FY 2015

BUDGET SUMMARY
AND
ANNUAL PERFORMANCE PLAN

U.S. DEPARTMENT OF AGRICULTURE

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PREFACE

This Budget Summary and Annual Performance Plan describes the fiscal year (FY) 2015 Budget for the U.S. Department of Agriculture (USDA). All references to years refer to fiscal year, except where specifically noted. Throughout the Budget Summary, "The Farm Bill" or "2014 Farm Bill" are used to refer to the Agricultural Act of 2014. At the time of the 2015 Budget release, implementation of Farm Bill programs had just begun and delegation to the agencies of some programs was still in progress. Some estimates included in the Budget for mandatory programs are subject to change due to the effects of the Farm Bill. Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for FY 2013 and FY 2014. The sequestration rate for FY 2013 is 5 percent for discretionary programs and 5.1 percent for mandatory programs. The sequestration rate for FY 2014 is 7.2 percent for mandatory programs.

The Budget Summary is organized into two sections:

- **Overview -** provides an overview of the 2015 Budget by strategic goal and describes changes in budget authority and outlays and identifies key budget proposals.

- **Mission Area/Agency Details -** summarizes agency funding and programs, and performance goals.

Budget and Performance Plan Terms:

- **Budget Authority (BA)** is the 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** are commitments of Government funds that are legally binding. In order for USDA to make a valid obligation, it must have a sufficient amount of BA to cover the obligation.

- **Outlays** are cash disbursements from the Federal Treasury to satisfy a valid obligation.

- **Program Level (PL)** represents 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** is 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** are indicators, statistics, or metrics used to gauge program performance. Program performance measures include outcome, output, and efficiency measures.

The Budget is described in budget authority measures in most instances. However, there are some cases when other measures are used and the reader should take care to note which measure is being used. Also, note that the budget authority tables contained in this document reflect operating levels. In addition, performance goals reflect performance levels at ongoing funding levels and do not include the effect of supplemental appropriations. Performance data for 2014 and 2015 are estimates and subject to change.

The 2013 Annual Performance Report which provides performance information concerning USDA achievements in 2013 can be found at https://www.obpa.usda.gov. According to the requirement in the GPRA Modernization Act (P.L. 111-352), to address Federal Goals in the agency Strategic Plan and Annual Performance Plan, please refer to https://www.performance.gov for information on Federal Priority Goals and the agency's contributions to those goals, where applicable.

The 2015 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: https://www.whitehouse.gov/omb/budget.

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

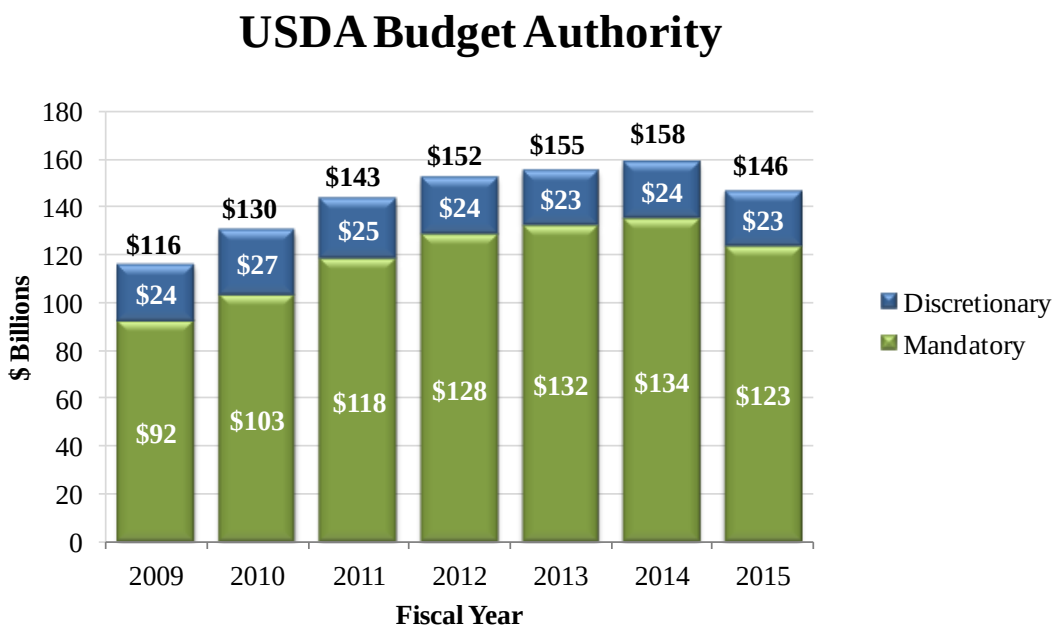
USDA provides leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient management.

Vision Statement

To expand economic opportunity through innovation, helping rural America to thrive; to promote agriculture production sustainability that better nourishes Americans while also helping feed others throughout the world; and to preserve and conserve our Nation's natural resources through restored forests, improved watersheds, and healthy private working lands.

2015 Funding Overview

The 2015 request for discretionary budget authority to fund programs and operating expenses is $23 billion, a decrease of about $1 billion below 2014. This includes funding for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Rural Development, Food Safety, Forest Service, research and conservation activities.



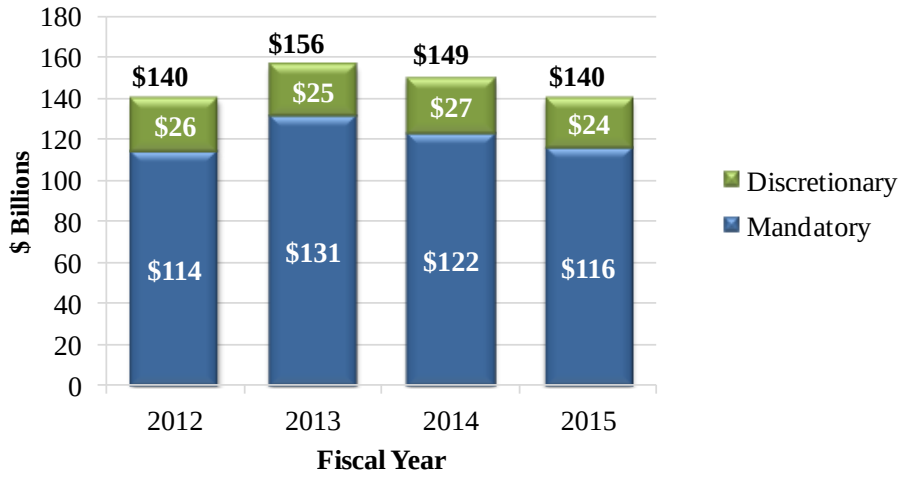
USDA's requested funding levels support WIC participation, invest in economic opportunity, and strengthen conservation efforts among other Administration priorities. The discretionary funding request for 2015 reflects efforts to reduce administrative costs and streamline operations and proposes to strengthen program integrity efforts.

Funding for mandatory programs is estimated at $123 billion, an $11 billion decrease from 2014. Mandatory funding largely reflects decreases in the Commodity Credit Corporation Fund and reduced crop insurance expenses.

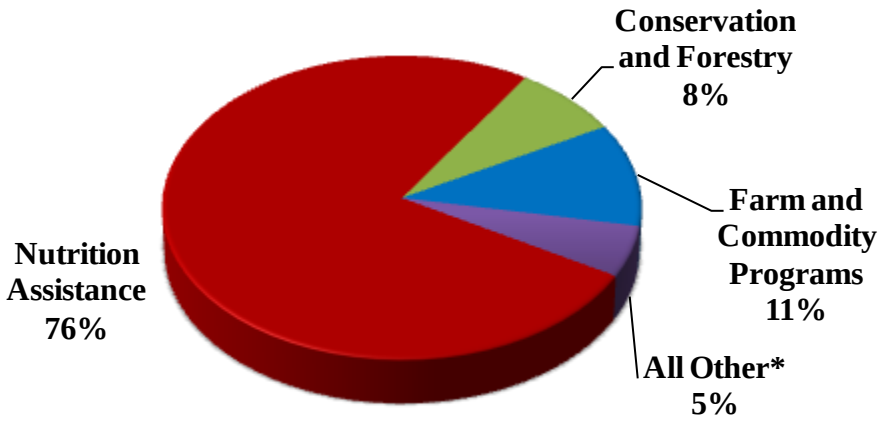
OVERVIEW

USDA's total outlays for 2015 are estimated at $140 billion. Roughly 83 percent of outlays, about $116 billion in 2015, are associated with mandatory programs that provide services as required by law. The majority of these outlays include crop insurance, nutrition assistance programs, farm commodity and trade programs and a number of conservation programs. The remaining 17 percent of outlays, estimated at about $24 billion in 2015, are associated with discretionary programs such as 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, and other Forest Service activities; and domestic and international marketing assistance.

USDA Outlays



2015 Outlays



*Includes Rural Development, Research, Food Safety, Marketing and Regulatory, and Departmental Management functions

Strategic Plan Framework

Significant opportunity exists to create thousands of new jobs and drive economic development in rural communities across America. In the past four years, the Department has been supporting policies that have made agriculture one of the bright spots in the recovering economy. Family household incomes in rural areas are on the rise, and farm sector earnings and agricultural exports have reached record highs. However, rural America faces an increasingly challenging, technologically advanced, and competitive environment. Meeting these challenges creates many opportunities for families in rural communities to generate prosperity in new ways while conserving the Nation's natural resources and providing a safe, sufficient, and nutritious food supply for the country and the world. The Department is well positioned to support its constituents in taking advantage of these new opportunities. The new USDA Strategic Plan 2014-2018 identifies the goals, objectives, management initiatives, and strategies that will guide the Department's efforts to assist the country in addressing these challenges.

The Department's budget is organized around five goals. It should be noted that although agency programs and associated funding have been aligned with the five program goals, many programs contribute to the achievement of multiple goals. For 2014 and 2015, USDA established three new Agency Priority Goals that focus on improving soil health and sustainability, creating economic opportunities in rural America and improving food safety.

Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

Rural America is home to a vibrant economy supported by nearly 50 million Americans. These Americans come from diverse backgrounds and work in a broad set of industries. Many of the Nation's small businesses are located in rural communities and are the engine of job growth and an important source of innovation for the country. A vibrant American economy depends on a prosperous rural America. In 2012, 16.5 million jobs were related to agriculture. America's farmers and ranchers are the most productive in the world. There continues to be an incredible opportunity to create more new jobs and drive economic development in rural communities across America by investing in programs that spur innovation and make critical investments in businesses and infrastructure. Not only investments in agriculture, but also in other sectors such as manufacturing, broadband infrastructure, and clean energy. Basic and applied research supported by USDA play a critical role in developing the technology needed to increase productivity to meet our needs at home, while taking advantage of expanding export markets. Agriculture exports have had the strongest five-year period of growth in our Nation's history. To take advantage of these opportunities and harness new technology, the 2015 Budget:

- Requests a total of $325 million for competitive grants through the Agriculture and Food Research Initiative (AFRI), which supports all strategic goals. A portion of this funding will support research to strengthen the sustainability of biomass production and understand its effects on land and water resources, and to identify the socioeconomic impacts of biofuels in rural communities in order to enhance sustainable rural economies. Major studies have consistently found that the net social returns from public agricultural research in the United States are high.

- Provides an increase of $75 million for three public-private innovation institutes ($25 million each). The institutes will engage industry, leverage funding, and facilitate technology transfer. One will build a National Network for Manufacturing Innovation focused on bio-manufacturing and bioproducts development. Another will focus on pollination and pollinator health. A third institute will focus on anti-microbial resistance research (AMR) by supporting the generation of evidence-based data to address known and emerging information gaps in mitigating AMR.

- Provides $6.4 billion for loans to help over 40,000 farmers and ranchers to cover operating costs and purchase or refinance farm property.

- Supports several initiatives aimed at assisting the next generation of farmers and ranchers, including: individual development accounts designed to help beginning farmers and ranchers of limited means finance their agricultural endeavors through business and financial education and matched savings accounts; microloans that serve the unique financial operating needs of beginning, niche and the smallest of family farm operations; food safety training and technical assistance to owners of small farms, food processors, and fruit and vegetable producers to help them implement new Federal food safety guidelines enacted under the Food Safety Modernization Act; and research on generational transition in agriculture.

- Provides $2.2 billion for the purchase or construction of community facilities projects that will support 850 loans to develop essential facilities such as hospitals, schools, libraries, fire protection, child and adult day care, and other public buildings in rural areas.

- Requests $13 million for loans and grants to support increased access to healthy foods in underserved areas, create and preserve quality jobs and to revitalize low income communities. The initiative will provide financial and technical assistance to support market planning and promotion efforts, as well as infrastructure and operational improvements designed to stimulate consumer demand, enhance marketing, expand demand and retail outlets for farm products, and increase the availability of locally and regionally produced foods. Together with $35 million in the Department of Treasury's Community Development Financial Institutions Fund, this represents a government-wide 50 percent increase above 2014 enacted.

- Provides $24 billion for guaranteed single family housing loans and $360 million for single family housing direct loan program to provide over 166,000 new homeownership opportunities including purchasing a home or refinancing a loan in 2015.

- Provides $5 billion in guaranteed loans to support clean and renewable energy generation, transmission and distribution activities across rural America. This level of funding will provide 4.6 million rural residents with new or improved electric service.

- Provides $8.7 billion for the Federal crop insurance program under current law. This level of support will provide about $63 billion in (normalized) risk protection through crop insurance.

- Provides funding for increased regulatory enforcement of the Packers and Stockyards Act and assistance to facilitate the marketing of U.S. grain, oilseeds, and related products. This funding will contribute to providing a fair market for livestock producers and aid the marketability of grains.

Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Farm and Foreign Agricultural Services	$22,949	$19,555	$12,476
Rural Development	2,278	2,960	2,505
Marketing and Regulatory Programs	881	877	964
Research, Education, and Economics	1,139	1,214	1,279
Office of the Chief Economist	6	8	8
Total	$27,254	$24,614	$17,232

Strategic Goal: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources.

A healthy and prosperous America relies on the health of our natural resources, and particularly our forests and agricultural working lands. The health of America's forests, farms, ranches and grasslands must be conserved so that they continue to offer the environmental benefits of clean air, clean and abundant water, and important wildlife habitat while helping to mitigate and adapt to a changing climate. Protecting America's supply of clean and abundant water is an important goal for USDA. More than half of our Nation's fresh water flows from public and private forest lands, with 60 million Americans relying on drinking water originating on the National Forest System. This precious resource is the foundation for healthy ecosystems and sustainable agricultural production and is essential to the health of the Nation and agricultural producers.

Improved agricultural production practices generate important environmental benefits for producers and the public, including quality improvement of ground and surface water, air quality, and soil quality. Forests help generate rural wealth through recreation and tourism, through the creation of green jobs, and through the production of wood products and energy. Our national forests and grasslands contribute $13.6 billion annually to the Nation's Gross Domestic Product through visitor spending. The environmental services provided by a healthy and resilient forested landscape are essential to ensure healthy and resilient human communities.

From the sequestration of carbon in the woody biomass of our trees to increased resiliency to wildland fire at the wildland urban interface, healthy forests can help us mitigate the terrible impacts of a changing climate. They are also a source of cultural heritage and a national treasure. In addition to these national lands, much of America's water, soil, and natural habitat resources are privately owned. To help conserve and protect these resources, USDA performs extensive work with private landowners. USDA provides both technical expertise and financial assistance to install conservation practices that benefit preserving soil health and reduce excess nutrient runoff. In addition to this assistance, USDA also helps landowners to establish easements to protect their land from development.

This goal will be supported with actions to: (1) restore and conserve the Nation's forests, farms, ranches and grasslands; (2) lead efforts in agriculture and forestry to mitigate and adapt to extreme weather; (3) protect and enhance America's water resources; and (4) reduce risk from catastrophic wildfire and restore fire to its appropriate place on the landscape. As part of this goal, the 2015 Budget:

- Proposes a new and fiscally responsible funding strategy that recognizes that catastrophic wildland fires should be considered disasters, funded in part by additional budget authority provided through a wildfire suppression cap adjustment. With the cost of suppression having grown from 13 percent of the agency's budget just 10 years ago to over 40 percent in 2014, the cost of wildland fire suppression is subsuming the agency's budget and jeopardizing its ability to implement its full mission. The Forest Service has come to rely on transfers from non-wildland fire management programs to cover the rising cost of suppression. The lost momentum of critical restoration programs as fire transfers deplete the budget by up to $500 million annually is felt across critical programs nationwide and exacerbates the frequency and intensity of fires in future years. This new strategy provides increased certainty in addressing growing fire suppression needs, better safeguards non-suppression programs from transfers that have diminished their effectiveness, and allows us to stabilize and invest in programs that will more effectively restore forested landscapes, treat forests for the increasing effects of climate change, and prepare communities in the wildland urban interface to avert and minimize destructive future wildfires.

- Provides $5.4 billion to effectively implement 2014 Farm Bill conservation programs, such as enrolling additional acres into conservation programs. For example, the 2014 Farm Bill authorizes the enrollment of an additional 10 million acres per year until 2022 under the Conservation Stewardship Program, which encourages participants to undertake new conservation actions in addition to continuing current conservation practices.

- Emphasizes making forested landscapes more resilient to a changing climate with greatly increased support for Integrated Resource Restoration (IRR) and the Collaborative Forest Landscape Restoration Program (CFLRP). The Budget's investment in IRR of $820 million will increase the volume of timber sold in 2015 to 3.1 billion board feet, an increase of 300 million board feet (MMBF) from 2014 and 490 MMBF from 2013. Complementary to IRR, the Budget increases CFLRP funding to $60 million to support

up to 10 additional multi-year restoration projects. This will allow the Forest Service to continue working directly with communities and local organizations to restore watershed function and resilience, treat hazardous fuels, improve forest vegetation and wildlife habitat, and generate commercial timber and biomass for bioenergy.

- Provides $45 million in combined mandatory and discretionary funds for USDA and the Environmental Protection Agency, in consultation with other relevant Federal partners, to increase efforts to address the decline of honey bee health with a goal of ensuring the recovery of this critical subset of pollinators. This coordinated effort is focused on targeted research that addresses multi-factorial stressors, their interaction, and identification and implementation of measures to improve and increase habitat available on both Federal and private lands. In addition, this initiative will help prevent introductions of invasive bees, bee diseases, and parasites; document the status of honey bee health factors associated with bee losses and honey production; and work with stakeholders on best management practices. A coordinated communication strategy, including outreach and education, will engage the public to help solve this important challenge.

- Targets conservation activities to priority landscapes through Federal, State, and local partnerships. Under the new Regional Conservation Partnership Program authorized by the 2014 Farm Bill, 35 percent of the funds and acres are reserved for critical conservation areas. Areas will be prioritized for "critical conservation" designation based on the degree to which they include multiple States with significant agricultural production, are covered by an existing agreement, would benefit from water quality and quantity improvement, and contain producers that need particular assistance. Of the remaining funds and acres under this program, 40 percent supports projects selected through a national competitive process and 25 percent supports projects selected through a State competitive process.

- Requests $325 million for competitive grants through the Agriculture and Food Research Initiative (AFRI) competitive grants program, which supports all strategic goals. A portion of this funding will support research focused on developing solutions for water management that link food, water, climate change, energy, and environmental issues. Major studies have consistently found that the net social returns from public agricultural research in the United States are high.

- Reallocates $44 million to address climate change risk to agriculture by developing more climate-resilient agriculture production systems. This cross-cutting, multidisciplinary initiative will address critical needs for increased food production while improving the sustainability of production systems. The recently announced Regional Hubs for Risk Adaptation and Mitigation to Climate Change initiative will deliver science-based knowledge and practical information to farmers, ranchers and forest landowners within each region of the United States to support decision-making related to climate change.

- Reallocates $25.9 million to invest in genetic resources and tools that will strengthen U.S. agriculture productivity and resilience by developing new breeds, lines, and strains with

better climate adaptation, drought tolerance, disease resistance, nutritional value, production efficiencies, and reduced environmental impact.

Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources			
Budget Authority (Dollars in Millions)			
Program	2013 Enacted	2014 Estimate	2015 Budget
Farm and Foreign Agricultural Services	$2,216	$2,271	$2,254
Natural Resources and Environment	9,503	10,323	9,595
Marketing and Regulatory Programs	56	59	50
Research, Education, and Economics	355	405	409
Office of the Chief Economist	2	3	3
Hazardous Materials Management	4	4	4
Total	$12,136	$13,065	$12,315

Strategic Goal: Help America promote agricultural production and biotechnology exports as America works to increase food security.

Global food insecurity affects people worldwide. Recent estimates from the United Nations Food and Agriculture Organization indicate that about 842 million people around the world are undernourished. It is important to note that a significant percentage of these people are children. In addition to ensuring that the world's children have enough to eat, the United States has a strong interest in promoting effective agricultural systems in the developing world, because failing agricultural systems and food shortages fuel political instability and diminish the economic vitality of developing nations. Working with other Federal partners, the Department is working towards reducing global food insecurity and increasing agriculture-led economic growth in developing countries. USDA's capacity-building, technical assistance and food assistance programs are effective tools for improving the capacity of countries to produce what they need and to make that food accessible to those who need it. In addition, USDA helps American farmers and ranchers use effective technologies to increase agricultural productivity and the nutritional value of foods, which can enhance food security around the world, and help find export markets for their products. Key efforts will: (1) enhance America's ability to develop and trade agricultural products derived from new technologies while supporting grower choice among all segments of agriculture; (2) ensure that U.S. agricultural resources contribute to enhanced global food security; and (3) promote productive agricultural systems that enable food-insecure countries to feed themselves. The 2015 Budget:

- Provides $185 million in discretionary funding for the McGovern-Dole International Food for Education and Child Nutrition Program. This food assistance will benefit more than 4 million women and children in poor countries in 2015. USDA is completing a framework with U.S. Agency for International Development (USAID) that will

strengthen the coordination and leveraging of McGovern-Dole resources with USAID education focused activities. The framework will encourage strategic planning and stronger communication and will result in McGovern-Dole and USAID programs that have larger impacts on the diets and education of school children.

- Proposes new authority to use up to 25 percent ($350 million) of the $1.4 billion requested for P.L. 480 Title II in emergency situations for interventions such as local or regional procurement near emergencies, food vouchers or cash transfers. Local or regional procurement makes food aid more timely and cost effective, increasing the number of people assisted with the same level of resources when compared to the provision of U.S. commodities.

- Includes $23 million for the Sustainable Agriculture Research and Education Program (SARE) to support systems research and farmers' and ranchers' projects that address crop and livestock production and marketing, stewardship of soil and other natural resources, economics, and quality of life.

- Requests $325 million for competitive grants through AFRI, which supports all strategic goals. A portion of this funding will support research, education, and extension activities to improve feed efficiency and extend knowledge to producers to enhance reproductive fertility in food animals. Major studies have consistently found that the net social returns from public agricultural research in the United States are high.

- Provides $18 million for Biotechnology Regulatory Services. In recent years, the Animal and Plant Health Inspection Service (APHIS) implemented improvements to the biotechnology petition process. The improvements reduce the overall time it takes for the petition process by addressing the root causes of the length and variability of the process without compromising the quality of the analyses that support decision-making. These improvements streamline the process, standardize the timeline, implement new management and tracking tools, and enhance the use of public input. A more predictable timeframe enables developers to bring products that are no longer regulated to market more quickly, and provide growers with more choices and access to new technologies sooner. At the requested budget level for FY 2015, APHIS estimates that it will have deregulated a cumulative total of 112 biotechnology products.

Help America promote agricultural production and biotechnology exports as America works to increase food security			
Budget Authority (Dollars in Millions)			
Program	2013 Enacted	2014 Estimate	2015 Budget
Farm and Foreign Agricultural Services……	$1,871	$1,934	$1,865
Marketing and Regulatory Programs……	48	52	52
Research, Education, and Economics……	356	528	526
Total…….……	$2,274	$2,514	$2,444

Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

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 takes several approaches to achieving this goal. 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 is working to strengthen federal efforts and develop short-term and long-term strategies that emphasize a three dimensional approach to prevent foodborne illness: (1) prioritizing prevention; (2) strengthening surveillance and enforcement; and (3) improving response and recovery.

USDA's nutrition assistance programs help reduce food insecurity by providing access to a nutritious diet. The major nutrition assistance programs are designed to respond to economic hardship, whether driven by unemployment, recession, disaster, age, or disablement. Other important nutrition assistance programs work to reduce obesity, both by providing assistance to help ensure access to a healthy diet, and by promoting diets and physical exercise consistent with the *Dietary Guidelines for Americans*.

USDA helps keep safe, nutritious food accessible and affordable by preventing the entry and establishment of agricultural pests and diseases and minimizing production losses. Safeguarding animal and plant resources against the introduction of agricultural pests and diseases provides access to a diverse supply of fruits, vegetables, meat, and poultry. The Department detects and quickly responds to new invasive species and emerging agricultural and public health situations. These efforts contribute to the overall agricultural health of the Nation and the world.

USDA supports and protects the Nation's agricultural system and the consumers it serves by: (1) safeguarding the quality and wholesomeness of meat, poultry, and egg products; (2) providing nutrition assistance to children and low-income people who need it; and (3) proactively addressing and preventing loss and damage from pests and disease outbreaks.

Actions to support this goal include: (1) improving access to nutritious food; (2) promoting healthy diet and physical activity behaviors; (3) protecting public health by ensuring food is safe;

and (4) protecting agricultural health by minimizing major diseases and pests to ensure access to safe, plentiful, and nutritious food. The 2015 Budget:

- Funds projected participation in nutrition assistance programs, including a request of $6.8 billion in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to support the 8.66 million individuals estimated to participate in the program. WIC is critical to the health of low-income pregnant women, new mothers, and their infants and young children.

- Supports continued implementation of the Healthy, Hunger-Free Kids Act of 2010, strengthening the child nutrition programs and increasing children's access to healthy meals and snacks and improving their nutritional intake. Specifically, the 2015 Budget provides $35 million in school equipment grants to aid in the provision of healthy meals and continued support for other school-based resources. In a related initiative, to reduce food insecurity and hunger among school children in the summer when school meals are not available, the Budget includes $30 million for Summer Electronic Benefit Transfer for Children projects. Preliminary research indicates these projects are effective in reducing child hunger during the summer.

- Proposes additional funding to strengthen Supplemental Nutrition Assistance Program integrity efforts.

- Includes an additional $5 million for the purchase of traditional and locally-grown food for the Food Distribution Program on Indian Reservations.

- Provides an additional $1 million to support the creation of an analytic framework for developing Dietary Guidelines for children from birth to two years old, in keeping with a mandate of the 2014 Farm Bill.

- Reflects estimated savings to be realized through the modernization of poultry slaughter inspection. The new inspection system will reduce the risk of foodborne illness by focusing inspection activities on those tasks that advance the core food safety mission. By revising current procedures and removing outdated regulatory requirements that do not help combat foodborne illness, the result will be improved food safety and a more efficient and effective use of taxpayer dollars.

- Provides increases for animal disease traceability efforts while achieving savings in other areas by asking greater cost-sharing on the part of program cooperators. At the requested budget level, APHIS estimates it will prevent or mitigate about $1.36 billion in damages as a result of selected plant and animal health monitoring and surveillance efforts.

- Requests $325 million for competitive grants through AFRI, which supports all strategic goals. A portion of this funding will support ongoing research, education, and extension activities that help ensure Americans have access to safe, nutritious, and balanced meals. Specifically, activities will generate new knowledge on the factors influencing childhood

obesity, improve health literacy, enhance understanding of human nutrition requirements, and minimize antibiotic resistance transmission through the food chain.

Ensure that all of America's children have access to safe, nutritious, and balanced meals			
Budget Authority (Dollars in Millions)			
Program	2013 Enacted	2014 Estimate	2015 Budget
Food, Nutrition, and Consumer Services	$111,193	$115,464	$112,237
Food Safety	990	1,024	1,014
Marketing and Regulatory Programs	1,303	1,382	1,402
Research, Education, and Economics	600	669	675
Total	$114,087	$118,539	$115,328

Strategic Goal: Create a USDA for the 21st Century that is High-performing, Efficient, and Adaptable.

In order to continue delivering the numerous programs and services it provides to the public, the Department is focused on modernizing its administrative and management support structure. To achieve these results, USDA is targeting achievement of three specific objectives to create efficiencies and improve program delivery. These objectives are: to build a modern workforce; to implement a modern workplace; and to exercise good stewardship of the resources entrusted to the Department. Through its Blueprint for Stronger Service, USDA is implementing numerous initiatives to achieve these objectives and deliver results that help modernize the Department.

By building a modern workforce, USDA is expanding the skills and capacities of all employees while equipping them to better serve the Department's customers and stakeholders. A part of this modernization is ensuring that barriers to efficiency are removed and that value-added enhancements are made through the implementation of process improvements across the entire Department.

