



United States Department of Agriculture

FY 2020

BUDGET SUMMARY

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PREFACE

This publication summarizes the fiscal year (FY) 2020 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is with regard to the 2020 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 2018, estimates based upon the annualized continuing resolution for 2019, and the President’s Budget for 2020.

The performance tables throughout this document, unless otherwise noted, show target levels for 2019 and 2020 and a baseline amount for target comparison. Performance goals reflect performance levels at ongoing funding levels and do not include the effect of supplemental appropriations. Performance target levels are estimates and subject to change.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2023. Amounts shown in 2020 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 2018 and 2019. The sequestration rate for 2018 is 6.6 percent and 2019 is 6.2 percent. The 2020 sequestration rate was not released at the time of this publication therefore, mandatory funds for 2020 do not reflect a sequester reduction.

DOCUMENT ORGANIZATION

The Budget Summary is organized into four sections:

- Overview – provides an overview of USDA’s funding.
- Budget Highlights – describes key budget proposals and changes in budget authority and outlays.
- Mission Area and Agency Details – summarizes agency funding, programs, and performance goals.
- Appendix – Department-wide summary tables.

BUDGET AND PERFORMANCE PLAN TERMS:

Budget Authority (BA): Authority to commit funds of the Federal Treasury. Congress provides this authority through annual appropriations acts and substantive legislation, which authorizes direct spending. The President's budget requests the Congress to appropriate or otherwise provide an amount of budget authority sufficient to carry out recommended government programs.

Obligations: Commitments of Government funds that are legally binding. For USDA to make a valid obligation, it must have a sufficient amount of BA to cover the obligation.

Outlays: Cash disbursements from the Federal Treasury to satisfy a valid obligation.

Program Level (PL): The gross value of all financial assistance USDA provides to the public. This assistance may be in the form of grants, guaranteed or direct loans, cost-sharing, professional services, such as research or technical assistance activities, or in-kind benefits, such as commodities.

Performance Goal: The target level of performance at a specified time or period expressed as a tangible, measurable outcome against which actual achievement can be compared, including a goal

expressed as a quantitative standard, value, or rate. A performance goal comprises a performance measure with targets and timeframes.

Performance Measures: Indicators, statistics, or metrics used to gauge program performance. Program performance measures include outcome, output, and efficiency measures.

DATA DISPLAY – ZERO TREATMENT

Amounts in text and tables throughout this document are calculated with the greatest level of precision (decimal places) available and rounded for display purposes. Therefore, amounts in tables and charts may not add to displayed totals due to rounding. Also due to rounding, amounts in this document may appear to be marginally different than those shown in the President’s Budget, which is developed in millions.

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).

DATA DISPLAY – SCALE

The Budget is most often depicted or described using budget authority as the scale of measurement. However, there are some cases when other measures or scales are used, so the reader should be aware of the context. Also, note that the budget authority tables contained in this document reflect operating levels.

OTHER PUBLICATIONS

The 2018 Annual Performance Report and 2019 Annual Performance Plan, which provides performance information concerning USDA achievements in 2018 and plans for 2019, can be found at: <http://www.obpa.usda.gov>.

The 2020 Cuts, Consolidations, and Savings Volume of the President’s Budget identifies the lower-priority program activities per the GPRA Modernization Act. The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.

CONTACT INFORMATION

Questions may be directed to the Office of Budget and Program Analysis via e-mail at bca@obpa.usda.gov or telephone at (202) 720-6176.

OVERVIEW

MISSION STATEMENT

USDA provides leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, scientific evidence, and efficient management.

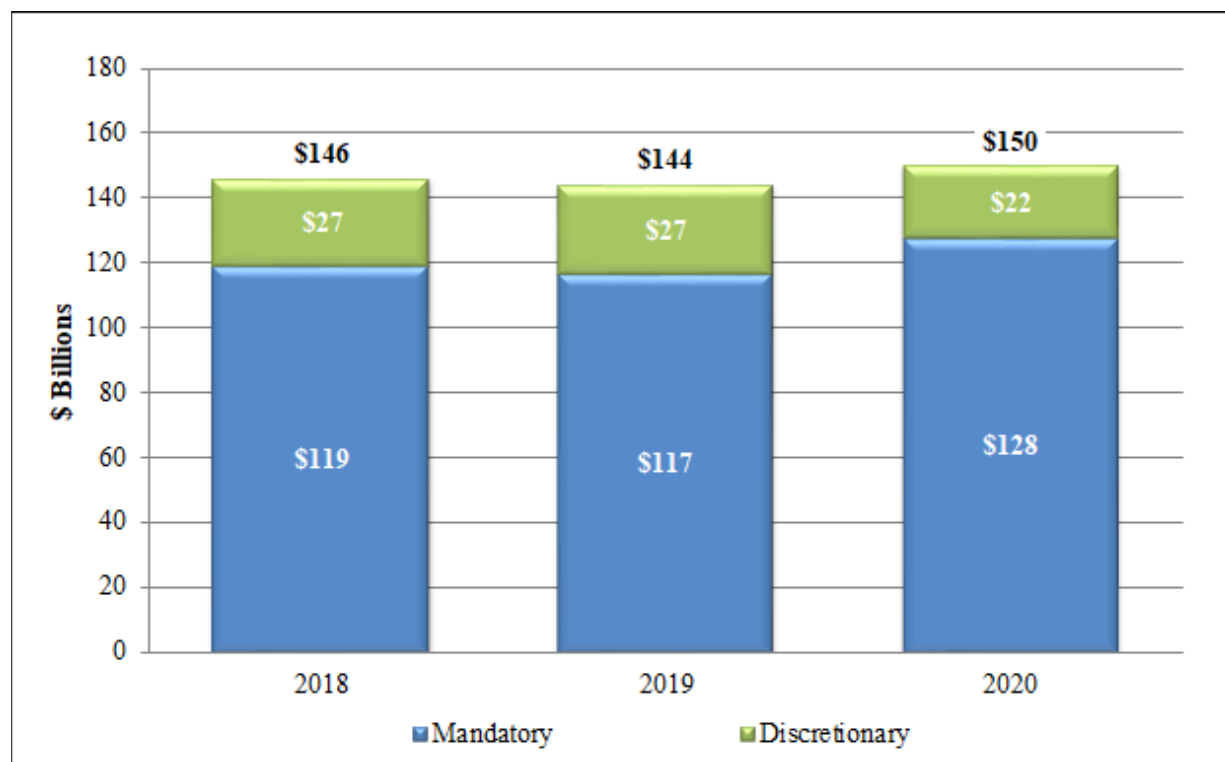
2020 FUNDING OVERVIEW

Under current law, the 2020 request for discretionary budget authority to fund programs and operating expenses is about \$22.4 billion, approximately \$5 billion less than 2019. This includes funding for Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Rural Development, Forest Service, food safety, research, and conservation activities.

Funding for mandatory programs is estimated to be \$127.5 billion, \$11 billion more than 2019.

Including negative receipts, offsetting collections, recoveries, etc., USDA is requesting a total of \$123 billion in 2020 available funds. Compared to FY 2019, this amount represents a \$38 billion decrease.

Figure OV-1. USDA Budget Authority



Under current law, USDA's total outlays for 2020 are estimated at \$119 billion. Outlays for mandatory programs are \$92 billion, 77 percent of total outlays. Mandatory programs provide services required by law but are not funded through annual appropriations acts. Mandatory outlays include crop insurance, nutrition assistance programs, farm commodity and trade programs, and a number of conservation programs. The remaining \$27 billion, or 23 percent, of outlays are for discretionary programs such as: the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), food safety, rural development loans and grants, research and education, soil and water conservation technical assistance, animal and plant health, management of national

forests, wildland fire, other Forest Service activities, and domestic and international marketing assistance.

Figure OV-2. USDA Outlays

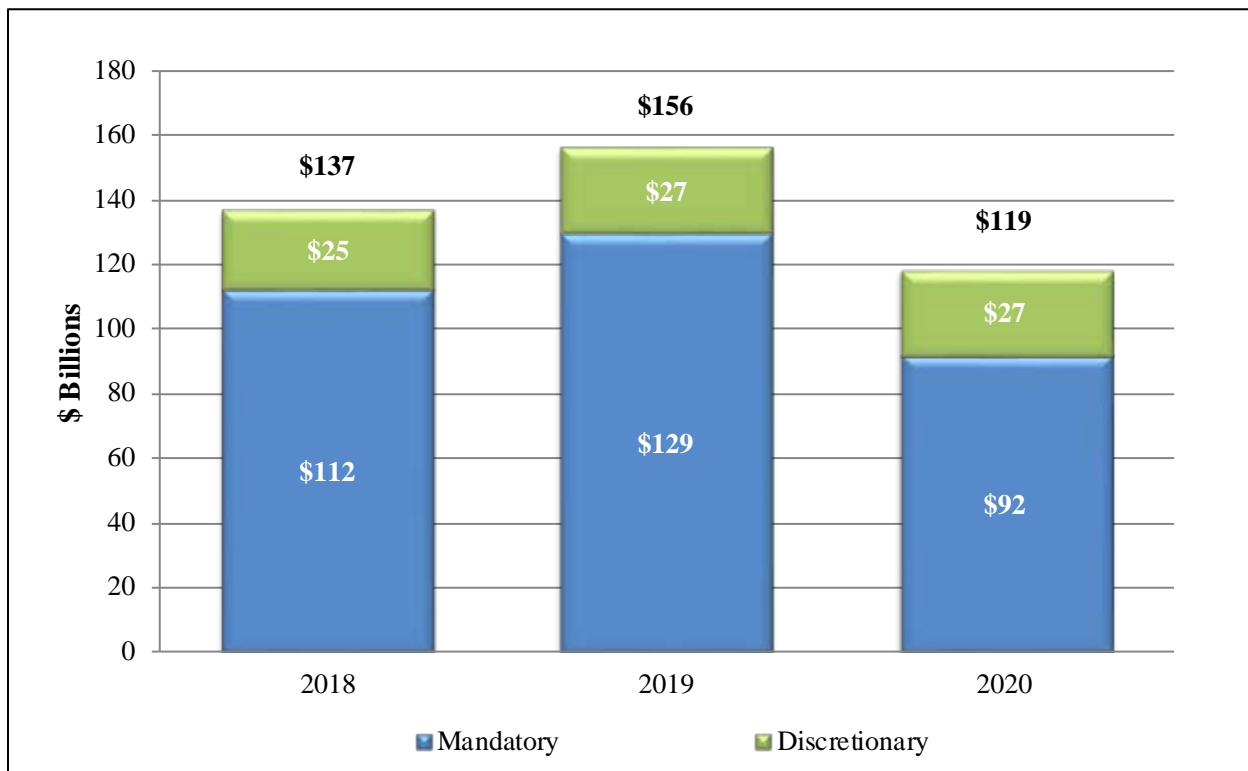
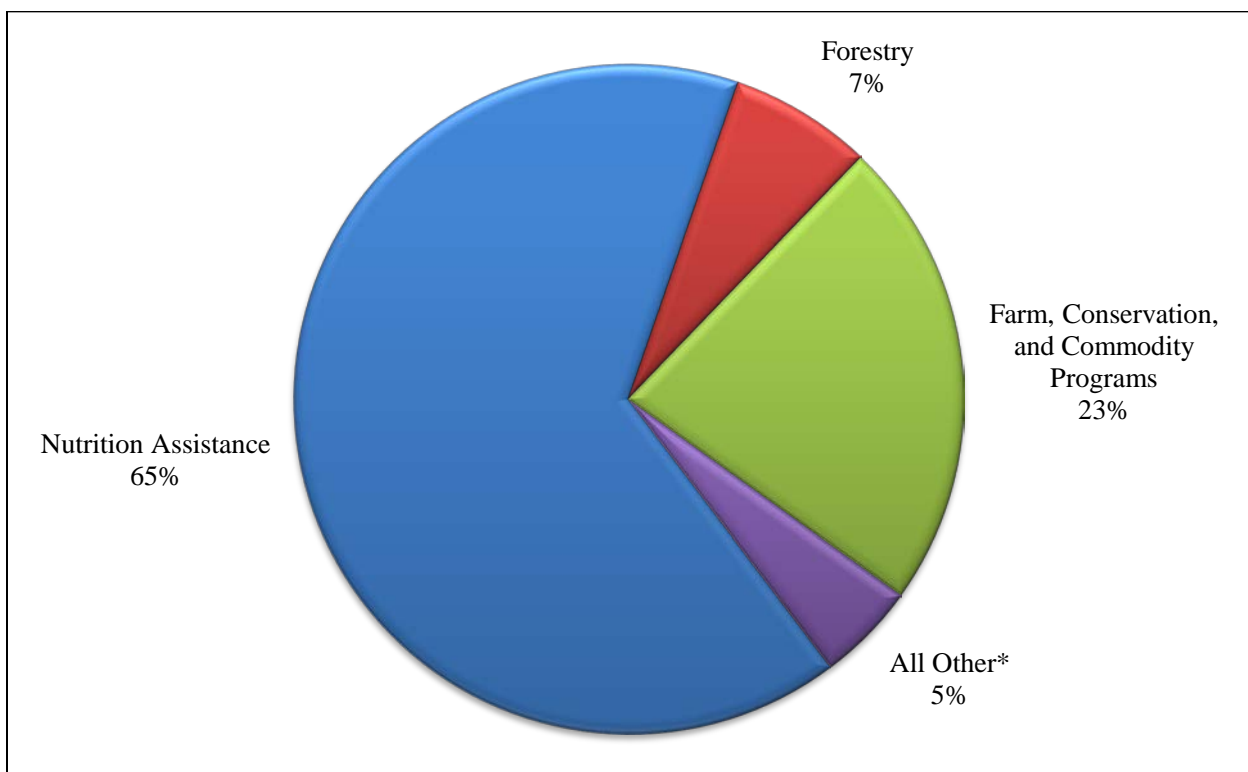


Figure OV-3. 2020 Outlays (All Other includes Rural Development, Research, Food Safety, Marketing and Regulatory, and Departmental Management.)



HIGHLIGHTS BY GOAL

The Budget supports achievement of USDA's seven strategic goals.

STRATEGIC GOAL 1: ENSURE USDA PROGRAMS ARE DELIVERED EFFICIENTLY, EFFECTIVELY, WITH INTEGRITY AND A FOCUS ON CUSTOMER SERVICE

The Department will modernize and consolidate Information Technology (IT) infrastructure and services, as well as strengthen management and oversight of procurement, property, and finances to ensure our resources are deployed as effectively and efficiently as possible. We will create a safe and modern space that promotes accountability and employee effectiveness. USDA will leverage the strength and talent of our employees and reduce regulatory and administrative burdens to allow agencies to focus on our customers. Improved customer service and employee engagement will create a more effective and accessible USDA for all our stakeholders.

In 2017, USDA initiated the realignment of several offices to improve customer service and maximize efficiency. The actions involved innovation, consolidation, and the rearrangement of certain offices into more logical organizational reporting structures. Furthermore, the Department is focused on improving the efficiency and effectiveness of its management activities across the Department and is centralizing business functions in each Mission Area to better align them.

As part of the reorganization, USDA implemented a strategic vision focused on modernizing Information Technology and support services; as well as streamlining processes. Through these efforts, IT leadership in each USDA Mission Area will be positioned to more directly focus on their systems, data collection and analysis, and risk management. Through these mergers, the Mission Areas will not only increase operational efficiencies, but also maximize collaboration between agencies that serve similar customers. USDA will also better utilize its internal data by developing administrative dashboards and tracking systems to better understand where efficiencies can be gained in the technology, human resources, fleet, procurement, and real property spaces.

USDA has continued its partnership with the White House Office of American Innovation to modernize its systems with four key strategies: strengthen strategic IT governance; consolidate end-user services and data centers; enable a strategic approach to data management and introduce data-driven capabilities; and improve the USDA customer experience. In 2020, USDA will continue our efforts to be the most effective, efficient, and customer focused Department in the entire Federal Government.

Select Goal-Centric Programs and Initiatives

IT modernization

The Budget includes an additional \$32 million in IT modernization projects to begin USDA's transition to a modernized enterprise network. USDA currently relies on an outdated, legacy network. With increased video, voice, and data usage, this network can no longer meet employees' needs to do their jobs to the best of their abilities. The transition to a new network will provide employees the tools they need to conduct business as well as result in cost savings for the Department in the outyears.

Cyber Security

The Budget includes an additional \$11 million to enhance cyber security capabilities. Funding is provided to enhance the Department's cyber security profile through the acquisition and implementation of relevant tools and services. USDA is currently implementing the Continuous Diagnostics Mitigation (CDM) program as required by the Department of Homeland Security.

Implementation thus far has already increased protection of the network, and these additional investments will further enhance the safety and security of government data and the network.

STRATEGIC GOAL 2: MAXIMIZE THE ABILITY OF AMERICAN AGRICULTURAL PRODUCERS TO PROSPER BY FEEDING AND CLOTHING THE WORLD

A strong and prosperous agricultural sector is essential to the well-being of the U.S. economy. America's farmers and ranchers ensure a reliable food supply, support job growth, and promote economic development. To maintain a competitive agricultural sector, USDA will support farmers and ranchers to start and maintain profitable businesses as well as offer financial support to producers affected by natural disasters. Furthermore, USDA's research agencies will continue efforts to increase the efficiency and product quality of plants and animals, and provide integrated management options that increase the efficiency of farming practices. Lastly, USDA will also provide tools to producers so that they are well positioned to secure a share of a growing market for agricultural products.

In 2017, USDA established the Under Secretary for Farm Production and Conservation (FPAC). Under the newly-organized FPAC mission area, the Farm Service Agency, the Risk Management Agency, and the Natural Resources Conservation Service were realigned to report to the renamed Under Secretary to improve customer service and maximize efficiency. Through this organization, USDA supported an effective safety net to the more than two million agricultural producers who provide food and fiber to over 300 million Americans, and millions more around the globe. USDA also provided extensive assistance for a variety of disasters throughout the country, including hurricanes, drought, wildfires, floods, freezes, tornados, and other storms.

Select Goal-Centric Programs and Initiatives

Commodity Programs

The Budget provides \$2.2 billion for commodity program payments to maintain an effective farm safety net. Commodity programs are critical components of the farm safety net, serving to provide risk management and financial tools to farmers and ranchers. Approximately 1.8 million farms are enrolled in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, which are helping cushion the financial strain felt by producers due to continued low prices for many commodities.

Federal Crop Insurance Program

The Budget provides \$8.9 billion for the Federal crop insurance program, enough to provide crop insurance coverage for more than \$100 billion in crop value. Crop insurance provides farmers and ranchers a means to effectively manage their risk through difficult periods, helping to maintain America's safe and affordable food supply.

Farm Loans

The Budget includes funding to fully support the estimated \$7.7 billion demand for farm loans. Direct and guaranteed farm loans support about 48,800 producers, 80 percent of whom are beginning farmers and ranchers, veterans, and socially disadvantaged producers.

Research, Education and Economics

The Budget includes \$2.9 billion to support research to advance the competitiveness of U.S. agriculture and promote food security. This includes \$1.2 billion to support core research projects of the Agricultural Research Service (ARS) covering a wide range of critical problems facing American agriculture, ranging from animal and crop protection and production, new product

development, environmental stewardship, food safety, and human nutrition. This includes support for science programs, partnerships and innovations, operations and maintenance, and transition costs associated with the National Bio and Agro-Defense Initiative, and \$50 million for the construction and modernization of existing ARS buildings and facilities. It also includes \$1.4 billion to support extramural agricultural research, education, and extension activities of the National Institute of Food and Agriculture (NIFA), including \$500 million for competitive grants through the Agriculture and Food Research Initiative (AFRI). For the Economic Research Service, the Budget proposes a total of \$61 million to focus on core data analysis related to agricultural production. For the National Agricultural Statistics Service, the Budget includes \$163 million, including \$45 million for the Census of Agriculture.

Next Generation Producer Education

The Budget includes \$50 million to educate America's next generation of farmers. Funding will be used to support agriculture science literacy programs and other community-based efforts, such as 4-H Clubs. Developing a future agriculture workforce is not only critical to the Nation's food security, but also vital in promoting rural prosperity and improving quality of life.

Agricultural Pest and Disease Programs

The Budget includes \$985 million to protect agriculture from pests and diseases, address sanitary (animal) and phytosanitary (plant) trade concerns, and enforce animal care legislation. This includes programs that support the U.S. field crop, cotton, forestry, livestock, poultry, and specialty crop industries. The Budget maintains the Department's ability to transfer funds to address emergencies. Cooperators that receive direct benefits from animal health, plant health, and wildlife service activities are expected to increase their contributions to sustain program operations.

National Bio and Agro-Defense Facility

The Budget supports the transfer of operational responsibility for the National Bio and Agro-Defense Facility (NBAF) from the Department of Homeland Security (DHS) to USDA and provides \$66 million for operations and maintenance costs in 2020. Once construction is complete, USDA will operate NBAF and ARS will use the facility to study diseases that threaten the animal agricultural industry and public health while the Animal and Plant Health Inspection Service (APHIS) performs diagnostics related to foreign diseases of animals. Funding is also requested within ARS and APHIS to transition highly pathogenic animal disease work from the obsolete facilities at the Plum Island Animal Disease Center to NBAF.

National Bioengineered Food Disclosure Standard

The Budget provides just under \$1 million to establish the National Bioengineered Food Disclosure Standard. Public Law 114-216 requires USDA to put in place a national mandatory system for disclosing the presence of bioengineered material.

STRATEGIC GOAL 3: PROMOTE AMERICAN AGRICULTURAL PRODUCTS AND EXPORTS

Expanding international marketing opportunities for U.S. farmers and exporters is a critical source of business and income growth across rural America. It is essential for USDA to continue efforts to promote American agricultural exports, develop international standards, remove trade barriers by monitoring and enforcing existing trade agreements, and negotiate new trade agreements that benefit the U.S. agricultural economy.

More than 20 percent of U.S. agricultural production is exported. In fiscal year 2018, agricultural exports totaled \$143.4 billion, the second highest total on record. USDA scored significant trade victories during 2018, including assisting in the successful negotiation of the U.S.-Mexico-Canada Agreement (USMCA), through which the United States strengthened its trade relationship with its North American neighbors, and new or expanded market access for numerous farm products, including dairy and poultry to Canada under USMCA, as well as lamb and goat meat to Japan, beef and pork to Argentina, poultry to India and Namibia, lamb to El Salvador, beef and poultry to Morocco, eggs to South Africa, and dairy to Turkey. USDA rolled out the Agricultural trade Promotion program to mitigate the effects of other countries' trade barriers by helping U.S. agricultural exporters develop new markets. In 2020, USDA will continue its efforts to break down trade barriers and increase agricultural exports.

Select Goal-Centric Programs and Initiatives

International Markets for U.S. Agricultural Exports

The Budget includes \$199 million for the Foreign Agricultural Service to reduce trade barriers that disadvantage U.S. agricultural exports and to open new markets for U.S. farm products. The value of agricultural exports resulting from participation in foreign food and agricultural trade shows and missions is expected to reach \$2.13 billion.

Sanitary and Phytosanitary Barriers to Exports

The Budget includes \$22 million for the APHIS to address sanitary and phytosanitary barriers that restrict trade. Producers rely on fair and open access to markets. This funding will strengthen USDA's ability to help U.S. agricultural producers export their products to other countries by resolving concerns over animal and plant health issues.

STRATEGIC GOAL 4: FACILITATE RURAL PROSPERITY AND ECONOMIC DEVELOPMENT

When rural Americans share the same level of infrastructure services as the country's urban areas, rural communities can make even greater economic contributions with healthy families and prosperous businesses. Economic and social science research informs decision-makers regarding current trends in rural America and gaps in existing markets, which USDA then uses to provide benefits to rural American businesses and citizens. USDA leverages funds, stimulates private-public partnerships, and engages in collaboration to build rural infrastructure including: broadband, community facilities, healthcare services and facilities, and safe and affordable housing to help underserved communities become thriving communities.

American prosperity and well-being are intrinsically tied to rural America's ability to thrive in the new global economy; to build and attract an educated workforce and expand its population base; and to use its diverse and abundant natural resources to provide food, fiber, forest products, energy, and recreation. Through the Task Force on Agriculture and Rural Prosperity, the Department has identified actions to improve the quality of life and expand economic development in rural communities. Many of these actions are supported through investments made in USDA lending activities to rural utilities and communities and to strengthen investments in housing programs. Realizing the opportunities for prosperity in rural America requires action on multiple fronts, including promoting economic development, advancing innovation and technology, ensuring a well-trained and productive workforce, and improving the quality of life in rural communities, all of which require access to capital and infrastructure. In turn, the rural workforce depends on a high quality of life in rural areas, including the assurance that critical services are of sufficient quality, either to train productive workers from the local population or to attract employees and their

families from other places. USDA will continue to facilitate and support access to world-class resources and tools that are needed to build robust, sustainable rural communities for generations to come.

Select Goal-Centric Programs and Initiatives

Rural Electric Infrastructure

The Budget includes \$5.5 billion in loans for rural electric improvements, benefiting over 5 million rural residents annually by expanding the use of smart grid technologies and other security and resiliency improvements. The ability to dynamically manage energy use is critical to ensuring network reliability, enhancing system-wide efficiency, and keeping electric rates affordable for rural residents and businesses.

Rural E-Connectivity

In addition to \$690 million for the telecommunication infrastructure program which supports communities with population of under 5,000, the Budget provides \$200 million in budget authority to support broadband loans, grants and loan/grant combinations that will provide high speed broadband services to communities with population under 20,000. It also provides \$30 million for broadband grants to rural Americans who currently do not receive any broadband service. In addition, the Budget includes \$44 million for distance learning and telemedicine grants with \$20 million focused on assisting communities address the opioid epidemic. Electronic connectivity is fundamental for economic development, innovation, advancements in technology, workforce readiness, and an improved quality of life. As of 2014, 39 percent of the rural population lacked access to broadband at speeds necessary for advanced telecommunications and data transfer capability. The e-connectivity gap not only prevents rural Americans from participating in the global marketplace, but also limits urban Americans from accessing innovations and products from rural America.

Water and Waste Disposal Infrastructure

The Budget includes funding to support \$1.2 billion in direct loans to improve and expand the water and waste disposal facilities in rural America. Safe drinking water and sanitary waste disposal systems are vital to achieving a high quality of life and are essential to many rural residents. For 2019, USDA will provide improved services to nearly 1.5 million rural residents.

Community Infrastructure

The Budget includes \$2.5 billion to support the Community Facilities Direct Loan Program and \$500 million to support the Community Facilities Guaranteed Loan Program for investment in critical community infrastructure, such as healthcare, safety, and educational facilities. Improved access to mental and behavioral care is vital to address the nationwide opioid crisis and other substance abuse in rural communities. The Budget also includes \$60 million for Community Facilities Grants and Tribal College Grants – a portion of which may be used to help address the opioid epidemic in Tribal communities and rural America, who have been disproportionately affected by the crisis. Planned investments will allow over 3 million rural residents to receive access to improved healthcare facilities, including hospitals and mental health clinics.

Rural Housing Infrastructure

The Budget includes funding to support \$24 billion in funding to enable approximately 160,000 families enjoy homeownership through the Single Family Housing Guaranteed Loan Program. The Budget also provides \$250 million for multi-family guaranteed loans to support the development of more than 8,000 units for very low, low, and moderate-income rural residents. USDA works

with other public and private partners to better leverage its investment in housing; in 2018, approximately \$4 was invested by partners for every USDA dollar invested. To help very low- and low-income households afford their rental payments, the Budget includes \$1.4 billion to maintain Rental Assistance payments, enough to fund about 281,000 contracts.

Rural Business Support

Rural areas have traditionally been challenged by the lack of private funding to support business development. The Business and Industry (B&I) Guaranteed Loan Program provides protection to private lenders against loan losses and encourage them to extend credit to establish, expand, or modernize rural businesses. With a request of \$1 billion in B&I loan guarantees, the program is expected to assist 433 businesses support nearly 11,000 jobs and diversify the rural economy.

