



United States Department of Agriculture

Farm Service Agency

IMPACTS

Selected Accomplishments, 2016



Contents

Message From the Administrator	2
Fiscal Year 2016 Loans & Payments	4
Special Highlights	6
Supporting Farm Sustainability	10
<u>Disaster Programs</u>	
- Producers and FSA Address Natural Disasters	10
<u>Farm Storage Facility Loans</u>	
- Storage Challenges and Solutions.....	13
<u>Commodity Programs</u>	
- Anticipating Market Volatility and Weather Uncertainty	14
- Assisting Cotton Producers Through Economic Difficulties.....	15
- Reducing Risk for Dairy Producers	15
<u>Energy Programs</u>	
- Investing in Rural Energy	16
<u>Marketing Assistance Loans</u>	
- Short-Term Financing	18
<u>Farm Loan Programs</u>	
- Addressing Credit Needs of Family Farmers and Ranchers.....	18
Preserving Water, Soil, and Wildlife	20
<u>Conservation Programs</u>	
Strengthening Food Security Worldwide	24
<u>Commodity Loans</u>	
Mission Possible	27



Message From the Administrator

Over the past 8 years, the United States Department of Agriculture Farm Service Agency has worked hard to deliver results to the American farmer and rancher. We've conducted thousands of public educational meetings; enrolled almost 2 million producers in our crop safety-net programs; helped more than 734,000 family ranchers with livestock forage losses; and provided half of the Nation's dairies with margin protection. We've delivered nearly \$39.9 billion in credit to new and longstanding family operations. We've also enrolled 15.7 million acres in the Conservation Reserve Program; certified millions of acreage reports; provided critical assistance to cotton producers; pioneered innovative outreach to new and underserved customers; partnered with over 20 States to nearly double the number of renewable fuel pumps nationwide; and purchased over \$6.7 billion of commodities for food aid programs. During 2016, FSA also launched an innovative "FSAfarm+" tool for producers to increase their efficiency managing FSA records and expanded the Farm Storage Facility Program.

These achievements are impressive, but they merely scratch the surface and only tell a part of the real story of FSA. These stories are found in the diverse and productive farms and ranches that I've seen during my travels. I've driven a '67 John Deere in the cornfields of Illinois and a Case IH Quad Trac in the wheat fields of eastern Washington. I've toured a fruit and vegetable operation in Maine, watched oysters being harvested in Connecticut, admired beet fields in North Dakota, met with beekeepers on the California border with Mexico, and visited with cotton growers in west Texas. Most recently, I explored urban agriculture on a high-rise rooftop in Brooklyn and visited hydroponic agriculture operations in remote Alaskan villages.



Photo by Julie Polt

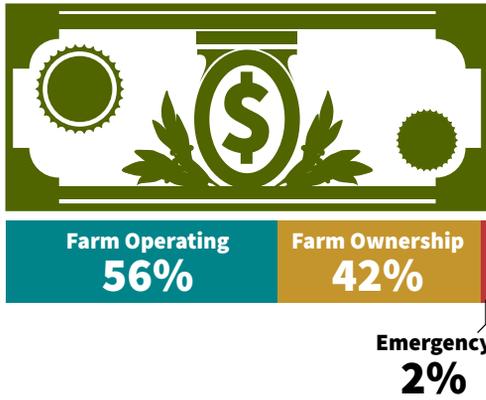
The stories of our farms and ranches and the hardworking employees of FSA who are providing them with extraordinary service and meaningful safety net programs have connected me more deeply to our rural heritage than I'd ever imagined possible. And I'm fortunate and grateful for the opportunity to witness firsthand the hard work of not only our country's farmers and ranchers, but also of my USDA colleagues all over this great Nation.

This booklet highlights FSA's impacts and contributions to rural America in 2016. While you read and reflect upon the challenges and successes of the past year, remember that it all begins across that well-worn countertop, polished by decades of elbows and flannel shirts, in 2,124 FSA county offices from Maine to California, where USDA's "can do" agency is working hard every day to support the men and women of American agriculture.