Through the development of a modern workplace, the Department will be able to leverage the latest technologies to enable the public to interact with USDA while ensuring a safe and secure environment in which to conduct business. As the American public embraces new technologies and different methods for interaction and engagement with the federal government, USDA is investing in modern technology to better serve its constituents.

By increasing focus on the stewardship of the taxpayer resources entrusted to USDA, the Department can more effectively manage its real property, vehicle fleet, and financial investments, thereby creating opportunities for further investment in its programs. With over 9,000 locations across the country, USDA has a significant portfolio of leased and owned

facilities that it manages and maintains. In addition, with a fleet of over 40,000 vehicles, the Department is responsible for ensuring that the millions of miles driven annually by USDA employees increase the effectiveness and efficiency of program delivery. The Department is implementing strategies to more effectively manage these resources. Through all of these efforts, USDA is realizing its potential for becoming a more modern and effective organization.

MISSION AND RELATIONSHIP TO STRATEGIC GOALS

The Farm and Foreign Agricultural Services (FFAS) mission area has responsibility for the delivery of programs and services that focus on supporting a sustainable and competitive U.S. agricultural system. According to a report by the Economic Research Service, the value of agricultural cash receipts was $395 billion in 2012 and is projected to be $398 billion and $373 billion in 2013 and 2014 respectively, providing a major foundation for prosperity in rural areas as well as a critical element of the Nation's economy. Sixteen million Americans are employed directly in agriculture, or in agriculturally related industries. Fourteen percent of all manufacturing jobs are related to food processing and food manufacturing.

American agriculture set a new record for exports in calendar year 2013, with a level of $144.1 billion. The agriculture sector and farm exports have been one of the brightest points for the U.S. economy. U.S. agricultural exports continue to out-pace U.S. agricultural imports since 1960, generating a surplus in U.S. agricultural trade. The period 2009-2013 stands as the strongest five-year period for agricultural exports in our nation's history with a total export value of more than $657 billion. Compared to the previous five-year period, U.S. agricultural exports from 2009-2013 increased by a total of more than $205 billion in real terms. The value of bulk commodities exported has trended upwards at a 10 percent growth rate per year since 2005. USDA estimates that every $1 billion worth of agricultural exports supports 6,600 jobs and generates an additional $1.3 billion in economic activity.

Crop insurance is designed to ensure that farmers and ranchers 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 traditionally underserved farmers. Since 2009, farmers have collected approximately $48 billion in crop insurance indemnities. As of February 9, 2014, USDA has paid out $10.4 billion for 2013 losses. In response to the tightening financial market, USDA has expanded the availability of farm credit. Over the past five years, USDA provided more than 164,000 loans totaling over $22.6 billion to family farmers. USDA operates a microloan program to better serve the unique financial operating needs of beginning, niche and the smallest of family farm operations. Operating under the authorities of the direct operating loan program, the microloan program offers more flexible access to credit and serves as an attractive loan alternative to credit cards for smaller farming operations like specialty crop producers and operators of community supported agriculture. These smaller farms, including non-traditional farm operations, often face limited financing options. USDA made over 3,400 microloans in the last nine months of FY 2013. With half of these loans being made to first-time USDA borrowers.

The FFAS mission area contributes to multiple USDA Strategic Goals. Specifically, to assist rural communities, the FFAS mission area: (1) supports a strong financial safety net including providing access to credit for farmers and ranchers who are temporarily unable to obtain commercial credit such as beginning farmers and socially disadvantaged farmers and ranchers; and (2) promotes the vitality of rural America by improving access to international markets, providing credit guarantees for U.S. farm exports, and supports industry efforts to develop new markets. In support of ensuring private working lands are preserved, the FFAS area: (1) protects watershed health to ensure clean and abundant water; and (2) enhances soil quality to maintain

productive working cropland. Finally, in support of agricultural production, FFAS promotes the international acceptance of new technologies, and promotes sustainable, productive agricultural systems and trade in developing countries to enhance global food security. The work of the FFAS mission area is carried out by its three agencies, the Farm Service Agency, the Risk Management Agency, and the Foreign Agricultural Service.

FARM SERVICE AGENCY (FSA)

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

Farm Service Agency
Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
FSA Salaries and Expenses:			
Salaries and Expenses (Direct Appropriation)	$1,115	$1,178	$1,139
Transfers from Program Accounts	285	310	310
Total, Salaries and Expenses a/	1,400	1,488	1,449
Agricultural Credit Insurance Fund Program Account:			
Transfer to FSA Salaries and Expenses	(282)	(307)	(307)
Loan Subsidy	90	90	81
Loan Program Expenses	7	8	8
Total, Agricultural Credit Insurance Fund Program Account	98	98	89
State Mediation Grants	4	4	3
Grassroots Source Water Protection Program	5	6	0
Total, Ongoing Discretionary Programs	1,507	1,595	1,542
Other Funding b/:			
Reforestation Pilot Program	1	1	0
Geographically Disadvantaged Farmers and Ranchers	2	2	0
Emergency Conservation Program	26	0	0
Emergency Forest Restoration Program	37	0	0
Total, Other Funding	65	3	0
Total, Discretionary Programs	1,573	1,598	1,542
Mandatory:			
Dairy Indemnity Program	2	1	1
Agricultural Disaster Relief Fund	1,595	0	0
Total, Mandatory Programs	1,597	1	1
Total, Farm Service Agency	$3,170	$1,599	$1,543

a/ In addition, the 2014 Farm Bill provides FSA with $100 million in FY 2014 for implementation costs and $10 million in FY 2015 and in FY 2016 contingent upon the implementation of the Acreage Crop Reporting Strear Initiative.

b/ Provided through general provisions.

Farm Service Agency
Agricultural Credit Insurance Fund
Farm Loan and Grant Programs
Program Level (P.L.) and Budget Authority (B.A.)
(Dollars in Millions)

Program	2013 Enacted P.L.	2013 Enacted B.A.	2014 Estimate P.L.	2014 Estimate B.A.	2015 Budget P.L.	2015 Budget B.A.
Farm Operating Loans:						
Guaranteed Unsubsidized	$1,385	$16	$1,500	$18	$1,393	$15
Direct	969	54	1,196	66	1,252	63
Total, Operating Loans	2,354	70	2,696	84	2,645	78
Farm Ownership Loans:						
Guaranteed Unsubsidized	1,500	0	2,000	0	2,000	0
Direct	439	19	575	4	1,500	0
Total, Ownership Loans	1,939	19	2,575	4	3,500	0
Emergency Loans	22	1	35	2	35	1
Indian Land Acquisition Loans	2	0	2	0	2	0
Indian Fractionated Land Loans	9	a/	10	a/	10	0
Boll Weevil Eradication	100	0	60	0	60	0
Conservation Loans:						
Guaranteed	150	0	150	0	150	0
Total, Ongoing Farm Loan Programs	4,576	90	5,527	90	6,402	79
Grants:						
Individual Development Accounts	0	0	0	0	3	3
Total, Farm Loan and Grant Programs	$4,576	$90	$5,527	$90	$6,405	$81

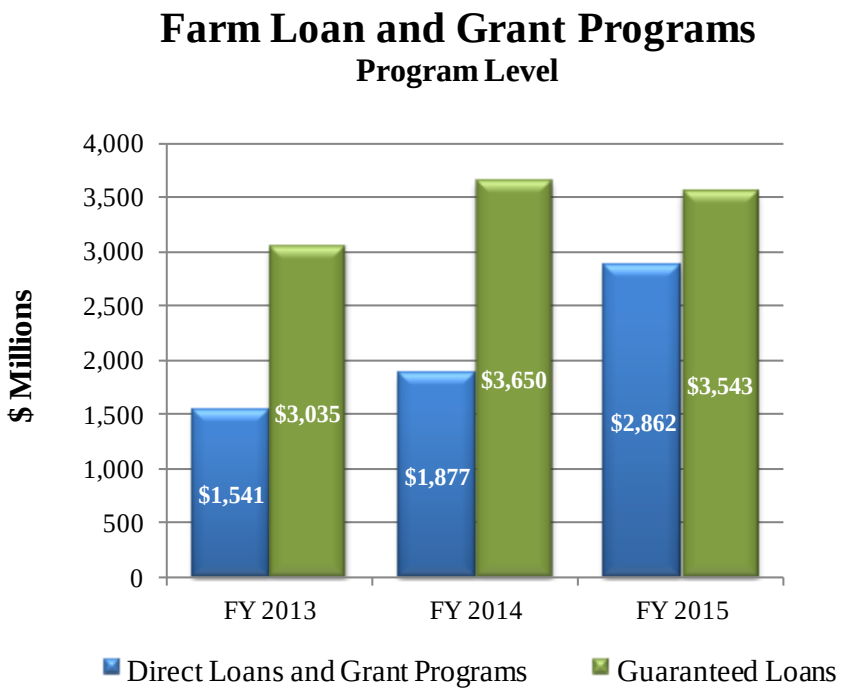
a/ Less than $0.5 million.

Farm Loan and Grant Programs. The farm loan programs serve as an important safety net for America's farmers by providing a source of credit when they are temporarily unable to obtain credit from commercial sources. In order to meet the growing demand for farm credit, funding for farm loans hit a record of $6 billion in 2010. FSA anticipates continued strong demand for its farm loan programs in 2015 as a result of relatively high production costs and increased operating capital needs.

The 2014 Farm Bill gives FSA more flexibility in setting eligibility criteria, including the type of entity eligible for farm loan programs. The Farm Bill also reauthorizes a lending program to assist Native American producers in purchasing fractionated interests of land.

The 2015 Budget supports an estimated 40,000 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 2015 Budget provides about $1.3 billion for direct loans and $1.4 billion for guaranteed loans. The requested loan levels will serve an estimated 28,000 farmers, about 23,000 of whom will receive direct loans and 5,000 will receive guarantees. For farm ownership loans, the 2015 Budget requests $1.5 billion in

direct loans and $2 billion for guaranteed loans. The 2015 loan levels will provide about 12,000 people with the opportunity to either acquire their own farm or keep an existing one; about 8,000 borrowers will receive direct loans and 4,000 will receive guaranteed loans.



A portion of both direct and guaranteed farm operating and ownership loan funds is targeted to beginning and socially disadvantaged borrowers. Key performance metrics for the farm loan programs measure the programs' success in providing access to credit for beginning farmers, racial and ethnic minority farmers, and women farmers.

Key Performance Measure	2010	2011	2012	2013	2014	2015
Percentage Direct and Guaranteed lending to Socially Disadvantaged Farmers (SDA)	12.9	13.1	13.3	13.6	13.4	13.5
Percentage Direct and Guaranteed lending to Beginning Farmers (BF)	60.3	64.9	68.8	70.0	70.5	71.0

Note: Metric is calculated by dividing the total number of SDA (or BF) borrowers in FSA's loan portfolio at the end of a fiscal year by the total number of SDA (or BF) farmers identified in the 2007 Ag Census that had $10,000 or more of gross farm sales and any interest expense.

The 2015 Budget includes a $35 million loan level for emergency (EM) loans. Demand for EM loans is difficult to predict; accordingly, funding has predominately been provided through emergency supplemental appropriations. Funding is requested to ensure that support is available in the event of a natural disaster. The Indian Land Acquisition and Indian Fractionated Land loan programs will continue to be funded at their 2014 program levels. Boll weevil eradication efforts have successfully eliminated the pest from many cotton producing areas and, as a result, it is anticipated that demand for boll weevil eradication loans will decline. Accordingly, the program level funding for boll weevil eradication loans remains at $60 million.

Funding for State mediation grants is proposed at $3 million. These grants are made to States to help support certified programs that provide alternative dispute resolution on a wide variety of agricultural issues. Mediation benefits family farmers, including many low-income and socially disadvantaged farmers who, because of mediation, are often able to resolve credit and other issues and remain on the farm.

Commodity Credit Corporation
Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Mandatory:			
Commodity Credit Corporation Fund	$9,015	$9,326	$4,614
Tobacco Trust Fund	947	1,044	a/
Total, Commodity Credit Corporation	$9,962	$10,370	$4,614

a/ The program expires at the end of FY 2014, but funds sequestered in FY 2014 will be restored in FY 2015 and made available for tobacco payments.

Commodity Credit Corporation. The Commodity Credit Corporation (CCC) provides funding for commodity programs administered by FSA and many Farm Bill programs such as the conservation programs administered by FSA and the Natural Resources Conservation Service (NRCS) and export programs administered by FAS. CCC borrows funds needed to finance these programs from the U.S. Treasury and repays the borrowings, with interest, from receipts and from appropriations provided by Congress.

There was not sufficient time for USDA to do a thorough, program by program analysis of all the changes in the 2014 Farm Bill enacted in February. Therefore, the Budget is based on previous assumptions but adjusted at a macro level for farm bill changes to commodity programs. Changes to conservation and foreign assistance programs have been incorporated into their respective areas. The estimates included in the Budget for CCC are subject to change due to the effects of the 2014 Farm Bill.

The commodity programs are critical components of the farm safety net, serving to expand domestic market opportunities and provide risk management and financial tools to farmers and ranchers. CCC also handles the Tobacco Trust Fund, which provides through 2014 transition payments to former producers and owners of quotas under the former tobacco price support and quota program. Net CCC expenditures in FY 2015 are significantly below the FY 2014 level primarily because direct payments are eliminated and the 2013-crop ACRE payments and 2013-crop counter-cyclical payments (the final payments under the 2008 Farm Bill provisions) in FY 2015 are expected to total less than $100 million. Under the 2014 Farm Bill provisions, the first Agricultural Risk Coverage and Price Loss Coverage payments for the 2014 crop year will not be made until the beginning of FY 2016.

Commodity Credit Corporation
Net Outlays
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Commodity Programs:			
Marketing Assistance Loans and Price Support	$241	$677	$411
Direct Payments	4,843	4,368	0
ACRE	50	245	65
Countercyclical Payments	1	5	2
Agriculture Risk Coverage	0	a/	a/
Price Loss Coverage	0	a/	a/
Loan Deficiency Payments	10	0	0
Milk Income Loss Contract Payments	275	10	0
Dairy Margin Protection Program	0	0	25
Cotton User Marketing Payments and Cotton Economic Adjustment Assistance Payments	49	49	665
Noninsured Crop Disaster Assistance Program	319	248	155
Disaster Assistance Program	0	825	966
Tobacco Payments to Producers b/	857	960	c/
Biomass Crop Assistance Program (BCAP)	9	14	14
Bio-based Fuel Production	0	47	60
Operating Expenses	7	9	9
Interest Expenditures d/	-50	-4	-7
Other e/	68	-220	90
Total, Commodity Programs Baseline	6,679	7,233	2,455
Conservation Programs:			
Conservation Reserve Program	1,928	1,965	1,957
Emergency Forestry Conservation Reserve Program	5	5	6
Voluntary Public Access and Incentives Program	-1	f/	f/
Total, Conservation Programs	1,932	1,970	1,963
Export Programs:			
Quality Samples Program	1	2	3
Market Access Program (MAP)	196	186	200
Foreign Market Development (Cooperator) Program	33	32	35
Technical Assistance for Specialty Crops Program	6	8	9
Technical Assistance and Capacity Building for Brazil	147	0	0
FAS Information Resource Management Agreements	24	23	25
Emerging Markets Program	9	9	10

Commodity Credit Corporation
Net Outlays
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Food for Progress Program	154	230	240
Local and Regional Commodity Procurement Pilot Program	2	2	0
Export Guarantee Program Account d/	-11	0	0
Total, Export Programs	562	493	521
Subtotal, CCC	9,174	9,696	4,939
Pre-credit Reform Loan Repayments	-9	-8	-9
Total, CCC	9,165	9,688	4,930

a/ Outlays will begin in FY 2016.
b/ CCC payments are offset by receipts from the Tobacco Trust Fund.
c/ The program expires at the end of FY 2014, but funds sequestered in FY 2014 will be restored in FY 2015 and made available for tobacco payments.
d/ Negative amounts reflect excess of receipts versus outlays.
e/ Includes minor commodity program costs, change in working capital, reimbursable agreements, equipment, and receipts from Tobacco Trust Fund in net outlays.
f/ Program will be funded by CCC and administered by NRCS for FY 2014 - 2018 at a total of $40 million.

Changes in commodity, disaster, and conservation programs due to policy, weather, and market conditions have dramatically changed the level, mix, and variability of CCC outlays. CCC net outlays have declined from a record high of $32.3 billion in 2000 to an estimated $9.7 billion in 2014, reflecting higher prices for most commodities resulting from increased demand for bioenergy production and strong exports. The 2015 baseline outlays are estimated to drop to $4.9 billion. The bulk of this year-over-year decline is driven by the elimination of Direct Payments.

Commodity Programs. These programs provide an important portion of the farm safety net including protection against adverse market fluctuations; hence, outlays for many of these programs vary significantly from year to year as market conditions change. The commodity programs were mandated by provisions of the 2014 Farm Bill, which repeals certain programs, continues some programs with modifications, and authorizes several new programs, such as Direct Payments, Counter-Cyclical Payments and Average Crop Revenue Election Payments and establishes two new programs: Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC).

All of the owners/operators on a farm must make a one-time selection of either PLC/County ARC or individual ARC. If the PLC/County ARC option is chosen, farmers decide what portion of their base acres will be covered by PLC and what portion will be covered by County ARC. Payments under PLC occur if the U.S. average market price for the crop is less than the reference price set in statute. Payments under County ARC occur when actual crop revenue is below the ARC revenue guarantee for a crop year. Under individual ARC, payments are issued 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.

Commodity Credit Corporation
Conservation Programs
Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Conservation Reserve Program……	$1,876	$1,965	$1,957
Emergency Forestry Conservation Reserve Program……	5	6	6
Total, Conservation Programs……..	$1,880	$1,972	$1,963

Conservation Programs. Conservation programs administered by FSA and NRCS 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.

Conservation Reserve Program (CRP). The purpose of CRP is to cost-effectively 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 2014 Farm Bill reauthorized CRP through September 30, 2018, and replaced the previous 32-million-acre enrollment cap with caps declining to 24 million acres in 2017 and 2018. Also included is authority for up to $10 million in incentive payments through FY 2018 to encourage tree thinning and $33 million for Transitions Option payments through FY 2018. The bill also allows enrollment of up to 2 million grassland acres and removes the payment reduction required when lands are hayed or grazed under emergency conditions. 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.

Among multiple environmental benefits, a key performance measure for the CRP program is the number of restored wetland acres. Restored wetlands and upland buffers increase prime wildlife habitat and water storage capacity, and lead to a net increase in wetland acres on agricultural land. Wetlands filter nutrients, recharge groundwater supplies, and sequester carbon. CRP is a voluntary program and with strong commodity prices, enrollment levels have declined in recent years. Thus, USDA has adjusted the targets for restored wetland acreage for 2014 and 2015 downward to reflect reduced demand for the program.

Key Performance Measure	2010	2011	2012	2013	2014	2015
CRP restored wetland acreage[1] (million acres)	2.05	2.23	2.29	2.09	2.05	1.90

[1] Includes accompanying upland buffers.

CRP enrollments in FY 2013 were 1.6 million acres in the general signup, and about 534,000 acres under the continuous signup. Currently, a total of 5.6 million acres are enrolled in continuous signup, including CREP. Combined with the 21.4 million acres of general signup lands, total CRP enrollment for FY 2013 was 27 million acres.

With contracts expiring on 3.3 million acres on September 30, 2013, and contracts beginning on 1.6 million acres from the FY 2013 general signup and 534,000 acres of continuous signup, FY 2014 enrollment began with 25.6 million acres under contract. While decisions on sign-ups have not been made, the budget assumes a signup of approximately 1.6 million acres in 2014 (700,000 acres general, 600,000 acres continuous, and 300,000 acres grassland), and 1.2 million acres in 2015 (200,000 acres general, 700,000 acres continuous, and 300,000 acres grassland).

Continuous signups are assumed to be held without interruption, with general signups and grassland enrollments assumed to occur in most years. Beginning in FY 2017, enrollment in any given year is bounded by the amount of acres that are expiring that year, as the 24-million-acre cap is assumed to continue throughout the baseline period.

Supplemental Agricultural Disaster Assistance
Outlays
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Supplemental Revenue Assistance Payments	$911	0	0
Livestock Indemnity Payments	0	$54	$134
Livestock Forage Disaster Program	0	756	796
Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish	0	11	26
Tree Assistance Program	0	5	12
Total, Supplemental Agricultural Disaster Assistance	$911	$825	$968

Supplemental Agricultural Disaster Assistance. The following four disaster programs were authorized by the 2008 Farm Bill under the USDA Supplemental Disaster Assistance Program. These programs are re-authorized under CCC and extended indefinitely (beyond the horizon of the 2014 Farm Bill). The programs are made retroactive to Oct. 1, 2011. Producers are no longer required to purchase crop insurance or NAP coverage to be eligible for these programs (the risk management purchase requirement) as mandated by the 2008 Farm Bill.

The Livestock Indemnity Program (LIP) provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather or by attacks by animals reintroduced into the wild by the Federal Government.

The Livestock Forage Disaster Program (LFP) provides compensation to eligible livestock producers that have suffered grazing losses due to drought or fire on land that is native or improved pastureland with permanent vegetative cover or that is planted specifically for grazing.

The Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish 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. Total funds are capped at $20 million for each fiscal year.

The Tree Assistance Program provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines damaged by natural disasters.

Salaries and Expenses. The 2015 Budget proposes a level of $1.45 billion. As part of the 2015 budget, FSA is developing a "Model Service Center" concept that will result in service centers that are better equipped, better staffed, and will provide improved service to customers. Part of the plan is to close or consolidate 250 offices and restructure the workforce to more effectively leverage its human capital. With reduced redundancies, streamlined business processes, and a reduced national footprint, FSA will be able to deliver programs more efficiently. In addition, FSA proposes additional staffing for farm loans in anticipation of increased loan demand. FSA is continuing to modernize its information technology (IT) systems and move away from unreliable, obsolete systems. Billions of dollars of annual farm program payments, conservation payments, and loans to producers have been dependent upon antiquated IT systems. FSA must continue to upgrade its IT infrastructure in order to provide more efficient and reliable services to producers.

FSA's MIDAS program is a critical part of its IT modernization efforts that supports farm program delivery with streamlined business processes and integrated applications that share information and resources efficiently. MIDAS achieved an initial operating capability release in April 2013 that modernized the storage and retrieval structure of current farm records and integrated this information with land use data, land imagery data and producer information. The system will permit FSA employees to access and better validate program eligibility data and financial services data from a single source and improve customer account management.

RISK MANAGEMENT AGENCY (RMA)

Program Level
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
SUMMARY OF GOVERNMENT COSTS:			
Discretionary:			
RMA Salaries and Expenses……	$69	$71	$77
Mandatory:			
Delivery and Other Administrative Expenses a/……	1,349	1,315	1,334
Federal Crop Insurance Act (FCIA) Initiatives……	39	62	62
Programs Related IT……..	20	20	20
Gross Indemnities b/……	19,601	11,747	9,914
Underwriting Gains c/ ...……	0	1,343	1,062
Farm Bill: Agricultural Management Assistance……	6	6	6
Subtotal, Crop Insurance Program Level……	21,015	14,493	12,398
Less: Producer Premium and Administration Fees……	-8,878	-4,604	-3,807
Total, Current Law……	12,206	9,960	8,668
Proposed Legislation d/……	0	0	-691
Total……..……	$12,206	$9,960	$7,977

a/ Includes 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 2015. 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 projected loss ratio for the 2012 crop year is 1.57. As a result, no underwriting gains are projected for fiscal year 2013. The 2015 underwriting gains reflect a projected 1.0 loss ratio for the 2014 crop year.

d/ The 2015 Budget includes five proposals for program changes to crop insurance.

Discretionary funds for the Federal crop insurance programs cover Federal salaries and related expenses to manage the program. The 2015 Budget includes about $77 million for these costs.

The Federal crop insurance program provides an important safety net that protects producers from a wide range of risks caused by natural disasters, as well as the risk of price fluctuations. In recent years, an increasing proportion of risk protection has been provided by revenue insurance which protects against both a loss of yield and price declines.

A key performance measure for the Federal crop insurance program is the normalized value of risk protection through FCIC sponsored insurance. The normalized value of risk protection adjusts the actual value to remove variations caused by commodity price trends or swings.

Key Performance Measures	2010	2011	2012	2013	2014	2015
Normalized value of FCIC risk protection coverage provided through FCIC sponsored insurance ($ Billions)	$55.0	$56.3	$62.1	$66.0	$62.7	$63.0

For the 2013 crop year, the Federal crop insurance programs provided about $66.0 billion in (normalized) risk protection. The 2014 and 2015 targets reflect historical trends.

Participation in the Federal crop insurance programs by producers is voluntary and is encouraged through premium subsidies. The 2014 Farm Bill removed the requirement that a producer purchase Federal crop insurance in order to participate in disaster programs administered by FSA. However, the 2014 Farm Bill contains a provision that adds premium subsidies to the list of program benefits that could be lost if a producer is found to produce an agricultural commodity on certain converted wetlands or highly erodible land without an approved conservation plan or qualifying exemption. Other initiatives authorized in the 2014 Farm Bill include a Supplemental Coverage Option for multiple crops, a new Stacked Risk Income Protection for producers of upland cotton, and revenue coverage for peanuts.

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.

The performance of the Federal crop insurance programs is tracked on a crop year basis which may span up to three fiscal years. As a result, the table above reflects certain assumptions about the fiscal year in which the crop year costs and/or revenues will fall. Furthermore, the amount of liabilities covered by the Federal crop insurance programs is strongly influenced by changing commodity prices.

Actual indemnities for fiscal year 2013 reflect crop year 2012 losses, which were paid out in fiscal year 2013, plus the portion of crop year 2013 losses paid out in fiscal year 2013. As of February 10, 2014, based on actual indemnities for crop year 2013 the loss ratio is about 0.88. At this time, the pace of loss claims for the 2013 crop year is beginning to slow; accordingly, current estimates are that the crop year 2013 loss ratio will reach about 0.99.

Estimated indemnities for fiscal year 2014 reflect the total estimated losses for crop year 2013 and those for fiscal year 2015 are calculated in the same manner as 2014. Estimated losses for crop years 2014 and 2015 reflect the statutory target loss ratio of 1.0.

In FY 2013, the total cost for the Federal crop insurance programs was about $12.2 billion. Of this amount, about $10.7 billion was for net indemnities to producers (gross indemnities minus

producer paid premiums). The remaining amount of just under $1.5 billion was for payments to the private insurance companies for delivery expenses and underwriting gains.

The 2015 Budget proposes legislative changes to the Federal crop insurance program (see the Proposed Legislation section of the Appendix). These proposals include reducing the rate of return for crop insurance companies, reducing premium subsidies to farmers for certain policies, and rescinding the authority to conduct a pilot program for wild salmon. The proposals represent a balanced approach to reducing the cost of the program while maintaining a strong safety net to protect producers from natural disasters and price fluctuations.

Salaries and Expenses. The Budget requests $77 million for carrying out the crop insurance program. This includes an additional $2.3 million to enhance RMA's compliance efforts with an emphasis on testing and reporting improper payments in response to recent OIG and GAO recommendations. Due to the high risk nature of RMA crop insurance program under the Improper Payments Elimination and Recovery Act of 2010, ensuring improper payment rates are lowered is a high priority for RMA. For FY 2013, RMA reported $566 million in improper payments. As a result of recent audits, OIG encouraged RMA to request additional funding that would allow improved sampling for improper payments. The overall objective of the additional funding will be to reduce RMA's improper payment rate through enhanced validation and improved processes (such as error rate sampling) and oversight.

FOREIGN AGRICULTURAL SERVICE (FAS)

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
FAS Salaries and Expenses:			
Salaries and Expenses (Direct Appropriation)	$163	$178	$183
Transfer from CCC Export Credit Program Account	(6)	(6)	(6)
Total, FAS Salaries and Expenses	(169)	(184)	(189)
Foreign Food Assistance:			
McGovern-Dole International Food for Education Program	175	185	185
P.L. 480 Title II Donations	1,359	1,466	1,400
P.L. 480 Title I Program Account:			
Transfer to Farm Service Agency Salaries and Expenses	3	3	3
Commodity Credit Corporation Export Credit Program Account:			
Transfer to FSA and FAS Salaries and Expenses	(7)	(7)	(7)
Total, Discretionary Programs	1,699	1,832	1,770
Mandatory:			
Quality Samples Program	2	2	3
Farm Bill:			
Market Development Programs:			
Market Access Program	189	186	200
Emerging Markets Program	9	9	10
Foreign Market Development (Cooperator) Program	33	32	34
Technical Assistance for Specialty Crops Program	9	8	9
Foreign Food Assistance:			
Food for Progress - CCC Funded	243	230	240
Bill Emerson Humanitarian Trust	0	a/	a/
Total, Farm Bill Programs	483	465	493
Total, Mandatory Programs	485	467	496
Total, Foreign Agricultural Service	$2,185	$2,299	$2,266

a/ 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.