STRATEGIC GOAL 5: STRENGTHEN THE STEWARDSHIP OF PRIVATE LANDS THROUGH TECHNOLOGY AND RESEARCH

The world population is expected reach 9.7 billion by 2050. Feeding this population will require the adoption of new science and technologies and the implementation of science-based conservation plans to sustainably increase agricultural production. To ensure U.S. private working lands and public agricultural landscapes are conserved, the Department will provide technical and financial assistance using the latest technology and research available. New and improved practices result from fundamental and applied research that facilitates our understanding of the complex interactions between human systems and the environment and then transferring the resulting knowledge into the hands of producers and land managers through information, tools, and decision support.

In 2017, USDA and its partners helped more than 680,000 land managers invest in their operations. This work resulted in conservation plans for 27 million acres of working lands – an area the size of Tennessee. For 2019, USDA will continue to provide significant resources to support conservation practices and measures that will improve stewardship of our natural resources.

Select Goal-Centric Programs and Initiatives

Farm Bill Conservation Programs

The Budget includes \$2.1 billion for the Conservation Reserve Program (CRP) to protect close to 24.5 million acres of environmentally sensitive cropland and grassland. In addition, \$1.75 billion is included for the Environmental Quality Incentives Program (EQIP), and \$450 million for the Agricultural Conservation Easement Program.

STRATEGIC GOAL 6: ENSURE PRODUCTIVE AND SUSTAINABLE USE OF OUR NATIONAL FOREST SYSTEM LANDS

The Nation's forests and grasslands are a fundamental part of the American landscape and are a legacy that the Forest Service holds in trust for present and future generations. Forests provide clean air and water, forest and rangeland products, mineral and energy resources, jobs, quality habitat for fish and wildlife, recreational opportunities, and memorable experiences. The Forest Service plays a critical role in making America's forests and grasslands resilient to threats and disturbances while mitigating wildfire risk. The Department also manages the National forests and grasslands to ensure that they are healthy and sustainable, while also allowing rural communities to access and benefit from economic opportunities that our Nation's forests offer. This work is complemented by USDA's research in forestry, ecology, and economics to ensure world-class science guides effective policies and management practices.

Select Goal-Centric Programs and Initiatives***Reducing the Risk of Wildfires***

The Budget includes \$2.4 billion to mitigate wildfire risk. The Budget supports the Forest Service's activities that protect life, property and natural resources on National Forest System (NFS) lands, other federal lands, and an additional 20 million acres of non-federal lands under agreements. In addition, the Consolidated Appropriations Act of 2018 provided new budget authority to fight wildfires known as the "fire fix." Therefore, beginning in FY 2020 and through FY 2028, the Forest Service and the Department of the Interior will have new budget authority available for when Suppression funding has been exhausted. This budget authority starts at \$2.25 billion in FY 2020 and increases by \$100 million each year through FY 2027. The budget stability enabled by the additional budget authority will be leveraged by the agency to more strategically approach programmatic and fiscal management of wildland fire management programs.

Active Forest Management

The Budget includes an investment of \$1.9 billion to improve the health and resilience of National forests, ensuring that our National forests and grasslands continue to provide clean air and water, forest and rangeland products, mineral and energy resources, quality habitat for fish and wildlife, recreational opportunities, and jobs. With \$450 million for Hazardous Fuels Reduction and \$375 million for Forest Products, among other programs, the agency will accomplish a timber output of 3.7 billion board feet while improving more than 1.1 million acres of National Forest System lands to mitigate wildfire risk.

Use and Access Opportunities in National Forests

The Budget includes \$258 million to increase recreational opportunities in National forests and promote rural prosperity. The Budget will prioritize permitting for outfitters and guides, maintaining and growing strong collaborations with partners and volunteer groups, and work to address the recreational needs of today's public, who want year-round activities on NFS lands. The agency will also continue to improve its permitting processes to promote other critical land uses on NFS lands such as energy, utility, and communication infrastructure.

STRATEGIC GOAL 7: PROVIDE ALL AMERICANS ACCESS TO A SAFE, NUTRITIOUS, AND SECURE FOOD SUPPLY

A plentiful supply of safe and nutritious food is essential to the healthy development of every child in America and to the well-being and productivity of every family. USDA works to help prevent foodborne illness and protect public health as well as aid access to safe, nutritious, and balanced meals and promote a healthy diet.

USDA's nutrition assistance programs help ensure food security by providing access to a nutritious diet with emphasis on those facing particular need due to unemployment, recession, disaster, age, or disability. These programs also work to promote well-being by providing assistance to help ensure access to a diet consistent with the Dietary Guidelines for Americans.

USDA supports and protects the Nation's agricultural system and the consumers it serves by safeguarding the quality and wholesomeness of meat, poultry, and egg products. USDA has collaborated extensively with other Federal partners to safeguard the food supply, prevent foodborne illnesses and improve consumers' knowledge about the food they eat. USDA will continue to focus on preventing product contamination and foodborne illness and modernizing systems and approaches to safeguard the food Americans serve their families every single day.

Select Goal-Centric Programs and Initiatives***Safeguards the Nation's Food Supply***

The Budget includes more than \$1 billion to fully fund the costs necessary to support nearly 8,773 personnel located at over 6,400 processing and slaughter establishments for meat, poultry, and egg products in the U.S. These personnel act as frontline inspectors and investigators and provide surveillance to protect the Nation's food supply and further the mission of FSIS.

Nutrition Assistance

The Budget includes funding to support estimated participation levels under current law, including \$69.1 billion for the Supplemental Nutrition Assistance Program (SNAP), \$23.9 billion for Child Nutrition Programs, and \$5.75 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). In 2020, estimated participation levels are: 37.8 million per month for SNAP, 31 million per day for the National School Lunch Program, and 6.6 million per month for WIC.

PROGRAM REFORMS

The 2020 President's Budget includes legislative proposals to reform programs to better target Federal dollars, while contributing to deficit reduction efforts. The Budget also reduces and eliminates programs that do not support USDA's core mission or are a lower priority.

Prioritizing Work

The Budget includes a proposal to prioritize work and streamline SNAP work requirements by creating a single work requirement for all able-bodied adults ages 18 to 65, unless these adults qualify for specific exemptions. Under the proposal, those subject to the work requirement would need to work or participate in specific work preparation activities at least 20 hours per week, averaged to 80 hours per month, in order to continue to receive SNAP benefits. This proposal is expected to save \$45 billion over 10 years.

Reform the Food Safety Net While Promoting Work

The Budget includes bold proposals to help able-bodied adults participating in the Supplemental Nutrition Assistance Program (SNAP) enter the job market and work toward self-sufficiency. The Budget continues the America's harvest Box proposal, allowing innovative partnerships with the private sector to combine traditional SNAP EBT benefits with 100 percent American grown foods provided directly to households. The proposal ensures that Americans in need have access to a nutritious diet while significantly reducing the cost to taxpayers. States maintain the ability to provide choice to their recipients, including innovative approaches for the inclusion of fresh products. The Budget also includes proposals to reserve benefits for those most in need, promote efficiency in State operations, and strengthen program integrity by focusing on administrative reforms and outcome-based employment strategies.

Target Commodity Programs and Crop Insurance

The Budget proposes legislation to optimize and improve crop insurance and commodity programs in a way that maintains a strong safety net while also achieving savings, reducing subsidies to higher income farmers, and reducing payments made to private sector insurance companies. The Budget includes a set of proposals, including those that would reduce the average premium subsidy for crop insurance from 62 percent to 48 percent and limit commodity and crop insurance subsidies to those producers that have an Adjusted Gross Income of \$500,000 or less. Additionally, the Budget proposes reductions to subsidies provided to participating insurance companies by capping underwriting gains at 12 percent, better aligning the underwriting gains to the risks associated with their participation in the crop insurance program, and finally proposes to eliminate reimbursements for 508(h) crop insurance development. The Budget proposes to eliminate commodity certificates, separate payment limit for peanut producers, make marketing assistance loan forfeitures subject to the \$125,000 payment limit, limit eligibility for commodity subsidies to one manager per farm and eliminate all funding for the Livestock Forage Disaster Program. In total, these reforms are expected to save more than \$36 billion over 10 years.

Streamline Conservation Programs

The Budget proposes legislation to streamline Federal conservation efforts to focus on programs that protect environmentally sensitive land and increase conservation practice implementation. Specifically, it would reduce funding for the Agricultural Conservation Easement Program by \$40 million per year and eliminate the Conservation Stewardship Program. Proposals are also included to target enrollment and incentive payments for CRP. In total, these reforms are expected to save more than \$8.9 billion over 10 years.

Modernize Inspection Activities

The Budget includes proposed legislation to charge a user fee to cover certain inspection, regulatory, and oversight activities. The proposals range from inspection of meat, poultry, and egg products to enforcement of animal welfare requirements. The Budget also proposes user fees for grain standardization and a Packers and Stockyards license fee to cover program costs. Fee proposals to help offset the cost of biotechnology and veterinary biologic regulation are also included in the Budget. The Budget proposes a user fee to recover the cost of providing Agricultural Quarantine and Inspection (AQI) services within the U.S. and its Territories, which is consistent with how AQI activities are funded for passengers and cargo originating outside of the U.S. Legislation will be proposed to use assessments to cover the Marketing Order and Agreements Federal administrative costs. In total, these reforms are expected to save about \$7.1 billion over 10 years.

Reforms Section 32 Activities

The Budget delinks U.S. Customs receipts from the Section 32 program and instead proposes to directly appropriate funding to the Agricultural Marketing Service (AMS), the Food and Nutrition Service (FNS), and the Department of Commerce. These funds will be provided to each agency without further appropriation and available for the same purposes as previous receipt-funded activities. Within USDA, AMS will be provided \$320 million for surplus agricultural commodity purchases and administrative costs (a historical average spending level for these activities that will be adjusted annually for inflation). Additionally, FNS will receive an initial permanent mandatory appropriation of approximately \$13.7 billion, equal to the amount that would have otherwise been made available by transfer from AMS and including the cost associated with commodity purchase activities traditionally carried out under Section 32.

Elimination of Lower Priority Programs

The Budget includes proposals to eliminate several programs to reduce spending, including the some Rural Business-Cooperative Service programs, the Single Family Housing Direct Loan program, the McGovern-Dole International Food for Education Program, Food for Progress, school equipment grants, among others. The Budget includes a proposal to eliminate the Commodity Supplemental Food Program and transfer program participants to SNAP.

FARM PRODUCTION AND CONSERVATION

MISSION

As part of the USDA reorganization in May 2017, the Farm Production and Conservation (FPAC) mission area was formed to focus on domestic agricultural issues. Locating the Farm Service Agency (FSA), the Risk Management Agency (RMA), and the Natural Resources Conservation Service (NRCS) under one mission area provides a simplified one-stop shop for USDA's primary customers, the men and women farming, ranching, and managing forests across America. FSA, RMA and NRCS implement programs designed to mitigate the significant risks of farming through crop insurance, conservation programs and technical assistance, and commodity, lending, and disaster programs.

The value of U.S. agricultural sector production is expected to be \$421.8 billion in 2018. In 2016, over 23 million full- and part-time jobs, or 15 percent of total U.S. employment, were related to the agriculture and forestry. The agricultural sector has a significant impact on not only rural economy, but the National economy as well.

When American farmers are financially healthy, they not only support themselves and their families, but also their employees, local equipment dealers, farm service suppliers and the rural communities where they live and do business. Net farm income, a broad measure of profits, is forecast to decrease \$9.1 billion (12.1 percent) from 2017 to \$66.3 billion in 2018. USDA's farm safety-net and disaster programs play a critical role to help ensure that American agriculture continues to be financially healthy.

In 2018, Congress made several changes to strengthen the USDA's commodity, disaster and conservation programs. The Bipartisan Budget Act of 2018, Public Law 115-123, provides assistance to producers impacted by hurricanes and wildfires in 2017 and made several changes to the commodity and disaster programs, including adding seed cotton as an eligible commodity for Agriculture Risk Coverage (ARC) and Price Loss Coverage Program (PLC). The Agriculture Improvement Act of 2018 (2018 Farm Bill), Public Law 115-334, was signed by the President on December 20, 2018. The 2018 Farm Bill repealed certain programs, continued some programs with modifications and authorized several new programs, including improving the price protection for dairy producers. The 2018 Farm Bill included a number of changes to the Conservation Reserve Program (CRP), including reducing rental rates for both general and continuous acreage, dedicating 2 million acres for grassland enrollment, and gradually increasing the CRP acreage cap to 27 million acres by 2023. The 2018 Farm Bill also reauthorized and increased funding for the Environmental Quality Incentives Program (EQIP), eliminated the former Conservation Stewardship Program (CSP) authorized under the 2014 Farm Bill and, authorized a new dollar-capped CSP that is more closely aligned with EQIP. Last, the 2018 Farm Bill continues to strengthen the Federal crop insurance program.

In 2018, FSA provided over \$7.1 billion in Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) in financial assistance to producers for the 2016 crop year. ARC and PLC are an important part of the farm safety net and provide assistance during crop revenue or commodity downturns.

FSA continues to provide tools for America's farmers to be good stewards of the land. The Conservation Reserve Program (CRP) has protected and conserved environmentally sensitive land since 1985. In 2018, USDA enrolled about 295,000 acres under the continuous signups and about 438,000 acres under a grasslands signups.

FSA farm loan programs provide an important safety net for producers, by providing a source of credit when they are temporarily unable to obtain credit from commercial sources. The majority of FSA's direct and guaranteed farm ownership and operating loans are targeted to underserved populations such as beginning farmers and socially disadvantaged producers, who generally have had a more difficult time obtaining credit to maintain and expand their operations. In 2018, FSA provided over 34,600 direct and guaranteed loans to farmers and ranchers, totaling more than \$5.5 billion.

Crop insurance is designed to allow farmers and ranchers to effectively manage their risk through difficult periods, helping to maintain America's food supply and the sustainability of small, limited resource, socially disadvantaged and other underserved farmers. In crop year 2018, the Federal crop insurance program provided protection for more than \$100 billion in agricultural production.

NRCS works in partnership with private landowners, communities, local governments, and other stakeholders to promote the sustainable use and safeguard the productivity of the Nation's private working lands. The agency provides conservation planning, technical assistance, and financial assistance to farmers, ranchers and foresters to help them conserve, enhance and protect natural resources. In addition, NRCS works with these partners to leverage resources and innovative ideas to make the landscape and critical infrastructure more resilient. In 2018, conservationists assisted in developing conservation plans on 27.5 million acres of private land.

In October 2017, the FPAC Business Center (FBC) was formed to consolidate enterprise-wide back-office functions within the newly formed FPAC mission area. FBC is responsible for financial management, budgeting, human resources, information technology, acquisitions/procurement, customer experience, internal controls, risk management, strategic and annual planning, and other mission-wide activities in support of the customers and employees of FSA, NRCS, and RMA. The FBC continues to hire staff to fill critical positions and make further improvements to increase efficiency and improve their support of the FPAC mission area employees.

FARM SERVICE AGENCY

FSA supports the delivery of farm loans, commodity, conservation, disaster assistance, and related programs. FSA utilizes the Commodity Credit Corporation (CCC), which funds most of the commodity and export programs, and some of the USDA conservation programs. FSA delivers its programs through more than 2,100 local and regional Service Centers, 50 State Offices, and an area office in Puerto Rico.

Table FPAC-1. FSA Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
FSA Salaries and Expenses:			
Salaries and Expenses (Direct Appropriation).....	\$1,202	\$1,202	\$1,012
Transfer from Program Accounts	318	318	295
Total, Salaries and Expenses.....	1,520	1,520	1,307
Agricultural Credit Insurance Fund Program Account:			
Loan Subsidy	87	87	77
Loan Program Expenses	10	10	10
Total, ACIF Program Account.....	97	97	87
State Mediation Grants.....	4	4	3
Grassroots Source Water Protection Program.....	7	7	-
Total, Ongoing Discretionary Programs.....	1,627	1,627	1,397
Other Funding:			
Reforestation Pilot Program.....	1	1	-
Geographically Disadvantaged Farmers and Ranchers	2	2	-
Emergency Conservation Program	400	-	-
ARC Pilot	5	5	-
Total, Other Funding.....	424	24	-
Total, Discretionary Programs	2,035	1,635	1,397
Mandatory:			
Dairy Indemnity Program.....	1	1	1
Total, FSA.....	2,035	1,635	1,397

Salaries and Expenses

The Budget includes \$1.3 billion to support Federal and non-Federal staffing. FSA organizational changes, specifically the formation of the FPAC Business Center (FBC), are reflected in the Budget, including the transfer \$16 million in funding from the Agricultural Credit Insurance Fund (ACIF).

Funding for State mediation grants is proposed at \$3.1 million. These grants are made to States to support certified programs that provide alternative dispute resolution.

Table FPAC-2. FSA Staff Years

Item	2018 Actual	2019 Estimate	2020 Budget
Federal	3,836	3,938	2,855
Non-Federal:			
Permanent Full-Time	6,755	7,140	6,640
Temporary	367	200	200
Total, Non-Federal	7,122	7,340	7,190
Total, FSA Staff Years	10,958	11,278	9,695

Farm Loan and Grant Programs*Table FPAC-3. ACIF Program Level (PL) and Budget Authority (BA) (millions of dollars)*

Item	2018 PL	BA	2019 PL	BA	2020 PL	BA
Discretionary:						
Farm Operating Loans:						
Guaranteed Unsubsidized	\$1,960	\$22	\$1,943	\$22	\$1,615	\$17
Direct	1,530	62	1,585	62	1,550	58
Total, Operating Loans	3,490	84	3,527	84	3,165	76
Farm Ownership Loans:						
Guaranteed Unsubsidized	2,750	-	2,750	-	2,750	-
Direct	1,500	-	1,500	-	1,500	-
Total, Ownership Loans	4,250	-	4,250	-	4,250	-
Emergency Loans	26	1	30	1	29	2
Indian Land Acquisition Loans	20	-	20	-	20	-
Highly Fractionated Indian Land Loans	10	2	11	2	-	-
Boll Weevil Eradication Loans	60	-	60	-	60	-
Guaranteed Conservation Loans	150	-	150	-	150	-
Total, ACIF	8,006	87	8,048	87	7,674	77

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. In order to meet the anticipated demand for farm credit, the Budget provides \$7.7 billion for farm loans.

The Budget supports an estimated 48,800 farmers and ranchers by financing operating expenses and providing opportunities to acquire a farm or keep an existing one. The availability of farm operating loans provides farmers with short-term credit to finance the costs of continuing or improving their farming operations, such as purchasing seed, fertilizer, livestock, feed, equipment, and other supplies. For farm operating loans, the Budget provides \$1.6 billion for direct loans and \$1.6 billion for guaranteed loans. The requested loan levels will serve an estimated 34,737 farmers, 28,070 of whom will receive direct loans and 6,667 will receive guaranteed loans. For farm ownership loans, the Budget includes funding to support \$1.5 billion in direct loans and \$2.8 billion for guaranteed loans. These loan levels will provide 14,130 people with the opportunity to either acquire their own farm or keep an existing one; 8,152 borrowers will receive direct loans and 5,978 will receive guaranteed loans.

The Budget includes \$29 million loan level for emergency (EM) loans. Demand for EM loans is difficult to predict; funding is requested to ensure that support is available in the event of a natural

disaster. The Budget requests a loan level of \$20 million for Indian Land Acquisition loans, the same as 2018. No funding is requested for the Highly Fractionated Indian Loan program. The loan level funding for boll weevil eradication remains at \$60 million, the same as 2019.

Funding for State mediation grants is proposed at \$3.1 million. These grants are made to States to support certified programs that provide alternative dispute resolution.

USDA strives to continually increase service to our customers. A key performance measure reflecting customer service in the direct farm loan program is shown in table FPC-4.

Table FPAC-4. Key Performance Measures (KPM) – Farm Loan Programs

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Average number of days to process direct loans	30	33 ^a	30 ^a
Percentage of direct and guaranteed loan borrowers who are beginning farmers	55.0	53.0	53.0
First year delinquency rate on new direct loans	6.2	10.0	10.0

^a Increases in loan limits with the new Farm Bill are expected to result in increased application activity, as well as applications from more complex entities/operations.

Commodity Credit Corporation

Table FPAC-5. CCC Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Mandatory:			
Commodity Credit Corporation Fund	\$2,290	\$22,927	\$11,003
Tobacco Trust Fund.....	3	-	-
Total, Current Law.....	2,293	22,927	11,003
Proposed Legislation ^a	-	-	-1,166
Total, CCC	2,293	22,927	9,837

^a The Budget includes proposals for changes to certain programs above.

Commodity Programs

The commodity programs provide risk management and financial tools to farmers and ranchers. These programs, including the Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC), and Dairy Margin Coverage (DMC) program (formerly named the Margin Protection Program for Dairy), provide protection against adverse market fluctuations; hence, outlays for many of these programs vary significantly from year to year as market conditions change. Total CCC net outlays (Table FPAC-6) in 2020 are approximately \$15.7 billion lower than 2019, primarily due to Trade Mitigation and changes in commodity programs.

Table FPAC-6. CCC Net Outlays (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Commodity Programs:			
ACRE	0	-	-
Loan Deficiency Payments.....	0	\$33	\$65
Agriculture Risk Coverage/Price Loss Coverage.....	\$7,112	3,444	2,010
Other.....	466	12,169	120
Subtotal, Commodity Payments	7,579	15,646	2,195
Dairy Margin Coverage Program/DMC	230	1,074	818
Disaster.....	582	899	767
Noninsured Crop Disaster Assistance Program	183	161	161
Biomass Crop Assistance Program (BCAP)	1	-	-
All Other.....	326	1,905	984
Total, CCC Commodity Programs.....	8,672	18,611	4,107
Conservation Programs:			
Conservation Reserve Program	1,953	2,086	2,105
Emergency Forestry Conservation Reserve Program.....	2	2	1
Total, Conservation Programs.....	1,955	2,089	2,106
Export Programs:			
Quality Samples Program.....	1	3	3
Market Access Program (MAP)	195	200	200
Foreign Market Development (Cooperator) Program.....	30	35	35
Technical Assistance for Specialty Crops Program.....	5	9	9
Total, Export Programs	231	246	246
Total CCC Fund.....	10,858	20,946	6,459
Other CCC Activities:			
CCC Export Loans (including Liquidating Account)	22	14	12
Pima Agriculture Cotton Trust Fund.....	15	16	16
Agricultural Wool Apparel Manufacturers Trust Fund.....	28	30	30
Farm Storage Facility Loans	11	27	-
Total, Other CCC Programs.....	76	87	58
Total, Current Law.....	10,934	21,033	6,517
Proposed Legislation ^a	-	-	-1,166
Total, CCC.....	10,934	21,033	5,351

^a The Budget includes proposals for changes to certain programs above.

ARC and PLC provide assistance only when commodity revenue or price downturns occur. Under ARC, producers were given the choice to elect ARC-County (ARC-CO) or ARC-Individual (ARC-IC). ARC-CO offers revenue protection on a county basis. ARC-IC offers revenue protection on an individual farm basis. Producers are able to elect PLC or ARC-CO on a commodity-by-commodity basis, but ARC-IC has to be elected on a farm basis. Payments under PLC occur if the U.S. average market price for the crop is less than the effective reference price, therefore offering price protection. Payments under ARC-CO occur when actual crop revenue is below the ARC revenue guarantee for a crop year. Under ARC-IC, payments are outlaid when the actual individual crop revenues, summed across all covered commodities on the farm, are less than ARC individual guarantees summed across those covered commodities on the farm. ARC and PLC

payments are outlaid October 1 of the subsequent crop year or when the Marketing Year Average for the covered commodity is published by USDA, whichever is later. The ARC and PLC outlays made in 2018 were for the 2016 crop year, and similarly the outlays to be made in 2019 and 2020 are for crop years 2017 and 2018, respectively. The FY 2018 BBA added seed cotton as a covered commodity eligible for the ARC and PLC programs. The FY 2018 BBA also removed generic base acres beginning with the 2018 crop year and allowed producers to reallocate generic base acres to seed cotton, or other covered commodities, eligible for ARC or PLC payments. The 2018 Farm Bill allows producers the opportunity to elect either ARC-CO or PLC by crop for both the 2019 and 2020 crop years. Then, starting with the 2021 crop, the choice between County ARC-CO and PLC can be made for each crop year through 2023. Also, the 2018 Farm Bill authorizes a nationwide one-time PLC yield update that will be in effect for 2020-2023 crops. In addition, the PLC reference price now has an escalator option, not to exceed 115 percent of the statutory reference price.

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

In July 2018, USDA launched a trade mitigation package aimed at assisting farmers suffering from damage due to unjustified retaliation by foreign nations. Producers of certain commodities could sign up for the Market Facilitation Program, while USDA also began to purchase identified commodities under the Food Purchase and Distribution Program. Additionally, USDA awarded funding under the Agricultural Trade Promotion Program, which will help American farmers find and access new markets for their products. In total, USDA authorized up to \$12 billion in programs, consistent with World Trade Organization obligations.

Table FPAC-7. CCC Fund Commodity Payments Net Outlays (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Commodity: ^a			
Feed Grains	\$3,460	\$1,676	\$694
Wheat	1,957	1,488	375
Rice.....	828	570	609
Upland and Extra Long Staple Cotton	295	754	363
Dairy.....	15	280	-
Soybeans and Products.....	225	8,216	151
Peanuts	676	287	4
Minor Oilseeds	100	91	-
Sugar.....	-	-	-
Honey	1	-	-
Other Commodities	21	2,284	-
Total, Commodity Payments ^b	7,579	15,646	2,195

^a Negative amounts indicate receipts are greater than outlays.

^b Farm bill impact on programs is not available by commodity.

Conservation Programs

Most of the conservation programs administered by FSA and NRCS (see NRCS section for further information) are funded through the CCC. These programs help farmers adopt and maintain conservation systems that protect water and air quality, reduce soil erosion, protect and enhance wildlife habitat and wetlands, conserve water, and sequester carbon.

Table FPAC-8. CCC FSA Conservation Programs Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Conservation Reserve Program.....	\$1,953	\$2,086	\$2,105
Emergency Forestry Conservation Reserve Program ^a	2	2	1
Total, Current Law.....	1,955	2,089	2,106
Proposed Legislation ^b	-	-	-58
Total, Conservation Programs.....	1,955	2,089	2,048

^a The Agricultural Act of 2014 repealed EFCRP, although payments for existing contracts will continue into 2020.

^b The Budget includes proposals for changes to certain programs above.

Conservation Reserve Program (CRP)

The purpose of CRP is to assist farm owners and operators in conserving and improving soil, water, air, and wildlife resources by converting highly erodible and other environmentally sensitive acreage normally devoted to the production of agricultural commodities to a long-term resource-conserving cover. CRP participants enroll in contracts for periods from 10 to 15 years in exchange for annual rental payments and cost-share and technical assistance for installing approved conservation practices. Amounts for CRP include financial and technical assistance. In addition to highly erodible cropland, CRP also can enroll cropland and marginal pastureland in areas adjacent to lakes and streams that are converted to buffers, and cropland that can serve as restored or constructed wetlands, cropland contributing to water quality problems, and cropland converted to valuable wildlife habitat.

The 2018 Farm Bill extended and modified the authorization for CRP through FY 2023. The acreage cap is increased from 24 million acres to 27 million acres by FY 2023 and included 8.6 million acres for continuous practices and 2 million acres for grasslands. Two new pilot programs are created: the Clean Lakes, Estuaries, and Rivers initiative (CLEAR 30, which has 30-year contracts) and a Soil Health and Income Protection Program. FSA is expected to target at least 40 percent of continuous CRP acres to the practices considered as Clean Lakes, Estuaries, and Rivers (CLEAR). A proportional, historic State acreage allocation was included for a portion of the acres available for enrollment. The 2018 Farm Bill authorized up to \$12 million in incentive payments for tree thinning and related activities and provides additional haying and grazing flexibilities. In addition, the 2018 Farm Bill reauthorized up to \$50 million for the Transition Incentive Program (TIP) through 2023. The TIP encourages the transition of expiring CRP land to a beginning, socially disadvantaged, or veteran farmer or rancher so land can be returned to sustainable grazing or crop production.