*Val Dolcini
Administrator*

Fiscal Year 2016 Direct and Guaranteed Farm Loans*

Amount of
Direct Loans Obligated
\$2.399 Billion



Number of
Direct Loans
29,602



Farm Operating
80%



Farm Ownership
19%

 Emergency
1%

Amount of
Guaranteed Loans Obligated
\$3.966 Billion



Number of
Guaranteed Loans
10,048



Farm Operating
50%

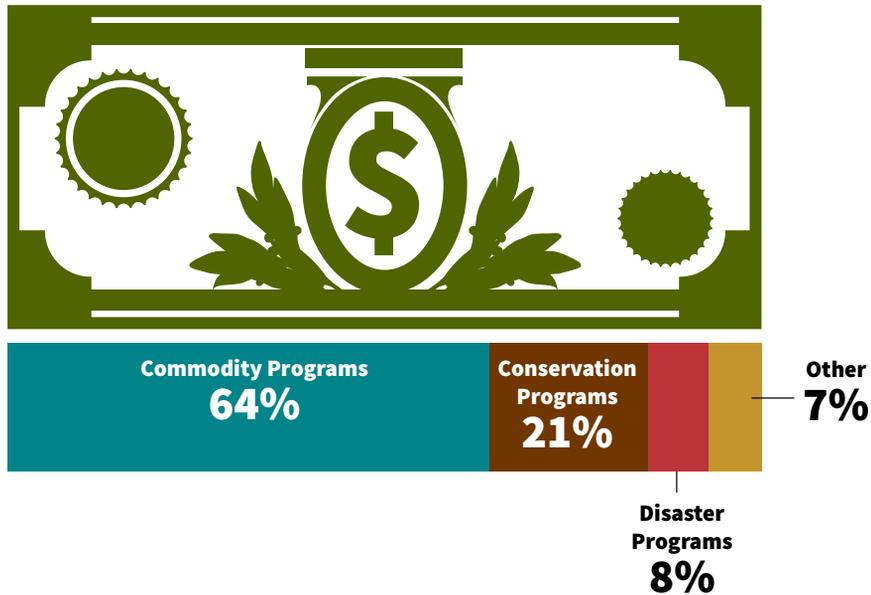


Farm Ownership
50%

* Does not include data for Marketing Assistance Loans or Farm Storage Facility Loans.

Fiscal Year 2016 Program Payments

Total Payments
\$8.844 Billion



-  Payments largely reflect \$5.3 billion in Agriculture Risk Coverage (ARC)/Price Loss Coverage (PLC) payments made in October 2015 (FY 2016). Does not include ARC/PLC payments of \$6.8 billion paid in October 2016 (FY 2017). See p. 14 for information about those recent payments.
-  Largely reflects Conservation Reserve Program payments of nearly \$2 billion.
-  Includes Livestock Forage Program, Livestock Indemnity Program, Noninsured Crop Disaster Assistance Program, and other disaster program payments.
-  Includes one-time Cotton Ginning Cost-Share Program payments.

Special Highlights

FSA provides America's farmers and ranchers with a financial safety net while also helping to protect natural resources and enhancing food security. Highlighted below are a few examples of impacts and accomplishments during 2016.

Delivering Results Through Innovation

FSA worked to meet the expectations of America's farmers and ranchers as they face 21st century needs and opportunities. In 2016, FSA rolled out the new online FSAfarm+. This tool allows producers to electronically access from home their current FSA farm records and customer profile, while ensuring data protection and confidentiality.



Producers can use the FSAfarm+ online tool to provide instant access to important FSA data. A producer can view, export, and print farm records; farm, tract, and cropland data; crop bases and yields; and maps for reporting annual crop certifications. Producers can also electronically export field boundaries to their crop insurance agents.

Future planned enhancements include providing producers with the ability to view program contracts, acreage reports, and financial information. Plans are also underway so that producers can provide access authority to crop insurance agents and other third parties.

Access FSAfarm at:

<https://www.fsa.usda.gov/online-services/farm-plus/index>

Progress Through Partnerships

Partnerships and dialogue between FSA and other governmental, non-profit, and private-sector entities are essential to fulfilling FSA's mission. Just after the Farm Bill was enacted, FSA worked with key land-grant universities and other partners to deliver an educational effort that helped U.S. farmers and ranchers make the best possible decisions about new farm safety net programs. Through this effort, the agency realized that many new and underserved producers needed additional training to be successful—which has been a primary focus of FSA partnerships in 2016.

