Statement by
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Chairman Conaway, Ranking Member Peterson, and Members of the Committee, I am pleased to provide an update on the U.S. Department of Agriculture's (USDA) progress in implementing the Agricultural Act of 2014 (2014 Farm Bill) and the state of rural America. First, I would like to take this opportunity to thank the Committee for its hard work in crafting this critical piece of legislation. The Farm Bill provides the necessary tools to allow the proud men and women of rural America to feed hundreds of millions around the world and resources to support economic development and job creation in rural America.

The new Farm Bill, with 12 titles and more than 450 provisions, is a large piece of legislation and implementing it has required a coordinated effort across all areas of USDA. We made implementation a top priority at the Department. Immediately after enactment, USDA established a 2014 Farm Bill implementation team composed of key sub-cabinet officials and experts from every mission area of the Department to put new programs in place and make mandated reforms to existing programs. I am proud of the work USDA employees have undertaken to implement the Farm Bill. Through their hard work, this effort has been called "the most successful farm bill implementation" to date.

As we mark the one-year anniversary of the Farm Bill being signed into law, I am pleased to say that we have made major progress on every title of the law and achieved significant results for those impacted by the law. I have no doubt that these results will only continue as we begin year two.

<u>TITLE I: COMMODITIES</u>

Farmers, ranchers and those working in supporting industries maintain an agriculture sector that has seen strong growth over the past five years. Agriculture accounts for about $775.8 billion in economic activity, supports one out of every eleven jobs in the economy, and helps to maintain vibrant, thriving rural communities. U.S. agriculture is expanding into new markets around the world, spurring innovation, and creating jobs and opportunity on and off the farm.

The future of rural America depends on the continued leadership of our farmers and ranchers, and we must make sure they have the tools they need to continue to grow, and a strong safety net to support them during tough times.

At the direction of the President, USDA made the disaster programs our number one priority and expedited the implementation of these programs. The new Farm Bill reauthorized disaster assistance programs (including the Livestock Forage Disaster Program, the Livestock Indemnity Program, the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program, and the Tree Assistance Program) that had not been operational since 2011.

These programs provide much-needed relief to struggling farmers and ranchers impacted by natural disasters. I'm proud to say that within 60 days of enactment, USDA began accepting applications for disaster assistance programs restored in the 2014 Farm Bill. This was truly a significant accomplishment, as it took a year to implement disaster relief programs after the last farm bill was passed in 2008.

USDA has received over 567,000 applications for these programs and more than $4.7 billion in disaster program payments have been issued to producers to assist in their financial recovery. While these disaster payments will not replace all of the losses farmers and ranchers faced, they provided some relief to ensure that extreme weather won't cause families to lose their farms.

In September, USDA ushered in one of the most significant reforms to U.S. farm programs in decades by unveiling the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. Producers will have through the end of March 2015 to select which program works best for their operations.

To help farmers choose between ARC and PLC, USDA helped create online tools that allow farmers to enter information about their operation that is used to provide projections about what each program will mean for their operation under possible future scenarios. USDA provided $3 million to the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri and the Agricultural and Food Policy Center (AFPC) at Texas A&M (co-leads for the National Association of Agricultural and Food Policy), along with the University of Illinois (lead for the National Coalition for Producer Education) to develop the tools.

USDA's Farm Service Agency and Risk Management Agency also worked together to offer certified yield data that producers can use to better calculate how the new safety net programs can offer the best protection against market swings. This is the first time that producers will update yields since 1986.

More than 23,000 of the Nation's dairy operations – over half of all dairy farms in America – have enrolled in the new Margin Protection Program. During the three months of the enrollment period, USDA conducted a robust education and outreach effort to the Nation's dairy producers. The Department held over 500 public meetings, sent out nearly 60,000 direct mailings, and conducted more than 400 demonstrations of the Web-based tool designed to help applicants to calculate their specific coverage needs.