Agricultural 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 6,600 jobs and $1.3 billion in economic activity. Because of this important role, the Department is working to reduce trade barriers and develop new markets throughout the world.

FAS administers a variety of programs that are designed to facilitate access to international markets and thereby help to 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 with 20 countries around the world that expand export opportunities for U.S. food and agricultural producers.

FAS continues to assist with negotiations on the Trans-Pacific Partnership (TPP). In addition to the United States, the current TPP partner countries are Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Viet Nam. South Korea is currently consulting with all 12 TPP countries regarding its interest in joining the trade initiative. The TPP is an opportunity to shape a 21st century trade agreement by addressing not only market access commitments but also non-tariff measures and issues that cut across conventional FTA models. These include behind-the-border issues, regional integration, regulatory coherence, trade facilitation, policy integration, small and medium enterprises, job creation, development, competitiveness, transparency, and social accountability.

The European Union is currently our fifth largest agricultural export market with U.S. exports valued at nearly $11.5 billion in FY 2013. The Administration has agreed with its European counterparts to launch comprehensive trade negotiations to establish a Transatlantic Trade and Investment Partnership. The fourth round of negotiations will take place in Brussels, Belgium, in March of 2014.

Foreign Agricultural Service
CCC Export Credit Programs
Program Level (P.L.) and Budget Authority (B.A.)
(Dollars in Millions)

	2013 Enacted		2014 Estimate		2015 Budget	
Program	**P.L.**	**B.A.**	**P.L.**	**B.A.**	**P.L.**	**B.A.**
GSM-102 Guarantees……	$5,500	0	$5,400	0	$5,400	0
Facilities Financing Guarantees……	0	0	100	0	100	0
Total, CCC Export Credit……	$5,500	0	$5,500	0	$5,500	0

CCC Export Credit Guarantee Programs. 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 2015. 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. No budget authority is required to support this level of assistance as the program has a negative subsidy rate for 2015. Of the total program level for export credit guarantees expected to be issued by CCC in 2015, $5.4 billion will be made available under the GSM-102 program, which provides guarantees on commercial export credit extended with short-term repayment terms (up to 2 years).

The Budget also includes an estimated program level of $100 million for facility financing guarantees in 2015. 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.

Under the **Quality Samples Program (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. The Budget includes $2.5 million of funding for QSP in 2015.

Market Development Programs. FAS administers a number of programs, in partnership with private sector cooperator organizations, that support the development, maintenance, and expansion of commercial export markets for U.S. agricultural commodities and products. **In FY 2013, over 1,050 U.S. companies and organizations participated in 29 USDA endorsed trade shows in 19 countries. On-site sales totaled an estimated $449 million and 12 month projected sales were estimated to exceed $1.4 billion.**

Under the **Market Access Program (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 contributes to the National Export Initiative objective of expanding the number of small and medium-sized entities that export. For 2015, the Budget provides a $200 million program level for MAP.

The **Emerging Markets Program (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 2015 Budget provides a $10 million program level for EMP.

The **Foreign Market Development (Cooperator) 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 CCC baseline provides a $34.5 million program level for the Cooperator Program.

The **Technical Assistance for Specialty Crops (TASC) Program** 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 CCC baseline provides a $9 million program level for TASC.

Foreign Food Assistance. The United States plays a leading role in global efforts to alleviate hunger and malnutrition and enhance world food security through international food aid activities. USDA contributes to these efforts by carrying out a variety of food aid programs which 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. Its purpose is to reduce the incidence of hunger and malnutrition and improve literacy and primary education. These measures contribute to a healthy, literate workforce that can support a more prosperous, sustainable economy and ensure long-term food security. FAS is completing a framework with the U.S. Agency for International Development (USAID) that will strengthen the coordination and leveraging of McGovern-Dole resources with USAID education-focused activities. The framework will encourage strategic planning and stronger communication and will result in McGovern-Dole and USAID programs that have larger impacts on the diets and education of school children. The 2015 Budget proposes $185 million for the McGovern-Dole program. With this funding, the program is expected to assist more than 4 million women and children in 2015.

P.L. 480. 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 developing country governments and private entities through concessional financing agreements and for donations through Food for Progress grant agreements.

- **Title II** provides emergency and development food assistance in foreign countries. The 2015 Budget includes $1.4 billion for P.L. 480 Title II.

Food Aid Reform. The FY 2015 P.L. 480 Title II request of $1.4 billion includes $270 million to be used for development programs in combination with an additional $80 million requested in the Development Assistance account under USAID's Community Development Fund, bringing the total funding for these types of programs to $350 million. Together, these resources support

development food assistance programs' efforts to address chronic food insecurity in areas of recurrent crises using a multi-sectoral approach to reduce poverty and build resilience. The balance of the Title II request, $1.13 billion, will be used to provide emergency food assistance in response to natural disasters and complex emergencies.

The request also includes new authority to use up to 25 percent ($350 million) of the P.L. 480 Title II appropriation in emergencies for interventions such as local or regional procurement of agricultural commodities near crises, food vouchers or cash transfers. The additional flexibility makes emergency food aid more timely and cost effective, improving program efficiencies and performance and increasing the number of people assisted by about two million annually with the same level of resources.

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 voluntary 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. The 2015 Budget assumes that $240 million of CCC funding will be used to support the Food for Progress program, which is expected to support approximately 180,000 metric tons of commodity assistance.

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 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.

During 2013, no assistance was provided using the Trust's authority, and none has been provided to date in 2014. As of December 31, 2013, the Trust held $311 million of cash and no commodities.

Foreign Agricultural Service
Salaries and Expenses
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Trade Promotion	$54	$59	$61
Trade Policy	72	78	80
Capacity Building / Food Security	37	41	42
Total, Appropriated Programs	163	178	183
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	100	91	91
Other Reimbursable Agreements	22	32	32
Total, Reimbursable Program Activities	144	146	146
Total, FAS Salaries and Expenses	$307	$324	$329

FAS partners 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. FAS will continue monitoring and enforcing international Sanitary and Phyto-Sanitary (SPS) rules, strengthening the global SPS regulatory framework, and encouraging the adoption of international standards, in the trade policy arena. FAS also promotes the acceptance of crops produced using new technologies and organic standards around the world. The agency draws on headquarters staff and attachés covering more than 160 countries that negotiate with foreign governments and work with international organizations to develop fair, transparent international standards that will support the use of these new technologies.

Unnecessarily restrictive regulations to address the risks to human and animal health (sanitary) and plant health (phyto-sanitary) are major barriers to the expansion of global agricultural trade. Since 2009, FAS has helped challenge 750 SPS barriers to the export of U.S. agricultural products, helping to spur record exports. FAS relies on its worldwide network of attaches, its frequent communication with private sector stakeholders, and formal World Trade Organization (WTO) notification procedures to monitor foreign trade and regulatory actions that have the potential to affect trade. Then, working in concert with other U.S. trade and regulatory agencies, FAS seeks out ways to prevent market closures, or re-open markets, leading to billions of dollars in additional exports annually. FAS works to improve market access for U.S. agricultural products and reduce the harm to the industry resulting from SPS regulations by monitoring and enforcing international SPS rules, strengthening the global SPS regulatory framework, and encouraging the adoption of international standards.

Efforts to reduce disease causing agents, restrict additives and allergen ingredients, and provide additional information to consumers have resulted in a proliferation of labeling, registration, certification, and quality standards requirements for routinely consumed food products, sometimes resulting in unnecessary obstacles to trade. Trade issues concerning such measures are addressed by the WTO Agreement on Technical Barriers to Trade (TBT). FAS monitors and enforces the WTO SPS and TBT agreements to ensure that U.S. agricultural interests benefit from the improved market access opportunities.

FAS 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.

Key Performance Measure	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Value of agricultural exports resulting from participation in foreign food and agricultural trade shows ($ Billions)	$1.07	$1.12	$1.26	$1.46	$1.46	$1.46
Value of trade preserved through resolution of foreign market access issues such as U.S. export detainment, restrictive SPS and TBT issues, and trade regulations ($ Billions)	4.1	4.1	3.7	3.8	3.8	3.8

Under the Department's Blueprint for Stronger Service, in 2012 FAS closed two overseas locations. Accordingly, in 2015 FAS will conduct its activities and programs through offices in Washington, D.C. and at 96 overseas locations. The overseas offices represent and advocate for U.S. agricultural interests; provide reporting on agricultural policies, production, and trade for more than 160 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 $183 million for FAS activities in 2015.

In addition, the Budget assumes an estimated $146 million in funding to be made available to FAS through reimbursable agreements. The largest components of this are funding for technical assistance, training, and research activities that FAS carries out overseas on behalf of USAID, foreign governments, and international organizations, and agricultural reconstruction and stabilization 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.

MISSION AND RELATIONSHIP TO STRATEGIC GOAL

Rural communities and businesses are implementing innovative technologies and modernizing infrastructure to create jobs, develop new markets, and increase competitiveness, while conserving the Nation's natural resources and providing a safe, sufficient and nutritious food supply for the country and the world. As a leading advocate for rural America, USDA is at the forefront of developing the technology and tools necessary to transform rural America to take advantage of new opportunities. All of the funding for USDA's Rural Development (RD) programs contributes to the Strategic Goal of assisting rural communities to create prosperity by providing financial and technical assistance to rural 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), which 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), which provides assistance for water and waste disposal, rural electric and telecommunications, including broadband access; and (3) the Rural Housing Service (RHS), which provides assistance for home ownership, multi-family housing, and essential community facilities such as health and public safety infrastructure.

The type of assistance offered includes direct and guaranteed loans, grants, technical assistance, and other payments. Some programs provide assistance to intermediaries that make loans or provide technical assistance to the ultimate beneficiaries. Several of the programs require or encourage recipients to contribute their own resources or obtain third-party financing to support the total cost of projects, in which case these programs leverage the Government's support with private sector financing.

The subsidy cost of programs that provide direct or guaranteed loans depends upon 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. Coupled with the subsidy cost, the loan programs all have an administrative cost component 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.

Since 2009, USDA has helped **more than 804,000 rural families buy, refinance, or repair a home, and provided nearly 19,000 grants and loans to help approximately 75,000 small rural businesses create and save over 377,000 jobs**. As a leading advocate for rural America, USDA is at the forefront of developing the technology and tools necessary to transform rural America to take advantage of new opportunities.

RD delivers its programs through a network of approximately 400 area offices and 47 State offices, a centralized servicing center and finance office in St. Louis, Missouri, and a national office in Washington, D.C. Under the Department's Blueprint for Stronger Service, RD has closed 56 office locations since 2012.

RURAL BUSINESS - COOPERATIVE SERVICE (RBS)

Program Level (P.L.) and Budget Authority (B.A.)
(Dollars in Millions)

Program	2013 Enacted		2014 Estimate		2015 Budget	
	P.L.	B.A.	P.L.	B.A.	P.L.	B.A.
Discretionary:						
Business and Industry Guaranteed Loans	$890	$52	$958	$67	$591	$30
Rural Business Enterprise Grants	23	23	24	24	a/	a/
Rural Business Opportunity Grants	2	2	2	2	a/	a/
Delta Regional Authority Grants	3	3	3	3	0	0
Rural Business and Cooperative Grants a/	0	0	0	0	58	58
Southwest Border Regional Commission	0	0	0	0	2	2
Intermediary Relending Program	18	6	19	4	10	3
Rural Economic Development:						
Direct Loans	33	0	33	0	59	0
Grants	10	0	10	0	10	0
Rural Microentrepreneur Assistance Program (Sec. 6023):						
Direct Loans	0	0	0	0	26	3
Rural Business Investment Program:						
Guaranteed Loans	0	0	0	0	39	4
Grants	0	0	0	0	2	2
Healthy Foods, Healthy Neighborhoods Initiative	0	0	0	0	13	13
Rural Cooperative Development Grants	6	6	6	6	0	0
Small, Socially Disadvantaged Producers Grants	3	3	3	3	3	3
Appropriate Technology Tranfers to Rural Areas	2	2	2	2	2	2
Value-added Producer Grants	14	14	15	15	11	11
Rural Energy for America Program (Sec. 9007):						
Guaranteed Loans	13	3	13	4	47	5
Grants	0	0	0	0	5	5
Subtotal, RBS Programs	1,017	114	1,088	130	878	141
Salaries and Expenses	4	4	4	4	4	4
Total, Discretionary Programs	1,021	118	1,092	134	882	145
Mandatory:						
Farm Bill:						
Rural Microentrepreneur Assist. Loans (Sec. 6023)	0	0	32	2	16	2
Rural Microentrepreneur Assist. Grants (Sec. 6023)	0	0	1	1	1	1
Value-added Producer Grants (Sec. 6203)	0	0	63	63	0	0
Biorefinery Assistance Guaranteed Loans (Sec. 9003)	0	0	241	100	124	50
Repowering Assistance Payments (Sec. 9004)	0	0	12	12	0	0
Bioenergy for Advanced Biofuels (Sec. 9005)	0	0	15	15	15	15
Rural Energy for America Loans (Sec. 9007)	0	0	91	25	236	25
Rural Energy for America Grants (Sec. 9007)	0	0	25	25	25	25
Total, Mandatory Programs	0	0	480	243	417	118
Total, RBS Programs	$1,021	$118	$1,572	$377	$1,299	$263

a/ The budget requests the consolidation of grants into a new Rural Business and Cooperative Grants program. The following grants programs are part of the consolidation: Rural Business Opportunity, Rural Business Enterprise, Rural Microentrepreneur Assistance grants, and Rural Community Development Initiative.

RBS administers RD's rural business and cooperative services programs. The primary purpose of these programs is to promote economic development in rural areas.

Business and Industry Guaranteed Loan Program. The Business and Industry (B&I) Guaranteed Loan Program, with the largest program level of the RBS programs, provides protection against loan losses so that lenders are willing to extend credit to establish, expand, or modernize rural businesses. The 2015 Budget supports a program level of $591 million in B&I loan guarantees. This level of funding will create or save 7,968 jobs. Funding for the B&I program will focus on supporting high priority areas of the Administration such as supporting access to capital markets in rural areas, local and regional food systems, biobased businesses, and renewable energy development.

Rural Business and Cooperative Grants. The 2015 Budget includes $57.5 million for a new economic development grant program designed to target small and emerging private businesses and cooperatives in rural areas with populations of 50,000 or less. This level of funding will create approximately 13,903 jobs. This new program will award funding to grantees that meet or exceed minimum performance targets, and that agree to be tracked against those performance targets. The consolidated Rural Business and Cooperative Grant Program will allow RBS to better promote economic development through regional planning, and by leveraging resources to create greater wealth, improve quality of life, and sustain and grow the regional economy.

The new program is expected to improve the agency's current grant allocation and evaluation process. The consolidated grant program will utilize all existing authorities available under Rural Business Enterprise Grants, Rural Business Opportunity Grants, Rural Cooperative Development Grants, Rural Microentrepreneur Assistance Grants, and Rural Community Development Initiative Grants. Accordingly, the 2015 Budget does not request separate funding for these programs.

Southwest Border Regional Commission. The 2015 Budget requests $2 million to support economic development in the Southwest region. This funding will be used to make grants for economic development that are provided in conjunction with grants from Texas, Arizona, New Mexico and California's economic development agencies and support the administrative expenses of the commission.

Intermediary Relending Program (IRP). The IRP provides one percent interest direct loans to entities that relend to rural businesses at a higher interest rate and use their interest earnings to pay for their administrative expenses and develop capital reserves. The 2015 Budget supports a program level of $10 million in direct loans; this level of funding will support the creation of 7,575 jobs in rural communities.

Rural Economic Development Loans and Grants (REDLG). This program provides zero interest loans to local utilities which, in turn, pass through to local businesses for projects that will create and retain employment in rural areas. The utility is responsible for repayment to the Agency. Grant funds are provided to local utility organizations which use the funding to establish revolving loan funds. Loans are made from the revolving loan fund to projects that will

create or retain rural jobs. The budget requests $69 million for these activities. This program creates or saves approximately 6,026 jobs.

Rural Microentrepreneur Assistance Program. This program provides one percent direct loans and grants to microenterprise development organizations (MDO's). The loans will be used to establish reserves for relending to microentrepreneurs, and the grants are made to the MDO's which may relend a portion to provide training, operational support, business planning, and market development assistance. The 2015 Budget includes $3.3 million in discretionary funding, which will support nearly $26 million in loans. This amount of funding will create 3,300 jobs. Funding for grants is included in the Rural Business and Cooperative Grants program. The 2014 Farm Bill provides $3 million in mandatory funding each year through 2018 for this program.

Rural Business Investment Program. The 2015 Budget requests $6 million in budget authority for loan guarantees and grants that supports a program level of $41 million. This level of funding will create or save 5,000 jobs. This program provides loan guarantees to establish equity funds to support business development in rural areas. This funding provides additional access to venture capital type funding. These for-profit investment fund entities use equity raised in capitalizing their funds to make equity investments mostly in small enterprises located primarily in rural areas.

Healthy Foods, Healthy Neighborhoods Initiative. The 2015 Budget supports the First Lady's Healthy Foods Financing Initiative with a request of $13 million for loans and grants to support increased access to healthy foods in underserved areas, create and preserve quality jobs and to revitalize low income communities. The initiative will provide financial and technical assistance to support market planning and promotion efforts as well as infrastructure and operational improvements designed to stimulate consumer demand, enhance marketing, expand demand and retail outlets for farm products, and increase the availability of locally and regionally produced foods.

Small, Socially Disadvantaged Producers Grant Program. The 2015 Budget requests $3 million in grants to ensure historically underprivileged rural Americans have opportunities for cooperative development. This program provides funding to rural residents to create new job opportunities, enhanced education and healthcare services, and products that enable them to compete with their urban and suburban counterparts. Funding for this program supports priorities including the Strike Force and Promise Zones initiatives.

Value-Added Producer Grants. The 2015 Budget includes $11 million for the Value-Added Producer Grants Program. The program provides grants for a wide range of value-added projects. The program is designed to assist the development of businesses at all stages of conception. USDA is working to improve program metrics and create a robust program evaluation component in order to demonstrate effectiveness. The 2014 Farm Bill provides an additional $63 million in mandatory funding that is available until expended.

Rural Energy for America Program (REAP). The REAP loan guarantee and grant program supports the President's Climate Action plan by providing financing for the purchase of renewable energy systems, energy efficiency improvements, energy audits and feasibility

studies. The 2015 Budget supports a discretionary program level of $47 million in loan guarantees and $5 million in grants. The 2014 Farm Bill provides mandatory funding of $50 million that will support a program level of $262 million in loan guarantees and grants.

The performance information is based on discretionary funding. The jobs created or saved metric is based on a formulaic estimate and reflect an emphasis on priority programs.

Key Performance Measure	2010	2011	2012	2013	2014	2015
Number of jobs created or saved through USDA financing of businesses	N/A	64,935	52,468	44,419	48,672	43,772

RURAL UTILITIES SERVICE (RUS)

Program Level (P.L.) and Budget Authority (B.A.)
(Dollars in Millions)

Program	2013 Enacted		2014 Estimate		2015 Budget	
	P.L.	B.A.	P.L.	B.A.	P.L.	B.A.
Discretionary:						
Electric Programs:						
Direct Loans……	$7,100	0	$5,500	0	$5,000	0
Telecommunications Programs:						
Direct Loans……	690	0)	690	0	345	0
Treasury Loans……...	0	0)			0	0
Direct FFB……..…….	0	0)			345	0
Distance Learning and Telemedicine Programs:						
Grants…….……	23	$23	24	$24	25	$25
Broadband Programs:						
Direct Loans……	39	4	35	5	44	8
Grants……	9	9	10	10	21	21
High Energy Costs Grants ……...……	9	9	10	10	0	0
Water and Waste Disposal Programs:						
Direct Loans……	964	75	1,240	0	1,200	0
Guaranteed Loans ……	57	1	50	a/	0	0
Grants ……	400	400	452	452	304	304
Subtotal, Water and Waste……	1,421	476	1,742	452	1,504	304
Subtotal, RUS programs……	9,291	521	8,011	501	7,284	358
Salaries and Expenses……	34	34	35	35	33	33
Total, Discretionary Programs……	$9,325	$555	$8,046	$536	$7,317	$391
Mandatory:						
Farm Bill:						
Water and Waste Programs:						
Grants……	0	0	150	150	0	0
Total, Mandatory Programs……	0	0	150	150	0	0
Total, RUS Programs……...	$9,325	$555	$8,196	$686	$7,317	$391

a/ Less than $500,000.

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. They are long-standing programs that brought electric and telecommunication services to rural America and ensured universal service for the Nation. While most borrowers have some access to private credit markets, the programs help to leverage

private sector investments as well as fill credit gaps that still exist for some rural areas and borrowers. In addition, the programs facilitate the financing of improvements to facilities that RUS financed in the past and still holds a lien. There are a number of ways USDA's electric program can be used to support energy conservation and efficiency projects. Loans can be made to electric cooperatives that, in turn, offer rebates or provide loans to their customers for energy conservation and efficiency projects. The Rural Economic Development Loan and Grant (REDLG) program is administered by RBS and also provides funding for electric cooperatives that may be used to support energy conservation and efficiency projects.

To support the President's Climate Action plan, the 2015 Budget requests $5 billion for electric loans. Of this amount, up to $1 billion will be available to support environmental upgrades to existing fossil fuel electric generation facilities to significantly reduce carbon emissions. Of the remaining funds, not less than $4 billion will be used for generation, transmission, and distribution of renewable energy. Loan funds can also be used to purchase or construct peaking units at electric generating plants in conjunction with an electric generating plant that produces electricity from solar, wind or other intermittent source of energy. Funding can be used to support the transformation from fossil fuels to cleaner technologies. Allowing financing for environmental upgrades will support the continued development of a national clean energy strategy.

The electric program performance indicator identifies the number of borrowers/subscribers receiving new and/or improved electric service. This measure includes the improvement of existing facilities, as many facilities are improved several times over their estimated useful life, which results in the indicator showing a larger number of people being served than actually live in the service territories. USDA has requested levels of funding that are consistent with demand and focused efforts into supporting broader scale energy efficiency activities. The estimated performance information is based on supporting more distribution loans in 2015. If a greater number of generation and transmission (G&T) loans to upgrade existing facilities are provided, it is likely that the actual performance number will be adjusted upward as G&T projects serve a larger number of recipients.

Key Performance Measure	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)	9.4	7.1	8.3	8.7	4.6	4.6

The 2015 Budget also supports $690 million in telecommunications loans, of which $345 million is for direct loans and $345 million is for guaranteed loans through the Federal Financing Bank (FFB). Applicants requesting FFB loans can use these funds 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 meet broadband standards. The performance indicator displays performance information for the traditional telecommunications and broadband loan and grant programs. The increase in performance in 2015 is based on agency estimates that indicate all funding being obligated as demand for the

telecommunications loan program increases. In addition, the Budget doubles the amount of funding for broadband grants. These grants bring broadband to some of the most remote rural areas.

Key Performance Measure	2010	2011	2012	2013	2014	2015
Number of borrowers/subscribers receiving new or improved telecommunication services (millions)	0.14	0.18	0.06	0.12	0.13	0.14

Broadband, Distance Learning and Telemedicine. The broadband program provides financing to support new or improved broadband access across rural America. The Distance Learning and Telemedicine Grant Program is designed specifically to assist rural communities that would otherwise be without access to learning and medical services over the Internet.

The 2015 Budget provides $8.3 million in budget authority to support $44.2 million in broadband loans, $21 million for Broadband grants, and $25 million for grants under the Distance Learning and Telemedicine Program.

Water and Waste Disposal Program. The Water and Waste Disposal Program provides 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.

Eligibility is limited to communities of 10,000 or less in population that are unable to obtain credit elsewhere. In addition, 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. Grants are limited to a maximum of 75 percent of project costs. Program regulations stipulate that the grant amount should only be as much as necessary to bring the user rates down to a reasonable level for the area. Water and Waste Disposal grant and loan funds are usually combined based on the income levels and user costs. However, separate stand-alone grants are provided for solid waste disposal and technical assistance and training.

The 2015 Budget requests $304 million in budget authority for grants for the water and waste disposal program. As a result of the continued low interest rate environment and low levels of defaults, direct loans can be provided at a negative subsidy rate and do not require a request for budget authority. The 2015 Budget requests a $1.2 billion direct loan level for this program. Low interest rates also mean that more communities can afford to service higher levels of debt, reducing the need for grant funds. Collectively, the 2015 Budget provides a total water and waste disposal program level of $1.5 billion. That funding level will be sufficient in 2015 given

that for 2014 the Farm Bill provided $150 million in additional mandatory funding for existing applications.

In 2014, the Rural Utilities Service emphasized providing funding to rural areas with populations of 2,500, in an effort to assist the smallest rural communities. Estimates indicate that the proposed discretionary funding level will support a similar level of performance in 2015.

Key Performance Measure	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Number of population receiving new or improved service from agency funded water facility (millions)	3.4	2.9	2.5	1.8	2.3	2.2

RURAL HOUSING SERVICE (RHS)

Program Level (P.L.) and Budget Authority (B.A.)
(Dollars in Millions)

Program	2013 Enacted P.L.	2013 Enacted B.A.	2014 Estimate P.L.	2014 Estimate B.A.	2015 Budget P.L.	2015 Budget B.A.
Discretionary:						
Single Family Housing:						
Direct Loans (Sec. 502)	$840	$50	$900	$24	$360	$27
Guaranteed Loans (Sec. 502)	24,000	0	24,000	0	24,000	0
Multi Family Housing:						
Direct Loans (Sec. 515)	29	10	28	7	28	10
Guaranteed Loans (Sec. 538)	150	0	150	0	150	0
Very Low-Income Repair (Sec. 504):						
Direct Loans	26	4	26	2	26	4
Grants	27	27	28	28	25	25
Farm Labor Housing Grants (Sec. 516)	8	8	8	8	8	8
Farm Labor Housing Loans (Sec. 514)	21	7	24	6	24	7
All Other Direct Loans	15	0	20	0	15	0
Grants and Payments:						
Rental Assistance (Sec. 521)	837	837	1,110	1,110	1,089	1,089
Mutual and Self-Help (Sec. 523)	28	28	25	25	10	10
Multi-Family Housing Revitalization	27	17	38	20	33	20
Multi-Family Housing Voucher program	9	9	13	13	8	8
All Other Grant programs	3	3	4	4	0	0
Community Facilities Programs:						
Direct Loans	2,200	0	2,200	0	2,200	0
Guaranteed Loans	54	4	75	4	0	0
Grants	27	27	29	29	21	21
Subtotal, RHS Programs	28,301	1,031	28,678	1,280	27,997	1,229
Salaries and Expenses	383	383	415	415	397	397
Total, Discretionary Programs	$28,684	$1,414	$29,093	$1,695	$28,394	$1,626

Single Family Direct and Guaranteed Loan Programs. The Single Family Housing programs provide direct and guaranteed loans to low and moderate income families in rural areas. RHS is the only Federal agency that provides direct loans for this purpose. Both direct and guaranteed loans are means-tested. Direct loans are limited to families with incomes less than 80 percent of area median income. The interest rate on direct loans is based on the borrower's income and fluctuates with the current Treasury rate and may be subsidized down to one percent interest. Guaranteed loans are limited to borrowers 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.

USDA plans to provide single family housing assistance primarily through loan guarantees in 2015 with a $24 billion loan level. USDA's single family housing direct loan program is funded at $360 million in program level to specifically support very-low and low-income borrowers. Combined, these funds will ensure that support will continue for rural residents who seek access to mortgage credit. The direct and guaranteed loan programs are expected to provide approximately 166,000 homeownership opportunities for the purchase of a home or refinancing of a loan in 2015. The 2015 budget includes two legislative proposals for the single family housing programs, the first is for direct endorsement authority for lenders in the guaranteed program and the second would implement a user fee for lenders to access RHS's automated underwriting system, which is expected to generate approximately $8.5 million a year for system maintenance. For additional information see the Proposed Legislation section in the Appendix.

Key Performance Measure	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Homeownership opportunities provided	127,735	140,100	153,027	170,055	176,539	166,435

Multi-Family Housing Programs. The Multi-Family Housing program provides financing for rental housing projects and rental assistance payments for the low-income tenants of those projects. The portfolio currently includes about 15,000 projects that provide housing for about 411,000 households, consisting of approximately 700,000 low-income individuals, many of whom are elderly. Almost 285,000 households receive rental assistance. The average annual income of these tenants is about $9,600.

