

2024 USDA EXPLANATORY NOTES – FARM SERVICE AGENCY

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PREFACE

This publication summarizes the fiscal year (FY) 2024 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2024 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2021 and 2022, enacted levels for 2023, and the President’s Budget request for 2024. Amounts for 2023 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2023. Amounts shown in 2024 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2021, 2022, 2023 and 2024.

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. Personnel at the Washington headquarters office are responsible for program policy decisions, program design, and program oversight. FSA is part of the Farm Production and Conservation (FPAC) mission area which includes the Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA), and the FPAC Business Center. 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, 2022, was 2,857. FSA’s non-Federal permanent employment in USDA Service Centers was 6,832. The total number of Federal permanent full-time positions in the Washington, DC headquarters office was 113 and the total number Federal and non-Federal permanent full-time positions in the field offices was 9,576. Headquarters total permanent full-time positions was 113 in Washington, DC and 142 in 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. FSA 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. Indian Tribal Land Acquisition Loans are authorized by P.L. 91-229, April 11, 1970, as amended. Highly Fractionated Indian Land Loans were authorized by the 2014 Farm Bill (P.L. 113-79) and additionally, the 2018 Farm Bill authorized the Heir's Property 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 authorized 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 like the Highly Fractionated Indian Land Program); 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 equity and 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, 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 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.

During 2022, \$3.1 billion was appropriated under the Inflation Reduction Act (P.L. 117-169) for assistance to farm loan borrowers with at-risk agricultural operations. The funding is to be used to assist distressed borrowers of direct or guaranteed loans administered by the Farm Service Agency under subtitle A, B, or C of that Act (7 U.S.C. 1922 through 1970).

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 a farm, enlarge an existing farm, construct new farm buildings and/or improve structures, pay closing costs, and promote soil and water conservation and protection.

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 \$2,037,000 (adjusted annually for inflation). Effective with the 2008 Farm Bill (P.L. 110-246), 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 (P.L. 113-79), 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. USDA is submitting a legislative proposal to add the words “to the extent practicable” to the existing legislation. 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.

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 \$2,037,000 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 (while authorized by statute, funding for interest assistance was last appropriated in Fiscal Year 2011).

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 production in a single enterprise that is a basic part of the operation, 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 equal to the direct operating loan interest rate. Loan funds may be used for any authorized farm ownership or operating loan purpose, and for crop and livestock changes necessitated by the disaster.

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 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 or Forestry Service Stewardship Management 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 \$2,037,000 (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. The first intermediary lenders were announced in 2022.

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.

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 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

ID	Date	Title	Result
06403-0004-11	11/15/2021	Commodity Credit Corporation’s Financial Statements for Fiscal Years 2021 and 2020	Six out of seven recommendations have been implemented.
03601-0003-31	3/9/2022	Market Facilitation Program	Management decision was accepted for all recommendations.
50601-0010-31	9/26/2022	Beginning Farmers	Management decision was accepted for all recommendations.

Table FSA-2. In-Progress OIG Reports

ID	Title
06403-0005-11	Commodity Credit Corporation’s Financial Statements for Fiscal Years 2022 and 2021
03702-0003-31	Wildfires and Hurricanes Indemnity Program - Puerto Rico
03801-0001-31	COVID-19: Coronavirus Food Assistance Program - Direct Support
03801-0001-24	Conservation Reserve Program Payment Calculations

Table FSA-3. Completed GAO Reports

ID	Date	Title	Result
GAO-22-104259	1/4/2022	USDA Market Facilitation Program: Oversight of Future Supplemental Assistance to Farmers Could Be Improved	The Department’s statement of action response to GAO was submitted.
GAO22- 104397	9/8/2022	Coronavirus Food Assistance Program: USDA Should Conduct More Rigorous Reviews of Payments to Producers	The Department’s statement of action response to GAO is being prepared.

Table FSA-4. In-Progress GAO Reports

ID	Title
105473	Federal COVID-19 Response to Tribes

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

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE
Discretionary Appropriations:								
Salaries & Expenses	\$1,438,679	8,554	\$1,463,680	8,221	\$1,522,310	9,018	\$1,583,974	9,082
ACIF Program Account:								
Discretionary.....	375,730	-	376,987	-	373,335	-	395,662	-
S&E Transfer	[294,114]	1,964	[294,114]	1,846	[305,803]	1,984	[321,621]	2,021
Subsidy.....	[68,386]	-	[62,215]	-	[46,874]	-	[53,791]	-
Program Cost Loss Expense (PLCE)	[13,230]	-	[20,658]	-	[20,658]	-	[20,250]	-
Mandatory	55,454	-	3,100,000	-	-	-	-	-
State Mediation Grants	6,914	-	7,000	-	7,000	-	7,000	-
Grassroots Source Water Protection Program.....	6,500	-	6,500	-	7,500	-	7,000	-
Geog. Disadvantaged Farmers & Ranchers.....	2,000	-	3,000	-	4,000	-	-	-
Assistance for Soc. Disadvantaged Farmers	-	-	1,960,000	-	-	-	-	-
Total Discretionary Appropriations.....	1,829,823	10,518	3,817,167	10,067	1,914,145	11,002	1,993,636	11,103
Total Mandatory Appropriations.....	55,454	-	3,100,000	-	-	-	-	-
Total Supplemental Appropriations	3,000	-	-	-	-	-	-	-
Total Adjusted Appropriation.....	1,888,277	10,518	6,917,167	10,067	1,914,145	11,002	1,993,636	11,103
Balance Available, SOY.....	49,131	-	56,746	-	73,854	-	-	-
Recoveries, Other	-	-	3,181	-	-	-	-	-
Total Available	1,937,408	10,518	6,977,094	10,067	1,987,999	11,002	1,993,636	11,103
Lapsing Balances	-4,335	-	-26,015	-	-	-	-	-
Rescission, Transfers In and Out.....	-295,755	-1,964	-290,610	-1,846	-307,003	-1,984	-321,621	-2,021
Balance Available, EOY.....	-55,374	-	-67,258	-	-	-	-	-
Total Obligations, FSA.....	1,581,944	8,554	6,593,211	8,221	1,680,996	9,018	1,672,015	9,082
Other Federal Funds:								
Farm Bill	4,303	-	-	-	4,158	-	-	-
Miscellaneous	2,205	-	3,116	-	6,400	-	-	-
Rent Reimbursables	59	-	581	-	-	-	-	-
Total, Other Federal.....	6,567	-	3,697	-	10,558	-	-	-
Non-Federal Funds:								
Loan Service Fee Financing	1,357	28	1,527	29	1,527	30	1,527	30
Producer Measurement Service	1,413	9	1,411	9	1,411	10	1,411	10
Farm Bill	-	-	-	-	-	-	-	-
Miscellaneous	159	-	199	-	193	-	193	-
Rent Reimbursables	635	-	332	-	107	-	107	-
Total, Non-Federal.....	3,564	37	3,469	38	3,238	40	3,238	40
Total Available, FSA	1,592,075	8,591	6,600,377	8,259	1,694,792	9,058	1,675,253	9,122

NOTE: The Non-Federal funds include the items listed on the rows above the non-federal total. The miscellaneous category includes UCC lien searches and filing fees CCC and Audit Detail for Nebraska.

PERMANENT POSITIONS BY GRADE AND FTEs

Table FSA-6. Permanent Positions by Grade and FTEs

Item	2021 Actual			2022 Actual			2023 Estimated			2024 Estimated		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES	4	-	4	6	-	6	7	-	7	7	-	7
GS-15.....	24	1	25	38	1	39	21	1	22	21	1	22
GS-14.....	51	-	51	54	-	54	55	-	55	55	3	58
GS-13.....	89	360	449	113	358	471	105	351	456	118	354	472
GS-12.....	44	793	837	32	782	814	43	977	1,020	43	1,028	1,071
GS-11.....	8	521	529	14	493	507	12	504	516	12	535	547
GS-9.....	17	315	332	5	300	305	20	300	320	20	300	320
GS-8.....	-	33	33	-	30	30	-	32	32	-	32	32
GS-7.....	2	511	513	2	469	471	3	511	514	3	511	514
GS-6.....	1	76	77	-	74	74	1	72	73	1	72	73
GS-5.....	-	95	95	-	68	68	-	93	93	-	93	93
GS-4.....	-	18	18	-	11	11	-	5	5	-	5	5
GS-3.....	-	4	4	-	2	2	-	4	4	-	4	4
GS-2.....	-	2	2	-	5	5	-	-	-	-	-	-
Total Permanent.....	240	2,729	2,969	264	2,593	2,857	267	2,850	3,117	280	2,850	3,218
Unfilled, EOY.....	-	-	148				-	-	-			-
Total Perm. FT EOY	240	2,729	3,117	264	2,593	2,857	267	2,850	3,117	280	2,850	3,218
FTE	227	2,818	3,045	281	2,654	2,935	267	2,850	3,117	280	2,850	3,218

NOTE: In addition to these numbers above, there are temporary positions as well. County staff are not included.

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
2018 End of Year Operating Inventory	300	20	227	40	80	1	0	2	670	\$3,486
2021 End of Year Operating Inventory...	274	20	244	40	61	1	0	1	641	\$3,801
2022 Planned Acquisitions	64	4	39	10	20	0	0	0	137	
2022 Planned Disposals	64	4	39	10	20	0	0	0	137	
2022 End of Year Operating Inventory....	274	20	244	40	61	1	0	1	641	4,018
2023 Planned Acquisitions	35	9	32	8	9	0	0	0	93	
2023 Planned Disposals	35	9	32	8	9	0	0	0	93	
2023 End of Year Operating Inventory....	274	20	244	40	61	1	0	1	641	4,219
2024 Planned Acquisitions	67	4	13	2	15	0	0	0	93	
2024 Planned Disposals	67	4	13	2	15	0	0	0	93	
2024 End of Year Operating Inventory....	274	20	244	40	61	1	0	1	641	4,641

Note: Number of vehicles by type include vehicles owned by the agency and leased from commercial sources or the General Services Administration (GSA).

Note: Annual Operating Costs exclude acquisition costs and gains from the sale of vehicles as shown in the Federal Automotive Statistical Tool.

Statement of Proposed Purchase of Passenger Motor Vehicles

Fiscal Year	Net Active Fleet, SOY	Disposals	Replacements	Additions	Total Acquisitions	Net Active Fleet, EOY
2021	274	57	57	0	0	274
2022	274	26	26	0	0	274
2023	274	35	35	0	0	274
2024	274	67	67	0	0	274

SHARED FUNDING PROJECTS*Table FSA-8. Shared Funding Projects (dollars in thousands)*

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Working Capital Fund:				
Administrative Services:				
AskUSDA Contact Center.....	-	-	\$342	\$359
Material Management Service.....	\$288	\$150	82	85
Mail and Reproduction Services.....	549	556	745	723
Integrated Procurement Systems	290	325	256	261
Personnel and Document Security Program	-	-	535	572
Procurement Operations Services.....	598	1,616	1,788	1,694
Human Resources Enterprise Management Systems	217	249	323	376
Subtotal	1,942	2,896	4,071	4,070
Communications:				
Creative Media & Broadcast Center.....	207	335	396	520
Finance and Management:				
National Finance Center.....	4,241	4,182	4,481	4,636
Financial Management Systems	11,242	11,020	9,950	10,536
Internal Control Support Services	454	443	434	445
Subtotal	15,938	15,645	14,865	15,616
Information Technology:				
Client Experience Center.....	95,631	90,850	72,854	68,254
Department Administration Information Technology Office	301	293	286	290
Digital Infrastructure Services Center	24,832	26,039	22,294	19,322
Enterprise Cybersecurity	-	-	2,840	2,962
Enterprise Data and Analytics Services.....	-	-	5,223	3,312
Enterprise Network Services	12,992	8,964	13,465	17,337
Subtotal	133,756	126,146	116,961	111,477
Office of the Executive Secretariat.....	198	250	328	343
Total, Working Capital Fund.....	152,041	145,272	136,621	132,025
Department-Wide Shared Cost Programs:				
Advisory Committee Liaison Services	2	2	-	-
Agency Partnership Outreach.....	670	681	844	844
Diversity, Equity, Inclusion and Accessibility	-	-	225	225
Honor Awards	1	-	-	-
Human Resources Priority Goals Program	-	-	428	428
Intertribal Technical Assistance Network.....	331	374	373	373
Medical Services	47	32	39	39
Office of Customer Experience	938	940	338	338
Personnel and Document Security Program	349	358	-	-
Physical Security	416	459	478	478
Security Detail.....	448	486	544	544
Security Operations Program.....	629	669	740	740
Talent Group	-	-	379	379
TARGET Center	131	151	206	206
USDA Enterprise Data Analytics Services.....	528	474	-	-
Total, Department-Wide Reimbursable Programs....	4,489	4,628	4,595	4,595
E-Gov:				
Budget Formulation and Execution Line of Business	11	11	13	13
Disaster Assistance Improvement Plan.....	48	60	60	60

2024 USDA EXPLANATORY NOTES – FARM SERVICE AGENCY

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
E-Rulemaking.....	5	13	15	12
Financial Management Line of Business.....	13	13	12	12
Geospatial Line of Business	13	13	12	13
Benefits.gov.....	117	119	109	115
Grants.gov	2	2	2	2
Human Resources Line of Business	30	31	31	31
Integrated Acquisition Environment.....	758	920	877	780
Hiring Assessment.....	-	25	-	-
Total, E-Gov.....	995	1,206	1,131	1,038
Agency Total.....	157,525	151,106	142,347	137,658

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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, [\$1,215,307,000, of which not less than \$15,000,000 shall be
 2 for the hiring of new employees to fill vacancies and anticipated vacancies at Farm Service Agency county offices
 3 and farm loan officers and shall be available until September 30, 2024: Provided, That not more than 50 percent of
 4 the funding made available under this heading for information technology related to farm program delivery may be
 5 obligated until the Secretary submits to the Committees on Appropriations of both Houses of Congress, and receives
 6 written or electronic notification of receipt from such Committees of, a plan for expenditure that (1) identifies for
 7 each project/investment over \$25,000 (a) the functional and performance capabilities to be delivered and the mission
 8 benefits to be realized, (b) the estimated lifecycle cost for the entirety of the project/investment, including estimates
 9 for development as well as maintenance and operations, and (c) key milestones to be met; (2) demonstrates that each
 10 project/investment is, (a) consistent with the Farm Service Agency Information Technology Roadmap, (b) being
 11 managed in accordance with applicable lifecycle management policies and guidance, and (c) subject to the
 12 applicable Department's capital planning and investment control requirements; and (3) has been reviewed by the
 13 Government Accountability Office and approved by the Committees on Appropriations of both Houses of Congress:
 14 Provided further, That the agency shall submit a report by the end of the fourth quarter of fiscal year 2023 to the
 15 Committees on Appropriations and the Government Accountability Office, that identifies for each
 16 project/investment that is operational (a) current performance against key indicators of customer satisfaction, (b)
 17 current performance of service level agreements or other technical metrics, (c) current performance against a pre-
 18 established cost baseline, (d) a detailed breakdown of current and planned spending on operational enhancements or
 19 upgrades, and (e) an assessment of whether the investment continues to meet business needs as intended as well as
 20 alternatives to the investment] \$1,262,353,000: Provided[further], That the Secretary is authorized to use the
 21 services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program
 22 payments for all programs administered by the Agency: Provided further, That other funds made available to the
 23 Agency for authorized activities may be advanced to and merged with this account: Provided further, That of the
 24 amount appropriated under this heading, \$696,594,000 shall be made available to county [committees]offices, to
 25 remain available until expended: Provided further, That, notwithstanding the preceding proviso, any funds made
 26 available to county [committees]offices in the current fiscal year that the Administrator of the Farm Service Agency
 27 deems to exceed or not meet the amount needed for the county [committees]offices may be transferred to or from
 28 the Farm Service Agency for necessary expenses[: Provided further, That none of the funds available to the Farm
 29 Service Agency shall be used to close Farm Service Agency county offices: Provided further, That none of the funds
 30 available to the Farm Service Agency shall be used to permanently relocate county based employees that would
 31 result in an office with two or fewer employees without prior notification and approval of the Committees on
 32 Appropriations of both Houses of Congress].