CRP enrolls land through general signups and continuous signups, including the Conservation Reserve Enhancement Program (CREP). CREP agreements are Federal/State partnerships designed to address specific environmental objectives. Under general signup provisions, producers compete nationally during specified enrollment periods for acceptance based on an environmental benefits index. Under continuous signup provisions, producers enroll specified high-

environmental value lands such as wetlands, riparian buffers, and various types of habitat at any time during the year without competition.

In 2018, no acres were enrolled in CRP under general signup, over 295,000 acres were enrolled under continuous signup, and about 438,000 acres were enrolled in the CRP Grasslands program. Total CRP enrollment at the end of FY 2018 was 22.6 million acres, of which about 14.0 million acres were enrolled under general signups, 8.0 million acres under continuous signups and 540,000 acres under grasslands signups. About 1.6 million acres in CRP will be expiring at the end of FY 2019 and 4.4 million expiring at the end of FY 2020.

CRP Grasslands helps landowners and operators protect grassland, including rangeland, and pastureland, and certain other lands, while maintaining the areas as grazing lands. The program emphasizes support for grazing operations, plant and animal biodiversity, and grassland and land containing shrubs and forbs under the greatest threat of conversion.

Riparian and grass buffers improve water quality and provide vital habitat for wildlife. By reducing water runoff and sedimentation, riparian and grass buffers protect groundwater and help improve the condition of lakes, rivers, ponds and streams.

Table FPAC-9. KPM - CRP (millions of acres)

Key Performance Measure	2018 Actual	2019 Target	2019 Target
Acreage enrolled in CRP Grasslands	0.5	0.9	0.9
CRP acres enrolled in riparian and grass buffers	1.5	1.5	1.9

Agricultural Disaster Assistance

The Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP), and the Tree Assistance Program (TAP) were authorized by the 2008 Farm Bill, through September 30, 2011, under the USDA Supplemental Disaster Assistance Program. The 2018 Farm Bill reauthorized these disaster programs.

Table FPAC-10. Supplemental Agricultural Disaster Assistance Outlays (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Livestock Indemnity Payments.....	\$37	\$30	\$28
Livestock Forage Disaster Program.....	487	801	680
ELAP	47	37	32
Tree Assistance Program	11	31	27
Total, Current Law.....	582	899	767
Proposed Legislation ^a	-	-	-680
Total, Supplemental Agricultural Disaster Assistance.....	582	899	-87

^a The Budget includes proposals for changes to certain programs above.

LIP provides benefits to producers for livestock deaths in excess of normal mortality caused by adverse weather or attacks by animals reintroduced into the wild by the Federal Government. LFP provides compensation to livestock producers who have suffered grazing losses due to drought on

land that is native or improved pastureland with permanent vegetative cover or is planted specifically for grazing. The 2018 Farm Bill amends LIP to include coverage for: 1) death or sale loss resulting from diseases caused by, or transmitted by, a vector that cannot be controlled by vaccination or acceptable management practices; and 2) death of unweaned livestock due to adverse weather. In addition, the BBA eliminated the payment limit for LIP.

LFP also provides compensation to producers who have suffered grazing losses due to fire on rangeland managed by a federal agency. The FY 2018 BBA clarified LFP provisions related to contract growers and grazing animals.

ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease (including cattle tick fever), adverse weather, or other conditions, such as blizzards and wildfires, not covered by LFP and LIP. The FY 2018 BBA removed the annual \$20 million funding cap effective with the 2017 program year. The 2018 Farm Bill eliminated the payment limit for ELAP.

TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines damaged by natural disasters. The BBA removed the payment limitation for TAP and increased the number of acres for which a producer can receive payment from 500 to 1,000 acres per year. In addition, the FY 2018 BBA expanded coverage under TAP by providing \$15 million for 2017 pecan tree losses for growers who suffered a pecan stand mortality loss that exceeds 7.5 percent (rather than a mortality loss that exceeds 15 percent) due to an eligible natural disaster. The 2018 Farm Bill eliminated the payment limit for TAP.

Proposed Legislation

The Budget includes several legislative proposals to better target commodity and conservation assistance, and to eliminate all funding for two CCC programs to fund other Administration priorities. The legislative proposals: (1) limit commodity and conservation payments to participants that have an Adjusted Gross Income (AGI) of \$500,000 or less; (2) eliminate commodity certificates; (3) eliminate the separate \$125,000 payment limit for peanuts; (4) make Marketing Assistance Loans (MALs) forfeitures subject to the \$125,000 payment limit; (5) limit all farms to one manager that can qualify as actively engaged; (6) target enrollment in CRP to environmentally sensitive areas, limit the enrollment of whole farm fields and eliminate all funding for signing incentive payment (SIPs) and practice incentive payments (PIPs), with the exception of the Conservation Reserve Enhancement Program; (7) limit CRP annual rental payments to 80 percent of the average county rental rates as determined by National Agriculture Statistics Service (NASS); and (8) eliminate all funding for the Livestock Forage Disaster Program (LFP). See Appendix for details.

RISK MANAGEMENT AGENCY***Table FPAC-11. RMA Budget Authority (millions of dollars)***

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
RMA Salaries and Expenses Appropriations	\$75	\$75	\$56
Mandatory Transfers:			
Federal Crop Insurance Act (FCIA) Initiatives	9	7	7
Total, Discretionary Programs	84	82	63
Mandatory:			
Delivery and Other Administrative Expenses ^a	1,527	1,532	1,573
Federal Crop Insurance Act (FCIA) Initiatives	57	20	23
Gross Indemnities ^b	5,996	10,563	9,898
Underwriting Gains ^c	2,627	1,237	1,128
Farm Bill: Agricultural Management Assistance	4	4	4
Other FCIC Activities	20	19	20
Subtotal, Crop Insurance Program Level	10,231	13,375	12,646
Less: Producer Premium and Administration Fees	-3,761	-3,969	-3,722
Total, Mandatory Programs	6,470	9,406	8,924
Total, RMA, Current Law	6,554	9,488	8,987
Proposed Legislation ^d	-	-	-12
Total, RMA	6,554	9,488	8,975

^a Reimbursements to private companies.

^b The amount of premium subsidy paid by the Federal government is not reflected in the table above. The Budget for the Federal Crop Insurance Program assumes a crop year loss ratio (gross indemnities/total premium) of 1.0 for 2019. However, the fiscal year loss ratio could be higher or lower than 1.0 due to differences in the timing of certain cash flows (see discussion below on estimated indemnities).

^c Payments to private insurance companies. The 2019 underwriting gains reflect a projected 1.0 loss ratio for the 2018 crop year.

^d The Budget includes proposals for the crop insurance program. See Appendix for details.

Discretionary Funding – Salaries and Expenses

Discretionary funds for the Federal crop insurance program cover most of Federal salaries and related expenses to manage the program. The Budget includes \$56 million in discretionary appropriations for these costs. Further, the Federal Crop Insurance Act authorizes the transfer of up to \$7 million each fiscal year from mandatory funding to the RMA Salaries and Expenses (S&E) account for program compliance and integrity reviews.

Organizational changes, part of the USDA reorganization announced in 2017, are reflected in the Budget, including the transfer of staff and funding to the FPAC Business Center (FBC). FBC will consolidate enterprise-wide back-office functions of the FSA, NRCS and RMA. FBC will also receive staff and funding from FSA, RMA, and NRCS. See the FBC section for further details.

Mandatory Funding

The Federal crop insurance program provides a safety net that protects producers from a wide range of risks caused by natural disasters, as well as the risk of price fluctuations. Currently, about 80 percent of risk protection is provided by “revenue insurance,” which protects against losses due to low yields, low prices, or a combination of low yields and prices.

Federal crop insurance is delivered to producers through private insurance companies that share in the risk of loss and opportunity for gain. The companies are reimbursed for their delivery expenses and receive underwriting gains in years of favorable loss experience. The costs associated with the Federal crop insurance programs include premium subsidies, indemnity payments (in excess of producer paid premiums), underwriting gains paid to private companies, reimbursements to private companies for delivery expenses and other authorized expenditures.

A key performance measure for the Federal crop insurance program is the normalized value of risk protection provided by Federal Crop Insurance Corporation (FCIC) sponsored insurance – shown in table FPC-13 on a crop year basis. The value of FCIC risk protection is the actual dollar insurance liability for a given crop year. However, this value is strongly influenced by commodity price swings or trends. The normalized value of risk protection uses a five-year baseline to smooth variations caused by these trends. The baseline model uses the most recent crop insurance data, and other USDA market conditions data, to develop normalized value projections for major crops. For the 2018 crop year, the Federal crop insurance program provided about \$106.0 billion in risk protection or about \$76.8 billion in (normalized) risk protection. The 2019 and 2020 crop year targets reflect projections from the baseline model as described above.

Actual indemnities for 2018 reflect crop year 2017 losses that were paid out in 2018, plus the portion of crop year 2018 losses paid out in 2018. The loss ratio for the 2017 crop year was 0.54. Estimated losses for crop years 2019 and 2020 reflect the statutory target loss ratio of 1.0.

Table FPAC-12. KPM - Risk Protection Through FCIC-Sponsored Insurance (billions of dollars)

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Annual normalized value of risk protection	76.8	76.8	77.0

In 2018, the total cost for the Federal crop insurance programs was \$6.5 billion. Of this amount, about \$2.3 billion was for net indemnities to producers (gross indemnities minus producer paid premiums/fees). Another \$1.5 billion was paid to the private insurance companies for delivery expenses and \$2.6 billion for underwriting gains, and \$61 million was used for Federal Crop Insurance Act initiatives, such as Risk Management Education Partnership Agreements.

Proposed Legislation

The Budget proposes legislative changes to the Federal crop insurance program. Legislative proposals include eliminating the 508(h) process, targeting crop insurance subsidies to producers that have an Adjusted Gross Income (AGI) of \$500,000 or less; a reduction of 15 percentage points for the premium subsidy for Harvest Price coverage, a 10 percentage point reduction for all other insurance policies other than catastrophic level of coverage (CAT) policies; and a cap on underwriting gains for Approved Insurance Providers (AIPs) of 12 percent return on retained premium.

NATURAL RESOURCES CONSERVATION SERVICE***Table FPAC-13. NRCS Budget Authority (millions of dollars)***

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Private Lands Conservation Operations ^a	\$874	\$874	\$755
Watershed Rehabilitation Program	10	10	-
Water Bank Program	4	4	-
Small Watersheds P.L. 83-466	150	150	-
Emergency Watershed Protection Program.....	541	-	-
Total, Discretionary Programs	1,579	1,038	755
Mandatory:			
Farm Bill Programs:			
Environmental Quality Incentives Program	1,802	1,642	1,689
Agricultural Conservation Easement Program	233	422	433
Regional Conservation Partnership Program.....	93	281	300
Conservation Stewardship Program.....	1,345	1,495	1,632
Agricultural Management Assistance ^b	5	5	5
Small Watershed Rehabilitation Program.....	55	-	-
Conservation Reserve Program Tech. Assist.....	89	89	95
Voluntary Public Access and Habitat Incentive Program.....	-	50	-
Feral Swine Eradication and Control Pilot	-	38	-
Watershed Protection and Flood Prevention	-	50	50
Total, Mandatory Programs ^c	3,623	4,071	4,204
Total, Current Law	5,202	5,110	4,960
Proposed Legislation ^d	-	-	-7
Total, NRCS.....	5,202	5,110	4,953

^a The Budget shows total staff resources necessary to implement the private lands conservation programs in the retitled Private Lands Conservation Operations (PLCO) account. PLCO includes the total for discretionary technical assistance and associated science and technology programs provided through the previously-titled Conservation Operations account in addition to the total technical assistance necessary to implement Farm Bill programs. For comparability, both discretionary and mandatory funds are shown for 2017 through 2019.

^b NRCS is authorized to receive 50 percent of total AMA funding and the rest is provided to RMA and FSA.

^c The amounts for Total Mandatory Programs include the Technical Assistance funding levels listed on FPAC-15 table.

^d The Budget includes proposals for changes to certain programs above.

Private Lands Conservation Operations (PLCO)

The Budget proposes to retitle the Conservation Operations account to Private Lands Conservation Operations. PLCO would consolidate the discretionary and mandatory technical assistance (TA) funding necessary for the agency to support its core mission of delivering conservation to America's private working lands. The proposed discretionary funding for PLCO for 2020 is \$755 million, of which \$655 million is for the Conservation Technical Assistance Program, and \$100 million is for Soil Survey, Snow Survey, and Plant Materials Centers. A total of \$1.23 billion in mandatory TA is estimated to be needed to support Farm Bill conservation program implementation.

Table FPAC-14. PLCO Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Conservation Technical Assistance.....	\$769	\$769	\$655
Soil Surveys.....	80	80	80
Snow Surveys.....	10	10	10
Plant Materials.....	10	10	10
Watershed Projects.....	6	6	
Total, Discretionary Programs	874	874	755
Mandatory:			
Farm Bill Programs (Technical Assistance): ^a			
Environmental Quality Incentives Program	488	491	491
Agricultural Conservation Easement Program	79	174	158
Regional Conservation Partnership Program.....	37	157	124
Conservation Stewardship Program.....	274	384	342
Agricultural Management Assistance ^b	1	-	1
Conservation Reserve Program Tech. Assist.....	89	109	95
Voluntary Public Access and Habitat Incentive Program.....	-	5	4
Feral Swine Eradication and Control Pilot	-	4	3
Grassland Reserve Program.....	-	-	11
Total, Mandatory Programs	967	1,324	1,230
Total, PLCO.....	1,842	2,198	1,986

^a The Budget proposes to show total staff resources necessary to implement the private lands conservation program in the retitled Private Lands Conservation Operations (PLCO) account. PLCO includes the total for discretionary technical assistance and associated science and technology programs provided through the previously-titled Conservation Operations account in addition to the total technical assistance necessary to implement Farm Bill programs.

^b NRCS is authorized to receive 50 percent of total AMA funding and the rest is provided to RMA and FSA.

NRCS organizational changes, part of the USDA reorganization announced in 2017, are reflected in the 2020 Budget, including the transfer of staff and funding to the FPAC Business Center (FBC). FBC will consolidate enterprise-wide back-office functions of NRCS, FSA and RMA. FBC will also receive staff and funding from FSA, RMA, and NRCS. See the FBC section for further details.

Through the Conservation Technical Assistance (CTA) Program, NRCS works with land owners and managers to develop conservation plans that outline the specific conservation practices needed to improve farm operations and enhance farm environmental sustainability. While NRCS will continue to provide comprehensive conservation planning, the Budget reflects increased private sector contributions to conservation planning. NRCS will take specific steps to further increase the role of the private sector in conservation planning. For example, NRCS can partner with third-party private sector entities (known as Technical Service Providers) to collaborate and provide technical assistance for conservation planning and activities.

NRCS will also continue to improve technical assistance delivery to agricultural producers with continued investment in the Conservation Delivery Streamlining Initiative (CDSI). Since the formation of the FBC in October 2018, continued investment in CDSI will be used to support mission objectives such as the Farmers.gov Customer Experience Portal.

Table FPAC-15. KPM – Enhance Conservation Planning with science-based tools and information

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Contract Implementation Ratio (percent)	87	87	87
Practice Implementation Ratio (percent)	51	53	53

Environmental Quality Incentives Program (EQIP)

EQIP provides assistance to landowners who face serious natural resource challenges (such as soil erosion, air quality, water quality and quantity, and the sustainability of fish and wildlife habitat) that impact soil, water and related natural resources, including grazing lands, wetlands, and wildlife habitat. The 2018 Farm Bill reauthorized EQIP and provided enhanced authorities, including new conservation planning activities, increased payments for certain incentive practices, and places a greater emphasis on soil testing and health.

Table FPAC-16. KPM – Promote Productive Working Lands

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Cropland with conservation applied to improve soil quality (CTA, million acres)	6.0	5.9	6.0
Cropland with conservation applied to improve soil quality (EQIP, million acres)	3.1	3.1	3.1
Tons of sediment prevented from leaving cropland and entering water bodies (million tons)	5.3	5.7	5.7
Working land protected by conservation easements (thousand acres)	163	140	163

Agricultural Conservation Easement Program (ACEP)

ACEP has two components: agricultural land easements, under which NRCS assists eligible entities to protect agricultural land by limiting non-agricultural land uses; and wetland reserve easements, under which NRCS provides technical and financial assistance to landowners to restore, protect and enhance wetlands through the purchase of wetlands reserve easements. NRCS continues to maintain existing easements and contracts formed under the previous programs. The 2018 Farm Bill reauthorizes funding for ACEP and further authorizes new enhancements to streamline the agricultural land easement process, and which will build upon prior years' efforts to help farmers and ranchers keep their land in agriculture.

Regional Conservation Partnership Program (RCPP)

Producers receive technical and financial assistance through RCPP while NRCS and its partners help producers install and maintain conservation activities. These projects may focus on water quality and quantity, soil erosion, wildlife habitat, drought mitigation, flood control, and other regional priorities. Partners include producer associations, State or local governments, Indian Tribes, non-governmental organizations, and institutions of higher education. The 2018 Farm Bill reauthorizes funding for RCPP and creates new opportunities for farmers.

Conservation Stewardship Program (CSP)

CSP encourages participants to undertake new conservation activities to build upon existing conservation activities. CSP was authorized under the 2014 Farm Bill. However, the 2018 Farm

Bill eliminated the former program and created a new CSP that is closely aligned with EQIP, provides enhanced features, and modified the program to be dollar based (and not acre-based) by eliminating the \$18-per-acre payment rate.

Proposed Legislation

The Budget proposes legislative changes to NRCS conservation programs. Specifically, the Budget proposes to reduce the funding for ACEP by \$40 million per year and to eliminate CSP.

FARM PRODUCTION AND CONSERVATION BUSINESS CENTER

In October 2017, the FPAC Business Center (FBC) was formed to consolidate back-office functions within the newly formed FPAC mission area. FBC is responsible for financial management, budgeting, human resources, information technology, acquisitions/procurement, customer experience, internal controls, risk management, strategic and annual planning, and other mission-wide activities in support of the customers and employees of FSA, NRCS, and RMA. The FBC was established in 2018 via a transfer of funding and personnel from FSA, RMA, and NRCS. The FBC also provides administrative support for the CCC.

Accordingly, the 2020 Budget reduces the direct appropriation for FSA, RMA, and NRCS and provides funding directly to the FBC. In addition, FBC would be funded through transfers from ACIF and Farm Bill conservation programs. In 2020, \$282.8 million and 1,879 staff years will be available for the FBC. This includes, \$206.5 million in discretionary funds, \$16.1 million transferred in from ACIF, and \$60.2 million for NRCS conservation programs.

Table FPAC-17. FPAC Business Center Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
FPAC Business Center	\$1	\$1	\$207
Sub-Total, Discretionary Programs	1	1	207
FSA - Agriculture Credit Insurance Fund Transfer.....	-	-	16
Total, Discretionary Programs	1	1	223
Mandatory:			
NRCS - Agricultural Conservation Easement Program	-	-	8
NRCS - Conservation Stewardship Program	-	-	21
NRCS - Environmental Quality Incentives Program	-	-	31
Total, Mandatory Programs	-	-	60
Total, FBC	1	1	283

TRADE AND FOREIGN AGRICULTURAL AFFAIRS

MISSION

Agricultural trade is essential for the vitality of the U.S. agricultural sector and the economy as a whole. Over 20 percent of U.S. agricultural production is exported, and these exports make a critical contribution to the prosperity of local and regional economies across rural America through increased sales and higher commodity prices. Every \$1 billion worth of agricultural exports supports an estimated 8,400 jobs and \$1.30 billion in economic activity. In FY 2018, U.S. farm and food exports reached \$143.4 billion, the second highest total on record. U.S. agricultural exports have continued to outpace U.S. agricultural imports since 1960, generating a surplus in U.S. agricultural trade. Agricultural exports in 2019 are expected to reach \$141.5 billion.

The Trade and Foreign Agricultural Affairs mission area (TFAA), established by the Secretary in May 2017, works to reduce trade barriers that impede or disadvantage U.S. agricultural exports and to open new markets for U.S. farm products. The mission area includes the activities of the Foreign Agricultural Service (FAS) and the U.S. Codex Alimentarius Office, an interagency partnership that engages stakeholders in the development of international governmental and non-governmental food standards.

Recent U.S. successes in international trade include assisting in the successful negotiation of the U.S.-Mexico-Canada Agreement (USMCA), which strengthens the United States trade relationship with its North American neighbors, and new or expanded market access for numerous farm products, including dairy and poultry to Canada under the USMCA, as well as lamb and goat meat to Japan, beef and pork to Argentina, poultry to India and Namibia, lamb to El Salvador, beef and poultry to Morocco, eggs to South Africa, and dairy to Turkey.

FOREIGN AGRICULTURAL SERVICE

FAS administers a variety of programs that are designed to facilitate access to international markets and thereby support a competitive U.S. agricultural system. FAS also carries out activities that promote productive agricultural systems in developing countries and contribute to increased trade and enhanced global food security. Working bilaterally and with international organizations, FAS encourages the development of transparent and science-based regulatory systems that allow for the safe development and use of agricultural goods derived from new technologies. FAS works with other USDA agencies, the Office of the United States Trade Representative, and others in the Federal government to monitor and negotiate new trade agreements and enforce existing trade agreements. The United States has free trade agreements (FTA) with 20 countries around the world that expand export opportunities for U.S. food and agricultural producers.

Table TFAA-1. FAS Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
FAS Salaries and Expenses:			
Salaries and Expenses (Direct Appropriation).....	\$200	\$200	\$193
Transfer from CCC Export Credit Program Account	6	6	6
Total, FAS Salaries and Expenses	206	206	199
Foreign Food Assistance:			
McGovern-Dole International Food for Education Program ^a ..	208	208	-
P.L. 480 Title II Donations	1,716	1,716	-
P.L. 480 Title I Program Account: Transfer to FSA S&E	0	0	0
Total, Discretionary Programs	2,130	2,130	199
Mandatory:			
Quality Samples Program.....	2	3	3
Foreign Food Assistance:			
Food for Progress - CCC Funded	155	166	166
Bill Emerson Humanitarian Trust ^b	-	-	-
Farm Bill Market Development Programs:			
Market Access Program.....	187	200	200
Emerging Markets Program.....	9	8	8
Foreign Market Development (Cooperator) Program.....	32	35	35
Technical Assistance for Specialty Crops Program.....	8	9	9
Priority Trade Fund.....	-	4	4
Pima Agriculture Cotton Trust Funds.....	15	16	16
Agricultural Wool Trust Fund	28	30	30
Total, Farm Bill Market Development Programs.....	280	301	302
Total, Mandatory Programs	437	470	470
Total, Current Law	2,567	2,599	669
Proposed Legislation ^c	-	-	-166
Total, FAS.....	2,567	2,599	503

^a In 2018, \$10 million can be used for local and regional procurement.

^b Assets of the Trust can be released any time the Administrator of the U.S. Agency for International Development determines that P.L. 480 Title II funding for emergency needs is inadequate to meet those needs in any fiscal year.

^c The Budget includes proposals for changes to certain programs above.

CCC Export Credit Guarantee Programs (GSM-102)

Table TFAA-2. FAS CCC Export Credit Programs Program Level (PL) and Budget Authority (BA) (millions of dollars)

Item	2018 PL	BA	2019 PL	BA	2020 PL	BA
GSM-102 Guarantees.....	\$1,582	-	\$5,000	-	\$5,000	-
Facilities Financing Guarantees	-	-	500	-	500	-
Total, CCC Export Credit	1,582	-	5,500	-	5,500	-

The CCC export credit guarantee programs, administered by FAS in conjunction with FSA, provide payment guarantees for the commercial financing of U.S. agricultural exports. These

programs facilitate exports to buyers in countries where credit is necessary to maintain or increase U.S. sales.

The Budget includes an overall program level of \$5.5 billion for CCC export credit guarantees in 2020. This estimate reflects the level of sales expected to be registered under the export credit guarantee programs. However, the actual level of programming could vary from this estimate, depending upon program demand, market conditions, and other relevant factors during the course of the year. Of the total program level for export credit guarantees expected to be issued by CCC in 2020, \$5 billion will be made available under the GSM-102 program, which provides guarantees on commercial export credit extended with short-term repayment terms (18 months).

The Budget also includes an estimated program level of \$500 million for facility financing guarantees. Under this activity, CCC provides guarantees to facilitate the financing of goods and services exported from the United States to improve or establish agriculture-related facilities in emerging markets. By supporting such facilities, these guarantees enhance sales of U.S. agricultural products to countries where demand is constricted due to inadequate storage, processing, or handling capabilities.

Quality Samples Program (QSP)

Under QSP, CCC provides funding to assist private entities to furnish samples of U.S. agricultural products to foreign importers in order to overcome trade and marketing obstacles. The program, which is carried out under the authority of the CCC Charter Act, provides foreign importers with a better understanding and appreciation of the characteristics of U.S. agricultural products.

Agricultural Trade Promotion and Facilitation Programs

FAS administers several programs, in partnership with private sector cooperator organizations or State agencies, which support the development, maintenance, and expansion of commercial export markets for U.S. agricultural commodities and products. In 2018, more than 900 U.S. companies and organizations participated in 19 USDA endorsed trade shows in 12 countries, drawing buyers from all over the world. On-site sales totaled an estimated \$300 million and 12-month projected sales reported by exhibitors were estimated at over \$2 billion.

Market Access Program (MAP)

Under MAP, CCC funds are used to reimburse participating organizations for a portion of the cost of carrying out overseas marketing and promotional activities, such as consumer promotions. MAP participants include nonprofit agricultural trade organizations, State-regional trade groups, cooperatives, and private companies that qualify as small businesses. MAP has a brand promotion component that provides export promotion funding to small companies and thereby helps expand the number of small and medium-sized entities that export. The 2018 Farm Bill provides not less than \$200 million per year for this program.

Emerging Markets Program (EMP)

EMP authorizes CCC funding to be made available to carry out technical assistance activities that promote the export of U.S. agricultural products and address technical barriers to trade in emerging markets. Many types of technical assistance activities are eligible for funding, including feasibility studies, market research, industry sector assessments, specialized training, and business workshops. The 2018 Farm Bill provides not more than \$8 million per year for this program.

Foreign Market Development (Cooperator) Program

This program provides cost-share assistance to nonprofit commodity and agricultural trade associations to support overseas market development activities that are designed to remove long-term impediments to increased U.S. trade. These activities include technical assistance, trade servicing, and market research. Unlike MAP, Cooperator Program activities are carried out on a generic commodity basis and do not include brand-name or consumer promotions. The 2018 Farm Bill provides not less than \$34.5 million per year for this program.

Technical Assistance for Specialty Crops (TASC) Program

TASC is designed to address unique barriers that prohibit or threaten the export of U.S. specialty crops. Under the program, grants are provided to assist U.S. organizations in activities designed to overcome sanitary, phytosanitary, or technical barriers to trade. The 2018 Farm Bill provides \$9 million per year for this program.

Priority Trade Fund

When the amounts requested under applications for the Agricultural Trade Promotion and Facilitation Programs exceed available funding for one or more of those programs, the 2018 Farm Bill provides an additional \$3.5 million through the Priority Trade Fund to access, develop, maintain, and expand markets for United States agricultural commodities via these programs.

Foreign Food Assistance

USDA supports global food security through in-country capacity building, basic and applied research, improved market information, statistics and analysis, as well as food assistance. FAS contributes to these efforts by carrying out a variety of food aid programs that support economic growth and development in recipient countries.

McGovern-Dole International Food for Education and Child Nutrition Program

The program provides for the donation of U.S. agricultural commodities and associated financial and technical assistance to carry out preschool and school feeding programs in foreign countries. Maternal, infant, and child nutrition programs also are authorized under the program. The Budget proposes to eliminate the program. In-kind food aid is associated with high transportation and other costs and is inefficient compared to other types of development assistance. In addition, the McGovern-Dole program has unaddressed oversight and performance monitoring challenges.

International Food Aid

Assistance provided under the authority of P.L. 480 is a primary means by which the United States provides foreign food assistance. Title I provides for sales of U.S. agricultural commodities to governments and private entities of developing countries through concessional financing agreements, however, new Title I agreements are no longer utilized. P.L. 480 Title II provides emergency and development food assistance in foreign countries.