The 2015 Budget requests new authorities in order to improve the management of the rental assistance program so that the long term viability of the program is ensured. This budget includes $1.089 billion for rental assistance payments. The proposed level of funding assumes a total of $20 million in savings from charging a $50 minimum rent and from eliminating renewals of contracts within a 12 month period. The requested funding level with the savings proposals will be sufficient to renew all expiring contracts in 2015. In addition to these proposals, other new authorities included in the request are: 1) the ability to renew contracts at the discretion of the Secretary; 2) the elimination of a specified time period for the renewed contracts (though funding is based on the assumption that each contract will still be for 12 months); and 3) the ability to verify income through IRS and HHS databases. These new authorities will also be proposed in tandem with a separate multifamily housing reinvention legislative package that will also include permanent authority for several financing options for the annual pilot program used to preserve and revitalize the existing Section 515 portfolio. These proposals will make the multi-family programs more efficient and better prepared to handle future funding reductions and uncertainty such as short-term Continuing Resolutions.

Further, the 2015 Budget includes $20 million for preservation activities, which is expected to be leveraged into a greater amount of assistance based on how it is disbursed between the various strategies approved under the Multi-Family Preservation and Revitalization (MPR) Demonstration program and $8 million for vouchers. This program provides vouchers to protect the rents of tenants affected by projects leaving the program. As mentioned above, the Budget also proposes legislation for making the MPR demonstration program permanent. The Budget includes $28 million for 515 multi-family housing loans for preservation and rehabilitation activities. The Section 538 multi-family housing loan guarantee program currently operates at no subsidy cost; accordingly, no budget authority is required to provide the proposed $150 million in loan level. The Budget does not request funding for the Housing Preservation Grant program due to the available loan level in Section 538. The 2015 Budget also requests $24 million in loans and $8 million in grants for Farm Labor housing.

Other Housing Programs. The 2015 Budget funds additional single family housing activities through $25 million for Section 504 housing repair grants, $26 million in loan level for the Section 504 housing repair loan program, and $10 million for mutual and self-help housing grants. The Budget also includes $5 million in program level for Section 524 site development and $10 million in program level for single family housing credit sales of acquired property.

Community Facilities Loan and Grant Programs. RHS also administers the Community Facilities programs that provide funding for a wide range of essential community facilities. Priority is given to health and public safety facilities and education facilities. The program serves rural communities of up to 20,000 in population.

The 2015 Budget provides funding for Community Facilities programs with $2.2 billion in direct loans, $17 million in grants, and $4 million for Tribal college grants. Funding is provided for direct rather than guaranteed loans due to the higher subsidy cost of the guaranteed program. Funding is not separately requested for the Rural Community Development Initiative grant program, which will be combined under the Rural Business and Cooperative Grant program to be administered by the Rural Business-Cooperative Service.

The performance measure below measures the percent of the approximately 50 million total rural residents who are provided with improved essential community services such as health, safety, and educational facilities. The Rural Housing Service has partnered with private financial institutions to support the construction of large scale universities and education facilities.

Key Performance Measure	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Percentage of customers who are provided access to new and/or improved essential community facilities –						
Health Facilities	3.2	5.2	7.3	5.4	5.5	5.5
Safety Facilities	3.2	4.3	3.7	3.4	3.7	3.7
Educational Facilities	3.8	3.8	6.4	9.3	4.5	4.5
Note: Some facility types serve more than one purpose						

RURAL DEVELOPMENT SALARIES AND EXPENSES

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Salaries and Expenses:			
Appropriation	$192	$203	$225
Transfers:			
Rural Electric and Telecomm. Loan Program	(34)	(35)	(33)
Rural Housing Insurance Fund Program	(383)	(415)	(397)
Rural Development Loan Fund Program	(4)	(4)	(4)
Healthy Foods, Healthy Neighborhoods Initiative	(0)	(0)	(1)
Subtotal, Transfers	(421)	(454)	(435)
Total, Salaries and Expenses	$613	$657	$660

The 2015 Budget provides $660 million in funding for salaries and expenses needed to carry out RD programs. This level of funding will support an estimated staff level of 5,026 in 2015. While the Rural Development staffing levels have been reduced from 5,900 in 2009 to 4,726 in 2013, the output from this level of staff has significantly increased. In 2009 RD serviced 717,000 outstanding loans totaling about $123 billion; in 2013 those numbers have increased to nearly 1.2 million and $197 billion, respectively. The size of the RD portfolio continues to grow at a rate of about $2 billion in loans outstanding every month. However, nearly 30 percent of Rural Development on board staff is eligible to retire within the next three years.

Declining staff levels, increased program levels, and the age of Rural Development's workforce make investment in staff and technology a high priority in FY 2015. Funding is provided to hire 250 additional staff to fill critical delivery and management positions to perform portfolio management activities and enhance program operations. A portion of these new hires will assist Rural Development with the implementation of a pilot called Rural Corps that will place economic development professionals in 10 high-need areas to provide technical assistance and hands-on support at the local level. This model will increase the likelihood that investments in infrastructure and economic development are strategic, creating jobs and long-term economic benefits within the region. Additionally, this pilot will enable RD to move towards a more modern, mobile work force and better enable RD to leverage its resources with other Federal agencies.

The Budget also includes $15 million for information technology investments for the Comprehensive Loan Program (CLP). Investing in modernization of the CLP will ensure that all loan programs are serviced with up-to-date technology, safeguarding the portfolio from cyber threats and upgrading the management capabilities of the agency.

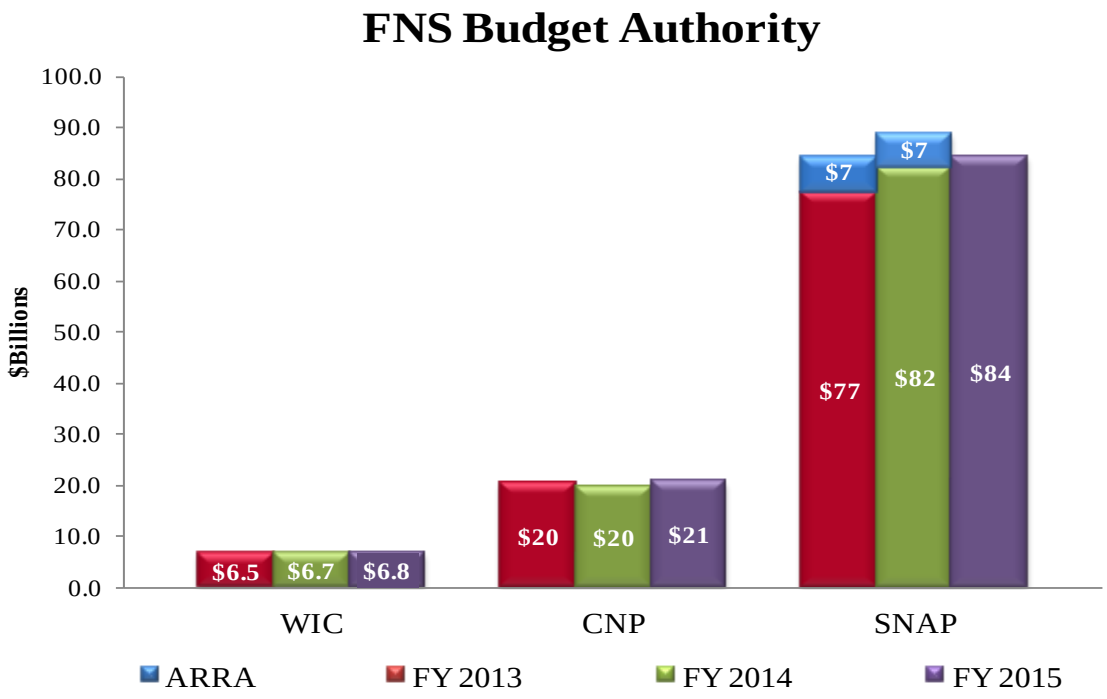
MISSION AND RELATIONSHIP TO STRATEGIC GOAL

The programs and funding of Food, Nutrition, and Consumer Services, including the Food and Nutrition Service (FNS) and the Center for Nutrition Policy and Promotion (CNPP), support the USDA Strategic Goal to ensure that all of America's children have access to safe, nutritious, and balanced meals. FNS contributes significantly to two objectives under this strategic goal: (1) improving access to nutritious food; and (2) promoting healthy diet and physical activity behaviors.

Over the course of a year, one in four Americans will be served by one of USDA's nutrition assistance programs designed to prevent hunger and obesity, and even more will be reached through the Department's nutrition education activities. FNS administers USDA's domestic nutrition assistance programs. Working in partnership with State agencies and other cooperating organizations, FNS helps to ensure children and other low-income Americans have access to sufficient food, a healthful diet, and nutrition education. FNS is committed to increasing the performance, efficiency, and integrity of USDA programs. The mission of CNPP is to improve the health of Americans by developing and promoting dietary guidance that links the best evidence-based, scientific research to the nutrition needs of Americans.

Federal staff leverage their efforts by working with State and local partners to deliver nutrition assistance through the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program); Child Nutrition Programs, including the National School Lunch Program, the School Breakfast Program, Summer Food Service Program, and the Child and Adult Care Food Program; the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); The Emergency Food Assistance Program; and several other programs. SNAP provides nutrition assistance to millions of eligible low-income individuals, helping them put food on the table. As the cornerstone of the hunger safety-net, SNAP kept nearly 5 million people, including 2.2 million children out of poverty in 2012. Other programs target specific groups. For example, the Child Nutrition Programs support the provision of balanced meals to children from child care through high-school and WIC targets low-income pregnant, breastfeeding and post-partum women and their young children.

Key Performance Indicator	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Prevalence of food insecurity in households with children	20.2%	20.6%	20.0%	19.7%	19.4%	19.1%



The President's 2015 Budget reflects the recently enacted Agricultural Act of 2014 and provides funding for the major nutrition assistance programs, accounting for projected program participation and food cost inflation. It emphasizes preventing and reducing food insecurity and improving the nutritional status of recipients, as well as improving program access and operations. The Budget supports improvements to the WIC food package and increases the WIC contingency fund to meet unexpected growth in food costs and/or a rise in eligible applicants. The Budget also provides funding to continue summer food demonstration projects, which are proving successful in helping to protect the most food-insecure children from hunger during months when school meal programs are unavailable. The demonstration projects reduced the prevalence of food insecurity among children by 19 percent, and the prevalence of very low food security among children by 33 percent.

To support FNS' aggressive work to root out fraud, waste and abuse, the Budget provides strategic increases in program integrity and oversight funding for FNS' largest program, SNAP. Building on existing efforts, additional funds would allow FNS to intensify retailer monitoring activities and enhance oversight of State compliance with Federal rules.

Both FNS and CNPP will continue efforts to promote healthy eating and active lifestyle behaviors, in part by the use and promotion of MyPlate and the *Dietary Guidelines for Americans*. CNPP will further its work in collaboration with the Department of Health and Human Services on the *Dietary Guidelines for Americans*, which currently apply to people over two years old. The Budget provides funds to support the development of the first-ever Dietary Guidelines for infants and young children under two years old, in keeping with a mandate of the Agricultural Act of 2014.

Food and Nutrition Service
Budget Authority
(Dollars in Millions)

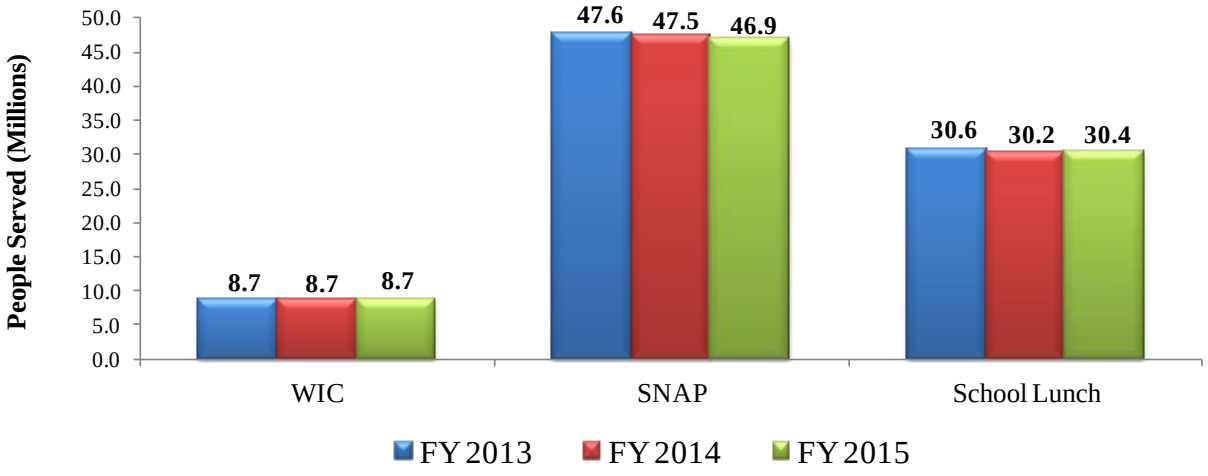
Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
Special Supplemental Nutrition Program (WIC)	$6,522	$6,716	$6,823
Commodity Assistance Program:			
Commodity Supplemental Food Program	182	203	209
The Emergency Food Assistance Program (TEFAP), Soup Kitchens, Food Banks	46	49	49
TEFAP Disaster Supplemental	6	0	0
Farmers' Market Nutrition Program	15	17	17
Pacific Island Assistance and Disaster Assistance	1	1	1
Nutrition Services Incentive Program	3	2	a/
Total, Commodity Assistance Program	253	272	276
Nutrition Programs Administration	133	142	155
Total, Discretionary Programs	6,908	7,130	7,254
Mandatory:			
WIC: Universal Product Database	1	1	1
Supplemental Nutrition Assistance Program (SNAP) b/ c/	84,104	88,829	84,246
Child Nutrition Programs b/	19,913	19,284	20,537
Permanent Appropriations	247	181	178
Farm Bill:			
Seniors Farmers' Market Nutrition Program	20	19	21
Retailer and Participant Trafficking	0	15	0
Fruits and Vegetables Pilot	0	5	0
Total, Mandatory Programs	104,285	108,334	104,983
Total, FNS	$111,193	$115,464	$112,237

a/ Funds are transferred from the Department of Health and Human Services, Administration on Aging. Funds for 2015 will be determined at a later date.

b/ Discretionary and Mandatory appropriations have been consolidated for illustrative purposes.

c/ Includes funding from the American Recovery and Reinvestment Act funding in 2013 and 2014.

People Served Through Nutrition Assistance Programs



Supplemental Nutrition Assistance Program (SNAP). SNAP will continue to respond to economic need. For 2015, the Budget estimates that SNAP participation will fall to an average level of 46.9 million participants per month from 47.5 million in 2014. Continued improvement in the economy is expected to lead to further participation declines.

Key Performance Indicator	2010	2011	2012	2013	2014	2015
Annual percentage of eligible people participating in SNAP	74.0	79.0	79.0	79.0	79.2	79.4

The Budget includes $5 billion for the SNAP Contingency Fund to support the program's role as a critical safety net. The Budget also includes additional investments in SNAP integrity, helping to ensure that program resources are used most effectively to reduce food insecurity. Over the last five years, the number of retailers authorized to participate in SNAP has grown by over 40 percent to more than 250,000 retailers, while the resources for retailer monitoring and oversight have remained relatively flat. Smaller stores made up the bulk of the recent growth in retailers and FNS research has found that most retailer trafficking occurs in smaller-sized stores. Given this growth, the Budget includes an additional $9 million to expand FNS' staff of retailer investigators and analysts to prevent fraud.

Key Performance Indicator	2010	2011	2012	2013	2014	2015
SNAP payment accuracy rate	96.19	96.20	96.58	96.58	96.20*	96.3*

* Section 4019 of the Agricultural Act of 2014 changed the error tolerance threshold for small errors from $50 to $37, adjusted for inflation on an annual basis. As a result, a larger number of errors will be counted as part of a State's over or under payment error rate.

The Budget also includes an increase of $3 million to support oversight and monitoring of the State administration of SNAP. Additional staff would allow FNS to increase the depth and frequency of the management reviews that ensure State compliance with Federal rules and regulations. As a result, FNS will be able to identify compliance issues before they become systemic and act quickly to mitigate their consequences on the program or its participants.

Key Performance Indicator	2010	2011	2012	2013	2014	2015
SNAP benefits redeemed at farmers markets and direct marketing farmers annually (millions)	$7.5	$11.7	$16.6	$21.2	$22.3	$23.5

For the Food Distribution Program on Indian Reservations, the Budget includes $5 million to expand purchases of regionally preferred and locally grown foods. These funds would allow USDA to create a region-specific vendor model that could provide specific foods, such as locally sourced bison, wild rice, and blue corn meal.

Child Nutrition Programs. Through reimbursements for meals that meet nutritional standards, the National School Lunch (NSLP), School Breakfast, Summer Food Service, and Child and Adult Care Food Programs assist State and local governments in ensuring that children in schools and child care receive meals that meet their nutritional needs, foster healthy eating habits, reduce overweight and obesity, and safeguard their health. The 2015 Budget funds the Child Nutrition Programs at a level that will support anticipated participation, food cost inflation, and the six-cent performance-based reimbursement rate authorized for lunches. The Budget projects serving 5.3 billion lunches and snacks and 2.4 billion breakfasts in schools, 2 billion meals in child and adult care centers, and 166.2 million meals through summer programs. FNS continues to work with State agencies to help ensure the integrity of meals served and to minimize error.

Key Performance Indicator	2010	2011	2012	2013	2014	2015
Annual percentage of eligible people participating in NSLP	57.9	58.0	57.6	55.6	56.4	57.2

USDA is working with State administering agencies, about 100,000 schools, hundreds of thousands of school food service workers and suppliers, as well as over 50 million children, their parents and teachers to improve the school food environment. Because outdated food service equipment can be a barrier to serving healthier meals on a large scale, the Budget includes $35 million in grants to help schools purchase needed equipment to prepare and serve healthier meals. In the coming school year, FNS will also support schools' implementation of the new "Smart Snacks in School" rule to ensure that children have more nutritious food choices across their school campus throughout their school day, helping to make the healthy choice the easy choice for students.

Whereas more than 21 million children receive free or reduced priced meals on school days, fewer than 3 million receive free meals when school is not in session. USDA has long sought to

reduce food insecurity and hunger among school children in the summer. As part of that effort, the Department has been conducting the Summer Electronic Benefit Transfer for Children demonstration projects. The projects are testing the extent to which providing extra benefits through SNAP or WIC EBT over the summer for households with school-aged children reduces child food insecurity. These projects have shown strong results, reducing the prevalence of food insecurity among children by 19 percent, and the prevalence of very low food security among children by 33 percent while increasing children's consumption of fruits, vegetables, whole grains, and dairy foods and reducing their consumption of sugar-sweetened beverages. The 2015 Budget includes $30 million to support Summer Electronic Benefit Transfer for Children projects.

Key Performance Indicator	2010	2011	2012	2013	2014	2015
Annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs	16.3	15.5	15.5	16.0	16.3	16.6

The HealthierUS School Challenge (HUSSC) is a voluntary initiative established in 2004 to recognize NSLP schools that have created healthier school environments through promotion of nutrition and physical activity. HUSSC awards have been given to schools in 49 states and the District of Columbia. Over 6,600 schools are HUSSC certified. The HUSSC is funded at $1.5 million in 2015 so that USDA can continue to encourage schools to take a leadership role in helping students learn to make healthier eating and lifestyle choices. Team Nutrition, a tool for promoting healthy eating through training, technical assistance and education, is funded at $15.5 million. This funding includes $500,000 for the Chefs Move to Schools initiative, which supports educational partnerships between chefs and schools.

Farm to School initiatives are funded at $7.3 million, with $2.3 million for the Farm to School Team and $5 million provided through the Healthy, Hunger-Free Kids Act of 2010 for Farm to School grants. Early in fiscal year 2014, Farm to School grants were awarded to 71 projects in 42 states and the District of Columbia. These grants ensure continued support of local and regional food systems by facilitating linkages between schools and their local food producers. In 2015, schools will continue to have the option to use the commodity food entitlement to order fresh produce through the Department of Defense contracting and distribution network.

WIC. WIC helps improve the health and nutritional intake of low-income pregnant, breastfeeding and postpartum women, and infants and children up to their fifth birthday. WIC serves over half of all babies in the United States. WIC provides participants with vouchers, typically redeemed at retail grocery stores, for foods dense in nutrients known to be lacking in the diets of eligible groups and by providing nutrition education, breastfeeding counseling, and referrals to other important health and social services.

The Budget provides $6.8 billion for WIC, continuing the Administration's commitment to serve all eligible individuals seeking WIC benefits. In 2015, 8.7 million low-income women, infants and children are expected to participate in the program. The Budget includes over $200 million

to support updates to the WIC food packages to better reflect current nutrition science and dietary recommendations, support breastfeeding, provide WIC participants with a wider variety of foods, provide an additional $2 a month for children's fruit and vegetable purchases, and provide WIC State agencies with greater flexibility in prescribing food packages to accommodate participants with cultural food preferences. The Budget includes funding to support updates to the WIC food packages to better reflect current nutrition science and dietary recommendations. The Budget includes $60 million for breastfeeding peer counseling to help increase breastfeeding rates, and $30 million to help States improve their management information systems and work toward implementation of an EBT system, which is mandated nationwide by 2020. The Budget also includes an increase of $25 million, for a total of $150 million, in the WIC Contingency Fund to provide greater protection against a funding shortfall in case of an unanticipated rise in food cost or eligible applicants, or another unforeseen circumstance.

Commodity Assistance Program (CAP). For 2015, the Budget includes $276 million for CAP, which distributes USDA commodities through several programs. The Emergency Food Assistance Program provides support to a network of food banks and other emergency food operations that assist households in need of immediate, short-term food assistance. CAP also includes funding for the Commodity Supplemental Food Program which provides commodities to low-income elderly people.

The Budget continues funding of $16.5 million for the Farmers' Market Nutrition Program (FMNP) for women, infants and children. The FMNP provides WIC participants with vouchers to purchase fresh, local fruits, vegetables and herbs directly from farmers, farmers' markets and roadside stands. The Seniors' FMNP is funded with about $21 million from the Commodity Credit Corporation.

Healthy Foods, Healthy Neighborhoods Initiative. The Budget requests $13 million for loans and grants to support increased access to healthy foods in underserved areas which is described in more detail in the Rural Development section.

Nutrition Programs Administration (NPA). FNS has worked to reduce its costs while maintaining the mission of the agency through the Department's Blueprint for Stronger Service, a plan to modernize and accelerate service delivery, while improving the customer experience through use of innovative technologies and business solutions.

Funding of $155 million is requested for NPA to support Federal management and oversight of USDA's investment in nutrition assistance programs, including $2 million for the Congressional Hunger Center. The Budget request will help ensure adequate oversight and program integrity, and encourage healthy and nutritious diets. The Budget also requests $1 million to support the development of the first-ever dietary guidelines for children birth to two years. This funding will be used to develop the evidence base for the guidelines and to initiate a web-based system to allow for public input throughout the project.

Food and Nutrition Service
Key Indicators

	2013 Actual	2014 Estimate	2015 Budget
Average Participation, Millions:			
Supplemental Nutrition Assistance Program (per month).....	47.6	47.5	46.9
Free School Lunch.....	18.9	19.0	19.1
Total School Lunch (per day).....	30.6	30.2	30.4
Free School Breakfast.....	10.1	10.6	10.9
Total School Breakfast (per day).....	13.1	13.6	14.0
WIC (per month).....	8.7	8.7	8.7
Commodity Supplemental Food Program (CSFP):			
WIC (per month).....	0.02	0.01	0.01
Elderly (per month).....	0.56	0.57	0.57
Food Distribution Program on Indian Reservations (FDPIR) (per month).....	0.08	0.08	0.08
Average/Person/Month Food Benefit in $:			
Supplemental Nutrition Assistance Program.....	$134.50	$126.95	$127.04
WIC.....	43.46	44.71	47.14
CSFP: WIC (FNS Funded) a/.....	23.53	26.94	27.51
CSFP: Elderly (FNS Funded) a/.....	19.23	21.51	21.98
FDPIR (FNS Funded).....	67.84	68.28	69.46
Per Meal Subsidies Including Commodities in $: a/			
School Lunch: b/			
Free	$3.15	$3.22	$3.27
Reduced.....	2.75	2.82	2.87
Paid	0.56	0.57	0.58
School Breakfast:			
Free	$1.83	$1.86	$1.90
Reduced.....	1.53	1.56	1.59
Paid	0.27	0.28	0.28

a/ Excludes bonus commodities.
b/ Effective 2013, performance-based enhanced reimbursements of 6 cents per lunch was available for lunches meeting the new meal standards and are included in these amounts.

MISSION AREA AND RELATIONSHIP TO STRATEGIC GOAL

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 (2011) estimates from the Centers for Disease Control and Prevention. USDA and other Federal agencies are working in cooperation to ensure that the food Americans eat is safe and healthy.

The Food Safety mission area is the public health mission area of USDA that is responsible for ensuring that the Nation's commercial supply of meat, poultry and processed 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. Funds for the Food Safety mission area support the USDA Strategic Goal to ensure that all of America's children have access to safe, nutritious, and balanced meals.

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; support for State inspection programs; development and implementation of the Public Health Information System to enhance science-based, data-driven inspections; determination of international equivalence of foreign systems; and inspection of imported meat, poultry and egg products.

FSIS coordinates the development of its policies with other USDA agencies and other Federal agencies, including the Food and Drug Administration, the Environmental Protection Agency, the Centers for Disease Control and Prevention, as well as foreign governments and international organizations, to ensure an integrated farm-to-table approach to food safety.

FSIS continues to improve the public health effectiveness of its programs. In FY 2011, FSIS implemented stricter Salmonella and Campylobacter performance standards to reduce these pathogens in turkeys and young chickens. In FY 2012, FSIS began testing raw beef products for six additional strains of shiga-toxin producing *E. coli*, and prohibiting any product found positive from entering commerce, consistent with FSIS testing and policies for *E. coli* O157:H7. A new "test and hold" policy was fully implemented in FY 2013, requiring facilities to hold meat and poultry product until acceptable FSIS test results become available, indicating the product is safe for release into commerce. FSIS redesigned its testing program for source materials for ground beef product to improve detection of *E. coli* O157:H7 in regulated products. FSIS also made improvements in its sampling and testing programs for *Listeria monocytogenes* and *Salmonella.* For example, FSIS recently began a new program to test comminuted chicken and turkey products for *Salmonella* and *Campylobacter*. FSIS intends to develop new performance standards for comminuted products based on the results of this testing and risk assessment analysis. These improvements in sampling programs will further protect the public from foodborne hazards.

FSIS has seen consistent declines since FY 2011 in the total number of illnesses attributed to FSIS regulated products as measured by the overall All-Illness Measure. The total number of illnesses attributed to FSIS-regulated products fell 13 percent between fiscal years 2011 to 2013, which equates to about 64,000 illnesses over the two-year period. FSIS also recently developed

and made available its Salmonella Action Plan which outlines additional steps the Agency intends to take to address *Salmonella*, including developing *Salmonella* performance standards for chicken parts based on FSIS baseline results. Finally, FSIS continues to move forward with a new inspection system for young poultry slaughter establishments that would facilitate public health-based inspection. By revising current procedures and removing outdated regulatory requirements that do not help combat foodborne illness, the result will be a more efficient and effective use of taxpayer dollars that will reduce the risk of foodborne illness by focusing FSIS inspection activities on those tasks that advance FSIS' core mission of food safety.

In addition to FSIS, the Food Safety mission area includes the general oversight of the Office of the U.S. Manager of Codex, which is the major international mechanism for encouraging fair international trade in food while promoting the health and economic interests of consumers.

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
Federal Food Safety and Inspection	$860	$894	$885
State Food Safety and Inspection	63	63	61
International Food Safety and Inspection	16	16	16
Public Health Data Communication Infrastructure System	35	35	35
Codex Alimentarius	4	4	4
Total, Discretionary Programs	977	1,011	1,001
Mandatory:			
Trust Funds (Voluntary Inspection Services)	13	13	13
User Fees (Overtime/Holiday Inspection Services)	(198)	(176)	(176)
Total, FSIS Programs	$990	$1,024	$1,014

Organizational Structure. 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. The Codex Office coordinates government and non-government participation in the activities of the Codex Alimentarius Commission.

Inspection, Data Infrastructure, and Outbreak Response. To ensure that FSIS can support its approximately 8,400 Federal in-plant and other frontline personnel and the Federal share of State inspection programs, and continue to improve the data infrastructure supporting the Nation's food safety system, the 2015 Budget proposes a discretionary funding level of slightly more than $1 billion. The Budget provides funding to meet regulatory responsibilities, which anticipates the implementation of modernized poultry inspection practices. FSIS has realized program

efficiencies through the rollout of the Public Health Information System to States, resulting in more streamlined administrative and scheduling processes.