Change Description

The first change (lines 1 – 20) deletes language that references \$15,000,000 available until September 30, 2024 as it is not additional funding but is a subset of FSA’s direct appropriation. In order to sustain their employment, new county employees and farm loan officers hired using this earmark must be transferred to other direct funding once this earmark is depleted. These transactions increase the risk of ineligible employees using this funding which requires corrected timesheets, additional manpower to process the actions and additional unplanned obligations for the other direct funding sources. Removal of the information technology related language is requested to maximize agency flexibility in program operations.

The second change (lines 24, 26, and 27) replaces “committees” with “offices” in order to be more reflective of the full use of the appropriations.

The third change (lines 28-32) is necessary to maximize agency flexibility in program operations.

LEAD-OFF TABULAR STATEMENT

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

Item	Amount
Estimate, 2023	\$1,521,110,000
Change in Appropriation	+ 62,864,000
Budget Estimate, 2024	<u>1,583,974,000</u>

PROJECT STATEMENT

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

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Discretionary Appropriations:											
Salaries and Expenses.....	\$1,142,924	8,554	\$1,168,070	8,221	\$1,215,307	9,018	\$1,262,353	9,082	+\$47,046	+64	(1)
ACIF Transfer.....	294,114	1,964	294,114	1,846	305,803	1,984	321,621	2,021	+15,818	+37	(2)
Margin Protection Program Fees.....	1,641	-	1,496	-	1,200	-	-	-	-1,200	-	(3)
Uncollected Payments.....	-	-	-	-	-	-	-	-	-	-	-
Subtotal.....	1,438,679	10,518	1,463,680	10,067	1,522,310	11,002	1,583,974	11,103	+61,664	+101	
Total Adjusted Approp.....	1,438,679	10,518	1,463,680	10,067	1,522,310	11,002	1,583,974	11,103	61,664	101	
Add back:											
Rescission, Transfers In and Out.....	-295,755	-1,964	-290,610	-1,846	-307,003	-1,984	-321,621	-2,021	-14,618	-37	
Total Appropriation.....	1,142,924	8,554	1,173,070	8,221	1,215,307	9,018	1,262,353	9,082	47,046	64	
Transfers In:											
ACIF Transfer.....	294,114	1,964	294,114	1,846	305,803	1,984	321,621	2,021	+15,818	+37	
Margin Protection Program Fees.....	1,641	-	1,496	-	1,200	-	-	-	-1,200	-	
some other transfer.....	-	-	-	-	-	-	-	-	-	-	
Total Transfers In.....	295,755	1,964	295,610	1,846	307,003	1,984	321,621	2,021	+14,618	+37	
Transfers Out:											
Working Capital Fund.....	-	-	-5,000	-	-	-	-	-	-	-	
Total Transfers Out.....	-	-	-5,000	-	-	-	-	-	-	-	
Recoveries, Other.....	-	-	3,181	-	-	-	-	-	-	-	
Bal. Available, SOY.....	49,131	-	56,746	-	73,854	-	-	-	-73,854	-	
Total Available.....	1,487,810	10,518	1,523,607	10,067	1,596,164	11,002	1,583,974	11,103	-12,190	+101	
Lapsing Balances.....	-4,335	-	-26,015	-	-	-	-	-	-	-	
Bal. Available, EOY.....	-55,374	-	-67,258	-	-	-	-	-	-	-	
Total Obligations.....	1,428,101	10,518	1,430,334	10,067	1,596,164	11,002	1,583,974	11,103	-12,190	+101	

Note: The 2022 Obligations discrepancy between the Project Statement and the President's Budget is due to \$7M in Reimbursables.

Note: The 2022 Obligations differ in the accounting system of record and the SF-133 because the accounting system of record only captures 22XX but the SF-133 captures all budget periods of the no-year account.

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

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:										
Salaries and Expenses	\$1,132,346	8,554	\$1,134,724	8,221	\$1,289,161	9,018	\$1,262,353	9,082	-\$26,808	+64
ACIF Transfer	294,114	1,964	294,114	1,846	305,803	1,984	321,621	2,021	+15,818	+37
Margin Protection Program Fees	1,641	-	1,496	-	1,200	-	-	-	-1,200	
Uncollected Payments	-	-	-	-	-	-	-	-	-	
Subtotal										
Disc Obligations	1,428,101	10,518	1,430,334	10,067	1,596,164	11,002	1,583,974	11,103	-12,190	+101
Total Obligations	1,428,101	10,518	1,430,334	10,067	1,596,164	11,002	1,583,974	11,103	-12,190	+101
Add back:										
Lapsing Balances	4,335	-	26,015	-	-	-	-	-	-	
Total Bal. Available, EOY	55,374	-	67,258	-	-	-	-	-	-	
Total Available	1,487,810	10,518	1,523,607	10,067	1,596,164	11,002	1,583,974	11,103	-12,190	+101
Less:										
Rescission	-	-	-	-	-	-	-	-	-	
Total Transfers In	-295,755	-1,964	-295,610	-1,846	-307,003	-1,984	-321,621	-2,021	-14,618	-37
Total Transfers Out ...	-	-	5,000	-	-	-	-	-	-	
Sequestration	-	-	-	-	-	-	-	-	-	
Recoveries, Other	-	-	-3,181	-	-	-	-	-	-	
Bal. Available, SOY..	-49,131	-	-56,746	-	-73,854	-	-	-	+67,258	
Total Appropriations .	1,142,924	8,554	1,173,070	8,221	1,215,307	9,018	1,262,353	9,082	+40,450	+64

Note: The 2022 Obligations discrepancy between the Project Statement and the President's Budget is due to \$7M in Reimbursables
Note: The 2022 Obligations differ in the accounting system of record and the SF-133 because the accounting system of record only captures 22XX but the SF-133 captures all budget periods of the no-year account.

JUSTIFICATIONS

An increase of \$62,864,000 and an increase of 101 FTE in Salaries and Expenses (\$1,521,110,000 and 11,002 FTE available in 2023):

(1) An increase of \$27,852,000 for Federal Offices.A) An increase of \$17,545,000 for the Pay Increase (\$5,334,000 for Direct, \$12,211,000 for ACIF).

This increase will support the annualization of the 2023 4.6 percent Cost of Living pay increase and the 2024 5.2 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.

B) An increase of \$10,307,000 for 101 additional FTEs.

FSA is requesting \$2.2 million for 13 FTEs in the National Office to foster a culture of civil rights, diversity, equity, inclusion, accessibility, transparency, and accountability in support of USDA’s objective 6.1. These positions will be responsible for FSA equity, outreach, and internal control activities within the Agency. The diversity, equity, and inclusion staff will provide support and help integrate coordinated stakeholder engagement, outreach, education, diversity, equity, inclusion, accessibility, and program improvement and delivery to our historically underserved producers. The internal controls staff will be responsible for improving processes and policy to ensure transparency and accountability as more support programs and services are delivered. In the past several years, the Agency has been assigned additional programs to administer without any additional administrative funding for staff. To monitor the administration of these additional programs, greater staffing levels are required. Unfortunately, these programs have had several audit findings and improper payments due to understaffing as a result of insufficient funding for staff. These additional internal control staff will provide oversight, management, and data analytics support which is critical for ensuring compliance and resolving noncompliance issues across FSA program areas.

The additional \$3.607 million for 37 ACIF State FTEs will be supported by ACIF funding and ensure the equitable delivery of Farm Loan Programs in several ways. Most of the additional FTEs will be customer facing delivering loan making and loan servicing benefits directly to farmers and ranchers thereby improving the level of customer service provided. While loan activity tends to be cyclical based on weather, commodity prices, and input costs, and can vary from year to year, Farm Loan Programs continues to serve as a primary source of credit for beginning farmers and ranchers. The increase in farm ownership and operating loan limits included in the 2018 Farm Bill increased loan activity by expanding availability of Farm Loan Programs to more complex operations with more extensive credit needs thus increasing the level of analysis required by loan officers, especially for Farm Ownership loans. Through enhanced data analytics, Farm Loan Programs has increased its focus on reaching historically underserved farmers and ranchers and ensuring programs are delivered more equitably.

FSA is requesting \$4.5 million for 51 FTEs for State Outreach Coordinators (SOC). Currently, State Executive Directors (SEDs) may assign additional duties to staff to serve as the SOCs, while other SEDs have realigned FTEs to dedicate to SOC functions. These positions are critical to effectively perform State Outreach activities to ensure diversity, education, and accessibility to programs within FSA. In addition, the staff will focus on expanding partnerships with unserved communities, community-based organizations, local committee leaders, educational institutional and other federal agencies.

(2) An increase of \$35,012,000 for Non-Federal Offices.A. An increase of \$31,191,000 for 2024 Pay.

This increase will support the annualization of the 2023 4.6 percent Cost of Living pay increase and the 2024 5.2 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.

B. An increase of \$3,821,000 for Rent.

- 1) An increase of \$1.171 million is necessary to fund negotiated rate increases and tenant improvements required to renew expired agreements.
- 2) An increase of \$2.65 million for Urban Agriculture Initiative Rent. This increase is comprised of \$2.5 million for additional spaces in seventeen cities and tenant improvements to support the Urban Agriculture Initiative. An additional \$150 thousand is required for furniture for the new facilities.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

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

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Alabama	\$19,011	191	\$19,041	183	\$21,248	200	\$21,086	202
Alaska.....	1,231	8	1,233	8	1,376	9	1,365	9
Arizona.....	4,579	44	4,586	42	5,118	46	5,079	47
Arkansas.....	24,683	262	24,721	251	27,588	274	27,377	276
California.....	16,475	152	16,501	145	18,414	159	18,273	160
Caribbean	5,797	45	5,806	43	6,479	47	6,430	48
Colorado.....	14,083	142	14,105	136	15,741	149	15,620	150
Connecticut	2,229	21	2,233	20	2,492	22	2,473	22
Delaware	1,901	18	1,904	17	2,125	19	2,109	19
District of Columbia....	419,342	218	419,997	209	468,691	228	465,112	231
Florida	10,629	103	10,646	99	11,880	108	11,790	109
Georgia.....	29,311	298	29,357	285	32,761	311	32,510	314
Hawaii	3,982	31	3,989	30	4,451	32	4,417	33
Idaho.....	12,987	129	13,008	123	14,516	135	14,405	136
Illinois	48,382	521	48,458	498	54,076	545	53,663	550
Indiana.....	33,358	347	33,410	332	37,284	363	36,999	367
Iowa.....	55,869	613	55,956	587	62,444	641	61,967	647
Kansas	46,188	492	46,260	471	51,623	515	51,229	520
Kentucky	32,469	334	32,519	320	36,290	350	36,013	353
Louisiana	17,394	177	17,421	169	19,441	185	19,292	187
Maine	5,700	53	5,709	51	6,371	56	6,322	56
Maryland	6,717	68	6,728	65	7,508	71	7,450	72
Massachusetts.....	3,675	31	3,681	30	4,108	33	4,077	33
Michigan	23,534	249	23,571	238	26,304	260	26,103	263
Minnesota.....	40,313	423	40,376	404	45,057	442	44,713	446
Mississippi.....	24,149	243	24,187	233	26,991	254	26,785	257
Missouri.....	41,802	428	41,867	410	46,721	448	46,364	452
Montana.....	22,076	220	22,110	210	24,674	230	24,485	232
Nebraska.....	41,442	436	41,506	418	46,319	456	45,965	460
Nevada.....	3,774	24	3,780	23	4,218	25	4,186	26
New Hampshire.....	2,443	21	2,447	20	2,731	22	2,710	22
New Jersey	4,018	35	4,025	34	4,491	37	4,457	37
New Mexico	7,880	71	7,893	68	8,808	75	8,740	75
New York	17,085	183	17,112	175	19,096	191	18,950	193
North Carolina.....	31,915	326	31,965	312	35,671	341	35,398	344
North Dakota.....	29,224	304	29,270	291	32,663	318	32,414	321
Ohio.....	29,871	310	29,917	296	33,386	324	33,131	327
Oklahoma	32,902	339	32,954	325	36,775	355	36,494	358
Oregon.....	9,810	97	9,825	93	10,965	102	10,881	103

2024 USDA EXPLANATORY NOTES – FARM SERVICE AGENCY

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Pennsylvania.....	17,568	179	17,595	171	19,635	187	19,485	189
Rhode Island.....	1,102	9	1,103	8	1,231	9	1,222	9
South Carolina.....	14,443	147	14,466	141	16,143	154	16,020	156
South Dakota.....	33,255	342	33,307	327	37,169	357	36,885	361
Tennessee	25,236	250	25,276	239	28,206	262	27,991	264
Texas	68,768	684	68,875	654	76,861	715	76,274	722
Utah.....	8,337	75	8,350	72	9,318	78	9,247	79
Vermont.....	4,260	39	4,267	37	4,761	41	4,725	41
Virginia	19,470	186	19,500	178	21,761	195	21,595	197
Washington	10,415	109	10,432	104	11,641	114	11,552	115
West Virginia	9,400	86	9,415	82	10,506	90	10,426	91
Wisconsin.....	30,614	335	30,662	320	34,217	350	33,956	353
Wyoming.....	6,999	68	7,010	65	7,823	71	7,763	72
Obligations	1,428,101	10,518	1,430,334	10,067	1,596,164	11,002	1,583,974	11,103
Lapsing Balances.....	24,335	-	26,015	-	-	-	-	-
Bal. Available, EOY....	35,374	-	67,258	-	-	-	-	-
Total, Available.....	1,487,810	10,518	1,523,607	10,067	1,596,164	11,002	1,583,974	11,103

CLASSIFICATIONS BY OBJECTS

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

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Personnel Compensation:					
	Washington D.C	\$29,020	\$27,552	\$34,982	\$37,431
	Personnel Compensation, Field.....	209,840	217,380	244,749	245,895
11	Total personnel compensation.....	238,860	244,932	279,731	283,326
12	Personal benefits.....	96,209	100,879	131,402	132,944
13.0	Benefits for former personnel.....	775	1,012	-	-
	Total, personnel comp. and benefits.....	335,844	346,824	411,133	416,270
Other Objects:					
21.0	Travel and transportation of persons.....	1,888	3,115	15,098	6,373
22.0	Transportation of things	1,747	1,739	2,009	2,009
23.1	Rental payments to GSA	11,988	15,191	19,132	19,132
23.2	Rental payments to others	2,876	-	-	-
23.3	Communications, utilities, and misc. charges.....	48	-	-	-
24.0	Printing and reproduction.....	7,811	7,753	7,968	7,968
25	Other contractual services	-	-	-	-
25.1	Advisory and assistance services	77,391	34,612	43,383	43,383
25.2	Other services from non-Federal sources.....	4,501	-	-	-
25.3	Other goods and services from Federal sources.....	235,376	305,449	318,360	298,360
25.3	DHS Building Security Payments (included in 25.3).....	1,518	-	-	-
25.4	Operation and maintenance of facilities.....	11	-	-	-
25.7	Operation and maintenance of equipment.....	5,147	-	-	-
26.0	Supplies and materials.....	1,617	2,510	2,862	2,862
31.0	Equipment.....	11,254	751	1,338	1,338
41.0	Grants, subsidies, and contributions.....	729,084	712,390	774,881	786,279
42.0	Insurance Claims and Indemnities	-	-	-	-
43.0	Interest and Dividends	-	-	-	-
	Total, Other Objects	1,092,257	1,083,510	1,185,031	1,167,704

