

**2025 USDA EXPLANATORY NOTES – FARM SERVICE AGENCY**

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## ***PREFACE***

This publication summarizes the fiscal year (FY) 2025 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2025 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 2022 and 2023, annualized Continuing Resolution levels for 2024, and the President’s Budget request for 2025. Amounts for 2024 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. Programs funded by the 2018 Farm Bill are funded through 2024 with the passage of the Further Continuing Appropriations and Other Extensions Act, 2024. Amounts shown in 2024 and 2025 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 2022, 2023, 2024 and 2025.

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

## ***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 2,142 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 (GS) employment as of September 30, 2023, was 2,938. FSA’s permanent full-time end-of-year non-Federal (CO) permanent employment in USDA Service Centers was 6,970. The total number of Federal permanent full-time positions in the Washington, DC headquarters office was 114, the total number of Federal permanent full-time positions in State offices and USDA Service Centers was 2,824 and the total number Federal and non-Federal permanent full-time positions in the field offices was 9,794. Headquarters total permanent full-time positions was 284, 114 headquarters office employees in Washington, DC and 170 headquarters office employees stationed 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 (7 CFR 761 through 7 CFR 774), the FSA has developed requirements that are intended to prevent 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 Section 22006 of the Inflation Reduction Act (IRA) (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 (FSA) under subtitle A, B, or C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 through 1970). \$2.03 billion has been obligated, leaving \$1.07 billion available for subsequent fiscal years. Throughout 2023, FSA has worked to implement a multi-tier process under IRA Section 22006 to provide assistance to distressed farm loan borrowers, FSA expedited assistance to borrowers whose farm operations were at financial risk with the goal of keeping them farming and promoting their long-term stability. This work accompanies ongoing efforts to improve farm lending programs with a focus on proactive loan service and support to keep farmers farming.

FSA has multiple initiatives focused on improving customer experience. The budget maintains funding for the Farm Service Agency to modernize its information technology systems and assumes the continuation of the \$3 million pilot program for technical assistance that provides targeted support to farmers and ranchers applying for farm loans. FSA launched the Loan Assistance Tool, an online step-by-step guide that helps farmers and ranchers better navigate the loan application process. FSA subsequently simplified the direct loan application by reducing the number of pages in the application from 29 to 13 cutting the average customer completion time by half. Customers also have the option to complete an electronic fillable form or prepare a traditional, paper application for submission to their local FSA office. In December 2023, FSA launched an online application for direct loan customers with features including an electronic signature option, the ability to attach supporting documents such as tax returns, complete a balance sheet and build a farm operating plan. The Application Fast Track Pilot, launched in 166 offices August-December 2023 (Phase 1), provides for an expedited application review. Using economic modeling to assess the probability of default by a borrower, the underwriting process is expedited for applicants identified as least likely to default on their loan. In Phase 1, 23 percent of direct loan borrowers were Fast Tracked and the loan review process was shorted by 6 days to about 24 days. Phase 2 of the pilot was expanded to all 900 FSA Farm Loan offices and runs January-September 2024. A tool for direct loan customers to repay their loans online launched in February 2024 allowing them to make payments 24/7. This loan payment tool enables borrowers to pay their Farm Loan installment online, saving borrowers about 28 minutes and employees about 25 minutes per payment transaction. Additionally, a quarterly survey is sent to 1,250 direct loan applicants to track customer satisfaction with front-line service and loan application processing.

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 \$2,236,000 (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. 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 commercial 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 \$2,236,000 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 lower of the direct operating loan interest rate or 3.75 percent. 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 American tribes or tribal corporations 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 \$2,236,000 (adjusted annually for inflation); however, annual appropriations for direct loans were last received in 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 to 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 ranchland damaged by natural disasters and to carry out water conservation measures during periods of severe drought. Cost

share assistance may be offered only for emergency conservation practices to restore land to a condition similar to that existing prior to the natural disaster.

**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, which authorized and funded the majority of Farm Bill programs through 2023. The President signed H.R. 6363 (Further Continuing Appropriations and Other Extensions Act, 2024) into law on November 16, 2023. The spending bill funded government functions through January 19, 2024, and includes a one-year extension of the 2018 Farm Bill through 2024. 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. Closed, Implemented OIG Reports**

ID	Date	Title	Result
03601-0012-AT	5/4/2023	Tobacco Transition Payment Program (TTPP) - Quota Holders and Flue-Cured Tobacco Quotas	Recommendation 2 – OIG recommended that FSA review program contracts and recover improper payments. To implement the recommendation, FSA took appropriate action to collect, or otherwise resolve, the identified improper payments.
03801-0001-24	1/5/2023	Farm Service Agency's Conservation Reserve Program Payment Calculations	The report did not contain any recommendations and was closed.

**Table FSA-2. Closed, Implemented GAO Reports**

ID	Date	Title	Result
GAO-23-105473	12/15/2022	COVID-19 Relief Funds: Lessons Learned Could Improve Future Distribution of Federal Emergency Relief to Tribal Recipients	The report did not contain any recommendations for executive action, and was closed, with respect to FSA.



**AVAILABLE FUNDS AND FTEs**

**Table FSA-3. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Discretionary Appropriations:								
Salaries and Expenses								
Discretionary Appropriations.....	\$1,463,680	10,067	\$1,522,541	10,395	\$1,522,310	10,485	\$1,552,249	10,485
State Mediation Grants								
Discretionary Appropriations.....	7,000	-	7,000	-	7,000	-	7,000	-
Grassroots Source Water Protection Program								
Discretionary Appropriations.....	6,500	-	7,500	-	7,500	-	7,500	-
Dairy Indemnity Payment Program								
Mandatory Appropriations.....	4,689	-	621	-	943	-	472	-
ACIF Program Account.....								
Discretionary .....	376,987	-	373,335	-	373,335	-	377,833	-
S&E Transfer.....	[294,114]	-	[305,803]	-	[305,803]	-	[311,546]	-
Subsidy .....	[62,215]	-	[46,874]	-	[46,874]	-	[45,629]	-
Program Cost Loss Expense (PCLE) ....	[20,658]	-	[20,658]	-	[20,658]	-	[20,658]	-
Mandatory.....	3,100,000	-	-	-	-	-	-	-
Emergency Conservation Program								
IRA Land Loss Assistance Mandatory .....	250,000	-	-	-	-	-	-	-
IRA Increasing Land Access Mandatory ..	50,000	-	-	-	-	-	-	-
Rice Production Program.....	-	-	250,000	-	-	-	-	-
Geog. Disadvantaged Farmers & Ranchers								
Discretionary Appropriations.....	3,000	-	4,000	-	4,000	-	4,000	-
Emergency Forest Restoration Program								
Discretionary Appropriations.....	-	-	27,000	-	-	-	-	-
Total Discretionary Appropriations .....	1,857,167	10,067	1,941,376	10,395	1,914,145	10,485	1,948,582	10,485
Total Mandatory Appropriations .....	3,404,689	-	250,621	-	943	-	472	-
Total Adjusted Appropriation.....	5,261,856	10,067	2,191,997	10,395	1,915,088	10,485	1,949,054	10,485
Balance Available, SOY.....	1,331,338	-	4,553,491	-	2,355,281	-	685,094	-
Balances Interchanges .....	-	-	-	-	-	-	-	-
Rescinded Balances .....	-90,000	-	-73,000	-	-8,002	-	-	-
Recoveries, Other .....	86,427	-	45,655	-	-	-	-	-
Total Available .....	6,589,621	10,067	6,718,143	10,395	4,262,367	10,485	2,634,148	10,485
Lapsing Balances.....	-32,298	-	-41,797	-	-9,745	-	-	-
Transfers in/out.....	-3,504	-	1,431	-	1,200	-	-	-
Balance Available, EOY.....	-4,546,894	-	-2,355,317	-	-685,094	-	-485,094	-
Total Obligations .....	2,006,925	10,067	4,322,460	10,395	3,568,728	10,485	2,149,054	10,485
Total Obligations, FSA.....	2,006,925	10,067	4,322,460	10,395	3,568,728	10,485	2,149,054	10,485
Total, Agriculture Available.....	6,589,621	10,067	6,718,143	10,395	4,262,367	10,485	2,634,148	10,485
Other Federal Funds:								
Farm Bill.....	-	-	4,158	-	-	-	-	-
Miscellaneous .....	3,116	-	3,516	-	6,400	-	-	-
Rent Reimbursables.....	581	-	71	-	-	-	-	-
Total, Other Federal.....	3,697	-	7,745	-	6,400	-	-	-
Non-Federal Funds:								
Loan Service Fee Financing.....	1,527	29	566	14	1,527	30	1,527	30
Producer Measurement Service .....	1,411	9	849	4	1,411	10	1,411	10
Farm Bill.....	-	-	-	-	-	-	-	-
Miscellaneous .....	199	-	84	-	193	-	193	-
Rent Reimbursables.....	332	-	630	-	107	-	107	-
Total, Non-Federal.....	3,469	38	2,129	18	3,238	40	3,238	40
Total Available, FSA .....	6,596,787	10,105	6,728,017	10,413	4,272,005	10,525	2,637,386	10,525

**PERMANENT POSITIONS BY GRADE AND FTEs**

**Table FSA-4. Permanent Positions by Grade and FTEs**

Item	2022			2023			2024			2025		
	D.C.	Field	Actual Total	D.C.	Field	Actual Total	D.C.	Field	Estimated Total	D.C.	Field	Estimated Total
SES .....	6	-	6	6	-	6	7	-	7	7	-	7
GS-15 .....	38	1	39	31	1	32	21	1	22	21	1	22
GS-14 .....	54	-	54	58	1	59	55	-	55	55	-	55
GS-13 .....	113	358	471	120	364	484	105	351	456	105	351	456
GS-12 .....	32	782	814	47	771	818	43	977	1,020	43	977	1,020
GS-11 .....	14	493	507	7	483	490	12	504	516	12	504	516
GS-9 .....	5	300	305	5	348	353	20	300	320	20	300	320
GS-8 .....	-	30	30	-	27	27	-	32	32	-	32	32
GS-7 .....	2	469	471	1	444	445	3	511	514	3	511	514
GS-6 .....	-	74	74	-	56	56	1	72	73	1	72	73
GS-5 .....	-	68	68	-	92	92	-	93	93	-	93	93
GS-4 .....	-	11	11	1	46	47	-	5	5	-	5	5
GS-3 .....	-	2	2	-	17	17	-	4	4	-	4	4
GS-2 .....	-	5	5	-	12	12	-	-	-	-	-	-
Total Permanent	264	2,593	2,857	276	2,662	2,938	267	2,850	3,117	267	2,850	3,117
Total Perm. FT												
EOY .....	264	2,593	2,857	276	2,662	2,938	267	2,850	3,117	267	2,850	3,117
FTE* .....	281	2,654	2,935	270	2,730	3,000	267	2,850	3,117	267	2,850	3,117

\*Total FTEs are all inclusive of workforce categories including temporary positions.

**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-5. Vehicle Fleet (thousands of dollars)*

Item	Sedans and Station Wagons	Vans	SUVs	Light Trucks 4X2	Light Trucks 4X4	Medium Duty Vehicles	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs
<b>2018 End of Year Operating Inventory</b>	<b>300</b>	<b>20</b>	<b>227</b>	<b>40</b>	<b>80</b>	<b>1</b>	<b>2</b>	<b>670</b>	<b>\$3,486,000</b>
<b>2022 End of Year Operating Inventory</b>	<b>226</b>	<b>19</b>	<b>269</b>	<b>39</b>	<b>70</b>	-	-	<b>623</b>	<b>\$3,157,000</b>
2023 Actual Acquisitions	35	9	32	8	9	-	-	93	
2023 Actual Disposals	35	9	32	8	9	-	-	93	
<b>2023 End of Year Operating Inventory</b>	<b>226</b>	<b>19</b>	<b>269</b>	<b>39</b>	<b>70</b>	-	-	<b>623</b>	<b>\$3,599,000</b>
2024 Planned Acquisitions	26	5	51	14	18	-	-	114	
2024 Planned Disposals	26	5	51	14	18	-	-	114	
<b>2024 End of Year Operating Inventory</b>	<b>226</b>	<b>19</b>	<b>269</b>	<b>39</b>	<b>70</b>	-	-	<b>623</b>	<b>\$3,707,000</b>
2025 Planned Acquisitions	40	7	42	8	22	-	-	119	
2025 Planned Disposals	40	7	42	8	22	-	-	119	
<b>2025 End of Year Operating Inventory</b>	<b>226</b>	<b>19</b>	<b>269</b>	<b>39</b>	<b>70</b>	-	-	<b>623</b>	<b>\$3,818,000</b>

*Table FSA-6. Statement of Proposed Purchase of Passenger Motor Vehicles*

Fiscal Year	Net Active Fleet, SOY	Disposals	Replacements	Additions	Total Acquisitions	Net Active Fleet, EOY
2022	226	57	57	-	-	226
2023	226	35	35	-	-	226
2024	226	26	26	-	-	226
2025	226	40	40	-	-	226

**SHARED FUNDING PROJECTS**

*Table FSA-7. Shared Funding Projects (thousands of dollars)*

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
<b>Working Capital Fund:</b>				
Administrative Services:				
AskUSDA Contact Center .....	-	\$342	\$348	\$354
Material Management Service .....	\$158	82	84	81
Mail and Reproduction Services .....	675	985	717	725
Integrated Procurement Systems.....	325	256	217	-
Procurement Operations Services .....	1,616	1,788	1,578	1,748
Human Resources Enterprise Management Systems .....	249	323	357	366
Subtotal.....	3,023	3,776	3,301	3,274
<b>Communications:</b>				
Creative Media & Broadcast Center .....	335	353	599	484
<b>Finance and Management:</b>				
National Finance Center .....	4,187	4,376	4,692	4,243
Financial Shared Services .....	11,011	11,272	10,410	9,885
Internal Control Support Services.....	443	434	299	286
Personnel and Document Security .....	-	536	613	617
Subtotal.....	15,641	16,618	16,015	15,031
<b>Information Technology:</b>				
Client Experience Center .....	90,695	81,120	76,207	70,607
Department Admin Information Technology Office.....	182	285	252	239
Digital Infrastructure Services Center.....	25,705	26,540	20,974	19,810
Enterprise Cybersecurity Services .....	-	2,603	6,677	7,546
Enterprise Data and Analytics Services .....	-	8,574	3,288	3,090
Enterprise Network Services.....	8,981	8,022	19,074	13,961
Subtotal.....	125,563	127,145	126,472	115,253
Office of the Executive Secretariat .....	250	507	531	549
Total, Working Capital Fund .....	144,813	148,400	146,919	134,592
<b>Department-Wide Shared Cost Programs:</b>				
Advisory Committee Liaison Services.....	2	-	-	-
Agency Partnership Outreach .....	681	769	720	720
Diversity, Equity, Inclusion and Accessibility.....	-	208	257	257
Employee Experience .....	-	359	360	360
Intertribal Technical Assistance Network .....	374	373	344	344
Medical Services.....	32	39	15	15
National Capital Region Interpreting Services.....	13	12	31	31
Office of Customer Experience.....	940	335	310	310
Personnel and Document Security Program	358	-	-	-
Physical Security.....	459	473	453	453
Security Detail .....	486	525	517	517
Security Operations Program .....	669	728	733	733
Talent Group.....	-	378	319	319
TARGET Center .....	138	173	171	171
USDA Enterprise Data Analytics Services .....	474	-	-	-
Total, Department-Wide Reimbursable Programs .....	4,628	4,373	4,230	4,230
<b>E-Gov:</b>				
Budget Formulation and Execution Line of Business.....	11	13	9	10
Disaster Assistance Improvement Plan .....	60	60	60	60
E-Rulemaking .....	13	15	10	13
Financial Management Line of Business .....	13	12	12	12
Geospatial Line of Business.....	13	13	13	13
Benefits.gov .....	119	110	120	-
Grants.gov.....	2	2	3	4
Human Resources Line of Business.....	31	31	28	28
Integrated Acquisition Environment.....	920	877	598	583
Hiring Assessment .....	25	-	-	-
Total, E-Gov .....	1,207	1,131	852	722
Agency Total.....	150,647	153,904	152,001	139,543

**ADVERTISING EXPENDITURES**

*Table FSA-8. Advertising Expenditures (thousands of dollars)*

Item	2023 Actual	2023 Actual	2024 Estimated	2024 Estimated	2025 Estimated	2025 Estimated
Total Contracts for Advertising Services .....	15	\$1,316	13	\$1,250	16	\$1,480
Contracts for Advertising Services to Socially and Economically Disadvantaged Small Businesses.....	4	335	3	295	4	360

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**ACCOUNT 1: SALARIES AND EXPENSES**

**APPROPRIATIONS LANGUAGE**

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

For necessary expenses of the Farm Service Agency, [~~\$1,262,353,000~~]\$1,240,703,000: *Provided*, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further*, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: *Provided further*, That of the amount appropriated under this heading, \$696,594,000 shall be made available to county offices, to remain available until expended: *Provided further*, That, notwithstanding the preceding proviso, any funds made available to county offices in the current fiscal year that the Administrator of the Farm Service Agency deems to exceed or not meet the amount needed for the county offices may be transferred to or from the Farm Service Agency for necessary expenses.