In an effort to revise current procedures and remove outdated regulatory requirements that do not help combat foodborne illness, FSIS proposed in January 2012 a new poultry slaughter rule that improves food safety and also results in a more efficient and effective use of taxpayer dollars. The proposed rule would provide for a new inspection system for young chicken and turkey slaughter establishments that would replace the current Streamlined Inspection System, the New Line Speed Inspection System, and the New Turkey Inspection System. The proposed new inspection system will facilitate the reduction of pathogen levels in poultry products by permitting FSIS to better focus off-line resources at critical process points such as verification of Hazard Analysis and Critical Control Point systems, verification of the production process at multiple locations, and sampling for pathogenic microorganisms that deserve increased attention in all plants.

Combating Foodborne Illness. FSIS is instrumental in helping reduce the level of foodborne illness by targeting common and dangerous pathogens, thereby reducing their prevalence in finished food products. 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 for 2015, FSIS aims to achieve the following performance measures:

Key Performance Measure	2010	2011	2012	2013	2014	2015
Percent of broiler plants passing the carcass *Salmonella* Verification Testing Standard[1/]	NA	89%	90%	90%	92%	94%
Total illnesses from all FSIS Products[2/]	470,137	491,353	479,621	427,171	384,362	373,955
Percent of establishments with a functional food defense plan[3/]	74%	75%	77%	83%	85%	90%

1/ Revised from FY 2012's measure of overall public exposure to *Salmonella* from boiler carcasses as FSIS implemented a new, stricter *Salmonella* performance standard for broilers and turkeys on July 1, 2011.

2/ Recalculated in FY 2011 to reflect newly published illness estimates from the CDC, new, national Healthy People 2020 goals, and methodological changes.

3/ Functional food defense plans are voluntary written procedures that food processing establishments should follow to protect the food supply from intentional contamination with chemicals, biological agents or other harmful substances.

User Fees and Trust Funds. In 2015, FSIS estimates it will collect $189 million through existing user fee and trust fund activities for providing overtime, holiday, and voluntary inspection services. FSIS will submit a legislative proposal for a user fee collected from plants

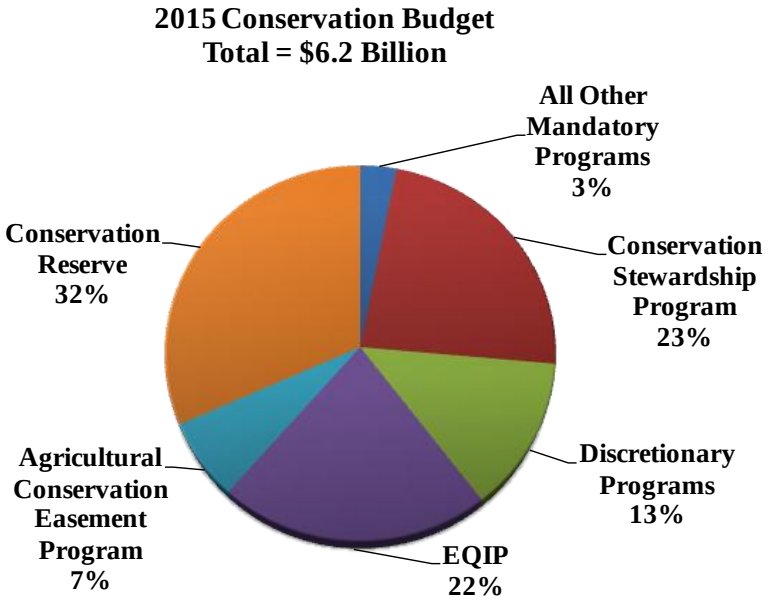
for additional inspections and related activities made necessary due to the failure in performance by the covered establishment. Total annual collections from this proposal are estimated at about $4 million.

MISSION AND RELATIONSHIP TO STRATEGIC GOALS

A healthy and prosperous America relies on the health of our natural resources, and particularly our forests and agricultural working lands. America's 193 million acres of national forests and grasslands and 1.3 billion acres of private forest lands, farms, and ranches must be nurtured so that they continue to offer the environmental benefits of clean air, clean and abundant water, and important wildlife habitat while helping us adapt to a changing climate. Farms and forests help generate rural wealth through agriculture, recreation and tourism, the creation of green jobs, and the production of wood products and energy. Our forests, farms, and ranches have contributed to our cultural heritage as well.

The Natural Resources and Environment (NRE) mission area promotes the conservation and sustainable use of natural resources on the Nation's private lands and sustains production of all the goods and services that the public demands of the national forests and grasslands. The mission area includes two agencies: the Natural Resources Conservation Service (NRCS) and the Forest Service (FS).

NRCS and FS are the primary contributors to achieving the Strategic Goal that ensures our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing water resources. NRCS and FS continue to expand public access to Federal and private lands for hunting, fishing, and other outdoor recreational opportunities. This is accomplished through a variety of programs aimed at preserving and restoring our public and private lands, mitigating the effects of climate change, and making the landscape more resilient to wildfire. NRCS partners with private landowners to provide technical and financial assistance to help protect farm and ranch lands and private forestland. FS partners with State, Tribal and local government agencies to sustain the health, diversity and productivity of our national forests and grasslands and State and private forests.



NATURAL RESOURCES CONSERVATION SERVICE (NRCS)

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
Private Lands Conservation Operations:			
Conservation Technical Assistance	$675	$714	$717
Soil Surveys	73	80	80
Snow Surveys	9	9	9
Plant Materials	9	9	9
Total, Private Lands Conservation Operations (Discretionary)	767	813	815
Private Lands Conservation Operations (Mandatory)	(669)	(799)	(733)
Total, Private Lands Conservation Operations a/	(1,436)	(1,612)	(1,548)
Watershed Rehabilitation Program	14	12	0
Water Bank Program	0	4	0
Emergency Watershed Protection Program	234	0	0
Total, Discretionary Programs	1,015	829	815
Mandatory:			
Farm Bill Programs:			
Environmental Quality Incentives Program b/	1,374	1,350	1,350
Wildlife Habitat Incentives Program c/	64	3	0
Agricultural Conservation Easement Program b/	0	378	425
Wetlands Reserve Program c/	400	19	0
Grassland Reserve Program c/	63	1	0
Farm and Ranch Lands Protection Program c/	118	2	0
Regional Conservation Partnership Program b/	0	95	100
Agricultural Water Enhancement Program c/	55	2	0
Chesapeake Bay Watershed Program c/	49	13	0
Conservation Security Program	159	125	35
Conservation Stewardship Program	883	1,079	1,449
Voluntary Public Access and Habitat Incentive Program	0	40	0
Healthy Forests Reserve Program	6	6	0
Agricultural Management Assistance d/	2	6	5
Small Watershed Rehabilitation Program	0	250	0
Conservation Reserve Program Tech. Assist	65	36	50
Total, Farm Bill Programs	3,238	3,405	3,414
Total, NRCS Programs	$4,253	$4,234	$4,229

a/ The 2015 Budget proposes to show 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 2013 and 2014.

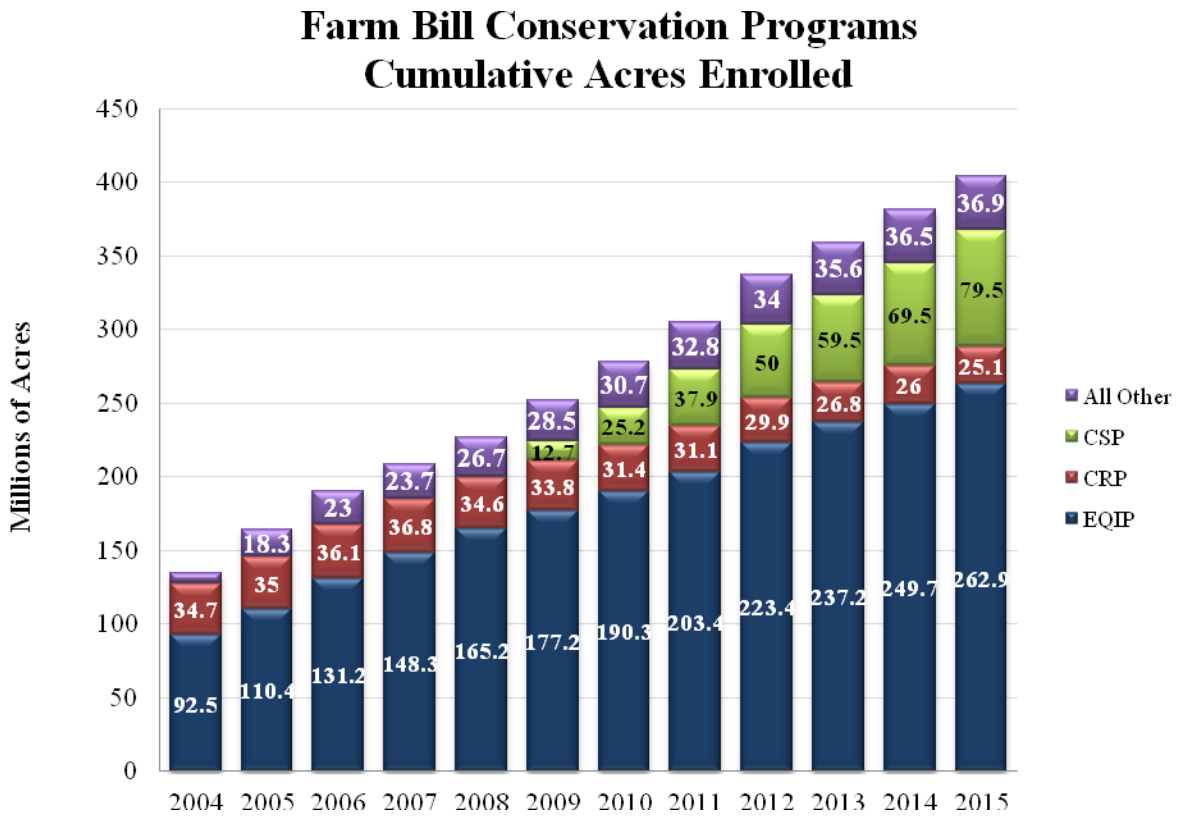
b/ These are successor programs that include repealed programs in the 2014 Farm Bill.

c/ These programs were repealed by the 2014 Farm Bill. Payments for prior contacts will be paid through their successors.

d/ NRCS is authorized to receive 50 percent of total AMA funding and the rest is provided to RMA and AMS.

The 2015 Budget for NRCS continues to support programs that provide direct conservation financial and technical assistance to landowners and users through NRCS offices, USDA Service Centers, and local conservation districts. With the goal of improving efficiency and optimizing all available resources, especially its technical field staff, NRCS will strategically target funding to address high priority conservation goals for improving water quality and water availability, land conservation, wildlife habitat, and wetland protection. Funding provides for conservation programs that focus on priority landscapes most in need of protection, emphasize partnering with local constituents to efficiently implement programs and initiatives, and help create jobs and strengthen the rural economy.

With authorities from the 2014 Farm Bill, NRCS is able to support new and expanded incentives for beginning farmers and ranchers to participate in USDA conservation programs. For example, the 2014 Farm Bill provides, through the Environmental Quality Incentives Program (EQIP), increased advance payment terms and rates to help beginning and socially disadvantaged farmers and ranchers pay for materials and equipment needed to implement conservation practices. The 2014 Farm Bill also changed existing authorities to provide incentives for beginning farmers and ranchers to also give preference to veteran farmers and ranchers. Finally, the 2014 Farm Bill re-authorized existing authorities to set aside 5 percent of funds under EQIP and 5 percent of acres under the Conservation Stewardship Program for beginning farmers and ranchers and an additional 5 percent of funds and acres for socially disadvantaged farmers and ranchers.



Budget Authority
(Dollars in Millions)

Private Lands Conservation Operations	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
Conservation Operations	$767	$813	$815
Mandatory:			
Farm Bill Programs (Technical Assistance): a/			
Environmental Quality Incentives Program b/	376	368	368
Wildlife Habitat Incentives Program c/	19	3	0
Agricultural Conservation Easement Program b/	0	111	129
Wetlands Reserve Program c/	69	16	0
Grassland Reserve Program c/	6	1	0
Farm and Ranch Lands Protection Program c/	9	2	0
Regional Conservation Partnership Program b/	0	21	21
Agricultural Water Enhancement Program c/	11	2	0
Chesapeake Bay Watershed Program c/	7	6	0
Conservation Security Program	13	8	4
Conservation Stewardship Program	92	116	160
Voluntary Public Access and Habitat Incentive Program	0	7	0
Healthy Forests Reserve Program	1	1	0
Agricultural Management Assistance d/	1	1	1
Small Watershed Rehabilitation Program	0	100	0
Conservation Reserve Program Tech. Assist	65	36	50
Total, Farm Bill Programs (Technical Assistance)	669	799	733
Total, NRCS Technical Assistance	$1,436	$1,612	$1,548

a/ The 2015 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/ These programs are successor programs that include repealed programs in the 2014 Farm Bill.

c/ These programs were repealed in the 2014 Farm Bill. Payments for prior contacts will be paid through their successors.

d/ NRCS is authorized to receive 50 percent of total AMA funding and the rest is provided to RMA and AMS.

Private Lands Conservation Operations (PLCO). The 2015 Budget proposes to retitle the existing "Conservation Operations" account as the "Private Lands Conservation Operations" account. 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 total proposed funding for NRCS TA for 2015 is $1.548 billion. This includes $815 million of discretionary funding, which includes $717 million for conservation technical assistance (CTA) as well as $98 million for Soil Survey, Snow Survey, and Plant Materials Centers. A total of $733 million in mandatory TA is estimated to be needed to support Farm Bill conservation program implementation. In 2015, NRCS will award at least $35 million to non-Federal conservation partners through a consistent and transparent process that leverages Federal funding to achieve conservation objectives. This funding will maximize the leveraging of technical assistance funds through agreements with traditional partners, which include conservation districts, non-profit organizations, and State and local agencies. This support will expand the unique conservation partnerships that have been so successful in implementing voluntary and locally-led cooperative conservation.

In 2015, NRCS will continue to improve technical assistance delivery to agricultural producers with continued development of key elements of the Conservation Delivery Streamlining Initiative (CDSI). The 2015 Budget includes a total of $15.7 million for CDSI. New capabilities under CDSI will increase flexibility by allowing NRCS staff to perform the administrative functions of conservation work from the field rather than the office. Full implementation of CDSI will result in faster service for customers and streamlined business processes for planners. NRCS estimates that when fully implemented it will allow the Agency to refocus over 1,500 staff years on customer service and improved conservation assistance.

Through CTA, 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. NRCS has developed the breadth of expertise needed to aid landowners facing a wide array of conservation challenges. The conservation practices identified in these plans can be applied by land owners and managers in future years. These conservation practices will result in increased water quality, water conservation, soil quality, nutrient management, and grazing and forest land protected and improved.

The CTA performance measures identified below reflect acres with conservation practices applied with non-Federal funds. Conservation practices are also applied with Federal funds as described in the EQIP section.

Key Performance Measure	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
CTA: Land with conservation applied to improve water quality. (millions of acres)	N/A	N/A	N/A	N/A	17.2	17.2
CTA: Cropland with conservation applied to improve soil quality. (millions of acres)	N/A	N/A	N/A	N/A	6.8	6.8
CTA: Grazing and forest land with conservation applied to protect and improve the resource base. (millions of acres)	N/A	N/A	N/A	N/A	12.8	12.8

Emergency Watershed Protection Program (EWP). The purpose of EWP is to undertake emergency measures, including the purchase of flood plain easements, for runoff retardation and soil erosion prevention to safeguard lives and property from floods, drought, and the products of erosion on any watershed whenever fire, flood or any other natural occurrence is causing or has caused a sudden impairment of the watershed. Funding for EWP is typically provided through emergency supplemental funding rather than annual appropriations.

Environmental Quality Incentives Program (EQIP). The purpose of EQIP is to provide assistance to landowners who face serious natural resource challenges that impact soil, water and related natural resources, including grazing lands, wetlands, and wildlife habitat. EQIP implementation will continue to be targeted to acres with the highest conservation benefit, which are typically on smaller farms. The 2014 Farm Bill re-authorized this program through 2018. In addition, the 2014 Farm Bill moved under EQIP the activities of the Wildlife Habitat Incentive Program, a program that provided financial and technical assistance to eligible participants to develop habitats for upland and wetland wildlife, threatened and endangered species, fish, and other types of wildlife. The Conservation Innovation Grant program also is estimated at $25 million in 2015. The Agricultural Water Enhancement Program, which was operated under EQIP, was repealed by the 2014 Farm Bill and its functions have been moved to the new Regional Conservation Partnership Program.

Key Performance Measure	2010	2011	2012	2013	2014	2015
EQIP: Land with conservation applied to improve water quality. (millions of acres)	N/A	N/A	N/A	N/A	10.5	10.5
EQIP: Cropland with conservation applied to improve soil quality. (millions of acres)	N/A	N/A	N/A	N/A	3.4	3.4
EQIP: Grazing land and forest land with conservation applied to protect and improve the resource base. (millions of acres)	N/A	N/A	N/A	N/A	13.7	13.7
EQIP: Non-Federal land with conservation applied to improve fish and wildlife habitat quality. (millions of acres)	N/A	N/A	N/A	N/A	1.7	1.7

NRCS is in the process of implementing CDSI which will improve data quality. These efforts include updating processes for geospatial data entry for conservation activities as well as requirements for consistency.

Agricultural Conservation Easement Program (ACEP). The 2014 Farm Bill combined the Wetlands Reserve Program, the Farm and Ranch Lands Protection Program, and the Grassland Reserve Program into the new ACEP. This new program will have two components: an

agricultural land easement component under which NRCS assists eligible entities to protect agricultural land by limiting non-agricultural land uses; and a wetland reserve easement component under which NRCS provides technical and financial assistance directly to landowners to restore, protect and enhance wetlands through the purchase of wetlands reserve easements. NRCS will maintain the existing easements and contracts formed under the previous programs.

Regional Conservation Partnership Program (RCPP). This program promotes the implementation of conservation activities through providing support for agreements between producers and partner groups. 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 2014 Farm Bill combined several regional conservation initiatives into this program. Under RCPP, 35 percent of the funds and acres are reserved for critical conservation areas. Areas will be prioritized for "critical conservation" designation based on the degree to which they include multiple States with significant agricultural production, are covered by an existing agreement, would benefit from water quality and quantity improvement, and contain producers that need particular assistance. Of the remaining funds and acres under this program, 40 percent supports projects selected through a national competitive process and 25 percent supports projects selected through a State competitive process.

Conservation Stewardship Program (CSP). The 2008 Farm Bill replaced the Conservation Security Program with a new Conservation Stewardship Program, which is distinguished from the old program in that it encourages participants to undertake new conservation activities in addition to maintaining and managing existing conservation activities. Also, the new program operates under an annual acreage limitation rather than a funding cap. The 2014 Farm Bill extended the authority for this program with an annual enrollment cap of 10 million new acres.

Voluntary Public Access and Habitat Incentive Program (VPA-HIP). VPA-HIP was established by the Food Security Act of 1985, as amended by the 2014 Farm Bill. VPA-HIP provides payments to encourage private landowners to voluntarily open their land to the public for hunting and fishing. It provides environmental, economic and social benefits including, but not limited to, enhanced wildlife habitat, improved wildlife populations, increased revenue for rural communities, and expanded opportunities for re-connecting Americans with the great outdoors. The 2014 Farm Bill provided a total of $40 million for this program.

Small Watershed Rehabilitation Program. This program provides financial and technical assistance to communities for planning and financing the rehabilitation of Federally-constructed flood prevention dams that have reached the end of their design lives. The 2014 Farm Bill provided $250 million to remain available until expended.

FOREST SERVICE (FS)

Budget Authority
(Dollars in Millions)

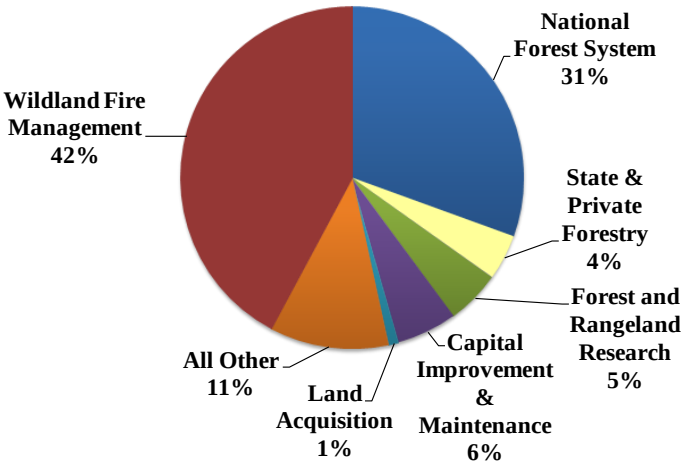
Program	2013 Enacted	2014 Estimate	2015 Estimate
Discretionary Accounts:			
Forest and Rangeland Research	$280	$293	$275
State and Private Forestry	240	230	229
National Forest System:			
Integrated Resource Restoration	0	0	820
Collaborative Forest Landscape Restoration Fund	38	40	60
Recreation, Heritage and Wilderness	262	262	259
Other NFS Activities	1,155	1,194	501
Total, NFS	1,455	1,496	1,640
Wildland Fire Activities:			
Preparedness	949	1,058	1,081
Suppression:			
Suppression Activities	510	680	708
FLAME Fund	299	315	0
Fire Suppression Resources Under Emergency Disaster Cap a/	0	0	(954)
Total, Suppression	809	995	(1,662)
Hazardous Fuels Reduction	301	307	359
Other Fire Operations	109	117	117
Total, Wildland Fire Activities without Fire Repayments	2,168	2,477	2,265
Fire Transfer Repayment	387	600	0
Total, Wildland Fire Activities with Fire Repayments	2,555	3,077	2,265
Capital Improvement and Maintenance	354	350	306
Capital Improvement and Maintenance, Hurricane Supplemental	4	0	0
Land Acquisition accounts	51	45	52
Other Accounts	5	6	2
Total, Discretionary Programs	$4,943	$5,496	$4,771

a/ The 2015 Budget proposes to amend the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, to establish a new budget framework for the Wildland Fire Management program. In this proposed new budget framework, 70 percent of the estimated 10-year average for fire suppression is funded within discretionary totals. Amounts for suppression above this level would be funded from the emergency disaster funding cap, up to a total $954 million in FY 2015.

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Estimate
Mandatory Programs:			
Permanent Appropriations	$226	$495	$281
Legislative Proposal, Secure Rural Schools	0	0	225
Trust Funds	81	98	89
Transfer from LWCF to State & Private Forestry	(0)	(0)	(47)
Transfer from LWCF to Land Acquisition	(0)	(0)	(77)
Total, Mandatory	307	593	595
Total, Forest Service Budget Authority	$5,250	$6,089	$5,366

2015 Forest Service Budget Authority
Total = $5.4 Billion



For 2015, the total request for FS discretionary activities is $4.77 billion. The 2015 Budget proposes a strategy to address catastrophic fire risk by providing a stable source of suppression funding while increasing the capacity to reduce fire risk by making forested landscapes more resilient to wildland fire and a changing climate with greatly increased support for Integrated Resource Restoration (IRR) and the Collaborative Forest Landscape Restoration Program (CFLRP). The 2015 Budget provides continued support for the America's Great Outdoors (AGO) Initiative and focuses on improving water quality in priority landscapes, addressing the greatest emerging threats to forest health and sustainability, creating green jobs in rural communities, and providing a sustainable and responsible way to fund wildland fire suppression.

Key Performance Measures	2010	2011	2012	2013	2014	2015
Percentage of National Forests and Grasslands in compliance with a climate change adaption and mitigation strategy.	N/A	16	36	49	50	100
Percentage of national forest and grassland watersheds in properly functioning condition (class 1 watersheds).	26	52	52	52	52	53

Forest and Rangeland Research. For 2015, $275 million is proposed for Forest and Rangeland Research. FS maintains the world's largest forest research organization. While its broad mission is to develop the knowledge and technology needed to enhance the economic and environmental values of all of the Nation's forests, the program also supports the specific research needs that arise from managing the 193 million acres of the National Forest System (NFS). Other areas of research include inventory and analysis, forest disturbance prediction and response, watershed management and restoration, and urban natural resource stewardship. The Budget for 2015 will also support critical research that responds to currently pressing issues, including domestic energy security. This priority research will help FS continue its important work stimulating the creation of commercial and industrial markets for presently underutilized or unmerchantable forest resources resulting from restoration and fuel treatment operations, ultimately creating value for landowners and jobs in rural communities. Other important investments include continued support for nanotechnology research at the Forest Products Laboratory (FPL). The cellulosic nanomaterials developed at the FPL are renewable materials that have the potential to displace petroleum-based products in automobiles, biomedical devices, aerospace materials, plastics, and even the body armor protecting service men and women overseas.

State and Private Forestry (S&PF). Through S&PF programs, FS addresses forest health concerns on Federal, State, and private lands. For 2015, $229 million is proposed for S&PF programs. The Budget proposes $24 million for Landscape Scale Restoration to fund nationally competitive, multi-jurisdictional projects that target issues and landscapes of national importance and require coordination among multiple S&PF programs. The Forest Legacy Program (FLP), a key component of AGO in connecting Americans with the outdoors, cost-shares the purchase of conservation easements to protect nationally prioritized forest lands from development, will be funded at $53 million in discretionary funding. Additionally, $47 million is proposed for FLP as a transfer from the mandatory Land and Water Conservation Fund (LWCF) program in the Department of the Interior (DOI). LWCF provides funds and matching grants to Federal, State, and local governments to purchase land, water, and wetlands for the benefit of all Americans. In order to provide the financial certainty needed to build local and community partnerships in conservation and optimize valuable investments, the Budget pursues a multi-year full and permanent funding initiative for LWCF programs.

National Forest System (NFS). FS manages over 193 million acres of public land in 44 States and Puerto Rico, collectively known as the NFS. These lands are managed for multiple uses and on a sustained-use basis and represent a vital natural legacy. The agency has placed a focus on

working collaboratively to restore forests for the benefit of watersheds, engaging communities to help Americans reconnect to the outdoors, and re-establishing vibrant local economies.

For 2015, total funding for NFS is proposed at $1.64 billion. The new strategy proposed for funding wildfire suppression significantly and positively impacts funding for NFS, both by addressing the problem of fire borrowing that has led to significant uncertainty and instability in funding NFS activities for seven of the past ten years, and by shifting resources to invest in programs that will more effectively restore forest landscapes and reduce the risk of catastrophic fire. The Budget increases support for IRR, expanding the program nationwide to more firmly entrench the increased pace and scale of restoration inherent in this integrated approach. IRR provides administrative efficiencies in the implementation of NFS management priorities and promotes watershed resilience by combining funding from the Vegetation & Watershed Management, Wildlife & Fisheries Habitat Management, Forest Products, Legacy Roads and Trails, the non-wildland urban interface portion of Hazardous Fuels, and the decommissioning portion of Roads budgets into a single line item. The Budget's investment in IRR will increase the volume of timber sold in 2015 to 3.1 billion board feet, an increase of 300 million board feet (MMBF) from 2014 and 490 MMBF from 2013. Complementary to IRR, the CFLRP, with funding increased to $60 million to support up to 10 additional multi-year restoration projects, will allow FS to continue to work directly with communities and local organizations to restore watershed function and resilience, treat hazardous fuels, improve forest vegetation and wildlife habitat, and generate commercial timber and biomass for bioenergy.

Key Performance Measures	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Annual acres of public and private forest lands restored or enhanced. (millions of acres)	N/A	2.624	2.570	2.533	2.700	2.700
Volume of timber sold. (billion board feet)	2.592	2.533	2.644	2.610	2.800	3.100

Wildland Fire Activities. Through the Wildland Fire Activities, FS protects life, property and natural resources on NFS land and an additional 20 million acres of adjacent State and private lands through fee or reciprocal protection agreements. For 2015, total funding for these activities is proposed at $2.265 billion.

The Budget calls for a fundamental change in how wildfire suppression is funded in order to reduce fire risk, manage landscapes more holistically, and increase resiliency of the Nation's forests and rangelands and the communities that border them. With the cost of suppression having grown from 13 percent of the agency's budget just 10 years ago to over 40 percent in 2014, it is clear that the cost of wildland fire suppression is subsuming the agency's budget and jeopardizing its ability to implement its full mission. Given growth in the number and severity of fires in recent years, and the frequency of catastrophic fires that risk life and property,

combined with an ever expanding wildland urban interface (WUI), suppression costs have exceeded amounts provided in annual appropriations in most years requiring FS to transfer funds from other programs to cover those costs. The lost momentum of critical restoration programs as fire transfers deplete the budget by up to $500 million annually is felt across critical programs nationwide and exacerbates the frequency and intensity of fires in future years.