2024 USDA EXPLANATORY NOTES – FARM SERVICE AGENCY

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
99.9	Total, new obligations	1,428,101	1,430,334	1,596,164	1,583,974
	DHS Building Security Payments (included in 25.3)	\$1,518	\$1,518	\$859	\$700
	Information Technology Investments:				
	FSA				
	FSA-1001 Cust Engagement & Management Services				
	External Labor (Contractors).....	25,147	9,791	11,940	4,251
	Sub-Total	25,147	9,791	11,940	4,251
	FPAC-1002 Geospatial Services				
	External Labor (Contractors).....	-	-	-	10,354
	Sub-Total	0	0	0	10,354
	FPAC-1003 Information Management				
	External Labor (Contractors).....	-	-	-	19,665
	Sub-Total	0	0	0	19,665
	FSA-097 Farm Program Modernization				
	External Labor (Contractors).....	3,264	10,522	4,923	2,860
	Sub-Total	3,264	10,522	4,923	2,860
	FSA-125 Farm Programs				
	External Labor (Contractors).....	19,575	23,460	21,077	15,903
	Sub-Total	19,575	23,460	21,077	15,903
	FSA-126 Farm Loan Programs				
	External Labor (Contractors).....	23,660	39,044	35,436	36,744
25.2	Outside Services (Consulting).....	6,751	-	-	-
	Sub-Total	30,411	39,044	35,436	36,744
	FSA-127 Geospatial Services				
	External Labor (Contractors).....	13,504	17,267	8,154	-
25.2	Outside Services (Consulting).....	630	-	-	-
	Sub-Total	14,134	17,267	8,154	0
	FSA-129 Program Financial Services				
	External Labor (Contractors).....	13,025	6,371	2,399	2,399
25.2	Outside Services (Consulting).....	200	-	-	-
	Sub-Total	13,225	6,371	2,399	2,399
	Mission Area Non-Major Investment Totals	47,482	49,034	48,075	15,201
	Mission Area Standard Investment Totals	38,880	46,977	38,117	38,761
25.3	Mission Area WCF Transfers.....	152,358	166,573	167,144	143,778
	Mission Area Greenbook.....	-	-	-	4,000
	Mission Area Internal Transfers.....	-	-	-	10,235
	Mission Area External Transfers.....	-	-	-	378
	Total Non-Major Investment.....	238,720	262,584	253,336	212,353
	Total IT Investments	344,476	369,039	337,265	304,529
	Position Data:				
	Average Salary (dollars), ES Position.....	\$134,046	\$136,760	\$142,402	\$149,593
	Average Salary (dollars), GS Position	\$58,655	\$58,161	\$60,560	\$63,618
	Average Grade, GS Position	11.0	11.0	11.4	11.6

Note: The 2022 Obligations discrepancy between the Project Statement and the President’s Budget is due to \$7M in Reimbursables.
 Note: The 2022 Obligations differ in the accounting system of record and the SF-133 because the accounting system of record only captures 22XX but the SF-133 captures all budget periods of the no-year account.
 Note: Average salaries exclude benefits.
 Note: IT data in the Classification of Objects Exhibit (BOC 25.3) reflects FSA-approved amounts; IT data in the Information Technology Investments section of this exhibit reflects the Joint Certification Memos’ planned amounts to include all funding sources (including reimbursable funding).

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, outreach and technical assistance efforts. Despite travel limitations imposed by the COVID-19 pandemic, employees conducted over 9,869 activities nationwide in 2022, 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 program and focus areas: Farm Numbers for Heirs’ Property Landowners, Heirs’ Property Relending Program, Pandemic Assistance for Timber Harvesters and Haulers Program, Conservation Reserve Program CLEAR30, Emergency Loans, Dairy Margin Coverage Program, ARC/PLC, Farm Storage Facility Loans, Emergency Conservation Program, Noninsured Crop Disaster Assistance Program, Direct and Guaranteed Farm Loan Programs, Microloans, Youth Loans, Organic Certification on Cost Share, Taxpayer education, land, market and access to capital, 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 2021, FSA service centers issued over 1.4 million receipts to customers through the farmers.gov employee portal. In 2022, FSA service centers issued over 1 million receipts to customers through the Receipt for Service system.

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), leveraging 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, 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.

ACCOUNT 2: STATE MEDIATIONS GRANTS

APPROPRIATIONS LANGUAGE

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

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101-5106), \$7,000,000: Provided, That the Secretary of Agriculture may determine that United States territories and Federally recognized Indian tribes are 'States' for the purposes of subtitle A of such Act.

Change Description

The change (lines 2 and 3) allows the Secretary to determine that United States territories and Federally recognized Indian tribes are eligible to receive grant funding under the State Mediation Grants program.

LEAD-OFF TABULAR STATEMENT

Table FSA-14. Lead Off Table

Item	Amount
Estimate, 2023	\$7,000,000
Change in Appropriation	-
Budget Estimate, 2024	<u>7,000,000</u>

PROJECT STATEMENT

Table FSA-15. Project Statement Appropriations (thousands of dollars)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.	Chg Key
Discretionary Appropriations ¹:						
State Mediation	\$6,914	\$7,000	\$7,000	\$7,000	-	-
Subtotal	6,914	7,000	7,000	7,000	-	-
Total Appropriation	6,914	7,000	7,000	7,000	-	-
Bal. Available, SOY	-	-	1,834	-	-\$1,834	-
Total Available	6,914	7,000	8,834	7,000	-1,834	-
Bal. Available, EOY	-	-1,834	-	-	-	-
Total Obligations	6,914	5,166	8,834	7,000	-1,834	-

¹ State Mediation Grants does not fund any FTE's cost, the program is serviced by FSA personnel.

Table FSA-16. Project Statement Obligations (thousands of dollars)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.	Chg Key
Discretionary Obligations						
State Mediation.....	\$6,914	\$7,000	\$7,000	\$7,000	-	-
Subtotal.....	6,914	7,000	7,000	7,000	-	-
Total Appropriation.....	6,914	7,000	7,000	7,000	-	-

JUSTIFICATIONS

No change in funding is requested for State Mediation Grants.

PROPOSED LEGISLATION

The 2024 Budget includes a legislative proposal for the State Mediation Grant program. This is a no cost proposal that is designed to improve program participant experience and make this grant program work better for FSA's constituents.

The specific proposal is as follows:

State Mediation Grants program

Current legislative authority to be amended: Title V of the Agricultural Credit Act of 1987 and Consolidated Farm and Rural Development Act (7 U.S.C. 358)

Expand State Mediation Grant eligibility to U.S. Territories and Indian Tribes.

The Department of Agriculture is authorized to provide grants to state-designated entities that provide alternative dispute resolution through mediation to agricultural producers, their lenders, and others directly affected by the actions of certain agencies of the Department of Agriculture. These grants are only available to qualifying states and do not include otherwise qualifying territories or Tribes. Removing this limitation would allow the Department of Agriculture to support the mediation needs of agricultural producers who do business within the boundaries of a United States territory or federally recognized Indian tribe.

This is a no cost language change proposal.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS*Table FSA-17. Geographic Breakdown of Obligations (in thousands)*

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimate	2024 Budget
Alabama.....	\$71	\$71	\$70	\$70
Alaska.....	-	103	102	102
Arizona.....	-	-	13	13
Arkansas.....	59	47	130	130
California.....	192	192	192	192
Colorado.....	76	113	183	183
Connecticut.....	69	66	66	66
Florida.....	36	0	88	88
Georgia.....	85	0	82	82
Hawaii.....	84	84	83	83
Idaho.....	103	103	102	102
Illinois.....	132	191	190	190
Indiana.....	216	216	217	217
Iowa.....	375	234	375	375
Kansas.....	303	346	500	500
Louisiana.....	65	25	88	88
Maine.....	66	76	174	174
Maryland.....	62	0	75	75
Massachusetts.....	43	57	57	57
Michigan.....	60	29	58	58
Minnesota.....	296	352	480	480
Mississippi.....	114	85	110	110
Missouri.....	6	37	48	48
Montana.....	12	11	45	45
Nebraska.....	165	133	165	165
New Hampshire.....	91	91	91	91
New Jersey.....	23	26	26	26
New Mexico.....	95	111	113	113
New York.....	475	490	490	490
North Carolina.....	64	77	79	79
North Dakota.....	111	62	178	178
Oklahoma.....	217	217	217	217
Oregon.....	75	76	76	76
Pennsylvania.....	35	38	63	63
Rhode Island.....	88	90	89	89
South Dakota.....	116	87	262	262
Texas.....	135	187	300	300
Utah.....	3	5	4	4
Vermont.....	197	197	196	196
Virginia.....	59	55	68	68
Washington.....	108	108	108	108
Wisconsin.....	204	189	256	256
Wyoming.....	46	65	120	120
Distribution Unknown.....	331	424	2,405	571
Total, Available.....	5,163	5,166	8,834	7,000

CLASSIFICATION BY OBJECTS

Table FSA-18. Classification by Objects (thousands of dollars)

Item No.	Item	2021 Actual	2022 Actual	2023 Estimate	2024 Budget
41.0	Grants, subsidies, and contributions.....	\$5,163	\$5,166	\$8,834	\$7,000
	Total, Other Objects	5,163	5,166	8,834	7,000
99.9	Total, new obligations.....	5,163	5,166	8,834	7,000

STATUS OF PROGRAMS

Current Activities

The Farm Service Agency (FSA) provides funding for State-designated mediation programs through the State Mediation Grants Program. The program reported a total of 2,945¹ covered cases during 2022. Covered cases are authorized by the governing statute and the Secretary of Agriculture. Only the following matters are considered covered: (1) agricultural credit, including private lenders and creditors as well as FSA direct and guaranteed loans; (2) NRCS wetland determinations; (3) compliance with farm programs, including conservation programs; (4) rural water loan programs; (5) grazing on National Forest System lands; (6) USDA-related pesticide issues; (7) USDA Rural Development housing loans; (8) USDA Rural Development business loans; and (9) USDA Risk Management Agency crop insurance issues.

The 2018 Farm Bill expanded the area of covered issues that could be mediated. Those expanded issues include, Credit Counseling, Family Farm Transition, Leases (Land and Equipment), Farmer/Neighbor Disputes, and National Organics. For 2022, 318 requests for Credit Counseling were received, 335 cases of Family Farm Transition mediations, 110 cases of Land Lease mediations, 8 cases of Equipment Lease mediations, 94 cases of Farmer/Neighbor disputes, and 10 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 1,351 cases, or more than 46 percent of the total caseload. FSA Farm Programs was second with 89 cases, followed by NRCS with 21 cases. Rural Development Housing issues 7 cases, Rural Development Business Loans 10 cases, Forest Service grazing disputed 18 cases, Risk Management Agency crop insurance issues had 15 cases, zero cases for rural water loan programs, and there was 1 case of USDA-related pesticide matters. The 2,945 cases for 2022 represent a decrease of approximately 13 percent from the previous year’s 3,758 cases. The COVID-19 pandemic continues to have a significant impact on the number of cases conducted for 2022.

Mediation Program Results Comparison –2021 and 2022

	2021	2022
Number of cases for which mediation was requested	3,758 ¹	2,945 ¹
Mediation not completed in initial FY, and carried over to next FY	536 ²	434 ²
No mediation held (request withdrawn, settled prior to mediation, etc.)	1,551 ³	1,046 ³
Cases mediated	2,787 ⁴	2,258 ⁴
Cases resolved with agreement	2,513 ⁵	1,705 ⁵
Cases closed with no agreement	550 ⁶	223 ⁶
Percentage of cases mediated that resulted in agreement	66.90%	57.80%
Average cost per case	\$1,285	\$1,612

2021

- ¹ This figure includes the State of Minnesota’s 1,028 cases. The State of Minnesota is a mandatory mediation State.
- ² This figure includes the State of Minnesota’s 343 cases. The State of Minnesota is a mandatory mediation State.
- ³ This figure includes the State of Minnesota’s 679 cases. The State of Minnesota is a mandatory mediation State.
- ⁴ This figure includes the State of Minnesota’s 1,262 cases. The State of Minnesota is a mandatory mediation State.
- ⁵ This figure includes the State of Minnesota’s 1,212 cases. The State of Minnesota is a mandatory mediation State.
- ⁶ This figure includes the State of Minnesota’s 343 cases. The State of Minnesota is a mandatory mediation State.

2022

- ¹ This figure includes the State of Minnesota’s 1,028 cases. The State of Minnesota is a mandatory mediation State.
- ² This figure includes the State of Minnesota’s 268 cases. The State of Minnesota is a mandatory mediation State.
- ³ This figure includes the State of Minnesota’s 492 cases. The State of Minnesota is a mandatory mediation State.
- ⁴ This figure includes the State of Minnesota’s 1,028 cases. The State of Minnesota is a mandatory mediation State.
- ⁵ This figure includes the State of Minnesota’s 694 cases. The State of Minnesota is a mandatory mediation State.
- ⁶ This figure includes the State of Minnesota’s 66 cases. The State of Minnesota is a mandatory mediation State.

Table FSA-19. State Mediation Grants and Outlays by State for 2022 (dollars in thousands)

State	Grants	Outlays ¹¹
Alabama	\$70,690	\$70,690
Alaska	102,640	102,640
Arizona	13,444	-
Arkansas	130,239	46,389
California	192,000	192,000
Colorado	183,799	112,255
Connecticut	66,271	65,407
Florida	88,852	-
Georgia	82,340	-
Hawaii	83,600	83,600
Idaho	102,850	102,218
Illinois	190,294	190,294
Indiana	217,600	215,570
Iowa	375,000	234,035
Kansas	500,000	346,371
Louisiana	88,852	24,839
Maine	174,467	75,203
Maryland	75,271	-
Massachusetts	56,809	56,170
Michigan	58,840	28,740
Minnesota	480,050	351,494
Mississippi	110,400	84,533
Missouri	48,441	36,627
Montana	45,217	10,203
Nebraska	165,096	132,752
New Hampshire	91,000	91,000
New Jersey	26,180	26,180
New Mexico	113,231	110,372
New York	490,000	490,000
North Carolina	79,547	76,248
North Dakota	178,511.00	61,705
Oklahoma	217,069	217,069
Oregon	76,000	76,000
Pennsylvania	63,307	37,826
Rhode Island	89,810	89,810
South Dakota	262,942	86,802
Texas	300,000	186,573
Utah	4,273	4,706
Vermont	196,800	196,800
Virginia	68,120	54,989
Washington	108,036	107,669
Wisconsin	256,210	189,038
Wyoming	120,766	64,487
Total	6,444,864	4,747,304

¹¹ These figures include outlays from both current and prior year obligations.

ACCOUNT 3: GRASSROOTS SOURCE WATER PROTECTION PROGRAM

APPROPRIATIONS LANGUAGE

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

For necessary expenses to carry out wellhead or groundwater protection activities under section 12400 of the Food Security Act of 1985 (16 U.S.C. 3839bb-2), [~~\$7,500,000~~]\$7,000,000, to remain available until expended.