**LEAD-OFF TABULAR STATEMENT**

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

<b>Item</b>	<b>Amount</b>
Estimate, 2024	\$1,521,110,000
Change in Appropriation	+ 31,139,000
Budget Estimate, 2025	<u>1,552,249,000</u>

**PROJECT STATEMENTS**

**Table FSA-10. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)**

Item	2022		2023		2024		2025		Inc. or Dec.	FTE	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs		Inc. or Dec.	Key
Discretionary Appropriations:											
Salaries and Expenses.....	\$1,168,070	8,221	\$1,215,307	8,602	\$1,215,307	8,501	\$1,240,703	8,501	+\$25,396	-	(1)
ACIF Transfer.....	294,114	1,846	305,803	1,793	305,803	1,984	311,546	1,984	+5,743	-	(2)
Margin Protection Program											
Fees.....	1,496	-	1,431	-	-	-	-	-	-	-	-
Subtotal.....	1,463,680	10,067	1,522,541	10,395	1,521,110	10,485	1,552,249	10,485	+31,139	-	
Total Adjusted App.....	1,463,680	10,067	1,522,541	10,395	1,521,110	10,485	1,552,249	10,485	+31,139	-	
Add back:											
Transfers In and Out,											
Rescissions.....	-290,610	-1,846	-307,234	-1,793	-305,803	-1,984	-311,546	-1,984	-5,743	-	
Total Appropriation.....	1,173,070	8,221	1,215,307	8,602	1,215,307	8,501	1,240,703	8,501	+25,396	-	
Transfers In:											
ACIF Transfer	294,114	1,846	305,803	1,793	305,803	1,984	311,546	1,984	+5,743	-	
Margin Protection Program											
Fees.....	1,496	-	1,431	-	-	-	-	-	-	-	-
Total Transfers In.....	295,610	1,846	307,234	1,793	305,803	1,984	311,546	1,984	+5,743	-	
Transfers Out:											
Working Capital Funds.....	-5,000	-	-	-	-	-	-	-	-	-	-
Total Transfers Out.....	-5,000	-	-	-	-	-	-	-	-	-	-
Recoveries, Other.....	3,181	-	6,162	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	56,746	-	68,861	-	90,276	-	-	-	-90,276	-	-
Total Available.....	1,523,607	10,067	1,597,564	10,395	1,611,386	10,485	1,552,249	10,485	-59,137	-	
Lapsing Balances.....	-26,015	-	-5,000	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	-68,861	-	-90,276	-	-	-	-	-	-	-	-
Total Obligations.....	1,428,731	10,067	1,502,288	10,395	1,611,386	10,485	1,552,249	10,485	-59,137	-	

Note: The 2023 Obligations discrepancy between PS and MAX is due to \$10 million in Reimbursables.

Note: Per OBPA 2022 Balance Available EOY changed from \$67.258 million to \$68.861 million.

Note: Per OBPA 2023 Balance Available EOY changed from \$82.512 million to \$90.276 million.

Note: 2023 Bal Available, EOY \$90.276 million includes \$79.8 million no-year funding, \$8.5 million two-year funding for IT and \$1.975 million two-year funding for hiring.

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

Item	2022		2023		2024		2025		Inc. or Dec.	FTE	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs		Inc. or Dec.	Key
Discretionary Obligations:											
Salaries and Expenses.....	\$1,133,121	8,221	\$1,200,839	8,602	\$1,305,583	8,501	\$1,240,703	8,501	-\$64,880	-	
ACIF Transfer.....	294,114	1,846	300,018	1,793	305,803	1,984	311,546	1,984	+5,743	-	
FBC Transfer.....	-	-	-	-	-	-	-	-	-	-	-
Margin Protection Program Fees.....	1,496	-	1,431	-	-	-	-	-	-	-	-
Subtotal Disc Obligations.....	1,428,731	10,067	1,502,288	10,395	1,611,386	10,485	1,552,249	10,485	-59,137	-	
Total Obligations.....	1,428,731	10,067	1,502,288	10,395	1,611,386	10,485	1,552,249	10,485	-59,137	-	
Add back:											
Lapsing Balances.....	26,015	-	5,000	-	-	-	-	-	-	-	-
Total Bal. Available, EOY.....	68,861	-	90,276	-	-	-	-	-	-	-	-
Total Available.....	1,523,607	10,067	1,597,564	10,395	1,611,386	10,485	1,552,249	10,485	-59,137	-	
Less:											
Total Transfers In.....	-295,610	-1,846	-307,234	-1,793	-305,803	-1,984	-311,546	-1,984	-5,743	-	
Total Transfers Out.....	5,000	-	-	-	-	-	-	-	-	-	-
Recoveries, Other.....	-3,181	-	-6,162	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	-56,746	-	-68,861	-	-90,276	-	-	-	+90,276	-	-
Total Appropriation.....	1,173,070	8,221	1,215,307	8,602	1,215,307	8,501	1,240,703	8,501	+25,396	-	

Note: The 2023 Obligations discrepancy between PS and MAX is due to \$10 million in Reimbursables.



**JUSTIFICATION OF CHANGES**

An increase of \$31,139,000 in Salaries and Expenses (\$1,215,307,000 and 8,501 FTEs direct and \$305,803,000 and 1,984 FTEs for ACIF available in 2023):

(1) A net increase of \$10,042,000 for Federal Direct Offices.

A) An increase of \$9,042,000 for the Pay Increase (\$3,299,000 for Direct, \$5,743,000 for ACIF).

This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay cost 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. If this funding is not provided, FSA would be prevented from fully performing our mission, which is necessary to ensure continued service to America’s farmers and ranchers.

B) An increase of \$1,000,000 for Heirs Relending Outreach in Federal Direct Salaries and Expenses.

This increase will allow FSA to continue delivering resources to cooperators to assist with planning, costly legal advice, technical assistance, training, and outreach. The additional funding will be provided to organizations currently performing this work to expand their impact on addressing heirs’ and fractionated land challenges and on mitigating the critical issue of land loss. This will help ensure families facing fractionization and heirs’ issues will maintain their land for future generations while increasing land in agriculture production, supporting food security, and enhancing rural communities especially in the southeast and Indian Country.

This program will offer competitive cooperative agreements for direct technical assistance, training and outreach and include several smaller awards to support a local grass roots approach. This project does not require any statutory changes or additional staffing and ties specifically to the Department’s Strategic Goal 2: Ensure America’s Agricultural System is Equitable, Resilient, and Prosperous.

(2) An increase of \$21,097,000 for Non-Federal Offices.

A) An increase of \$21,097,000 for pay and employee costs in Non-Federal Direct Salaries and Expenses.

This increase consists of \$21,097,000 in 2025 pay and employee costs, for continuation of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 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. If this funding is not provided, FSA would be prevented from fully performing our mission, which is necessary to ensure continued service to America’s farmers and ranchers.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**

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

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Alabama.....	\$19,020	183	\$19,999	189	\$21,451	191	\$20,664	191
Alaska.....	1,231	8	1,295	8	1,389	8	1,338	8
Arizona.....	4,581	42	4,817	44	5,167	44	4,977	44
Arkansas.....	24,694	251	25,965	259	27,851	261	26,829	261
California.....	16,482	145	17,331	150	18,589	151	17,907	151
Caribbean.....	5,799	43	6,098	45	6,541	45	6,301	45
Colorado.....	14,089	136	14,815	141	15,891	142	15,307	142
Connecticut.....	2,230	20	2,345	20	2,516	21	2,423	21
Delaware.....	1,902	17	2,000	18	2,145	18	2,067	18
District of Columbia.....	419,527	209	441,126	216	473,161	218	455,796	218
Florida.....	10,634	99	11,182	102	11,994	103	11,553	103

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Georgia	29,324	285	30,834	294	33,073	297	31,859	297
Hawaii	3,984	30	4,189	31	4,493	31	4,328	31
Idaho	12,993	123	13,662	127	14,654	128	14,116	128
Illinois	48,403	498	50,895	515	54,591	519	52,588	519
Indiana	33,373	332	35,091	343	37,639	346	36,258	346
Iowa	55,894	587	58,771	606	63,039	611	60,726	611
Kansas	46,208	471	48,587	487	52,116	491	50,203	491
Kentucky	32,483	320	34,155	331	36,636	333	35,291	333
Louisiana	17,401	169	18,297	175	19,626	176	18,906	176
Maine	5,702	51	5,996	53	6,431	53	6,195	53
Maryland	6,720	65	7,066	67	7,579	68	7,301	68
Massachusetts	3,677	30	3,866	31	4,147	31	3,995	31
Michigan	23,545	238	24,757	246	26,555	248	25,580	248
Minnesota	40,331	404	42,407	418	45,487	421	43,818	421
Mississippi	24,160	233	25,403	240	27,248	242	26,248	242
Missouri	41,820	410	43,973	423	47,167	427	45,436	427
Montana	22,086	210	23,223	217	24,909	219	23,995	219
Nebraska	41,460	418	43,594	431	46,760	435	45,044	435
Nevada	3,776	23	3,970	24	4,258	24	4,102	24
New Hampshire	2,444	20	2,570	21	2,757	21	2,656	21
New Jersey	4,020	34	4,227	35	4,534	35	4,368	35
New Mexico	7,884	68	8,290	71	8,892	71	8,565	71
New York	17,093	175	17,973	180	19,278	182	18,570	182
North Carolina	31,929	312	33,573	322	36,011	325	34,689	325
North Dakota	29,237	291	30,742	300	32,975	303	31,764	303
Ohio	29,884	296	31,422	306	33,704	309	32,467	309
Oklahoma	32,917	325	34,612	335	37,125	338	35,763	338
Oregon	9,814	93	10,320	96	11,069	97	10,663	97
Pennsylvania	17,576	171	18,480	177	19,822	178	19,095	178
Rhode Island	1,102	8	1,159	9	1,243	9	1,197	9
South Carolina	14,450	141	15,194	146	16,297	147	15,699	147
South Dakota	33,270	327	34,983	338	37,523	341	36,146	341
Tennessee	25,248	239	26,547	247	28,475	249	27,430	249
Texas	68,798	654	72,340	676	77,594	682	74,746	682
Utah	8,341	72	8,770	74	9,407	74	9,062	74
Vermont	4,262	37	4,481	38	4,807	39	4,630	39
Virginia	19,479	178	20,481	184	21,969	186	21,163	186
Washington	10,420	104	10,957	108	11,752	108	11,321	108
West Virginia	9,404	82	9,888	85	10,607	86	10,217	86
Wisconsin	30,628	320	32,205	331	34,543	334	33,276	334
Wyoming	7,002	65	7,363	67	7,898	68	7,608	68
Obligations	1,428,731	10,067	1,502,288	10,395	1,611,386	10,485	1,552,249	10,485
Lapsing Balances	26,015	-	5,000	-	-	-	-	-
Bal. Available, EOY	68,861	-	90,276	-	-	-	-	-
Total, Available	1,523,607	10,067	1,597,564	10,395	1,611,386	10,485	1,552,249	10,485

**CLASSIFICATION BY OBJECTS**

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

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Personnel Compensation:					
	Washington D.C.	\$27,552	\$38,502	\$25,602	\$26,109
	Personnel Compensation, Field	217,380	244,191	254,940	259,307
11	Total personnel compensation	244,932	282,693	280,542	285,416
12	Personal benefits	100,879	111,635	120,233	122,321
13.0	Benefits for former personnel	1,012	256	-	-
	Total, personnel comp. and benefits	346,824	394,584	400,775	407,737
Other Objects:					
21.0	Travel and transportation of persons	3,115	10,644	5,601	5,601
22.0	Transportation of things	1,739	169	217	217
23.1	Rental payments to GSA	15,191	17,419	20,746	20,746