TITLE II: CONSERVATION

USDA's conservation efforts have enrolled a record number of acres in programs that have saved millions of tons of soil, improved water quality, preserved habitat for wildlife and protected sensitive ecological areas. To accomplish these goals, USDA has partnered with a record number of farmers, ranchers and landowners on conservation projects since

2009. In addition to protecting cropland and critical habitats, conservation can help to boost local economies. For example, a 2013 study commissioned by the National Fish and Wildlife Foundation found that conservation activities supported more than 600,000 jobs.

USDA launched the Regional Conservation Partnership Program (RCPP) in May 2014. This new Farm Bill program is an entirely new approach to conservation efforts. RCPP is a competitive program where local partners, in partnership with Natural Resources Conservation Services (NRCS) design conservation projects that are specific to their region. It has three funding pools: 35 percent of total program funding directed eight to designated critical conservation areas, including the Great Lakes Region, Chesapeake Bay Watershed, Mississippi River Basin, Longleaf Pine Range, Columbia River Basin, California Bay Delta, Prairie Grasslands, and the Colorado River Basin; 40 percent directed to regional or multi-State projects through a national competitive process; and 25 percent directed to State-level projects through a competitive process established by NRCS State leaders.

Nearly 600 pre-proposals were submitted for RCPP, and the top pre-proposals were invited to submit a full proposal. This resulted in 210 full proposals requesting $1.4 billion – four times the available funding for the first round ($370 million). In January, USDA awarded funding to 115 high-impact, locally-led projects across all 50 States and the Commonwealth of Puerto Rico. USDA provided more than $370 million that will leverage an estimated $400 million in partner contributions. The total investment of nearly $800 million will improve the Nation's water quality, support wildlife habitat and enhance the environment.

These partnerships empower communities to set priorities and lead the way on conservation efforts important for their region.

RCPP builds on the results achieved by USDA's traditional conservation programs, which have achieved significant results over the past six years. USDA has enrolled more than 79 million acres of agricultural working lands in the Environmental Quality Incentives Program (EQIP) to help producers implement conservation practices. In addition, more than 67 million acres, an area about the size of the State of Colorado, have been enrolled into the Conservation Stewardship Program (CSP) to incentivize the most productive, beneficial conservation practices.

At the end of 2014, USDA published interim final rules for CSP and EQIP. The EQIP interim final rule includes efforts to simplify the existing regulation regarding conservation practice scheduling, payment limitations and other administrative actions.

The 2014 Farm Bill extended authority to enroll acreage in Conservation Reserve Program (CRP) through September 30, 2018 and requires enrollment to be no more than 24 million acres beginning October 1, 2016. Enrollment under continuous CRP and 1-year extensions were offered last year and FSA expects to publish a rule late this spring to fully restart the program and implement the remaining Farm Bill changes. With the cap on acreage, the Department is focused on ways to increase per acre conservation, wildlife and environmental benefits through a variety of targeted approaches.

TITLE III: TRADE

USDA is supporting America's farmers and ranchers as they build on record agricultural exports. In FY2014, exports of U.S. food and agricultural products reached a record $152.5 billion and supported nearly one million American jobs. The potential for agricultural exports is considerable and USDA is already taking action to help producers secure and expand market access for American agricultural products. But it is also critically important that we have Trade Promotion Authority as we seek approval of trade agreements that support and create U.S. jobs while helping American agriculture to compete even more successfully. Trade Promotion Authority will help ensure that America's farmers, ranchers, and food processors receive the greatest benefit from these negotiations, and builds on efforts that have helped achieve record agricultural exports over the past six years.

Thanks to resources in the new Farm Bill, USDA is also able to continue funding for trade promotion and market expansion for U.S. agricultural products overseas. An independent study released in 2010 found that trade promotion programs like Market Access Program (MAP), and Foreign Market Development (FMD) provide $35 in economic benefits for every dollar spent by government and industry on market development. USDA moved quickly to implement trade promotion programs reauthorized under the 2014 Farm Bill. Through the MAP, USDA has provided $173.2 million in FY2015 to 62 nonprofit organizations and cooperatives to help build commercial export markets for U.S. agricultural products and commodities. Participants contribute on average a 214 percent match for generic marketing and promotion activities and a dollar-for-dollar match for promotion of branded products. Through the FMD Program, USDA has provided $26.7 million in FY2015 to 22 trade organizations to help create, expand, and maintain long-term export markets for U.S. agricultural products.

