans.....	202	161	-20%
Guaranteed Farm Ownership.....	5,258	4,778	-9%
Ownership Subtotal.....	13,055	12,244	-6%
Direct Operating.....	13,190	10,088	-24%
Direct Farm Operating – Microloans.....	5,012	4,270	-15%
Guaranteed Operating.....	3,707	2,440	-34%
Operating Subtotal.....	21,909	16,798	-23%
Grand Total Number of Loans.....	34,964	29,042	-17%

***Table FSA-49. Total Direct and Guaranteed Loans (thousands of dollars, percent change).***

Item	FY 2020	FY 2021	Change
Direct Farm Ownership.....	\$2,070,763	\$2,127,720	3%
Direct Farm Ownership – Microloans.....	8,074	6,412	-21%
Guaranteed Farm Ownership.....	2,974,834	2,733,448	-8%
Ownership Subtotal.....	5,053,671	4,867,580	-4%
Direct Operating.....	1,157,233	911,754	-21%
Direct Farm Operating – Microloans.....	123,501	109,799	-11%
Guaranteed Operating.....	1,182,393	480,869	-59%
Operating Subtotal.....	2,463,127	1,502,423	-39%
Grand Total Dollar Value of Loans.....	7,516,799	6,370,002	-15%

***Table FSA-50. Total Beginning Farmer Loans (number of loans, percent change)***

Item	FY 2020	FY 2021	Change
Direct Farm Ownership.....	3,401	2,880	-15%
Direct Farm Ownership Down-payment.....	1,989	2,097	5%

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Guaranteed Farm Ownership.....	2,053	2,185	6%
Ownership Subtotal.....	7,443	7,162	-4%
Direct Operating.....	10,870	8,740	-20%
Guaranteed Operating.....	1,255	908	-28%
Operating Subtotal.....	12,125	9,648	-20%
Grand Total Number of Loans.....	19,568	16,810	-14%

NOTE: 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 historically underserved 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.

**Table FSA-51. Beginning Farmer Loans (thousands of dollars, percent change)**

Item	FY 2020	FY 2021	Change
Direct Farm Ownership.....	\$988,406	\$885,931	-10%
Direct Farm Ownership Down-payment.....	439,255	515,938	17%
Guaranteed Farm Ownership.....	921,592	1,018,787	11%
Ownership Subtotal.....	2,349,253	2,420,656	3%
Direct Operating.....	781,811	654,778	-16%
Guaranteed Operating.....	319,559	233,008	-27%
Operating Subtotal.....	1,101,370	887,785	-19%
Grand Total Dollar Value of Loans.....	3,450,623	3,308,441	-4%

NOTE: 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 historically underserved 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.

**Table FSA-52. Socially Disadvantaged Farmer Loans (number of loans, percent change)**

Item	FY 2020	FY 2021	Change
Direct Farm Ownership.....	1,357	1,370	1%
Guaranteed Farm Ownership.....	596	697	17%
Ownership Subtotal.....	1,953	2,067	6%
Direct Operating.....	4,507	3,823	-15%
Guaranteed Operating.....	392	287	-27%
Operating Subtotal.....	4,899	4,110	-16%
Grand Total Number of Loans.....	6,852	6,177	-10%

NOTE: 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 historically underserved 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.

**Table FSA-53. Socially Disadvantaged Farmer Loans (thousands of dollars, percent change)**

Item	FY 2020	FY 2021	Change
Direct Farm Ownership.....	\$350,497	\$383,007	44%
Guaranteed Farm Ownership.....	388,638	461,811	48%
Ownership Subtotal.....	739,135	844,819	46%
Direct Operating.....	218,190	198,679	13%
Guaranteed Operating.....	131,013	96,578	45%
Operating Subtotal.....	349,203	295,257	23%
Grand Total Dollar Value of Loans.....	1,088,338	1,140,076	5%

NOTE: 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 historically underserved 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.

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**ACCOUNT 6: EMERGENCY CONSERVATION PROGRAM**

**APPROPRIATIONS LANGUAGE**

1 The Emergency Conservation Program (ECP) was created under Title IV of the Agricultural Credit Act of  
 2 1978 (P.L. 95-334) and codified at 16 U.S.C. Sections 2201-2205. The program is permanently authorized,  
 3 subject to appropriations. Authorized funding is for “such funds as may be necessary,” and once  
 4 appropriated, funds are typically available until expended.

**PROJECT STATEMENT**

***Table FSA-54. Project Statement Appropriations (thousands of dollars)***

<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>	<b>Inc./ Dec.</b>
<b>Discretionary Appropriations:</b>					
Emergency Conservation Program Regular .	-	-	-	-	-
Emergency Conservation Program Stafford.	-	-	-	-	-
Subtotal Discretionary Appropriation.....	-	-	-	-	-
<b>Supplemental Appropriations:</b>					
ECP- PL 114-254 <sup>1</sup> .....	-	-	-	-	-
ECP- PL 115-123 <sup>2</sup> .....	-	-	-	-	-
ECP PL 116-20 <sup>3</sup> .....	-	-	-	-	-
Subtotal Supplemental Appropriation.....	-	-	-	-	-
Total Appropriation.....	-	-	-	-	-
Recoveries, Other .....	\$50,253	\$70,081	-	-	-
Bal. Available, SOY.....	992,481	775,693	\$722,062	\$522,062	-\$200,000
Total Available.....	1,042,734	845,774	722,062	522,062	-200,000
Bal. Available, EOY.....	-775,693	-722,062	-522,062	-422,062	+100,000
Total Obligations.....	267,041	123,712	200,000	100,000	-100,000