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23.3	Communications, utilities, and misc. charges .....	-	66	-	-
24.0	Printing and reproduction.....	7,753	8,777	9,215	9,215
25.1	Advisory and assistance services .....	34,612	28,418	35,758	36,758
25.3	Other goods and services from Federal sources .....	305,449	300,070	286,664	286,664
26.0	Supplies and materials.....	2,510	2,224	2,294	2,294
31.0	Equipment.....	751	736	1,338	1,338
41.0	Grants, subsidies, and contributions.....	710,787	738,687	848,778	781,679
42.0	Insurance Claims and Indemnities.....	-	494	-	-
	Total, Other Objects.....	1,081,907	1,107,704	1,210,611	1,144,512
99.9	Total, new obligations.....	1,428,731	1,502,288	1,611,386	1,552,249
	DHS Building Security Payments (included in 25.3).	\$1,518	\$1,927	\$1,933	\$2,074
	Information Technology Investments:				
	FSA-1001 Cust Engagement & Management Services				
	External Labor (Contractors) .....	9,791	11,940	7,654	7,820
	Total FSA-1001 .....	9,791	11,940	7,654	7,820
	FPAC-1002 Geospatial Services				
	External Labor (Contractors) .....	-	-	12,563	11,028
	Total FSA-1002 .....	-	-	12,563	11,028
	FPAC-1003 Information Management				
	External Labor (Contractors) .....	-	-	15,026	8,488
	Total FSA-1003 .....	-	-	15,026	8,488
	FSA-097 Farm Program Modernization				
	External Labor (Contractors) .....	10,522	4,923	3,669	3,742
	Total FSA-097 .....	10,522	4,923	3,669	3,742
	FSA-125 Farm Programs				
	External Labor (Contractors) .....	23,460	21,077	18,393	15,481
	Total FSA-125 .....	23,460	21,077	18,393	15,481
	FSA-126 Farm Loan Programs				
	External Labor (Contractors) .....	39,044	35,436	29,860	26,143
	Total FSA-126 .....	39,044	35,436	29,860	26,143
	FSA-127 Geospatial Services				
	External Labor (Contractors) .....	17,267	8,154	-	-
	Total FSA-127 .....	17,267	8,154	-	-
	FSA-129 Program Financial Services				
	External Labor (Contractors).....	6,371	2,399	6,652	6,940
	Total FSA-129 .....	6,371	2,399	6,652	6,940
25.2	Outside Services (Consulting).....	-	-	-	-
	<b>Mission Area Non-Major Investment Totals.....</b>	49,034	48,075	24,275	22,403
	Mission Area Standard Investment Totals .....	46,977	38,117	30,781	28,003
25.3	Mission Area WCF Transfers .....	166,573	167,144	165,233	153,300
	Total Non-Major Investment.....	262,584	253,336	220,289	203,706
	<b>Total IT Investments.....</b>	<b>369,039</b>	<b>337,265</b>	<b>314,106</b>	<b>283,348</b>
	Cybersecurity				
	Detect .....	n/a	\$104	\$44	\$45
	Human Capital.....	n/a	-	-	-
	Identify .....	n/a	164	69	71
	Protect .....	n/a	4,973	1,513	2,095
	Recover .....	n/a	817	345	351
	Respond .....	n/a	623	263	268
	Sector Risk Management .....	n/a	-	196	198
	<b>Total Cybersecurity</b>	<b>-</b>	<b>6,681</b>	<b>2,430</b>	<b>3,028</b>
	Position Data:				
	Average Salary (dollars), ES Position.....	\$136,760	\$142,402	\$149,593	\$153,782
	Average Salary (dollars), GS Position.....	\$58,161	\$60,560	\$63,618	\$65,400
	Average Grade, GS Position .....	12.1	12.2	12.3	12.4

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**ACCOUNT 2: STATE MEDIATIONS GRANTS**

**APPROPRIATIONS LANGUAGE**

The appropriations language follows:

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 Title V of such Act.

**LEAD-OFF TABULAR STATEMENT**

**Table FSA-14. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2024	\$7,000,000
Change in Appropriation	-
Budget Estimate, 2025	<u>7,000,000</u>

**PROJECT STATEMENT**

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

Item	2022		2023		2024		2025		FTE		
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs	Inc. or Dec.	Inc. or Dec.	Chg Key
Discretionary											
Appropriations:											
State Mediation.....	\$7,000	-	\$7,000	-	\$7,000	-	\$7,000	-	-	-	-
Subtotal.....	<u>7,000</u>	-	<u>7,000</u>	-	<u>7,000</u>	-	<u>7,000</u>	-	-	-	-
Total Appropriation ....	7,000	-	7,000	-	7,000	-	7,000	-	-	-	-
Total Obligations .....	7,000	-	7,000	-	7,000	-	7,000	-	-	-	-
Lapsing Balances .....	-1,834	-	-1,337	-	-	-	-	-	-	-	-
Total Obligations .....	<u>5,166</u>	-	<u>5,663</u>	-	<u>7,000</u>	-	<u>7,000</u>	-	-	-	-

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

Item	2022		2023		2024		2025		FTE Inc.		
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs	Inc. or Dec.	Inc. or Dec.	or Dec.
Discretionary Obligations:											
State Mediation.....	\$5,166	-	\$5,663	-	\$7,000	-	\$7,000	-	-	-	-
Subtotal.....	<u>5,166</u>	-	<u>5,663</u>	-	<u>7,000</u>	-	<u>7,000</u>	-	-	-	-
Total Obligations .....	5,166	-	5,663	-	7,000	-	7,000	-	-	-	-
Lapsing Balances .....	1,834	-	1,337	-	-	-	-	-	-	-	-
Total Appropriation .....	<u>7,000</u>	-	<u>7,000</u>	-	<u>7,000</u>	-	<u>7,000</u>	-	-	-	-

**JUSTIFICATION OF CHANGES**

No change in funding is requested for State Mediation Grants. State Mediation Grants is requesting the 2023 level.

**PROPOSED LEGISLATION**

The Budget includes a legislative proposal for the State Mediation Grant program. This proposal 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	2022 Actual	2023 Estimate	2024 Estimate	2025 Estimate
Alabama.....	\$71	\$71	\$70	\$70
Alaska.....	103	103	102	102
Arizona.....	-	-	13	13
Arkansas.....	47	47	130	130
California.....	192	192	192	192
Colorado.....	113	113	183	183
Connecticut.....	66	66	66	66
Florida.....	0	0	88	88
Georgia.....	0	0	82	82
Hawaii.....	84	84	83	83
Idaho.....	103	103	102	102
Illinois.....	191	191	190	190
Indiana.....	216	216	217	217
Iowa.....	234	234	375	375
Kansas.....	346	346	500	500
Louisiana.....	25	25	88	88
Maine.....	76	76	174	174
Maryland.....	0	0	75	75
Massachusetts.....	57	57	57	57
Michigan.....	29	29	58	58
Minnesota.....	352	352	480	480
Mississippi.....	85	85	110	110
Missouri.....	37	37	48	48
Montana.....	11	11	45	45
Nebraska.....	133	133	165	165
New Hampshire.....	91	91	91	91
New Jersey.....	26	26	26	26
New Mexico.....	111	111	113	113
New York.....	490	490	490	490
North Carolina.....	77	77	79	79
North Dakota.....	62	62	178	178
Oklahoma.....	217	217	217	217
Oregon.....	76	76	76	76
Pennsylvania.....	38	38	63	63
Rhode Island.....	90	90	89	89
South Dakota.....	87	87	262	262
Texas.....	187	187	300	300
Utah.....	5	5	4	4
Vermont.....	197	197	196	196
Virginia.....	55	55	68	68
Washington.....	108	108	108	108
Wisconsin.....	189	189	256	256
Wyoming.....	65	65	120	120
Distribution Unknown.....	424	921	571	571
Lapsing Balances.....	1,834	1,337	-	-
Total, Available.....	7,000	7,000	7,000	7,000

**CLASSIFICATION BY OBJECTS**

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

<b>Item No.</b>	<b>Item</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Estimate</b>	<b>2025 Estimate</b>
	Other Objects:				
41.0	Grants, subsidies, and contributions.....	\$7,000	\$7,000	\$7,000	\$7,000
	Total, Other Objects.....	7,000	7,000	7,000	7,000
99.9	Total, new obligations.....	7,000	7,000	7,000	7,000

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**STATUS OF PROGRAMS**

The Farm Service Agency (FSA) provides funding for State-designated mediation programs through the State Mediation Grants Program. During 2023, the program reported a total of 3,677 requests for mediation, including requests that are not covered cases under USDA's program, but can be mediated by the State-designated mediation programs. Covered cases are authorized by the governing statute and the Secretary of Agriculture. Prior to the 2018 Farm Bill, 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. For 2023, the number of mediations conducted on the expanded issues, including carryover cases from prior years are 320 requests for Credit Counseling, 511 cases of Family Farm Transition mediations, 136 cases of Land Lease mediations, 28 cases of Equipment Lease mediations, 182 cases of Farmer/Neighbor disputes, and 26 cases of Organic mediations.

As in previous years, agricultural credit (FSA) was the most frequently mediated issue, accounting for 2,364 cases, or more than 55 percent of the total caseload. FSA Farm Programs was second with 62 cases, followed by NRCS with 32 cases. Rural Development Housing issues 14 cases, Forest Service 9 cases, Risk Management Agency crop insurance issues 6 cases, Rural Development Business Loans 6 cases, 8 cases for rural water loan programs, and there were 7 cases of USDA-related pesticide matters.

***Table FSA-19. Program Results Comparison – 2022 and 2023***

<b>Results</b>	<b>2022</b>	<b>2023</b>
Number of cases for which mediation was requested	2,945 <sup>1</sup>	3,677 <sup>1</sup>
Mediation not completed in initial FY, and carried over to next FY	434 <sup>2</sup>	551 <sup>2</sup>
No mediation held (request withdrawn, settled prior to mediation, etc.)	1,046 <sup>3</sup>	1,555 <sup>3</sup>
Cases mediated	2,258 <sup>4</sup>	2,104 <sup>4</sup>
Cases resolved with agreement	1,705 <sup>5</sup>	1,725 <sup>5</sup>
Cases closed with no agreement	223 <sup>6</sup>	357 <sup>6</sup>
Percentage of cases mediated that resulted in agreement	57.8%	47%
Average cost per case	\$1,612	\$1,427

**2023**

<sup>1</sup> This figure includes the State of Minnesota's 1,165 cases. The State of Minnesota is a mandatory mediation State.

<sup>2</sup> This figure includes the State of Minnesota's 310 cases. The State of Minnesota is a mandatory mediation State.

<sup>3</sup> This figure includes the State of Minnesota's 382 cases. The State of Minnesota is a mandatory mediation State.

<sup>4</sup> This figure includes the State of Minnesota's 867 cases. The State of Minnesota is a mandatory mediation State.

<sup>5</sup> This figure includes the State of Minnesota's 746 cases. The State of Minnesota is a mandatory mediation State.

<sup>6</sup> This figure includes the State of Minnesota's 348 cases. The State of Minnesota is a mandatory mediation State.

**2022**

<sup>1</sup> This figure includes the State of Minnesota's 1,028 cases. The State of Minnesota is a mandatory mediation State.

<sup>2</sup> This figure includes the State of Minnesota's 268 cases. The State of Minnesota is a mandatory mediation State.

<sup>3</sup> This figure includes the State of Minnesota's 492 cases. The State of Minnesota is a mandatory mediation State.

<sup>4</sup> This figure includes the State of Minnesota's 1,028 cases. The State of Minnesota is a mandatory mediation State.

<sup>5</sup> This figure includes the State of Minnesota's 694 cases. The State of Minnesota is a mandatory mediation State.

<sup>6</sup> This figure includes the State of Minnesota's 66 cases. The State of Minnesota is a mandatory mediation State.

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

**APPROPRIATIONS LANGUAGE**

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, to remain available until expended.

**LEAD-OFF TABULAR STATEMENT**

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

Item	Amount
Estimate, 2024	\$7,500,000
Change in Appropriation	-
Budget Estimate, 2025	<u>7,500,000</u>

**PROJECT STATEMENT**

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

Item	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate	Inc./ Dec.	Chg Key
<b>Discretionary Appropriations:</b>						
Grassroots Source Water Protection Program .....	\$6,500	\$7,500	\$7,500	\$7,500	-	-
Subtotal .....	<u>6,500</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	-	-
Total Appropriation.....	<u>6,500</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	-	-
Total Available.....	6,500	7,500	7,500	7,500	-	-

**Table FSA-22. Project Statement on Basis of Obligations (thousands of dollars)**

Item	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate	Inc./ Dec
<b>Discretionary Obligations:</b>					
Grassroots Water Source Protection Program .....	\$6,500	\$7,500	\$7,500	\$7,500	-
Subtotal Disc oblig.....	<u>6,500</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	-
Total Obligations.....	<u>6,500</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	-
Total Available.....	<u>6,500</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	-
Total Appropriation.....	6,500	7,500	7,500	7,500	-

**JUSTIFICATION OF CHANGES**

No change in funding is requested for Grassroots Source Water Protection Program. Grassroots Source Water Protection Program is requesting the 2023 level.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

**Table FSA-23. Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
Alabama.....	\$130	\$150	\$150	\$150
Alaska .....	130	150	150	150
Arizona .....	130	150	150	150
Arkansas .....	130	150	150	150
California.....	130	150	150	150
Colorado .....	130	150	150	150
Connecticut.....	130	150	150	150
Delaware.....	130	150	150	150
District of Columbia .....	130	150	150	150
Florida .....	130	150	150	150
Georgia .....	130	150	150	150
Hawaii .....	130	150	150	150
Idaho.....	130	150	150	150
Illinois.....	130	150	150	150
Indiana .....	130	150	150	150

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
Iowa .....	130	150	150	150
Kansas .....	130	150	150	150
Kentucky.....	130	150	150	150
Louisiana .....	130	150	150	150
Maine.....	130	150	150	150
Maryland.....	130	150	150	150
Massachusetts .....	130	150	150	150
Michigan.....	130	150	150	150
Minnesota .....	130	150	150	150
Mississippi.....	130	150	150	150
Missouri.....	130	150	150	150
Montana.....	130	150	150	150
Nebraska .....	130	150	150	150
Nevada.....	130	150	150	150
New Hampshire .....	130	150	150	150
New Jersey.....	130	150	150	150
New Mexico .....	130	150	150	150
New York .....	130	150	150	150
North Carolina .....	130	150	150	150
North Dakota .....	130	150	150	150
Ohio .....	130	150	150	150
Oklahoma .....	130	150	150	150
Oregon.....	130	150	150	150
Pennsylvania.....	130	150	150	150
Rhode Island.....	130	150	150	150
South Carolina.....	130	150	150	150
South Dakota .....	130	150	150	150
Tennessee .....	130	150	150	150
Texas .....	130	150	150	150
Utah .....	130	150	150	150
Vermont.....	130	150	150	150
Virginia.....	130	150	150	150
Washington.....	130	150	150	150
West Virginia.....	130	150	150	150
Wisconsin .....	130	150	150	150
Obligations .....	6,500	7,500	7,500	7,500
Total, Available .....	6,500	7,500	7,500	7,500

**CLASSIFICATION BY OBJECTS****Table FSA-24. Classification by Objects (thousands of dollars)**

Item No.	Item	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
	Other Objects:				
41.0	Grants, subsidies, and contributions.....	\$6,500	\$7,500	\$7,500	\$7,500
	Total, Other Objects .....	6,500	7,500	7,500	7,500
99.9	Total, new obligations .....	6,500	7,500	7,500	7,500

**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 2023, for necessary expenses to carry out wellhead and groundwater protection activities, and in accordance with the Consolidated Appropriation Act, 2023, P.L 117-328: \$7,500,000 to remain available until expended. The GSWPP provided 17,590 hours of on-site technical assistance and completed 180 source water plans with management activities implemented in the source water areas. These water plans provide protection measures for 627 public drinking water sources (577 wells and 50 surface water intakes). The GSWPP was active in all 50 states.

The following table shows appropriations from fiscal years 2005 through 2023.