Partnerships that helped further FSA's mission in 2016 include:

- **Evaluating the Effectiveness of Farm Bill Decision Tools**—FSA partnered with the University of Illinois to evaluate producers' views on FSA's 2014 Farm Bill safety net educational efforts. Over 800 producers responded to the university's survey. The results indicate that young producers in the Midwest and South are most inclined to use on-line decision tools, while older, beginning, and female producers are most satisfied with in-person communication about FSA programs. These findings provide insights into how FSA can best communicate to key audiences.





- **Enhancing Dialogue With the Honeybee Industry—**
FSA signed many agreements and Memoranda of Understanding in 2016. One that stands out is a Memorandum of Understanding with the American Honey Producers Association, the American Beekeeping Federation, and several other USDA agencies. This partnership ensures that USDA’s conservation initiatives are as advantageous as possible to pollinators and that beekeepers understand how they can benefit from USDA’s conservation and safety net programs. This agreement also makes it easier for FSA to have an open dialogue with the honeybee industry and provide needed assistance more quickly on issues such as Colony Collapse Disorder.



- **Protecting the Environment—**
Conservation Reserve Enhancement Program (CREP) partnerships with over 30 States have been on-going for many years. Under CREP, States (and sometimes other partners) provide 20 percent of the overall funding for the projects. In 2016, there are about 1.2 million acres under contract that contribute resources to targeted water quantity and quality, soil health, and wildlife goals. The New York State CREP which includes land within the Chesapeake Bay watershed was awarded \$1 million this year for added incentives for enrollment of riparian forest buffers within the watershed with the State providing \$200,000.

Newly planted trees will form a riparian forest buffer.
Photo by Kyle Buel.

Supporting New and Beginning Farmers

FSA has conducted extensive outreach to new and beginning farmers—in particular helping them understand disaster assistance benefits, transition incentive possibilities, and lending opportunities. FSA obligated nearly 17,800 direct loans to beginning farmers in FY 2016, a nearly 4-percent increase from the prior fiscal year. Nearly 3,400 guaranteed loans were also issued to beginning farmers in FY 2016, about a 3-percent increase over the prior fiscal year. New and beginning farmers now account for 50 percent of FSA's direct loan portfolio and 37 percent of the guaranteed loan portfolio. Further, nearly a quarter of first-time Noninsured Crop Disaster Assistance Program (NAP) applicants were new and beginning farmers in 2016. In addition, over 150,000 acres have been transitioned to new and beginning/socially disadvantaged producers under the Conservation Reserve Program's Transition Incentive Program since 2014.

Outreach has occurred through both county office staff and with partner organizations. One such example is the Farmer Veteran Coalition, which conducted agricultural credit training sessions in 3 Midwestern States in FY 2016 attended by approximately 200 new and beginning farmers. FSA is expanding that outreach and awarded 60 agreements in 2016 to educate new, beginning, and underserved producers on best practices, and common challenges and solutions. Some of this education involves one-on-one mentoring while other efforts focus on farm financial management, marketing, and estate planning.



Supporting Farm Sustainability

The economic stability of the farm sector is vital to America and to FSA's mission.

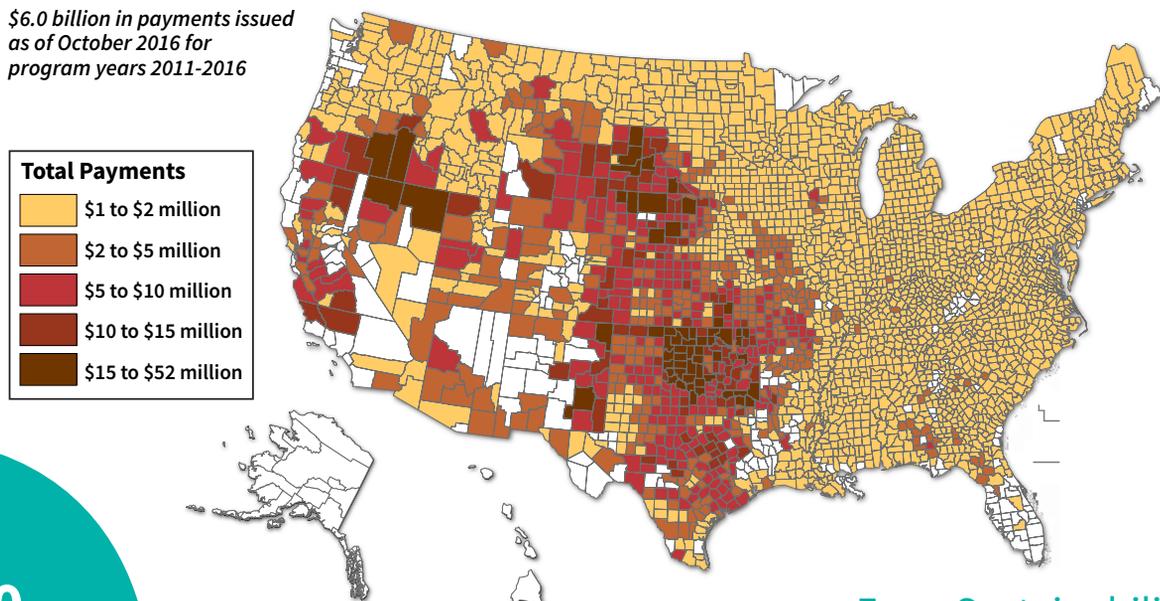
Producers and FSA Address Natural Disasters