***Table FSA-55. Project Statement Obligations (thousands of dollars)***

<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>	<b>Inc./ Dec.</b>
<b>Discretionary Obligations:</b>					
Emergency Conservation Program Regular..	\$10,350	\$18,932	\$30,607	\$15,303	-\$15,303
Emergency Conservation Program Stafford.	3,717	338	546	273	-273
Subtotal Disc oblig.....	14,067	19,270	31,153	15,577	-15,577
<b>Supplemental Obligations:</b>					
ECP- PL 114-254 .....	2,686	5,491	8,877	4,439	-4,439
ECP- PL 115-123.....	124,255	19,520	31,557	15,779	-15,779
ECP- PL 116-20.....	126,033	79,431	128,413	64,206	-64,206
Subtotal Supp Oblig.....	252,974	104,442	168,847	84,423	-84,423
Total Obligations.....	267,041	123,712	200,000	100,000	-100,000
Balances Available, EOY.....	775,693	722,062	522,062	422,062	-100,000
Total Bal. Available, EOY.....	775,693	722,062	522,062	422,062	-100,000
Total Available.....	1,042,734	845,774	722,062	522,062	-200,000
Recoveries, Other .....	-50,253	-70,081	-	-	-
Bal. Available, SOY.....	-992,481	-775,693	-722,062	-522,062	+200,000
Total Appropriation .....	-	-	-	-	-

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTES**

***Table FSA-56. Geographic Breakdown of Obligations (thousands of dollars)***

<b>State/Territory/Country</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>
Alabama.....	\$1,555	\$4,932	\$7,973	\$3,987
Arizona.....	421	23	37	19
Arkansas.....	8,181	1,816	2,936	1,468
California.....	4,845	13,516	21,851	10,925
Colorado.....	302	97	157	78
Delaware.....	12	-	-	-
Florida.....	31,515	9,735	15,738	7,869

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<b>State/Territory/Country</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>
Georgia.....	34,099	6,545	10,581	5,291
Hawaii.....	242	72	116	58
Idaho.....	227	183	296	148
Illinois.....	582	125	202	101
Iowa.....	9,247	3,425	5,537	2,769
Kansas.....	1,201	2,530	4,090	2,045
Kentucky.....	280	277	448	224
Louisiana.....	21	13,513	21,846	10,923
Maine.....	18	382	618	309
Maryland.....	131	-	-	-
Massachusetts.....	-	9	15	7
Michigan.....	34	707	1,143	571
Mississippi.....	2,433	764	1,235	618
Missouri.....	20,699	2,439	3,943	1,972
Montana.....	267	7,892	12,759	6,379
Nebraska.....	41,746	6,908	11,168	5,584
Nevada.....	839	178	288	144
New Hampshire.....	47	203	328	164
New Jersey.....	-	5	8	4
New Mexico.....	616	-	-	-
New York.....	19	-	-	-
North Carolina.....	20,229	456	737	369
North Dakota.....	-	91	147	74
Ohio.....	543	1,076	1,740	870
Oklahoma.....	4,676	1,844	2,981	1,491
Oregon.....	9,149	9,954	16,092	8,046
Pennsylvania.....	3	19	31	15
Puerto Rico.....	625	1,834	2,965	1,482
South Carolina.....	3,291	372	601	301
South Dakota.....	3,207	11,136	18,003	9,002
Tennessee.....	3,123	2,787	4,506	2,253
Texas.....	2,964	1,100	1,778	889
Utah.....	500	726	1,174	587
Vermont.....	126	10	16	8
Virgin Islands.....	681	44	71	36
Virginia.....	1,183	1	2	1
Washington.....	57	13,054	21,104	10,552
West Virginia.....	148	103	167	83
Wisconsin.....	720	83	134	67
Wyoming.....	433	2,746	4,439	2,220
KCMO-DMD.....	55,804	-	-	-
Obligations.....	267,041	123,712	200,000	100,000
Bal. Available, EOY....	775,693	722,062	522,062	422,062
<b>Total, Available.....</b>	<b>1,042,734</b>	<b>845,774</b>	<b>722,062</b>	<b>522,062</b>

**CLASSIFICATION BY OBJECTS**

*Table FSA-57. Classification by Objects (in thousands)*

<b>Item No.</b>	<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>
41.0	Grants, subsidies, and contributions...	\$267,041	\$123,712	\$200,000	\$100,000
	Total, Other Objects.....	267,041	123,712	200,000	100,000
99.9	Total, New Obligations .....	267,041	123,712	200,000	100,000

**STATUS OF PROGRAMS**

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 are 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 2021:

Number of ECP payments.....	10,621
Amount of ECP payments issued.....	\$ 92,047,007

***Current Activities***

During FY 2021, 37 states and 1 territory participated in the Emergency Conservation Program (ECP), with new or continued activity from the previous year, involving approximately \$94 million in cost-share and technical assistance funds outlays.

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 2021, ECP allocated \$28,272 in Stafford Act funds and \$140 million in unrestricted funds, totaling \$140.4 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.



**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

***Selected Examples of Recent Activity***

The following tables show (46) appropriations and outlays for 1981 through 2021 and (47) FY 2021 allocations by State.