LEAD-OFF TABULAR STATEMENT

Table FSA-20. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2023	\$7,500,000
Change in Appropriation	-500,000
Budget Estimate, 2024	<u>7,000,000</u>

PROJECT STATEMENT

Table FSA-21. Project Statement Appropriations (thousands of dollars, FTEs)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.
Discretionary Appropriations:					
Grassroots Source Water Protection Program	\$6,500	\$6,500	\$7,500	\$7,000	-\$500
Subtotal.....	<u>6,500</u>	<u>6,500</u>	<u>7,500</u>	<u>7,000</u>	<u>-500</u>
Total Appropriation	<u>6,500</u>	<u>6,500</u>	<u>7,500</u>	<u>7,000</u>	<u>-500</u>
Total Available	<u>6,500</u>	<u>6,500</u>	<u>7,500</u>	<u>7,000</u>	<u>-500</u>
Total Obligations.....	<u>6,500</u>	<u>6,500</u>	<u>7,500</u>	<u>7,000</u>	<u>-500</u>

Table FSA-22. Account 3. Project Statement Obligations (thousands of dollars)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec
Discretionary Obligations:					
Grassroots Water Source Protection Program	\$6,500	\$6,500	\$7,500	\$7,000	-\$500
Subtotal Disc oblig	<u>6,500</u>	<u>6,500</u>	<u>7,500</u>	<u>7,000</u>	<u>-500</u>
Total Obligations	<u>6,500</u>	<u>6,500</u>	<u>7,500</u>	<u>7,000</u>	<u>-500</u>
Total Appropriation	<u>6,500</u>	<u>6,500</u>	<u>7,500</u>	<u>7,000</u>	<u>-500</u>

JUSTIFICATIONS

Grassroots Source Water Protection Program is requesting \$7,000,000 in the 2024 Budget, a decrease of \$500,000 from the 2023 appropriation.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS*Table FSA-23. Geographic Breakdown of Obligations (thousands of dollars, FTEs)*

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimate	2024 Budget
Alabama	\$130	\$130	\$150	\$140
Alaska.....	130	130	150	140
Arizona	130	130	150	140
Arkansas	130	130	150	140
California.....	130	130	150	140
Colorado	130	130	150	140
Connecticut.....	130	130	150	140
Delaware.....	130	130	150	140
Florida	130	130	150	140
Georgia	130	130	150	140
Hawaii	130	130	150	140
Idaho.....	130	130	150	140
Illinois.....	130	130	150	140
Indiana.....	130	130	150	140
Iowa.....	130	130	150	140
Kansas	130	130	150	140
Kentucky	130	130	150	140
Louisiana	130	130	150	140
Maine.....	130	130	150	140
Maryland	130	130	150	140
Massachusetts.....	130	130	150	140
Michigan.....	130	130	150	140
Minnesota	130	130	150	140
Mississippi.....	130	130	150	140
Missouri.....	130	130	150	140
Montana.....	130	130	150	140
Nebraska.....	130	130	150	140
Nevada.....	130	130	150	140
New Hampshire.....	130	130	150	140
New Jersey	130	130	150	140
New Mexico	130	130	150	140
New York.....	130	130	150	140
North Carolina.....	130	130	150	140
North Dakota	130	130	150	140
Ohio.....	130	130	150	140
Oklahoma	130	130	150	140
Oregon.....	130	130	150	140
Pennsylvania.....	130	130	150	140
Rhode Island.....	130	130	150	140
South Carolina.....	130	130	150	140
South Dakota	130	130	150	140
Tennessee	130	130	150	140
Texas	130	130	150	140
Utah	130	130	150	140
Vermont.....	130	130	150	140
Virginia.....	130	130	150	140
Washington.....	130	130	150	140
West Virginia	130	130	150	140
Wisconsin	130	130	150	140
Other Countries	130	130	150	140
Obligations	6,500	6,500	7,500	7,000

CLASSIFICATION BY OBJECTS

Table FSA-24. Classification by Objects (thousands of dollars)

Item No.	Item	2021 Actual	2022 Actual	2023 Estimate	2024 Budget
41.0	Grants, subsidies, and contributions.....	\$6,500	\$6,500	\$7,500	\$7,000
	Total, Other Objects	6,500	6,500	7,500	7,000
99.9	Total, new obligations.....	6,500	6,500	7,500	7,000

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STATUS OF PROGRAMS

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

Current Activities

During 2022, for necessary expenses to carry out wellhead and groundwater protection activities, and in accordance with the Consolidated Appropriation Act, 2022 (March 15, 2022), P.L 117-103: \$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 (433 wells and 50 surface water intakes). The GSWPP is active in all 50 states.

The following table shows appropriations from 2005 through 2022.

Table FSA-24. Grassroots Source Water Protection Program Appropriations for Fiscal Years 2005-2022

Fiscal Year	Appropriations	
2005	\$3,244,000	1/
2006	3,712,500	
2007	3,712,500	
2008	3,687,009	
2009	5,000,000	
2010	5,000,000	
2011	4,241,000	
2012	3,817,000	
2013	5,159,043	
2014	10,526,000	2/
2015	5,526,000	
2016	6,500,000	
2017	6,500,000	
2018	6,500,000	
2019	11,500,000	3/
2020	6,500,000	
2021	6,500,000	
2022	6,500,000	

^{1/} Funds were transferred from the Natural Resources Conservation Service to FSA to assist in the implementation of the program.

^{2/} Includes mandatory funds from the Agricultural Act of 2014 (2014 Farm Bill).

^{3/} Includes mandatory funds from the 2018 Farm Bill.

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ACCOUNT 4: DAIRY INDEMNITY PROGRAM

APPROPRIATIONS LANGUAGE

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

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

LEAD-OFF TABULAR STATEMENT

Table FSA-25. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimated, 2023	\$500,000
Change in Appropriation	-
Budget Estimate, 2024	<u>500,000</u>

PROJECT STATEMENT

Table FSA-26. Project Statement Appropriations (thousands of dollars, FTEs)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.
Mandatory Appropriations:					
Dairy Indemnity Payment Program.....	\$8,100	\$9,100	\$500	\$500	-
Sequestration	-462	-519	-29	-29	-
Total Appropriation	<u>7,638</u>	<u>8,581</u>	471	471	-
Lapsing Balances.....	-5,178	-3,828	-	-	-
Total Obligations.....	<u>2,460</u>	<u>4,753</u>	471	471	-

Table FSA-27. Project Statement Obligations (thousands of dollars, FTEs)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.
Mandatory Obligations:					
Dairy Indemnity Program.....	\$2,460	\$4,753	\$471	\$471	-
Subtotal Disc obligations.....	<u>2,460</u>	<u>4,753</u>	471	471	-
Total Obligations	<u>2,460</u>	<u>4,753</u>	471	471	-
Lapsing Balances.....	5,178	3,828	-	-	-
Total Available	<u>7,638</u>	<u>8,581</u>	471	471	-
Sequestration	462	519	-	-	-
Total Appropriation	<u>8,100</u>	<u>9,100</u>	471	471	-

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTES

Table FSA-28. Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Florida	\$0	\$202	\$5	\$5
Georgia	1	23	46	46
Illinois.....	-	0	8	8
Kansas	9	0	130	130
Maine.....	847	252	44	44
Mississippi.....	0	0	30	30
Missouri.....	16	0	5	5
Nebraska.....	-	0	72	72
New Mexico	1,439	4,244	-	-
Oklahoma	-	28	3	3
South Carolina.....	-	0	27	27
Texas	160	4	101	101
Obligations	<u>2,460</u>	<u>4,753</u>	<u>471</u>	<u>471</u>

CLASSIFICATION BY OBJECTS

Table FSA-29. Classification by Objects (in thousands)

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
41.0	Grants, subsidies, and contributions	\$7,638	\$8,581	\$471	\$471
	Total, Other Objects	<u>7,638</u>	<u>8,581</u>	<u>471</u>	<u>471</u>
99.9	Total, New Obligations	7,638	8,581	471	471

STATUS OF PROGRAMS

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

Current Activities

During 2022, 10 dairy farmers in 6 states filed 16 claims totaling \$4,752,693.07 under the Dairy Indemnity Program. Claims resulted from chemical contamination of groundwater provided to dairy cows and severe drought in areas throughout the United States causing an increase in aflatoxin contamination, a naturally occurring toxin that may inadvertently contaminate grain used for feed. Outlays, including current and prior year obligations for 2022, totaled \$4,752,693.07. Payments to dairy farmers since the program’s inception in 1965 total \$45,327,524.07.

Table FSA-30. Dairy Indemnity Program Allocations and Outlays by State 2022

State	Obligations	Outlays
Florida	\$202,062.28	\$202,062.28
Georgia	23,240.17	23,240.17
Maine	252,149.07	252,149.07
New Mexico	4,243,602.50	4,243,602.50
Oklahoma	27,953.65	27,953.65
Texas	3,685.40	3,685.40
Total	4,752,693.07	4,752,693.07

Table FSA-31. Dairy Indemnity Program Payments and Number of Payees 1965-2021

Fiscal Years	Payments to Dairy Farmers	Payments to Manufacturers of Dairy Products	Total Payments	Number of Payees
1965 to 2011	\$21,133,792	\$3,911,439	\$25,045,231	\$1,495
2012	273,724	-	273,724	32
2013	917,615	-	917,615	158
2014	1,073,364	-	1,073,364	43
2015	383,711	-	383,711	26
2016	238,717	-	238,717	29
2017	217,760	-	217,760	18
2018	165,444	-	165,444	16
2019	4,136,820	-	4,136,820	16
2020	5,662,350	-	5,662,350	20
2021	2,460,095	-	2,460,095	23
2022	4,752,693.07	-	4,752,693.07	16
Total	\$41,416,085.07	\$3,911,439	\$45,327,524.07	1,892

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

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

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

1 For gross obligations for the principal amount of direct and guaranteed farm ownership (7 U.S.C. 1922 et
2 seq.) and operating (7 U.S.C. 1941 et seq.) loans, emergency loans (7 U.S.C. 1961 et seq.), Indian tribe land
3 acquisition loans (25 U.S.C. 5136), boll weevil loans (7 U.S.C. 1989), guaranteed conservation loans (7
4 U.S.C. 1924 et seq.), relending program (7 U.S.C. 1936c), and Indian highly fractionated land loans (25
5 U.S.C. 5136) to be available from funds in the Agricultural Credit Insurance Fund, as follows:
6 \$3,500,000,000 for guaranteed farm ownership loans and \$3,100,000,000 for farm
7 ownership direct loans; \$2,118,491,000 for unsubsidized guaranteed operating loans and
8 \$1,633,003,000 for direct operating loans; emergency loans, [~~\$4,062,000~~]\$37,668,000; Indian tribe land
9 acquisition loans, \$20,000,000; guaranteed conservation loans, \$150,000,000; relending program,
10 [~~\$61,426,000~~]\$61,426,000; Indian highly fractionated land loans, \$5,000,000; and for boll weevil eradication
11 program loans, \$60,000,000: *Provided*, That the Secretary shall deem the pink bollworm to be a boll weevil
12 for the purpose of boll weevil eradication program loans.

13 For the cost of direct and guaranteed loans and grants, including the cost of modifying loans as defined in
14 section 502 of the Congressional Budget Act of 1974, as follows: [~~\$249,000~~]\$3,507,000 for emergency loans,
15 to remain available until expended; and [~~\$23,520,000~~]\$27,598,000 for direct farm operating loans,
16 [~~\$11,228,000~~]\$1,483,000 for unsubsidized guaranteed farm operating loans, [~~\$10,983,000~~]\$19,368,000 for the
17 relending program, [and \$894,000]\$1,577,000 for Indian highly fractionated land loans, and \$258,000 for boll
18 weevil eradication program loans: *Provided*, That notwithstanding section 313(c) of the Consolidated Farm and
19 Rural Development Act (7 U.S.C. 1943(c)), the Secretary shall not make or guarantee a microloan under this
20 paragraph that would cause the total principal indebtedness outstanding at any 1 time for microloans made under
21 that section to any 1 borrower to exceed \$100,000.

22 In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs,
23 [~~\$326,461,000~~]\$341,871,000: *Provided*, That of this amount, [~~\$305,803,000~~]\$321,621,000 shall be transferred to
24 and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

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

Change Description

The first change (lines 17 and 18) adds subsidy for the boll weevil eradication loan program, which previously had a negative subsidy rate.

The second change (lines 18 through 21) raises the amount of total principal indebtedness for microloans at any one time from \$50,000 to \$100,000.

LEAD-OFF TABULAR STATEMENT

Table FSA-32. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimated, 2023	\$373,335,000
Change in Appropriation	+ 22,327,000
Budget Estimate, 2024	395,662,000

PROJECT STATEMENT

Table FSA-33. Project Statement on Basis of Appropriations (thousands of dollars)

Item	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Actual BA	2023 Program Level	2023 Estimated BA	2024 Program Level	2024 Estimated BA	Program Level Inc. or Dec.	Chg Key	Budget Authority Inc. or Dec.	Chg Key
ACIF Discretionary Appropriations:												
Direct Farm Ownership	\$3,125,000	-	\$2,800,000	-	\$3,100,000	-	\$3,100,000	-	-	-	-	-
Direct Farm Operating.....	1,633,333	\$38,710	1,633,333	\$40,017	1,633,333	\$23,520	1,633,000	\$27,598	-\$333	(1)	+\$4,078	(3)
Emergency	37,668	207	37,668	267	4,062	249	37,668	3,507	+\$33,605	(2)	+3,258	(3)
Indian Land Acquisition.....	20,000	-	20,000	-	20,000	-	20,000	-	-	-	-	-
Boll Weevil Eradication.....	60,000	-	60,000	-	60,000	-	60,000	258	-	-	+258	(3)
Indian Highly Fractionated Land	5,000	742	5,000	407	5,000	894	5,000	1,577	-	-	+683	(3)
Heir's Property Relending	33,693	5,000	61,425	5,000	61,426	10,983	61,426	19,368	-	-	+8,385	(3)
Guaranteed Farm Ownership	3,300,000	-	3,500,000	-	3,500,000	-	3,500,000	-	-	-	-	-
Guaranteed Farm Operating.....	2,118,482	23,727	2,118,482	16,524	2,118,491	11,228	2,118,491	1,483	-	-	-9,745	(3)
Guaranteed Conservation	150,000	-	150,000	-	150,000	-	150,000	-	-	-	-	-
Program Loan Cost Expense	-	13,230	-	20,658	-	20,658	-	20,250	-	-	-408	(4)
Salaries and Expenses	-	294,114	-	294,114	-	305,803	-	321,621	-	-	+15,818	(5)
Subtotal.....	10,483,176	375,730	10,385,908	376,987	10,652,312	373,335	10,685,585	395,662	+33,272	-	+22,327	-
Mandatory Appropriations:												
Mod Costs for ARP Payments	-	55,454	-	-	-	-	-	-	-	-	-	-
Assistance to Farm Loan Borrowers ...	-	-	-	3,100,000	-	-	-	-	-	-	-	-
Subtotal.....	-	55,454	-	3,100,000	-	-	-	-	-	-	-	-
Total Adjusted Approp.....	10,483,176	431,184	10,385,908	3,476,987	10,652,312	373,335	10,685,585	395,662	+33,272	-	+22,327	-
Total Appropriation.....	10,483,176	431,184	10,385,908	3,476,987	10,652,312	373,335	10,685,585	395,662	+33,272	-	22,327	-
Recoveries, Other	-	4,604	115,372	2,647	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	5,676,800	91,501	9,264,546	131,530	6,332,609	3,178,982	24,125	1,513,246	-6,308,484	-	-1,665,736	-
Total Available	16,159,976	527,289	19,765,826	3,611,164	16,984,921	3,552,317	10,709,710	1,908,908	-6,275,212	-	-1,643,409	-
Lapsing Balances.....	-1,787,420	-2,241	-2,299,952	-4,449	-	-	-	-	-	-	-	-
Rescinded Balances.....	-	-	-6,550,777	-90,000	-6,235,023	-73,000	-	-	+6,235,023	-	+73,000	-
Bal. Available, EOY.....	-7,701,799	-131,530	-5,092,487	-3,178,982	-36,648	-1,513,246	-	-1,146,000	+36,648	-	+367,246	-
Total Obligations.....	6,670,757	393,518	5,822,610	337,733	10,713,250	1,966,071	10,709,710	762,908	-3,541	-	-1,203,163	-