P.L. 480 Title II

P.L. 480 Title II grants fund emergency and development food aid programs authorized under Title II of the Food for Peace Act (P.L. 83-480). Funding for Title II is appropriated to the USDA and is administered by the U.S. Agency for International Development (USAID). There is no request for P.L. 480 Title II. To replace the inefficient food aid provided through Title II, the 2020 request includes funding for emergency food needs within the new, more efficient International Humanitarian Assistance (IHA) account.

Food for Progress

The Food for Progress Act of 1985 authorizes U.S. agricultural commodities to be provided to developing countries and emerging democracies that have made commitments to introduce and expand free enterprise in their agricultural economies. Food for Progress agreements can be entered into with foreign governments, private organizations, nonprofit agricultural organizations, cooperatives, or intergovernmental organizations. Agreements currently provide for the commodities to be supplied on grant terms. The Food for Progress authorizing statute provides for the use of CCC funding for commodity procurement, transportation, and associated non-commodity costs for the program.

Bill Emerson Humanitarian Trust

The Bill Emerson Humanitarian Trust (the Trust) is a commodity and/or monetary reserve designed to ensure that the United States can meet its international food assistance commitments under P.L. 480 Title II. The Trust's assets can be released any time the Administrator of the United States Agency for International Development (USAID) determines that P.L. 480 Title II funding for emergency needs is inadequate to meet those needs in any fiscal year. When a release from the Trust is authorized, the Trust's assets (whether commodities or funds) cover all commodity costs associated with the release. All non-commodity costs, including ocean freight charges; internal transportation, storage, and handling overseas; and certain administrative costs are paid for by CCC.

No assistance has been provided using the Trust's authority in 2018 or to date in 2019. As of December 31, 2018, the Trust held \$282 million of cash and no commodities.

Trust Funds

The 2018 Farm Bill authorized two trust funds for payments to reduce injury to domestic manufacturers resulting from U.S. tariffs on inputs to their manufacturing processes. These include the Agricultural Wool Apparel Manufacturers Trust Fund, which provides CCC funding for up to \$30 million for reducing injury to domestic manufacturers resulting from tariffs on wool fabric that are higher than tariffs on certain apparel articles made of wool fabric, and the Pima Agriculture Cotton Trust Fund, which provides CCC funding of up to \$16 million for reducing injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric. Payments are made to manufacturers that submit an affidavit certifying that U.S. tariffs caused them injury.

Salaries and Expenses

FAS headquarters staff and attaches covering more than 170 countries partner with other U.S. government agencies, trade associations, as well as regional and international organizations in a coordinated effort to negotiate trade agreements; establish transparent, science-based standards; and resolve trade barriers.

Table TFAA-3. FAS Salaries and Expenses (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Trade Policy	\$54	\$68	\$68
Trade Supporting Initiatives	68	65	61
Market Analysis & Advice	47	42	42
Efficient Operations	31	25	23
Total, Appropriated Programs	200	200	193
Reimbursable Program Activities:			
FAS Computer Facility and Other IRM Costs Funded by CCC	22	23	23
USAID and Dept. of State Assistance and Reconstruction and Stabilization	34	35	35
Other Reimbursable Agreements	58	35	25
Total, Reimbursable Program Activities	114	93	83
Total, FAS Salaries and Expenses	314	293	276

Unnecessarily restrictive regulations to address risks to human, animal, and plant health (SPS) are major barriers to the expansion of global agricultural trade. The proliferation of labeling, registration, certification, and quality standards requirements for routinely consumed food products can also result in unnecessary technical barriers to trade (TBT). Working in concert with other U.S. trade and regulatory agencies and in frequent communication with private sector stakeholders, FAS works to improve market access for U.S. agricultural products and reduce the harm to the industry resulting from unnecessarily restrictive regulations by monitoring and enforcing international rules, strengthening the global regulatory framework, and encouraging the adoption of international standards.

FAS promotes science-based standards and supports trade in U.S. agricultural products produced with new technologies by monitoring worldwide developments in technologies, including their adoption and regulation by trading partners, and promoting the use of new technologies in support of food security and sustainable agriculture. A proactive stance is critical, because the development of divergent regulatory systems for new technologies could bring a virtual halt to trade in some commodities with a potential trade impact reaching billions of dollars.

Table TFAA-4. KPM – Export Support (billions of dollars)

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Value of agricultural exports resulting from participation in foreign agricultural trade shows and trade missions	\$2.13	\$1.75	\$2.13
Value of trade preserved through resolution of foreign market access issues such as U.S. export detainment, restrictive SPS and TBT issues, and trade regulations	12.8	5.5	6-8

In 2020, FAS will conduct its activities and programs through offices in Washington, D.C. and at 93 overseas locations. The overseas offices represent and advocate for U.S. agricultural interests; provide reporting on agricultural policies, production, and trade for more than 170 countries; assist U.S. exporters, trade groups, and State export marketing officials in their trade promotion efforts; and help to implement technical assistance and trade capacity building programs that contribute to

increased food security. The Budget provides an appropriated funding level of \$193 million for FAS activities. The Budget supports an increase of \$4 million for overseas costs, including International Cooperative Administrative Support Services, Capital Security Cost-Sharing, and Locally Employed Staff. Reductions include \$8 million in Headquarters administrative costs and the elimination of the \$3 million Scientific Cooperation Exchange Program with China.

In addition, the Budget assumes an estimated \$83 million in funding to be made available to FAS through reimbursable agreements. This includes funding for technical assistance, training, and research activities that FAS carries out overseas on behalf of USAID, foreign governments, and international organizations, and development assistance activities that are funded by USAID and the Department of State. Although funded by other agencies, these activities are an important component of the Department's efforts to support economic development and enhance food security in developing countries.

Proposed Legislation

The Budget proposes legislative changes to the programs administered by FAS, including terminating the Food for Progress Program. See Appendix for details.

RURAL DEVELOPMENT

MISSION

Rural Development (RD) provides financial and technical assistance to rural communities, residents, businesses, and private and public entities for a broad range of purposes that bring prosperity and better living to rural America. These programs are grouped within three agencies: (1) the Rural Business-Cooperative Service (RBS) provides assistance for the development of business and industry, including small businesses, and renewable energy and energy improvement projects; (2) the Rural Utilities Service (RUS) provides assistance for water and waste disposal, rural electric and telecommunications, including broadband access; and (3) the Rural Housing Service (RHS) provides assistance for home ownership, multi-family housing, and essential community facilities such as healthcare and public safety infrastructure.

USDA assistance through these programs will increase availability of high-speed e-connectivity, strengthen community infrastructure, advance education opportunities, modernize healthcare, strengthen utility infrastructure, support workforce training and veterans' employment to enhance quality of life in the rural communities. RD programs will also expand stakeholder participation and involvement of local, tribal and state governments in the contribution to rural prosperity.

The type of assistance offered includes direct and guaranteed loans, grants, and other payments. Several programs require or encourage recipients to contribute their own resources or obtain third-party financing to support the total cost of projects, thereby leveraging government support with private sector financing.

Direct and guaranteed loans subsidy costs depend on a number of factors, including default rates, the prevailing interest rates, whether the interest rate is subsidized by the government, and whether there are fees. The loan programs all have administrative costs as well. In the tables, the budget authority for each program reflects the subsidy cost to the government to support the loan level. Several of the loan programs operate at a very low or negative subsidy rate. These less costly loan programs provide the bulk of the financial assistance in RD's loan portfolio.

Table RD-1. KPM – Leveraging and Distressed Communities

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Percent of targeted RD investments that leverage private sector funding	N/A	78	79
Percent of RD assistance that went to distressed communities	N/A	12	13

NOTE: These are new measures for which results will be reported beginning in fiscal year 2019

RURAL UTILITIES SERVICE

In many areas of rural America, families and communities lack access to the modern utility infrastructure, such as reliable electric power, high-speed broadband, and clean drinking water that is often taken for granted in more urban and suburban areas. RUS focuses on a number of efforts, including expansion of broadband access and seeking commercial investment, to modernize utility infrastructure projects through increased public-private partnership activities.

Table RD-2. RUS Program Level (PL) and Budget Authority (BA) (millions of dollars)

Item	2018 PL	BA	2019 PL	BA	2020 PL	BA
Discretionary:						
Electric Programs:						
Direct Loans.....	\$5,500	-	\$5,500	-	\$5,500	-
Direct Loans, modifications ^a	-	\$5	-	\$5	-	-
Rural Energy Saving Program	60	8	60	8	-	-
Guaranteed Loans	750	-	750	-	-	-
Telecommunications Programs:						
Treasury Loans	345	1	180	1	176	\$2
Direct FFB	345	-	510	-	514	-
Distance Learning and Telemedicine Grants	32	32	32	32	44	44
Broadband Programs:						
Direct Loans.....	30	5	26	5	-	-
Direct Loans/Grants Combination.....	-	600	-	600	-	200
Grants.....	30	30	30	30	30	30
High Energy Costs Grants.....	10	10	10	10	-	-
Water and Waste Disposal Programs:						
Direct Loans.....	1,200	2	4,141	2	1,200	55
Guaranteed Loans	50	0	50	0	-	-
Grants.....	1,048	1,048	1,048	1,048	473	473
Subtotal, Water and Waste ^b	2,298	1,050	5,239	1,050	1,673	528
Subtotal, RUS Programs.....	9,400	1,741	12,337	1,741	7,936	803
Salaries and Expenses.....	33	33	33	33	56	56
Total, RUS	9,433	1,774	12,370	1,774	7,993	859

^a Modifications loan level is up to \$600 million which are within the \$5.5 billion program level.

^b The total does not reflect \$100 million in Water and Waste unobligated balances proposed to be cancelled in 2020.

Electric and Telecommunications Programs

The Electric and Telecommunications programs administered by RUS provide loans to establish, expand, and modernize vital components of the infrastructure of rural America. RUS programs leverage private sector investments as well as fill credit gaps that still exist for some rural areas and borrowers.

Electric Loan Program

The Budget requests \$5.5 billion for electric loans to construct, acquire, and improve electric infrastructure including renewable energy, electric transmission, distribution, smart grid technology, energy efficiency, grid resiliency, and security enhancements.

The electric program key performance measure identifies the number of borrowers/subscribers receiving new and/or improved electric service. The Budget supports broader scale energy development activities, such as smart grid, renewable energy generation, energy conservation and energy efficiency programs.

Telecommunication Loan Program

The Budget supports \$690 million in telecommunications loans, of which \$176 million is for direct Treasury Rate loans and \$514 million is for guaranteed loans through the Federal Financing Bank (FFB). The Budget requests this split because FFB loans can be used to refinance private sector

debt as well as finance new indebtedness. Both types of telecommunication loans are used for the improvement and construction of telecommunication facilities that expand broadband and e-connectivity to the communities with populations of up to 5,000.

Broadband, Distance Learning and Telemedicine Programs

The Budget includes \$200 million in budget authority to continue the Broadband Pilot Program that provides loans, grants and a loan/grant combination. In addition, the Budget includes \$30 million for broadband grants to support new or improved broadband access across rural America in the communities with populations of up to 20,000. These programs provide capital access for strengthening e-Connectivity that broadens economic opportunities and job creation in rural America. Improved connectivity means rural communities can offer robust business services, expand access to modern healthcare, and improve education.

The Budget also includes \$44 million for Distance Learning and Telemedicine (DLT) grants. This program is designed specifically to assist rural communities that would otherwise be without access to learning and medical services over the Internet. Within the requested amount, \$20 million would focus on assisting in fighting the opioid epidemic in rural America.

The key performance measure displays information for the traditional telecommunications broadband and DLT programs.

Table RD-3. KPM – Improving Telecommunication Services

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Borrowers/subscribers benefiting (thousands)	45	139	119

Water and Waste Disposal Program

The Water and Waste Disposal Program has provided financing for rural communities to establish, expand or modernize water treatment and waste disposal facilities. These facilities provide safe drinking water and sanitary waste disposal for residential users, and help communities thrive by attracting new business. Projects are designed to improve the energy efficiency of the water and waste facilities and to improve water conservation efforts.

The Budget requests \$1.2 billion in Direct loans for water and waste disposal facilities to provide safe and sanitary water services. The Budget also requests \$473 million in budget authority for grants, providing a total water and waste disposal program level of \$1.7 billion.

The Budget also proposes to raise the population limit for the Direct loans from 10,000 to 20,000 to allow more rural communities be eligible for the Water and Waste Disposal loans.

Financing is available only to those communities with low median household income levels. Priority is given to public entities serving areas with populations less than 5,500 and applying for loans to restore a deteriorating water system or to improve, enlarge or modify an inadequate waste facility.

RURAL HOUSING SERVICE**Table RD-4. RHS Program Level (PL) and Budget Authority (BA) (millions of dollars)**

Item	2018 PL	BA	2019 PL	BA	2020 PL	BA
Discretionary:						
Single Family Housing (Sec. 502):						
Direct Loans.....	\$1,100	\$42	\$626	\$42	-	-
Guaranteed Loans	24,000	-	24,000	-	\$24,000	-
Multi Family Housing:						
Direct Loans (Sec. 515)	40	11	40	11	-	-
Guaranteed Loans (Sec. 538).....	230	-	230	-	250	-
Very Low-Income Repair (Sec. 504):						
Direct Loans.....	28	3	28	3	-	-
Grants.....	30	30	30	30	-	-
Farm Labor Housing Grants (Sec. 516)	8	8	8	8	-	-
Farm Labor Housing Loans (Sec. 514)	24	6	24	6	-	-
All Other Direct Loans	20	0	16	0	10	-
Grants and Payments:						
Rental Assistance/Vouchers (Sec. 521) ^a .	1,345	1,345	1,345	1,345	1,407	\$1,407
Mutual and Self-Help (Sec. 523)	30	30	30	30	-	-
Multi-Family Housing Revitalization	41	22	30	22	-	-
Multi-Family Housing Revitalization, Pilot Project	1	1	1	1	-	-
Multi-Family Housing Voucher Program	25	25	25	25	-	-
Rural Housing Preservation	10	10	10	10	-	-
Community Facilities Programs:						
Direct Loans ^b	2,800	-	2,800	-	2,500	-
Guaranteed Loans	148	5	148	5	500	-
Grants.....	44	44	44	44	60	60
Subtotal, RHS Programs.....	29,924	1,583	29,435	1,583	28,727	1,467
Salaries and Expenses.....	412	412	412	412	392	392
Total, RHS	30,336	1,996	29,847	1,995	29,119	1,859

^a Includes \$32 million for voucher program^b The total does not reflect \$4.2 million in Community Facilities Direct and Guaranteed subsidy unobligated balances and \$40 million in Rental Assistance carryover balances proposed to be cancelled in 2020.**Single Family Loan Program**

The Single Family Housing programs support homeownership opportunities to low-income families in rural areas. Guaranteed loans are limited to families with incomes less than 115 percent of area median income. The interest rate on guaranteed loans is negotiated between the borrower and the private lender. Both direct and guaranteed loans are means-tested.

The Budget proposes to eliminate the Single Family Housing direct loan program to focus on creating homeownership opportunities through the guaranteed program. The Budget provides a \$24 billion loan level for the Guaranteed Single Family Housing program. This level is expected to provide approximately 160,000 homeownership opportunities. The Budget also includes \$10 million in program level for single family housing credit sales of acquired property.

Multi-Family Housing Programs

The Multi-Family Housing program (direct and guaranteed portfolio) provides financing for rental housing projects and rental assistance payments for the low-income tenants of those projects. The portfolio currently includes about 14,500 projects which provide 453,000 total housing units. Approximately 651,000 limited-income individuals, many of whom are elderly, with an average annual income of about \$11,176 reside in approximately 426,600 direct portfolio units.

The Budget requests \$1.407 billion for rental assistance and voucher payments to fully fund all contract renewals, ensuring that the residents living in USDA-financed multi-family housing properties can continue to benefit from these grants and vouchers. Of this total, \$1.375 billion is for contracts renewals that provide rental assistance payments. Most Section 515 projects that are financed with direct loans receive rental assistance payments. These payments are made to the project sponsors and are used to reduce the rents of occupants to no more than 30 percent of the family income. For those tenants living in projects leaving the Section 515 program, the Budget also includes \$32 million for the Multi-Family Housing Voucher program. The Budget proposes to eliminate the Multi-Family Housing Preservation and Revitalization program and the Voucher program will be consolidated with the Rental Assistance program account. The Budget also proposes to rescind \$40 million of carryover balances from the Rental Assistance program.

The Budget continues the 2019 proposal requiring tenants utilizing rental assistance to contribute a minimum rent of \$50 per month, unless the tenant qualifies for a hardship exemption as determined by the Secretary. USDA's hardship exemptions will be in line with the Department of Housing and Urban Development's hardship exemptions.

Section 538 Guaranteed Loans for multi-family housing would be funded at \$250 million, which will be the focus of new construction in 2020. The Budget proposes to eliminate the Multi-Family Housing Direct loan program and the farm labor housing program.

Community Facilities Loan Program

Community Facilities loans provide funding for a wide range of essential community facilities to rural communities with populations of 20,000 or less, with priority given to healthcare, public safety, and education facilities.

The Budget provides \$2.5 billion in program level funding for Community Facilities direct loans and \$500 million in program level funding for Community Facilities guaranteed loans. For the Guaranteed loan program, the Budget proposes to increase the one-time upfront fee from 1 percent to 1.5 percent and implement a new minimal annual fee of 0.5 percent to maintain the vital expertise and investment from the private sector.

The Budget requests \$50 million for Community Facilities grants, which will be targeted towards underserved communities and efforts to address the opioids crisis. Finally, \$10 million is provided for Tribal College grants to improve education and career-building opportunities, specifically for STEM (science, technology, engineering, and math) programs, and to expand approaches to address substance misuse disorder for American Indian and Alaska Native communities.

Table RD-5 shows the percent of the approximately 46 million rural residents who are provided with improved essential healthcare community services.

Table RD-5. KPM – Percentage of Rural Population Provided Access to Community Facilities

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Healthcare Facilities	9.4	6.8	6.8

NOTE: Some facility types serve more than one purpose.

RURAL BUSINESS-COOPERATIVE SERVICE**Table RD-6. RBS Program Level (PL) and Budget Authority (BA) (millions of dollars)**

Item	2018 PL	BA	2019 PL	BA	2020 PL	BA
Discretionary:						
Business and Industry Guar. Loans	\$920	\$37	\$920	\$37	\$1,000	\$21
Rural Business Development Grants	34	34	34	34	-	-
Delta Regional Authority Grants	3	3	3	3	-	-
Appalachia Regional Authority Grants	3	3	3	3	-	-
Intermediary Relending Program	19	4	19	4	-	-
Healthy Food Financing Initiative	1	1	1	1	-	-
Rural Economic Development: ^a						
Direct Loans	45	-	44	-	-	-
Grants	10	-	10	-	-	-
Rural Cooperative Development Grants	6	6	6	6	-	-
Small, Socially Disad. Producer Grants	3	3	3	3	-	-
Appropriate Tech. Transfer to Rural Areas...	3	3	3	3	-	-
Value-Added Producer Grants	16	16	16	16	-	-
Rural Energy for America Guar. Loans	8	0	7	0	-	-
Subtotal, RBS Programs	1,070	110	1,067	110	1,000	21
Salaries and Expenses	4	4	4	4	7	7
Total, Discretionary Programs	1,074	114	1,072	114	1,007	28
Mandatory:						
Farm Bill:						
Rural Microentrepreneur Assistance:						
Direct Loans	6	1	-	-	-	-
Grants	2	2	-	-	-	-
Biorefinery Assistance Guar. Loans	-	-	-	50	-	25
Biorefinery for Advanced Biofuels	14	14	7	7	7	7
Rural Energy for America Loans	301	14	330	15	332	12
Rural Energy for America Grants	33	33	32	32	38	38
Local Agriculture Market Program	-	-	19	19	19	19
Biobased Market Program	-	-	3	3	3	3
Total, Mandatory Programs	356	64	391	126	399	104
Total, Current Law	1,430	178	1,463	240	1,406	132
Proposed Legislation ^b	-	-	-	-	-370	-50
Total, RBS	1,430	178	1,463	240	1,036	82

^a Funding for these programs is provided from earnings from electric cooperative investments and fees.

^b The Budget includes proposals for changes to certain programs above.

Business and Industry Guaranteed Loan Program

The Business and Industry (B&I) Guaranteed Loan Program provides protection against loan losses so that lenders are willing to extend credit to establish, expand, or modernize rural businesses. The B&I program promotes the creation of rural businesses to secure start-up capital, finance business expansion, and create jobs, which helps to diversify the rural economy and support such sectors as local and regional food and the bioenergy/bio-economy. The Budget supports a program level of \$1 billion in B&I loan guarantees – an increase of \$80 million. The total level of B&I funding is expected to assist 433 businesses and create or save about 11,000 jobs.

The Budget proposes to eliminate all other discretionary RBS programs.

Proposed Legislation

The Budget proposes to eliminate the statutory authority of Rural Energy for America program and rescind the mandatory funds provided in the 2018 Farm Bill.

RURAL DEVELOPMENT SALARIES AND EXPENSES

In USDA's efforts to enhance customer services with streamlined processes, RD is making strides to reduce any redundancies and inefficiencies. Supporting these objectives, the Budget proposes a staff level of 3,776 employees, a reduction of 613 staff years from the 2019 estimate. This reflects the level needed to carry out the programs funded in the budget request. The Budget provides \$647 million for salaries and expenses, that will enable RD to modernize its workforce by building capacity with an emphasis on customer service. The Budget will improve IT capabilities to both support a mobile workforce and improve customer interactions with RD. The 2020 Budget includes set asides for specific IT investments: retiring the Program Loan Accounting System (PLAS) (\$5 M) and the Automated Multi-family Accounting System (AMAS) (\$3 M), RD Apply (\$5 M), and system upgrades to implement direct endorsement by lenders of the single family loan guarantee program (\$3 M), for which USDA has had authority for since 2016. These IT investments are critical to moving RD into the 21st century for loan program accounting and customer service. Setting aside the funding for these purposes is being done to ensure that progress is made on these specific systems, which have been delayed in recent years.

Table RD-7. RD Salaries and Expenses (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Salaries and Expenses:			
Appropriation	\$231	\$231	\$192
Transfers:			
Rural Water and Waste Program.....	-	-	18
Rural Electric and Telecommunications Loan Program.....	33	33	38
Rural Housing Insurance Fund Program	412	412	244
Rural Community Facilities Loan Program	-	-	148
Rural Development Loan Fund Program	4	4	-
Total, Transfers.....	450	450	455
Total, Salaries and Expenses.....	681	681	647

FOOD, NUTRITION, AND CONSUMER SERVICES

MISSION

The programs and funding of Food, Nutrition, and Consumer Services (FNCS) provide access to safe, nutritious, and wholesome meals, while promoting a healthy diet.

Within FNCS, the Food and Nutrition Service (FNS) administers USDA's domestic nutrition assistance programs. Working in partnership with State agencies and other cooperating organizations, FNS helps ensure children and low-income Americans have sufficient food to support nutritious diets. Also within FNCS, the Center for Nutrition and Policy Promotion (CNPP) improves the health of Americans by developing and promoting dietary guidance that links the best evidence-based, scientific research to the nutrition needs of Americans. Over the course of a year, one in four Americans is served by one of USDA's 15 nutrition assistance programs. FNCS is committed to continually improving the performance, efficiency, and integrity of these programs.

Federal staff leverage their efforts by working with State and local partners to deliver nutrition assistance through the Supplemental Nutrition Assistance Program (SNAP); Child Nutrition Programs, including the National School Lunch Program (NSLP), the School Breakfast Program (SBP), the Summer Food Service Program (SFSP), and the Child and Adult Care Food Program (CACFP); the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); The Emergency Food Assistance Program (TEFAP); the Food Distribution Program on Indian Reservations (FDPIR); and several similar programs targeted to specific needs.

In the past year FNS reduced administrative burden and restored flexibility in the school meal programs by publishing a regulation that allows schools to offer nutritious, wholesome, and appealing meals that meet the needs of their students. Further, in the wake of many significant natural disasters, FNS provided thousands of pounds of USDA Foods that were distributed through voluntary organizations at feeding sites and shelters and provided Disaster-SNAP benefits and replacement SNAP benefits to eligible low-income, disaster-affected households. Finally, FNS took steps to support SNAP participants in transitioning to self-sufficiency by maintaining employment and training programs and initiatives that help SNAP participants find stable employment and by proposing a regulation that reduces waivers available to able-bodied adults without dependents who are not in compliance with SNAP work requirements. In FY 2019 CNPP, in partnership with the Department of Health and Human Services (HHS) established a charter for the 2020 Dietary Guidelines for Americans, put out a call for nominations, and selected 20 nationally recognized experts to serve on the Committee. In 2020, the Committee will complete its scientific review of the evidence on nutrition and health topics and provide a report of their findings to the Secretaries of USDA and HHS. To increase transparency in the process of developing the Dietary Guidelines, USDA plans to launch a new consumer-friendly website to keep the public abreast of the work of the Committee.

Table FNCS-1. KPM -Food Insecurity

Key Performance Measure	Baseline	2019 Target	2020 Target
Percent of American Households with Consistent, Dependable Access to Food	88.2	87.9	88.0

NOTE: Baseline is FY 2017, the most recent year for which data are available

FOOD AND NUTRITION SERVICE

The Budget provides funding for the major nutrition assistance programs, accounting for projected program participation and food cost inflation. It seeks to prevent and reduce food insecurity and improve the nutritional status of recipients.

To support FNS's work to identify and eliminate fraud, waste, and abuse, the Budget provides resources for program integrity efforts in all of the major programs, including SNAP, WIC, and the Child Nutrition Programs.

FNS will continue efforts to promote healthy eating in part by the use and promotion of MyPlate and the Dietary Guidelines for Americans. CNPP works in collaboration with the Department of Health and Human Services to develop the Dietary Guidelines for Americans to promote health and prevent chronic disease.