***Table FSA-58. Emergency Conservation Program Historical Appropriation and Outlays (millions of dollars)***

<b>Fiscal Year</b>	<b>Title of Act/Law</b>	<b>Public Law</b>	<b>Approps.</b>	<b>Transf.</b>	<b>Allocated</b>	<b>Outlays</b>	<b>Notes</b>
1981-2010...			\$1,131.86	-	-	\$926.92	
2006.....	Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006	P.L. 109-148 Sec 101	199.8	-	-	-	
2006.....	Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.	P.L. 109-234 Sec 2104	-	-\$8.0	-	-	Transferred to NOAA
2007.....	U.S. Troop Readiness Veterans Care, Katrina Recovery and Iraq Accountability Appropriations Act, 2007	P.L. 110-28	16.0	-	-	-	
2008.....	Making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2008, and for other purposes.	P.L. 110-252	89.4	-	-	-	Multiple disasters throughout the nation, and much of this funding addressed damage from the 2008 Midwest Floods.
2009.....	Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009.	P.L. 110-329	115.0	-	-	-	Multiple disasters throughout the nation: Hurricanes Ike and Gustav and damage from the 2008 Midwest Floods.
2009.....	Supplemental Appropriations Act, 2009.	P.L. 111-32	-	66.3	-	-	Internally re-allotted from Hurricane Katrina and Adjusted Gross Income accounts into the regular ECP account to be used for any natural disaster
2010.....			-	-	\$53.3	-	
2011.....			-	-	28.0	35.1	
2012.....	Consolidated and Further Continuing Appropriations Act, 2012	P.L. 112-55 Sec. 735	122.7	-	148.9	56.1	
2012.....			-	14.0	-	-	Under the authority of 7 U.S.C. 2257, transfer from FSA/ELAP to ECP.
2013.....	Making supplemental appropriations for the fiscal year ending September 30, 2013, to improve and streamline disaster assistance for Hurricane Sandy, and for other purposes.	P.L. 113-2	15.0	-	-	-	Funding authorized for Super Storm Sandy under the Robert T. Stafford Disaster Relief and Emergency Assistance Act
2013.....	Consolidated and Further Continuing Appropriations Act of 2013.	P.L. 113-6	11.1	-	-	-	
2013.....	Continuing Appropriations Act, 2015		25.0	-	-	41.1	
2014.....			-	-	-	22.9	

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2015.....	Consolidated and Further Continuing Appropriations Act, 2015 Section 743	P.L. 113-235	9.2	-	-	23.9	Pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.
2016.....	Consolidated Appropriations Act, 2016	P.L. 114-113	108.0	-	-	28.2	\$91 million pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act. \$17 million unrestricted
2017.....	Further Continuing and Security Assistance Appropriations Act, 2017	P.L. 114-254	102.9	-	-	-	
2017.....	Consolidated Appropriations Act 2017	P.L. 115-31	28.7	-	-	57.1	Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).
2018.....	Bipartisan Budget Act of 2018	P.L. 115-123	400.0	-	-	97.3	Hurricanes Harvey, Irma, and Maria and of wildfires
2019.....	Additional Supplemental Appropriations for Disaster Relief Act, 2019	P.L. 116-20	558.0	-	-	74.6	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
2020.....			-	-	-	125.8	
2021.....			-	-	-	94.2	
TOTAL.....			2,486.38	42.31	230.20	1,583.27	

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**Table FSA-59. Emergency Conservation Program Allocations by State (disaster, thousands of dollars)**

State	FY 2020		FY 2021	
	Disasters		Disasters	
Alabama.....	Flooding, Hurricane, Severe Storms, Tornado	\$676	Flooding, Hurricane, Severe Storms, Tornado	\$4,785
Arkansas.....	Flooding, Severe Storms, Tornado	10,180	Flooding, Severe Storms, Tornado	868
Arizona.....	Drought	458	Wildfires	9
California.....	Drought, Flooding, Wildfires	1,875	Flooding, Wildfires	24,950
Colorado.....	Flooding, Wildfire	403	Flooding, Wildfire	62
Delaware.....	Tornado	12		-
Florida.....	Hurricane, Tornado	3,844	Hurricane, Tornado	532
Georgia.....	Flooding, Hurricane, Severe Storm, Tornado	731	Flooding, Tornado	321
Hawaii.....	Drought, Flooding	90	Flooding	41
Idaho.....	Flooding	146	Drought	650
Iowa.....	Flooding	11,641	Flooding, Severe Storms	2,796
Illinois.....	Flooding	1,206		-
Kentucky.....	Flooding, Severe Storms, Tornado	351	Flooding, Severe Storms, Tornado	312
Kansas.....	Flooding, Tornado, Wildfire	18,720	Flooding, Tornado, Wildfire	1,130
Louisiana.....	Flooding, Tornado	69	Hurricane, Tornado	17,013
Maryland.....	Flooding	216		-
Michigan.....	Flooding	5,459		-
Maine.....	Flooding, Severe Storms	20	Drought, Severe Storms	476
Montana.....	Flooding, Tornado	46,933	Flooding, Tornado	872
Mississippi.....	Flooding, Severe Storms, Tornado	2,637	Flooding, Hurricanes, Severe Storms, Tornado	1,062
Montana.....	Flooding, Wildfire	326	Drought, Flooding, Wildfire	9,195
North Carolina.....	Flooding, Hurricane, Severe Storm, Tornado	1,829	Hurricane, Severe Storm, Tornado	226
North Dakota.....		-	Drought	84
Nebraska.....		-	Hurricane	212
New Hampshire.....	Severe Storm	150	Drought, Severe Storm	226
New Jersey.....		-	Hurricane	6
Nevada.....	Flooding, Wildfires	175	Drought, Flooding, Wildfire	1,254
Ohio.....	Flooding	449	Flooding, Severe Storms	759
Oklahoma.....	Flooding, Severe Storms, Tornado, Wildfire	7,318	Flooding, Severe Storms, Tornado, Wildfire	1,226
Oregon.....	Flooding, Severe Storms, Tornado, Wildfire	16,540	Drought, Flooding, Severe Storms, Wildfire	16,135
Pennsylvania.....	Flooding	394		-
Puerto Rico.....		-	Hurricane	8,339
South Carolina.....	Flooding, Hurricane, Tornado, Severe Storms	3,803	Flooding, Tornado	651
South Dakota.....	Flooding	2,215	Drought, Flooding, Wildfires	19,488
Tennessee.....	Flooding, Severe Storms, Tornado	3,405	Severe Storms, Tornado	2,824
Texas.....	Wildfire	557	Severe Storms, Tornado	944
Utah.....	Flooding, Wildfire	778	Flooding, Wildfire	495
Virginia.....	Flooding, Tornado	5	Severe Storms	294
Vermont.....	Flooding, Severe Storms	260	Flooding, Severe Storms	18
Washington.....	Flooding, Wildfire	303	Drought, Flooding, Wildfire	15,677
West Virginia.....	Flooding	173	Severe Storms	2,064
Wyoming.....	Flooding	33	Drought, Flooding, Wildfire	4,391
Total.....		144,380		140,386