In addition to the MAP and FMD programs, eligible organizations can apply for funding through the Quality Samples Program (QSP), Emerging Markets Program (EMP), and the Technical Assistance for Specialty Crops (TASC) Program, which includes the programmatic change under the 2014 Farm Bill to allow participants to address technical barriers to trade regardless of whether they are related to a sanitary or phytosanitary barrier.

TITLE IV: NUTRITION

The Supplemental Nutrition Assistance Program (SNAP) provisions of the 2014 Farm Bill preserve the fundamental structure of the program, invest in helping SNAP participants move to self-sufficiency, strengthen program integrity efforts, continue to modernize the program through technology, and emphasize the importance of good nutrition through enhanced retailer standards and grants for incentives that help SNAP participants stretch their dollars further to buy fruits and vegetables.

SNAP helps millions of hardworking families put healthy food on the table as they get back on their feet. More than half of SNAP recipients are children and the elderly, and less than 7% of households receive cash assistance. Among SNAP households with at least one working-age, non-disabled adult, more than half work – and more than 80 percent work in the year before or after receiving SNAP. With a stronger economy SNAP participation is beginning to gradually decline. Comparing Fiscal Year 2014 with Fiscal Year 2013, average participation decreased 2.3 percent or by approximately 1.1 million people. While the economic trends are encouraging, SNAP remains critical to millions of Americans.

The Farm Bill provided $200 million for SNAP employment and training pilots to help participants find jobs and increase their earnings. The funds will be used to develop and test innovative approaches that connect SNAP recipients with the preparation, training, work supports, and opportunities they need to enter and remain in the workforce, to move off of SNAP, and to build stronger futures for their families. The pilots are intended to help recipients build their skills and match them with good paying jobs. The goal of the pilots will be to increase the number of work registrants who obtain employment, increase their earned income, and move toward self-sufficiency. USDA put out a request for proposals for pilot projects in August 2014 and plans to award funding for up to ten projects. We were pleased with the strong response to this RFP with proposals from over 30 States. USDA plans to work with all States to maximize the core E&T program, even if they are not recipients of the Farm Bill funding.

The new Farm Bill builds on USDA's ongoing efforts to root out any waste, fraud, and abuse from the program, protect the taxpayer investment in SNAP and make sure that the program is there for those who truly need it. In FY2013, SNAP achieved a record level of payment accuracy of 96.8 percent. Payment errors in FY2013 were almost 64 percent lower than they were in FY 2000, among the lowest in the federal government. USDA efforts have also resulted in a significant reduction in trafficking – USDA's <u>*The Extent of Trafficking in the Supplemental Nutrition Assistance Program: 2009-2011*</u> study shows that the exchange of SNAP benefits for cash – which was estimated to be as high as 4 percent 15 years ago, down to just 1.3 percent according to the most recent data.

The Farm Bill authorized a Fresh Fruit and Vegetable Program (FFVP) pilot to allow participating schools in at least five States to serve canned, frozen, and dried forms of fruits and vegetables through the program. Four States – Alaska, Delaware, Kansas, and Maine – applied to participate. The pilots are operating this school year. Each pilot has an evaluation component and results of the evaluations are expected in fall 2016.

USDA also issued guidance and provided technical assistance to State agencies regarding the requirement that State and local agencies begin phasing out the participation of women, infants and children in the Commodity Supplemental Food Program, resulting in a smooth transition to a seniors-only program.