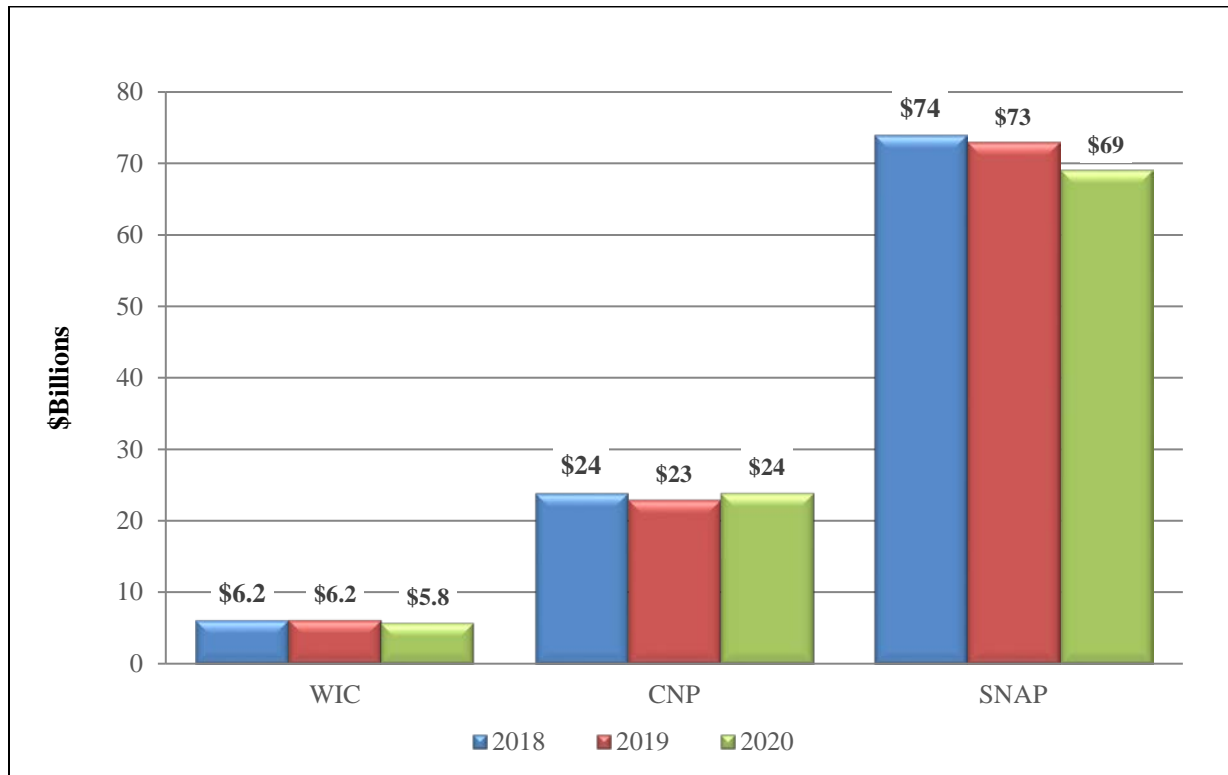
Table FNCS-2. FNS Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Special Supplemental Nutrition Program (WIC) ^a	\$6,175	\$6,175	\$5,750
Commodity Assistance Program:			
Commodity Supplemental Food Program	238	238	-
The Emergency Food Assistance Program (TEFAP), Soup Kitchens, Food Banks.....	64	64	54
Farmers' Market Nutrition Program.....	19	19	-
Pacific Island Assistance and Disaster Assistance.....	1	1	1
Nutrition Services Incentive Program ^b	3	2	-
Total, Commodity Assistance Program	325	324	55
Nutrition Programs Administration.....	154	154	152
Total, Discretionary Programs	6,654	6,653	5,957
Mandatory:			
WIC: Universal Product Database	1	1	1
Supplemental Nutrition Assistance Program (SNAP).....	74,013	73,420	69,070
Child Nutrition Programs (CNP).....	24,254	23,139	23,943
Permanent Appropriations.....	316	195	199
Farm Bill:			
Seniors Farmers' Market Nutrition Program.....	21	21	21
Total, Mandatory Programs	98,605	96,776	93,234
Total, Current Law	105,259	103,429	99,191
Proposed Legislation ^c	-	-	-17,420
Total, FNS.....	105,259	103,429	81,771

^a Does not reflect cancelled unobligated balances.

^b Funds are transferred from the Department of Health and Human Services, Administration on Aging. Funds for 2020 will be determined at a later date.

^c The 2020 Budget includes proposals for changes to certain programs above.

Figure FNCS-1. FNS Budget Authority

Supplemental Nutrition Assistance Program (SNAP)

SNAP will continue to respond to economic need. In 2020, participation is estimated to fall to an average level of 37.75 million participants per month from 40.8 million in 2019. The participation rate among eligible SNAP recipients was 83 percent in 2015, unchanged from 2014. FNS will work to provide better customer service to participants by providing States flexibility to test new ways to administer programs.

SNAP Employment & Training (E&T) is a State administered program designed to help participants move toward self-sufficiency. States have flexibility in designing E&T programs that meet the needs of their participants and local economy. In an effort to promote self-sufficiency, the Agriculture Improvement Act of 2018 supports E&T activities that engage able-bodied adults in education and skills-based training and encourages State and local innovations in training, case management, and program design that promotes self-sufficiency and achieves long-term stability in employment.

Table FNCS-3. KPM – SNAP E&T Participation

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Percentage of SNAP Employment & Training participants engaged in education and skills-based training (new methodology)	N/A	35	40

FDPIR provides food packages to Indian Tribal Organizations to improve nutrition and provide culturally appropriate sustenance. The Budget requests \$130 million in FY 2020 to fund FDPIR food and administrative costs, down from \$153 million in 2019. The decrease in funding is due to

reduced inventory purchases. The program is projected to serve 90,000 participants a month in 2020, no change from 2019.

Child Nutrition Programs

Through subsidies for meals that meet program standards, the National School Lunch Program, School Breakfast Program, Summer Food Service Program, Child and Adult Care Food Program, Fresh Fruit and Vegetable Program, and Special Milk Program assist State and local governments and private non-profit organizations in ensuring that children in schools and child care – and adults in adult day care programs – receive meals that meet their nutritional needs, foster healthy eating habits, reduce the number of overweight and obese children, and safeguard their health. The Budget funds the Child Nutrition Programs through new appropriations and prior year balances, at a level that will support anticipated increases in participation and food cost inflation. The Budget projects serving 5.28 billion lunches and snacks (an increase of 54 million, or 1 percent, over the current estimate for 2019) and 2.61 billion breakfasts in schools, 2.08 billion meals in child and adult care centers, and 160.6 million meals through Summer Food Service Program.

Table FNCS-4. KPM - National School Lunch Program (NSLP) Participation

Key Performance Measure	Baseline	2019 Target	2020 Target
Annual percentage of eligible children participating in NSLP	58	59	59
Annual percentage of eligible children participating in School Breakfast Program (new measure)	N/A	30	31

Whereas more than 22 million children receive free or reduced-price meals on school days, about one in eight, or approximately 2.8 million children, receive free meals during summer months when school is not in session. USDA has been working to reduce food insecurity and hunger among school children in the summer. In 2019, 157 million meals were served during summer, including lunches and breakfasts served in the Summer Food Service Program as well as in schools through the Seamless Summer Option.

The Budget funds Farm to School initiatives at \$8.5 million, with \$3.5 million for the Farm to School Team and \$5 million provided annually under Section 18 of the Richard B. Russell National School Lunch Act for Farm to School grants. These grants ensure continued support of local and regional food systems by facilitating linkages between schools and their local food producers.

WIC

WIC helps improve the health and nutritional intake of low-income pregnant, breastfeeding and postpartum women, infants, and children up to their fifth birthday. WIC serves about half of all babies in the United States. It provides participants with benefits, redeemable at certified WIC retailers, for foods dense in nutrients known to be lacking in the diets of eligible groups. The program also provides nutrition education, breastfeeding counseling, and referrals to critical health and social services.

The Budget includes \$5.75 billion for WIC to serve all eligible participants projected to seek WIC benefits. The WIC program has been experiencing lower-than-expected participation rates, due to continued flat or declining birth rates – particularly among mothers under the age of 30, as well as a projected decline in per-person costs. In 2020, an average of 6.6 million low-income women, infants and children are expected to participate in the program each month.

Commodity Assistance Program (CAP)

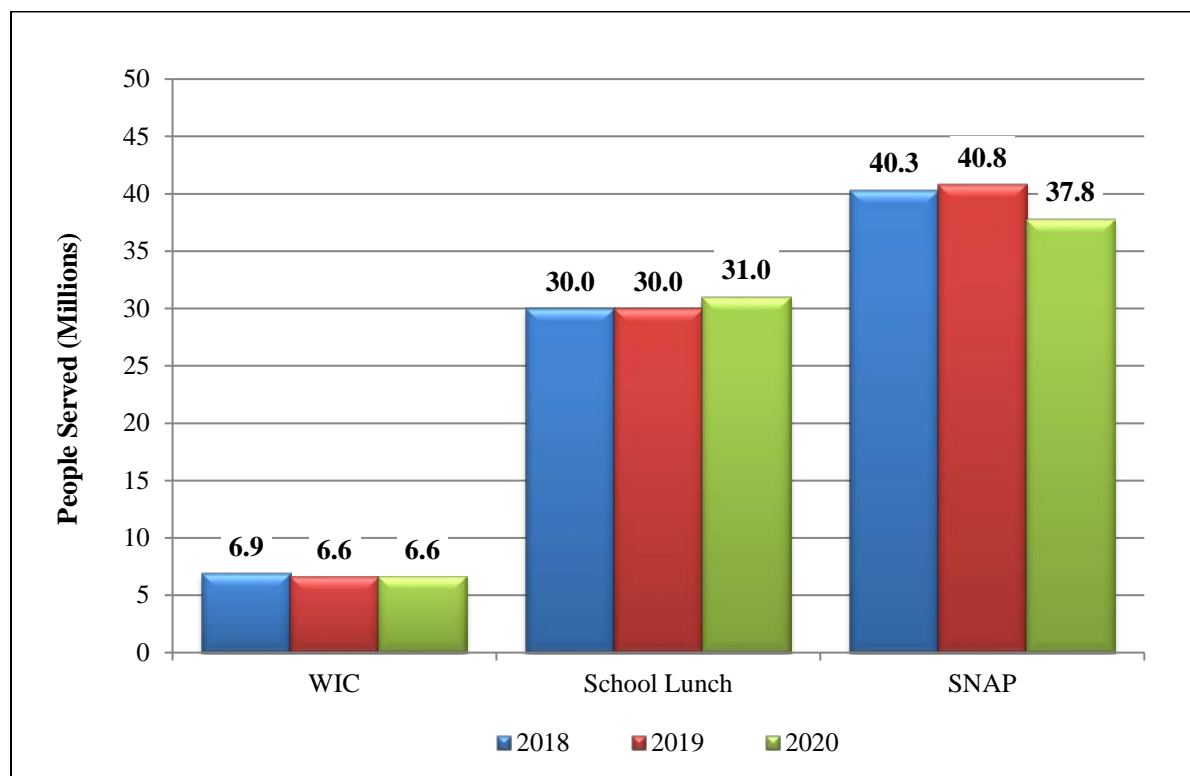
The Budget provides \$55 million for CAP. The Budget does not provide funding for the Commodity Supplemental Food Program or Farmers' Market Nutrition Program.

Nutrition Programs Administration (NPA)

The Budget provides \$152 million for NPA to support Federal management and oversight of USDA's investment in nutrition programs. This will help ensure oversight and program integrity, simplify and improve the programs, and encourage healthy and nutritious diets.

Key Indicators*Table FNCS-5. FNS Key Indicators*

Item	2018 Actual	2019 Estimate	2020 Budget
Average Participation, Millions:			
Supplemental Nutrition Assistance Program (per month).....	40.3	40.8	37.8
Free School Lunch	20.2	20.3	20.5
All School Lunches (per day)	30.0	30.0	31.0
Free School Breakfast	11.7	12.0	12.1
All School Breakfasts (per day).....	14.7	15.0	15.0
WIC (per month)	6.9	6.6	6.6
Commodity Supplemental Food Program (CSFP):			
Elderly (per month).....	0.67	0.69	-
FDPIR (per month).....	0.09	0.10	0.10
Average/Person/Month Food Benefit:			
Supplemental Nutrition Assistance Program.....	\$125.25	\$127.19	\$126.91
WIC	40.85	42.00	42.75
CSFP: WIC (FNS Funded).....	25.05	25.54	-
CSFP: Elderly (FNS Funded).....	21.47	21.88	-
FDPIR (FNS Funded).....	73.63	75.50	77.23
School Lunch:			
Free	3.31	3.38	3.48
Reduced	2.91	2.98	3.08
Paid	0.37	0.37	0.39
School Breakfast:			
Free	2.10	2.15	2.20
Reduced	1.80	1.85	1.90

Figure FNCS-2. People Served Through Nutrition Assistance Programs

Proposed Legislation

The Budget includes bold proposals to help able-bodied adults participating in the Supplemental Nutrition Assistance Program (SNAP) enter the job market and work toward self-sufficiency. The Budget continues the America's Harvest Box proposal, allowing innovative partnerships with the private sector to combine the traditional SNAP EBT benefits with 100 percent American grown foods provided directly to households. The proposal ensures that Americans in need have access to a nutritious diet while significantly reducing the cost to taxpayers. States maintain the ability to provide choice to their recipients, including innovative approaches for the inclusion of fresh products. The Budget also includes proposals to reserve benefits for those most in need, promote efficiency in State operations, and strengthen program integrity. Estimates of the budgetary impact of these proposals can be found in Table APP-7 of the Appendix.

FOOD SAFETY

MISSION

Foodborne illness is recognized as a significant public health problem in the United States. About 48 million people (one in six Americans) get sick, 128,000 are hospitalized, and 3,000 die each year from foodborne diseases, according to the latest estimates from the Centers for Disease Control and Prevention (CDC). USDA and other Federal agencies are working in cooperation to ensure that Americans have increased access to safe and healthy food.

The Food Safety mission area is responsible for ensuring the Nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and properly labeled and packaged. This includes products produced domestically in Federally-inspected establishments, as well as products imported from foreign countries.

The mission area includes the activities of the Food Safety and Inspection Service (FSIS), which provides Federal inspection of meat, poultry and processed egg products establishments; supports comparable State inspection programs; implements the Public Health Information System to assign and track science-based, data-driven inspections; and determines international equivalence of foreign systems. Additionally, the Undersecretary for Food Safety chairs the U.S. Codex Policy Committee, which is an interagency partnership that engages stakeholders in the development of international governmental and non-governmental food standards. FSIS coordinates the development of its policies with other USDA agencies and other Federal agencies, including the Food and Drug Administration (FDA), the Environmental Protection Agency, and the CDC, to support an integrated farm-to-table approach to food safety.

Initiatives to modernize operations and inspection systems continued in 2018 with FSIS proposing to amend the egg products inspection regulations by requiring official plants that process egg products to develop and implement Hazard Analysis and Critical Control Point (HACCP) systems and Sanitation Standard Operating Procedures and to meet other sanitation requirements. Under this proposal, plants will be required to produce egg products in such a way that the finished product is free of detectable pathogens. This modernization effort will lead to innovations in the egg products industry as well as align egg products regulations with the meat and poultry products regulations. FSIS also announced a proposed rule to modernize the swine slaughter inspection system. Changes include food safety and pathogen testing requirements for all swine slaughter establishments, in addition to an optional component, the New Swine Slaughter Inspection System, which market hog establishments can choose to operate under voluntarily.

FSIS proposed several deregulatory actions in 2018, including removing unnecessarily prescriptive requirements and taking a more science-based approach to regulatory controls. These proposed actions include eliminating redundant regulations for hog carcass cleaning, no longer requiring carcasses to be stamped with the USDA mark of inspection if the carcasses are to be processed at the same facility, and no longer restricting the hours that an official establishment may prepare uninspected, inedible products, such as animal and pet food. Requiring establishments to follow these regulations no longer makes sense since meat and poultry establishments have been required to operate under HACCP since the late 1990s and are required to have controls in place to prevent hazards before, during, and after slaughter and processing operations.

In early 2018, FSIS published criteria that it will use to consider new waiver requests from young chicken establishments to operate at line speeds up to 175 bpm. The waivers will allow these establishments to test new equipment, technologies, or procedures that would allow them to

innovate and operate at faster line speeds as long as they are able to maintain process control when operating at faster line speeds.

FSIS has continued to target sampling and use other strategies to control Shiga-toxin producing *E. coli*, *Listeria monocytogenes*, *Salmonella*, and *Campylobacter*. FSIS is continuing to use whole genome sequencing to track illness, inform inspection and policy decisions, and enhance its collaborations with other Federal agencies and state governments. In 2018, FSIS began posting individual establishment *Salmonella* performance standard category information for carcasses, raw poultry parts and comminuted poultry products to incentivize the poultry industry to implement better controls for *Salmonella*. During 2019, FSIS will be working on *Campylobacter* standards, new *Salmonella* performance standards, finalizing rules proposed in 2018 and modernizing beef slaughter inspection.

FSIS continues to strengthen its collaboration with the CDC and FDA to meet its goal to improve coordination of federal food safety efforts and address cross-cutting priorities for food safety data collection, analysis, and use. In recent years, the development of cell-cultured products derived from the stem cells of animals, has raised questions about regulatory jurisdiction, food safety controls and labeling of these meat and poultry products. FSIS continues to proactively work with FDA to discuss the use of cell culture technology to develop products derived from livestock and poultry. As a result, USDA and FDA are working jointly to oversee the production of cell-cultured food products derived from livestock and poultry in 2019. The regulatory framework will leverage USDA's expertise in regulating, inspecting and labeling livestock and poultry products for human consumption.

FOOD SAFETY INSPECTION SERVICE

Table FdS-1. FSIS Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Federal Food Safety and Inspection	\$944	\$944	\$927
State Food Safety and Inspection	62	62	67
International Food Safety and Inspection.....	16	16	17
Public Health Data Communication Infrastructure System	35	35	35
Total, Discretionary Programs	1,057	1,057	1,045
Mandatory:			
Trust Funds (Voluntary Inspection Services).....	14	14	15
User Fees (Overtime/Holiday Inspection Services)	220	224	229
Total, Mandatory Programs	234	239	243
Total, Current Law	1,290	1,295	1,289
Proposed Legislation ^a	-	-	-
Total, FSIS	1,290	1,295	1,289

^a The Budget includes a proposal for changes to certain programs above. No budget authority impact is estimated for 2019.

To accomplish its functions, FSIS employees are located at over 6,400 slaughtering and processing establishments and import houses, and other Federally-regulated facilities. Headquarters personnel are responsible for overseeing administration of the program and ensuring that scientific and technological developments are incorporated into inspection procedures.

FSIS is instrumental in helping reduce the level of foodborne illness by targeting common and dangerous pathogens, thereby reducing their prevalence in finished food product. In addition to its work ensuring safe and wholesome products are available to the consumer, FSIS also conducts public education campaigns to inform consumers about safe food handling methods to decrease the likelihood of foodborne illness from products that were improperly stored, handled, and/or prepared. With the funding requested, FSIS aims to achieve the following performance measures:

Table FdS-2. KPM – Food Safety (Percent of Establishments)

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Establishments that Meet Pathogen Reduction Performance Standards ^a	71	72	73
Establishments Whose Non-compliance Rate Decreases 120 Days After Receiving an Early Warning Alert	74	73	74

^a In FY 2018, the measure included the performance standards related to reducing *Campylobacter* and *Salmonella* in certain types of raw poultry products. However, in August 2018 FSIS changed the laboratory method it uses to test for *Campylobacter* in raw poultry products. Because the current *Campylobacter* performance standards will no longer apply, *Campylobacter* performance will not be incorporated into the measure until new performance standards for this pathogen are established and implemented based on the more sensitive enrichment method. Beginning in FY 2019, the measure will include only *Salmonella* performance standard results.

Budget

The Budget proposes discretionary funding of \$1.045 billion, a net decrease of \$11.5 million from 2019. FSIS continually searches for ways to improve its processes through ongoing management reforms and modernization efforts. These efforts will allow FSIS to maintain food safety oversight and reduce operating expenses while allowing FSIS to continue to meet its mandate to protect public health. The Budget also eliminates the one-time Congressional increase of \$7.5 million provided to improve the recruitment and retention of Public Health Veterinarians (PHVs). FSIS established a recruitment incentive, a scholarship program, and a student loan repayment program for PHVs in 2018. Finally, FSIS proposes an increase of \$5 million to reimburse States for State Meat and Poultry Inspection (MPI) program costs. FSIS cooperates with State agencies in developing and administering State MPI programs, which are primarily composed of small and very small establishments. State MPI programs save the Agency money and supply a difficult-to-meet inspection or regulatory need. Funding will be used primarily to increase reimbursement to states that engage in Federal-State Cooperative Agreements.

User Fees and Trust Funds

FSIS estimates it will collect \$243 million in 2020 through existing user fee and trust fund activities for providing overtime, holiday, and voluntary inspection services.

Proposed Legislation

FSIS is proposing a user fee to cover all domestic inspection, import re-inspection, and most of the central operations costs for Federal, State, and International inspection programs for meat, poultry, and egg products. The fee would not cover Federal functions such as investigation, enforcement, risk analysis, and emergency response. FSIS would implement this user fee beginning in 2021.

NATURAL RESOURCES AND ENVIRONMENT

MISSION

The Natural Resources and Environment (NRE) mission area ensures the productive and sustainable use of our National Forest System (NFS) lands, contributes to the economic health of rural communities through use and access opportunities, and helps the nation mitigate wildfire risk. The mission area includes the Forest Service (FS).

FOREST SERVICE

Table NRE-1. FS Budget Authority (millions of dollars)

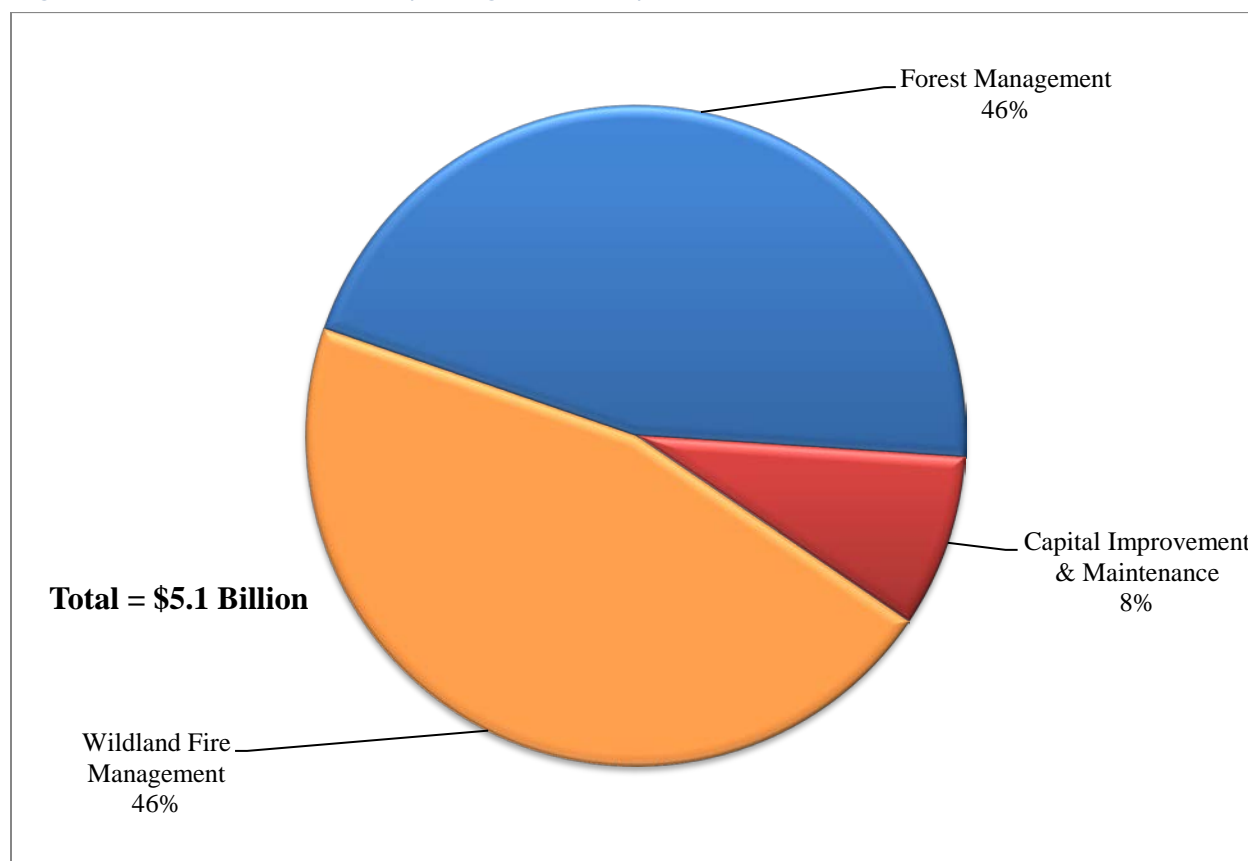
Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Forest and Rangeland Research	\$297	\$297	\$255
State and Private Forestry.....	336	336	182
National Forest System:			
Hazardous Fuels Reduction	430	430	450
Forest Products	366	366	375
Law Enforcement Operations	129	129	129
Recreation, Heritage and Wilderness.....	258	258	258
Other NFS Activities	741	741	701
Total, NFS	1,924	1,924	1,913
Wildland Fire Activities:			
Preparedness	1,324	1,324	1,340
Suppression.....	1,557	1,557	1,011
Total, Wildland Fire Activities	2,880	2,880	2,351
Capital Improvement and Maintenance.....	449	449	434
Land Acquisition accounts	65	65	-
Other Appropriations.....	5	5	6
Total, On-going Discretionary Programs.....	5,956	5,956	5,140
Total, Discretionary Programs	5,956	5,956	5,140
Wildland Fire Activities:			
Wildfire and Disaster Funding Adjustment.....	-	-	1,950
Mandatory:			
Permanent Appropriations.....	439	285	269
Trust Funds.....	254	92	97
Total, Mandatory Programs	693	377	366
Total, Current Law	6,649	6,333	5,506
Proposed Legislation	-	-	193
Total, FS.....	6,649	6,333	7,649

The NRE mission area prioritizes investments to reduce wildland fire risk, improves forest and grassland conditions at a larger landscape scale through a model of shared stewardship, promotes recreation opportunities on NFS lands, and generates jobs and economic benefits for rural communities. The Forest Service will use existing authorities to strengthen State partnerships and leverage active management tools to improve forest conditions, while also focusing on reforming internal processes to streamline program delivery and improve customer service. In addition, the

agency remains committed to addressing harassment, bullying, and retaliation and taking decisive actions when these unacceptable conducts occur. The agency has taken, and will continue to take, significant steps to improve policies, accountability, reporting systems, and training around workplace culture.

The risk of uncharacteristically severe wildfires is increasing, but FS is mitigating the risk, protecting public safety, property, and natural resources. The Consolidated Appropriations Act of 2018 provided new budget authority to fight wildfires known as the “fire fix.” Therefore, beginning in FY 2020 and through FY 2027, the Forest Service and the Department of the Interior will have new budget authority available when Suppression funding has been exhausted. This budget authority starts at \$2.25 billion in FY 2020 (of which \$1.95 billion is allocated to the Forest Service) and increases by \$100 million each year through FY 2027. The budget stability enabled by the additional budget authority will be leveraged by the agency to more strategically approach programmatic and fiscal management of wildland fire management programs.

Figure NRE-1. FS Discretionary Budget Authority



Forest and Rangeland Research

For 2020, \$255 million is proposed for Forest and Rangeland Research to focus on research that identifies practical strategies and tactics to improve forest and rangeland condition, support community economic development, and help save lives and protect property from wildfires. R&D funding will be prioritized for activities that have the highest impact in meeting agency goals and objectives, including wildland fire, forest restoration, insect and disease management, and water quality and quantity. The Budget continues to support research products that inform policy and land management decisions, and technology transfers designed to provide economic, health, and environmental benefits nationwide. The Budget provides \$77 million for Forest Inventory and

Analysis to maintain the Nation's foremost continuous forest census covering all 50 States, which provides critical information for forest management planning across the country.

State and Private Forestry

For 2020, \$182 million is proposed for State and Private Forestry programs. This funding will support the agency's Shared Stewardship initiative, which aims to bring States and other stakeholders together to prioritize cross-boundary investments in management and monitoring to improve forest conditions and reduce wildfire risk. Insects and diseases threaten more than 4 million acres across the United States, therefore this Budget includes about \$86 million to address the greatest emerging threats to forest health on and off Forest Service lands. The Budget also commits \$19.5 million to the Working Forest Lands program to focus on priority areas identified in State Forest Action Plans and ensure the productivity and health of private forest lands.

National Forest System

The Forest Service manages over 193 million acres of public land in 44 States and Puerto Rico, collectively known as the National Forest System (NFS). The Budget proposes to fund NFS at \$1.9 billion, prioritizing programs designed to increase the health and resilience of the lands, while also meeting the multiple use requirements for the resources on our Nation's forests and grasslands. The Budget ensures that NFS lands continue to provide clean air and water, forest and rangeland products, mineral and energy resources, quality habitat for fish and wildlife, recreational opportunities, and jobs. It also supports the agency's Shared Stewardship initiative.

Hazardous Fuels, Forest Products, Vegetation and Watershed, and Wildlife and Fisheries programs work together efficiently to restore healthy, resilient landscapes and create safer communities. The Forest Products program is critical to local economies, generating over 43,000 jobs and about \$3.2 billion of gross domestic product annually. With \$450 million dedicated to Hazardous Fuels Reduction and \$375 million for Forest Products, among other programs, the agency will focus on active forest management, selling 3.7 billion board feet of timber while improving more than 1.1 million acres of National Forest System lands to mitigate wildfire risk.