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**ACCOUNT 7: USDA SUPPLEMENTAL ASSISTANCE PROGRAM**

**APPROPRIATIONS LANGUAGE**

1 The 2014 Farm Bill re-authorized the Reimbursement Transportation Cost Payment Program for  
 2 Geographically Disadvantaged Farmers and Ranchers (RTCP). The Further Consolidated Appropriations Act,  
 3 2021 authorized \$2 million for fiscal year 2021 to reimburse geographically disadvantaged producers with a  
 4 portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity  
 5 for each succeeding fiscal year subject to appropriate funding.

**PROJECT STATEMENT**

***Table FSA-60. Project Statement Appropriations (thousands of dollars)***

<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>	<b>Inc./ Dec.</b>
<b>USDA Supplemental Assistance:</b>					
(Geographically Disadvantaged Farmer and Ranchers)...	\$2,000	\$2,000	-	-	-
Total Appropriation.....	2,000	2,000	-	-	-
Bal. Available, SOY.....	4,454	4,454	\$4,454	\$2,454	-\$2,000
Total Available.....	6,454	6,454	4,454	2,454	-2,000
Bal. Available, EOY.....	-4,454	-4,454	-2,454	-	+2,454
Total Obligations.....	2,000	2,000	2,000	2,454	+454

***Table FSA-61. Project Statement Obligations (thousands of dollars)***

<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>	<b>Inc./ Dec.</b>
<b>USDA Supplemental Assistance:</b>					
(Geographically Disadvantaged Farmer and Ranchers)...	\$2,000	\$2,000	\$2,000	\$2,454	+\$454
Total Obligations.....	2,000	2,000	2,000	2,454	+454
Bal. Available, EOY.....	4,454	4,454	2,454	-	-2,454
Total Bal. Available, EOY.....	4,454	4,454	2,454	-	-2,454
Total Available.....	6,454	6,454	4,454	2,454	-2,000
<b>Less:</b>					
Bal. Available, SOY.....	-4,454	-4,454	-4,454	-2,454	-
Total Appropriation.....	2,000	2,000	-	-	-2,000

**CLASSIFICATION BY OBJECTS**

***Table FSA-62. Classification by Objects (in thousands)***

<b>Item No.</b>	<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>
41.0	Grants, subsidies, and contributions....	\$2,000	\$2,000	\$2,000	\$2,454
	Total, Other Objects.....	2,000	2,000	2,000	2,454
99.9	Total, New obligations.....	2,000	2,000	2,000	2,454

**STATUS OF PROGRAMS**

***Current Activities***

The purpose of the 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.

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 2021 began on July 12, 2021, and ended on September 3, 2021. Since RTCP benefits are based on transportation costs incurred during a fiscal year, producers will have until November 1, 2021, to provide supporting documentation of their actual transportation costs to replace any certified amounts for Fiscal Year 2021.

ACCOUNT 8: EMERGENCY FOREST RESTORATION PROGRAM

**APPROPRIATIONS LANGUAGE**

1 The Emergency Forest Restoration Program (EFRP) provides payments to eligible owners of non-industrial  
 2 private forest land for implementation of emergency measures to restore forests and forest resources damaged  
 3 by a natural disaster. EFRP was created under the Food, Conservation, and Energy Act of 2008 section 8203  
 4 (P.L. 110-246) and codified at 16 U.S.C. Sections 2206. The program is permanently authorized, subject to  
 5 appropriations. Authorized funding is for “such funds as may be necessary,” and once appropriated, funds are  
 6 typically available until expended.