**Table FSA-25. Grassroots Source Water Protection Program  
Appropriations for Fiscal Years 2005-2023**

<b>Fiscal Year</b>	<b>Appropriations</b>
2005 <sup>1/</sup>	\$3,244,000
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 <sup>2/</sup>	10,526,000
2015	5,526,000
2016	6,500,000
2017	6,500,000
2018	6,500,000
2019 <sup>3/</sup>	11,500,000
2020	6,500,000
2021	6,500,000
2022	6,500,000
2023	7,500,000

<sup>1/</sup> Funds were transferred from the Natural Resources Conservation Service to FSA to assist in the implementation of the program.

<sup>2/</sup> Includes mandatory funds from the Agricultural Act of 2014 (2014 Farm Bill).

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

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**ACCOUNT 4: DAIRY INDEMNITY PROGRAM**

**APPROPRIATIONS LANGUAGE**

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

**LEAD-OFF TABULAR STATEMENT**

**Table FSA-26. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2024	\$1,000,000
Change in Appropriation	-\$500,000
Budget Estimate, 2025	<u>500,000</u>

**PROJECT STATEMENTS**

**Table FSA-27. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)**

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc./ Dec.
<b>Mandatory Appropriations:</b>					
Dairy Indemnity Payment Program .....	\$8,581	\$943	\$943	\$472	-\$472
Total Adjusted Appropriation .....	8,581	943	943	472	-472
Sequestration .....	519	57	57	29	-28
Total Appropriation .....	9,100	1,000	1,000	500	-500
Sequestration.....	-519	-57	-57	-29	+29
Total Available .....	8,581	943	943	472	-472
Lapsing Balances.....	-3,373	-322	-	-	-
Total Obligations .....	5,208	621	943	472	-472

**Table FSA-28. Project Statement on Basis of Obligations (thousands of dollars, FTEs)**

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc./ Dec.
<b>Mandatory Obligations:</b>					
Dairy Indemnity Program.....	\$5,208	\$621	\$943	\$472	-\$472
Subtotal Mand obligations .....	5,208	621	943	472	-472
Total Obligations.....	5,208	621	943	472	-472
Lapsing Balances .....	3,373	322	-	-	-
Total Available.....	8,581	943	943	472	-472
Sequestration .....	519	57	57	29	-28
Total Appropriation.....	9,100	1,000	1,000	500	-500

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

***Table FSA-29. Geographic Breakdown of Obligations (thousands of dollars)***

<b>State/Territory/Country</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Estimated</b>	<b>2025 Estimated</b>
Florida.....	\$202	-	-	\$6
Georgia.....	23	76	76	46
Illinois.....	-	-	-	8
Kansas.....	-	-	-	131
Maine.....	252	258	258	43
Mississippi.....	-	-	-	33
Missouri.....	-	-	-	6
Nebraska.....	-	-	-	71
New Mexico.....	4,244	-	-	-
Oklahoma.....	28	-	-	3
South Carolina.....	-	-	-	27
Texas.....	4	224	224	98
Distribution Unknown.....	455	63	385	-
Obligations.....	5,208	621	943	472
Lapsing Balances.....	3,373	322	-	-
Total, Available.....	8,581	943	943	472

**CLASSIFICATION BY OBJECTS**

***Table FSA-30. Classification by Objects (thousands of dollars)***

<b>Item No.</b>	<b>Item</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Estimated</b>	<b>2025 Estimated</b>
	Other objects:				
41.0	Grants, subsidies, and contributions.....	\$5,208	\$621	\$943	\$472
	Total, Other Objects.....	5,208	621	943	472
99.9	Total, New Obligations.....	5,208	621	943	472



**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 2023, 6 dairy farmers in 3 states filed 16 claims totaling \$558,189.27 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 2023, totaled \$558,189.27. Payments to dairy farmers since the program’s inception in 1965 total \$45,885,713.34.

**Table FSA-31. Appropriations for Fiscal Years, Allocations and Outlays by State, 2005-2023**

State	Obligations	Outlays
Georgia .....	\$75,765.09	\$75,765.09
Maine.....	257,946.14	257,946.14
Texas .....	224,478.04	224,478.04
Total .....	558,189.27	558,189.27

**Table FSA-32. Payments and Number of Payees. 1965-2023**

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	-	4,752,693	16
2023	558,189	-	558,189	16
Total	41,974,274	3,911,439	45,885,713	1,908

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

**APPROPRIATIONS LANGUAGE**

1 For gross obligations for the principal amount of direct and guaranteed farm ownership (7 U.S.C. 1922 et seq.) and  
 2 operating (7 U.S.C. 1941 et seq.) loans, emergency loans (7 U.S.C. 1961 et seq.), Indian tribe land acquisition loans  
 3 (25 U.S.C. 5136), boll weevil loans (7 U.S.C. 1989), [guaranteed]direct conservation loans (7 U.S.C. 1924 et seq.),  
 4 and relending program (7 U.S.C. 1936c), and Indian highly fractionated land loans (25 U.S.C. 5136)] to be available  
 5 from funds in the Agricultural Credit Insurance Fund, as follows: \$3,500,000,000 for guaranteed farm ownership  
 6 loans and [\$3,100,000,000]\$1,966,970,000 for farm ownership direct loans; \$2,118,491,000 for unsubsidized  
 7 guaranteed operating loans and [\$1,633,000,000]\$1,100,000,000 for direct operating loans; emergency loans,  
 8 [\$37,667,000]\$37,000,000; Indian tribe land acquisition loans, \$20,000,000; [guaranteed]direct conservation loans,  
 9 [\$150,000,000]\$300,000,000; relending program, [\$61,426,000]; Indian highly fractionated land loans,  
 10 \$5,000,000]\$7,705,000; and for boll weevil eradication program loans, [\$60,000,000]\$5,000,000: *Provided*, That the  
 11 Secretary shall deem the pink bollworm to be a boll weevil for the purpose of boll weevil eradication program loans.

12 For the cost of direct and guaranteed loans and grants, including the cost of modifying loans as defined in section  
 13 502 of the Congressional Budget Act of 1974, as follows: [\$3,507,000]\$4,488,000 for emergency loans, to remain  
 14 available until expended; and [\$27,598,000]\$35,602,000 for direct farm ownership loans, \$2,860,000 for direct farm  
 15 operating loans, [\$1,483,000 for unsubsidized guaranteed farm operating loans, \$19,368,000]\$2,661,000 for the  
 16 relending program, [\$1,577,000 for Indian highly fractionated land loans, ]and [\$258,000]\$18,000 for boll weevil  
 17 eradication program loans: *Provided*, That notwithstanding section 313(c) of the Consolidated Farm and Rural  
 18 Development Act (7 U.S.C. 1943(c)), the Secretary shall not make or guarantee a microloan under this paragraph  
 19 that would cause the total principal indebtedness outstanding at any 1 time for microloans made under that section to  
 20 any 1 borrower to exceed \$100,000.

21 In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs,  
 22 [\$341,871,000]\$332,204,000: *Provided*, that of this amount, [\$321,621,000]\$311,546,000 shall be paid to the  
 23 appropriation for "Farm Service Agency, Salaries and Expenses."  
 24 Funds appropriated by this Act to the Agricultural Credit Insurance Program Account for farm ownership, operating  
 25 [and] conservation, and emergency direct loans and [guaranteed loans]loan guarantees may be transferred among  
 26 these programs: *Provided*, That the Committees on Appropriations of both Houses of Congress are notified at least  
 27 15 days in advance of any transfer.

**Change Description**

*The first change* (line 3 of paragraph 1) deletes guaranteed conservation loans and inserts direct conservation loans.

*The second change* (line 14 of paragraph 2) adds subsidy for the direct ownership loan program, which previously had a negative subsidy rate. This is largely due to the spread between the borrower interest rate for participation and down payments loans as compared to the Treasury interest rate. Demand in those loan categories increases as interest rates rise.

*The third change* (line 16 of paragraph 2) deletes the Indian Highly Fractionated Land loan level and cost of the Indian Fractionated Land loans.

*The fourth change* (line 25 of paragraph 3) amends the language for funds transfers to add the emergency loan category.

**LEAD-OFF TABULAR STATEMENT**

**Table FSA-33. Lead-Off Tabular Statement**

<u>Item</u>	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expenses</u>
Estimate, 2024	\$24,242,059,000	\$46,874,000	\$326,461,000
Change in Appropriation	-15,186,893,000	-1,245,000	+ 5,743,000
Budget Estimate, 2025	<u>9,055,166,000</u>	<u>45,629,000</u>	<u>332,204,000</u>

2025 USDA EXPLANATORY NOTES – FARM SERVICE AGENCY

**PROJECT STATEMENT**

**Table FSA-34. Project statement on basis of appropriations (thousands of dollars)**

Item	2022 Program Level	2022 Actual BA	2023 Program Level	2023 Actual BA	2024 Program Level	2024 Estimated BA	2025 Program Level	2025 Estimated BA	Program Level Inc. or Dec.	Chg Key	Budget Authority Inc. or Dec.	Chg Key
Discretionary Appropriations:												
Direct Farm Ownership .....	\$2,800,000	-	\$3,100,000	-	\$3,100,000	-	\$1,966,970	\$35,602	-\$1,133,030	(1)	+\$35,602	(10)
Direct Farm Operating .....	1,633,333	\$40,017	1,633,333	\$23,520	1,391,716	\$23,520	1,100,000	2,860	-291,716	(2)	-20,660	(10)
Emergency .....	37,668	267	4,062	249	2,675	249	37,000	4,488	+34,325	(3)	+4,239	(10)
Indian Land Acquisition.....	20,000	-	20,000	-	20,000	-	20,000	-	-	-	-	-
Boll Weevil Eradication.....	60,000	-	60,000	-	-	-	5,000	18	+5,000	(4)	+18	(10)
Indian Highly Fractionated Land .....	5,000	407	5,000	894	2,835	894	-	-	-2,835	(5)	-894	(10)
Heir's Property Relending Program.....	61,425	5,000	61,426	10,983	34,833	10,983	7,705	2,661	-27,128	(6)	-8,322	(10)
Direct Conservation .....	-	-	-	-	-	-	300,000	-	+300,000	(7)	-	-
Guaranteed Farm Ownership	3,500,000	-	3,500,000	-	3,500,000	-	3,500,000	-	-	-	-	-
Guaranteed Farm Operating <sup>1</sup>	2,118,482	16,524	2,118,491	11,228	16,040,000	11,228	2,118,491	-	-13,921,509	(8)	-11,228	(10)
Guaranteed Conservation.....	150,000	-	150,000	-	150,000	-	-	-	-150,000	(9)	-	-
Program Loan Cost Expense	-	20,658	-	20,658	-	20,658	-	20,658	-	-	-	-
Salaries and Expenses .....	-	294,114	-	305,803	-	305,803	-	311,546	-	-	+5,743	(11)
Subtotal .....	10,385,908	376,987	10,652,312	373,335	24,242,059	373,335	9,055,166	377,833	-15,186,893	-	+4,498	-
Mandatory Appropriations:												
Assistance to Farm Loan Borrowers.....	3,100,000	3,100,000	-	-	-	-	-	-	-	-	-	-
Total Adjusted Approp.....	13,485,908	3,476,987	10,652,312	373,335	24,242,059	373,335	9,055,166	377,833	-15,186,893	-	+4,498	-
Sequestration	-	-	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....	13,485,908	3,476,987	10,652,312	373,335	24,242,059	373,335	9,055,166	377,833	-15,186,893	-	+4,498	-
Recoveries, Other .....	115,372	2,647	144,262	2,020	-	-	-	-	-	-	-	-
Rescinded Balances.....	-6,550,777	-90,000	-6,235,023	-73,000	-229,271	-8,002	-	-	+229,271	-	+8,002	-
Bal. Available, SOY.....	9,264,546	131,530	9,432,609	3,178,982	1,300,502	1,079,233	-	-	-1,300,502	-	-1,079,233	-
Total Available.....	16,315,049	3,521,164	13,994,160	3,481,337	25,313,290	1,444,566	9,055,166	377,833	-16,258,124	-	-1,066,733	-
Lapsing Balances .....	-2,299,952	-4,449	-5,921,309	-30,098	-13,921,509	-9,745	-	-	+13,921,509	-	+9,745	-
Bal. Available, EOY .....	-8,192,487	-3,178,982	-1,313,689	-1,079,269	-	-	-	-	-	-	-	-
Total Obligations.....	5,822,610	337,733	6,759,162	2,371,970	11,391,781	1,434,821	9,055,166	377,833	-2,336,615	-	-1,056,988	-

<sup>1</sup> The program level for guaranteed operating loans in 2024 is based on the subsidy budget authority available under the Continuing Resolution and the 2024 subsidy rate, resulting in an unreasonable loan level for this program, but mathematically, the available program level is \$16 billion.

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

2025 USDA EXPLANATORY NOTES – FARM SERVICE AGENCY

**Table FSA-35. Project Statement on Basis of Obligations (thousands of dollars)**

Item	2022 Program Level	2022 Actual BA	2023 Program Level	2023 Actual BA	2024 Program Level	2024 Estimated BA	2025 Program Level	2025 Estimated BA	Program Level Inc. or Dec.	Budget Authority Inc. or Dec.
Discretionary Obligations:										
Direct Farm Ownership .....	\$1,848,988	-	\$1,813,319	-	\$3,100,000	-	\$1,966,970	\$35,602	-\$1,133,030	+\$35,602
Direct Farm Operating .....	866,734	\$21,234	921,611	\$13,271	1,391,716	\$23,520	1,100,000	2,860	-291,716	-20,660
Emergency .....	2,056	15	3,452	214	2,675	249	37,000	4,488	+34,325	+4,239
Indian Land Acquisition.....	-	-	-	-	20,000	-	20,000	-	-	-
Boll Weevil Eradication.....	-	-	-	-	-	-	5,000	18	+5,000	+18
Indian Highly Fractionated Land ...	-	-	-	-	2,835	894	-	-	-2,835	-894
Heir's Property Relending Program	7,000	570	5,000	894	34,833	10,983	7,705	2,661	-27,128	-8,322
Direct Conservation .....	-	-	-	-	-	-	300,000	-	+300,000	-
Guaranteed Farm Ownership .....	2,381,060	-	1,371,165	-	3,500,000	-	3,500,000	-	-	-
Guaranteed Farm Operating .....	716,772	5,591	615,846	3,264	2,118,491	1,483	2,118,491	-	-	-1,483
Guaranteed Conservation.....	-	-	-	-	150,000	-	-	-	-150,000	-
Program Loan Cost Expense.....	-	16,209	-	19,755	-	20,658	-	20,658	-	-
Salaries and Expenses .....	-	294,114	-	305,803	-	305,803	-	311,546	-	+5,743
Subtotal Disc Obligation.....	5,822,610	337,733	4,730,393	343,201	10,320,550	363,590	9,055,166	377,833	-1,265,384	+14,243
Mandatory Obligations:										
Assistance to Farm Loan Borrowers	-	-	1,951,628	1,951,628	1,071,231	1,071,231	-	-	-1,071,231	-1,071,231
IRA Modification Costs .....	-	-	77,141	77,141	-	-	-	-	-	-
Subtotal Mand Obligation .....	-	-	2,028,769	2,028,769	1,071,231	1,071,231	-	-	-1,071,231	-1,071,231
Total Obligations.....	5,822,610	337,733	6,759,162	2,371,970	11,391,781	1,434,821	9,055,166	377,833	-2,336,615	-1,056,988
Add back:										
Lapsing Balances .....	2,299,952	4,449	5,921,309	30,098	13,921,509	9,745	-	-	-13,921,509	-9,745
Balances Available, EOY:										
Direct Operating.....	1,540,488	37,743	137,997	1,987	-	-	-	-	-	-
Direct Emergency .....	973,554	6,911	98,196	6,018	-	-	-	-	-	-
Indian Highly Fractionated Land	15,884	1,293	-	-	-	-	-	-	-	-
Heir's Property Relending Program	177,275	14,430	-	-	-	-	-	-	-	-
Guaranteed Farm Operating .....	2,385,286	18,605	6,265	33	-	-	-	-	-	-
Assistance to Farm Loan Borrowers	3,100,000	3,100,000	1,071,231	1,071,231	-	-	-	-	-	-
Total Bal. Available, EOY .....	8,192,487	3,178,982	1,313,689	1,079,269	-	-	-	-	-	-
Total Available.....	16,315,049	3,521,164	13,994,160	3,481,337	25,313,290	1,444,566	9,055,166	377,833	-16,258,124	-1,066,733
Less:										
Recoveries, Other .....	-115,372	-2,647	-144,262	-2,020	-	-	-	-	-	-
Rescinded Balances.....	6,550,777	90,000	6,235,023	73,000	229,271	8,002	-	-	-229,271	-8,002
Bal. Available, SOY.....	-9,264,546	-131,530	-9,432,609	-3,178,982	-1,300,502	-1,079,233	-	-	+1,300,502	+1,079,233
Total Appropriation.....	13,485,908	3,476,987	10,652,312	373,335	24,242,059	373,335	9,055,166	377,833	-15,186,893	+4,498