Table FSA-34. Project Statement on Basis of Obligations (thousands of dollars)

Item	2021 Program Level	2021 Actual BA	2022 Program Level	2022 Actual BA	2023 Program Level	2023 Estimated BA	2024 Program Level	2024 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec.
Discretionary Obligations:										
Direct Farm Ownership	\$2,134,132	-	\$1,848,988	-	\$3,100,000	-	\$3,100,000	-	-	-
Direct Farm Operating	1,021,554	\$24,211	866,734	\$21,234	1,633,333	\$23,520	1,633,000	\$27,598	-\$333	+\$4,078
Emergency	754	4	2,056	15	65,000	3,985	61,793	5,753	-3,208	+1,768
Indian Land Acquisition	-	-	-	-	20,000	-	20,000	-	-	-
Boll Weevil Eradication	-	-	-	-	60,000	-	60,000	258	-	+258
Indian Highly Fractionated Land	-	-	-	-	5,000	894	5,000	1,577	-	+683
Heir's Property Relending	-	-	7,000	570	61,426	10,983	61,426	19,368	-	+8,385
Guaranteed Farm Ownership	2,733,448	-	2,381,060	-	3,500,000	-	3,500,000	-	-	-
Guaranteed Farm Operating	780,869	8,746	716,772	5,591	2,118,491	11,228	2,118,491	1,483	-	-9,745
Guaranteed Conservation	-	-	-	-	150,000	-	150,000	-	-	-
Program Loan Cost Expense	-	10,989	-	16,209	-	20,658	-	20,250	-	-408
Salaries and Expenses	-	294,114	-	294,114	-	305,803	-	321,621	-	+15,818
Subtotal Disc oblig	6,670,757	338,064	5,822,610	337,733	10,713,250	377,071	10,709,710	397,908	-3,541	+20,837
Mandatory Obligations:										
Modification Costs for ARP Payments	-	55,454	-	-	-	-	-	-	-	-
Assistance to Farm Loan Borrowers	-	-	-	-	-	1,581,000	-	365,000	-	-1,216,000
IRA Modification Costs	-	-	-	-	-	8,000	-	-	-	-8,000
Subtotal Mand Oblig	-	55,454	-	-	-	1,589,000	-	365,000	-	-1,224,000
Total Obligations	6,670,757	393,518	5,822,610	337,733	10,713,250	1,966,071	10,709,710	762,908	-3,541	-1,203,163
Add back:										
Lapsing Balances	1,787,420	2,241	2,299,952	4,449	-	-	-	-	-	-
Rescinded Balances	-	-	6,550,777	90,000	6,235,023	73,000	-	-	-6,235,023	-73,000
Balances Available, EOY:										
Direct Operating	2,635,081	66,934	1,540,488	37,743	-	-	-	-	-	-
Direct Emergency	1,210,262	6,659	973,554	6,911	36,648	2,246	-	-	-36,648	-2,246
Indian Highly Fractionated Land	37,877	5,621	15,884	1,293	-	-	-	-	-	-
Heir's Property Relending Program	67,386	10,000	177,275	14,430	-	-	-	-	-	-
Guaranteed Farm Operating	3,751,193	42,141	2,385,286	18,605	-	-	-	-	-	-
Program Subsidy no longer in use	-	175	-	-	-	-	-	-	-	-
Assistance to Farm Loan Borrowers	-	-	-	3,100,000	-	1,511,000	-	1,146,000	-	-365,000
Total Bal. Available, EOY	7,701,799	131,530	5,092,487	3,178,982	36,648	1,513,246	-	1,146,000	-36,648	-367,246
Total Available	16,159,976	527,289	19,765,826	3,611,164	16,984,921	3,552,317	10,709,710	1,908,908	-6,275,212	-1,643,409
Less:										
Recoveries, Other	-	-4,604	-115,372	-2,647	-	-	-	-	-	-
Bal. Available, SOY	-5,676,800	-91,501	-9,264,546	-131,530	-6,332,609	-3,178,982	-24,125	-1,513,246	+6,308,484	+1,665,736
Total Appropriation	10,483,176	431,184	10,385,908	3,476,987	10,652,312	373,335	10,685,585	395,662	+33,272	+22,327

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 since that time, particularly direct farm ownership loans. FLP loan demand is cyclical based on economic conditions, disasters and the interest rate environment. Rising interest rates leading to reduced profit margins are projected to result in an increase in FLP loan demand. To meet the anticipated demand for farm credit, the Budget supports almost \$10.7 billion in farm loans, an increase of \$33 million.

- (1) A decrease of \$333,000 for direct operating loans (\$1,633,333,000 available in 2023).
A decrease of \$333,000 in direct operating loans is a small adjustment and is not expected to affect borrowers in 2024.
- (2) An increase of \$33,606,000 for emergency loans (\$4,062,000 available in 2023).
An increase in the loan level for emergency loans is requested due to several factors. Rising interest rates that trigger the Emergency Loan 3.75% interest rate ceiling is projected to increase demand significantly. Additionally, should rates fall below 3.75%, the rate is now equal to the rate for operating loans.
- (3) A net increase of \$6,917,000 for subsidy for direct and guaranteed loan programs (\$46,874,000 available in 2023).
The increase in subsidy is due to increased subsidy rates, largely due to increases in the interest rates in the President's economic assumptions.
- (4) A decrease of \$408,000 for program loan cost expenses (\$20,658,000 available in 2023).
The decrease to program loan costs expenses is due to affordability and balancing financial needs across the program.
- (5) An increase of \$15,818,000 for administrative expenses (\$305,803,000 available in 2023).
The increase to administrative expenses is due to \$12.2 million for pay costs and other adjustments, and \$3.6 million to support an increase of 37 federal farm loan staff full time equivalents (FTEs). The language explaining this increase is provided under Account 1, Salaries and Expenses.

PROPOSED LEGISLATION

The 2024 Budget includes a number of legislative proposals for the Direct Farm Ownership, Direct Farm Operating, and Emergency loan programs. These are no cost proposals that are designed to improve the borrower experience and make these farm loans work better for FSA borrowers. The following legislative proposals for the Agricultural Credit Insurance Fund can also be considered General Provisions.

The specific proposals are as follows:

Direct Farm Ownership and Direct Farm Operating loan programs

Current legislative authority to be amended: Consolidated Farm and Rural Develop Act (7 U.S.C. 1922(b) and 1941(c))

Eliminate the cap on the number of times a borrower can get a Direct Operating or Direct Farm Ownership loan.

Each year, agricultural producers exhaust their loan eligibility due to statutory caps on the number of years an agricultural producer may receive direct loan funds from the Secretary. Removal of this requirement for direct loans would assist various types of borrowers, including borrowers who live in credit deserts, who have continued need for loan assistance beyond the number of times currently allowed and still meet all other eligibility criteria.

Emergency loan program (also proposed as general provisions)

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 1961, 1962, and 1970).

Remove Emergency Loan program requirements for written credit denial and adjust the production loss percent threshold from 30% to an amount to be determined by the Secretary.

Credit denial: Agricultural producers impacted by a disaster who wish to use emergency loan funding must provide one or more written declinations from a commercial lender. Removal of this requirement will give the Secretary maximum flexibility in regard to applicant eligibility for emergency loans, better aligns eligibility requirements with those for farm ownership and operating loans, and improves producer access to emergency funding.

Production loss threshold: The current language defines a qualifying loss from a disaster event as being at least 30 per centum loss of normal per acre or per animal production. Removal of this language ensures that the Secretary has maximum flexibility in defining loss to improve eligibility for agricultural producers seeking emergency loan funding. The intent of this action is to improve producer access to emergency funding.

Direct Farm Ownership loan program

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 1922 and 1941(a)(1)(B)).

Reduce the Direct Farm Ownership loan requirements to require an applicant have one year of farming experience (and not three), or that the applicant have an established relationship with a mentor approved by the Secretary, or is a veteran who has been honorably discharged.

Direct farm ownership loans require an applicant to have three years of experience farming or ranching. While an applicant can use certain educational and training experiences to reduce the number of years of actual experience required, these requirements are a constant source of confusion for applicants and increasingly difficult for an applicant to satisfy as barriers to accessing land increase. Reducing the experience requirements to one year will lower these barriers and simplify the process allowing for greater program participation.

Direct Farm Ownership loan program

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 1935(b))

Increase down payment loan limit to match the Direct Farm Ownership loan limit.

Direct farm ownership loan limits have increased over time while the limit for the down payment loan program has remained the same, resulting in a decrease in utilization of that program over time. Aligning the down payment loan limit with the limit for other direct farm ownership loans will increase program utilization relative to other direct farm ownership loans. This alignment has historically been in place, and there is general agreement that it was an oversight in the 2018 Farm Bill not to maintain the same limits for the loan programs.

Direct Farm Ownership loan program

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 1943(c)(2))

Increase the microloan limit from \$50,000 to \$100,000.

The microloan program is essential for many beginning farmers and ranchers and non-traditional farm operations with limited experience or assets, but the current loan limit reduces the effectiveness of the program. Increasing the limit will improve utilization of the microloan program, which will reduce loan processing times and help more customers establish experience and eligibility required for other loan options.

All farm loan programs

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11))

Revise beginning farmer definition to require individuals of an entity to be beginning farmers without regard to relationship.

The current language defining “qualified beginning farmer or rancher” requires in the case of a cooperative, corporation, partnership, joint operation, or such other legal entity that all members of such entity be related to one

another by blood or marriage. Removing this requirement will expand program eligibility to entities whose members are not related by blood or marriage, but otherwise qualify as beginning farmers or ranchers.

All farm loan programs (also a general provision)

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2))

Revise beginning farmer lending targets required to “to the extent practicable”.

Provides revisions to beginning farmer reserved funds authorizing language. The current beginning farmer lending targets earmark a substantial amount of appropriated loan funds for the exclusive use of beginning farmers. These funds largely go unused until targets are lifted late in the fiscal year when the backlogged requests from non-beginning farmers can be funded with these resources. This change will allow FSA greater flexibility to fund approved loan requests while maintaining robust support of beginning farmer customers.

PROPOSED GENERAL PROVISIONS

Section __: Each year, agricultural producers exhaust their loan eligibility due to statutory limits on the number of years an agricultural producer may receive direct loan funds from the Secretary. Removal of this requirement for direct farm ownership and operating loans would assist various types of borrowers, including borrowers who live in credit deserts, who have a continued need for loan assistance beyond current term limits and meet all other eligibility criteria. In addition, direct farm ownership loans currently require an applicant to have three years of experience farming or ranching. While an applicant can use certain educational and training experiences to reduce the number of years of actual experience required, these requirements are a constant source of confusion for applicants and increasingly difficult for an applicant to satisfy as barriers to accessing land increase. Reducing the experience requirements to one year will lower these barriers and simplify the process allowing for greater program participation.

SEC. __. Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended—
(a) in subsection (a)(1)(B) by striking “without regard to any lapse between farming experiences,”; and
(b) in subsection (b)

(1) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—The Secretary may make a direct loan under this subtitle only to a farmer or rancher who has at least 1 year of experience substantially participating in the management and business operations of a farm or ranch, as determined by the Secretary, or has other acceptable education or experience for a period of time, as determined by the Secretary.”

(2) by striking paragraphs (3) and (4) and inserting the following:

“(3) WAIVER AUTHORITY. In the case of a qualified beginning farmer or rancher, the Secretary may waive the 1-year requirement in paragraph (1), if the farmer or rancher has an established relationship with an individual who has experience in farming or ranching, or with a local farm or ranch operator or organization approved by the Secretary, that is committed to mentoring the farmer or rancher.”

SEC. __. Section 311(a)(1)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(a)(1)(B)) is amended by striking “without regard to any lapse between farming experiences.”.

SEC. __. Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is hereby repealed.

Section 744: Agricultural producers impacted by a disaster who wish to use emergency loan funding must provide one or more written declinations from a commercial lender. Removal of this requirement will give the Secretary maximum flexibility in regards to applicant eligibility for emergency loans, better aligns eligibility requirements with those for farm ownership and operating loans, and improves producer access to emergency funding.

SEC. 744. Section 322 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1962) is amended—
(a) by striking the subsection designation “(a)”; and
(b) by striking subsection (b).

Section 743: The current language defines a qualifying loss from a disaster event as being at least 30 per centum loss of normal per acre or per animal production. Removal of this language ensures that the Secretary has maximum flexibility in defining loss to improve eligibility for agricultural producers seeking emergency loan funding. The intent of this action is to improve producer access to emergency funding.

SEC. 743. Section 329 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1970) is amended in the first sentence by striking “at least a 30 per centum” and all that follows through “in effect for the previous year” and inserting in lieu thereof the following: “a qualifying production loss, as determined by the Secretary, as a result of the disaster,”.

Section __: Direct farm ownership loan limits have increased overtime while the limit for the down payment loan program has remained the same, resulting in a decrease in utilization of that program over time. Aligning the down payment loan limit with the limit for other direct farm ownership loans will increase program utilization relative to other direct farm ownership loans.

SEC. __. Section 310E(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(b)) is amended by striking paragraph (1) and inserting the following:

“(1) PRINCIPAL.—Each loan made under this section shall be in an amount that does not exceed 45 percent of the least of—

- (A) the purchase price of the farm or ranch to be acquired; or
- (B) the appraised value of the farm or ranch to be acquired.”

Section __: The current language defining “qualified beginning farmer or rancher” requires in the case of a cooperative, corporation, partnership, joint operation, or such other legal entity that all members of such entity be related to one another by blood or marriage. Removing this requirement will expand program eligibility to entities whose members are not related by blood or marriage, but otherwise qualify as beginning farmers or ranchers.

SEC. __. Section 343(a)(11) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)) is amended—

- (a) by striking subparagraph (C); and
- (b) in redesignating subparagraphs (D) through (G) as (C) through (F), respectively.

Section 742: Provides revisions to beginning farmer reserved funds authorizing language.