The 2014 Farm Bill's disaster assistance programs have helped producers in times of duress:

- Over 734,000 producers received approximately \$6 billion through the Livestock Forage Disaster Program (LFP) due to 2011-16 losses. This included over \$47.5 million in 2016—a year in which livestock grazing conditions were better overall but where some producers, particularly in California and South Dakota, faced adverse conditions. As of early fall 2016, over 40 percent of California was rated in severe-to-exceptional drought status with California receiving over 60 percent of 2016 LFP payments. LFP assists farmers and ranchers suffering from long-term drought and fire on federally managed lands.

2011-16 Payments for Livestock Forage (LFP), Indemnity (LIP), Emergency Assistance (ELAP) & Tree Assistance Programs (TAP)

\$6.0 billion in payments issued as of October 2016 for program years 2011-2016



Inspired by an FSA presentation on drought relief programs, Cheryl Wright, a third-generation Texas rancher, visited her local office. *“I got so much help from FSA. Their support is invaluable. The staff are great people who truly care. On a scale of 1 to 10, their service is an 11.”* Wright’s operation recovered from the drought through the help of LFP and LIP—and she has now added 90 acres to her operation and has about 130 head of cattle.



- More than 18,500 producers received more than \$148.7 million through the Livestock Indemnity Program (LIP) payments for 2011-16 losses—including nearly \$7 million in 2016. Over 20 percent of 2016 LIP payments were made to cattle producers in Texas and New Mexico, largely in response to the late December early January Goliath Blizzard. This blizzard caused 70 mile-per-hour winds and snow drifts of up to 10 feet in eastern New Mexico and western Texas. LIP provides financial assistance to producers who incur livestock deaths caused by blizzards, adverse weather events, and attacks by animals and avian predators reintroduced into the wild or protected by Federal law.
- Hundreds of beekeepers lost hives in 2016, many due to colony collapse disorder, which represented more than half of Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) recipients. ELAP provides assistance livestock, honeybee, and farm-raised fish producers not covered by other livestock disaster assistance programs.
- Approximately 700 Florida producers affected by citrus greening since 2012 received assistance from the Tree Assistance Program (TAP), helping them replant nearly 1 million trees. Citrus greening drops the average productive lifespan from 50 or more years to 15 or less. TAP provides assistance to orchardists and nursery tree growers to help them replant or rehabilitate eligible trees, bushes and vines lost by natural disaster.

Other FSA programs also assist producers suffering from natural disasters.

- More than 56,000 producers participated in the Noninsured Crop Disaster Assistance Program (NAP) in 2016. NAP provides financial assistance to producers of crops which do not currently have access to crop insurance. NAP payments occur when producers experience low yields, loss of inventory, or are prevented from plantings due to natural disasters.
- In 2016, FSA allocated over \$111 million in Emergency Conservation Program (ECP) funds to 42 States, helping producers rehabilitate farmland damaged by natural disasters and implement emergency water conservation measures. ECP helps producers affected by drought, floods, tornados, and other disasters to restore livestock fences, remove flood debris, and rehabilitate farmland. In 2016, ECP helped farmers and ranchers recover from devastating wildfires and drought in the West and severe flooding in the South.