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

**JUSTIFICATION OF CHANGES**

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 \$9.055 billion in farm loans, a decrease of \$15.2 billion from the inflated levels in 2024 annualized appropriation under the Continuing Resolution. Annualized loan levels for 2024 are based on 2023 budget authority and 2024 subsidy rates, which creates some wide disparities. The largest actual decreases in loan level are due to the fact that the subsidy rate for direct ownership went from negative to positive, necessitating difficult decisions regarding the use of limited budget authority while attempting to meet demand in program levels across the board.

- (1) A decrease of \$1,133,030,000 for direct ownership loans (\$3,100,000,000 available in 2024).  
A decrease of \$1,133,030,000 for direct ownership loans. The requested program level is reflective of average loan level obligations in this program over the last four years and is the minimum needed to meet expected demand.
- (2) A decrease of \$291,716,000 for direct operating loans (\$1,391,716,000 available in 2024).  
A decrease of \$291,716,000 in direct operating loans is required due to fiscal constraints. The loan level requested is approximately the same as the average over the last four years and is the minimum needed to meet expected demand.
- (3) An increase of \$34,325,000 for emergency loans (\$2,675,000 available in 2024).  
The requested increase for emergency (EM) loans is due to expected increase in demand. The subsidy cost is higher because of rising interest rates and the re-setting of the interest rate on EM loans. In addition, the budget assumes the legislative proposal on EM loans, which will remove barriers to participation. Prior to 2023, the EM loan rate was 1 percentage point higher than operating, but not more than 3.75%. At the same time the interest rates on operating loans were lower than 3.75%, and so they were less than the rate for EM loans, which, in addition, required disaster designation, qualifying loss, and written denials of credit by statute. This affected the demand for the EM loans in favor of regular operating loans. Re-setting the EM loan rate to the Operating Loans rate was done to encourage participating in this underutilized program. That change combined with essential legislative changes is expected to increase participation for 2025.
- (4) An increase of \$5,000,000 in Boll Weevil Eradication loans (\$0 available in 2024).  
The subsidy rate for Boll Weevil loans was negative in 2023, but positive in 2024 and 2025, so in a full year CR presentation no budget authority is reflected available to fund loans in 2024. The requested \$5 million in loan level will be sufficient to meet expected demand in 2025.
- (5) A decrease of \$2,835,000 in Indian Highly Fractionated Land loans (\$2,835,000 available in 2024).  
Because of other efforts to assist Native Americans with land ownership, there has been no demand for this program for many years. As a result the program is not requested in 2025.
- (6) A decrease of \$27,128,000 for Heirs Relending Program (\$34,883,000 available in 2024).  
The decrease in Heirs Relending Program is due lower than expected demand and coupled with increased interest rates that have driven up the subsidy cost. The requested loan level is sufficient to meet the expected demand.
- (7) An increase of \$300,000,000 in direct conservation loans (\$0 available in 2024).  
The new request to fund \$300 million in direct conservation loans reflects a deliberate shift in funding from guaranteed loans, which have seen no demand in recent years. By making this shift, FSA expects an increase in the likelihood of conservation farming activities. As part of that, FSA plans to prioritize precision agricultural technologies/equipment with these loans.
- (8) A decrease of \$13,921,509,000 for Guaranteed Operating Unsubsidized loans (\$16,040,000,000 available in 2024).  
The decrease in guaranteed operating unsubsidized loans is due to the inflated loan level available under the

annualized program in 2024. Loan level requested is equal to the loan level enacted in 2023 (\$2.118 billion) and is expected to be sufficient to meet demand.

- (9) A decrease of \$150,000,000 in guaranteed conservation loans (\$150,000,000 available in 2024).  
The guaranteed conservation loan program is not being requested in the 2025 budget due to lack of demand. Direct loans are preferred and funded at an increase in place of these guarantees, which has had no activity since 2016.
- (10) A decrease of \$13,921,509,000 for Guaranteed Operating Unsubsidized loans (\$16,040,000,000 available in 2024).  
The decrease in guaranteed operating unsubsidized loans is due to the inflated loan level available under the annualized program in 2024. Loan level requested is equal to the loan level enacted in 2023 (\$2.118 billion) and is expected to be sufficient to meet demand.
- (11) A net decrease of \$1,245,000 for subsidy for direct and guaranteed loan programs (\$46,874,000 available in 2024).  
The decrease in subsidy is due to lower subsidy rates for direct and guaranteed operating loan programs, largely offset by the change in subsidy rate for direct ownership from negative to positive. The change in the direct ownership rate is largely due to increases in the interest rates in the President's economic assumptions, which in turn results in increases in participation and down payment loans, which have lower borrower interest rates. Loan levels and resulting budget authority required were adjusted to reflect the effective use of resources across the variety of ACIF loan programs.
- (12) An increase of \$5,743,000 for administrative expenses (\$305,803,000 available in 2024).  
This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay cost 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. If this funding is not provided, FSA would be prevented from fully performing our mission, which is necessary to ensure continued service to America's farmers and ranchers.

### **PROPOSED LEGISLATION**

The 2025 Budget includes a number of legislative proposals for the Direct and Guaranteed Farm Ownership, Direct Farm Operating, and Emergency loan programs. These proposals are designed to improve the borrower experience and make these farm loans work better for FSA borrowers. Some of 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: Eliminate the Limitation on the Number of Years Applicants May Receive Loans***

Current legislative authority to be amended: Consolidated Farm and Rural Development 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.

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..

***Emergency loan program (also proposed as general provisions): Eliminate Written Denials of Credit and Provide Flexibility in Establishing the Percentage of Loss***

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 percent 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.

SEC. \_\_. 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).

SEC. \_\_. 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.”.

***Direct Farm Ownership loan program: Simplify the Farm Experience Requirement***

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.

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.

***Direct Farm Ownership loan program: Increase the Maximum Amount of a Down Payment Loan***

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.

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.”

***Direct Farm Ownership loan programs: Authorize to be used to Refinance Debt***

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a))

Authorize refinancing of debt as a direct Farm Ownership loan program purpose.

The inability to use direct Farm Ownership loan program funds to refinance debt can prevent producers experiencing financial distress from structuring loans as necessary to ensure success. Authorizing refinancing of debt as an acceptable use of funds will benefit producers who require direct Farm Ownership loan rates and terms to ensure feasibility. Test for credit eligibility criteria will remain to ensure the direct loan program is not in competition with commercial lenders, and that refinancing of debt is only used in circumstances where a distressed producer requires the Direct Farm Ownership loan program rates and terms to ensure success.

SEC. \_\_. Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)(1)) is amended by striking subparagraph (E) and inserting the following:

“(E) refinancing the indebtedness of a borrower, if the borrower—

“(i) has refinanced a loan under this subtitle not more than 4 times previously; and

“(ii) is refinancing a debt obtained from a creditor other than the Secretary.”

***Direct Farm Ownership Microloan program: Increase the Microloan Maximum Loan Amount***

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.

SEC. . Section 313 (c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943(c)(2)) is amended by striking “\$50,000” and inserting “\$100,000”.

***Establish Interest Rates for Micro Loan Operating Loans to Veterans and Beginning Farmers, Limited Resource Loans, and the Indian Tribal Land Acquisition Program***

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a), 1946(a))

Modify the statutory language describing the interest rate requirements for limited resource loans, microloans to beginning farmers and veteran farmers, and Indian Tribal Land Acquisition loans, including the establishment of an interest rate ceiling.

Statutory language describes interest rate requirements for these programs. However, the language as written cannot technically be administered, leading to confusion regarding interest rate requirements. Correcting the existing language will alleviate confusion and ensure proper establishment of the interest rate ceiling historically provided for these programs.

SEC. \_\_. Section 307(a)(3)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(1)(E)) is amended by striking “not be” and all that follows through the end of the subparagraph and inserting “be equal to the interest rate for direct farm ownership loans under paragraph (2), not to exceed 5 percent per annum.”.

SEC. \_\_. Section 316(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)(2)) is amended by striking “not be” and all that follows through the end of the paragraph and inserting “be equal to the interest rate for direct operating loans under paragraph (1), not to exceed 5 percent per annum.”.

***All farm loan programs: Simplify the Definition of Beginning Farmer***

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.

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.

***All farm loan programs (also a general provision): Provide Flexibility on the Use of Funds reserved for Beginning Farmers***

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.

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”.

***All farm loan programs: Authorize Future Loans to Those with Previous Debt Forgiveness After a 7-Year Waiting Period***

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 2008h(b))

Remove prohibition of new loans for applicants that have received debt forgiveness when at least 7 years has passed since receiving debt forgiveness.

Agricultural producers who have previously received debt forgiveness are limited in the types of loans they qualify for, with many producers not able to qualify for any additional loan assistance. Removing this prohibition will provide new loan opportunities for producers who otherwise satisfy program requirements after a 7-year waiting period from when debt forgiveness was provided.

SEC. \_\_. Section 373(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008h(b)(1)) is amended by inserting after “paragraph (2)” the following: “, for a 7-year period beginning with the date debt forgiveness is received”.

***Direct and Guaranteed Farm Operating loan programs: Increase the Maximum Amount of Debt Forgiveness***

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 2001(o))

Increase the lifetime limitation on debt forgiveness per borrower from \$300,000 to \$600,000.

The individual lifetime limit on debt forgiveness has not changed since the limit was established in 1990, despite direct loan limits increasing significantly since that time. Increasing the lifetime debt forgiveness limit to match the current direct Farm Ownership loan program limit of \$600,000 will improve the opportunity for distressed borrowers to utilize debt write-downs if necessary to achieve a feasible plan at the time of loan servicing.

SEC. \_\_. Section 353(o) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(o)) is amended by striking “\$300,000” and inserting “\$600,000”.

***Guaranteed Farm Ownership and Operating loan programs: Require Preferred Lenders to Obtain FSA Approval Prior to Foreclosure Action***

Current legislative authority to be amended: Consolidated Farm and Rural Development Act (7 U.S.C. 1989(d))

Remove the authority of preferred certified lenders to initiate liquidation without Farm Service Agency concurrence.

Preferred certified lenders have historically been provided discretion to determine and carryout a variety of loan making and servicing actions, including liquidation and foreclosure of distressed accounts. Distressed guaranteed borrowers may benefit from other Farm Service Agency loan programs. Requiring preferred certified lenders to obtain Farm Service Agency concurrence to carryout liquidation and foreclosure plans, similar to all other certified lenders, will ensure all borrowers are provided equitable access to Farm Service Agency programs to help resolve delinquency.

SEC. \_\_. Section 339(d)(4)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1989(d)(4)(B)) is amended by striking “collection and liquidation of loans” and inserting “and collection of loans”.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS****Table FSA-36. Geographic Breakdown of Obligations (thousands of dollars) Direct Farm Ownership**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Alabama.....	\$6,120	\$5,223	\$9,601	\$6,092
Alaska.....	585	-	495	314
Arizona.....	10,129	6,223	13,841	8,782
Arkansas.....	49,576	58,119	91,160	57,841
California.....	18,260	15,105	28,242	17,920
Colorado.....	21,790	18,974	34,505	21,894
Connecticut.....	1,572	606	1,844	1,170
Delaware.....	1,650	548	1,861	1,181
Florida.....	2,344	4,868	6,105	3,873
Georgia.....	11,775	20,324	27,171	17,240
Guam.....	487	16	426	270
Hawaii.....	15,748	11,771	23,294	14,780
Idaho.....	14,568	17,222	26,909	17,074
Illinois.....	126,356	120,460	208,920	132,561
Indiana.....	45,764	56,931	86,927	55,156
Iowa.....	250,034	251,258	424,324	269,235
Kansas.....	134,341	138,833	231,231	146,718
Kentucky.....	48,341	54,940	87,423	55,471
Louisiana.....	2,080	2,114	3,550	2,253
Maine.....	1,500	1,886	2,866	1,819
Maryland.....	3,362	2,033	4,567	2,898
Massachusetts.....	2,705	339	2,577	1,635
Michigan.....	36,910	32,450	58,711	37,252
Minnesota.....	105,216	111,397	183,354	116,340
Mississippi.....	5,685	1,017	5,673	3,600
Missouri.....	58,429	57,992	98,546	62,528
Montana.....	19,236	17,705	31,269	19,840
Nebraska.....	140,433	113,007	214,527	136,119
Nevada.....	1,127	525	1,398	887
New Hampshire.....	320	1,520	1,557	988
New Jersey.....	2,660	884	3,000	1,903
New Mexico.....	19,953	20,318	34,088	21,629
New York.....	11,594	10,811	18,965	12,033
North Carolina.....	11,540	18,696	25,594	16,239
North Dakota.....	62,881	64,836	108,107	68,595
Ohio.....	32,406	34,967	57,029	36,185
Oklahoma.....	184,219	180,855	309,021	196,076
Oregon.....	13,944	15,425	24,860	15,774
Pennsylvania.....	36,444	42,626	66,930	42,467
Puerto Rico.....	162	317	405	257
Rhode Island.....	342	675	861	546
South Carolina.....	7,595	11,424	16,099	10,215
South Dakota.....	84,766	67,786	129,129	81,933
Tennessee.....	20,097	20,218	34,125	21,653
Texas.....	61,470	53,000	96,894	61,480
Utah.....	17,316	11,375	24,286	15,410
Vermont.....	2,345	2,519	4,117	2,612
Virginia.....	34,594	29,481	54,237	34,414
Washington.....	24,425	20,748	38,237	24,262
West Virginia.....	10,564	14,087	20,866	13,240
Wisconsin.....	62,303	62,957	106,028	67,275
Wyoming.....	10,925	5,908	14,248	9,041
Obligations.....	1,848,988	1,813,319	3,100,000	1,966,970
Lapsing Balances.....	951,012	1,286,681	-	-
Total, Available.....	2,800,000	3,100,000	3,100,000	1,966,970