<u>TITLE V: CREDIT</u>

The 2012 Census of Agriculture data indicate there is tremendous growth potential for small and mid-sized producers, but many need additional support in order to become competitive. Accordingly, USDA has expanded efforts to connect small- and mid-sized farmers and ranchers with tools and resources to help them access capital, get information about land management and conservation practices, manage risk, find local markets, and other educational resources that will help them grow their operations and expand into new markets. The new Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

USDA has acted quickly to implement changes to Farm Loan Programs, including, among other things, eliminating loan term limits for guaranteed operating loans; modifying the definition of beginning farmers; allowing debt forgiveness on youth loans; and increasing the guaranteed amount on conservation loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers. USDA also implemented changes in the interest rate on Direct Farm Ownership loans that are made in conjunction with other lenders and increased the maximum loan amount for the down payment loan program from $225,000 to $300,000. On March 25, 2014, FSA issued an agency directive implementing non-discretionary microloan provisions. USDA also raised the borrowing limit for its microloan program from $35,000 to $50,000. Since the program began in January 2013, USDA has issued more than 10,000 microloans, 70 percent of which went to beginning farmers.

<u>TITLE VI: RURAL DEVELOPMENT</u>

USDA has made strategic investments in infrastructure, housing and community facilities to help improve quality of life in rural America. Since 2009, USDA has helped more than 900,000 families buy, repair or refinance a home; extended new or improved broadband service for 1.4 million Americans; improved or constructed more than 158,000 miles of electric line; invested in approximately 7,000 water and wastewater projects for nearly 14.5 million Americans; invested in more than 6,6000 critical community facilities projects; and provided grants and loans to assist nearly 89,000 small and mid-sized businesses in rural America, creating or saving an estimated 420,000 jobs.

The 2014 Farm Bill reauthorized the tools that enable USDA to continue offering municipalities, businesses, and families the financing tools that can prompt economic growth and prosperity in rural communities. USDA is making good use of these tools in communities across the country. Because the Farm Bill included funding to address the backlog of water/wastewater improvement projects across the country, USDA acted quickly and on April 22, 2014, awarded $150 million in grants, plus an additional $237 million in loans and grants through the Water and Environmental Program, to 116 projects in 40 States and the Commonwealth of Puerto Rico to improve water and wastewater services and ensure that rural communities have access to reliable, clean and safe water. These awards go predominantly to very small, remote, and poor places.

USDA has also acted quickly to implement key new Farm Bill provisions that invest in rural businesses and critical infrastructure in order to strengthen rural communities and build on its rural development initiatives. In FY15 USDA will reopen the farm bill broadband program with new rules that align with the changes the Congress included in the 2014 Farm Bill and make approximately $50 million in loans available to help ensure every corner of this country has reliable, high-speed internet access. Similarly, in FY15 USDA will accept applications for the Value-Added Producer Grant program, which helps agricultural producers generate new products, create and expand marketing opportunities, and increase income. Since 2009, USDA has awarded 863 Value-Added Producer Grants totaling $108 million.

The new Farm Bill streamlines the Rural Business Opportunity Grant (RBOG) program and Rural Business Enterprise Grants (RBEG) program to create a new Rural Business Development Grant Program with all the same authorities as the previous two programs. In FY2014, USDA ran RBOG and RBEG as separate programs and in FY 2015, will issue a final rule establishing the new Rural Business Grant Program. In September 2014, USDA announced nearly $3 million in grants to 28 organizations in 12 States through the two programs.

Even as we make these investments, rural America continues to face a unique set of challenges when it comes to combating poverty. While poverty is not limited to rural America, nearly 85 percent of persistent poverty counties are located in rural areas. In fact, one-third of rural counties have child poverty rates of over 30 percent, at a time when research increasingly demonstrates the negative effect of poverty on child development and educational attainment. Children are our future and we must do more to create better futures for our children and families and those striving to reach the middle class—this is something I look forward to working on with all of you.

TITLE VII: RESEARCH, EXTENSION, AND RELATED MATTERS

Scientific breakthroughs have helped our farmers, ranchers and growers increase production on the same amounts of land, using fewer inputs. Studies have shown that every dollar invested in agricultural research returns up to $20 to the economy.