The Budget proposes a new and fiscally responsible funding strategy that recognizes that catastrophic wildland fires should be considered disasters, funded in part by additional budget authority provided through a wildfire suppression cap adjustment. In 2015, the Budget proposes discretionary funding for wildland fire suppression at a level equal to 70 percent of the estimated 10-year average suppression costs, which reflects the level of spending associated with suppression of 99 percent of wildfires. In addition, the Budget includes up to $954 million to be available under a disaster funding cap adjustment to meet suppression needs above the base appropriation. This strategy provides increased certainty in addressing growing fire suppression needs, better safeguards non-suppression programs from transfers that have diminished their effectiveness, and allows the Forest Service to stabilize and invest in programs that will more effectively restore forested landscapes, treat forests for the increasing effects of climate change, and prepare communities in the WUI to avert and minimize the destruction of future wildfires.

Further, the agency has made great progress in its continued focus on risk-based decision-making when responding to wildfires, and in 2015 will continue this important work to better inform decision makers on the risks and trade-offs associated with wildfire management decisions. The Budget also furthers efforts to focus hazardous fuels treatments in the WUI in areas that are identified in Community Wildfire Protection Plans and are highest priority, with plans to focus hazardous fuels treatments to reduce the risk of catastrophic fire on over 1.4 million WUI acres.

Key Performance Measures	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Acres of Wildland Urban Interface hazardous fuels treated to reduce the risk of catastrophic wildfire. (millions of acres)	1.955	1.612	1.867	1.737	1.250	1.430

Capital Improvement and Maintenance. The Capital Improvement and Maintenance account funds construction and maintenance of buildings, recreation sites, facilities, roads, and trails. For 2015, total funding for this work is proposed at $306 million. FS currently manages, under the National Forest Roads System, 372,000 miles of roads and 6,200 bridges. During 2015, FS will perform maintenance work on 9,200 miles of “high clearance” roads and 32,000 miles of passenger car roads.

Land Acquisition. The Land Acquisition program protects a variety of resources, including important habitat for at risk game species, while conserving open space and reducing land fragmentation. By connecting a fragmented NFS through the strategic acquisition of key in-holdings and Congressionally designated areas, the program provides critical administrative efficiencies to the agency, such as lowering the expenditures associated with boundary line maintenance and improving agency access to the NFS and adjacent lands for the purpose of restoration and wildland fire suppression. The public also benefits through enriched visitor

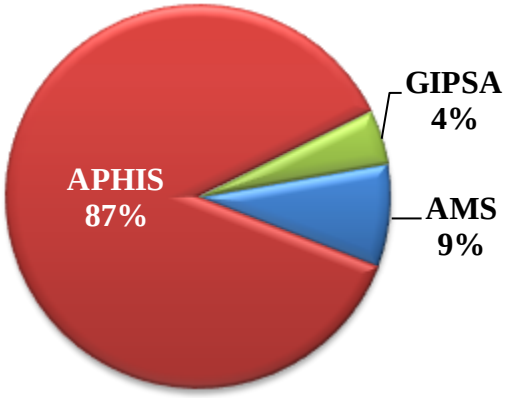
access to the national forests and grasslands, resulting in more direct access to a greater diversity of recreational opportunities. Up to $4 million of the discretionary and mandatory funding from LWCF will support the agency's initiative to target specific parcels that increase the public's access to NFS lands, providing direct use of important recreation resources such as hunting and fishing, climbing, and motorized uses. Parcels of land for inclusion in the NFS are only acquired from willing sellers.

For 2015, the Budget proposes $52 million for the Land Acquisition program, plus a request for $77 million as a transfer from the mandatory LWCF program. This funding will advance AGO efforts to further locally supported planning initiatives to prevent forest fragmentation while making more outdoor areas available for public enjoyment. The Budget proposes to continue funding for the two projects that focus on longleaf pine restoration. The Budget also proposes to fund two new collaborative projects, "California Southwest Desert" and three units within the "National Trails System."

Opportunity, Growth, and Security Initiative. In December 2013, the Bipartisan Budget Act of 2013 (BBA) was enacted which replaced reductions in FY 2013 from sequestration with longer-term reforms. The President's Budget adheres to the BBA's discretionary funding levels for 2015. In addition, the President's FY 2015 Budget Request includes a separate $56 billion Opportunity, Growth, and Security Initiative (OGS Initiative) that is offset with spending reductions and tax reforms. In FY 2015, the OGS Initiative is designed to spur economic progress, promote opportunity, and strengthen national security through additional discretionary investments. For FS, an OGS Initiative investment of $79 million, split among essential research on forest management approaches, critical deferred maintenance of facilities and infrastructure, and trail maintenance will improve the agency's management of NFS lands while enhancing public access and enjoyment of wilderness areas. For additional information on the OGS Initiative, please see page 104.

MISSION AND RELATIONSHIP TO STRATEGIC GOALS

2015 MRP Discretionary Budget Authority
Total = $965 Million



The economic vitality and quality of life in rural America and the U.S. economy at large depends on a competitive, efficient, and productive agricultural system. U.S. agricultural producers are not simply farmers and ranchers; they are often small business owners trying to survive and support their families and rural communities in a challenging global, technologically advanced, and competitive business environment. To thrive in an era of market consolidation and intense competition, these producers rely on fair and open access to markets and control over their decisions. Agricultural producers also need to safeguard animal and plant resources against the introduction of foreign agricultural pests and diseases.

The mission of Marketing and Regulatory Programs (MRP) is to facilitate and expand the domestic and international marketing of U.S. agricultural products, to help protect the agricultural sector from plant and animal health threats, and to ensure humane care and treatment of certain animals. Because these programs provide the basic infrastructure to improve agricultural market competitiveness for the overall benefit of consumers and producers of American agriculture, this mission area contributes to all of USDA's Strategic Goals.

USDA plays a critical role in increasing prosperity and sustainability in our Nation's agricultural system and rural communities. Among these efforts, MRP conducts oversight activities to protect producers from unfair competition and unfair business practices, and partners with the Department of Justice to help prevent anti-competitive behaviors for regulated entities. MRP also assists producers in management and marketing by providing market trend analysis and business and marketing tools. This assistance includes developing and overseeing national standards for the production and handling of agricultural products, including products labeled as organic (National Organic Program), among other items. MRP also helps increase the competitiveness of the agricultural sector by working to protect the Nation's agriculture from pests and diseases, and to increase the efficiency of production and domestic and international marketing of U.S. commodities.

The Marketing and Regulatory Programs are administered by three agencies: the Animal and Plant Health Inspection Service; the Agricultural Marketing Service; and the Grain Inspection, Packers and Stockyards Administration.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE (APHIS)

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
Safeguarding and Emergency Preparedness/Response:			
Animal Health:			
Animal Health Technical Services	$34	$35	$38
Aquatic Animal Health	2	2	2
Avian Health	48	52	50
Cattle Health	90	93	93
Equine, Cervid & Small Ruminant Health	18	20	20
Swine Health	21	22	22
Veterinary Diagnostics	29	32	32
All Other Animal Health	28	30	30
Total, Animal Health	270	286	287
Plant Health:			
Agricultural Quarantine Inspection (Appropriated)	26	27	27
Cotton Pests	15	13	9
Field Crop & Rangeland Ecosystems Pests	8	9	9
Specialty Crop Pests	142	152	137
Tree & Wood Pests	52	54	45
All Other Plant Health	46	52	48
Total, Plant Health	289	307	275
Wildlife Services:			
Wildlife Damage Management	68	87	87
Wildlife Services Methods Development	17	19	19
Total, Wildlife Services	85	106	106
Regulatory Services:			
Animal & Plant Health Regulatory Enforcement	15	16	16
Biotechnology Regulatory Services	17	18	18
Total, Regulatory Services	32	34	34
Emergency Management:			
Contingency Fund a/	1	0	0
Emergency Preparedness & Response	16	17	17
Total, Emergency Management	17	17	17
Total, Safeguarding and Emergency Preparedness	693	750	719

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary: (continued)			
Safe Trade and International Technical Assistance:			
Agriculture Import/Export	12	14	14
Overseas Technical & Trade Operations	18	20	20
Total, Safe Trade and International Technical Assistance	30	34	34
Animal Welfare	26	29	29
Agency-Wide Activities	9	9	52
Citrus Greening (General Provision; one-time funding)	0	20	0
Total, Salaries and Expenses	758	842	834
Buildings and Facilities	3	3	3
Total, APHIS Discretionary Programs	761	845	837
Mandatory:			
Agricultural Quarantine Inspection (AQI) Fees b/	200	215	231
Trust Funds and User Fees	13	9	9
Farm Bill:			
National Clean Plant Network	0	5	5
Plant Pest and Disease Management	47	53	58
Total, Farm Bill Programs	47	58	63
Total, Mandatory Programs	260	282	303
Total, APHIS Programs	$1,021	$1,127	$1,140

a/ Funding levels for 2014 and 2015 are less than $0.5 million.

b/ Total estimated collections are $566 million in 2013, $578 million in 2014 and $696 million in 2015. Of the total, $366 million, $363 million and $465 million are transferred to the Department of Homeland Security in 2013, 2014 and 2015, respectively.

APHIS works cooperatively with State and local agencies, private groups, and foreign governments to protect the safety of the Nation's agriculture.

The 2015 Budget proposes a discretionary appropriation of about $837 million, of which approximately $834 million is for programmatic operations and about $3 million for the Buildings and Facilities account.

APHIS supports, among others, the Department's strategic goal to ensure all children have access to safe, nutritious, and balanced meals by minimizing major diseases and pests that would otherwise hinder agricultural production.

Key Performance Measure	2010	2011	2012	2013	2014	2015
Cumulative number of actions taken by USDA to deregulate biotechnology products based on scientific determination that they do not pose a plant pest risk to agriculture	81	87	93	102	107	112

Safeguarding and Emergency Preparedness/Response. The 2015 Budget includes discretionary appropriations of nearly $719 million for safeguarding and emergency preparedness and response. These safeguarding and emergency programs, specifically for animal health and specialty crops, protect $165 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 about $287 million to protect the health of livestock, poultry, and other animals. The Budget includes an increase for Animal Health Technical Services that support the improved animal disease traceability system, which has been developed using stakeholder input. Among the benefits that this increase would provide is increased support for States and Tribes as they expand their animal disease traceability efforts. The percent of States and Tribes that have a current strategic plan in place for carrying out animal disease traceability is expected to rise to 95 percent as opposed to the level of 75 percent observed in 2013. Tracing the location of at-risk animals is key to preserving animal health, reducing animal illnesses and limiting economic losses to farmers. The Budget includes a decrease for Avian Health activities because of success in improving the global avian influenza situation. This reduction would not impact USDA's support for the National Poultry Improvement Plan.

  Plant Health. The Budget includes a total of about $275 million to protect plant and forest health. The Budget includes decreases to the funding provided by the Federal Government for Tree and Wood Pests and Specialty Crop Pests programs. Last year, the Federal Government paid between 54 percent and 100 percent of the total cost of the plant health programs. Program partners will need to increase contributions to achieve the same level of program operations. The Budget includes a decrease stemming from successes in reducing acreage infested with cotton pests, although APHIS continues to address the smaller remaining infested areas. Additionally, the Consolidated Appropriations Act, 2014, provided an additional one-time funding of $20 million for control, management, and associated activities directly related to the response to citrus greening. This funding will continue to be used during 2015.

- **Wildlife Services.** About $106 million is requested for Wildlife Services. This includes funding for a national control program for feral swine, which are associated with an estimated $1.5 billion in annual damages to pastures, agricultural crops, and other natural areas. The 2015 Budget will allow APHIS to continue efforts to slow and eliminate feral

swine populations. APHIS is integrating management solutions for control and eradication in the 39 states most directly impacted by these invasive pests.

- **Regulatory Services.** A total of about $34 million is requested for 2015. 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 which support the Department's strategic goal of helping promote agricultural production and biotechnology exports by deregulating biotechnology products found safe to agriculture.

- **Emergency Management.** A total of almost $17 million is requested to support prevention, preparation, response, and recovery efforts resulting from plant and animal health emergencies. This is consistent with the level of funding previously provided.

Safe Trade and International Technical Assistance. The 2015 Budget includes a total of almost $34 million to facilitate safe U.S. agricultural trade. This includes funding to implement the Lacey Act amendments included in the 2008 Farm Bill related to preventing importation of products derived from illegally harvested timber.

Animal Welfare. The 2015 Budget proposes $29 million for Animal Welfare activities. This level of funding is necessary to offer protections to covered animal species.

User Fees. In addition to discretionary funding, APHIS collects user fees to cover costs related to agricultural quarantine and inspections that occur at ports of entry. These collections are shared with the Department of Homeland Security's Customs and Border Protection (CBP); APHIS plans to retain $231 million in 2015. Among the many activities conducted by this retained funding, APHIS assesses the risks associated with international trade and 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 and those carried out by CBP. APHIS will also submit legislative proposals to authorize the collection of about $9 million in user fees for Animal Welfare activities. To support emerging technologies, APHIS will submit legislative proposals to authorize the collection of about $7 million in user fees for Veterinary Biologics activities, and $4 million in user fees for Biotechnology Regulatory Services activities. These proposed user fees will allow APHIS to retain quality services as demand increases, and assist APHIS in fulfilling the mission to protect the health and value of American agriculture and natural resources.

Buildings and Facilities. The Budget maintains funding of $3 million for general repairs and maintenance of APHIS buildings.

AGRICULTURAL MARKETING SERVICE (AMS)

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
Marketing Services:			
Market News	$31	$33	$34
Egg Surveillance and Standardization	7	8	8
Market Protection and Promotion	30	32	31
Transportation and Market Development	6	7	10
Total, Marketing Services	74	80	83
Payments to States and Possessions	1	1	1
Total, Discretionary Programs	75	81	84
Mandatory:			
Funds for Strengthening Markets, Income, and Supply (Section 32):			
Commodity Program Expenses	892	782	864
Section 32 Administrative Funds:			
Marketing Agreements and Orders (MA&O)	20	20	20
Commodity Purchase Services	28	35	35
Total, Section 32 Administrative Funds	48	55	55
Total, Section 32 Funds	940	837	919
User Fees:			
Perishable Agricultural Commodities Act	10	10	11
Commodity Grading Services	151	153	154
Total, User Fee Funded Programs	161	163	165
Trust Funds:			
Wool, Research, Development & Promotion	2	2	2
Farm Bill:			
Specialty Crop Block Grants	52	67	73
Farmers Market and Local Food Promotion Program	0	30	30
National Organic Certification Cost-Share	0	12	12
Modernization Technology Upgrade for National Organic Program	0	5	0
Organic Production & Market Data Initiatives	0	5	0
Sheep Production and Marketing Grant Program	0	2	0
Agricultural Mgmt Assistance, Organic Cost-Share	(1)	(1)	(1)
Total, Farm Bill Programs	52	120	114
Total, Mandatory Programs	1,155	1,122	1,200
Total, AMS Programs	$1,230	$1,203	$1,284

The mission of AMS is to facilitate the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices and promoting a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food and fiber products.

The 2015 Budget proposes a discretionary appropriation of about $84 million.

Marketing Services. 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.

The Budget proposes $34 million for Market News to support the continuation of data collection and reporting of commodity information. This work supports billions of dollars in agricultural trading each year by providing timely, accurate, and unbiased information on cotton, dairy, fruits, vegetables, specialty crops, livestock, grain, and poultry.

The Budget proposes $31 million for Market Protection and Promotion, including:

- $4.8 million for the Country of Origin Labeling (COOL) Program which requires that retailers 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. The program is streamlining its business processes to make it more efficient.

- $9.1 million for the National Organic Program (NOP). This program is key to meeting the expanding consumer demand for organically-produced goods. The 2014 Farm Bill also provided funding for the National Organic Certification Cost-Share Program to support the cost of organic certification.

- $15 million to conduct the Pesticide Data Program (PDP). PDP is the main supplier of data needed to prepare realistic pesticide dietary exposure assessments. PDP works collaboratively with the Environmental Protection Agency and the Centers for Disease Control and Prevention to target residue data collection from high risk commodities and vulnerable populations.

The Budget requests $10 million for Transportation and Market Development, which includes an increase to aid the development of food value chains such as food hubs and other marketing outlets for locally- and regionally-produced food where data, infrastructure and technology gaps limit producers' marketing opportunities and consumers' access. These efforts will support the USDA strategic goal to assist rural economies to create prosperity by better connecting consumers with local producers.

Payments to States and Possessions. Under the Federal-State Marketing Improvement Program (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. The 2015 Budget requests a total of about $1.2 million for the program.

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 non-price supported perishable commodities and re-establish farmers' purchasing power through a variety of activities, 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; diversion programs that bring production in line with demand; and disaster assistance for producers. 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 2015 Budget requests a total of about $35 million for administration of commodity purchasing.

Marketing Agreements and Orders help stabilize market prices and the supply of milk, fruit, vegetables, 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. For 2015, $20 million will be used to finance Federal oversight activities for marketing agreements and orders at the national level.

User Fee Programs. AMS operates programs funded through license or 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 agriculture 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.

Specialty Crop Block Grant Program. The Specialty Crop Block Grant Program provides funds to States solely to enhance the competitiveness of specialty crops. Specialty crops are defined as fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture). The 2014 Farm Bill provides $73 million for this program in 2015.

Farmers Market and Local Food Promotion Programs. The 2014 Farm Bill expanded the existing Farmers Market Promotion Program to also support local and regional foods. This grant program supports domestic consumption of and access to locally and regionally produced agricultural products, and development of new market opportunities for farm and ranch operations serving local markets. Of the funding provided, $15 million will be used to support local foods and $15 million will be used to support farmers markets.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION (GIPSA)

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
Salaries and Expenses:			
Grain Regulatory Program	$17	$18	$20
Packers and Stockyards Program	21	22	24
Total, Salaries and Expenses	37	40	44
Mandatory:			
Inspection and Weighing User Fees	(48)	(47)	(50)
Total, GIPSA Programs	$37	$40	$44

GIPSA establishes the official U.S. standards and quality assessment methods for grain and related products, regulates handling practices to ensure compliance with the U.S. Grain Standards Act and Agricultural Marketing Act of 1946, and manages a network of Federal, State, and private laboratories that provide impartial, user-fee funded official inspection and weighing services. The agency regulates and monitors the activities of dealers, market agencies, stockyard owners, live poultry dealers, packer buyers, packers, and swine contractors in order to detect prohibited unfair, unjust, discriminatory or deceptive, and anti-competitive practices in the livestock, meat and poultry industries. The agency also reviews the financial records of these entities to promote the financial integrity of the livestock, meat, and poultry industries. As such, its efforts help USDA enhance international competitiveness of American agriculture and the economic viability and sustainability of rural and farm economies.

For 2015, the Budget includes a total budget authority for GIPSA of $94 million, of which $50 million is from existing inspection and weighing user fees. Of the discretionary appropriation request, about $20 million is allocated to the Grain Regulatory Program including standardization, compliance, and methods development activities; and about $24 million is for the Packers and Stockyards Program. Separately, GIPSA will submit legislative proposals to authorize the collection of fees for the development of grain standards and to amend the Packers and Stockyards Act to provide authority to collect license fees to cover the cost of the program.

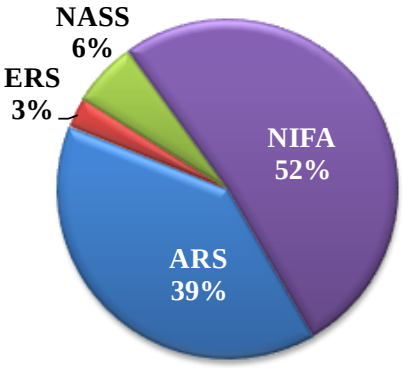
The 2015 Budget requests an increase to facilitate compliance with the Packers and Stockyards Act. A portion of this increase will supply GIPSA staff with the computers, high-speed scanners and other support expenses needed to maintain effectiveness at enforcing the Packers and Stockyards Act, which promotes fair marketing practices in the livestock and poultry industries. The 2015 Budget also requests an increase to facilitate the marketing of U.S. grain, oilseeds, and related products. A portion of this increase will be used to purchase quality measuring equipment to meet the needs of the grain industry. With the requested increase, GIPSA would

implement testing being requested by the rice industry and expand the use of rapid field tests for the presence of aflotoxin and other mycotoxins that affect the quality and safety of corn and other grains.

GIPSA supports the Department's strategic goal to assist rural communities to create prosperity, by, among other activities, promoting fair trade practices, financial integrity, and competitive livestock, meat, and poultry markets. This outcome is measured as the percent of industry compliance with the Packers and Stockyards Act.

MISSION AND RELATIONSHIP TO STRATEGIC GOALS

2015 REE Budget Authority
Total = $2.9 Billion



Whether measured as crop yield per acre, milk and meat yield per animal, or average output per farm worker, the productivity of U.S. agriculture is among the highest in the world. Economic analysis finds strong and consistent evidence that investment in agricultural research has yielded high returns per dollar spent with net social returns in the United States estimated to be at least 35 percent annually. These returns include benefits not only to the farm sector but also to the food industry and consumers in the form of more abundant commodities at lower prices. In 1929, approximately 20 percent of disposable personal income went to paying for food. Recent estimates indicate this amount stood at approximately 10 percent. With reduced food costs, families have the resources to spend on other goods and other sectors. Continued investments in research will ensure sustainable agricultural production, economic growth for growers and greater choice for consumers.

The Research, Education, and Economics (REE) mission area provides Federal leadership for the discovery, application, and dissemination of information and technologies spanning the biological, physical, and social sciences through agricultural research, education, and extension activities and economic research and statistics. REE, through its intramural and competitive grant programs and by strengthening the capacity of institutions of higher education, supports all of USDA's Strategic Goals. The 2015 REE budget serves to ensure a safe, sustainable, and competitive U.S. food, fuel and fiber system and healthy individuals and communities.

The REE mission area works with other USDA agencies, other Federal agencies, international organizations, and the private sector to protect, secure, and improve our food, agricultural and natural resources systems. REE responsibilities are carried out by four agencies: the Agricultural Research Service (ARS) conducts intramural research in the area of natural and biological sciences; 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; the Economic Research Service (ERS) performs intramural economic and social science research; and the National Agricultural Statistics Service (NASS) conducts the Census of Agriculture and provides the official, current statistics on agricultural production and indicators of the economic and environmental welfare of the farm sector.

AGRICULTURAL RESEARCH SERVICE (ARS)

Budget Authority
(Dollars in Millions)

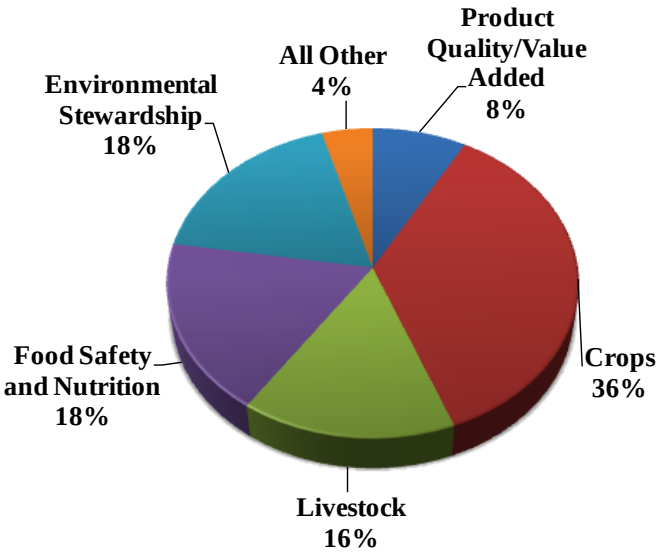
Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
New Products/Product Quality/Value Added	$93	$99	$90
Livestock Production	70	87	83
Crop Production	211	216	218
Food Safety	98	112	110
Livestock Protection	71	90	87
Crop Protection	179	189	180
Human Nutrition	80	86	89
Environmental Stewardship	175	201	200
Total, Research Programs	978	1,079	1,056
National Agricultural Library	21	24	24
Repair and Maintenance of Facilities	19	20	20
Decentralized GSA Rental and DHS Security Payments	0	0	5
Total, Discretionary Programs	1,017	1,122	1,104
Mandatory:			
Trust Funds	32	32	32
Total, ARS	$1,049	$1,154	$1,136

ARS is the USDA's chief scientific, in-house research agency. The agency conducts research to develop new scientific knowledge, transfer technology to the private sector to solve technical agricultural problems of broad scope and high national priority, and provide access to scientific information. This research covers a wide range of critical problems affecting American agriculture, ranging from animal and crop protection and production to human nutrition, food safety, and natural resources conservation. ARS employs over 7,000 employees and carries out approximately 800 research projects at over 90 laboratories throughout the Nation and in several foreign countries. The agency includes the National Arboretum and the National Agricultural Library, the Nation's major information resource on food, agriculture, and natural resource sciences.

One of ARS' primary goals is to see the adoption of research outcomes for the public benefit. "Public benefit" is achieved through many mechanisms including the public release of information, tools, and solutions; formal cooperative research and development agreements; direct federal state, or local technical assistance; or through licensing of biological materials or protected intellectual property directly to nonprofit and for-profit entities. **As a result of research by ARS scientists, in 2013, ARS filed 134 patent applications with the U.S. Patent and Trademark Office, and was issued 46 patents; entered into 62 new cooperative research and development agreements and 991 new material transfer**

research agreements; executed 23 new license agreements, 40 percent of which are with small businesses and 30% of which are with universities; and produced 4,992 new peer-reviewed publications.

2015 ARS Budget Authority
Total = $1.1 Billion



The 2015 Budget requests approximately $1.1 billion for ARS research and infrastructure funding. It emphasizes research that will tackle major, crosscutting issues facing farmers, including climate change and honey bee Colony Collapse Disorder, and offers genetic resources and tools to increase agricultural resiliency and enhance food production. The Budget redirects funding towards these priority initiatives and includes the consolidation of six ARS laboratories.

ARS research highlights include three priority initiatives that crosscut the agency's major programs:

Climate Change. As a changing climate drives increases of temperature, atmospheric carbon dioxide, and predictions of extreme weather events, one of ARS' key program goals is to better understand the effects of climate change and develop adaptive strategies and technologies to address its impacts. The 2015 Budget reallocates $44 million to address climate change's risk to agriculture by developing more climate resilient agriculture production systems. Specifically, the agency will take a three-pronged approach to this issue: 1) develop decision support systems and data management tools that enable users to compare production systems under various climate change scenarios; 2) build new knowledge on the exposure and sensitivities of agroecosystems to climate change; and 3) develop management technologies and strategies to enhance sustainability, including more precise delivery of agricultural inputs and more resilient plant varieties and animal breeds. ARS will leverage the Long Term Agroecosystem Research Network and investments in cyber infrastructure for big data to expand collaboration, accelerate the development and access to new knowledge, and deploy

climate adaptation technology to the field. Additionally, ARS will engage the network of USDA Regional Climate Hubs to accelerate region-specific research on climate effects and ensure the transfer and adaptation of new technology.

Genetic Improvements and Translational Breeding. The 2015 Budget reallocates $25.9 million to invest in genetic resources and tools that will strengthen U.S. agricultural productivity and resilience by developing new breeds, lines, and strains with better climate adaptation, drought tolerance, disease resistance, nutritional value, enhanced production efficiencies, and reduced environmental impact. ARS will advance translational breeding, in which new genomics knowledge is applied to breeding programs, including classical and genomics-enabled breeding, and expand access to genetic resources, knowledge, and tools for crop and animal breeders through the National Plant Germplasm System genebanks and the Germplasm Resource Information Network-Global Project. This initiative will pursue an integrated approach across ARS programs on translational breeding and develop multidisciplinary research alliances among Federal, university, and industry scientists.

Pollinator Health Initiative. USDA and EPA, in consultation with other relevant Federal partners, are scaling up efforts to address the decline of honey bee health with a goal of ensuring the recovery of this critical subset of pollinators. As part of this effort, the 2015 Budget for ARS redirects $4 million to develop and test the efficacy of best management practices that can prevent Colony Collapse Disorder (CCD), reduce colony mortality to acceptable levels, and potentially isolate causal factors of CCD. ARS will also continue its international partnerships with the European Food Safety Agency and COLOSS (Prevention of honey bee COlony LOSSes, a 35-nation consortium) to evaluate the impact of the European moratorium on certain neonicotinoid pesticide uses. These activities will be undertaken in coordination with other USDA and EPA components, the proposed Pollination and Pollinator Health Innovation Institute, and private sector partners.

ARS' major research programs include:

New Products/Product Quality/Value Added. 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 United States and abroad. The 2015 Budget requests a total of $90 million for this research program.

Livestock Production. 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. A total of $83 million is requested in the 2015 Budget to support this program.

Crop Production. 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. The 2015 Budget proposes $218 million for this program.

Food Safety. Ensuring that the United States 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. The President's Budget requests $110 million for these efforts.