**PROJECT STATEMENT**

*Table FSA-63. Project Statement Appropriations (thousands of dollars)*

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated	Inc./ Dec.
<b>Discretionary Appropriations:</b>					
Emergency Forest Restoration Program PL 116-20	-	-	-	-	-
Total Appropriation.....	-	-	-	-	-
Recoveries, Other .....	\$5,270	\$7,565	-	-	-
Bal. Available, SOY.....	532,600	469,811	\$416,544	\$316,544	-\$100,000
Total Available.....	537,870	477,376	416,544	316,544	-100,000
Bal. Available, EOY.....	-469,811	-416,544	-316,544	-216,544	+100,000
Total Obligations.....	68,059	60,832	100,000	100,000	-

*Table FSA-64. Project Statement Obligations (in thousands)*

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated	Inc./ Dec.
<b>Discretionary Obligations:</b>					
EFRP Stafford.....	\$2,750	\$1,271	\$2,089	\$2,089	-
EFRP Regular.....	1,348	55	90	90	-
EFRP PL 116-20.....	63,961	59,506	97,820	97,820	-
Total Obligations.....	68,059	60,832	100,000	100,000	-
<b>Add back:</b>					
Balances Available, EOY.....	469,811	416,544	316,544	216,544	+\$100,000
Total Available.....	537,870	-	-	-	-
Less.....	-	477,376	-	-	-
Recoveries, Other.....	-5,270	-7,565	-	-	-
Bal. Available, SOY.....	532,600	-469,811	-416,544	-316,544	+100,000
Total Appropriation.....	-	-	-	-	-

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

*Table FSA-65. Account 8: Geographic Breakdown of Obligations (thousands of dollars)*

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimate	2023 Budget
Alabama.....	\$2,622	\$1,388	\$2,282	\$2,282
Florida.....	14,882	26,740	43,957	43,957
Georgia.....	4,303	5,367	8,823	8,823
Iowa.....	-	6,081	9,996	9,996
Louisiana.....	-	331	544	544
Maine.....	-	3	5	5
Michigan.....	749	-	-	-
Mississippi.....	984	2,742	4,507	4,507
Montana.....	24	1,406	2,311	2,311
North Carolina.....	191	-	-	-
Oregon.....	5,628	16,314	26,818	26,818
South Carolina.....	273	460	756	756
Washington.....	2	-	-	-
KCMO-DMD.....	38,401	-	-	-
Obligations.....	68,059	60,832	100,000	100,000
Bal. Available, EOY.....	469,811	416,544	316,544	216,544
Total, Available.....	537,870	477,376	416,544	316,544

**CLASSIFICATION BY OBJECTS**

*Table FSA-66. Account 8: Classification by Objects (thousands of dollars)*

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
41.0	Grants, subsidies, and contributions.....	\$68,059	\$60,832	\$100,000	\$100,000
	Total, Other Objects.....	68,059	60,832	100,000	100,000
99.9	Total, New Obligations.....	68,059	60,832	100,000	100,000

**STATUS OF PROGRAMS**

***Current Activities***

The Emergency Forest Restoration Program (EFRP) provides payments to eligible owners of non-industrial private forest land for implementation of emergency measures to restore forests and forest resources damaged by natural disasters. During FY 2021, 10 States participated in EFRP with new or continued activity from the previous year. In FY 2021, \$ 5.4 million was outlayed, which includes prior year unobligated balances brought forward.

EFRP activity in FY 2021:

Number of Applications.....	303
Amount of EFRP payments.....	\$5,456,333

***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. During FY 2021, EFRP allocated \$777,748 in Stafford Act funds and \$56 million in unrestricted funds, totaling \$56.9 million to 10 States to assist private forest landowners impacted by natural disasters.

The following tables show (58) appropriations and outlays for 2010 through 2021 and (59) FY 2021 allocations by State.

***Table FSA-67. Emergency Forest Restoration Program. Appropriations and Outlays (thousands of dollars)***

Fiscal Year	Approps.	Outlays	Funding Source
2010.....	\$18,000		Supplemental Appropriations Act, 2010. P.L. 111-212
2011.....	-	\$233	
2012.....	28,400	1,991	Consolidated and Further Continuing Appropriations Act, 2012 P.L. 112-55

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

<b>Fiscal Year</b>	<b>Approps.</b>	<b>Outlays</b>	<b>Funding Source</b>
2013.....	37,200	5,452	Disaster Relief Appropriations Act of 2013, P.L. 113-2 (\$23m); Consolidated and Further Continuing Appropriations Act of 2013, 113-6 (\$14.2m)
2014.....	-	1,982	
2015.....	3,203	4,391	Consolidated and Further Continuing Appropriations Act, 2015 P.L. 113-235
2016.....	6,000	4,720	Consolidated Appropriations Act, 2016 P.L. 114-113 (\$6m)
2017.....	-	2,262	
2018.....	-	2,211	
2019.....	480,000	1,138	Supplemental Appropriations for Disaster Relief Act, 2019 P.L. 116-20
2020.....	-	3,447	
2021.....	-	5,456	
<b>Total</b>	<b>572,803</b>	<b>33,284</b>	

**Table FSA-68. Emergency Forest Restoration Program. Allocation by State (thousands of dollars)**

<b>State</b>	<b>Disasters</b>	<b>Allocations</b>
Alabama.....	Hurricane, Tornado	\$1,004
California.....	Wildfire	2,445
Georgia.....	Hurricane, Sever Storm, Tornado	6,282
Iowa.....	Severe Storm	7,012
Louisiana.....	Hurricane	3,624
Maine.....	Severe Storms	4
Montana.....	Wildfire	1,418
Mississippi.....	Sever Storm, Tornado	3,491
Oregon.....	Drought, Wildfire	31,423
South Carolina.....	Severe Storms, Tornado	244
<b>Total Allocations.....</b>		<b>56,948</b>

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**ACCOUNT 9: PIMA AGRICULTURE TRUST FUND**

**APPROPRIATIONS LANGUAGE**

The Pima Agriculture Cotton Trust Fund was authorized under Section 12314 of the Agricultural Act of 2014 (the 2014 Farm Bill) and reauthorized under Section 12602 of the Agriculture Improvement Act of 2018 (the 2018 Farm Bill) to reduce the economic injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric.