The Budget also continues to support use and access opportunities on NFS lands. Acknowledging that outdoor recreation supports about 143,000 full and part-time jobs and contributes close to \$10 billion to the Gross Domestic Product, the Budget supports recreation at \$258 million. The agency will maintain its high rate of visitor satisfaction by prioritizing permitting for outfitters and guides, maintaining and growing strong collaborations with partners and volunteer groups, and working to address the recreational needs of today's public, who want year-round activities on NFS lands.

The agency will also continue to improve its permitting processes to promote other critical land uses on NFS lands such as energy, utility, and communication infrastructure, as these uses contribute approximately \$30 billion annually to the Gross Domestic Product, support 120,000 private sector jobs, and generate approximately \$65 million annually to the U.S. Treasury.

Table NRE-2. KPM – Forest Management

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Volume of timber sold (billion board feet)	3.2	3.7	3.7

Table NRE-3. KPM – National Forest Customer Satisfaction (percent of total customers)

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Satisfied with recreation facilities, services, and settings	95	95	95

Table NRE-4. KPM – Mitigate Wildfire Risk (millions of acres, annually)

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Treated to reduce or maintain fuel conditions (NFS and non-federal lands)	3.4	3.4	3.4
Final treatment effectively mitigated wildfire risk (NFS lands)	1.04	1.10	1.20

Wildland Fire Management

About 80 million acres of NFS lands and 70,000 communities are at risk of uncharacteristically severe wildfires. Over the last ten years, across all jurisdictions nationwide, an average of more than 68,000 wildfires burned about 6.5 million acres. The demand for effective wildland fire management grows more critical as the length of fire season grows to be almost year-round in some areas, the Wildland Urban Interface continues to expand, and fuel loads are at high levels.

Through Wildland Fire Management (WFM), FS protects life, property and natural resources on NFS lands, other federal lands, and an additional 20 million acres of non-federal lands under agreements. The Budget proposes \$2.4 billion for WFM activities. The Budget supports Preparedness at about \$1.3 billion to maintain an organization that ensures readiness capability and program leadership necessary for appropriate, risk informed, and effective responses to wildfires nationwide. The Forest Service continues to improve Preparedness budgeting by evaluating cost centers, eliminating redundancies, and ensuring more consistency in contracting for assets on wildfire incidents. The agency will also continue to right-size its aviation assets, evaluating the best mix of asset types and ownership models to provide the necessary aviation capability.

The Budget proposes about \$1 billion for Suppression to fund firefighters and equipment in direct support of wildfire incidents; aviation asset operations; incident support functions; and wildfire management administration. This funding amount was established by the Consolidated Appropriations Act of 2018 and will remain constant until FY 2028. Beginning in FY 2020 and through FY 2027, the Forest Service and the Department of the Interior will also have new budget authority available for when Suppression funding has been exhausted. This budget authority starts at \$2.25 billion in FY 2020 (of which \$1.95 billion is allocated to the Forest Service), and increases by \$100 million each year through FY 2027. In FY 2020, the Forest Service will continue to implement actions that ensure accountability in spending Suppression funds and will continue to employ specialized teams that provide enhanced analytics for better decision-making on key wildfire incidents.

Capital Improvement and Maintenance

The Forest Service provides public access to national forests for recreation; facilities for fire and forest research; and infrastructure for businesses and industries. For 2020, the Budget proposes \$434 million for the construction and maintenance of infrastructure on the NFS, including buildings, recreation sites, facilities, roads, and trails. At this funding level, the agency will focus

on maintaining public health and safety, reducing the deferred maintenance backlog, and for the operations, maintenance, and reconstruction of existing roads, including timber haul roads.

Proposed Legislation

The Budget requests the reauthorization of the authority to collect recreation revenue for use in providing quality recreation facilities and supporting land management operations (Federal Lands Recreation Enhancement Act). The Budget also requests the reauthorization of the authority to collect and retain fees for the harvest of forest botanical products. In addition, the Budget includes several proposals to streamline permitting processes to improve customer service. For example, the Budget would allow the agency to fully recoup costs for land use authorization application processing. The 2018 Farm Bill provided the authority to charge a new fee to cover the costs of communications sites administration, which this Budget proposes to implement. Finally, the Budget also includes a new fee to recover costs to streamline minerals permitting, and the retention of a portion of mineral receipts to pay for infrastructure and other critical needs.

MARKETING AND REGULATORY PROGRAMS

MISSION

The Marketing and Regulatory Programs (MRP) mission is to facilitate and expand the domestic and international marketing of U.S. agricultural products, to help protect the agricultural sector from animal and plant health threats, and to ensure humane care and treatment of regulated animals. These programs provide the basic infrastructure to improve agricultural market competitiveness for the overall benefit of consumers and producers of American agriculture. Due to the assistance provided by MRP and other mission areas in USDA, U.S. agricultural exports totaled \$143 billion in FY 2018, the second highest level on record.

To meet demand for American grain, and to ensure consistent grain quality, MRP is providing service at export facilities 24 hours a day. MRP also assists producers in management and domestic marketing by providing market trend analysis and business and marketing tools. MRP also helps increase the competitiveness of the agricultural sector by working to protect the Nation's agriculture from pests and diseases, thereby increasing the efficiency of production.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Table MRP-1. APHIS Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Safeguarding and Emergency Preparedness/Response:			
Animal Health:			
Animal Health Technical Services.....	\$38	\$38	\$45
Aquatic Animal Health	2	2	2
Avian Health	63	63	63
Cattle Health	97	97	97
Equine, Cervid and Small Ruminant Health	20	20	17
National Veterinary Stockpile.....	6	6	6
Swine Health.....	25	25	20
Veterinary Biologics	16	16	16
Veterinary Diagnostics.....	37	37	34
National Bio and Agro-defense Facility.....	3	3	15
Zoonotic Disease Management.....	17	17	16
Total, Animal Health.....	324	324	331
Plant Health:			
Agricultural Quarantine Inspection (Appropriated) ^a	31	31	31
Cotton Pests.....	12	12	7
Field Crop and Rangeland Ecosystems Pests.....	9	9	8
Pest Detection	27	27	27
Plant Protection Methods Development.....	21	21	21
Specialty Crop Pests.....	178	178	177
Tree and Wood Pests.....	56	56	56
Total, Plant Health.....	334	334	327
Wildlife Services:			
Wildlife Damage Management	108	108	108

Item	2018 Actual	2019 Estimate	2020 Budget
Wildlife Services Methods Development	19	19	19
Total, Wildlife Services.....	127	127	127
Regulatory Services:			
Animal and Plant Health Regulatory Enforcement.....	16	16	16
Biotechnology Regulatory Services	19	19	19
Total, Regulatory Services	35	35	35
Emergency Management:			
Contingency Fund	0	0	0
Emergency Preparedness & Response	41	41	41
Total, Emergency Management.....	41	41	41
Total, Safeguarding and Emergency Preparedness	861	861	861
Safe Trade and International Technical Assistance:			
Agriculture Import/Export	16	16	16
Overseas Technical & Trade Operations	22	22	22
Total, Safe Trade and International Technical Assistance	38	38	38
Animal Welfare	31	31	31
Agency-Wide Activities (including GSA Rent/DHS Security) .	52	52	52
Total, Salaries and Expenses	982	982	982
Buildings and Facilities	3	3	3
Total, Non-Emergency Programs	985	985	985
Total, Discretionary Programs	985	985	985
Mandatory:			
Agricultural Quarantine Inspection (AQI) Fees.....	797	798	842
Trust Funds and User Fees	10	9	9
Farm Bill: Plant Pest and Disease Mgmt. and Disaster Prev.....	70	70	75
Farm Bill: Feral Swine Eradication and Control Pilot Program	0	38	0
Farm Bill: Animal Disease Prevention and Mgmt. Program	0	120	0
Total, Mandatory Programs	877	1,035	926
Total, APHIS.....	1,862	2,020	1,911

^a For 2020, the budget proposes to cover this activity through user fees. Amount shown reflects estimated collections.

APHIS works cooperatively with State and local agencies, private groups, and foreign governments to protect the Nation's agriculture. The Budget includes discretionary funding of \$982 million and \$3 million for the Buildings and Facilities account.

Table MRP-2. KPM – Preventing and Mitigating Spread of Agricultural Pests and Diseases

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Percent of high-risk plant pests for which early detection surveys are conducted.	96	95	95
Number of hours it takes to mobilize resources once it is determined that a Federal emergency response is needed to manage an agricultural outbreak.	24	24	24

Safeguarding and Emergency Preparedness/Response

The Budget includes discretionary appropriations of \$861 million for this program area. These safeguarding and emergency programs, specifically for animal health and specialty crops, protect \$192 billion of livestock, poultry, and specialty crops on an annual basis.

To combat any sudden, urgent and unforeseen pest and disease outbreaks, the Secretary retains authority to transfer funds from the CCC or other USDA accounts. The Budget provides technical and financial support to help control or eradicate a variety of animal and plant health threats.

Animal Health

The Budget includes a total of \$331 million for Animal Health, which includes an increase of \$14.8 million to enable the transfer of science programs from Plum Island Animal Disease Center to the National Bio and Agro-defense Facility, including \$11.8 million for transition activities and \$3 million to support partnership and innovation activities. The Budget proposes to enhance disease traceability efforts, and continue support for poultry, cattle, and aquatic animal health efforts. The Budget also proposes to eliminate Federal contributions for the Cervid Health Program. APHIS will reduce swine surveillance activities and support to States to allow the agency to focus on the highest priorities in swine health. APHIS will continue working with States and other stakeholders to leverage resources in addressing the highest priority animal health issues.

Plant Health

The Budget includes \$327 million for Plant Health. The Budget proposes a new discretionary user fee to fund domestic Agricultural Quarantine and Inspection (AQI) activities in a similar manner as AQI activities conducted for cargo and passengers originating from outside of the U.S. The Budget proposes decreases to the Federal share of funding for specific plant pest and disease programs and plant survey efforts. APHIS will continue working with States and other stakeholders to leverage resources in addressing the highest priority plant health issues, including an increase of \$7 million to address spotted lanternfly. The Budget will reduce funding for cotton pests given the agency's recent eradication of pink bollworm, a devastating pest that has cost U.S. producers tens of millions of dollars in yearly cost controls and yield losses. The Budget continues support for plant protection methods development to develop scientifically viable and practical tools for exotic plant pest exclusion, detection, and management.

Wildlife Services

The Budget includes a total of \$127 million for Wildlife Services. This continues support to resolve human/wildlife conflicts and protects agriculture, human health and safety, personal property, and natural resources from wildlife damage and wildlife-borne diseases in the United States, including the management of rabies and other zoonotic diseases caused by various wildlife species. This discretionary funding will be supplemented by the mandatory funding provided by Section 2408 of the 2018 Farm Bill.

Regulatory Services

The Budget includes \$35 million for Regulatory Services, which will maintain current services. This includes funding for the Animal and Plant Health Regulatory Enforcement program, which promotes the integrity of APHIS programs by providing effective investigative and enforcement services. This also funds Biotechnology Regulatory Services activities at the current level. In 2018, USDA completed two petitions meeting the goal for determinations of nonregulated status.

Emergency Management

The Budget includes \$41 million for Emergency Management. This continues the enhanced emergency preparedness efforts initiated following the Avian Influenza outbreak of 2015, and resources to immediately implement short-term, coordinated, emergency activities that are relatively small in scale and not otherwise supported by the Agency's other programs.

Safe Trade and International Technical Assistance

The Budget maintains the level of funding for Safe Trade and International Technical Assistance activities at \$38 million. APHIS will continue to support activities to facilitate safe U.S. agricultural trade. In 2018, APHIS retained access for U.S. soybeans to China, a market worth more than \$12 billion, and access for live poultry to Indonesia, a market worth \$22 million. APHIS also successfully secured the release of more than 270 shipments of U.S. agricultural products held at foreign ports worth more than \$50 million.

Animal Welfare

The Budget maintains the level of funding for Animal Welfare activities at \$31 million. APHIS will continue to support activities related to the protection of animal species covered under the Animal Welfare Act and the Horse Protection Act.

Buildings and Facilities

The Budget includes \$3 million in funding for general facility improvement projects.

User Fees for Agricultural Quarantine and Inspection

In addition to discretionary funding, APHIS collects mandatory user fees to cover costs related to agricultural quarantine and inspection activities that occur at ports of entry. A portion of these collections are provided to the Department of Homeland Security's Customs and Border Protection (CBP) to conduct front line inspections at points of entry. With retained funding, APHIS supports international trade by assessing the plant and animal health risks associated with such trade. APHIS also develops regulations to protect agricultural health; inspects and quarantines imported plant propagative materials; trains agricultural inspectors and detector dog teams; and provides the scientific support necessary to carry out these activities as well as those carried out by CBP.

Proposed Legislation

The Budget proposes to authorize the collection of user fees for certain Animal Welfare, Veterinary Biologics, and Biotechnology Regulatory Services activities. The proposed user fees will place a portion of the costs of providing these services on the recipient rather than the U.S. taxpayer. The Budget proposes domestic Agricultural Quarantine and Inspection activities be funded in a manner similar to activities conducted for cargo and passengers originating from outside of the U.S. Estimates of the collections of these fees are in Table APP-6 of the Appendix.

AGRICULTURAL MARKETING SERVICE*Table MRP-3. AMS Budget Authority (millions of dollars)*

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Marketing Services:			
Market News.....	\$34	\$34	\$29
Egg Surveillance and Standardization	8	8	7
Market Protection and Promotion.....	34	34	34
National Bioengineered Food Disclosure Standard.....	1	1	1
Transportation and Market Development	9	9	7
Acer Access and Development	3	3	0
Packers and Stockyards	23	23	23
Grain Regulatory ^a	20	20	-
US Warehouse Activities.....	10	10	14
International Food Procurement Program.....	9	9	-
Total, Marketing Services	152	152	115
Payments to States and Possessions	1	1	1
Total, Discretionary Programs	153	153	116
Mandatory:			
Funds for Strengthening Markets, Income, and Supply (Section 32):			
Commodity Program Expenses	1,092	1,346	1,167
Section 32 Administrative Funds:			
Marketing Orders and Agreements	21	21	20
Commodity Purchase Services.....	36	36	37
Total, Section 32 Funds	1,149	1,403	1,224
User Fees:			
Perishable Agricultural Commodities Act.....	10	10	11
Commodity Grading Services.....	168	164	164
Inspection and Weighing Services.....	51	55	80
Total, User Fee Funded Programs.....	229	229	255
Farm Bill:			
Wool Research, Development and Promotion.....	2	2	2
Specialty Crop Block Grants	80	80	85
Farmers Market and Local Food Promotion Program	28	-	-
Organic Production and Market Data Initiatives		4	
Local Agriculture Market Program.....		31	31
Milk Donation Program		9	5
Modernization Technology Upgrade for National Organic....		5	
Sheep Production and Marketing Grant Program.....		2	
Total, Farm Bill Programs.....	110	133	123
Total, Mandatory Programs	1,488	1,765	1,602
Total, AMS	1,641	1,918	1,718

^a For 2020, the Budget proposes to cover this activity through user fees.

AMS' mission is to facilitate the competitive and efficient marketing of agricultural products in domestic and international markets, while ensuring fair trading practices. AMS programs aid producers in meeting the changing demands of consumers, and domestic and international marketing practices. The Budget proposes discretionary funding of \$116 million.

AMS administers a variety of programs that enhance the marketing and distribution of agricultural products. Activities include the collection, analysis, and dissemination of market information; surveillance of shell egg handling operations; development of commodity grade standards; protection of producers from unfair marketing practices; statistical sampling and analysis of commodities for pesticide residues; development and enforcement of organic standards; and research and technical assistance aimed at improving efficiency of food marketing and distribution.

In July 2018, USDA launched a trade mitigation package aimed at assisting farmers suffering from damage due to unjustified trade retaliation by foreign nations. As part of the suite of programs offered, AMS is purchasing up to \$1.2 billion in commodities unfairly targeted by unjustified retaliation.

Marketing Services

Market News

The Budget proposes \$29 million for Market News to support data collection and reporting of commodity information, a reduction of \$5 million through savings from a new, more efficient data management system and by reducing the amount and frequency of certain data collections. This work provides timely, accurate, and unbiased price, quality, and sales information on cotton, dairy, fruits, vegetables, specialty crops, livestock, grain, and poultry, including organic commodities.

Egg Surveillance and Standardization

The Budget funds the Egg Surveillance and Standardization at \$7 million. The Shell Egg Surveillance Program inspects registered shell egg facilities and monitors the disposition of restricted eggs to limit the number of restricted eggs in consumer channels. The program prevents eggs not meeting minimum U.S. standards from entering the consumer marketplace.

Market Protection and Promotion-Federal Seed Act Program

The Budget provides \$2 million for the Federal Seed Act Program. This program promotes fair competition in the seed trade, by among other requirements, ensuring seed is accurately labeled.

Market Protection and Promotion-Country of Origin Labeling

The Budget provides \$4 million for the Country of Origin Labeling program. The program requires retailers to notify their customers of the country of origin of covered commodities, and that the method of production for fish and shellfish be noted at the final point of sale. AMS will save \$1 million by increasing the program's focus on follow up reviews where non-compliances have been found.

Market Protection and Promotion-Pesticide Data Program

The Budget provides \$15 million for the Pesticide Data Program, which is the main supplier of data regarding actual levels of pesticide residues on commodities. The program works collaboratively with the Environmental Protection Agency and the Centers for Disease Control and Prevention to target residue data collection related to high risk commodities and vulnerable populations.

Market Protection and Promotion-National Organic Program

The Budget provides \$12 million for the National Organic Program, which works to meet consumer demand for organically-produced goods by supporting the development, maintenance, and enforcement of national standards governing the production and handling of organic agricultural products. Improved enforcement and traceability will be implemented through technology investments and improvements. These will be maintained by the Budget.

National Bioengineered Food Disclosure Standard

The Budget requests just under \$1 million to implement the National Bioengineered Food Disclosure Standard, which was published December 2018, including outreach to farmers, consumers, and food companies

Transportation and Market Development

The Budget requests \$7 million for Transportation and Market Development, which conducts research and outreach related to grain shipping and supply chains. The program connects agricultural producers with high value market opportunities through its national market directories. AMS will save nearly \$2 million by reducing the number of cooperative activities and studies conducted in partnership with Federal and State agencies and universities. The program will implement new initiatives using mandatory funding provided by Section 10102 of the 2018 Farm Bill.

Packers and Stockyards

The Budget includes \$23 million for the Packers and Stockyards program, which regulates and monitors the activities of livestock, meat, and poultry market participants to support fair practices. The Budget proposes a user fee that would ensure that beneficiaries of the program, including livestock market agencies, dealers, stockyards, packers, live poultry dealers, and swine contractors, pay for the services they receive.

Grain Regulatory Program

The Budget does not include appropriated funding for the Grain Regulatory program, conducted under the Federal Grain Inspection Service. The program establishes the official U.S. standards and quality assessment methods for grain and related products, and regulates handling practices to ensure compliance with the United States Grain Standards Act and the Agricultural Marketing Act of 1946. Inspection and weighing services are currently user-fee funded and are described in the User Fee section. Appropriations language is included to recover the full costs of these activities through a user fee. Entities that receive marketing benefits from FGIS services should pay for the costs of these programs. For example, grain standards benefit and are used almost solely for the grain industry, which should bear the cost.

U.S. Warehouse Activities

The Budget requests \$14 million for U.S. Warehouse Activities, including a one-time appropriated increase of \$4.5 million to support IT modernization. This program supports the efficient use of commercial facilities in the storage of Commodity Credit Corporation-owned commodities. The program administers a nationwide warehousing system, establishes posted county prices for major farm program commodities, and manages CCC commodity inventories. The United States Warehouse Act (USWA) authorizes the licensing of operators who store agricultural products and a separate licensing for qualified persons to sample, inspect, weigh, and grade agricultural products. The USWA authorizes the application of user fees to cover the costs

of administering the Act, including unannounced warehouse examinations to encourage compliance. Warehouses engaged in export food aid operations are required to be licensed.

International Food Procurement

The Budget proposes to eliminate funding to procure domestic product for international food aid, consistent with the proposal to eliminate the Foreign Agriculture Service's international food aid funding.

Payments to States and Possessions

The Budget requests \$1 million for the program Federal-State Marketing Improvement Program (FSMIP). Under FSMIP, AMS provides matching funds to State Departments of Agriculture for projects aimed at improving marketing efficiency, reducing marketing costs for producers, and lowering food costs for consumers.

Section 32 Funds

Section 32 of the Act of August 24, 1935, authorizes the appropriation for each fiscal year of an amount equal to 30 percent of the gross receipts from duties collected under customs laws of the United States during the preceding calendar year. These funds are used to encourage domestic consumption of perishable commodities that are not eligible for price support from USDA, and encourage the export of agricultural products, including: purchases of commodities and removal of surplus commodities from the marketplace for distribution to Federal nutrition assistance programs such as the National School Lunch Program and diversion programs that bring production in line with demand. Section 32 funds are also used to finance the administrative costs associated with the purchase of commodities and developing the specifications used for food procurement throughout the Federal government. The Budget proposes to delink Section 32 from customs receipts, and to directly appropriate mandatory funding for the same purposes at the 10-year historical average, adjusted for inflation, to purchase surplus commodities and for the administration of commodity purchases.

Marketing Orders and Agreements help stabilize market prices and the supply of milk and certain specialty crops. The Orders are administered locally by marketing order committees and market administrators. Local activities are funded through assessments on regulated handlers. The Budget proposes a mandatory user fee to recover the cost of Federal oversight of Marketing Agreements and Orders. These programs are industry-run "self-help" initiatives, and the industries that substantially benefit from their operation should pay for the Federal oversight of these programs.

User Fee Programs

AMS operates select programs through license fees and user fees. The Commodity Grading Services program provides voluntary commodity grading and classing services for dairy products, fresh and processed fruits and vegetables, meat and meat products, poultry, eggs, tobacco, and cotton. AMS also offers certification services to verify contract specifications on quantity and quality, acceptance and condition inspection services for all agricultural commodities upon request, and export certification services for a number of commodities. AMS' audit verification services review production and quality control systems, and verify industry marketing claims. In addition, AMS enforces the Perishable Agricultural Commodities Act which prohibits unfair and fraudulent practices in the marketing of perishable agricultural commodities by regulating shippers, distributors, and retailers. Full and prompt payment for fresh fruits and vegetables is a key objective of the program. The Grain Inspection and Weighing user fees provide for the mandatory inspection and weighing of grain at export ports and the inspection and weighing of

grain at domestic locations. AMS is required to conduct or delegate inspection and weighing, and to supervise such activities. The Warehouse Examinations license fee provides for unannounced examinations to encourage compliance with licensing terms under the USWA.

Proposed Legislation

The Budget proposes the authority to collect a fee from the Marketing Orders and Agreements programs to recover the full cost of the agency's oversight of these programs. The industries that substantially benefit from Marketing Orders and Agreements should pay for the oversight of these programs. The Budget also proposes the authority to collect a license fee for Packers and Stockyards. The Budget proposes the authority to collect a discretionary user fee for Grain Regulatory programs, to allow the full cost of grain programs to be paid by industry beneficiaries, authority to use discretionary funding to support IT modernization of U.S. Warehouse Activities, and adjustments to the management of Section 32 funding. Estimates of the collections of these fees that are expected to reduce appropriations are in Table APP-6 of the Appendix.

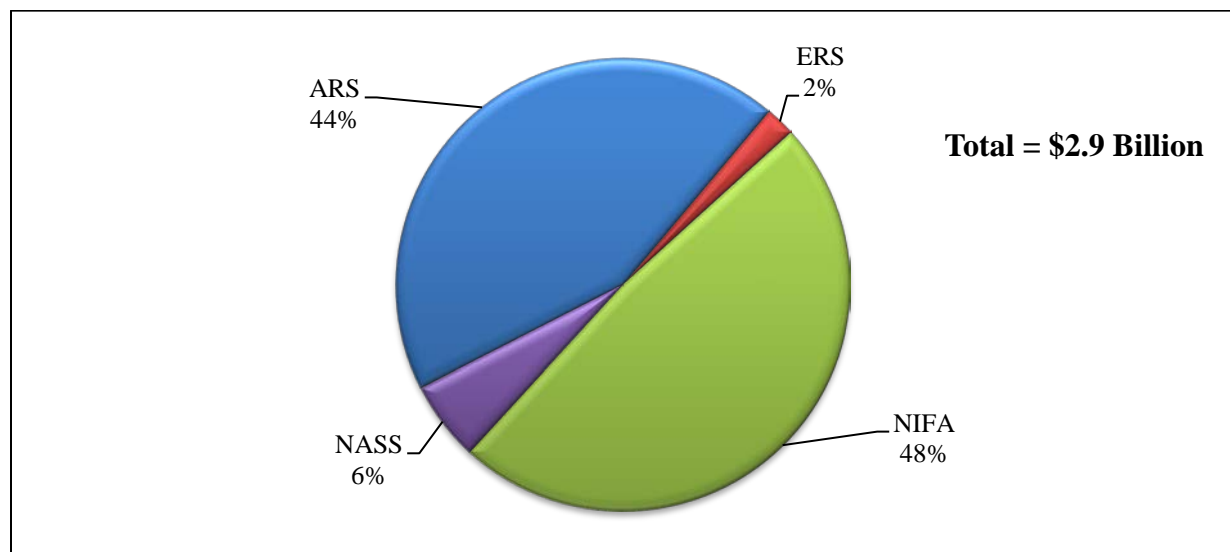
RESEARCH, EDUCATION, AND ECONOMICS

MISSION

USDA supports a variety of agricultural research topics to address complex challenges that require multi-faceted approaches through in-house research and in partnership with land-grant institutions, non-profits, and the private sector. USDA brings together expertise from a wide range of scientific disciplines to address sustainable agricultural growth and food security. Key themes include: Sustainable Agricultural Intensification, Agricultural Climate Adaptation, Food and Nutrition Translation, Value-added Innovations, and Agriculture Science-Policy Leadership. These programs among others will ensure that the U.S. can meet present and future food, feed, fiber, and fuel needs both home and abroad as the world population is expected to grow to nearly 10 billion people by 2050 as well as today's challenges.

Research, Education, and Economics (REE) responsibilities are carried out by four agencies: (1) the Agricultural Research Service (ARS) conducts intramural research in natural and biological sciences; (2) the National Institute of Food and Agriculture (NIFA) partners with land-grant and non-land grant colleges and universities in carrying out extramural research, higher education, and extension activities; (3) the Economic Research Service (ERS) performs intramural economic and social science research; and (4) the National Agricultural Statistics Service (NASS) conducts the Census of Agriculture and provides the official, current statistics on agricultural production and indicators for the economic and environmental health of the farm sector. REE made important investments in FY 2018 to advance U.S. agriculture. ARS scientists and collaborators developed peanut extracts with less allergens, which will be used as part of the first allergy treatment available in the world for individuals with peanut allergies. NIFA-supported researchers developed a soybean cultivar with the ability to produce high yields even when days get shorter, can grow in regions that are not suited for most existing soybean cultivars, and is resistant to soybean cyst nematodes, the primary pest of soybeans. NASS conducted the 2017 Census of Agriculture, contacting the nearly three million farmers in the U.S. with a response rate of 71.5 percent. Results from the Census will be released in FY 2019. ERS analyzed the impact of the Tax Cuts and Jobs Act of 2017 on the average effective tax rate of family farm households and found that average tax rates are estimated to decline across all farm sizes and commodity specializations and were greatest for midsize and large farms.

Figure REE-1. REE Discretionary Budget Authority



AGRICULTURAL RESEARCH SERVICE

ARS is the USDA's chief scientific, in-house research agency. ARS conducts research to solve technical problems of broad scope and high national priority and provides access to scientific information. The research covers a wide range of critical problems affecting American agriculture and the Nation as a whole, ranging from animal and crop protection and production to human nutrition, food safety, and natural resources conservation. ARS employs over 6,000 employees and carries out 690 research projects at 90 research locations throughout the Nation and in several foreign countries. ARS includes the National Arboretum and the National Agricultural Library, the Nation's major information resource on food, agriculture, and natural resource sciences.