SEC. 742. Section 346(b)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)) is amended—

- (a) In subparagraph (A)(i)(II) by inserting “to the extent practicable” after “April 1 of the fiscal year”;
- (b) In subparagraph (A)(iii) by inserting “to the extent practicable” after “September 1 of the fiscal year”; and
- (c) In subparagraph (B)(iii) by inserting “to the extent practicable” after “April 1 of the fiscal year”.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**Table FSA-35. Geographic Breakdown of Obligations (thousands of dollars) Direct Farm Ownership**

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Alabama.....	\$9,022	\$6,120	\$10,261	\$10,261
Alaska.....	806	585	981	981
Arizona.....	12,005	10,129	16,982	16,982
Arkansas.....	73,397	49,576	83,119	83,119
California.....	27,066	18,260	30,615	30,615
Colorado.....	33,242	21,790	36,533	36,533
Connecticut.....	2,323	1,572	2,636	2,636
Delaware.....	2,031	1,650	2,766	2,766
Florida.....	6,243	2,344	3,930	3,930
Georgia.....	19,836	11,775	19,742	19,742
Guam.....	-	487	817	817
Hawaii.....	10,189	15,748	26,403	26,403
Idaho.....	21,772	14,568	24,425	24,425
Illinois.....	134,788	126,356	211,848	211,848
Indiana.....	47,237	45,764	76,728	76,728
Iowa.....	237,483	250,034	419,201	419,201
Kansas.....	150,921	134,341	225,235	225,235
Kentucky.....	78,184	48,341	81,048	81,048
Louisiana.....	2,691	2,080	3,487	3,487
Maine.....	3,592	1,500	2,515	2,515
Maryland.....	4,151	3,362	5,637	5,637
Massachusetts.....	1,618	2,705	4,535	4,535
Michigan.....	34,707	36,910	61,883	61,883
Minnesota.....	105,340	105,216	176,404	176,404
Mississippi.....	3,772	5,685	9,531	9,531
Missouri.....	71,330	58,429	97,962	97,962
Montana.....	28,853	19,236	32,251	32,251
Nebraska.....	165,518	140,433	235,449	235,449
Nevada.....	1,840	1,127	1,890	1,890
New Hampshire.....	250	320	537	537
New Jersey.....	3,198	2,660	4,460	4,460
New Mexico.....	27,574	19,953	33,453	33,453
New York.....	12,803	11,594	19,438	19,438
North Carolina.....	9,722	11,540	19,348	19,348
North Dakota.....	70,039	62,881	105,426	105,426
Ohio.....	35,614	32,406	54,332	54,332
Oklahoma.....	214,375	184,219	308,860	308,860
Oregon.....	19,277	13,944	23,378	23,378
Pennsylvania.....	36,466	36,444	61,102	61,102
Puerto Rico.....	1,159	162	272	272
Rhode Island.....	1,460	342	573	573
South Carolina.....	7,829	7,595	12,734	12,734
South Dakota.....	84,352	84,766	142,118	142,118
Tennessee.....	24,575	20,097	33,694	33,694
Texas.....	84,895	61,470	103,060	103,060
Utah.....	24,327	17,316	29,032	29,032
Vermont.....	2,590	2,345	3,932	3,932
Virginia.....	44,312	34,594	58,000	58,000
Washington.....	26,774	24,425	40,951	40,951
West Virginia.....	15,379	10,564	17,712	17,712
Wisconsin.....	81,122	62,303	104,457	104,457
Wyoming.....	16,051	10,925	18,317	18,317
Distribution Unknown.....	32	-	-	-
Obligations.....	2,134,132	1,848,988	3,100,000	3,100,000

Table FSA-36. Geographic Breakdown of Obligations (thousands of dollars) Direct Farm Operating

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Alabama	\$5,400	\$4,238	\$7,986	\$7,985
Alaska	268	183	345	345
Arizona	12,631	9,212	17,360	17,356
Arkansas	54,959	45,112	85,012	84,995
California	15,002	13,154	24,788	24,783
Colorado	13,488	11,594	21,849	21,844
Connecticut	1,761	1,723	3,247	3,246
Delaware	684	245	462	462
Florida	4,533	3,691	6,956	6,954
Georgia	22,026	20,108	37,893	37,885
Guam	-	185	349	349
Hawaii	2,284	3,320	6,256	6,255
Idaho	17,156	10,047	18,933	18,929
Illinois	15,178	11,788	22,214	22,210
Indiana	11,953	8,922	16,813	16,810
Iowa	77,664	66,916	126,101	126,075
Kansas	39,612	35,537	66,968	66,955
Kentucky	35,485	30,538	57,548	57,536
Louisiana	13,096	13,354	25,165	25,160
Maine	5,573	5,220	9,837	9,835
Maryland	1,296	2,047	3,858	3,857
Massachusetts	1,262	1,605	3,025	3,024
Michigan	12,768	12,331	23,237	23,233
Minnesota	56,532	44,958	84,722	84,705
Mississippi	10,869	10,795	20,343	20,339
Missouri	13,121	10,391	19,582	19,578
Montana	25,645	19,056	35,910	35,903
Nebraska	104,487	92,650	174,596	174,559
Nevada	1,736	1,150	2,167	2,167
New Hampshire	715	1,007	1,898	1,897
New Jersey	1,411	1,246	2,348	2,348
New Mexico	12,073	10,625	20,022	20,018
New York	8,330	8,073	15,213	15,210
North Carolina	18,240	21,036	39,642	39,634
North Dakota	43,048	36,309	68,423	68,409
Ohio	6,195	4,548	8,571	8,569
Oklahoma	72,367	63,517	119,696	119,671
Oregon	14,291	10,859	20,463	20,459
Pennsylvania	15,545	17,033	32,098	32,092
Puerto Rico	683	140	264	264
Rhode Island	389	206	388	388
South Carolina	10,757	9,381	17,678	17,675
South Dakota	60,267	43,376	81,741	81,724
Tennessee	22,612	15,889	29,942	29,936
Texas	57,216	47,454	89,426	89,407
Utah	17,351	13,516	25,470	25,465
Vermont	1,625	2,346	4,421	4,420
Virgin Islands	31	-	-	-
Virginia	11,032	7,320	13,794	13,791
Washington	25,919	24,731	46,605	46,595
West Virginia	10,587	8,466	15,954	15,951
Wisconsin	28,819	22,933	43,217	43,208
Wyoming	5,422	6,653	12,537	12,535
Obligations	1,021,554	866,734	1,633,333	1,633,000

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

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Arkansas	\$253	\$96	-	-
Connecticut	-	389	-	-
Louisiana	22	-	-	-
Minnesota	65	-	-	-
Montana	-	412	-	-
New York	15	-	-	-
North Dakota	47	123	-	-
Oregon	-	499	-	-
Pennsylvania	224	-	-	-
Texas	-	267	-	-
Utah	60	270	-	-
Virginia	68	-	-	-
Distribution Unknown	-	-	\$65,000	\$61,793
Obligations	754	2,056	65,000	61,792

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

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Alabama.....	\$61,479	\$82,187	\$120,809	\$120,809
Arizona.....	6,660	13,574	19,953	19,953
Arkansas.....	144,250	257,971	379,204	379,204
California.....	34,458	25,576	37,595	37,595
Colorado.....	18,041	22,153	32,563	32,563
Connecticut.....	2,380	332	488	488
Delaware.....	6,182	4,597	6,757	6,757
Florida.....	7,997	10,556	15,517	15,517
Georgia.....	52,451	35,013	51,467	51,467
Hawaii.....	-	7,008	10,301	10,301
Idaho.....	25,762	21,058	30,954	30,954
Illinois.....	217,914	182,631	268,455	268,455
Indiana.....	110,503	80,062	117,686	117,686
Iowa.....	172,993	139,050	204,394	204,394
Kansas.....	48,477	47,557	69,906	69,906
Kentucky.....	69,274	70,611	103,793	103,793
Louisiana.....	8,211	20,826	30,613	30,613
Maine.....	837	4,612	6,779	6,779
Maryland.....	6,673	15,686	23,057	23,057
Massachusetts.....	3,858	793	1,166	1,166
Michigan.....	80,225	53,027	77,946	77,946
Minnesota.....	175,651	126,791	186,374	186,374
Mississippi.....	49,409	42,102	61,887	61,887
Missouri.....	179,962	123,895	182,117	182,117
Montana.....	43,963	52,520	77,201	77,201
Nebraska.....	93,892	90,401	132,883	132,883
Nevada.....	9,674	11,667	17,150	17,150
New Hampshire.....	525	2,613	3,841	3,841
New Jersey.....	2,528	-	-	-
New Mexico.....	20,324	17,869	26,266	26,266
New York.....	32,349	25,141	36,956	36,956
North Carolina.....	79,412	53,004	77,912	77,912
North Dakota.....	37,358	31,891	46,878	46,878
Ohio.....	198,187	152,756	224,541	224,541
Oklahoma.....	104,477	82,937	121,912	121,912
Oregon.....	25,258	13,666	20,088	20,088
Pennsylvania.....	14,145	14,417	21,192	21,192
Puerto Rico.....	1,375	1,167	1,715	1,715
South Carolina.....	36,135	25,728	37,818	37,818
South Dakota.....	100,642	81,090	119,197	119,197
Tennessee.....	68,205	69,418	102,040	102,040
Texas.....	54,685	51,820	76,172	76,172
Utah.....	30,700	21,808	32,056	32,056
Vermont.....	2,338	3,348	4,921	4,921
Virginia.....	12,935	14,304	21,026	21,026
Washington.....	7,521	2,776	4,081	4,081
West Virginia.....	2,675	1,586	2,331	2,331
Wisconsin.....	247,981	157,394	231,359	231,359
Wyoming.....	22,517	14,071	20,683	20,683
Obligations.....	2,733,448	2,381,060	3,500,000	3,500,000

Table FSA-39. Geographic Breakdown of Obligations (thousands of dollars) Guaranteed Farm Operating

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Alabama	\$2,476	\$906	\$2,678	\$2,678
Arizona	8,014	4,175	12,340	12,340
Arkansas	56,347	71,572	211,537	211,537
California	22,576	20,047	59,251	59,251
Colorado	8,031	5,685	16,803	16,803
Connecticut	1,142	278	822	822
Delaware	-	8	24	24
Florida	4,813	6,134	18,130	18,130
Georgia	20,515	32,873	97,159	97,159
Hawaii	-	176	520	520
Idaho	23,313	21,963	64,914	64,914
Illinois	30,843	17,221	50,898	50,898
Indiana	29,382	30,432	89,945	89,945
Iowa	42,252	28,289	83,611	83,611
Kansas	18,717	13,467	39,803	39,803
Kentucky	7,423	11,178	33,038	33,038
Louisiana	44,871	51,787	153,062	153,062
Maine	7,346	500	1,478	1,478
Maryland	200	329	972	972
Massachusetts	100	400	1,182	1,182
Michigan	16,073	10,308	30,466	30,466
Minnesota	47,500	41,929	123,925	123,925
Mississippi	7,418	12,955	38,290	38,290
Missouri	21,494	37,395	110,525	110,525
Montana	23,963	21,174	62,582	62,582
Nebraska	27,598	17,880	52,846	52,846
Nevada	1,015	307	907	907
New Hampshire	-	473	1,398	1,398
New Jersey	150	300	887	887
New Mexico	3,169	3,313	9,792	9,792
New York	10,844	8,539	25,238	25,238
North Carolina	9,238	4,945	14,615	14,615
North Dakota	61,517	35,695	105,500	105,500
Ohio	7,601	6,326	18,697	18,697
Oklahoma	33,290	35,314	104,374	104,374
Oregon	6,395	4,967	14,680	14,680
Pennsylvania	3,462	1,530	4,522	4,522
Puerto Rico	563	-	-	-
South Carolina	16,644	13,611	40,229	40,229
South Dakota	15,612	18,769	55,474	55,474
Tennessee	11,799	10,253	30,304	30,304
Texas	58,612	48,381	142,995	142,995
Utah	2,817	4,467	13,203	13,203
Vermont	1,780	215	635	635
Virginia	9,256	11,344	33,528	33,528
Washington	15,864	18,014	53,242	53,242
West Virginia	1,406	250	739	739
Wisconsin	30,843	21,587	63,803	63,803
Wyoming	6,585	9,111	26,928	26,928

2024 USDA EXPLANATORY NOTES – FARM SERVICE AGENCY

Distribution Unknown	-	-	-	-
Obligations.....	780,869	716,772	2,118,491	2,118,491
Bal. Available, EOY	3,751,193	2,385,286	-	-
Total, Available	4,532,062	3,102,058	2,118,491	2,118,491

Table FSA-40. Geographic Breakdown of Obligations (thousands of dollars) Boll Weevil Eradication Loan Program

State/Territory	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Distribution Unknown	-	-	\$60,000	\$60,000
Total Obligation	-	-	60,000	60,000

Table FSA-41. Geographic Breakdown of Obligations (thousands of dollars) Indian Land Acquisition Loan Program

State/Territory	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Distribution Unknown	-	-	\$20,000	\$20,000
Total Obligation	-	-	20,000	20,000

Table FSA-42. Geographic Breakdown of Obligations (thousands of dollars) Indian Highly Fractionated Loan Program

State/Territory	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Distribution Unknown	-	-	\$5,000	\$5,000
Total Obligation	-	-	5,000	5,000

Table FSA-43. Geographic Breakdown of Obligations (thousands of dollars) Heirs Property Relending Program

State/Territory	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Distribution Unknown	-	\$7,000	\$61,426	\$61,426
Total Obligation	-	7,000	61,426	61,426

Table FSA-44. Geographic Breakdown of Obligations (thousands of dollars) Guaranteed Conservation Loan Program

State/Territory	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Distribution Unknown	-	-	\$150,000	\$150,000
Obligations	-	-	150,000	150,000

Table FSA-45. Geographic Breakdown of Obligations (thousands of dollars) Assistance For Farm Loan Borrowers

State/Territory	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Distribution Unknown	-	-	\$1,597,000	\$365,000
Obligations	-	-	1,597,000	365,000

CLASSIFICATION BY OBJECTS

Table FSA-46. Classification by Objects (thousands of dollars)

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Other Objects:					
25.3	Other goods and services from Federal sources.....	\$294,114	\$294,114	\$305,803	\$321,621
41.0	Grants, subsidies, and contributions	99,404	43,619	1,660,268	441,287
	Total, Other Objects	393,518	337,733	1,966,071	762,908
99.9	Total, new obligations	393,518	337,733	1,966,071	762,908

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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.

During 2022, \$3.1 billion was appropriated under the Inflation Reduction Act (P.L. 117-169) for assistance to farm loan borrowers with at-risk agricultural operations. The funding is to be used to assist distressed borrowers of direct or guaranteed loans administered by the Farm Service Agency under subtitle A, B, or C of that Act (7 U.S.C. 1922 through 1970). These funds will be obligated in 2023 and subsequent fiscal years.

Farm Ownership Loans. FSA makes direct and guaranteed loans to family farmers to purchase a farm, enlarge an existing farm, construct new farm buildings and/or improve structures, pay closing costs, and promote soil and water conservation and protection.

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; 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 \$3.1 billion to beginning farmers during 2022, of which \$2.3 billion was in the ownership program and \$828 million was in the operating program. Loans for underserved farmers totaled \$1.2 billion, of which \$913 million was in the farm ownership program and \$321 million was in the farm operating program.

Selected Examples of Recent Progress

Lending to beginning farmers was strong during 2022. FSA loaned or guaranteed beginning farmer loans for 14,288 borrowers. Outreach efforts by FSA field offices to promote and inform beginning and underserved farmers about available FSA programs have resulted in stable lending to these groups in the last few years.

The amount of direct and guaranteed operating and farm ownership loan assistance provided in 2022 decreased compared to 2021. Loan assistance provided to beginning and underserved farmers decreased in 2022 compared to 2021 but loan assistance continues a strong presence in lending to these underserved groups as a percentage of total

assistance provided. Since 2021, the amount of beginning farmer assistance decreased by 6 percent and the amount of underserved assistance increased by 8 percent.