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

State/Territory/Country	2022	2023	2024	2025
	Actual	Actual	Estimated	Estimated
Alabama.....	\$4,238	\$4,585	\$6,866	\$5,427
Alaska.....	183	266	349	276
Arizona.....	9,212	8,012	13,404	10,594
Arkansas.....	45,112	45,472	70,494	55,718
California.....	13,154	14,243	21,321	16,852
Colorado.....	11,594	16,173	21,609	17,079
Connecticut.....	1,723	2,451	3,248	2,567
Delaware.....	245	100	268	212
Florida.....	3,691	4,332	6,244	4,935
Georgia.....	20,108	22,461	33,128	26,184
Guam.....	185	116	234	185
Hawaii.....	3,320	2,357	4,418	3,492
Idaho.....	10,047	10,065	15,651	12,371
Illinois.....	11,788	10,923	17,674	13,969
Indiana.....	8,922	7,252	12,587	9,949
Iowa.....	66,916	70,724	107,113	84,662
Kansas.....	35,537	41,750	60,146	47,539
Kentucky.....	30,538	30,907	47,817	37,794
Louisiana.....	13,354	14,723	21,850	17,270
Maine.....	5,220	6,352	9,005	7,118
Maryland.....	2,047	1,869	3,047	2,409
Massachusetts.....	1,605	832	1,897	1,499
Michigan.....	12,331	11,506	18,550	14,662
Minnesota.....	44,958	52,123	75,550	59,714
Mississippi.....	10,795	8,743	15,205	12,018
Missouri.....	10,391	10,763	16,462	13,012
Montana.....	19,056	23,539	33,148	26,200
Nebraska.....	92,650	89,748	141,945	112,187
Nevada.....	1,150	1,217	1,842	1,456
New Hampshire.....	1,007	934	1,511	1,194
New Jersey.....	1,246	958	1,715	1,356
New Mexico.....	10,625	11,618	17,310	13,682
New York.....	8,073	8,515	12,909	10,203
North Carolina.....	21,036	20,265	32,141	25,404
North Dakota.....	36,309	40,440	59,727	47,208
Ohio.....	4,548	5,814	8,064	6,374
Oklahoma.....	63,517	71,355	104,959	82,959
Oregon.....	10,859	12,574	18,236	14,413
Pennsylvania.....	17,033	19,236	28,225	22,309
Puerto Rico.....	140	878	792	626
Rhode Island.....	206	702	707	559
South Carolina.....	9,381	12,589	17,097	13,514
South Dakota.....	43,376	43,394	67,526	53,372
Tennessee.....	15,889	18,095	26,447	20,903
Texas.....	47,454	50,344	76,108	60,155
Utah.....	13,516	14,928	22,136	17,496
Vermont.....	2,346	1,913	3,314	2,620
Virgin Islands.....	-	50	39	31
Virginia.....	7,320	10,830	14,125	11,164
Washington.....	24,731	22,448	36,715	29,020
West Virginia.....	8,466	10,193	14,521	11,477
Wisconsin.....	22,933	25,129	37,403	29,563
Wyoming.....	6,653	4,805	8,917	7,048
Obligations.....	866,734	921,611	1,391,716	1,100,000
Lapsing Balances.....	-	711,722	-	-
Bal. Available, EOY.....	1,540,488	137,997	-	-
Total, Available.....	2,407,222	1,771,330	1,391,716	1,100,000

**Table FSA-38. Geographic Breakdown of Obligations (thousands of dollars) Emergency Loans**

State/Territory/Country	2022	2023	2024	2025
	Actual	Actual	Estimated	Estimated
Arkansas .....	\$96	\$689	-	-
California .....	-	500	-	-
Connecticut .....	389	-	-	-
Illinois .....	-	134	-	-
Kansas .....	-	287	-	-
Louisiana .....	-	382	-	-
Minnesota .....	-	43	-	-
Missouri .....	-	153	-	-
Montana .....	412	-	-	-
Nebraska .....	-	142	-	-
New Jersey .....	-	250	-	-
North Carolina .....	-	176	-	-
North Dakota .....	123	-	-	-
Oregon .....	499	-	-	-
Pennsylvania .....	-	120	-	-
Texas .....	267	576	-	-
Utah .....	270	-	-	-
Distribution Unknown .....	-	-	\$2,675	\$37,000
Obligations .....	2,056	3,452	2,675	37,000
Bal. Available, EOY .....	973,554	98,196	-	-
Total, Available .....	975,610	101,648	2,675	37,000

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

State/Territory/Country	2022	2023	2024	2025
	Actual	Actual	Estimated	Estimated
Alabama .....	\$82,187	\$51,369	\$124,578	\$124,578
Arizona .....	13,574	8,556	20,642	20,642
Arkansas .....	257,971	126,020	358,183	358,183
California .....	25,576	23,218	45,514	45,514
Colorado .....	22,153	11,155	31,069	31,069
Connecticut .....	332	1,740	1,933	1,933
Delaware .....	4,597	70	4,353	4,353
Florida .....	10,556	6,953	16,332	16,332
Georgia .....	35,013	19,029	50,409	50,409
Hawaii .....	7,008	5,972	12,107	12,107
Idaho .....	21,058	9,774	28,759	28,759
Illinois .....	182,631	79,576	244,581	244,581
Indiana .....	80,062	47,027	118,546	118,546
Iowa .....	139,050	61,383	186,960	186,960
Kansas .....	47,557	20,098	63,107	63,107
Kentucky .....	70,611	55,801	117,915	117,915
Louisiana .....	20,826	9,812	28,579	28,579
Maine .....	4,612	4,154	8,177	8,177
Maryland .....	15,686	4,140	18,493	18,493
Massachusetts .....	793	1,616	2,247	2,247
Michigan .....	53,027	30,038	77,481	77,481
Minnesota .....	126,791	77,958	190,986	190,986
Mississippi .....	42,102	52,702	88,431	88,431
Missouri .....	123,895	94,357	203,581	203,581
Montana .....	52,520	14,156	62,194	62,194
Nebraska .....	90,401	39,549	121,215	121,215
Nevada .....	11,667	2,884	13,573	13,573
New Hampshire .....	2,613	370	2,782	2,782
New Jersey .....	-	1,940	1,810	1,810
New Mexico .....	17,869	11,781	27,657	27,657
New York .....	25,141	17,792	40,047	40,047
North Carolina .....	53,004	41,436	88,092	88,092
North Dakota .....	31,891	12,719	41,611	41,611
Ohio .....	152,756	107,007	242,302	242,302
Oklahoma .....	82,937	60,832	134,105	134,105
Oregon .....	13,666	12,585	24,486	24,486

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<b>State/Territory/Country</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Estimated</b>	<b>2025 Estimated</b>
Pennsylvania.....	14,417	6,083	19,122	19,122
Puerto Rico .....	1,167	4,717	5,488	5,488
South Carolina .....	25,728	17,514	40,335	40,335
South Dakota .....	81,090	28,886	102,583	102,583
Tennessee .....	69,418	38,544	100,705	100,705
Texas.....	51,820	33,713	79,783	79,783
Utah .....	21,808	14,710	34,063	34,063
Vermont.....	3,348	1,621	4,635	4,635
Virginia.....	14,304	8,808	21,558	21,558
Washington.....	2,776	3,504	5,858	5,858
West Virginia.....	1,586	1,463	2,844	2,844
Wisconsin .....	157,394	79,665	221,124	221,124
Wyoming .....	14,071	6,368	19,065	19,065
Obligations.....	2,381,060	1,371,165	3,500,000	3,500,000
Lapsing Balances .....	1,118,940	2,128,835	-	-
Total, Available .....	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>

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

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Alabama.....	\$906	\$3,391	\$6,831	\$6,831
Arizona.....	4,175	1,338	8,764	8,764
Arkansas.....	71,572	59,858	208,939	208,939
California.....	20,047	22,429	67,525	67,525
Colorado.....	5,685	6,421	19,245	19,245
Connecticut.....	278	400	1,078	1,078
Delaware.....	8	128	216	216
Florida.....	6,134	7,413	21,536	21,536
Georgia.....	32,873	28,848	98,119	98,119
Hawaii.....	176	850	1,631	1,631
Idaho.....	21,963	21,675	69,372	69,372
Illinois.....	17,221	16,938	54,303	54,303
Indiana.....	30,432	15,397	72,855	72,855
Iowa.....	28,289	27,299	88,369	88,369
Kansas.....	13,467	20,002	53,206	53,206
Kentucky.....	11,178	9,796	33,343	33,343
Louisiana.....	51,787	76,361	203,720	203,720
Maine.....	500	2,540	4,833	4,833
Maryland.....	329	-	523	523
Massachusetts.....	400	485	1,407	1,407
Michigan.....	10,308	14,303	39,125	39,125
Minnesota.....	41,929	29,727	113,913	113,913
Mississippi.....	12,955	7,287	32,179	32,179
Missouri.....	37,395	20,473	91,994	91,994
Montana.....	21,174	14,659	56,964	56,964
Nebraska.....	17,880	14,311	51,175	51,175
Nevada.....	307	350	1,044	1,044
New Hampshire.....	473	930	2,230	2,230
New Jersey.....	300	-	477	477
New Mexico.....	3,313	10,039	21,226	21,226
New York.....	8,539	6,188	23,412	23,412
North Carolina.....	4,945	7,160	19,244	19,244
North Dakota.....	35,695	20,852	89,894	89,894
Ohio.....	6,326	5,317	18,509	18,509
Oklahoma.....	35,314	23,792	93,962	93,962
Oregon.....	4,967	2,590	12,014	12,014
Pennsylvania.....	1,530	7,071	13,673	13,673
Puerto Rico.....	-	2,017	3,206	3,206
South Carolina.....	13,611	3,514	27,224	27,224
South Dakota.....	18,769	14,761	53,303	53,303
Tennessee.....	10,253	10,383	32,805	32,805
Texas.....	48,381	35,109	132,726	132,726
Utah.....	4,467	1,969	10,231	10,231
Vermont.....	215	-	342	342
Virginia.....	11,344	4,636	25,404	25,404
Washington.....	18,014	18,369	57,839	57,839
West Virginia.....	250	160	652	652
Wisconsin.....	21,587	16,773	60,982	60,982
Wyoming.....	9,111	1,537	16,927	16,927
Obligations.....	716,772	615,846	2,118,491	2,118,491
Lapsing Balances.....	-	1,502,645	-	-
Bal. Available, EOY.....	2,385,286	6,265	-	-
Total, Available.....	3,102,058	2,124,756	2,118,491	2,118,491



**Table FSA-41. Geographic Breakdown of Obligations (thousands of dollars) Boll Weevil Eradication Loan Program**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Distribution Unknown .....	-	-	-	\$5,000
Obligations.....	-	-	-	5,000
Lapsing Balances.....	\$60,000	\$60,000	-	-
Total, Available .....	60,000	60,000	-	5,000

**Table FSA-42. Geographic Breakdown of Obligations (thousands of dollars) Indian Land Acquisition Loan Program**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Distribution Unknown .....	-	-	\$20,000	\$20,000
Obligations.....	-	-	20,000	20,000
Lapsing Balances.....	\$20,000	\$20,000	-	-
Total, Available .....	20,000	20,000	20,000	20,000

**Table FSA-43. Geographic Breakdown of Obligations (thousands of dollars) Indian Highly Fractionated Loan Program**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Distribution Unknown .....	-	-	\$2,835	-
Obligations.....	-	-	2,835	-
Lapsing Balances.....	-	\$5,000	-	-
Bal. Available, EOY .....	\$15,884	-	-	-
Total, Available .....	15,884	5,000	2,835	-

**Table FSA-44. Geographic Breakdown of Obligations (thousands of dollars) Heirs Property Relending Program**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Distribution Unknown .....	\$7,000	\$5,000	\$34,833	\$7,705
Obligations.....	7,000	5,000	34,833	7,705
Lapsing Balances.....	-	56,426	-	-
Bal. Available, EOY .....	177,275	-	-	-
Total, Available .....	184,275	61,426	34,833	7,705

**Table FSA-45. Geographic Breakdown of Obligations (thousands of dollars) Direct Conservation Loan Program**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Distribution Unknown .....	-	-	-	\$300,000
Obligations.....	-	-	-	300,000
Total, Available .....	-	-	-	300,000

**Table FSA-46. Geographic Breakdown of Obligations (thousands of dollars) Guaranteed Conservation Loan Program**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Distribution Unknown .....	-	-	\$150,000	-
Obligations.....	-	-	150,000	-
Lapsing Balances.....	\$150,000	\$150,000	-	-
Total, Available .....	150,000	150,000	150,000	-

**Table FSA-47. Geographic Breakdown of Obligations (thousands of dollars) Assistance For Farm Loan Borrowers**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Distribution Unknown .....	-	\$2,028,769	\$1,071,231	-
Obligations.....	-	2,028,769	1,071,231	-
Bal. Available, EOY .....	\$3,100,000	1,071,231	-	-
Total, Available .....	3,100,000	3,100,000	1,071,231	-

**CLASSIFICATION BY OBJECTS**

***Table FSA-48. Classification by Objects (thousands of dollars)***

<b>Item No.</b>	<b>Item</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Estimated</b>	<b>2025 Estimated</b>
	Other objects:				
25.3	Other goods and services from Federal sources .....	\$294,114	\$305,803	\$305,803	\$311,546
41.0	Grants, subsidies, and contributions.....	43,619	2,066,168	1,129,018	66,287
	Total, Other Objects.....	337,733	2,371,971	1,434,821	377,833
99.9	Total, new obligations.....	337,733	2,371,971	1,434,821	377,833

**STATUS OF PROGRAMS****Current Activities ACIF**

Through the Agricultural Credit Insurance Fund (ACIF), FSA offers direct and guaranteed loans to farmers temporarily unable to obtain 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 the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 through 1970). \$2.03 billion was obligated in 2023, leaving \$1.07 billion available for 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 \$2.8 billion to beginning farmers during 2023, of which \$1.9 billion was in the ownership program and \$849 million was in the operating program. Loans for historically underserved farmers totaled \$1.1 billion, of which \$748 million was in the farm ownership program and \$340 million was in the farm operating program.

**Selected Examples of Recent Progress**

Lending to beginning farmers remained strong during 2023. FSA loaned or guaranteed beginning farmer loans for 13,579 borrowers. Outreach efforts by FSA field offices to promote and inform beginning and historically 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 2023 decreased compared to 2022. Loan assistance provided to beginning and historically underserved farmers decreased in 2023 compared to 2022 but continues a strong presence in lending to these underserved groups as a percentage of total assistance provided. Since 2022, the amount of beginning farmer assistance decreased by 10 percent and the amount of historically underserved assistance increased by 12 percent.