Table REE-1. ARS Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Product Quality/Value Added	\$101	\$101	\$95
Livestock Production.....	94	94	91
Crop Production	242	242	238
Food Safety	112	112	109
Livestock Protection.....	95	95	101
Crop Protection	202	202	187
Human Nutrition	88	88	45
Environmental Stewardship	219	219	214
Total, Research Programs.....	1,153	1,153	1,080
National Agricultural Library.....	26	26	24
Repair and Maintenance.....	20	20	20
Buildings and Facilities	163	141	50
NBAF Operations and Maintenance	4	46	79
Total, Discretionary Programs	1,366	1,386	1,253
Mandatory:			
Trust Funds.....	22	22	22
Total, ARS	1,388	1,408	1,275

The Budget includes discretionary funding of \$1.2 billion to support ARS research with an emphasis on basic research and efforts to support the transfer of research and development products to industry to promote the Nation's economic growth through innovation. The Budget also includes \$92.8 million to take ownership of the National Bio and Agro-Defense Facility (NBAF), a state-of-the-art biocontainment facility for the study of foreign, emerging, and zoonotic animal diseases that pose a threat to U.S. animal agriculture and public health, which will replace the Plum Island Animal Disease Center. This includes an increase of \$33 million for operations and maintenance and other transition costs. To expand ARS research on foreign animal diseases, the Budget includes an increase of \$5 million. The Budget included \$3 million to enable USDA to develop countermeasures for high consequence zoonotic livestock diseases. The Budget also provides \$50 million for the construction and modernization of existing ARS buildings and facilities. Some lower-priority and extramural research projects would be eliminated.

Product Quality/Value Added

The Budget includes \$95 million for this program. ARS has active research programs directed toward: (1) improving the efficiency and reducing the cost for the conversion of agricultural products into biobased products and biofuels; (2) developing new and improved products for domestic and foreign markets; and (3) providing higher quality, healthy foods that satisfy consumer needs in the U.S. and abroad.

Livestock Production

The Budget includes \$91 million for this program. ARS' livestock production program is directed toward: (1) safeguarding and utilizing animal genetic resources, associated genetic and genomic databases, and bioinformatic tools; (2) developing a basic understanding of the physiology of livestock and poultry; and (3) developing information, tools, and technologies that can be used to improve animal production systems. The research is heavily focused on the development and application of genomics technologies to increase the efficiency and product quality of beef, dairy, swine, poultry, aquaculture, and sheep systems.

Crop Production

The Budget includes \$238 million for this program. ARS' crop production program focuses on developing and improving ways to reduce crop losses while protecting and ensuring a safe and affordable food supply. The research program concentrates on effective production strategies that are environmentally friendly, safe to consumers, and compatible with sustainable and profitable crop production systems. Research activities are directed at safeguarding and utilizing plant genetic resources and their associated genetic, genomic, and bioinformatic databases that facilitate selection of varieties and/or germplasm with significantly improved traits.

Food Safety

The Budget includes \$109 million for this program. Ensuring that the U.S. has the highest levels of affordable, safe food requires that the food system be protected at each stage from production through processing and consumption from pathogens, toxins, and chemical contaminants that cause diseases in humans. ARS' current food safety research is designed to yield science-based knowledge on the safe production, storage, processing, and handling of plant and animal products; and on the detection and control of toxin producing and/or pathogenic bacteria and fungi, parasites, chemical contaminants, and plant toxins.

Livestock Protection

The Budget includes a total of \$101 million for this program. ARS' animal health program is directed at protecting and ensuring the safety of the Nation's agriculture and food supply through improved disease detection, prevention, control, and treatment. Basic and applied research approaches are used to solve animal health problems, with emphasis on methods and procedures to control animal diseases.

Crop Protection

The Budget includes \$187 million to support these activities. ARS research on crop protection is directed to understand pest and disease transmission mechanisms and identify and apply new technologies that increase understanding of virulence factors and host defense mechanisms.

Human Nutrition

The Budget includes \$45 million for this program. As excessive consumption replaces diseases related to malnutrition as a primary public health concern in the U.S., the ARS human nutrition

research program has increasingly focused on research studying the maintenance of health throughout the lifespan along with prevention of obesity and chronic diseases via food-based recommendations.

Environmental Stewardship

The Budget includes \$214 million for this program. ARS research programs in environmental stewardship emphasize developing technologies and systems that support profitable production and enhance the Nation's vast renewable natural resource base. ARS is currently developing the scientific knowledge and technologies needed to meet challenges and opportunities in: water availability and watershed management, changes in climate, gaseous and particulate matter emissions, soil health and productivity, agricultural and industrial byproducts, agricultural system competitiveness and sustainability, and conservation and restoration of range lands, pasture ecosystems, and agroecosystems.

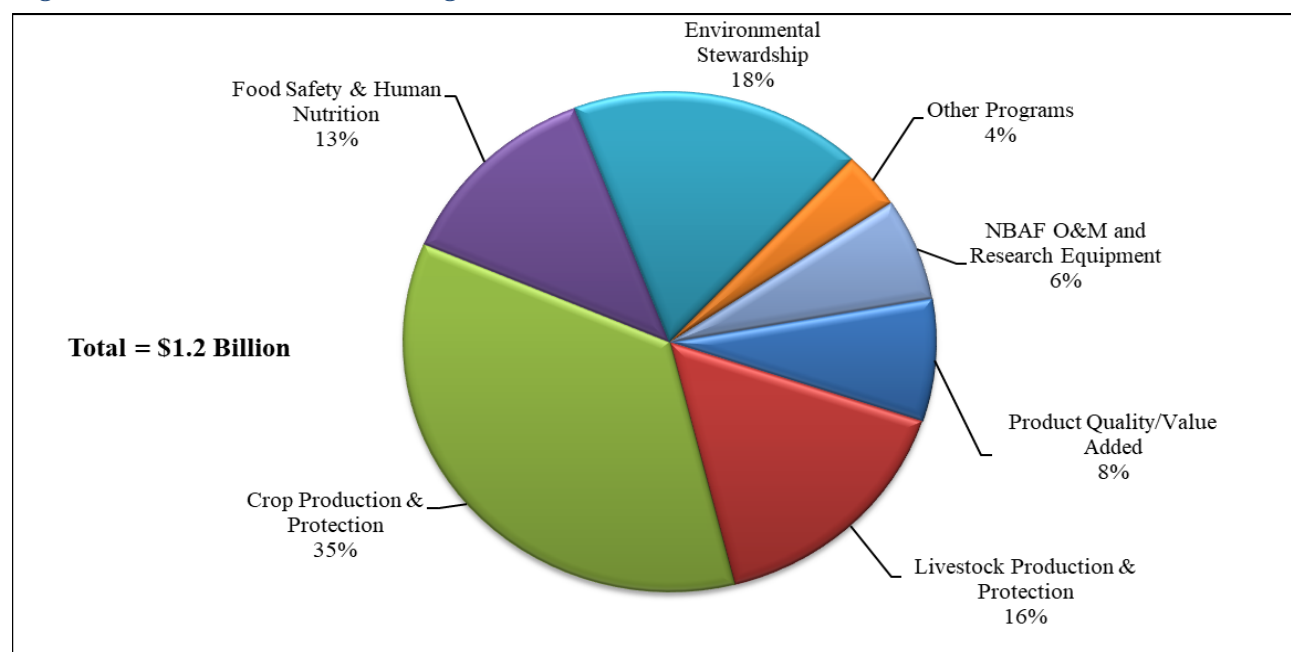
National Agricultural Library (NAL)

The Budget includes \$24 million for NAL. NAL is the primary agricultural information resource of the U.S. NAL is the premier library for collecting, managing, and disseminating agricultural knowledge. It provides services directly to the staff of USDA and to the public, primarily via the NAL web site, www.nal.usda.gov. NAL provides library and information services that delivers agricultural information to the public through Agricultural Online Access (AGRICOLA); conserves rare and at-risk items; and works in partnership with other USDA and Federal agencies to broadly disseminate information.

Repair and Maintenance

The Budget includes \$20 million to address repair and maintenance needs. ARS allocates funding for the repair and maintenance of existing ARS facilities and infrastructure. Performing regular repair and maintenance on ARS infrastructure can extend the life span of research laboratories and facilities, provide opportunities for longer term savings, and ensure Federal scientists' capacity to conduct safe, quality research. Funding will support specific projects such as the replacement of air handling units, boilers, and chillers that have reached the end of their service lives.

Figure REE-2. ARS Research Programs



NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

NIFA has the responsibility of providing linkages between the Federal and State components of a national agricultural research, extension, and higher education system. NIFA provides funding for projects conducted in partnership with State agricultural experiment stations, the State Cooperative Extension System, land-grant universities, colleges, and other research and education institutions, as well as individual researchers. Federal funds are distributed to enhance capacity at universities and institutions by statutory formula funding and competitive grants. NIFA is responsible for administering the Nation's leading competitive grants program for agricultural sciences, the Agriculture and Food Research Initiative (AFRI), which supports research with strong potential to contribute to major breakthroughs in the food, agricultural, natural resource, and human sciences.

The Budget includes \$1.4 billion in discretionary funding for NIFA, including \$500 million for AFRI, while eliminating lower priority programs. The Budget proposes a new \$50 million competitive grant program to fund facility modernization at land-grant universities, which will strengthen the ability of researchers to conduct cutting-edge science. The Budget also provides \$9.5 million to relocate the agency outside the National Capital Region. The Department continues to support capacity funds and competitive grants to generate solutions to the Nation's critical food and agriculture problems. The 2018 Farm Bill created the Emergency Citrus Disease Research and Extension Program and established the Citrus Trust Fund to build upon the success of NIFA's Specialty Crop Research Initiative by providing \$25 million a year for 5 years to combat citrus diseases and pests, both domestic and invasive, which pose imminent harm to the U.S. citrus production and threaten industry viability.

Table REE-2. NIFA Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Formula Grants:			
Smith-Lever 3 (b) and (c)	\$300	\$300	\$299
Hatch Act.....	244	244	243
1890 Research and Extension	100	100	101
McIntire-Stennis Cooperative Forestry	34	34	29
Expanded Food and Nutrition Education Program.....	68	68	55
Renewable Resources Extension Act (RREA)	4	4	-
Facility Improvements at 1890 Institutions	20	20	-
Tribal Colleges Education Equity Grants Program	3	3	3
Animal Health and Disease Research.....	4	4	-
Total, Formula Grants	777	777	730
1890 Capacity Building Grants (Research).....	19	19	19
Agriculture and Food Research Initiative.....	400	400	500
Integrated Activities - Section 406 Organic Transition.....	5	5	-
Crop Protection and Pest Management Activities.....	20	20	-
Sustainable Agriculture Research/Education and Extension.....	35	35	19
Native American Endowment Fund Interest	5	5	5
Other Higher Education Programs	27	27	9
Federally-Recognized Tribes Extension Program.....	3	3	3
Food Safety Outreach Program	7	7	4
Extension Services at 1994 Institutions.....	7	7	4

Item	2018 Actual	2019 Estimate	2020 Budget
Federal Administration.....	20	20	27
Electronic Grants Administration System.....	8	8	7
Food and Ag. Defense Initiative (Reg. Diagnostic Network)	8	8	-
Veterinary Medical Services Act	8	8	5
Children, Youth, and Families at Risk	8	8	-
Other Research, Extension and Integrated Programs	55	55	65
Total, Discretionary Programs	1,412	1,412	1,396
Mandatory:			
Native American Endowment Fund.....	12	12	12
Farm Bill:			
Organic Agriculture Research and Education Initiative	19	19	20
Beginning Farmer and Rancher Development Program.....	19	15	15
Specialty Crop Research Initiative	51	51	80
Emergency Citrus Research and Extension Program	23	-	-
Food Insecurity Nutrition Incentive Program.....	23	-	-
Agricultural Risk Management Education Program.....	5	5	5
Gus Schumacher Nutrition	-	45	48
Urban Agriculture.....	-	10	-
Citrus Trust Fund.....	-	25	25
Scholarships for 1890 Students	-	40	-
Total, Farm Bill Programs.....	140	210	193
Total, Mandatory Programs	152	222	205
Total, NIFA.....	1,564	1,634	1,601

Formula (Capacity) Programs

The Budget includes \$749 million for these programs. NIFA has a number of programs that provide grants to the States on the basis of statutory formulas. These formula grants provide long-term, sustainable support needed to grow the capacity for agricultural research, education, and extension activities at land-grant institutions and State agricultural experiment stations. These programs include Hatch Act, Smith-Lever 3(b) and 3(c), 1890s research and extension, McIntire-Stennis Cooperative Forestry, and other grants.

Agriculture and Food Research Initiative (AFRI)

The Budget includes \$500 million for AFRI. AFRI is the Nation's premier competitive, peer-reviewed research program for fundamental and applied sciences in agriculture. It is broad in scope with programs ranging from fundamental science to farm management and community issues. AFRI programs are aligned with six Farm Bill Priority Areas: 1) plant health and production and plant products; 2) animal health and production and animal products; 3) food safety, nutrition, and health; 4) bioenergy, natural resources, and environment; 5) agriculture systems and technology; and 6) agriculture economics and rural communities.

Minority-Serving Institution Programs

The Budget includes \$152 million for these programs. NIFA has a number of programs dedicated to strengthening research and extension capacity at minority-serving institutions and the ability of these institutions to continue their effective programming. These include research, extension, and facilities programs at the 1890s institutions; education and extension grants for Tribal colleges

(including the Federally Recognized Tribes Extension Program) and Hispanic-serving institutions; and education grants for Alaska Native-Serving, Native Hawaiian-Serving institutions, and Insular Areas institutions. The Budget proposes to combine the education grants for Alaska Native-Serving, Native Hawaiian-Serving institutions, and Insular Areas institutions into one program. These programs support minority-serving institutions in reaching underrepresented students interested in entering the food and agricultural workforce.

ECONOMIC RESEARCH SERVICE

ERS' mission is to inform and enhance public and private decision making on economic and policy issues related to agriculture, food, natural resources, and rural America. The Budget includes \$61 million to focus on core programs of data analysis and market outlook. ERS provides statistical indicators for the farm sector (including farm income estimates and projections), current and expected performance of agricultural industry and trade, and food security in the US and abroad. Economic indicators are disseminated via reports, articles, and databases on the ERS website or by special staff analyses, briefings, and individual contact. Within the amount included, the Budget provides \$15.5 million to support relocation costs.

Table REE-3. ERS Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Economic Research Service	\$87	\$87	\$61

NATIONAL AGRICULTURAL STATISTICS SERVICE

NASS' mission is to provide timely, accurate, and useful statistics in service to U.S. agriculture. Each year, NASS conducts over 450 surveys on 200 different commodities. These data illustrate the changing nature and needs of agriculture and provide accurate and up-to-date information necessary for decision-making by producers, agribusinesses, farm organizations, commodity groups, public officials, and others. NASS data also keep agricultural markets stable, efficient, and fair by ensuring accessible and objective data are available to both commodity market buyers and sellers. NASS also conducts the quinquennial Census of Agriculture (Ag Census), a complete count of U.S. farms and ranches and the people who operate them. The Ag Census surveys farmers and ranchers on land use and ownership, operator characteristics, production practices, income and expenditures, and other topics.

The Budget includes \$163 million in program funding, including \$5 million to supplement funding from the Department of Labor, necessary to expand the Farm Labor Survey to publish more granular data and \$2 million for a new survey on technology use by agricultural producers. NASS currently conducts the Farm Labor Survey on a cost reimbursable basis for the Department of Labor; the Budget would directly fund NASS for this survey and provide funds necessary for additional questions related to base rate and incentive rate for workers hired by U.S. farms and ranches. The Budget also includes a net reduction of \$8 million in Agricultural Estimates by eliminating or reducing the sample size of select surveys.

The Ag Census provides comprehensive data on the agricultural economy with national, State, and county level details. The Ag Census data are relied upon to measure trends and new developments in the agricultural sector. NASS will publish the results of the 2017 Census of Agriculture in 2019. The Budget proposes a reduction of \$18 million following the completion of the 2017 Census of Agriculture.

Table REE-4. NASS Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Agricultural Estimates	\$128	\$128	\$118
Census of Agriculture.....	63	63	45
Total, NASS	191	191	163

DEPARTMENTAL ACTIVITIES

MISSION

Departmental staff offices provide essential support, without which other Departmental agencies and programs would be unable to carry out their duties, and are leading the Department's efforts to improve customer service to the public. Their functions include legal counsel, economic analysis, communications coordination, financial management, budget and policy support, and program appeal hearings for the Department's program activities. The Budget proposes funding to ensure that these offices can support staffing levels needed to provide leadership, oversight, and coordination.

DEPARTMENTAL STAFF OFFICES

Table DA-1. Departmental Activities Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Office of the Secretary	\$21	\$21	\$21
Office of Homeland Security	1	1	1
Office of Partnerships and Public Engagement	5	5	2
Departmental Administration	22	22	21
Office of Communications	8	8	7
Total, Office of the Secretary	57	57	53
Executive Operations:			
Office of the Chief Economist	20	20	19
Office of Hearings and Appeals.....	15	15	13
Office of Budget and Program Analysis.....	10	10	8
Total Executive Operations.....	45	45	40
Office of the Chief Information Officer	59	59	101
Office of the Chief Financial Officer	6	6	14
Agriculture Buildings and Facilities.....	64	64	331
Hazardous Materials Management.....	4	4	3
Office of Civil Rights	24	24	21
Office of the General Counsel.....	45	45	41
Office of Ethics.....	4	4	3
Total, Discretionary Programs	307	307	607
Mandatory:			
Farm Bill:			
Biobased Markets Program	3	3	-
Biodiesel Fuel Education Program.....	1	1	-
Farming Opportunities and Training Outreach	9	15	15
Multiple Crop and Pesticide Use Survey	0	1	0
Total, Farm Bill Programs	13	20	15
Office of the Secretary:			
Trust Fund.....	1	1	1
Total, Mandatory Programs	14	20	16
Total, DA	297	303	603

Office of the Secretary (OSEC)

The Secretary, assisted by the Deputy Secretary, the Subcabinet, and members of their immediate staffs, directs and coordinates the work of the Department. The Budget includes \$20 million for OSEC to fund continued policy direction for all areas of the Department including research, educational and regulatory activities, nutrition, conservation, farm groups, forestry and international agriculture, maintaining liaisons with the Executive Office of the President, members of Congress and the public.

Office of Homeland Security (OHS)

OHS provides a central homeland security oversight and assistance capability within USDA and is responsible for providing oversight and coordination of Departmental security matters. The Budget includes \$1.4 million for OHS to provide leadership and coordination of the Departmental security matters and to ensure that USDA is prepared for potential threats or emergency situations.

Office of Partnerships and Public Engagement (OPPE)

The OPPE was established in FY 2018 to improve access to USDA programs for all USDA customers. Through OPPE, the Department consolidated the overlapping outreach activities previously conducted by the Office of Advocacy and Outreach, the Office of Tribal Relations, the Office of Faith Based and Neighborhood Partnerships, and the Military Veterans Liaison. The Budget includes \$1.7 million to oversee the Advisory Committees on Minority Farmers and Beginning Farmers and Ranchers; oversee the activities of the Office of Small Farms Coordination and the Farm Worker Coordinator; and coordinate/conduct other outreach functions. In addition, the 2018 Farm Bill provides mandatory funding for the Farming Opportunities Training and Outreach Program formerly known as the Outreach and Education for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program – 2501 Grant Program.

Departmental Administration (DA)

DA provides overall direction, leadership and coordination for the Department's management of human resources, property, procurement, and small and disadvantaged business utilization programs. The Budget includes \$21 million.

Table DA-2. KPM

Key Performance Measure	2018 Actual	2019 Target	2020 Target
Number of Tier 1 data centers across the Department.	21	4	2
Ranking of the Top 10 Best Places to Work in the Federal Government for large agencies by the Partnership for Public Service.	16	Top 10	Top 10
Department's overall real property footprint through effective disposal and consolidation efforts (million square feet).	31.7	31.3	31.0
Department's light duty fleet (vehicles in thousands).	27.7	27.1	26.5

Office of Communications (OC)

OC provides leadership and coordination for the development of communication strategies for the Department and plays a critical role in disseminating information about USDA's programs to the general public. The Budget includes \$7.3 million for OC to continue to develop effective communications strategies that increase the visibility and the transparency of USDA programs.

Office of the Chief Economist (OCE)

OCE advises the Secretary and Department officials on the economic implications of Department policies, programs, associated regulations and proposed legislation; and serves as the focal point for the Department's economic intelligence, analysis and review related to domestic and international food and agriculture markets. OCE also provides advice and analysis on bioenergy, global climate change, environmental services markets, sustainable development, agricultural labor, and new uses of agricultural products. The Budget includes \$18.5 million for OCE.

Office of Hearings and Appeals (OHA)

OHA, formerly the National Appeals Division, conducts evidentiary administrative appeal hearings and reviews arising from program operations of the Service Center Agencies, which include the Rural Development mission area, the Farm Service Agency, the Risk Management Agency, and the Natural Resources Conservation Service. OHA is also responsible for the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges and the Judicial Officer. In 2017, administrative adjudication functions were transferred from Departmental Administration to Office of Hearings and Appeals. Amounts in 2018 have been adjusted for comparability. The Budget includes \$13.5 million for OHA to carry out these functions.

Office of Budget and Program Analysis (OBPA)

OBPA provides analyses and information to the Secretary and other senior policy officials to support informed decision-making regarding the Department's programs and policies as well as budget, legislative and regulatory actions. The Budget includes \$8.2 million for OBPA for the continued delivery of analyses and support to USDA policy officials.

Office of the Chief Information Officer (OCIO)

OCIO provides policy guidance, leadership and coordination for the Department's information management, technology investment and cyber security activities in support of USDA program delivery. The Budget includes \$101.4 million for OCIO to fund ongoing activities and to increase efforts for cybersecurity enhancements. Included in the request is an increase of \$11 million to enhance the Department's cyber security profile through the acquisition and implementation of relevant tools and services. This increase will allow USDA to implement Department-wide security enhancements to protect the network. In addition, the Budget includes \$31.5 million for the transition to a modernized enterprise network (USDANet), which will make the network more reliable and functional for USDA employees. USDA continues to partner with the White House Office of American Innovation to modernize its systems, such as consolidating end-user support services and data centers, and migrating data and functions to the cloud, which will improve IT service and reliability for both the internal and external USDA customer.

Office of the Chief Financial Officer (OCFO)

OCFO provides overall direction and leadership in the development of financial management policies and systems and produces the Department's consolidated financial statements. OCFO also oversees the provision of administrative accounting, payroll, and related systems for USDA and other agencies through operation of the National Finance Center. The Budget includes \$13.5 million to support these activities. Included in this request is an increase of \$7.5 million to begin to transition USDA employee payroll accounts from the current legacy system to the NewPay system, which will be more user friendly, improve data security, and save future costs.

Agriculture Buildings and Facilities (Ag B&F)

The Ag B&F account provides funding for all maintenance, utilities and administration of the more than 2.5 million square feet in the two USDA headquarters buildings, as well as the USDA-owned George Washington Carver Center. This funding will provide USDA Agencies with facilities necessary for them to carry out their missions. In addition, the Budget also includes a modernization strategy that would continue modernization of the South Building and renovation of the Carver Center. The South Building modernization strategy would address critical health and safety and accessibility deficiencies, as well as failing operational systems. The reconfiguration of the South Building and the Carver Center space would increase capacity and allow the Department to dispose of all the leases in the National Capital Region (NCR). Once completed, most employees would be housed in the Headquarters Complex and the Carver Center. The Budget includes \$331.1 million.

Hazardous Materials Management (HMM)

HMM provides for the efficient management and cleanup of hazardous materials on facilities and lands under the jurisdiction, custody, and control of the Department; and the prevention of releases of hazardous substances from USDA facilities. The Budget includes \$3.3 million for the HMM program.

Office of Civil Rights (OCR)

OCR provides policy guidance, leadership, coordination and training, and complaint adjudication and processing for the Department and its agencies. OCR's mission is to facilitate the fair and equitable treatment of USDA customers and employees and ensure the delivery and enforcement of civil rights programs and activities. Through its efforts, OCR strives to: (1) foster a positive civil rights climate at USDA; (2) process Equal Employment Opportunity (EEO) and program complaints in a timely, efficient and cost-effective manner; (3) reduce and prevent EEO and program complaints through training and guidance; and (4) offer alternative dispute resolution services. The Budget requests \$21.2 million for OCR.

Office of the General Counsel (OGC)

OGC provides legal oversight, counsel, and support to the Department's agencies and offices. The Budget includes \$41.2 million to ensure that resources are available for OGC to carry out its full range of responsibilities and support USDA program delivery. The request includes \$2.8 million for the Office of Ethics, which reports to the General Counsel, to administer ethics regulations and statutes governing employee conduct; carry out public confidential financial disclosure reporting programs; develop and implement supplemental ethics policies, provide advice and assistance to USDA employees; and train employees on all ethics statutes, regulations, and policies.

OFFICE OF INSPECTOR GENERAL

MISSION

The Office of Inspector General (OIG) conducts and supervises audits and investigations to prevent and detect fraud, waste, and abuse and to improve the effectiveness of USDA programs and operations. As the law enforcement arm of USDA, OIG also investigates criminal activity involving the Department's programs and personnel. The Budget includes \$98.2 million for OIG for audit and investigation review of the Department's programs. A portion of these funds will be used to help develop business intelligence products to better detect and reduce program vulnerabilities.

Table DA-3. OIG Budget Authority (millions of dollars)

Item	2018 Actual	2019 Estimate	2020 Budget
Discretionary:			
Office of Inspector General	\$98	\$98	\$98

APPENDIX

NOTE: Appendix tables do not include proposed legislation.