In the past six years alone, research by USDA scientists has led to over 750 patent applications covering a wide range of topics and discoveries. USDA also continues to aggressively partner with private companies, universities and others to transfer technology to the marketplace to benefit consumers and stakeholders. In fiscal year 2014 alone USDA received 83 patents, filed 119 patent applications, and disclosed 117 new inventions. Helping drive these innovations, USDA also had 267 active Cooperative Research and Development Agreements with outside investigators, which includes universities and other organizations, including 102 with small businesses.

In July, USDA created the Foundation for Food and Agricultural Research (FFAR) and appointed individuals to a 15-member board of directors. The foundation's board of directors was chosen to represent the diverse sectors of agriculture. Seven of these board members were selected by the unanimous vote of the board's five ex-officio members from lists of candidates provided by industry, while eight representatives were unanimously elected from a list of candidates provided by the National Academy of Sciences. Congress mandated that the ex-officio members choose the initial 15 board members from among the lists provided by these two groups. The board members have the option of adding additional members, if they so choose.

FFAR will leverage public and private resources to increase the scientific and technological research, innovation, and partnerships critical to boosting America's agricultural economy. In a time of federal budgetary restraints, the new foundation is another innovative way to continue and expand investment in agricultural research. It will complement existing Federal and Federally-funded agricultural science research endeavors and accelerate solutions to the challenges American agriculture.

Other research provisions of the 2014 Farm Bill focus on investments at colleges and universities throughout the United States, with an emphasis on Land-Grant institutions. The Farm Bill provides new or expanded investments in research critical for the success of beginning farmers and ranchers, specialty crop producers, and organic producers.

As authorized by the Farm Bill, USDA has provided significant sums for a variety of research, extension, and education efforts. For example, on Feb 2, 2015, USDA announced more than $18 million in grants to educate, mentor, and enhance the potential of the next generation of farmers to sustain careers in agriculture through the Beginning Farmer and Rancher Development Program. This program aims to support those who have farmed or ranched less than 10 years with workshops, educational teams, training, and technical assistance throughout the United States. USDA’s National Institute of Food and Agriculture awards grants to organizations that implement programs to train beginning farmers and ranchers.

On October 2, 2014, USDA announced the award of $51.8 million in grants through its Specialty Crop Research Initiative to support the specialty crop sector by developing and disseminating science-based tools to address the needs of specific crops. These research and extension project grants fund a wide variety of efforts, including research to improve crop characteristics, identifying and addressing threats from pests and diseases, improving production and profitability, developing new production innovations and technologies, and developing methods to respond to food safety hazards.

Through the Organic Research and Extension Initiative (OREI), USDA awarded on September 29, 2014, more than $19 million in grants to help producers and processors who have already adopted organic standards grow and market high-quality organic agricultural products. OREI's priority concerns include biological, physical and social sciences. OREI -funded projects assist farmers and ranchers with whole farm planning by delivering practical research-based information and will improve the ability of growers to develop the Organic System Plan required for certification.

TITLE VIII: FORESTRY

Under the new Farm Bill, the Forest Service is provided greater tools to maintain the Nation’s forests and grasslands, including permanent stewardship contracting and Good

Neighbor authorities, and provisions to aid efficient planning and implementation of landscape scale projects that reduce insect, disease and fire risks. These tools give the agency increased ability to work collaboratively with States, Tribes and a wide range of citizens and stakeholders to accomplish critical forest and watershed restoration work and conserve the Nation's forests and grasslands.

Last May, USDA designated 94 national forest areas in 35 States to address insect and disease threats that weaken forests and increase the risk of forest fire.

TITLE IX: ENERGY

New opportunities in advanced biobased products and renewable energy expand the potential to strengthen rural manufacturing, particularly of products made from renewable materials from our farms and forests. Rural America desperately needs those jobs, and every American benefits from our expanded competitiveness in this globally emerging market.