Wildfire in Montana. Photo by U.S. Forest Service.

Storage Challenges and Solutions

Producers sometimes face the need for financing to build or upgrade farm storage and handling facilities. The Farm Storage Facility Loan (FSFL) program meets this need for farmers and ranchers who face storage concerns after harvest. In 2016, FSA made several significant changes to the program: nine new commodity categories are now eligible; microloans now can be requested at up to \$50,000 (microloans require lower downpayments and offer streamlined application requirements); and storage and handling equipment, including trucks, are now eligible for financing. The new eligible categories include: cheese, eggs, poultry, unprocessed meat, aquaculture, maple sap and syrup, floriculture, hops, and bulk tanks.

The FSFL program helps producers like Kiyoshi Tanaka who moved to Kentucky from Japan in the 1990s. He started a small beef cattle herd and bought his first farm in 1998, where he now has 60 cows and 2 bulls, harvests 100 acres of hay, and has about 175 acres of pasture. Wanting high-quality hay for his livestock, Tanaka applied for an FSFL loan to construct a hay barn. The barn—which holds close to 200 5' x 5' bales of hay—has helped him increase the quality of hay fed to his livestock, and helps him stockpile hay for the next year.

Along with providing assistance to Tanaka, FSA assisted approximately 1,300 producers in 2016 with FSFL loans valued at \$114 million.



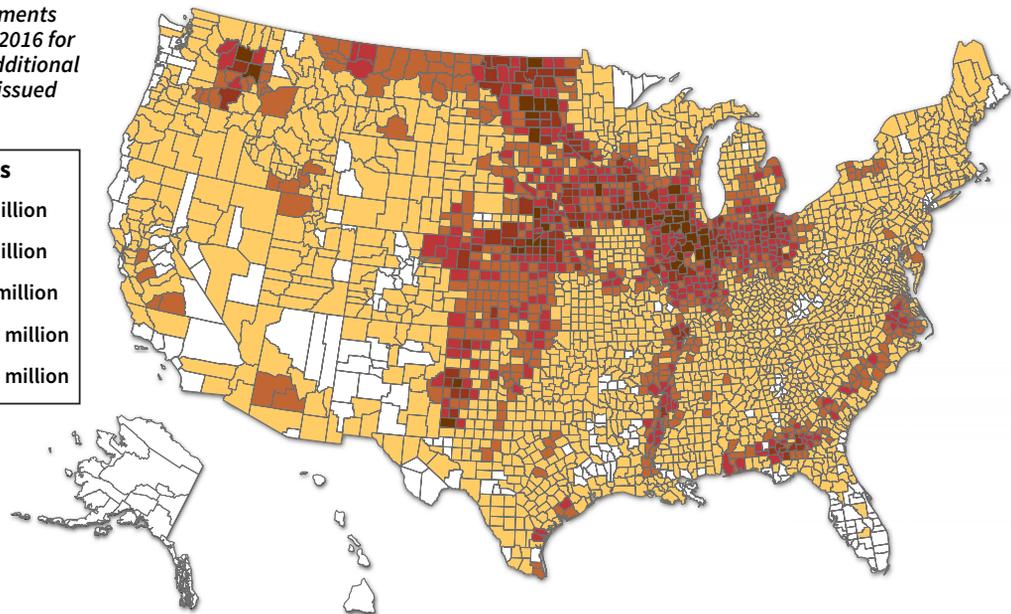
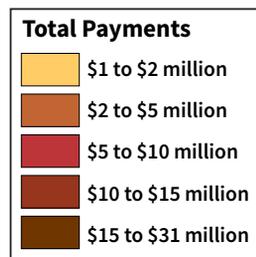


Anticipating Market Volatility and the Weather Uncertainty

Adverse weather and/or volatile market forces often result in low farm revenue. The Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs assist farmers of 21 key crops in managing this risk. On top of the yield variability faced by many producers, the 2015-crop corn season average price, at \$3.61 per bushel, was 48 percent of the peak \$6.89 per bushel average received for the 2012 crop. As a result, payments for 2015 crop losses – largely for corn, soybean, and wheat – started in October 2016 and are estimated to be about 50 percent greater than the \$5.2 billion paid for 2014 crop losses. Now in its third year, approximately 1.7 million farms enrolled for 2016 crop ARC/PLC coverage.