2022 Actual Agricultural Credit Insurance Fund Loans and Obligations

Table FSA-45 Total Direct and Guaranteed Loans (number of loans, percent change)

Item	2021	2022	Change
Direct Farm Ownership	7,305	6,189	-15%
Direct Farm Ownership – Microloans	161	100	-38%
Guaranteed Farm Ownership	4,778	3,939	-18%
Ownership Subtotal	12,244	10,228	-16%
Direct Operating	10,088	8,541	-15%
Direct Farm Operating – Microloans.....	4,270	3,396	-20%
Guaranteed Operating.....	2,440	2,198	-10%
Operating Subtotal.....	16,798	14,135	-16%
Emergency.....	9	9	0%
Heirs Relending.....	0	2	100%
Grand Total Number of Loans	29,051	24,374	-16%

Table FSA-46. Total Direct and Guaranteed Loans (thousands of dollars, percent change).

Item	2021	2022	Change
Direct Farm Ownership	\$2,127,720	\$1,845,140	-13%
Direct Farm Ownership – Microloans	6,412	3,848	-40%
Guaranteed Farm Ownership.....	2,733,448	2,381,060	-13%
Ownership Subtotal	4,867,580	4,230,048	-13%
Direct Operating	911,755	778,545	-15%
Direct Farm Operating – Microloans.....	109,799	88,188	-20%
Guaranteed Operating.....	780,869	716,772	-8%
Operating Subtotal.....	1,802,423	1,583,506	-12%
Emergency.....	754	2,056	173%
Heirs Relending.....	0	7,000	100%
Grand Total Dollar Value of Loans	6,670,757	5,815,610	-13%

Table FSA-47 Total Beginning Farmer Loans (number of loans, percent change)

Item	2021	2022	Change
Direct Farm Ownership	2,880	1,884	-35%
Direct Farm Ownership Down-payment	2,097	2,260	8%
Guaranteed Farm Ownership	2,185	1,933	-12%
Ownership Subtotal	7,162	6,077	-15%
Direct Operating	8,740	7,333	-16%
Guaranteed Operating.....	908	878	-3%
Operating Subtotal.....	9,648	8,211	-15%
Grand Total Number of Loans	16,810	14,288	-15%

Table FSA-48 Beginning Farmer Loans (thousands of dollars, percent change)

Item	2021	2022	Change
Direct Farm Ownership	\$885,931	\$587,091	-34%
Direct Farm Ownership Down-payment	515,938	614,604	19%
Guaranteed Farm Ownership.....	1,018,787	1,068,557	5%
Ownership Subtotal	2,420,656	2,270,253	-6%
Direct Operating	654,778	583,408	-11%
Guaranteed Operating.....	233,008	244,820	5%
Operating Subtotal.....	887,786	828,228	-7%
Grand Total Dollar Value of Loans	3,308,442	3,098,481	-6%

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 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-49 Socially Disadvantaged Farmer Loans (number of loans, percent change)

Item	2021	2022	Change
Direct Farm Ownership	1,370	1,233	-10%
Guaranteed Farm Ownership.....	697	715	3%
Ownership Subtotal	2,067	1,948	-6%
Direct Operating	3,823	3,655	-4%
Guaranteed Operating.....	287	367	28%
Operating Subtotal.....	4,110	4,022	-2%
Grand Total Number of Loans	6,177	5,970	-3%

Table FSA-50 Socially Disadvantaged Farmer Loans (thousands of dollars, percent change)

Item	2021	2022	Change
Direct Farm Ownership	\$383,007	\$342,026	-11%
Guaranteed Farm Ownership.....	461,811	571,050	24%
Ownership Subtotal	844,818	913,076	8%
Direct Operating	198,679	208,807	5%
Guaranteed Operating.....	96,578	112,661	17%
Operating Subtotal.....	295,257	321,468	9%
Grand Total Dollar Value of Loans	1,140,075	1,234,544	8%

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ACCOUNT 6: EMERGENCY CONSERVATION PROGRAM

PROJECT STATEMENT

Table FSA-53. Project Statement Appropriations (thousands of dollars)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.
Discretionary Appropriations:					
ECP Regular	-	-	-	-	-
ECP Stafford	-	-	-	-	-
Subtotal Disc. Appropriation	-	-	-	-	-
Supplemental Appropriations:					
ECP- PL 114-254	-	-	-	-	-
ECP- PL 115-123	-	-	-	-	-
ECP PL 116-20	-	-	-	-	-
Subtotal Supp. Appropriations	-	-	-	-	-
Total Appropriation	-	-	-	-	-
Recoveries, Other	\$70,081	\$46,578	-	-	-
Bal. Available, SOY	992,481	775,693	\$626,428	\$526,428	-\$100,000
Total Available	845,774	768,640	626,428	526,428	-100,000
Bal. Available, EOY	-722,062	-626,428	-526,428	-426,428	+100,000
Total Obligations	123,712	142,212	100,000	100,000	-

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

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.
Discretionary Obligations:					
ECP Regular	\$18,932	\$3,424	\$15,303	\$2,408	-\$12,895
ECP Stafford	338	52	273	37	-236
Subtotal Disc. Obligations	19,270	3,476	15,577	2,444	-13,133
Supplemental Obligations:					
ECP- PL 114-254	5,491	867	4,439	610	-3,829
ECP- PL 115-123	19,520	2,282	15,779	1,605	-14,174
ECP- PL 116-20	79,431	135,587	64,206	95,341	+31,135
Subtotal Supp Obligations	123,712	142,212	100,000	100,000	-
Total Obligations	123,712	142,212	100,000	100,000	-
Balances Available, EOY	722,062	626,428	526,428	426,428	-100,000
Total Bal. Available, EOY	-	-	-	-	-
Total Available	845,774	768,640	626,428	526,428	-100,000
Recoveries, Other	-70,081	-46,578	-	-	-
Bal. Available, SOY	-775,693	-722,062	-626,428	-526,428	100,000
Total Appropriation	-	-	-	-	-

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS*Table FSA-55. Geographic Breakdown of Obligations (thousands of dollars)*

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Alabama	\$4,932	\$2,567	\$3,987	\$1,805
Arizona	23	0	19	0
Arkansas	1,816	1,128	1,468	793
California.....	13,516	8,498	10,925	5,976
Colorado	97	294	78	207
Florida	9,735	4,011	7,869	2,820
Georgia	6,545	173	5,291	122
Hawaii	72	1,100	58	773
Idaho.....	183	229	148	161
Illinois.....	125	0	101	0
Iowa.....	3,425	1,125	2,769	791
Kansas	2,530	13,701	2,045	9,634
Kentucky	277	10,237	224	7,198
Louisiana	13,513	10,276	10,923	7,226
Maine.....	382	0	309	0
Massachusetts.....	9	875	7	615
Michigan.....	707	0	571	0
Mississippi.....	764	770	618	541
Missouri.....	2,439	447	1,972	314
Montana.....	7,892	23,994	6,379	16,872
Nebraska.....	6,908	8,158	5,584	5,737
Nevada.....	178	72	144	51
New Hampshire	203	254	164	179
New Jersey	5	422	4	297
New Mexico	0	433	0	304
New York	0	101	0	71
North Carolina.....	456	719	369	506
North Dakota	91	1,427	74	1,003
Ohio	1,076	26	870	18
Oklahoma	1,844	1,886	1,491	1,326
Oregon.....	9,954	8,365	8,046	5,882
Pennsylvania.....	19	4	15	3
Puerto Rico.....	1,834	817	1,482	574
South Carolina.....	372	444	301	312
South Dakota	11,136	25,032	9,002	17,602
Tennessee	2,787	2,866	4,633	2,015
Texas	1,100	7,412	2,253	5,212
Utah	726	68	587	48
Vermont.....	10	3	8	2
Virgin Islands	44	0	36	0
Virginia.....	1	310	1	218
Washington.....	13,054	2,046	10,552	1,439
West Virginia	103	974	83	685
Wisconsin	83	19	67	13
Wyoming.....	2,746	882	2,220	620
KCMO-DMD	0	47	0	33
Obligations	123,712	142,212	100,000	100,000

CLASSIFICATION BY OBJECTS

Table FSA-56. Classification by Objects (in thousands)

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
41.0	Grants, subsidies, and contributions .	\$123,712	\$142,212	\$100,000	\$100,000
	Total, Other Objects	123,712	142,212	100,000	100,000
99.9	Total, New Obligations.....	123,712	142,212	100,000	100,000

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STATUS OF PROGRAMS***Current Activities***

During 2022, 38 states and one territory participated in the Emergency Conservation Program (ECP), with new or continued activity from the previous year, involving approximately \$86 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 2022, ECP allocated \$171.5 million in unrestricted funds. These allocations include the reallocation of unrestricted funds remaining from previous years' disasters to help producers faced with new natural disaster events.

Selected Examples of Recent Activity

The following tables show (A) appropriations and outlays for 1981 through 2022 and (B) 2022 allocations by State.

Table FSA-57. Emergency Conservation Program Appropriations and Outlays Fiscal Years 1981-2022

Fiscal Year	Appropriation		Outlays
1981 - 2010	\$1,131,860,070	^{1/} to ^{5/}	\$926,918,418
2011	-	^{6/}	35,138,268
2012	136,700,000	^{7/}	56,113,938
2013	25,049,415	^{8/}	41,084,135
2014	-		22,879,879
2015	9,216,000	^{9/}	23,926,138
2016	108,000,000	^{10/}	28,159,321
2017	131,629,524	^{11/}	57,067,063
2018	400,000,000	^{12/}	97,286,299
2019	558,000,000	^{13/}	74,643,848
2020	-		125,833,751
2021	-		94,214,113
2022	-		86,528,637
TOTAL	2,486,455,009		1,669,793,808

^{1/} \$199.8 million in supplemental funding provided by P.L. 109-148. \$38 million was transferred to NOAA by P.L. 109-234.

^{2/} \$18 million in supplemental funding was provided by P.L. 110-28; \$2 million was for Kansas only.

^{3/} \$89.4 million in supplemental funding was provided by P.L. 110-252 and used for multiple disasters throughout the nation, and much of this funding addressed damage from the 2008 Midwest Floods. \$115 million in a second supplemental was provided by P.L. 110-329 and was also used for multiple disasters throughout the nation. Much of this funding addressed damage from Hurricanes Ike and Gustav and also provided additional funding to address damage from the 2008 Midwest Floods.

^{4/} \$66.314 million was internally re-allotted from Hurricane Katrina and Adjusted Gross Income accounts into the regular ECP account to be used for any natural disaster, per P.L. 111-32, signed June 24, 2009.

^{5/} During 2010, ECP provided \$53.3M in total allocations.

^{6/} During 2011, ECP provided \$28.0M in total allocations.

^{7/} During 2012, ECP provided \$148.9M in total allocations. Also, in 2012, \$122.7 million in ECP funding was provided from the Consolidated and Further Continuing Appropriations Act, 2012, P.L. 112-55 enacted November 18, 2011, for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). Also, using the interchange authority under 7 U.S.C. 2257, \$14 million in Farm Service Agency funding was transferred from the Emergency Assistance for Livestock, Honey Bees and Farm Raised Fish Program (ELAP) to ECP.

^{8/} In 2013, \$15 million of ECP supplemental funding for Super Storm Sandy major disaster relief declared pursuant to the Robert

T. Stafford Disaster Relief and Emergency Assistance Act was provided by PL. 113-2, the Disaster Relief Appropriations Act of 2013. \$11.1 million of ECP funding was provided by P.L. 113-6, the Consolidated and Further Continuing Appropriations Act of 2013. Appropriated amounts shown are net of sequester and rescissions.

^{9/} In 2015, \$9.216 million of ECP funding was also provided by P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015 for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

^{10/} In 2016, \$108 million of ECP funding was provided by P.L. 114-113, and the Consolidated Appropriations Act, 2016 provided \$91 million was made available for expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The remaining \$17 million is considered unrestricted funds.

^{11/} In 2017, \$102.9 million of ECP funding was provided by P.L. 114-254, and the Further Continuing and Security Assistance Appropriations Act, 2017 to remain available until expended, provided all amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b) (2) (A) (i) of the Balanced Budget and Emergency Deficit Control Act of 1985. In addition, \$28,651,000 was provided by P.L. 115-31, the Consolidated Appropriations Act 2017 to remain available until expended for emergencies not declared as a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

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

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

Table FSA-58. Emergency Conservation Program FY 22 Allocations by State (In dollars)

State	Drought	Flooding	Hurricane	Severe Storm	Tornado	Wildfire	Total
AL	-	\$421,799	\$2,031,138	\$151,263	\$967,401	-	\$3,571,601
AZ	-	-	-	-	-	\$3,121,503	3,121,503
AR	-	521,845	-	76,380	863,844	-	1,462,069
CA	\$113,098	-	-	-	-	8,595,308	8,708,406
CO	145,015	-	-	-	-	1,457,856	1,602,871
FL	-	-	154,483	-	-	-	154,483
GA	-	15,144	1,595	4,547	25,080	-	46,366
HI	-	-	-	-	-	2,910,864	2,910,864
ID	175,000	-	-	--	-	-	175,000
IA	-	93,184	-	97,215	59,053	-	249,452
KS	-	260,121	-	0	389,204	18,250,741	18,900,066
KY	-	442,705	-	113,530	7,058,425	4,306,362	11,921,022
LA	-	-	8,170,516	-	-	-	8,170,516
MA	1,599,969	-	-	-	-	-	1,599,969
MS	-	4,726	282,374	-	119,307	-	406,407
MO	-	90,884	-	-	397,231	-	488,115
MT	28,434,953	358,203	-	-	-	9,279,115	38,072,271
NE	-	682,573	-	-	-	7,507,138	8,189,711
NV	78,953	21,821	-	-	-	15,191	115,965
NH	-	283,066	-	-	-	-	283,066
NJ	-	-	441,704	-	-	-	441,704
NM	-	656,179	-	-	-	-	656,179
NY	-	122,623	-	8,176	-	-	130,799
NC	-	412,498	-	-	-	-	412,498
ND	1,323,077	619,128	-	-	-	11,676	1,953,881
OK	-	68,888	-	89,811	31,444	3,720,857	3,911,000
OR	1,764,533	40,765	-	1,993,177	-	3,439,511	7,237,986
PA	-	-	4,250	-	-	-	4,250
PR	-	-	-	-	-	1,126,539	1,126,539
SC	-	183,115	-	3,991	144,057	-	331,163
SD	19,036,858	-	-	4,244,691	-	351,585	23,633,134
TN	-	1,048,858	-	356,062	1,630,101	-	3,035,021
TX	-	-	-	1,932,535	2,214,811	4,812,892	8,960,238
UT	-	45,580	-	-	-	5,000	50,580
VT	-	34,255	-	-	-	-	34,255
VA	-	-	-	37,010	74,039	-	111,049
WA	340,931	262,651	-	-	-	5,304,307	5,907,889
WV	219,252	-	-	-	-	-	219,252
WY	3,178,277	-	-	-	-	-	3,178,277
Grand Total	56,409,916	6,690,611	11,086,060	9,108,388	13,973,997	74,216,445	171,485,417

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ACCOUNT 7: GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS

APPROPRIATIONS LANGUAGE

For necessary expenses to carry out direct reimbursement payments to geographically disadvantaged farmers and ranchers under section 1621 of the Food Conservation, and Energy Act of 2008 (7 U.S.C. 8792), \$4,000,000, to remain available until expended.