**LEAD-OFF TABULAR STATEMENT**

*Table FSA-69. Lead-Off Tabular Statement (In dollars)*

<b>Item</b>	<b>Amount</b>
Estimate, 2022	\$16,000,000
Change in Appropriation	-
Budget Estimate, 2023	<u>16,000,000</u>

**PROJECT STATEMENT**

*Table FSA-70. Project Statement Appropriations (thousands of dollars)*

<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>	<b>Inc./ Dec.</b>
<b>Mandatory Appropriations:</b>					
Pima Agriculture Cotton.....	\$16,000	\$16,000	\$16,000	\$16,000	-
Total Adjusted Approp.....	16,000	16,000	16,000	16,000	-
Sequestration.....	-944	-912	-912	-912	-
Total Appropriation.....	<u>15,056</u>	<u>15,088</u>	<u>15,088</u>	<u>15,088</u>	-
Bal. Available, SOY.....	6	62	100	-	-\$100
Total Available.....	<u>15,062</u>	<u>15,150</u>	<u>15,188</u>	<u>15,088</u>	-100
Bal. Available, EOY.....	-62	-100	-	-	-
Total Obligations.....	<u>15,000</u>	<u>15,050</u>	<u>15,188</u>	<u>15,088</u>	-100

*Table FSA-71. Account 9. Project Statement Obligations (thousands of dollars)*

<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>	<b>Inc./ Dec.</b>
<b>Mandatory Appropriations:</b>					
Pima Agriculture Cotton.....	\$15,056	\$15,050	\$15,188	\$15,088	-\$100
Bal. Available, EOY.....	6	100	-	-	-
Total Obligations.....	<u>15,062</u>	<u>15,150</u>	<u>15,188</u>	<u>15,088</u>	-100
Sequestration.....	944	912	912	912	-
Bal. Available, SOY.....	-6	-62	-100	-	-
Total Available.....	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	-100
Bal. Available, EOY.....	-6	-100	-	-	-
Total Appropriation.....	<u>15,056</u>	<u>15,088</u>	<u>16,000</u>	<u>16,000</u>	-



**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

*Table FSA-72. Geographic Breakdown of Obligations (thousands of dollars)*

State/Territory/Country	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Distribution Unknown.....	\$15,056	\$15,050	\$15,188	\$15,088
Obligations.....	15,056	15,050	15,188	15,088
Lapsing Balances.....	-	-	-	-
Rescinded Balances.....	-	-	-	-
Bal. Available, EOY.....	6	100	-	-
Total, Available.....	<u>15,062</u>	<u>15,150</u>	<u>15,188</u>	<u>15,088</u>

**CLASSIFICATION BY OBJECTS**

*Table FSA-73. Classification by Objects (thousands of dollars)*

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
41.0	Grants, subsidies, and contributions.....	\$15,056	\$15,050	\$15,188	\$15,088
	Total, Other Objects.....	<u>15,056</u>	<u>15,050</u>	<u>15,188</u>	<u>15,088</u>
99.9	Total, New Obligations.....	<u>15,056</u>	<u>15,050</u>	<u>15,188</u>	<u>15,088</u>

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**ACCOUNT 10: AGRICULTURAL WOOL MANUFACTURES TRUST FUND**

**APPROPRIATIONS LANGUAGE**

1 The Agriculture Wool Apparel Manufacturers Trust Fund was authorized under Section 12315 of  
 2 the Agricultural Act of 2014 (the 2014 Farm Bill) and reauthorized under Section 12603 of the Agriculture  
 3 Improvement Act of 2018 (the 2018 Farm Bill) to reduce the economic injury to domestic manufacturers  
 4 resulting from tariffs on wool fabric that are higher than tariffs on certain apparel articles made of wool  
 5 fabric.

**LEAD-OFF TABULAR STATEMENT**

*Table FSA-74. Lead-Off Tabular Statement (In dollars)*

Item	Amount
Estimate, 2022	\$30,000,000
Change in Appropriation	-
Budget Estimate, 2023	<u>30,000,000</u>

**PROJECT STATEMENT**

*Table FSA-75. Project Statement Appropriations (thousands of dollars)*

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated	Inc./ Dec.
<b>Mandatory Appropriations:</b>					
Agricultural Wool Manufacturing Trust.....	\$30,000	\$30,000	\$30,000	\$30,000	-
Sequestration.....	-1,770	-1,710	-1,710	-1,710	-
Total Appropriation.....	28,230	28,290	28,290	28,290	-
Recoveries, Other .....	-	-	-	-	-
Bal. Available, SOY.....	16,619	18,355	26,641	16,000	-\$10,641
Total Available.....	44,849	46,645	54,931	44,290	-10,641
Lapsing Balances.....	-	-	-	-	-
Rescinded Balances.....	-	-	-	-	-
Bal. Available, EOY.....	-18,355	-26,641	-16,000	-5,000	+11,000
Total Obligations.....	<u>26,494</u>	<u>20,004</u>	<u>38,931</u>	<u>39,290</u>	<u>+359</u>