USDA is helping to create markets for advanced biofuels from non-food, non-feed sources - from the farm field to the end user. To encourage feedstock production for renewable energy, the Biomass Crop Assistance Program (BCAP) is incentivizing more than 850 growers and landowners farming nearly 48,000 acres to establish and produce dedicated, nonfood advanced biofuel feedstocks for energy conversion facilities. In July, we selected 36 energy facilities in 14 States to accept biomass deliveries supported by BCAP.

USDA has also invested in the work needed to create advanced biofuels refineries. Since 2009, USDA has invested in efforts to create 9 new advanced refineries nationwide. We have also created six regional research centers across America to develop advanced biobased energy technology that's appropriate to every region. With the nearly $900 million in mandatory money provided in the Energy Title of the 2014 Farm Bill, we can continue these efforts to expand the biobased economy and support economic development opportunities in rural America.

The new Farm Bill makes significant investments in the bioeconomy and renewable energy programs. The legislation preserves the Rural Energy for America Program (REAP), which provides critical investments in renewable energy and energy efficiency across rural America, helping to reduce our dependence on foreign oil. Over the past few years we have collected good feedback from folks around the country about how we could improve the REAP program—and Congress also provided some direction in the 2014 Farm Bill. In December, USDA published a new REAP rule, which takes these changes into account and also strives to make the program more accessible to rural business owners and producers of all kinds. The rule goes into effect this week and USDA will be announcing the availability of approximately $280 million in grants and loan guarantees for the new REAP program in the near future.

TITLE X: HORTICULTURE

A surge in consumer demand for locally-produced food is creating jobs and opportunity throughout rural America, for farms as well as small businesses that store, process, market and distribute food locally and regionally. USDA data indicate that local food sales were at least $6.1 billion in 2012, with industry sources estimating the market's value at more than $9 billion. Perhaps more important for USDA's mission, our research shows that money spent on local food continues to circulate locally, creating demand for other businesses and services in rural communities. As such, this strategy is a critical piece of USDA's work to support rural economies more generally.

With the release of the Census of Agriculture results last year, USDA learned that over 160,000 farmers and ranchers nationwide are selling their products locally. They're tapping in to growing consumer demand for locally-grown food; consumers want to support their local economy when they purchase food, whether that's at a farmers market, a grocery store, or their workplace cafeteria.

Direct-to-consumer sales like those that take place at a farmers market help consumers connect with the source of their food and learn more about agriculture. Today, we have more than 8,200 farmers markets registered with the AMS National Farmers Market Directory. But this economic sector is more than that. As it matures, it is opening opportunities for farms of all sizes, especially midsized farms, to supply larger-volume buyers like local retailers. USDA has invested in local food infrastructure - from cold storage facilities, to processing plants, to food hubs that aggregate and distribute local products - and has helped facilitate new market access for these producers. Recently, we launched a new set of Local Food Directories to help consumers find Community Supported Agriculture enterprises, food hubs and on-farm stores.

The 2014 Farm Bill continues to build on programs established in the 2008 Farm Bill to promote local and regional food systems and support specialty crop and organic agriculture. Sales of specialty crops total nearly $65 billion per year, making them a critical part of the U.S. economy. In October, USDA announced $66 million for 838 Specialty Crop Block Grants to State departments of agriculture for projects that help support specialty crop growers, including locally grown fruits and vegetables, through research and programs to increase demand. As directed by the Farm Bill, the block grants were allocated to U.S. States, the District of Columbia, and territories based on a formula that took into consideration both specialty crop acreage and production value. Nearly all States saw an increase in funds.

In September, USDA awarded over $27 million in competitive grant funds for projects through the new Farmers Market and Local Food Promotion Program that support local and regional food systems. As directed by the 2014 Farm Bill, priority will be given to projects that benefit underserved communities, including those that are located in areas of concentrated poverty with limited access to fresh locally or regionally grown foods.

In order to help prevent the introduction or spread of plant pests and diseases that threaten America's agriculture economy and the environment, in April 2014 USDA allocated $48.1 million to 383 projects in 49 States, Guam and Puerto Rico through the Plant Pest and Disease Management and Disaster Prevention Program. The projects are helping States and other partners continue providing and strengthening protections against agricultural threats and could also allow the reallocation of resources to other critical programs. In addition, in June, USDA allocated $5 million to support 19 projects in 14 States through the National Clean Plant Network cooperative agreements program.