PROJECT STATEMENT

Table FSA-59. Project Statement Appropriations (thousands of dollars)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.
Geographically Disadvantaged Farmer & Ranchers:	\$2,000	\$3,000	\$4,000	\$4,000	-
Total Appropriation	2,000	3,000	4,000	4,000	-
Bal. Available, SOY	4,456	4,456	4,456	4,456	-
Total Available	6,456	7,456	8,456	8,456	-
Bal. Available, EOY	-4,456	-4,456	-4,456	-4,456	-
Total Obligations	2,000	3,000	4,000	4,000	-

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

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.
Geographically Disadvantaged Farmer & Ranchers:	\$2,000	\$3,000	\$4,000	\$4,000	-
Total Obligations	2,000	3,000	4,000	4,000	-
Bal. Available, EOY	4,456	4,456	4,456	4,456	-
Total Bal. Available, EOY	4,456	4,456	4,456	4,456	-
Total Available	6,456	6,456	8,456	8,456	-
Less:					
Bal. Available, SOY	-4,456	-4,456	-4,456	-4,456	-
Total Appropriation	2,000	3,000	4,000	4,000	-

JUSTIFICATION

The 2024 Budget is requesting \$4,000,000 funding for RTCP.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table FSA-61. Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Distribution Unknown	\$2,000	\$3,000	\$4,000	\$4,000
Obligations.....	2,000	3,000	4,000	4,000
Bal. Available, EOY	4,456	4,456	4,456	4,456
Total, Available	6,456	7,456	8,456	8,456

CLASSIFICATION BY OBJECTS

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

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
41.0	Grants, subsidies, and contributions...	\$2,000	\$3,000	\$4,000	\$4,000
	Total, Other Objects	2,000	3,000	4,000	4,000
99.9	Total, New obligations	2,000	3,000	4,000	4,000

STATUS OF PROGRAMS

Current Activities

The Agricultural Act of 2014 (Public Law 117-103) re-authorized the Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers (RTCP). The Consolidated Appropriations Act, 2022 authorized \$3 million for 2022 and \$4 million in 2023 and 2024 to reimburse geographically disadvantaged producers with a portion of the cost to transport agricultural commodities or used to produce an agricultural commodity for each succeeding fiscal year subject to appropriate funding.

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.

Current Activities: RTCP benefits are calculated based on the costs incurred by the producer for transportation of the agricultural commodity or inputs during a fiscal year, subject to an \$8,000 per producer cap per fiscal year. RTCP enrollments for 2022 began on July 11, 2022 and ended on September 2, 2022. Since RTCP benefits are based on transportation costs incurred during a fiscal year, producers had until November 4, 2022, to provide supporting documentation of their actual transportation costs to replace any certified amounts for 2022.

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ACCOUNT 8: EMERGENCY FOREST RESTORATION PROGRAM

APPROPRIATIONS LANGUAGE

[For an additional amount for "Emergency Forest Restoration Program", \$27,000,000, to remain available until expended.]

Change Description

The change (lines 1) removes the language for this program which is not proposed in the 2024 Budget. Sufficient carryover is available to operate the program in 2024.

PROJECT STATEMENT

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

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.
Discretionary Appropriations:					
EFRP PL 117-328	-	-	\$27,000	-	-\$27,000
Total Appropriation.....	-	-	27,000	-	-27,000
Recoveries, Other	\$7,565	\$34,021	-	-	-
Bal. Available, SOY.....	469,811	416,544	369,770	\$296,770	-100,000
Total Available.....	477,376	450,565	396,770	296,770	-100,000
Bal. Available, EOY	-416,544	-369,770	-296,770	-196,770	+100,000
Total Obligations	60,832	80,795	100,000	100,000	-

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

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated	Inc./ Dec.
Discretionary Obligations:					
EFRP Stafford.....	\$1,271	\$177	\$2,089	\$219	-\$1,870
EFRP Regular	55	1,445	90	1,788	+1,698
EFRP PL 116-20.....	59,506	79,173	97,821	97,992	+172
Total Obligations	60,832	80,795	100,000	100,000	-
Add back:					
Balances Available, EOY.....	416,544	369,770	296,770	196,770	-100,000
Total Available.....	477,376	450,565	396,770	296,770	-100,000
Less	-	-	-	-	-
Recoveries, Other.....	-7,565	-34,021	-	-	-
Bal. Available, SOY.....	-469,811	-416,544	-369,770	-296,770	+100,000
Total Appropriation.....	-	-	27,000	-	-27,000

JUSTIFICATION

The 2024 Budget does not include funding for EFRP. While the Budget does not request additional funding for EFRP it reflects more than \$279 million in unobligated balances available to aid producers following natural disasters.

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 a natural disaster. EFRP was created under the Food, Conservation, and Energy Act of 2008 section 8203 (P.L. 110-246) and codified at 16 U.S.C. Sections 2206. The program is permanently authorized, subject to appropriations. Authorized funding is for “such funds as may be necessary,” and once appropriated, funds are typically, available until expended.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

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

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Alabama.....	\$1,388	\$0	\$2,282	\$0
Florida	26,740	47,650	43,957	58,976
Georgia	5,367	869	8,823	1,076
Iowa.....	6,081	709	9,996	878
Louisiana	331	3,856	544	4,773
Maine.....	3	0	5	0
Michigan.....	0	1,787	0	2,212
Mississippi.....	2,742	60	4,507	74
Montana.....	1,406	2,150	2,311	2,661
New Jersey.....	0	940	0	1,163
Oregon.....	16,314	19,044	26,818	23,571
Pennsylvania.....	0	69	0	85
South Carolina.....	460	108	756	134
South Dakota	0	72	0	89
Tennessee	0	23	0	28
KCMO-DMD	0	3,458	0	4,280
Obligations	60,832	80,795	100,000	100,000

CLASSIFICATION BY OBJECTS

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

No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
41.0	Grants, subsidies, and contributions.....	\$60,832	\$80,795	\$100,000	\$100,000
	Total, Other Objects	60,832	80,795	100,000	100,000
99.9	Total, New Obligations.....	60,832	80,795	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 2022, 16 States participated in EFRP with new or continued activity from the previous year. In 2022, approximately \$15 million was outlaid, which includes prior year unobligated balances brought forward.

Selected Examples of Recent Activity

EFRP provisions in prior year supplemental appropriations have targeted funding for both regular EFRP, such as drought and tornado damage, and Stafford Act funds targeted to specific disaster needs, such as hurricanes. EFRP funds continue to assist with the rehabilitation of forest and forest resources damaged by natural disaster events, such as ice storm and tornado damage, by removing forest debris and replanting tree species and wildlife habitat. During 2022, EFRP allocated \$21,000 in Stafford Act funds and \$44.486 million in unrestricted funds, totaling \$44.507 million to 16 States to assist private forest landowners impacted by natural disasters.

The following tables show (A) appropriations and outlays for 2010 through 2022 and (B) 2022 allocations by State.

Table FSA-67. Emergency Forest Restoration Program Appropriations and Outlays Fiscal Years 2010-2022

Fiscal Year	Appropriation		Outlays
2010	\$18,000,000	^{1/}	-
2011	-		\$232,825
2012	28,400,000	^{2/}	1,991,152
2013	35,665,468	^{3/}	5,452,319
2014	-		1,981,531
2015	3,203,000	^{4/}	4,391,289
2016	6,000,000	^{5/}	4,719,927
2017	-		2,262,227
2018	-		2,211,465
2019	480,000,000	^{6/}	1,137,889
2020	-		3,446,862
2021	-		5,703,067
2022	-		14,810,538
TOTAL	571,268,468		48,341,091

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

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

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

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

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

^{6/} In 2019, \$480,000,000 was provided by P.L. 116-20, the Additional Supplemental Appropriations for Disaster Relief Act, 2019 for necessary expenses related to the consequences of Hurricanes Michael and Florence and wildfires occurring in calendar year 2018, tornadoes and floods occurring in calendar year 2019, and other natural disasters, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 198

Table FSA-68. Emergency Forest Restoration Program 2022 Allocations by State (full dollars)

State	Drought	Flooding	Hurricane	Severe Storm	Tornado	Wildfire	Total
AL	-	-	\$23,738	\$300,381	\$388,979	-	\$713,098
CA	-	-	-	-	-	\$2,605,524	2,605,524
FL	-	-	12,580,055	-	-	-	12,580,055
GA	-	-	\$146,000	-	-	-	146,000
IA	-	-	-	21,420	-	-	21,420
LA	-	-	2,605,302	-	-	-	2,605,302
MI	-	-	-	1,920,000	-	-	1,920,000
MS	-	-	-	-	16,650	-	16,650
MT	-	-	-	-	0	2,721,652	2,721,652
NV	-	-	-	-	0	1,766,359	1,766,359
NJ	-	-	-	-	1,186,254	-	1,186,254
OR	-	-	-	5,011,539	-	12,814,930	17,826,469
PA	-	-	-	94,364	-	-	94,364
SC	-	-	-	-	208,948	-	208,948
SD	-	-	-	-	-	72,461	72,461
TN	-	-	-	-	23,025	-	23,025
Total	-	-	15,355,095	7,347,704	1,823,856	19,980,926	44,507,581

ACCOUNT 9: ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS

PROJECT STATEMENT

Table FSA-69. Project Statement Appropriations (thousands of dollars)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Mandatory Appropriations:				
Payments to SDA Borrowers Direct Farm Loans	\$1,935,065	-	-	-
Payments to SDA Borrowers Farm Storage Facility Loans.....	24,935	-	-	-
Subtotal	1,960,000	-	-	-
Total Adjusted Approp	1,960,000	-	-	-
Total Appropriation.....	1,960,000	-	-	-
Recoveries, Other	-	\$1,959,857	-	-
Total Available.....	1,960,000	1,959,857	-	-
Rescinded Balance to Treasury	-	-1,959,857	-	-
Total Obligations.....	1,960,000	-	-	-

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

Item	2021 Actual	FTE	2022 Actual	2023 Estimated	2024 Estimated
Mandatory Obligations:					
Payments to SDA Borrowers					
Direct Farm Loans.....	\$1,935,065	-	-	-	-
Payments to SDA Borrowers Farm Storage Facility Loans	24,935	-	-	-	-
Subtotal Mand Oblig	1,960,000	-	-	-	-
Total Obligations.....	1,960,000	-	-	-	-
Add back:					
Rescinded Balances To Treasury	-	-	\$1,959,857	-	-
Total Available.....	1,960,000	-	1,959,857	-	-
Less					
Recoveries, Other	-	-	-1,959,857	-	-
Total Appropriation.....	1,960,000	-	-	-	-

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table FSA-71. Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Distribution Unknown.....	\$1,960,000	-	-	-
Obligations.....	1,960,000	-	-	-

CLASSIFICATION BY OBJECTS

Table FSA-72. Account 9. Classification by Objects (thousands of dollars)

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
41.0	Grants, subsidies, and contributions	\$1,960,000	-	-	-
	Total, Other Objects.....	1,960,000	-	-	-
99.9	Total, new obligations.....	1,960,000	-	-	-

STATUS OF PROGRAM

The Inflation Reduction Act of 2022 (PL 117-169) was signed into law August 16, 2022

Sec. 22008. Repeal of Farm Loan Assistance. - Sect 1005 of the American Rescue Plan Act of 2021 (7 U.S.C. 1921 note; PL 117-2) is repealed.

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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 (FSA), the Natural Resources Conservation Service (NRCS), the Risk Management Agency (RMA), 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

FSA contributes to Goals 1, 3, and 6 of the Department’s Strategic Goals in the current 2022 – 2026 USDA Strategic Plan. Departmental KPIs are performance indicators that are aligned to the Strategic Objectives laid out in the USDA’s Strategic Plan.

- 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
- 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
- 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

Key Performance Indicators

A more detailed report of the performance plan can be found at <https://www.usda.gov/our-agency/aboutusda/performance>. The following tables summarize the results for the Departmental Key Performance Indicators (KPIs) for which the FSA is responsible.

Table FSA-73. KPI

Strategic Objective 1.1		Baseline	2023	2024
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:

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

CRP Riparian Acres: FSA will continue outreach for enrollment in 2024; however, due to farm bill changes and current farm economy it is difficult to forecast enrollment and progress for 2024. Increasing crop prices reduces

producer interest in CRP enrollment. FSA expectation is lowered due to unknown farm bill changes.

Table FSA-74. KPIs

Strategic Objective 1.3		Baseline	2023	2024
Grassed Waterways Acres	Results	.11	-	-
Total national acres in grassed waterways (Millions of Acres)	Target	-	.12	.125
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	-	.073	.080
Wetland Acreage	Results	2.34	-	-
Acreage of Restored Wetlands (Millions of Acres)	Target	-	2.76	2.96

Expected Performance Progress Towards the Achievement of Strategic Objective:

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

Grassed Waterways Acres, Contour Grass Strips Acres, Wetland Acreage: FSA will continue outreach for enrollment in 2024; however, due to Farm Bill changes and current farm economy it is difficult to forecast enrollment and progress for 2024. Increasing crop prices reduces producer interest in CRP enrollment. FSA expectation is lowered due to unknown farm Bill changes.

Table FSA-75. KPIs

Strategic Objective 3.1		Baseline	2023	2024
Beginning Farmer	Results	59.9	-	-
Percentage of direct and guaranteed loan borrowers who are beginning farmers	Target	-	59.9	59.9
First Installment Delinquency Rate	Results	9	-	-
First installment delinquency rate on direct loans (percent)	Target	-	9	9
Direct Loans	Results	7	-	-
Direct loan delinquency rate (percent)	Target	-	7	7

Expected Performance Progress Towards the Achievement of Strategic Objective:

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

Beginning Farmer: The Farm Loan Program (FLP) is expanding its data analytics capabilities to track progress and identify gaps for lending to beginning farmers. Continued implementation of automation plans is needed to improve employee loan making/servicing and provide risk management tools for customers. FLP is using its loan making and servicing flexibilities to assist producers who have cash flow challenges.

The supplemental program funding of \$3.1 billion provided in Section 22006 of the Inflation Reduction Act (IRA) will impact delinquency-related KPIs beginning in 2023. Enacted on August 16, 2022, the statute authorizes payments and loan modifications for distressed direct and guaranteed borrowers, including those who are delinquent on their loans.

First Installment Delinquency Rate: As part of its internal control regime, FLP implemented credit quality reviews of farm loan officers in 2021 for compliance with loan making and servicing directives, and these reviews will continue. With allowance for exceptions due to natural or economic disasters, loans should not become delinquent in the first year. Realistic cash flow projections and forecasted commodity/livestock prices are factors inspected in credit quality reviews.

FLP is implementing in 2023-2024 the following risk management tools:

- Data modeling to identify the statistically significant traits of direct loan borrowers who default or restructure, which FLP plans to use to better target technical assistance to new and existing borrowers.
- Peer-to-peer financial analysis of producers with similar geographic and operational characteristics, which will be used by loan officers and customers. A data share agreement with an agricultural services company executed in 2022 provides a significant farmer/rancher pool for peer analysis.

Direct Loans: Flexibilities for FLP loan making and servicing are being provided to the extent that statute and regulations allow for producers experiencing cash flow challenges. Automated risk management tools for customers are being planned.

Table FSA-76. KPI Loan Process Time

Strategic Objective 6.2		Baseline	2023	2024
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:

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

Loan Processing Time: In August 2022 through 2023, the loan application process is being streamlined, as per Executive Order on Customer Experience, December 2021, and automated. These improvements will provide loan applicants with increased credit access, transparency, and accountability. Manual, paper-based and inefficient processes hinder program delivery and customer service. High-speed internet will be needed for customers to use online loan application, loan repayment, and risk management features, which is an impediment in some rural communities.