*Table FSA-76. Project Statement Obligation (thousands of dollars)*

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated	Inc./ Dec.
<b>Mandatory Obligations:</b>					
Agricultural Wool Manufacturing Trust.....	\$26,494	\$20,004	\$38,931	\$39,290	+\$359
Total Obligations.....	26,494	20,004	38,931	39,290	+359
<b>Add back:</b>					
Balances Available, EOY.....	18,355	26,641	16,000	5,000	-11,000
Total Available.....	44,849	46,645	54,931	44,290	-10,641
<b>Less:</b>					
Sequestration.....	1,770	1,710	1,710	1,710	-
Recoveries, Other.....	-	-	-	-	-
Bal. Available, SOY.....	-16,619	-18,355	-26,641	-16,000	+10,641
Total Appropriation.....	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>

**CLASSIFICATION BY OBJECTS**

*Table FSA-77. Classification by Objects (thousands of dollars)*

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
41.0	Grants, subsidies, and contributions..	\$26,494	\$20,004	\$38,931	\$39,290
	Total, Other Objects.....	26,494	20,004	38,931	39,290
99.9	Total, New Obligations.....	<u>26,494</u>	<u>20,004</u>	<u>38,931</u>	<u>39,290</u>

**2023 USDA EXPLANATORY NOTES - FARM SERVICE AGENCY**

**ACCOUNT 11: ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS**

**PROJECT STATEMENT**

***Table FSA-78. Project Statement Appropriations (thousands of dollars)***

<b>Item</b>	<b>2020 Actual</b>	<b>FTE</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>	<b>PL Inc./ Dec.</b>
<b>Mandatory Appropriations:</b>						
Payments to SDA Borrowers Direct Farm Loans.....	-	-	\$1,935,065	\$1,565,000	-	-\$1,565,000
Payments to SDA Borrowers Guaranteed Farm Loans.....	-	-	-	2,750,000	-	-2,750,000
Payments to SDA Borrowers Farm Storage Facility Loans..	-	-	24,935	26,000	-	-26,000
Subtotal.....	-	-	1,960,000	4,341,000	-	-4,341,000
Total Adjusted Approp.....	-	-	1,960,000	4,341,000	-	-4,341,000
Total Appropriation.....	-	-	1,960,000	4,341,000	-	-4,341,000
Total Available.....	-	-	1,960,000	4,341,000	-	-4,341,000
Total Obligations.....	-	-	1,960,000	4,341,000	-	-4,341,000

***Table FSA-79. Project Statement Obligations (thousands of dollars)***

<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>	<b>PL Inc./ Dec.</b>
<b>Mandatory Obligations:</b>					
Payments to SDA Borrowers Direct Farm Loans.....	-	\$1,935,065	\$1,565,000	-	-\$1,565,000
Payments to SDA Borrowers Guaranteed Farm Loans.....	-	-	2,750,000	-	-2,750,000
Payments to SDA Borrowers Farm Storage Facility Loans.....	-	24,935	26,000	-	-26,000
Subtotal Mand Oblig.....	-	1,960,000	4,341,000	-	-4,341,000
Total Obligations.....	-	1,960,000	4,341,000	-	-4,341,000
Total Available.....	-	1,960,000	4,341,000	-	-4,341,000

**JUSTIFICATION**

These funds were provided by the American Rescue Plan Act of 2021. No additional funds are requested.

**CLASSIFICATION BY OBJECTS**

***Table FSA-80. Account 11. Classification by Objects (thousands of dollars)***

<b>Item No.</b>	<b>Item</b>	<b>2020 Actual</b>	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>
41.0	Grants, subsidies, and contributions...	-	\$1,960,000	\$4,341,000	-
	Total, Other Objects.....	-	1,960,000	4,341,000	-
99.9	Total, new obligations.....	-	1,960,000	4,341,000	-

**SUMMARY OF PERFORMANCE**

**Introduction**

The Farm Production and Conservation (FPAC) mission area is USDA’s focal point for the nation’s farmers and ranchers and other stewards of private agricultural lands and non-industrial private forest lands. FPAC agencies implement programs designed to mitigate the significant risks of farming through crop insurance services, conservation programs and technical assistance, and commodity, lending, and disaster programs. These agencies include the Farm Service Agency, the Natural Resources Conservation Service, the Risk Management Agency, and the FPAC Business Center (FPAC BC),

FPAC BC’s Performance, Accountability, and Risk (PAR) division leads the mission area in Strategic Planning, Performance Management, Evidence and Evaluation, and Enterprise Risk Management (ERM). PAR works closely with each of the FPAC agencies to develop performance related practices and products. This office frequently works directly with USDA leadership and represents FPAC on the Department’s Performance, Evaluation, Evidence Committee and the ERM Committee, which are facilitated by the USDA Office of Budget and Program Analysis. FPAC’s Enterprise Risk and Strategy Committee, comprised of executives from each of the FPAC agencies, oversees and provides accountability for performance functions across the mission area.

**Alignment to USDA 2022 – 2026 Strategic Plan**

USDA Strategic Goal 1: Combat Climate Change to Support America’s Working Lands, Natural Resources, and Communities

- Objective 1.1: Use Climate-Smart Management and Sound Science to Enhance the Health and Productivity of Agricultural Lands
- Objective 1.3: Restore, Protect, and Conserve Watersheds to Ensure Clean, Abundant, and Continuous Provision of Water Resources

USDA Strategic Goal 3: Foster an Equitable and Competitive Marketplace for All Agricultural Producers

- Objective 3.1: Foster Sustainable Economic Growth by Promoting Innovation, Building Resiliency to Climate Change, and Expanding Renewable Energy

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

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

**SUMMARY OF PERFORMANCE**

The following table summarizes the targets for the Departmental Key Performance Indicator (KPI) for which FSA is responsible.