Livestock Protection. 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. A total of $87 million is requested in the 2015 Budget for this program.

Crop Protection. ARS research on crop protection is directed toward epidemiological investigations to understand pest and disease transmission mechanisms, and identify and apply new technologies that increase understanding of virulence factors and host defense mechanisms. A total of $180 million is requested in the 2015 Budget to support these activities.

Human Nutrition. As deficiency diseases are replaced by excessive consumption as a primary public health concern, 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. A total of $89 million is requested in the 2015 Budget to support this program.

Environmental Stewardship. 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, climate change, 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. The USDA Regional Climate Hubs will contribute to this effort. The 2015 Budget requests a total of $200 million for this program.

National Agricultural Library (NAL). The NAL is the primary agricultural information resource of the United States. The Library 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. The 2015 Budget requests a total of $24 million to continue library and information services that will provide convenient public access to agricultural information, extend Agricultural Online Access (AGRICOLA), conserve rare and at-risk items, extend partnerships within USDA and with other Federal agencies, and market NAL services to specific audiences.

Opportunity, Growth, and Security Initiative. In December 2013, the Bipartisan Budget Act of 2013 (BBA) was enacted which replaced reductions in FY 2013 from sequestration with longer term reforms. The President's Budget adheres to the BBA's discretionary funding levels for 2015. In addition, the President's FY 2015 Budget Request includes a separate $56 billion Opportunity, Growth, and Security Initiative (OGS Initiative) that is offset with spending reductions and tax reforms. In FY 2015, the OGS Initiative is designed to spur economic progress, promote opportunity, and strengthen national security through additional discretionary investments. If enacted, the OGS Initiative would provide an additional $197 million for ARS, among which would be $11 million in funding for the initiative on Integrated Research for Land, Crop, Grazing, and Livestock Production Systems, $11 million for the Translational Breeding initiative, $2.5 million for Earth Sciences, and $2.6 million for research on food safety alternatives to antibiotics. Additionally, the OGS Initiative would fully replace the Southeast Poultry Disease Research Laboratory (SEPRL) in Athens, Georgia. In order to sustain USDA's research laboratory infrastructure and capacity to address long-term research priorities, a 2012 review of ARS facilities was completed (Capital Investment Strategy) that highlighted facilities with aging infrastructure and identified SEPRL as the highest priority facility recommended for modernization. Construction of a new facility will enable USDA scientists to more adequately address emerging and exotic poultry diseases which threaten not only the Nation's poultry industry but also the health of Americans. For additional information on the OGS Initiative, please see page 104.

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE (NIFA)

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
Research and Education Activities	$683	$773	$838
Extension Activities	439	469	469
Integrated Activities	20	35	29
Native American Endowment Fund Interest	5	5	5
Total, Discretionary Programs	1,147	1,282	1,341
Mandatory:			
Risk Management Education	5	5	5
Native American Endowment Fund	12	12	12
Hispanic-Serving Ag-Colleges Endowment Fund	0	0	10
Farm Bill:			
Biomass Research and Development	0	3	3
Organic Agriculture Research and Education Initiative	0	20	20
Beginning Farmer and Rancher Development Program	0	20	20
Specialty Crop Research Initiative	0	80	80
Biodiesel Fuel Education Program a/	(0)	(1)	(1)
Community Food Projects b/	(5)	(5)	(9)
Total, Farm Bill Programs	0	123	123
Total, Mandatory Programs	17	140	150
Total, NIFA	$1,164	$1,422	$1,490

a/ Funding authority delegated to the Office of the Chief Economist and administered by NIFA.
b/ Funding authority delegated to the Food and Nutrition Service and administered by NIFA.

NIFA has the primary responsibility for providing linkages between the Federal and State components of a broad-based, national agricultural research, extension, and higher education system. NIFA provides funding for projects conducted in partnership with the 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, competitive awards, and grants. NIFA is responsible for administering USDA's primary competitive research grants program, the Agriculture and Food Research Initiative, which supports investigator-initiated research with strong potential to contribute to major breakthroughs in the food, agricultural, natural resource, and human sciences.

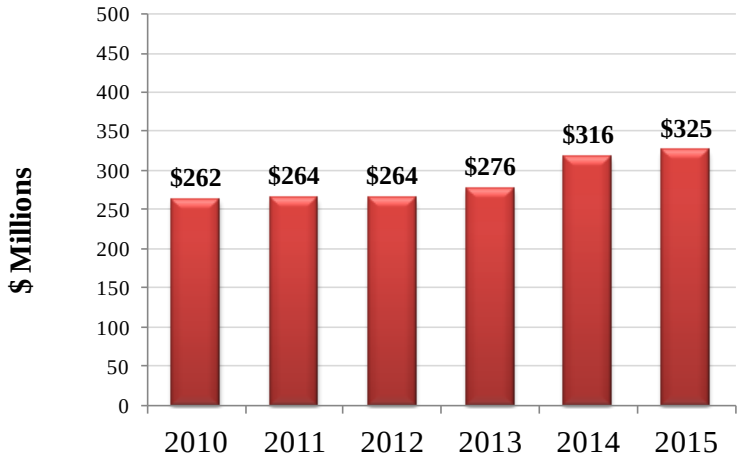
Discretionary Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Formula Grants:			
Smith-Lever 3 (b&c)	$271	$300	$300
Hatch Act	219	244	244
1890 Research and Extension	86	96	96
McIntire-Stennis Cooperative Forestry	30	34	34
Expanded Food and Nutrition Education Program (EFNEP)	63	68	68
Renewable Resources Extension Act (RREA)	3	4	4
Facility Improvements at 1890 Institutions	18	20	20
Payments to the 1994 Institutions (Tribal Colleges)	3	3	3
Native American Endowment Fund Interest	5	5	5
Animal Health and Disease Research	4	4	0
Total, Formula Grants	703	778	774
Agriculture and Food Research Initiative	276	316	325
Innovation Institutes	0	0	75
Integrated Activities - Section 406 Organic Transition	4	4	4
Integrated Activities - Section 406 Water Quality	4	5	0
Pest Management/Crop Protection Activities	29	32	29
Sustainable Agriculture Research/Education and Extension	18	23	23
Higher Education Programs	35	38	34
STEM Programs	10	11	0
Federally-Recognized Tribes Extension Program	3	3	3
Food Safety Outreach Program	0	0	3
FARM - Vets	0	0	3
Extension Services at 1994 Institutions	4	4	4
Federal Administration	13	14	15
Decentralized GSA/DHS Payments	0	0	6
Electronic Grants Administration System	7	8	10
Food and Ag. Defense Initiative (Regional Diagnostic Network)	6	7	7
Veterinary Medical Services Act	4	5	5
Children, Youth, and Families at Risk	7	8	8
Other Research, Extension and Integrated Programs	24	25	15
Total, Discretionary Programs	1,147	1,282	1,341

The 2015 Budget requests approximately $1.3 billion in discretionary funding for NIFA. The Department continues to focus on the use of capacity funds and competitive grants to generate the solutions to the Nation's most critical food and agriculture problems.

Agriculture and Food Research Initiative (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. The 2015 Budget proposes funding of $325 million for AFRI. Major initiatives include: 1) climate variability and change research that will seek to understand and predict the movement and proliferation of invasive species and diseases that affect crops and livestock; 2) water and water resources research to prepare for future challenges to irrigated agriculture, including developing alternatives to irrigation, and understanding the impacts of climate change and population growth; 3) research, education, and extension efforts for food security that will develop more sustainable, productive, and economically viable plant and production systems at the local, regional, and national levels; 4) nutrition and obesity prevention research, education, and extension efforts that focus on populations at the greatest risk for obesity, including populations eligible for USDA nutrition education and food assistance programs; 5) an integrated food safety research program that will continue to focus on minimizing antibiotic resistance transmission through the food chain and minimizing microbial food safety hazards of fresh and fresh-cut fruits and vegetables, expand food safety education to new audiences, and pursue new research strategies and technologies to create a healthier and higher quality food supply; 6) a sustainable bioenergy program focused on reducing dependence on fossil fuels through the development of regional systems for the production of bioenergy and bio-based products; and 7) a food, agricultural, natural resources, and human sciences education initiative that will support schools and colleges across America in the development of the food and agriculture-related workforce. The Budget also continues AFRI's Foundational Research programs, which address priority areas needed to continue building a foundation of knowledge in fundamental and applied food and agricultural sciences critical for solving current and future societal challenges. The Budget also provides funding for the continued development of interagency collaborations through its Foundational and Challenge Area programs that can leverage resources and engage communities of scientists beyond USDA to address challenging agricultural issues.

Agriculture and Food Research Initiative



Formula and Capacity Building Programs. The 2015 Budget requests funding of $774 million for formula grants and capacity building programs to provide the 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, McIntire-Stennis Cooperative Forestry, and Evans-Allen grants. Additionally, funding supports programs targeted for minority-serving institutions and underserved communities.

Innovation Institutes. In line with a December 2012 report by the President's Council of Advisors on Science and Technology, which calls for the creation of "a new innovation ecosystem for agriculture that leverages the best from different parts of the broad U.S science and technology enterprise," funding is requested to establish three new Innovation Institutes. These multidisciplinary institutes will focus on emerging challenges to agriculture, and will be supported by public-private partnerships at an initial Federal investment of $25 million per institute, per year, for no less than five years. The institutes will engage industry, leverage funding, and facilitate technology transfer. One institute will focus on Pollination and Pollinator Health, with $5 million allocated for research on Colony Collapse Disorder. As a part of a Federal pollinator health initiative, USDA and EPA, in consultation with other relevant Federal partners, are scaling up efforts to address the decline of honey bee health with a goal of ensuring the recovery of this critical subset of pollinators. The $5 million in funding will help to ascertain the causes of honey bee Colony Collapse Disorder and pollinator mortality, maintain and analyze databases, develop and study best management practices, and engage stakeholders on research results. A second institute will build a National Network for Manufacturing Innovation focused on bio-manufacturing and bioproducts development, using regional hubs to move relevant bio-energy and bio-based research to development, deployment, and commercialization. A third institute will focus on anti-microbial resistance research (AMR) by supporting the generation of evidence-based data to address known and emerging information gaps in mitigating AMR. The institute will also build trans-disciplinary teams that will perform AMR research and information dissemination from the farm and farm environment to the consumer.

Science, Technology, Engineering, and Math (STEM) Programs. As part of a reorganization of STEM programs to use existing resources more effectively and in a more streamlined manner, the Administration proposes to consolidate STEM programs into the Department of Education and the National Science Foundation. Programs will be consolidated in centrally-funded government-wide programs including: Higher Education Challenge Grants, Graduate and Postgraduate Fellowship Grants, the Higher Education Multicultural Scholars Program, Women and Minorities in STEM Program, Agriculture in the Classroom, and Secondary and Postsecondary Challenge Grants.

Food Safety Outreach Program. To prepare the next generation of farmers, the 2015 Budget proposes $2.5 million to provide food safety training and technical assistance, education, and extension to owners and operators of small farms, small food processors, and small fruit and vegetable vendors affected by the Food Safety Modernization Act of 2011 (FSMA). This new program will focus on helping these target audiences understand, interpret, and implement new

Federal food safety guidelines enacted under the law. NIFA will work with Food and Drug Administration, which is charged with implementing FSMA.

FARM-Vets Program. The 2015 Budget proposes $2.5 million for a new Food and Agriculture Resilience Program for Military Veterans (FARM-Vets) that will promote projects involving research, education, and extension activity for veterans. NIFA expects FARM-Vets grant projects to result in new, educational programming to help veterans develop farming and ranching skills, business plans, and agriculture systems management. This program supports Administration efforts to grow the number of beginning farmers and ranchers, and provides veterans the skills and opportunities to enter the agriculture industry.

Electronic Grants Administration System. With increased funding for AFRI, a rise in the number of applications is anticipated requiring increased efficiency of the grant-making processes and systems. The 2015 Budget proposes a total of $9.8 million to improve and consolidate its grants management systems, which will substantially lower the transaction costs of applying for an AFRI or other NIFA competitive grant, while increasing proposal receipt and acceptance speeds and accuracy.

Hispanic-Serving Institutions (HSI). The 2008 Farm Bill authorized the establishment of an endowment fund for Hispanic Serving Agricultural Colleges and Universities. The 2015 Budget proposes an increase of $10 million to establish the fund that will lead to significant and measurable advancement of Hispanic students in the food and agricultural sciences. Funding for program activities will come from the annual interest generated by the Endowment.

Opportunity, Growth, and Security Initiative. In December 2013, the Bipartisan Budget Act of 2013 (BBA) was enacted which replaced reductions in FY 2013 from sequestration with longer-term reforms. The President's Budget adheres to the BBA's discretionary funding levels for 2015. In addition, the President's FY 2015 Budget Request includes a separate $56 billion Opportunity, Growth, and Security Initiative (OGS Initiative) that is offset with spending reductions and tax reforms. In FY 2015, the OGS Initiative is designed to spur economic progress, promote opportunity, and strengthen national security through additional discretionary investments. If enacted, the OGS Initiative would provide an additional $60 million for AFRI and provide $20 million in funding to establish a new, competitive National Research Grant Program for Hatch Act and Evans-Allen grants. For additional information on the OGS Initiative, please see page 104.

ECONOMIC RESEARCH SERVICE (ERS)

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Economic Research Service……	$71	$78	$83

ERS provides economic and other social science information and analysis on agriculture, food, the environment, and rural development. ERS produces such information and analyses to inform policy and program decisions made across the spectrum of USDA missions, and supplies them in outlets that are also accessible to USDA stakeholders and the general public. ERS' highly trained economists and social scientists continue to conduct research, analyze food and commodity markets, produce policy studies, and develop economic and statistical indicators that will meet the information needs of USDA, other policy officials, and the research community. ERS is the primary source of statistical indicators that gauge the health of the farm sector (including farm income estimates and projections), assess the current and expected performance of agricultural industry and trade, and provide measures of food security in the United States and abroad.

The 2015 Budget requests approximately $83.4 million for ERS to fund core programs of research, data analysis, and market outlook. The Budget includes an increase of $1 million for a total of $3.5 million for improving policy effectiveness, which is offset by reductions in lower priority programs. This initiative, started in 2014, focuses on the application of behavioral economics and the statistical use of administrative data to address critical information gaps that hinder program and policy effectiveness. For example, better understanding the decisions made by farmers to participate in risk management programs and the nutrition choices by consumers will improve USDA's ability to meet rural America's needs and measure performance accurately. In 2015, ERS will focus the initiative on research that will: 1) investigate the design of environmental markets and these markets' interaction with FSA and NRCS conservation programs; 2) expand child nutrition pilots to identify successful nutrition-improving changes for schools to adopt; 3) better understand family participation in safety net programs such as nutrition and financial assistance to improve Federal and State coordination in program delivery; and 4) analyze farm safety net programs to align them with farmer incentives and reduce program overlap. Results of the initiative will provide science-based evidence that informs decision making by policy makers and program managers at USDA, and across the Federal and State Governments.

NATIONAL AGRICULTURAL STATISTICS SERVICE (NASS)

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
Agricultural Estimates	$108	$117	$131
Census of Agriculture	58	45	48
Total, Discretionary Programs	$166	$161	$179

The mission of NASS is to provide timely, accurate, and useful statistics in service to U.S. agriculture. NASS statistics provide the information necessary for producers, agribusinesses, farm organizations, commodity groups, economists, public officials, and others for decision-making in agricultural marketing and investing. NASS data also keeps agricultural markets stable, efficient, and fair by ensuring accessible and objective data are available to both commodity market buyers and sellers. NASS has made enhancements within its programs and operations to deliver improved results, including opening a National Operations Center that centralizes data collection and service. The 2015 Budget requests $179 million in program funding. Highlights include:

Agricultural Estimates. The 2015 Budget requests additional funding to restore selected surveys that were reduced for budgetary reasons. These include a variety of fruit and vegetable in-season surveys and the chemical use survey. The Budget also requests additional funding to expand NASS' use of geospatial information for more efficient survey efforts. Further, USDA and EPA, in consultation with other relevant Federal partners, are scaling up efforts to address the decline of honey bee health with a goal of ensuring the recovery of this critical subset of pollinators. As part of this effort, the 2015 Budget for NASS requests $2 million to conduct related surveys. Increases are also requested to restore the frequency of surveys that were reduced in prior years, such as certain fruit and vegetable and chemical use surveys.

Census of Agriculture. The 2015 Budget includes approximately $48 million to begin the planning and design of the 2017 Census of Agriculture. The Census of Agriculture provides comprehensive data on the agricultural economy with national, State, and county level details. The census data are relied upon to measure trends and new developments in the agricultural sector. As part of the FY 2014 appropriations, NASS is currently working on a Farm and Ranch Irrigation Survey, Census of Aquaculture, Organic Production Survey, and Current Industrial Reports. Results of these surveys will be released in 2015.

- **Census of Horticultural Specialties.** The 2015 Budget provides $3.5 million in funding to conduct a Census of Horticulture, which is a detailed examination of production and sales data for fresh cut flowers, potted flowering plants, foliage plants, bedding plants, and cut cultivated greens.

- **Tenure, Ownership, and Transition of Agricultural Land (TOTAL) survey.** The 2015 Budget provides $2.5 million in funding for NASS to conduct a survey on land ownership and farm financial characteristics. Last conducted in 1999, the information garnered would inform policy decisions for USDA programs linked to farm land ownership and rental arrangements (e.g., the Conservation Reserve Program, the Environmental Quality Incentives Program), inform research on generational transition in agriculture, and provide updated information for the National Accounts for agriculture that ERS provides to the Bureau of Economic Analysis. An updated survey will assist the Department in evaluating changing trends in land ownership, and analyze long-term effects and policy scenarios focused on fundamental issues such as food security and resource sustainability. This supports an Administration priority that will provide additional demographic data related to small and beginning farmers and ranchers.

DEPARTMENTAL STAFF OFFICES

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Discretionary:			
Office of the Secretary	$16	$17	$17
Office of Homeland Security and Emergency Coordination	1	2	2
Office of Advocacy and Outreach	1	1	1
Departmental Administration	23	23	26
Office of Communications	8	8	8
Total, Office of the Secretary	49	51	54
Executive Operations:			
Office of the Chief Economist	15	17	17
National Appeals Division	13	13	13
Office of Budget and Program Analysis	8	9	10
Total Executive Operations	36	39	40
Office of the Chief Information Officer	41	44	45
Office of the Chief Financial Officer	6	6	6
Agriculture Buildings and Facilities	252	203	65
Hazardous Materials Management	4	4	4
Office of the General Counsel	44	45	51
Total, Discretionary Programs	432	392	265
Mandatory:			
Farm Bill:			
Biobased Markets Program	0	3	3
Biodiesel Fuel Education Program	0	1	1
Outreach for Socially Disadvantaged Farmers	2	10	10
Total, Farm Bill Programs	2	14	14
Office of the Secretary:			
Trust Fund	1	0	1
Total, Departmental Staff Offices	$435	$406	$280

Departmental staff offices provide essential support, without which other Departmental agencies and programs would be severely hindered in their ability to carry out their duties. 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 2015 Budget proposes funding to ensure that these offices can support staffing levels needed to provide leadership, oversight, and coordination.

The **Office of the Secretary (OSEC)**, assisted by the Deputy Secretary, the Subcabinet, and members of their immediate staffs, directs and coordinates the work of the Department. This involves providing policy direction for all areas of the Department and maintaining liaisons with the Executive Office of the President, members of Congress and the public. The 2015 Budget requests $17.3 million for OSEC to fund on-going policy leadership, Tribal consultation, and cross-cutting trade and biotechnology activities.

The **Office of Homeland Security and Emergency Coordination (OHSEC)** provides a central homeland security oversight and assistance capability within USDA. OHSEC is responsible for providing oversight and coordination of the Department's preparation and response to matters of homeland security importance. In addition, OHSEC is responsible for providing the protective services for the Secretary and Deputy Secretary of Agriculture. The 2015 Budget requests $1.5 million for OHSEC to provide leadership and coordination of Departmental security matters and to ensure that USDA is prepared for potential threats or emergency situations.

The **Office of Advocacy and Outreach (OAO)** was established by the 2008 Farm Bill to increase the accessibility of USDA programs to underserved constituents. OAO activities include overseeing the Advisory Committees on Minority Farmers and Beginning Farmers and Ranchers; overseeing the activities of the Office of Small Farms Coordination and the Farm Worker Coordinator; managing the 1994, 1890, and Hispanic Serving Institutions Programs; and coordinating/conducting other outreach functions. OAO also administers the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Grant Program which received funding in the 2014 Farm Bill. The 2015 Budget requests $1.2 million for OAO to carry out these responsibilities and the provisions of the 2014 Farm Bill related to outreach to beginning, small, and socially disadvantaged farmers, and ranchers, including veterans, and rural communities.

Departmental Administration (DA) provides overall direction, leadership and coordination for the Department's management of human resources, property, procurement, facilities management, small and disadvantaged business utilization programs, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges and the Judicial Officer. The 2015 Budget requests $25.7 million for DA to maintain critical support activities and oversight for the Department.

USDA is committed to building an inclusive, diverse workforce that allows for an improved work environment, increased performance, and enhanced customer service. Under the Cultural Transformation Initiative, the Department is addressing these issues through many avenues. These efforts help the Department build a workforce more reflective of the Nation it serves.

To establish a modern workforce and increase operational efficiencies, the Department has been emphasizing the potential opportunities created through telework. By increasing usage of core telework, as identified in this key performance measure, USDA is able to reduce office space as employees work more from home or other virtual locations. In addition, increasing employee opportunities for telework leads to improvements in employee morale and enhanced satisfaction with work-life balance, thereby resulting in a more engaged and productive workforce.

Key Performance Measure	2010	2011	2012	2013	2014	2015
Number of employees participating in core telework (one day per pay period)	3,470*	8,756	7,926	13,937	16,123	18,928

*Reflects calendar year 2009 information reported to Congress for employees identified as "regular" teleworkers.

One benefit of increased telework is the opportunity for USDA to examine opportunities for reducing its leased space footprint as more employees work from home. Furthermore, the Department is focused on consolidating its office space, where practical, and is encouraging agencies to co-locate and share space resources.

Key Performance Measure	2010	2011	2012	2013	2014	2015
Amount of leased office and warehouse space controlled by USDA (millions of square feet)	27.0	26.3	26.0	25.6	24.3	23.6

The **Office of Communications (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 2015 Budget requests $8.1 million for OC to continue to develop effective communications strategies that increase the visibility and the transparency of USDA programs, including those authorized by the 2014 Farm Bill.

The **Office of the Chief Economist (OCE)** advises the Secretary and Department officials on the economic implications of Department policies, programs 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 2015 Budget requests $16.9 million for OCE to continue its support of USDA policy officials and continue the dissemination of agricultural economic information. This includes support for development of regional climate change information as well as the development of scientifically defensible protocols for quantifying the environmental services produced by conservation practices.

The **National Appeals Division (NAD)** conducts evidentiary administrative appeal hearings and reviews arising from program operations of the Rural Development mission area, the Farm Service Agency, the Risk Management Agency, and the Natural Resources Conservation Service. The 2015 Budget requests $13.4 million for NAD to continue activities to ensure the fairness of program delivery by these Service Center Agencies.

The **Office of Budget and Program Analysis (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, and Budget, legislative, and regulatory actions. OBPA also serves the key functions of providing information to the Office of Management and Budget and the Appropriations Committees related to the USDA Budget, and coordinating the Department's implementation of the Farm Bill, including providing relevant implementation and mandatory

spending information to the Authorizing Committees. The 2015 Budget requests $10.3 million for OBPA for the continued delivery of analyses and support to USDA policy officials. Included in this request is approximately $1 million for program evaluation activities.

The **Office of the Chief Information Officer (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 2015 Budget requests $45.2 million for OCIO to fund on-going activities, and increase efforts for strategic sourcing for IT investments.

The **Office of the Chief Financial Officer (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 2015 Budget requests $6.3 million for OCFO to continue its leadership and oversight of the Department's financial management processes, implementation of the Federal Funding Accountability and Transparency Act and the Improper Payments Information Act, and Departmental travel and debarment and suspension policies.

The request for **Agriculture Buildings and Facilities (Ag B&F)** for 2015 is $64.8 million for building operations and maintenance. The net reduction of $138 million below the 2014 level includes the shift of funding for rental payments to the General Services Administration and security services payments to the Department of Homeland Security from a centralized account to the agency or office occupying the building or facility. This account is responsible for all maintenance, utilities and administration of the more than 2.5 million square feet in the two USDA headquarters buildings. The request includes $10 million for critical repairs.

The **Hazardous Materials Management (HMM) Program** 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 2015 Budget requests $3.6 million for the HMM program.

The **Office of the General Counsel (OGC)** provides legal oversight, counsel, and support to the Department's agencies. OGC's staffing has declined significantly since 2010; however, this decrease has not been accompanied by a commensurate decline in the amount or scope of OGC's work, as the office is the primary source of legal support for all USDA programs and activities. The recent passage of the Farm Bill will also increase demand for OGC's legal services, and inadequate staffing could cause delays in implementation. The 2015 Budget requests $47.6 million, including funding for OGC to increase legal resources to remain effective in delivering legal services to the Department and increase computerized legal research and training. Other Federal departments with programs of similar scope have significantly larger staffs and budgets in comparison to USDA.

In addition, USDA is requesting $3.9 million for the Office of Ethics, an office under 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 training employees on all ethics statutes, regulations, and policies. This amount includes $416,000 for 3 FTEs to address a 2012 audit of USDA's Ethics Program, in which the U.S. Office of Government Ethics (USOGE) commented on "the negative impact of reduced staff, [and] prolonged vacancies." Moreover, in its 2013 follow-up audit, USOGE noted that they would continue to monitor the program's staffing deficiencies.

OFFICE OF CIVIL RIGHTS

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Office of Civil Rights……	$21	$21	$24

The **Office of Civil Rights (OCR)** provides policy guidance, leadership, coordination and training, and complaint prevention and processing for the Department and its agencies. Under Secretary Vilsack's leadership, USDA has done important work to move into a new era for civil rights, illustrated in part by record-low program complaints under FSA from pre-2009 levels. In addition, through Cultural Transformation, USDA has worked to improve inclusion and diversity, and the Blueprint for Stronger Service streamlining efforts have improved complaints processing and increased efficiency.

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 (ADR) services.

The 2015 Budget requests $24.2 million to meet the Administration's commitment to improving USDA's handling of civil rights matters such as program investigations and compliance reviews. Recently, OCR experienced an increase of over 183 percent in ADR early intervention consultations and an increase of 56 percent in compliance reviews.

OFFICE OF INSPECTOR GENERAL

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Office of Inspector General……	$82	$90	$97

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 2015 Budget requests $97.2 million for OIG for audit and investigation review of the Department's programs. This funding also provides increased resources for an internal Center of Excellence to reduce the incidence of improper payments, and resources to support the Council of the Inspectors General for Integrity and Efficiency, established under the authority of the Inspector General Reform Act of 2008 to coordinate Federal efforts to improve program delivery.

In December 2013, the Bipartisan Budget Act of 2013 (BBA) was enacted which replaced reductions in FY 2013 from sequestration with longer-term reforms. The President's Budget adheres to the BBA's discretionary funding levels for 2015. In addition, the President's FY 2015 Budget Request includes a separate $56 billion Opportunity, Growth, and Security Initiative (OGS Initiative) that is offset with spending reductions and tax reforms. In FY 2015, the OGS Initiative is designed to spur economic progress, promote opportunity, and strengthen national security through additional discretionary investments. The following table lists specific items that would be funded should the OGS Initiative be enacted. Amounts are not included in agency and department funding levels.

Opportunity, Growth, and Security Initiative
(Dollars in Thousands)

Program or Activity	Amount
AGRICULTURAL RESEARCH SERVICE:	
Salaries and Expenses:	
Integrated Research for Land, Crop, Grazing, and Livestock Production Systems	$11,000
Advance Genetics	11,100
Earth Sciences	2,500
Food Safety Alternatives to Antibiotics	2,620
Other Research Priorities	15,000
Subtotal, Salaries and Expenses	42,220
Buildings and Facilities:	
Biocontainment and Poultry Research Facility in Athens, GA	155,000
Total, ARS	197,220
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE:	
Research and Education Activities:	
Agriculture and Food Research Initiative	60,000
Hatch Act (Competitive)	15,000
Evens-Allen (Competitive)	5,000
Total, NIFA/Research and Education Activities	80,000
Total, Research, Education and Economics (REE)	**277,220**
FOREST SERVICE	
Research	18,000
Facilities and Trails Repair and Maintenance	61,000
Total, Forest Service	**79,000**
Total, USDA	**$356,220**

At USDA, the OGS Initiative will propose an investment of $277 million to fund priority research among the Department's key research agencies, Agricultural Research Service (ARS) and National Institute of Food and Agriculture (NIFA). Funding will be divided among research and infrastructure. OGS proposes to fund $42.2 million for high priority research at ARS and $155 million for replacement of ARS' Southeast Poultry Disease Research Laboratory (SEPRL). This funding will support areas of climate change resilience, advance genetics, earth sciences, and food safety alternatives to antibiotics.