Please note that for the following exhibits showing the total number of loans and total amounts of loans for all direct and guaranteed farm loan programs, loans made are subsets of the total. Any one loan could be counted in more than one category so that the grand total does not equal the sum of the subtotals. For example, a direct farm ownership historically underserved farmer (borrower) could also be a beginning farmer and would be included in both categories; however, this would only count as one loan in the grand total.

### **2023 Actual Agricultural Credit Insurance Fund Loans and Obligations**

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

<b>Item</b>	<b>2022</b>	<b>2023</b>	<b>Change</b>
Direct Farm Ownership .....	6,189	6,075	-2%
Direct Farm Ownership – Microloans .....	100	81	-19%
Guaranteed Farm Ownership .....	3,939	2,440	-38%
Ownership Subtotal .....	10,228	8,596	-16%
Direct Operating .....	8,541	8,891	4%
Direct Farm Operating – Microloans .....	3,396	3,393	0%
Guaranteed Operating .....	2,198	1,699	-23%
Operating Subtotal .....	14,135	13,983	-1%
Emergency .....	9	21	133%
Heirs Relending.....	2	1	-50%
Grand Total Number of Loans .....	24,374	22,601	-7%

**Table FSA-50. Total Direct and Guaranteed Loans (thousands of dollars, percent change)**

<b>Item</b>	<b>2022</b>	<b>2023</b>	<b>Change</b>
Direct Farm Ownership .....	\$1,845,140	\$1,810,126	-2%
Direct Farm Ownership – Microloans .....	3,848	3,193	-17%
Guaranteed Farm Ownership.....	2,381,060	1,371,165	-42%
Ownership Subtotal .....	4,230,048	3,184,484	-25%
Direct Operating .....	778,545	832,119	7%
Direct Farm Operating – Microloans .....	88,188	89,492	1%
Guaranteed Operating .....	716,772	615,846	-14%
Operating Subtotal.....	1,583,506	1,537,457	-3%
Emergency .....	2,056	3,452	68%
Heirs Relending.....	7,000	5,000	-29%
Grand Total Dollar Value of Loans.....	5,822,610	4,730,393	-19%

**Table FSA-51. Total Beginning Farmer Loans (number of loans, percent change)**

<b>Item</b>	<b>2022</b>	<b>2023</b>	<b>Change</b>
Direct Farm Ownership .....	1,884	1,691	-10%
Direct Farm Ownership Down-payment .....	2,260	2,418	7%
Guaranteed Farm Ownership.....	1,933	1,443	-25%
Ownership Subtotal .....	6,077	5,552	-9%
Direct Operating .....	7,333	7,282	-1%
Guaranteed Operating .....	878	745	-15%
Operating Subtotal.....	8,211	8,027	-2%
Grand Total Number of Loans .....	14,288	13,579	-5%

**Table FSA-52. Beginning Farmer Loans (thousands of dollars, percent change)**

<b>Item</b>	<b>2022</b>	<b>2023</b>	<b>Change</b>
Direct Farm Ownership .....	\$587,091	\$516,852	-12%
Direct Farm Ownership Down-payment .....	614,604	665,288	8%
Guaranteed Farm Ownership .....	1,068,557	741,871	-31%
Ownership Subtotal .....	2,270,253	1,924,011	-15%
Direct Operating .....	583,408	611,216	5%
Guaranteed Operating .....	244,820	237,936	-3%
Operating Subtotal.....	828,228	849,152	3%
Grand Total Dollar Value of Loans.....	3,098,481	2,773,163	-10%

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

<b>Item</b>	<b>2022</b>	<b>2023</b>	<b>Change</b>
Direct Farm Ownership.....	1,233	1,239	0%
Guaranteed Farm Ownership.....	715	514	-28%
Ownership Subtotal .....	1,948	1,753	-10%
Direct Operating .....	3,655	3,862	6%
Guaranteed Operating .....	367	301	-18%
Operating Subtotal .....	4,022	4,163	4%
Grand Total Number of Loans .....	5,970	5,916	-1%

**Table FSA-54. Socially Disadvantaged Farmer Loans (thousands of dollars, percent change)**

<b>Item</b>	<b>2022</b>	<b>2023</b>	<b>Change</b>
Direct Farm Ownership.....	\$342,026	\$343,959	1%
Guaranteed Farm Ownership.....	571,050	404,369	-29%
Ownership Subtotal .....	913,076	748,328	-18%
Direct Operating .....	208,807	224,656	8%
Guaranteed Operating .....	112,661	115,283	2%
Operating Subtotal.....	321,468	339,939	6%
Grand Total Dollar Value of Loans.....	1,234,544	1,088,266	-12%

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**ACCOUNT 6: EMERGENCY CONSERVATION PROGRAM**

**APPROPRIATIONS LANGUAGE**

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 ranchland damaged by natural disasters and to carry out water conservation measures during periods of severe drought. 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.

**PROJECT STATEMENTS**

**Table FSA-55. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)**

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc./ Dec.
<b>Discretionary Appropriations:</b>					
ECP Regular.....	-	-	-	-	-
ECP Stafford.....	-	-	-	-	-
Subtotal Discretionary Appropriation.....	-	-	-	-	-
<b>Supplemental Appropriations:</b>					
ECP- PL 114-254.....	-	-	-	-	-
ECP- PL 115-123.....	-	-	-	-	-
ECP PL 116-20.....	-	-	-	-	-
Subtotal Supplemental Appropriation.....	-	-	-	-	-
Total Appropriation.....	-	-	-	-	-
Recoveries, Other.....	\$46,578	\$31,308	-	-	-
Bal. Available, SOY.....	722,062	626,428	\$516,848	\$416,848	-\$100,000
Total Available.....	768,640	657,736	516,484	416,848	-100,000
Bal. Available, EOY.....	-626,428	-516,848	-416,848	-316,848	+100,000
Total Obligations.....	142,212	140,888	100,000	100,000	-

**Table FSA-56. Project Statement on Basis of Obligations (thousands of dollars)**

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc./ Dec.
<b>Discretionary Obligations:</b>					
ECP Regular.....	\$3,424	\$235	\$2,408	\$167	-\$2,241
ECP Stafford.....	52	17,281	37	12,266	+12,249
Subtotal Disc Obligations.....	3,476	17,516	2,444	12,433	+9,989
<b>Supplemental Obligations:</b>					
ECP- PL 114-254.....	867	710	610	504	-106
ECP- PL 115-123.....	2,282	65,120	1,605	46,221	+44,616
ECP- PL 116-20.....	135,587	57,542	95,341	40,842	-54,499
Subtotal Supp Obligations.....	142,212	140,888	100,000	100,000	-
Total Obligations.....	142,212	140,888	100,000	100,000	-
Balances Available, EOY.....	626,428	516,848	416,848	316,848	-100,000
Total Available.....	768,640	657,736	516,848	416,848	-100,000
Recoveries, Other.....	-46,578	-31,308	-	-	-
Bal. Available, SOY.....	-722,062	-626,428	-516,848	-416,848	+100,000
Total Appropriation.....	-	-	-	-	-

**JUSTIFICATION OF CHANGES**

The Budget does not include funding for the Emergency Conservation Program (ECP). While the Budget does not request additional funding for ECP it reflects more than \$100 million in unobligated balances available to aid producers following natural disasters.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

**Table FSA-57. Geographic Breakdown of Obligations (thousands of dollars) Emergency Conservation Program**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Alabama.....	\$2,567	\$2,561	\$1,805	\$1,818
Arizona.....	-	534	-	379
Arkansas.....	1,128	1,654	793	1,174
California.....	8,498	17,816	5,976	12,646

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Colorado .....	294	147	207	104
Connecticut .....	-	363	-	258
Florida.....	4,011	6,980	2,820	4,954
Georgia.....	173	881	122	625
Guam .....	-	183	-	130
Hawaii.....	1,100	-	773	-
Idaho.....	229	198	161	141
Indiana.....	-	215	-	153
Iowa.....	1,125	391	791	278
Kansas.....	13,701	28,514	9,634	20,239
Kentucky.....	10,237	5,875	7,198	4,170
Louisiana.....	10,276	1,833	7,226	1,301
Maine.....	-	12	-	9
Massachusetts.....	875	651	615	462
Minnesota.....	-	1,126	-	799
Mississippi.....	770	824	541	585
Missouri.....	447	1,091	314	774
Montana.....	23,994	17,254	16,872	12,247
N. Mariana Island.....	-	1	-	1
Nebraska.....	8,158	6,600	5,737	4,685
Nevada.....	72	807	51	573
New Hampshire.....	254	192	179	136
New Jersey.....	422	233	297	165
New Mexico.....	433	269	304	191
New York.....	101	102	71	72
North Carolina.....	719	971	506	689
North Dakota.....	1,427	239	1,003	170
Ohio.....	26	113	18	80
Oklahoma.....	1,886	6,927	1,326	4,917
Oregon.....	8,365	5,238	5,882	3,718
Pennsylvania.....	4	32	3	23
Puerto Rico.....	817	6,708	574	4,761
Rhode Island.....	-	875	-	621
South Carolina.....	444	221	312	157
South Dakota.....	25,032	11,186	17,602	7,940
Tennessee.....	2,866	2,201	2,015	1,562
Texas.....	7,412	4,868	5,212	3,455
Utah.....	68	-	48	-
Vermont.....	3	184	2	131
Virginia.....	310	5	218	4
Washington.....	2,046	1,815	1,439	1,288
West Virginia.....	974	10	685	7
Wisconsin.....	19	-	13	-
Wyoming.....	882	1,988	620	1,411
KCMO-DMD.....	47	-	33	-
Obligations.....	142,212	140,888	100,000	100,000
Bal. Available, EOY.....	626,428	516,848	416,848	316,848
Total, Available.....	768,640	657,736	516,848	416,848

**CLASSIFICATION BY OBJECTS***Table FSA-58. Classification by Objects (thousands of dollars)*

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
	Other objects:				
41.0	Grants, subsidies, and contributions.....	\$142,212	\$140,888	\$100,000	\$100,000
	Total, Other Objects.....	142,212	140,888	100,000	100,000
99.9	Total, new obligations.....	142,212	140,888	100,000	100,000



**STATUS OF PROGRAMS*****Current Activities***

During 2023, 39 states and 3 territories participated in the Emergency Conservation Program (ECP), with new or continued activity from the previous year, involving approximately \$97 million in cost-share and technical assistance 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 the wildfires in the west and mid-western plains states. Funds are monitored through separate disaster identification accounts. ECP assists agricultural producers to rehabilitate natural disaster-damaged farmland by removing flood and tornado deposited debris. This returns the land to its productive agricultural capacity. Where severe drought continues to persist in parts of the Northern Plains, ECP provides emergency water for livestock. ECP will also help grade and reshape farmland scoured by flood waters and restore livestock fences and conservation structures destroyed by wildfire, tornados, and hurricanes. During 2023, ECP allocated \$139.7 million in unrestricted funds and \$24.9 million in Stafford funding, totaling \$164.6 million. These allocations include the reallocation of unused 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 2023 and (B) 2023 allocations by State.

**Table FSA-59. Emergency Conservation Program Appropriations and Outlays. 1981-2023**

<b>Fiscal Year</b>	<b>Appropriation</b>	<b>Notes</b>	<b>Outlays</b>
1981 – 2010	\$1,145,374,000	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
2023	-		96,969,643
<b>TOTAL</b>	<b>2,513,968,939</b>		<b>1,766,763,451</b>

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

**Table FSA-60. Emergency Conservation Program 2023 Allocations by State (in dollars)**

State/Territory/Country	Drought	Flooding	Hurricane	Severe Storm	Tornado	Wildfire	Total
Alabama.....	-	\$78,404	-	\$30,352	\$1,669,101	-	\$1,777,857
Arkansas.....	-	173,708	-	580,016	805,117	-	1,558,841
California.....	-	-	-	19,695,344	-	\$3,543,206	23,238,550
Commonwealth of Northern Marina Islands.....	-	-	\$1,050	-	-	-	1,050
Colorado.....	-	-	-	-	-	463,781	463,781
Connecticut.....	\$446,748	-	-	-	-	-	446,748
Florida.....	-	-	19,444,909	-	-	-	19,444,909
Georgia.....	-	39,167	-	255,077	952,142	-	1,246,386
Guam.....	-	-	189,976	-	-	-	189,976
Idaho.....	31,460	-	-	-	-	83,646	115,106
Indiana.....	-	142,712	-	-	79,385	-	222,097
Iowa.....	-	-	-	-	113,140	-	113,140
Kansas.....	24,541,928	230,360	-	-	-	4,724,214	29,496,502
Kentucky.....	-	967,467	-	3,353,845	333,989	-	4,655,301
Louisiana.....	-	-	1,024,899	-	-	-	1,024,899
Maine.....	29,146	-	-	34,650	-	-	63,796
Massachusetts.....	268,545	-	-	-	-	-	268,545
Minnesota.....	-	-	-	1,670,718	-	-	1,670,718
Mississippi.....	-	5,064	-	6,186	1,259,069	-	1,270,319
Missouri.....	1,069,021	13,201	-	82,691	223,519	-	1,388,432
Montana.....	6,164,714	3,274,181	-	-	-	9,732,630	19,171,525
Nebraska.....	-	190,029	-	-	-	6,165,752	6,355,781
Nevada.....	321,258	619,633	-	-	-	1,540	942,431
New Hampshire.....	165,996	1,523	-	17,187	-	-	184,706
New Jersey.....	-	-	137,587	-	-	-	137,587
New Mexico.....	-	1,203,943	-	-	-	-	1,203,943
New York.....	-	-	-	-	102,604	-	102,604
North Carolina.....	-	1,127,398	-	137,239	-	-	1,264,637
North Dakota.....	26,984	94,412	-	-	-	-	121,396
Ohio.....	-	-	-	177,204	71,590	-	248,794
Oklahoma.....	2,722,919	278,600	-	59,605	327,711	2,310,558	5,699,393
Oregon.....	-	-	-	188,980	-	4,268,316	4,457,296
Pennsylvania.....	-	-	-	-	27,491	-	27,491
Puerto Rico.....	-	-	15,245,713	-	-	-	15,245,713
Rhode Island.....	1,044,712	-	-	-	-	-	1,044,712
South Dakota.....	4,118,038	59,891	-	5,432,485	198,070	596,154	10,404,638
Tennessee.....	-	-	-	2,162	2,212,670	-	2,214,832
Texas.....	-	-	-	2,443,773	147,990	2,030,825	4,622,588
Vermont.....	-	-	-	361,234	-	-	361,234
Washington.....	-	-	-	-	-	847,723	847,723
West Virginia.....	-	-	-	-	28,983	-	28,983
Wyoming.....	1,281,848	14,077	-	-	-	-	1,295,925
<b>Total.....</b>	<b>42,233,317</b>	<b>8,513,770</b>	<b>36,044,134</b>	<b>34,528,748</b>	<b>8,552,571</b>	<b>34,768,345</b>	<b>164,640,885</b>

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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.