Objective 3.1: Foster Sustainable Economic Growth by Promoting Innovation, Building Resiliency to Climate Change, and Expanding Renewable Energy

**Table FSA-81. KPI Beginning Farmer**

Strategic Objective 3.1		Baseline	2022	2023
<b>Beginning Farmer</b>	Results	59.9	-	-
<b>Percentage of direct and guaranteed loan borrowers who are beginning farmers</b>	Target	-	59.9	59.9

**Table FSA-82. KPI First Installment Delinquency Rate**

Strategic Objective 3.1		Baseline	2022	2023
<b>First Installment Delinquency Rate</b>	Results	9	-	-
<b>First installment delinquency rate on direct loans (percent)</b>	Target	-	9	9

**Table FSA-83. KPI Direct Loans**

Strategic Objective 3.1		Baseline	2022	2023
<b>Direct Loans</b>	Results	7	-	-
<b>Direct loan delinquency rate (percent)</b>	Target	-	7	7

**Expected Performance Progress Towards the Achievement of Strategic Objective:**

Beginning Farmer

- This KPI is supported by statutory requirements to target direct and guaranteed loan funds to beginning farmers, plus outreach and technical assistance. This includes loan products such as the Down Payment Program that provides the borrower with joint financing from FSA and a commercial lender at favorable rates and terms. FSA is collaborating with public and private lenders in the Beginning Farmer and Rancher Lending Summit to develop policy and process innovations that aligns with producer needs. FSA is expanding economic development for all borrowers, their families, and their communities.

First Installment Delinquency Rate

- This KPI is a measure of a loan officer's assessment of a loan applicant's credit worthiness, allowing exceptions that a borrower make their first loan payment timely. FSA has included training into the Credit Quality Reviews of Loan Officers to foster continued development. Developing stronger relationships with borrowers will allow loan officials to determine if servicing options can be applied prior to a delinquency. In addition to training via Credit Quality Review, the National Office has instituted oversight and monitoring of compliance with underwriting requirements that measure repayment ability.

Direct Loans

- FSA provides farm and office visits with customers to foster relationship building and provide technical assistance. This includes a year-end analysis with borrowers to review their financial circumstances, future credit needs, and to discuss any financial distress the borrower may be experiencing. Farm Loan Officers encourage customers to talk about financial stresses as soon as possible; the sooner such conversations occur, the more options are generally available. Prudent, fewer social distancing requirements due to the COVID-19 pandemic will allow FSA more frequent contact with customers.

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

**Table FSA-84. KPI Loan Process Time**

Strategic Objective 6.2		Baseline	2022	2023
Loan Process Time	Results	32	-	-
Average number of days to process direct loans	Target		34	33

**Expected Performance Progress Towards the Achievement of Strategic Objective:**

**Loan Processing Time**

- FSA is reimagining how loan application materials are presented to potential applicants and is developing an interactive tool in plain language that will inform and standardize every step in the loan underwriting process, which will provide more transparency to the loan application review process and result in fewer incomplete applications. FSA's Business Process Reengineering and IT Modernization Initiative, implemented in 2022, will reduce manual and paper-based processes, with efforts to develop interactive online applications and online loan repayment prototypes. As part of this initiative, FSA is evaluating expanding its 2019-2020 project that deployed three bots to pre-fill correspondence to customers, which has freed time for loan officials to spend with customers and on more value-added analysis. Hiring and retention policies and practices are being studied, including the use of retention incentives to keep more experienced Loan Officers to assist with the workload and train less experienced staff members.

FSA

Conservation Reserve Program (CRP)

Objective 1.1: Use Climate-Smart Management and Sound Science to Enhance the Health and Productivity of Agricultural Lands

**Table FSA-85. KPI Conservation Reserve Program Enrollment**

Strategic Objective 1.1		Baseline	2022	2023
Conservation Reserve Program (CRP) Enrollment	Results	1.46	-	-
Acreage enrolled in CRP riparian and grass buffers (Millions of Acres)	Target	-	1.56	1.61

**Expected Performance Progress Towards the Achievement of Strategic Objective:**

**CRP Riparian Acres**

- 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.

Objective 1.3: Restore, Protect, and Conserve Watersheds to Ensure Clean, Abundant, and Continuous Provision of Water Resources

**Table FSA-86. KPI Grassed Waterways Acres**

Strategic Objective 1.3		Baseline	2022	2023
Grassed Waterways Acres	Results	.11	-	-
Total national acres in grassed waterways (Millions of Acres)	Target	-	.11	.12

**Table FSA-87. KPI Contour Grass Strips Acres**

Strategic Objective 1.3		Baseline	2022	2023
Contour Grass Strips Acres	Results	.06	-	-
Total national acres in contour grass strips, contour grass strips in terraces, and prairie strips (Millions of Acres)	Target	-	.06	.07

*Table FSA-88. KPI Wetland Acreage*

Strategic Objective 1.3		Baseline	20 22	20 23
Wetland Acreage	Results	2.34	-	-
Restored Wetlands Acreage (Millions of Acres)	Target	-	2.64	2.76

**Expected Performance Progress Towards the Achievement of Strategic Objective:**

**Grassed Waterways Acres**

- Grassed waterways acres 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.

**Contour Grass Strips Acres**

- Contour grass strips acres 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.

**Wetland Acreage**

- Wetland acreage 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.