TITLE XI: CROP INSURANCE

The crop insurance program has become an increasingly important component of the farm safety net, and crop insurance protections for all farmers, particularly beginning farmers and ranchers, have been strengthened under the new Farm Bill. For example, changes made by the 2014 Farm Bill have allowed us to provide better crop insurance coverage for almost 1,300 beginning farmers and ranchers already, only 10 percent into the reporting cycle. We've also expanded coverage for 26 organic crops so that these producers can buy the level of insurance that meets their production needs.

USDA is now able to offer Whole-Farm Revenue Protection plan of insurance to provide safety net protection for specialty, fresh fruit and vegetable growers and organic producers, as well as reward farm diversification through premium discounts on crop insurance coverage. The Whole-Farm Revenue Protection plan of insurance was made available in 45 States for 2015. USDA has started the work to expand Whole-Farm Revenue Protection to the rest of the country. These areas are targeted for expansion for the 2016 crop year.

USDA staff worked hard to implement several 2014 Farm Bill programs ahead of schedule, such as ARC, PLC, the Price Loss Coverage, Supplemental Coverage Option and Stacked Income Protection Plan. Because of that, USDA was able to leverage data from ARC and PLC to extract the information needed to implement Actual Production History (APH) Yield Exclusion earlier than expected.

In October, USDA announced that the APH Yield Exclusion will be available for farmers of select crops starting in spring 2015. APH allows eligible producers who have been hit with severe weather to receive a higher approved yield on their insurance policies through the federal crop insurance program. The APH Yield Exclusion is being implemented beginning with the 2015 crop year for corn, soybeans, spring wheat, cotton, grain sorghum, rice, barley, canola, sunflowers, peanuts, and popcorn.

APH Yield Exclusion will be available for additional crops beginning with the 2016 crop year, including winter wheat. USDA is currently reviewing crops that will be eligible for APH Yield Exclusion for the 2016 crop year. The choice of crops and counties selected for 2016 and subsequent crop years will be based on data availability criteria designed to ensure actuarial soundness and program integrity. USDA expects to announce the new crops throughout the year with most of the announcements to be made in the fall of 2015.

TITLE XII: MISCELLANEOUS

In November, USDA announced Karis T. Gutter, a Marine Corps Reserve veteran and current USDA Deputy Under Secretary for Farm and Foreign Agricultural Services as the first USDA Military Veterans Agricultural Liaison, a position created by the 2014 Farm Bill. The MVA Liaison will coordinate USDA leadership across the Department to provide information, resources and support for active duty military and veterans interested in agriculture. The MVA Liaison will also have authority to facilitate formal relationships between USDA and other government agencies and non-profit organizations to strengthen USDA support for veterans.

In December, USDA awarded grants to 62 community-based and non-profit organizations and educational institutions to conduct training, outreach and technical assistance for socially disadvantaged (including Tribal) and veteran farmers and ranchers through the 2501 Program. USDA has assisted more than 6,100 beginning, small, veteran and socially disadvantaged farmers and ranchers through the program since October 2014.

USDA also implemented the receipt for service requirement in the 2014 Farm Bill and has issued 101,462 receipts for service to USDA customers between December 1, 2014 and January 28, 2015.

CONCLUSION

Again, thank you for this opportunity to update you on USDA's progress to implement the 2014 Farm Bill. Farmers, ranchers, rural communities and other USDA stakeholders have waited several years for this legislation, and USDA has made implementation of the bill a high priority.

I am pleased to say that in just over a year, important progress has been made on every title, including updates to risk management tools, modifications to farm loan programs, announcements regarding available funds for agricultural research and much more. Moving forward, USDA staff and I will continue to engage with Members of Congress and stakeholders during the implementation process and as we continue to carry out critical mission of serving America's farmers, ranchers and rural communities.