**LEAD-OFF TABULAR STATEMENT**

**Table FSA-61. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2024	\$4,000,000
Change in Appropriation	-
Budget Estimate, 2025	<u>4,000,000</u>

**PROJECT STATEMENT**

**Table FSA-62. Project Statement on Basis of Appropriations (thousands of dollars)**

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc./ Dec.
<b>USDA Supplemental Assistance:</b>					
(Geographically Disadvantaged Farmer and Ranchers) .....	\$3,000	\$4,000	\$4,000	\$4,000	-
Total Appropriation.....	3,000	4,000	4,000	4,000	-
Bal. Available, SOY .....	4,456	4,456	8,442	-	-\$8,442
Total Available.....	7,456	8,460	12,442	4,000	-8,442
Bal. Available, EOY .....	-4,456	-8,442	-	-	-
Total Obligations.....	<u>3,000</u>	<u>18</u>	<u>12,442</u>	<u>4,000</u>	<u>-8,442</u>

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

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc./ Dec.
<b>USDA Supplemental Assistance:</b>					
(Geographically Disadvantaged Farmer and Ranchers).....	\$3,000	\$18	\$12,442	\$4,000	-\$8,442
Total Obligations .....	3,000	18	12,442	4,000	-8,442
Total Bal. Available, EOY.....	4,456	8,442	-	-	-
Total Available .....	7,456	8,460	12,442	4,000	-8,442
<b>Less:</b>					
Bal. Available, SOY .....	-4,456	-4,460	-8,442	-	-8,442
Total Appropriation .....	<u>3,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>

**JUSTIFICATION OF CHANGES**

No change in funding is requested for Geographically Disadvantaged Farmers and Ranchers. Geographically Disadvantaged Farmers and Ranchers Program is requesting the FY 2023 level.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**

**Table FSA-64. Geographic Breakdown of Obligations (thousands of dollars) Geographically Disadvantaged Farmers and Ranchers**

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Distribution Unknown .....	\$3,000	\$4,000	\$4,000	\$4,000
Obligations.....	3,000	4,000	4,000	4,000
Bal. Available, EOY .....	4,456	8,442	-	-
Total, Available .....	<u>7,456</u>	<u>12,442</u>	<u>4,000</u>	<u>4,000</u>

**CLASSIFICATION BY OBJECTS**

***Table FSA-65. Classification by Objects (thousands of dollars)***

<b>Item No.</b>	<b>Item</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Estimate</b>	<b>2025 Estimate</b>
	Other Objects:				
41.0	Grants, subsidies, and contributions .....	\$3,000	\$18	\$12,442	\$4,000
	Total, Other Objects .....	3,000	18	12,442	4,000
99.9	Total, new obligations .....	3,000	18	12,442	4,000

**STATUS OF PROGRAMS**

The Agricultural Act of 2014 (Public Law 113-79) re-authorized the Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers (RTCP). The Consolidated Appropriations Act, 2023 authorized \$4 million for fiscal year 2023 to reimburse geographically disadvantaged producers with a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity for each succeeding fiscal year subject to appropriate funding.

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

Current Activities: RTCP benefits are calculated based on the costs incurred by the producer for transportation of the agricultural commodity or inputs during a fiscal year, subject to an \$8,000 per producer cap per fiscal year. RTCP enrollments for 2023 began on July 10, 2023, and ended on September 29, 2023. Since RTCP benefits are based on transportation costs incurred during a fiscal year, producers will have until November 3, 2023, to provide supporting documentation of their actual transportation costs to replace any certified amounts for fiscal year 2023.

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**ACCOUNT 8: EMERGENCY FOREST RESTORATION PROGRAM****APPROPRIATIONS LANGUAGE**

The 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.

**PROJECT STATEMENTS****Table FSA-66. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)**

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc./ Dec.
<b>Discretionary Appropriations:</b>					
Emergency Forest Restoration Program PL 117-328.....	-	\$27,000	-	-	-
Total Appropriation .....	-	27,000	-	-	-
Recoveries, Other .....	\$34,021	11,645	-	-	-
Bal. Available, SOY .....	416,544	369,770	\$368,246	\$268,246	-\$100,000
Total Available .....	450,565	408,415	368,246	268,246	-100,000
Bal. Available, EOY .....	-369,770	-368,246	-268,246	-168,246	+100,000
Total Obligations .....	80,795	40,169	100,000	100,000	-

**Table FSA-67. Project Statement Obligations (in thousands)**

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc./ Dec.
<b>Discretionary Obligations:</b>					
EFRP Stafford.....	\$177	\$1,642	\$219	\$4,088	+\$3,869
EFRP Regular .....	1,445	1,149	1,788	2,860	+1,072
EFRP PL 116-20.....	79,173	37,378	97,992	93,052	-4,941
Total Obligations .....	80,795	40,169	100,000	100,000	-
Add back:					
Balances Available, EOY .....	369,770	368,246	268,246	168,246	-100,000
Total Available .....	450,565	408,415	368,246	268,246	-100,000
Less					
Recoveries, Other .....	-34,021	-11,645	-	-	-
Bal. Available, SOY .....	-416,544	-369,770	-368,246	-268,246	+100,000
Total Appropriation .....	-	27,000	-	-	-

**JUSTIFICATION OF CHANGES**

The 2025 Budget does not include funding for the Emergency Forest Restoration Program (EFRP). While the Budget does not request additional funding for EFRP it reflects more than \$100 million in unobligated balances available to aid producers following natural disasters.

The 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-68. Geographic Breakdown of Obligations (thousands of dollars) Emergency Forest Restoration Program***

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Alabama.....	-	\$1,118	-	\$2,783
California.....	-	3,086	-	7,683
Florida.....	\$47,650	18,500	\$58,976	46,055
Georgia.....	869	894	1,076	2,226
Illinois.....	-	7	-	17
Iowa.....	709	214	878	533
Kansas.....	-	7	-	17
Louisiana.....	3,856	2,133	4,773	5,310
Maine.....	-	86	-	214
Michigan.....	1,787	181	2,212	451
Mississippi.....	60	1,172	74	2,918
Montana.....	2,150	3,960	2,661	9,858
New Jersey.....	940	3	1,163	7
New York.....	-	40	-	100
Ohio.....	-	294	-	732
Oregon.....	19,044	8,074	23,571	20,100
Pennsylvania.....	69	-	85	-
South Carolina.....	108	146	134	363
South Dakota.....	72	-	89	-
Tennessee.....	23	55	28	137
Texas.....	-	183	-	456
Wyoming.....	-	16	-	40
KCMO-DMD.....	3,458	-	4,280	-
Obligations.....	80,795	40,169	100,000	100,000
Bal. Available, EOY.....	369,770	368,246	268,246	168,246
Total, Available.....	450,565	408,415	368,246	268,246

**CLASSIFICATION BY OBJECTS*****Table FSA-69. Classification by Objects (thousands of dollars)***

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Other objects:					
41.0	Grants, subsidies, and contributions.	\$80,795	\$40,169	\$100,000	\$100,000
	Total, Other Objects.....	80,795	40,169	100,000	100,000
99.9	Total, New Obligations.....	80,795	40,169	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 2023, 17 States participated in EFRP with new or continued activity from the previous year. In 2023, EFRP outlays totaled approximately \$25.5 million including outlays of 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, replanting tree species, and restoring wildlife habitat. During 2023, EFRP allocated \$1.1 million in Stafford Act funds and \$14 million in unrestricted funds, totaling \$15.1 million to 17 States to assist private forest landowners impacted by natural disasters.

The following tables show (A) appropriations and outlays for 2011 through 2023 and (B) 2023 allocations by State.

**Table FSA-70. Emergency Conservation Program Appropriations and Outlays. 2011-2023**

<b>Fiscal Year</b>	<b>Appropriation</b>	<b>Notes</b>	<b>Outlays</b>
2011	\$18,000,000	1/	\$232,825
2012	28,400,000	2/	1,991,152
2013	35,665,468	3/ 4/	5,452,319
2014	-		1,981,531
2015	3,203,000	5/	4,391,289
2016	6,000,000	6/	4,719,927
2017	-		2,262,227
2018	-		2,211,465
2019	480,000,000	7/	1,137,889
2020	-		3,446,862
2021	-		5,703,067
2022	-		14,810,538
2023	27,000,000	8/	25,537,094
<b>Total</b>	<b>598,268,468</b>		<b>73,878,185</b>

1/ \$18 million in supplemental funding provided by P.L. 111-212.

2/ \$28.4 million 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/ In 2013, \$14.2 million of EFRP funding was also provided by P.L. 113-6, the Consolidated and Further Continuing Appropriations Act of 2013. This funding was subject to two across-the board rescissions resulting in a net appropriation of \$13.815 million.

5/ \$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.).

6/ 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.

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

8/ In 2023, \$27 million was provided by P.L. 117-328, the Continuing Appropriations and Ukraine Supplemental Appropriations Act, 2023.

**Table FSA-71. Emergency Conservation Program 2023 Allocations by State (in dollars)**

State	Drought	Flooding	Hurricane	Severe Storm	Tornado	Wildfire	Total
Alabama.....	-	-	-	\$19,628	\$1,150,519	-	\$1,170,147
California .....	-	-	-	19,628	-	2,381,607	2,381,607
Florida.....	-	-	\$183,731	-	-	-	183,731
Georgia .....	-	-	490,566	3,468	-	-	494,034
Illinois.....	-	-	-	-	6,638	-	6,638
Kansas.....	-	-	-	-	7,237	-	7,237
Louisiana .....	-	-	62,558	-	-	-	62,558
Maine.....	-	-	-	86,448	-	-	86,448
Mississippi.....	-	-	-	-	1,396,500	-	1,396,500
Montana .....	-	-	-	-	-	4,978,503	4,978,503
New York .....	-	-	-	-	40,478	-	40,478
Ohio .....	-	-	-	4,524	345,470	-	349,994
Oregon .....	-	-	-	-	-	3,551,617	3,551,617
South Carolina .....	-	-	-	-	1,762	-	1,762
Tennessee .....	-	-	-	-	95,298	-	95,298
Texas.....	-	-	-	-	182,709	-	182,709
Wyoming.....	-	-	-	-	-	99,786	99,786
Total.....	-	-	246,289	114,068	3,717,177	11,011,513	15,089,047

**AGENCY-WIDE PERFORMANCE**

Introduction

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

FPAC BC’s Performance, Accountability, and Risk (PAR) division leads the mission area in Strategic Planning, Performance Management, Evidence and Evaluation, and Enterprise Risk Management (ERM). PAR works closely with each of the FPAC agencies to develop performance related practices and products. This office frequently works directly with USDA leadership and represents FPAC on the Department’s Performance, Evaluation, Evidence and Risk 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 Strategic Plan

FPAC FSA is responsible for achieving and measuring results within the following USDA Strategic Goals and Objectives:

GOAL 1: Increase the Sustainability of Our Forest, Crop and Livestock Systems by Deploying Climate- and Environmentally Smart Management of Working Lands and Waterways

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

GOAL 3: Foster an Equitable and Competitive Global Marketplace for All Agricultural Producers

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

GOAL 6: Attract, Inspire, and Retain an Engaged and Motivated Workforce that’s Proud to Represent USDA

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

SUMMARY OF PERFORMANCE

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

**Table FSA-72. KPI**

Strategic Objective 1.1	Item	Baseline	2024	2025
<b>Conservation Reserve Program (CRP) Enrollment</b>	Results	1.46	-	-
Acreage enrolled in CRP riparian and grass buffers (Millions of Acres)	Target	-	1.61	1.23

**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; however, due to Farm Bill changes and current farm economy it is difficult to forecast enrollment and progress. Furthermore, increasing crop prices reduces producer interest in CRP enrollment. Historically FSA factored 10 years of enrollment data to determine targets.

However, considering these recent challenges FSA is adjusting to 5-year historical enrollment for 2025 targets. FSA believes this more accurately reflects the current trends.

**Table FSA-73. KPIs for Farm Programs**

Strategic Objective 1.3	Item	Baseline	2024	2025
<b>Grassed Waterways Acres</b>	Results	.11	-	-
Total national acres in grassed waterways (Millions of Acres)	Target	-	.125	.097
<b>Contour Grass Strips Acres</b>	Results	.06	-	-
Total national acres in contour grass strips, contour grass strips in terraces, and prairie strips (Millions of Acres)	Target	-	.080	.038
<b>Wetland Acreage</b>	Results	2.34	-	-
Acreage of Restored Wetlands (Millions of Acres)	Target	-	2.96	2.33

**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; however, due to Farm Bill changes and the current farm economy it is difficult to forecast enrollment and progress. Furthermore, increasing crop prices reduces producer interest in CRP enrollment. Historically FSA factored 10 years of enrollment data to determine targets. However, considering these recent challenges, FSA is adjusting to 5-year historical enrollment for 2025 targets. FSA believes this more accurately reflects the current trends.

**Table FSA-74. KPIs for Farm Loan Programs**

Strategic Objective 3.1	Item	Baseline	2024	2025
<b>Beginning Farmer</b>	Results	59.9	-	-
Percentage of direct and guaranteed loan borrowers who are beginning farmers	Target	-	59.9	59.9
<b>First Installment Delinquency Rate</b>	Results	9	-	-
First installment delinquency rate on direct loans (percent)	Target	-	9	8
<b>Direct Loans</b>	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.

**First Installment Delinquency Rate:** This KPI measures Farm Loan Officers’ credit quality assessment of loan requests. 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.

**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 and will be implemented as part of FLP's delivery modernization.

**Table FSA-75. KPI Loan Process Time**

Strategic Objective 6.2		Item	Baseline	2024	2025
<b>Loan Process Time</b>		Results	32	-	-
Average number of days to process direct loans		Target		33	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:** Farm Loans is conducting business process improvement assessments throughout the loan lifecycle for both direct and guaranteed loan programs. The tools that it has already launched (i.e., educational Loan Assistance Tool, Online Direct Loan Application) are being developed using a modular approach so that each can be expanded in 2024-2025 to include other parts of the loan lifecycle. Two examples:

The Loan Assistance Tool currently provides a step-by-step guide for Direct Loans but is being expanded to do the same for Guaranteed Loans that will be used by lenders and customers. In March 2024, the addition of Guaranteed Loan Program information begins.

The Online Direct Loan Application will be expanded to accept Direct Loan Servicing Applications (e.g., requests to restructure a loan, defer a loan payment) and lenders' guarantee applications under the Guaranteed Loan Program.

In addition to the two customer-facing examples listed above to enhance the customer experience of external users, improvements to back-office operations are a high priority for the morale, efficiency and effectiveness, and hiring and retention of employees. streamlining and automating business processes will significantly reduce employees' time spent on paper-based manual processes so their time is spent on value-added activities such as customer service. The enhancement of internal controls and data analytics capabilities will be incorporated at the same time. The most prominent of these efforts is to replace the program loan accounting system's accounting and subsidiary general ledger features, which may be challenging due to some resource constraints.