Table APP-1. Staff Years

Mission Area / Agency	2018 Actual	2019 Estimate	2020 Budget
Farm Production and Conservation:			
Farm Service Agency.....	3,836	3,938	2,855
Risk Management Agency	450	450	394
Natural Resources Conservation Service	9,698	10,798	9,793
FPAC Business Center.....	-	7	1,879
Trade and Foreign Agricultural Affairs:			
Foreign Agricultural Service.....	977	1,019	1,019
Rural Development:			
Rural Development	4,541	4,389	3,776
Food, Nutrition, and Consumer Services:			
Food and Nutrition Service	1,493	1,558	1,554
Food Safety:			
Food Safety and Inspection Service	9,010	9,332	9,256
Natural Resources and Environment:			
Forest Service.....	31,549	30,539	30,076
Marketing and Regulatory Programs:			
Animal and Plant Health Inspection Service.....	7,369	7,901	7,952
Agricultural Marketing Service.....	3,363	3,694	3,668
Research, Education, and Economics:			
Agricultural Research Service.....	6,142	6,166	6,226
National Institute of Food and Agriculture	350	358	345
Economic Research Service	320	330	160
National Agricultural Statistics Service	937	937	925
Departmental Activities:			
Office of the Secretary and Assistant Secretaries	95	113	115
Office of Homeland Security	53	58	58
Office of Partnerships and Public Engagement.....	44	44	44
Departmental Administration.....	324	385	379
Office of Communications	58	73	61
Agriculture Buildings and Facilities	82	82	82
Hazardous Materials Management.....	4	4	4
Office of the Chief Economist	54	64	64
Office of Hearings and Appeals.....	77	77	69
Office of Budget and Program Analysis	45	45	44
Office of Chief Information Officer.....	956	1,157	1,166
Office of Chief Financial Officer.....	1,421	1,511	1,510
Office of the General Counsel.....	248	252	238
Office of Ethics	20	20	14
Office of Civil Rights.....	129	130	130
Office of Inspector General.....	442	482	482
Subtotal, USDA Federal Staffing.....	84,087	85,913	84,338
FSA, Non-Federal Staffing	7,122	7,340	6,840
Total, U.S. Department of Agriculture	91,209	93,253	91,178

Table APP-2. Budget Authority (thousands of dollars)

Agency/Program	2018 Actual	2019 Estimate	2020 Budget
Office of The Secretary:			
Immediate Office	\$5,051	\$5,051	\$4,850
Assistant to the Secretary for Rural Development	800	800	800
Assistant Secretary for Congressional Relations	3,869	3,869	3,091
Office of Homeland Security	1,496	1,496	1,448
Office of Partnerships and Public Engagement	4,711	4,711	1,672
Assistant Secretary for Administration	804	804	875
Departmental Administration	22,301	22,301	21,376
Office of Communications	7,500	7,500	7,261
Subtotal, Office of the Secretary	46,532	46,532	41,373
Assistant Secretary for Civil Rights	901	901	800
Under Secretary for Research, Education, and Economics	800	800	800
Under Secretary for Marketing and Regulatory Programs	901	901	800
Under Secretary for Food Safety	800	800	800
Under Secretary for Farm Production and Conservation	901	901	875
Under Secretary for Food, Nutrition, and Consumer Services	800	800	800
Under Secretary for Trade and Foreign Agricultural Affairs	875	875	875
Office of Codex Alimentarius	3,796	3,796	4,775
Under Secretary for Natural Resources & Environment	875	875	875
Total, Office of the Secretary	57,181	57,181	52,773
Departmental Administration:			
Office of the Chief Information Officer	58,950	58,950	101,400
Agriculture Buildings and Facilities:			
Building Operations and Maintenance	64,414	64,414	331,114
Hazardous Materials Management	3,503	3,503	3,290
Total, Departmental Management	126,867	126,867	435,804
Office of the Chief Economist	19,786	19,786	18,513
Office of Hearings and Appeals	15,222	15,222	13,474
Office of Budget and Program Analysis	9,525	9,525	8,199
Office of the Chief Financial Officer	6,028	6,028	13,500
Office of Civil Rights	24,206	24,206	21,228
Office of Inspector General	98,208	98,208	98,208
Office of the General Counsel	44,546	44,546	41,242
Office of Ethics	4,136	4,136	2,752
Economic Research Service	86,757	86,757	60,500
National Agricultural Statistics Service:			
Agricultural Estimates	128,367	128,367	117,700
Census of Agriculture	63,350	63,350	45,300
Total, National Agricultural Statistics Service	191,717	191,717	163,000
Agricultural Research Service:			
Salaries and Expenses	1,202,766	1,244,766	1,203,491
Buildings and Facilities	140,600	140,600	50,000
Total, Agricultural Research Service	1,343,366	1,385,366	1,253,491

Agency/Program	2018 Actual	2019 Estimate	2020 Budget
National Institute of Food and Agriculture:			
Research and Education Activities.....	887,171	887,171	974,715
Native American Endowment Fund	(11,880)	(11,880)	(11,857)
Native American Interest	4,559	4,595	5,102
Extension Activities	483,626	483,626	415,274
Integrated Activities	37,000	37,000	1,697
Total, National Institute of Food and Agriculture	1,412,356	1,412,392	1,396,788
Animal and Plant Health Inspection Service:			
Salaries and Expenses	981,893	981,893	981,893
Buildings and Facilities	3,175	3,175	2,709
Total, Animal and Plant Health Inspection Service.....	985,068	985,068	984,602
Agricultural Marketing Service:			
Marketing Services.....	151,595	151,595	115,143
Payments to States and Possessions	1,235	1,235	1,109
Total, Agricultural Marketing Service.....	152,830	152,830	116,252
Food Safety and Inspection Service.....	1,056,844	1,056,844	1,045,320
Farm Production and Conservation:			
Business Center	1,028	1,028	222,611
Farm Service Agency:			
Salaries and Expenses:			
Appropriation	1,202,146	1,202,146	1,012,008
Transferred from Program Accounts	317,610	317,610	294,567
Total, Salaries and Expenses	1,519,756	1,519,756	1,306,575
State Mediation Grants	3,904	3,904	3,067
Grassroots Source Water Program	6,500	6,500	0
Dairy Indemnity Program.....	(500)	(500)	(500)
Agricultural Credit Insurance Fund Program Account.....	97,170	97,170	86,914
FSA Salaries and Expenses Transfer.....	(314,998)	(314,998)	(323,309)
Total, Farm Service Agency	1,627,330	1,627,330	1,396,556
Commodity Credit Corporation:			
Reimbursement for Net Realized Losses	(14,284,847)	(10,888,368)	(25,553,096)
Risk Management Agency:			
Salaries and Expenses	74,829	74,829	56,045
Federal Crop Insurance Fund	(6,291,000)	(9,422,000)	(8,937,000)
Total, Risk Management Agency	(6,365,829)	(9,496,829)	(8,993,045)
Natural Resources Conservation Service:			
Conservation Operations	874,107	874,107	755,000
Watershed and Flood Prevention Operations	150,000	150,000	0
Watershed Rehabilitation	10,000	10,000	0
Total, Natural Resources Conservation Service	1,034,107	1,034,107	755,000
Rural Development:			
Salaries and Expenses:			
Appropriation	230,835	230,835	192,343
Transferred from Program Accounts	449,992	449,992	455,051
Total, Salaries and Expenses	680,827	680,827	647,394

Agency/Program	2018 Actual	2019 Estimate	2020 Budget
Rural Housing Service:			
Rural Community Facilities Program.....	48,627	48,627	60,000
CF Salaries and Expenses Transfer	(0)	(0)	(147,591)
Rural Housing Insurance Fund Program Account.....	71,462	71,462	0
RHIF Salaries and Expenses Transfer	(412,254)	(412,254)	(244,249)
Rural Housing Assistance Grants.....	40,000	40,000	0
Rental Assistance Program.....	1,345,293	1,345,293	1,375,000
Multi-Family Housing Revitalization Program Account	47,000	47,000	32,000
Mutual and Self-Help Housing Grants	30,000	30,000	0
Total, Rural Housing Service	1,582,382	1,582,382	1,467,000
Rural Business-Cooperative Service:			
Rural Business Program.....	77,342	77,342	20,500
B&I Salaries and Expenses Transfer	(0)	(0)	(7,035)
Intermediary Relending Fund Program Account	4,361	4,361	0
RDLF Salaries and Expense Transfer	(4,468)	(4,468)	(0)
Rural Cooperative Development Grants	11,550	11,550	0
Value-Added Agricultural Product Market Development.....	16,000	16,000	0
Rural Energy for America Program	293	293	0
Total, Rural Business-Cooperative Service	109,546	109,546	20,500
Rural Utilities Service:			
Rural Water and Waste Disposal Program.....	1,060,263 ^a	1,060,263	527,630
Water and Waste Salaries and Expenses Transfer.....	(0)	(0)	(18,149)
Rural Electrification & Telecom. Loans Program Account	863	863	1,933
RETL Salaries and Expenses Transfer	(33,270)	(33,270)	(38,027)
Distance Learning, Telemedicine, and Broadband Program	67,000	67,000	273,600
Total, Rural Utilities Service	1,128,126	1,128,126	803,163
Total, Rural Development	3,500,881	3,500,881	2,938,057
Food and Nutrition Service:			
Child Nutrition Programs:			
Child Nutrition Programs (mandatory).....	(24,179,135)	(23,064,185)	(23,930,741)
Child Nutrition Programs (discretionary).....	75,004	75,004	12,475
Total, Child Nutrition Programs	(24,254,139)	(23,139,189)	(23,943,216)
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).....	6,175,000	6,175,000	5,750,000
Supplemental Nutrition Assistance Program:			
SNAP (mandatory).....	(74,012,501)	(73,418,964)	(69,069,910)
SNAP (discretionary)	998	998	0
Total, Supplemental Nutrition Assistance Program	(74,013,499)	(73,419,962)	(69,069,910)
Commodity Assistance Program:			
Commodity Supplemental Food Program	238,120	238,120	0
Farmers' Market Nutrition Program	18,548	18,548	0
Emergency Food Assistance Program.....	64,401	64,401	54,401
Pacific Island and Disaster Assistance	1,070	1,070	1,070
Total, Commodity Assistance Program.....	322,139	322,139	55,471
Nutrition Programs Administration.....	151,841	151,841	152,041
NPA: Bill Emerson and Mickey Leland Hunger Fellowships.....	2,000	2,000	0
Total, Discretionary Food and Nutrition Service	6,726,982	6,726,982	5,969,987
Total, Food and Nutrition Service	(104,918,618)	(103,210,131)	(98,970,638)

Agency/Program	2018 Actual	2019 Estimate	2020 Budget
Foreign Agricultural Service:			
Foreign Agricultural Service	199,666	199,666	192,824
Transferred from Program Accounts	6,382	6,382	6,063
Total, Salaries and Expenses	206,048	206,048	198,887
McGovern-Dole International Food for Education Program	207,626	207,626	0
Local/Regional Procurement Program	0 ^b	0	0
Subtotal, Foreign Agricultural Service	413,674	413,674	198,887
Public Law 480:			
Title II Grants	1,716,000 ^c	1,716,000	0
Administrative Expenses (for FSA)	(149)	(149)	(135)
Total, P.L. 480	1,716,149	1,716,149	135
Commodity Credit Corporation:			
CCC Export Loans Program Account	(8,845)	(8,845)	(6,381)
Total, Foreign Agricultural Service	2,129,674	2,129,674	198,887
General Provisions:			
APHIS: Citrus Greening	7,500	7,500	0
FNS: CNP - Food Service Meal Preparation and Workforce Development	2,000	2,000	0
FNS: CNP - Farm to School Pilot Program	5,000	5,000	0
FSA: ARC Pilot Program	5,000	5,000	0
FSA: Conservation Reserve Pilot Program	1,000	1,000	0
FSA: Geographically Disadvantaged Farmers and Ranchers	1,996	1,996	0
FSA: Hardwood Tree Reforestation Program	600	600	0
FSA: Tree Assistance Program - Pecan Trees	15,000	15,000	0
NIFA: Enhance Opportunities for Military Veterans	5,000	5,000	0
NIFA: Relocation Expenses	6,000	6,000	0
NRCS: Water Bank	4,000	4,000	0
RD: RHS - MFHP - Maturing Mortgage Pilot	1,000	1,000	0
RD: RBS - Healthy Food Financing Initiative	1,000	1,000	0
RD: RUS - Electric Loan Refinancing Pilot	5,000	5,000	0
RD: RUS - Address the Opioid Epidemic through DLT	20,000	20,000	0
RD: RUS - Broadband Loan and Grant Pilot Program	600,000	600,000	0
RD: RUS - Rural Energy Savings Program	8,000	8,000	0
Total, General Provisions	688,096	688,096	0
Total, Agriculture Discretionary Budget Authority	21,416,695	21,458,731	17,261,914
Forest Service:			
Forest and Rangeland Research	297,000	297,000	254,500
State and Private Forestry	335,525	335,525	182,296
National Forest System	1,883,750	1,883,750	1,912,750
Forest Landscape Restoration Fund	40,000	40,000	0
Wildland Fire Management	2,880,338	2,880,338	2,350,620
Capital Improvement and Maintenance	449,000	449,000	434,000
Land Acquisition Accounts	65,379	65,379	0
Other Appropriations	4,610	4,610	6,332
Total, Forest Service	5,955,602	5,955,602	5,140,498
Total, Interior Disc. Budget Authority (FS and NRE)	5,956,477	5,956,477	5,141,373
Total, Discretionary Budget Authority	27,373,172	27,415,208	22,403,287
Total, Agriculture Mandatory Budget Authority	118,779,863	116,805,897	127,503,104
Total, Budget Authority	146,153,035	144,221,105	149,906,391

^a Includes funds provided through a General Provision (\$500 million for FY 2018).

^b Of the amount provided for McGovern-Dole, \$10 million in FY 2018 is for local and regional procurement.

^c Includes funds provided through General Provisions (\$116 million in FY 2018).

Table APP-3. Program Level (millions of dollars)

Mission Area / Agency / Program	2018 Actual	2019 Estimate	2020 Budget
Farm Production and Conservation:			
Farm Service Agency:			
Farm Loan and Grant Programs	8,006	8,048	7,674
Conservation Programs	1,955	2,089	2,106
Commodity Programs	11,983	28,644	22,570
Commodity Credit Corporation Export Programs	5,926	6,466	6,467
Salaries and Expenses	1,520	1,520	1,307
Other Programs	429	29	4
Total, Farm Service Agency	29,819	46,796	40,128
Risk Management Agency:			
Salaries and Expenses	84	82	63
Crop Insurance Fund	10,249	13,394	12,663
Total, Risk Management Agency	10,333	13,476	12,726
Natural Resources Conservation Service:			
Private Lands Conservation Operations (Discretionary)	874	874	755
Farm Security and Rural Investment Programs	3,623	4,071	4,204
All Other	705	164	-
Total, Natural Resources Conservation Service	5,202	5,110	4,960
FPAC Business Center:			
Discretionary Programs	1	1	267
Total, Farm Production and Conservation	45,355	65,382	58,081
Trade and Foreign Agricultural Affairs:			
Foreign Agricultural Service:			
Export Credit Guarantees	1,582	5,500	5,500
Market Development Programs	279	301	233
Foreign Food Assistance	1,968	1,955	166
Salaries and Expenses	203	201	199
Total, Trade and Foreign Agricultural Affairs	4,032	7,957	6,098
Rural Development:			
Rural Utilities Service:			
Loans and Grants	9,433	12,370	7,993
Rural Housing Service:			
Loans and Grants	30,233	29,858	29,119
Rural Business - Cooperative Service:			
Loans and Grants	1,430	1,443	1,406
Salaries and Expenses:	231	231	192
Total, Rural Development	41,327	43,902	38,710
Food, Nutrition, and Consumer Services:			
Food and Nutrition Service:			
Supplemental Nutrition Assistance Program	74,013	73,420	69,066
Child Nutrition Programs	24,437	23,326	24,144
Women, Infants and Children (WIC)	6,176	6,176	5,751
All Other	500	499	207
Total, Food, Nutrition, and Consumer Services	105,126	103,421	99,168

Mission Area / Agency / Program	2018 Actual	2019 Estimate	2020 Budget
Food Safety:			
Food Safety and Inspection Service.....	1,071	1,071	1,059
Natural Resources and Environment:			
Forest Service:			
National Forest System	1,924	1,924	1,913
Forest and Rangeland Research.....	297	297	255
State and Private Forestry.....	336	336	182
Wildland Fire Activities	2,880	2,880	2,351
Capital Improvement and Maintenance.....	449	449	434
Land Acquisition	65	65	-
All Other.....	628	-15	1,957
Total, Discretionary Accounts	6,579	5,936	7,091
Mandatory	711	388	479
Total, Natural Resources and Environment	7,290	6,324	7,570
Marketing and Regulatory Programs:			
Animal and Plant Health Inspection Service:			
Salaries and Expenses	988	989	982
Mandatory	337	496	387
Buildings and Facilities	3	3	3
Total, Animal and Plant Health Inspection Service.....	1,328	1,488	1,372
Agricultural Marketing Service:			
Section 32 Funds	1,149	1,403	1,224
All Other.....	385	146	-466
Total, Agricultural Marketing Service.....	1,534	1,549	758
Total, Marketing and Regulatory Programs.....	2,862	3,037	2,130
Research, Education, and Economics:			
Agricultural Research Service.....	1,388	1,421	1,275
National Institute of Food and Agriculture	1,564	1,623	1,595
Economic Research Service	87	87	61
National Agricultural Statistics Service	192	192	163
Total, Research, Education, and Economics.....	3,231	3,323	3,094
Departmental Activities:			
Office of the Secretary	57	57	53
Office of Civil Rights.....	24	24	21
Office of Inspector General.....	98	98	98
All Other Staff Offices	2,613	243	551
Total, Departmental Activities.....	2,793	422	723
Subtotal, USDA	213,086	234,839	216,632
Offsetting Receipts, Rescissions & Other Adjustments	-2,857	-2,763	-1,298
Total, U.S. Department of Agriculture	210,229	232,076	215,334

Table APP-4. Outlays (millions of dollars)

Mission Area / Agency	2018 Actual	2019 Estimate	2020 Budget
Farm Production and Conservation:			
Farm Service Agency	\$1,787	\$2,056	\$1,525
Commodity Credit Corporation	10,877	20,965	5,295
Risk Management Agency	6,525	10,799	9,056
Natural Resources Conservation Service	3,991	4,732	4,977
FPAC Business Center	1	1	214
Trade and Foreign Agricultural Affairs:			
Foreign Agricultural Service	177	239	260
P.L. 480	1,741	749	1,006
Rural Development:			
Rural Utilities Service	1,010	263	1,854
Rural Housing Service	1,823	1,889	1,496
Rural Business - Cooperative Service	90	53	60
Salaries and Expenses	220	277	205
Food, Nutrition, and Consumer Services:			
Food and Nutrition Service	97,242	100,973	78,683
Food Safety:			
Food Safety and Inspection Service	1,069	1,067	1,063
Natural Resources and Environment:			
Forest Service	7,232	6,747	8,252
Marketing and Regulatory Programs:			
Animal and Plant Health Inspection Service	1,219	1,630	1,378
Agricultural Marketing Service	396	510	420
Section 32 Funds	710	831	124
Research, Education, and Economics:			
Agricultural Research Service	1,148	1,289	1,606
National Institute of Food and Agriculture	1,335	1,690	1,641
Economic Research Service	87	94	67
National Agricultural Statistics Service	189	200	164
Departmental Activities:			
Office of the Secretary	408	1,041	100
Agriculture Buildings and Facilities	63	87	291
Executive Operations	173	251	228
Office of Inspector General	93	107	98
Working Capital Fund	-36	204	-64
Subtotal, USDA	139,570	158,744	119,999
Offsetting Receipts, Rescissions & Other Adjustments	-2,857	-2,763	-1,298
Total, U.S. Department of Agriculture	136,713	155,981	118,701

Table APP-5. Discretionary Outlays (millions of dollars)

Mission Area / Agency	2018 Actual	2019 Estimate	2020 Budget
Farm Production and Conservation:			
Farm Service Agency	\$1,607	\$1,927	\$1,557
Commodity Credit Corporation	14	36	6
Risk Management Agency	80	74	60
Natural Resources Conservation Service	878	1,174	1,178
FPAC Business Center	-	-	214
Trade and Foreign Agricultural Affairs:			
Foreign Agricultural Service	367	433	453
P.L. 480	1,741	749	1,006
Rural Development:			
Rural Utilities Service	577	867	1,467
Rural Housing Service	1,815	1,879	1,827
Rural Business - Cooperative Service	112	126	123
Salaries and Expenses	220	277	205
Food, Nutrition, and Consumer Services:			
Food and Nutrition Service	5,964	5,959	5,262
Food Safety:			
Food Safety and Inspection Service	1,055	1,053	1,049
Natural Resources and Environment:			
Forest Service	6,368	6,267	7,769
Marketing and Regulatory Programs:			
Animal and Plant Health Inspection Service	936	1,192	1,006
Agricultural Marketing Service	121	214	123
Section 32 Funds	-	-33	-
Research, Education, and Economics:			
Agricultural Research Service	1,124	1,267	1,584
National Institute of Food and Agriculture	1,219	1,554	1,461
Economic Research Service	87	94	67
National Agricultural Statistics Service	189	200	164
Departmental Activities:			
Office of the Secretary	395	1,025	83
Agriculture Buildings and Facilities	63	87	291
Executive Operations	173	251	228
Office of Inspector General	93	107	98
Working Capital Fund	-36	204	-64
Subtotal, USDA	25,161	26,983	27,217
Offsetting Receipts, Rescissions & Other Adjustments	-446	-442	-425
Total, U.S. Department of Agriculture	24,716	26,542	26,792

Table APP-6. User Fee Proposals (millions of dollars)

Mission Area / Agency / Proposal	2020 BA	2020 Outlays
Food Safety:		
Food Safety and Inspection Service:		
Establish a user fee to cover all domestic inspection and import re-inspection and most of the central operations costs for Federal, State, and International inspection programs for meat, poultry, and egg products. The fee would not cover Federal functions such as investigation, enforcement, risk analysis, and emergency response. This user fee would be implemented in 2021. Total collections are estimated to be \$5.9 billion over 10 years.	0	0
Marketing and Regulatory Programs:		
Agricultural Marketing Service:		
Establish a user fee for the Marketing Orders and Agreements programs to recover the full cost of the agency's oversight of these programs. Total collections estimated to be \$200 million over 10 years.	-20	-20
Collect a license fee for those covered by the Packers and Stockyards Act. The proposed license fee would be assessed on livestock market agencies, dealers, stockyards, packers, live poultry dealers, and swine contractors. Market participants are protected from the adverse effects of anticompetitive and unfair business practices in meat and poultry marketing and distribution. Total collections are estimated to be \$250 million over 10 years.	-25	-25
Reform Section 32 activities by permanently delinking U.S. Customs receipts from the Section 32 program and directly appropriating funding to the Agricultural Marketing Service (AMS), the Food and Nutrition Service (FNS), and the Department of Commerce. Total savings is estimated to be \$5.1 billion over 10 years	-411	-411
Animal and Plant Health Inspection Service:		
Prescribe, adjust and collect fees to cover the costs incurred for activities in relation to the review, maintenance and inspections connected to licensing activities associated with the Animal Welfare program, Virus-Serum-Toxin (VST) program, and the Biotechnology Regulatory Services (BRS). The estimated fees would result in receipts of \$23 million, which include \$9 million for animal care, \$10 million for veterinary biologics, and \$4 million for BRS. Total collections estimated to be \$238 million over 10 years.	-22	-22
Establish a user fee for domestic agricultural quarantines and inspections. Total collections estimated to be \$351 million over 10 years.	-31	-31

Table APP-7. Budget-Related Proposals (millions of dollars)

Mission Area / Agency / Proposal	2020 BA	2020 Outlays
Farm Production and Conservation:		
Farm Service Agency:		
Limit commodity and conservation assistance to those producers that have an Adjusted Gross Income (AGI) of \$500,000 or less. Total savings over 10 years are estimated to be about \$1.3 billion.....	-63	-63
Make Marketing Assistance Loan (MAL) gains subject to the \$125,000 payment limit and eliminate the use of Commodity Certificates. Total savings over 10 years are estimated to be \$114 million.	-34	-34
Remove the separate \$125,000 payment limit for peanuts. Total savings over 10 years are estimated to be \$524 million.	-44	-44
Make Marketing Assistance Loan (MAL) forfeitures subject to the \$125,000 payment limit. Total savings over 10 years are estimated to be \$10 million.	-1	-1
Limit all farms to one manager that can qualify as actively engaged. Total savings over 10 years are estimated to be \$700 million.....	-70	-70
Eliminate the Economic Adjustment Assistance Program (EEAP) for Upland Cotton Users. Total savings over 10 years are estimated to be \$500 million.	-50	-50
Eliminate the Livestock Forage Disaster Program (LFP). Total savings over 10 years are estimated to be about \$7.8 billion.....	-680	-680
Target enrollment in CRP to environmentally sensitive areas, limit the enrollment of whole farm fields (with the exception of grasslands) and eliminate all funding for signing and practice incentive payments (SIPs and PIPs), with the exception of the Conservation Reserve Enhancement Program. Total savings over 10 years are estimated to be \$706 million.	-58	-58
Limit CRP payments to 80 percent of the National Agricultural Statistics Service (NASS) county rental rates. Total savings over 10 years are estimated to be about \$584 million.....	0	0
Risk Management Agency:		
The Budget proposes to eliminate reimbursements to the private sector for the development of new crop insurance products. It also proposes to change the approval process for new products under 508(h) to be at the discretion of the Federal Crop Insurance Corporation Board, and not mandatory. Ten year savings estimated at \$120 million.....	-12	-12
Target crop insurance subsidies to producers that have an Adjusted Gross Income of \$500,000 or less. The savings over ten years is estimated to be \$642 million.....	0	0

Mission Area / Agency / Proposal	2020 BA	2020 Outlays
Reduce the premium subsidy for Harvest Price coverage by 15 percentage points, and reduce all other insurance policy subsidies by 10 percentage points other than catastrophic level of coverage (CAT). The savings over ten years is estimated to be \$22.1 billion.....	0	0
Reduce the cap on underwriting gains on Approved Insurance Providers (AIPs) to 12 percent of the return on retained premium. The savings over ten years is estimated to be \$3.0 billion.....	0	0
Natural Resources Conservation Service		
Reduce Agricultural Conservation Easement Program by \$40M per year. The savings over 10 years is estimated to be \$308 million	-7	-7
Eliminate the Conservation Stewardship Program. The savings over 10 years is estimated to be \$7.3 billion.....	-145	-145
Trade and Foreign Agricultural Affairs:		
Foreign Agricultural Service:		
Eliminate funding for the Food for Progress. Total savings over 10 years is \$1.7 billion	0	-166
Rural Development:		
Rural Business-Cooperative Service:		
Eliminate the Rural Energy for America loan and grant program. Total savings over 10 years are estimated to be \$436 million	-50	-4
Eliminate the Interest Payment to the Rural Economic Development Program. Total savings over 2 years are estimated to be \$10 million	0	-5
Food, Nutrition, and Consumer Services:		
Food and Nutrition Service:		
Convert part of SNAP allotments to USDA Harvest Box. Total savings over 10 years are estimated to be \$127.8 billion.	-11,626	-11,626
Restrict Broad Based Categorical Eligibility to households receiving Temporary Aid for Needy Families cash assistance. Total savings over 10 years are estimated to be \$30.3 billion.....	-1,444	-1,444
Work requirements for able-bodied adults ages 18 to 65 for 20 hours per week Total savings over 10 years are estimated to be \$45.1 billion.....	-4,103	-4,103
Eliminate the Low Income Home Energy Assistance Program (LIHEAP)/Heating Cooling Standard Utility Allowance (HCSUA) link, creating a single, consistent nationwide policy. Total savings over 10 years are estimated to be \$11.44 billion.....	-545	-545

Mission Area / Agency / Proposal	2020 BA	2020 Outlays
Cap Federal State administrative expenses to States at the 50th percentile with inflation adjustments in future years. Total savings over 10 years are expected to be \$8.6 billion	0	0
Standardize the HCSUA levels for a consistent approach nationally. Total savings over 10 years are expected to be \$9.4 billion	-448	-448
Eliminate the minimum benefit. Total savings over 10 years are expected to be \$2.9 billion	-269	-269
Cap benefits at the 6-person maximum allotment. Total savings over 10 years are expected to be \$1.39 billion.....	-126	-126
Modify age limit definitions for certain SNAP populations. Total savings over 10 years are expected to be \$567 million	0	0
Eliminate SNAP nutrition education. Total savings over 10 years are expected to be \$4.85 billion	-441	-441
Increase claims retention rate to fund State integrity efforts. Total costs over 10 years are expected to be \$85 million	8	8
Authority to conduct SNAP data matching between recipients and store owners. Total savings over 10 years are expected to be \$40 million	-4	-4
Broad integrity gains via national SNAP EBT gateway. Total costs over ten years are expected to be \$100 million.....	10	10
Eliminate funding for interoperability grants. Total savings over ten years are expected to be \$5 million.....	-0.5	-0.5
Improve integrity in the school meal verification process. Total savings over ten years are expected to be \$483 million.	0	0
Require individual schools to meet or exceed the identified student threshold to participate in CEP whether participating individually, in a group of schools, or districtwide. Total savings over ten years are expected to be \$1.2 billion	-19	-12
Consideration of potential interactions reduces savings by \$26.5 billion over ten years	1,588	1,588

Natural Resources and Environment:

Forest Service:

Reauthorize the Federal Lands Recreation Enhancement Act to September 30, 2022, to enable the agency to continue to retain recreation fees for use in providing quality recreation facilities and supporting land management operations	-65	-65
Reauthorize the Forest Botanical Products program to September 30, 2020, to allow the agency to continue to charge and retain fees for the harvest of forest botanical products.	-1.6	-1.6

Mission Area / Agency / Proposal	2020 BA	2020 Outlays
Charge a new fee to cover the costs of administering communications sites (2018 Farm Bill authority).	-5	-5
Charge the current cost recovery fee for land use authorization applications at the beginning of the initial screening process, rather than after the screening is completed.	-3	-3
Charge a new fee to recover costs to streamline minerals permitting.	-60	-60
Retain a portion of mineral receipts to pay for infrastructure and other critical needs.	-130	-130



United States Department of Agriculture