The OGS Initiative will support progress in the areas of research and critical infrastructure and trail improvement activities. Specifically, enactment of the OGS Initiative would provide $155 million to fully fund the replacement of the SEPRL in Athens, Georgia. According to a 2012 review of ARS facilities SEPRL was identified as the highest priority facility recommended for modernization. Most of the original buildings at SEPRL, including the Biological Safety Level (BSL) 2 Laboratory, were constructed in 1963 and 1964, and the BSL 3 Agriculture Facility was constructed in 1975. Facility limitations prevent critical, cutting edge research from being conducted. SEPRL has conducted crucial research on exotic poultry diseases and has the only USDA program that provides research support to USDA's Food Safety and Inspection Service and Animal and Plant Health Inspection Service, the Centers for Disease Control and Prevention, and the Food and Drug Administration on diseases such as Avian Influenza (including the H5N1 virus) and velogenic Newcastle disease. Construction of a new facility will enable USDA scientists to adequately address emerging and exotic poultry diseases which threaten not only the Nation's poultry industry but also the health of Americans.

The NIFA component will provide an additional $60 million to the Agriculture and Food Research Initiative (AFRI) competitive grant program, and another $20 million to support competitive funding for capacity research grants that will complement NIFA's formula grant programs in addressing today's challenges facing agriculture.

Additionally, the OGS Initiative will also provide support for diverse Forest Service research as well fund critical infrastructure and trail improvements to facilitate improved public access to recreation resources. An investment of $18 million in research on forest management approaches and new andexpand existing markets for the full range of forest-based products. This research will create value for landowners, stimulate job creation in our rural communities, and expedite Forest Service restoration efforts. Additionally, investment of $50.5 million in facility repairs will reduce the agency's $159 million backlog of critical deferred facilities maintenance projects, in many cases reducing potentially serious threats to public health or safety, natural resources, or the agency's ability to carry out its mission. Examples of maintenance priorities include repairs to water/wastewater systems, dams, campgrounds, and air tanker base tarmacs. Finally, an investment of $10.5 million for trail repairs will allow the Forest Service to perform maintenance on approximately 9,000 miles of additional trails in the National Forest System lands, improving public safety and backcountry access for wildland fire and natural resource management. Increased investment in the Forest Service's Capital Improvement and Maintenance program will complement the Department of the Interior's Centennial Initiative by enhancing public enjoyment of our public lands, particularly the Forest Service's wilderness areas.

UNITED STATES DEPARTMENT OF AGRICULTURE
(Dollars in Millions)

Budget Authority

AGENCY/PROGRAM	2013 Enacted	2014 Estimate	2015 Budget
FARM AND FOREIGN AGRICULTURAL SERVICES			
Farm Service Agency:			
Discretionary Programs	$1,573	$1,598	$1,542
Mandatory Programs (excluding CCC)	1,597	1	1
Commodity Credit Corporation Programs (mandatory)	9,962	10,370	4,614
Total, Farm Service Agency	13,132	11,969	6,157
Risk Management Agency:			
Discretionary Programs	69	71	77
Mandatory Programs	12,137	9,889	8,591
Total, Risk Management Agency	12,206	9,960	8,668
Foreign Agricultural Service:			
Discretionary Programs (excluding P.L. 480)	338	363	368
Mandatory CCC Programs	(485)	(467)	(496)
P.L. 480 (discretionary)	1,362	1,469	1,403
Total, Foreign Agricultural Service	1,699	1,832	1,770
Total, Farm and Foreign Agricultural Services	27,037	23,760	16,595
RURAL DEVELOPMENT			
Rural Utilities Service:			
Discretionary Programs	555	536	391
Mandatory Programs	0	150	0
Total, Rural Utilities Service	555	686	391
Rural Housing Service:			
Discretionary Programs	1,414	1,695	1,626
Rural Business - Cooperative Service:			
Discretionary Programs	118	134	145
Mandatory Programs	0	243	118
Total, Rural Business - Cooperative Service	118	377	263
Rural Development Salaries and Expenses:			
Discretionary Programs	192	203	225
Total, Rural Development	2,279	2,961	2,505
FOOD, NUTRITION, AND CONSUMER SERVICES			
Food and Nutrition Service:			
Discretionary Programs	6,908	7,130	7,254
Mandatory Programs	97,466	101,667	104,983
Recovery Act	6,819	6,667	0
Total, Food, Nutrition, and Consumer Services	111,193	115,464	112,237
FOOD SAFETY			
Food Safety and Inspection Service:			
Discretionary Programs	977	1,011	1,001
Mandatory Programs	13	13	13
Total, Food Safety	990	1,024	1,014
NATURAL RESOURCES AND ENVIRONMENT			
Natural Resources Conservation Service:			
Discretionary Programs	781	829	815
Mandatory Programs	3,238	3,405	3,414
Emergency Watershed Protection	234	0	0
Total, Natural Resources Conservation Service	4,253	4,234	4,229

(Dollars in Millions)

Budget Authority

AGENCY/PROGRAM	2013 Enacted	2014 Estimate	2015 Budget
Forest Service:			
Discretionary Programs	4,943	5,496	4,771
Mandatory Programs	307	593	595
Total, Forest Service	5,250	6,089	5,366
Total, Natural Resources and Environment	9,503	10,323	9,595
MARKETING AND REGULATORY PROGRAMS			
Animal and Plant Health Inspection Service:			
Discretionary Programs	761	845	837
Mandatory Programs	260	282	303
Total, Animal and Plant Health Inspection Service	1,021	1,127	1,140
Agricultural Marketing Service:			
Discretionary Programs	75	81	84
Mandatory Programs	1,155	1,122	1,200
Total, Agricultural Marketing Service	1,230	1,203	1,284
Grain Inspection, Packers and Stockyards Administration:			
Discretionary Programs	37	40	44
Total, Marketing and Regulatory Programs	2,288	2,371	2,468
RESEARCH, EDUCATION, AND ECONOMICS			
Agricultural Research Service:			
Discretionary Programs	1,017	1,122	1,104
Mandatory Programs	32	32	32
Total, Agricultural Research Service	1,049	1,154	1,136
National Institute of Food and Agriculture:			
Discretionary Programs	1,147	1,282	1,341
Mandatory Programs	17	140	150
Total, National Institute of Food and Agriculture	1,164	1,422	1,490
Economic Research Service:			
Discretionary Programs	71	78	83
National Agricultural Statistics Service:			
Discretionary Programs	166	161	179
Total, Research, Education, and Economics	2,450	2,815	2,889
OTHER ACTIVITIES			
Departmental Activities:			
Discretionary Programs	453	413	289
Mandatory Programs	3	14	15
Total, Departmental Activities	456	427	304
Office of Inspector General:			
Discretionary Programs	82	90	97
Total, Departmental Activities	538	517	401
USDA SUB-TOTAL	$156,279	$159,235	$147,705
Offsetting Receipts, Rescissions & Other Adjustments (Disc)	-204	-328	-526
Offsetting Receipts, Rescissions & Other Adjustments (Mand)	-2,092	-2,304	-810
USDA TOTAL	**$153,983**	**$156,603**	**$146,369**

UNITED STATES DEPARTMENT OF AGRICULTURE
(Dollars in Millions)

Program Level			
AGENCY/PROGRAM	**2013 Enacted**	**2014 Estimate**	**2015 Budget**
FARM AND FOREIGN AGRICULTURAL SERVICES			
Farm Service Agency:			
Farm Loan and Grant Programs	$4,576	$5,527	$6,405
Conservation Programs	1,880	1,982	1,978
Disaster Assistance	1,595	0	0
Commodity Programs	13,372	12,581	11,968
Commodity Credit Corporation Export Programs	3,672	6,022	6,021
Salaries and Expenses	1,400	1,488	1,449
Total, Farm Service Agency	22,824	21,578	21,799
Risk Management Agency:			
Administrative and Operating Expenses	69	71	77
Crop Insurance Fund	12,137	9,889	8,591
Total, Risk Management Agency	12,206	9,960	8,668
Foreign Agricultural Service:			
Export Credit Guarantees	5,500	5,500	5,500
Market Development Programs	240	235	253
Foreign Food Assistance	243	230	240
Salaries and Expenses	163	178	183
Total, Foreign Agricultural Service	6,146	6,143	6,176
Total, Farm and Foreign Agricultural Services	41,176	37,681	36,643
RURAL DEVELOPMENT			
Rural Utilities Service:			
Loans and Grants	9,325	8,196	7,317
Rural Housing Service:			
Loans and Grants	28,684	29,093	28,394
Rural Business - Cooperative Service:			
Loans and Grants	1,021	1,572	1,299
Salaries and Expenses	613	657	660
Total, Rural Development	39,643	39,518	37,670
FOOD, NUTRITION, AND CONSUMER SERVICES			
Food and Nutrition Service:			
Supplemental Nutrition Assistance Program	84,104	88,829	84,246
Child Nutrition Programs	20,160	19,465	20,715
Women, Infants and Children (WIC)	6,523	6,717	6,824
All Other	406	453	452
Total, Food, Nutrition, and Consumer Services	111,193	115,464	112,237
FOOD SAFETY			
Food Safety and Inspection Service	990	1,024	1,014

UNITED STATES DEPARTMENT OF AGRICULTURE
(Dollars in Millions)

AGENCY/PROGRAM	2012 Enacted	2013 Estimate	2014 Budget
	Program Level		
NATURAL RESOURCES AND ENVIRONMENT			
Natural Resources Conservation Service:			
Private Lands Conservation Operations	767	813	815
Farm Security and Rural Investment Programs	3,238	3,405	3,414
All Other	248	16	0
Total, Natural Resources Conservation Service	4,253	4,234	4,229
Forest Service:			
National Forest System	1,455	1,496	1,640
Forest and Rangeland Research	280	293	275
State and Private Forestry	240	230	229
Wildland Fire Activities	2,555	3,077	2,265
Capital Improvement and Maintenance	358	350	306
Land Acquisition	51	45	52
All Other	5	6	2
Total, Discretionary Accounts	4,944	5,497	4,769
Mandatory	307	593	595
Total, Forest Service	5,251	6,090	5,364
Total, Natural Resources and Environment	9,504	10,324	9,593
MARKETING AND REGULATORY PROGRAMS			
Animal and Plant Health Inspection Service:			
Salaries and Expenses	741	825	817
Emergency Funding	17	17	17
Mandatory	260	282	303
Buildings and Facilities	3	3	3
Total, Animal and Plant Health Inspection Service	1,021	1,127	1,140
Agricultural Marketing Service	290	366	365
Section 32 Funds	940	837	919
Grain Inspection, Packers and Stockyards Administration	37	40	44
Total, Marketing and Regulatory Programs	2,288	2,371	2,468
RESEARCH, EDUCATION, AND ECONOMICS			
Agricultural Research Service	1,049	1,154	1,136
National Institute of Food and Agriculture	1,164	1,422	1,490
Economic Research Service	71	78	83
National Agricultural Statistics Service	166	161	179
Total, Research, Education, and Economics	2,450	2,815	2,889
OTHER ACTIVITIES			
Office of the Secretary	49	51	54
Office of Civil Rights	21	21	24
Office of Inspector General	82	90	97
All Other Staff Offices	386	355	226
Total, Other Activities	538	517	401
USDA Sub-Total	$207,783	$209,713	$202,916
Receipts and Loan Repayments and Other Adjustments	-2,296	-2,632	-1,336
USDA TOTAL	$205,487	$207,081	$201,580

UNITED STATES DEPARTMENT OF AGRICULTURE
Outlays
(Dollars in Millions)

AGENCY	2013 Actual	2014 Estimate	2015 Budget
FARM AND FOREIGN AGRICULTURAL SERVICES			
Farm Service Agency	$4,462	$1,859	$1,641
Commodity Credit Corporation Programs	9,165	8,702	4,589
Risk Management Agency	13,807	8,783	8,118
Foreign Agricultural Service	171	513	442
P.L. 480	1,894	1,182	962
RURAL DEVELOPMENT			
Rural Utilities Service	1,279	2,535	863
Rural Housing Service	2,358	2,133	988
Rural Business - Cooperative Service	164	293	152
Salaries and Expenses	212	197	225
FOOD, NUTRITION, AND CONSUMER SERVICES			
Food and Nutrition Service	108,844	107,340	105,968
NATURAL RESOURCES AND ENVIRONMENT			
Natural Resources Conservation Service	3,764	4,494	4,171
Forest Service	6,092	6,477	6,415
FOOD SAFETY			
Food Safety and Inspection Service	1,007	1,023	1,017
MARKETING AND REGULATORY PROGRAMS			
Animal and Plant Health Inspection Service	1,054	1,286	1,139
Agricultural Marketing Service	303	298	345
Section 32 Funds	747	840	919
Grain Inspection, Packers and Stockyards Administration	39	40	43
RESEARCH, EDUCATION, AND ECONOMICS			
Agricultural Research Service	1,116	1,222	1,148
National Institute of Food and Agriculture	1,189	1,861	1,706
Economic Research Service	79	87	84
National Agricultural Statistics Service	175	170	182
DEPARTMENTAL ACTIVITIES			
Office of the Secretary	62	93	67
Office of the Chief Economist	12	22	19
National Appeals Division	14	13	13
Office of Budget and Program Analysis	8	9	10
Office of Chief Information Officer	28	69	45
Office of Chief Financial Officer	10	11	6
Agriculture Buildings and Facilities	242	253	67
Hazardous Materials Management	4	7	7
Office of the General Counsel	42	47	50
Office of Civil Rights	22	25	24
Office of Inspector General	89	90	96
Working Capital Fund	42	165	0
USDA, Subtotal	158,496	152,139	141,521
Offsetting Receipts, Rescissions & Other Adjustments	-2,619	-2,943	-1,789
Net Interest	-5	-5	-5
TOTAL, U.S. DEPARTMENT OF AGRICULTURE	**$155,872**	**$149,191**	**$139,727**

UNITED STATES DEPARTMENT OF AGRICULTURE
Discretionary Outlays
(Dollars in Millions)

AGENCY	2013 Actual	2014 Estimate	2015 Budget
FARM AND FOREIGN AGRICULTURAL SERVICES			
Farm Service Agency	$1,572	$1,696	$1,639
Commodity Credit Corporation Programs	2	11	7
Risk Management Agency	73	71	76
Foreign Agricultural Service	156	483	441
P.L. 480	1,930	1,097	962
RURAL DEVELOPMENT			
Rural Utilities Service	1,498	1,589	936
Rural Housing Service	1,763	1,590	1,549
Rural Business - Cooperative Service	127	158	141
Salaries and Expenses	212	197	225
FOOD, NUTRITION, AND CONSUMER SERVICES			
Food and Nutrition Service	6,976	7,119	7,249
NATURAL RESOURCES AND ENVIRONMENT			
Natural Resources Conservation Service	958	1,156	1,471
Forest Service	5,304	5,802	5,665
FOOD SAFETY			
Food Safety and Inspection Service	996	1,010	1,004
MARKETING AND REGULATORY PROGRAMS			
Animal and Plant Health Inspection Service	804	993	839
Agricultural Marketing Service	75	85	89
Grain Inspection, Packers and Stockyards Administration	36	40	43
RESEARCH, EDUCATION, AND ECONOMICS			
Agricultural Research Service	1,086	1,192	1,116
National Institute of Food and Agriculture	1,074	1,758	1,566
Economic Research Service	79	87	84
National Agricultural Statistics Service	175	170	182
DEPARTMENTAL ACTIVITIES			
Office of the Secretary	59	67	53
Office of the Chief Economist	12	21	18
National Appeals Division	14	13	13
Office of Budget and Program Analysis	8	9	10
Office of Chief Information Officer	28	69	45
Office of Chief Financial Officer	10	11	6
Agriculture Buildings and Facilities	242	253	67
Hazardous Materials Management	4	7	7
Office of the General Counsel	42	47	50
Office of Civil Rights	22	25	24
Office of Inspector General	89	90	96
Working Capital Fund	42	165	0
USDA, Subtotal	25,468	27,081	25,673
Offsetting Receipts, Rescissions & Other Adjustments	-204	-328	-1,558
TOTAL, U.S. DEPARTMENT OF AGRICULTURE	**$25,264**	**$26,753**	**$24,115**

UNITED STATES DEPARTMENT OF AGRICULTURE
Staff Years

Agency	2013 Actual	2014 Estimate	2015 Budget
FARM AND FOREIGN AGRICULTURAL SERVICES			
Farm Service Agency	4,249	4,436	4,392
Risk Management Agency	446	455	467
Foreign Agricultural Service	961	1,070	1,070
RURAL DEVELOPMENT			
Rural Development	4,726	4,776	5,026
FOOD, NUTRITION, AND CONSUMER SERVICES			
Food and Nutrition Service	1,359	1,498	1,607
FOOD SAFETY			
Food Safety and Inspection Service	9,262	9,464	9,202
NATURAL RESOURCES AND ENVIRONMENT			
Natural Resources Conservation Service	10,671	10,671	10,633
Forest Service	32,805	32,894	33,412
MARKETING AND REGULATORY PROGRAMS			
Animal and Plant Health Inspection Service	7,171	7,541	7,508
Agricultural Marketing Service	2,733	2,859	2,859
Grain Inspection, Packers & Stockyards Administration	652	664	664
RESEARCH, EDUCATION, AND ECONOMICS			
Agricultural Research Service	7,058	7,450	7,450
National Institute of Food and Agriculture	387	410	410
Economic Research Service	349	370	370
National Agricultural Statistics Service	1,085	1,039	1,086
DEPARTMENTAL ACTIVITIES			
Office of the Secretary and Assistant Secretaries	96	109	109
Office of Homeland Security	53	67	67
Office of Advocacy and Outreach	45	47	47
Departmental Administration	449	474	476
Office of Communications	76	92	89
Office of the Chief Economist	48	54	54
National Appeals Division	87	92	92
Office of Budget and Program Analysis	46	52	56
Office of the Chief Information Officer	992	1,124	1,124
Office of the Chief Financial Officer	1,303	1,516	1,488
Office of the General Counsel	293	291	325
Office of Civil Rights	105	134	134
Office of Inspector General	520	525	537
Total, USDA Federal Staffing	**88,027**	**90,174**	**90,754**
FSA, Non-Federal Staffing	7,693	7,980	7,165
Total, USDA Staffing	**95,720**	**98,154**	**97,919**

Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
FARM AND FOREIGN AGRICULTURAL SERVICES:			
Farm Service Agency	$10,614	$9,453	$3,663
Foreign Agricultural Service	130	141	145
Risk Management Agency	12,206	9,960	8,668
Total, FFAS	22,949	19,555	12,476
RURAL DEVELOPMENT:			
Rural Business Service	120	379	266
Rural Housing Service	1,588	1,880	1,832
Rural Utilities Service	570	701	407
Total, RD	2,278	2,960	2,505
MARKETING AND REGULATORY PROGRAMS:			
Animal and Plant Health Inspection Service	111	135	135
Agricultural Marketing Service	733	702	785
Grain Inspection, Packers and Stockyards Administration	37	40	44
Total, MRP	881	877	964
RESEARCH, EDUCATION, AND ECONOMICS:			
Agricultural Research Service	317	327	322
National Institute of Food and Agriculture	633	708	758
Economic Research Service	26	29	31
National Agricultural Statistics Service	162	150	168
Total, REE	1,139	1,214	1,279
DEPARTMENTAL STAFF OFFICES:			
Office of the Chief Economist	6	8	8
Total, Staff Offices	6	8	8
Total	$27,254	$24,614	$17,232

Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
FARM AND FOREIGN AGRICULTURAL SERVICES:			
Farm Service Agency	$2,216	$2,271	$2,254
Total, FFAS	2,216	2,271	2,254
NATURAL RESOURCES AND ENVIRONMENT:			
Natural Resources Conservation Service	4,253	4,234	4,229
Forest Service	5,250	6,089	5,366
Total, NRE	9,503	10,323	9,595
MARKETING AND REGULATORY PROGRAMS:			
Animal and Plant Health Inspection Service	56	59	50
Total, MRP	56	59	50
RESEARCH, EDUCATION, AND ECONOMICS:			
Agricultural Research Service	175	201	200
National Institute of Food and Agriculture	169	188	194
Economic Research Service	10	11	12
National Agricultural Statistics Service	1	5	3
Total, REE	355	405	409
DEPARTMENTAL STAFF OFFICES:			
Office of the Chief Economist	2	3	3
Hazardous Materials Management	4	4	4
Total, Staff Offices	6	7	7
Total	$12,136	$13,065	$12,315

Help America promote agricultural production and biotechnology exports as America works to increase food security

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
FARM AND FOREIGN AGRICULTURAL SERVICES:			
Farm Service Agency	$302	$244	$240
Foreign Agricultural Service	1,569	1,690	1,625
Total, FFAS	1,871	1,934	1,865
MARKETING AND REGULATORY PROGRAMS:			
Animal and Plant Health Inspection Service	48	52	52
Total, MRP	48	52	52
RESEARCH, EDUCATION, AND ECONOMICS:			
Agricultural Research Service	129	150	150
National Institute of Food and Agriculture	209	358	355
Economic Research Service	18	19	21
Total, REE	356	528	526
Total	$2,274	$2,514	$2,444

Ensure that all of America's children have access to safe, nutritious, and balanced meals

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
FOOD, NUTRITION, AND CONSUMER SERVICES:			
Food and Nutrition Service	$111,193	$115,464	$112,237
FOOD SAFETY:			
Food Safety and Inspection Service	990	1,024	1,014
MARKETING AND REGULATORY PROGRAMS:			
Animal and Plant Health Inspection Service	806	881	903
Agricultural Marketing Service	497	501	499
Total, MRP	1,303	1,382	1,402
RESEARCH, EDUCATION, AND ECONOMICS:			
Agricultural Research Service	428	477	465
National Institute of Food and Agriculture	152	168	182
Economic Research Service	17	19	20
National Agricultural Statistics Service	3	6	7
Total, REE	600	669	675
Total	$114,087	$118,539	$115,328

Create a USDA for the 21st Century that is high-performing, efficient, and adaptable

Budget Authority
(Dollars in Millions)

Program	2013 Enacted	2014 Estimate	2015 Budget
Departmental Activities	$526	$502	$386
Total, Management Activities	$526	$502	$386

User Fee Proposals
(Dollars in Millions)

Agency and Program	2015 Budget Authority
Food Safety	
Food Safety and Inspection Service:	
User Fee Proposal	0
• A performance based fee would recover the costs incurred for additional inspections and related activities made necessary due to the performance of the covered establishment and plant. Examples of the increased costs for which a performance based fee could be charged include food safety assessments, follow-up sampling, and additional investigations due to the outbreak of disease. Total collections are estimated to be about $4 million, which will reduce appropriation needs in future years.	
Marketing and Regulatory Programs	
Animal and Plant Health Inspection Service:	
User Fee Proposals.....	0
• The Budget proposal authorizes the Secretary of Agriculture to 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 Act, Virus-Serum-Toxin Act, and the Plant Protection Act. The estimated fees would result in receipts of $20 million in 2015, which include $9 million for animal care, $7 million for veterinary biologics, and $4 million for Biotechnology Regulatory Services (BRS). The BRS user fee would enable APHIS to maintain quality services in the face of an expected increase in workload. Collections under the Animal Welfare Act and Virus-Serum-Toxin Act will reduce appropriation needs in future years; the BRS fee would supplement appropriations.	
Grain Inspection, Packers and Stockyards Administration:	
User Fee Proposal	0
• The Budget proposes to establish a fee for grain standardization and a Packers and Stockyards license fee. The proposal would result in approximately $28 million in receipts in 2015 ($5 million and $23 million, respectively), which will reduce appropriation needs in future years.	

Natural Resources and Environment

Forest Service:

National Forest System (NFS): Enables the Agency to assess an administrative fee on cattle to offset the cost of processing of grazing permits and leases……....…….. 5

- The Budget proposes that $5.0 million be made available for the processing of grazing permits and leases, to remain available until expended. Further, the Forest Service will collect an administrative fee of $1.00 per head of cattle per month, credited to this appropriation, to reduce costs.

Departmental Management

Departmental Administration:

User Fee Proposal 0

- The Budget includes a proposal to assess penalties for misuse of the BioPreferred label and to authorize the collection of user fees for applicants of the labeling program.

Rural Development

Rural Utilities Service:

User Fee Proposal 0

- The Budget includes a proposal to assess a fee for environmental assessments for the Rural Electric program. The fees collected will be transferred to the S&E account to offset the cost of the program.

Proposed Budget-Related Legislation
(Dollars in Millions)

Agency and Program	2015 Budget Authority
Rural Development	
Rural Housing Service:	
Multi-Family Housing Revitalization Demo: Pursue permanent authorities to revitalize rural multi-family housing…….	0
• The Budget proposes to make the demonstration program permanent. The program has been administered as a demonstration for more than ten years.	
New Hires Database: Gain authorities to access the HHS National Database of New Hires as well as IRS data…… ...	0
• The Budget proposes to provide the same authorization to access the databases that HUD currently has to help reduce improper payments in means-tested housing programs.	
Multi-Family Rental Assistance Program..	-20
• The Budget includes proposals to change the operation of the program to ensure its long-term viability. These proposal are included in the appropriations request as well as a separate legislative package. They include the authority for the Secretary to: 1) provide contracts at a fixed dollar amount and fixed time frame; 2) provide discretion to renew contracts based upon specific criteria; and 3) charge a minimum rent of $50 per month to residents living in Section 515 financed properties.	
Guaranteed Loan Underwriting System (GUS): Authorizes a user fee paid by lenders for use of the agency's automated underwriting system…….....	-9
• The Budget includes a proposal to authorize a lender user fee of up to $50 per loan to be charged for access to the GUS automated underwriting system.	
Direct Endorsement: Authorizes direct endorsement for single family housing guaranteed loans.....	0
• The Budget requests authorization to implement a preferred lender program where lenders in good standing can authorize loan guarantees on USDA's behalf. This is consistent with authorities already established for guaranteed housing loan programs at HUD and VA.	

Natural Resources and Environment

Forest Service:

Secure Rural Schools: …….…….. 225

- The Budget also proposes to reauthorize the Secure Rural Schools Act which provides consistent and reliable funding for over 775 rural counties and 4,400 schools located near national forests across the United States. The budget includes $225 million in additional mandatory funding for Secure Rural Schools for total funding of $251 million.

Land and Water Conservation Fund: …… 124

- The Budget proposes mandatory funding from the Land and Water Conservation Fund. The Forest Service would receive transfers of $47 million to Forest Legacy and $76.7 million to Land Acquisition, for purchase of strategic interagency landscape-scale conservation projects. This will allow the Forest Service to respond to locally supported planning efforts to protect intact critical ecosystems before fragmentation occurs.

Farm and Foreign Agricultural Service

Risk Management Agency:

Establish a reasonable rate of return to participating crop insurance companies…….. 0

- A USDA commissioned study found that when compared to other private companies, crop insurance companies rate of return (ROR) should be around 12 percent, but that it is currently expected to be 14 percent. The Administration is proposing to lower the crop insurance companies' ROR to meet the 12 percent target. This proposal is expected to save about $1.2 billion over 10 years.

Reduce the reimbursable rate of administrative and operating expenses……. 0

- The current cap on administrative expenses to be paid to participating crop insurance companies is based on the 2010 premiums, which were among the highest ever. A more appropriate level for the cap would be based on 2006 premiums, neutralizing the spike in commodity prices over the last few years, but not harming the delivery system. The Administration, therefore, proposes setting the cap at $0.9 billion adjusted annually for inflation. This proposal is expected to save about $2.9 billion over 10 years.

Decrease the premium subsidy paid on behalf of producers by 3 percentage points …….…… -264

- The proposal would reduce the premium subsidy levels by 3 percentage points for those policies that are currently subsidized by more than 50 percent. This proposal is expected to save about $3.8 billion over 10 years.

Decrease the premium subsidy paid on behalf of producers by 4 percentage points on policies where the producer elects policies that provide protection against price increase……..... -426

- This reduction is in addition to the 3 percentage point reduction on policies currently subsidized by more than 50 percent. These policies provide upward price protection which provides a higher indemnity if the commodity prices are higher at harvest time than when the policy was purchased. This proposal is expected to save about $6.3 billion over 10 years.

Rescind the authority for funding a pilot program for wild salmon……... -1

- This proposal would rescind the authority for the funding of wild salmon pursuant to Section 523(a) of the Federal Crop Insurance Act. This proposal is expected to save about $10 million over 10 years.