Crop Year 2015 Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Payments

\$6.8 billion in payments issued in October 2016 for crop year 2015; additional payments will be issued in FY 2017





Assisting Cotton Producers Through Economic Difficulties

Since 2011, cotton fiber markets have experienced dramatic changes. As a result of low cotton prices and global oversupply, cotton producers faced economic uncertainty in the spring of 2016, and many producers began to start liquidating equipment and land to satisfy loans. FSA offered the one-time Cotton-Ginning Cost Share program, which provided approximately \$325 million to over 34,000 cotton producers in the summer of 2016. The benefits of the program were realized not only by cotton producers but also cotton gins, cooperatives, cottonseed crushers, and rural communities.

Reducing Risk for Dairy Producers

Severe downturns in milk prices, rising feed prices, or a combination of both can threaten milk producers. The Margin Protection Program for Dairy (MPP) is a tool to help producers manage these risks. In mid-2016, producers faced lower milk prices, combined with higher costs for the corn, soybean meal, and hay that they feed their cows. Dairy farm revenues were 35 percent lower than just 2 years earlier and cheese stocks reached an all-time high in the summer of 2016 based on data reaching back to 1917. As a result, MPP payments of more than \$11 million were made for the May-June period based on the lowest margin since the program was enacted by the 2014 Farm Bill. More than half of the Nation's dairy producers are enrolled in MPP and can annually pick the coverage level that best suits the needs of their operations.



Investing in Rural Energy

The biobased economy strengthens rural communities and USDA is helping jumpstart efforts to provide a reliable supply of advanced plant materials for biofuels.

Increasing Biofuels Options

FSA partnered with 21 States through the Biofuel Infrastructure Partnership (BIP) in 2016, nearly doubling the number of biofuel pumps nationwide that offer E15, E85, and intermediate combination blends, plus additional storage and related infrastructure. Including matching commitments from States and private partners, BIP has invested \$210 million in the rural economy. To help assess the impacts and effectiveness of BIP, FSA in 2016 is working with the Department of Energy, where researchers are analyzing data on the economics of new pump and storage tank infrastructure.



Bioenergy Options for Nonfood Crops

Through the Biomass Crop Assistance Program (BCAP), FSA is assisting more than 890 growers and landowners farming nearly 49,000 acres to establish and produce dedicated, nonfood energy crops for delivery to energy conversion facilities. In 2016, FSA provided funding to two BCAP projects in New York and Ohio/Pennsylvania to expand acres planted to shrub willow and giant miscanthus. These and other biomass material projects deliver biomass to 56 qualified conversion facilities across the country producing heat, power, biobased products, research and advanced biofuels. Without BCAP, many biomass materials – including forest residues that fuel forest fires, orchard waste, and corn stalks – could go uncollected.



Forest debris is loaded into a chip van. The waste will be ground into a usable bio-product.

Short-Term Financing

Producers may need short-term financing at harvest time. Marketing Assistance Loans (MALs) are commodity loans that assist producers with this need when market prices are generally lower than normal. These 9-month loans, which use the harvested crop as collateral, provide producers with the time to optimize their marketing decisions. For the 2016 crop year, nearly 4,000 MALs have been disbursed through the end of September totaling approximately \$300 million.

When prices fall below the loan rate, producers can receive a Loan Deficiency Payment (LDP) in lieu of requesting an MAL. As of early fall 2016, FSA had already paid nearly 30,000 LDPs to wheat producers for the 2016 crop. Wheat producers have been hard-hit in 2016, with the season average price projected at \$3.70 per bushel, less than half the \$7.77 per bushel average from marketing year 2012. For crop year 2015, when cotton prices were low, cotton producers received nearly 42,000 LDPs.

Addressing Credit Needs of Family Farmers and Ranchers

In today's economic climate, obtaining financing for farming operations can be challenging. FSA's loan programs address this challenge and directly contribute to the economic health of U.S. agriculture.

In 2016, FSA provided over 39,600 loans valued at \$6.3 billion to farmers and ranchers who were unable to obtain commercial financing. Many of these loans are microloans which offer up to \$50,000 and are designed to meet the financing needs of small, new, niche or nontraditional farmers.

As a child, Susan Curtis worked on her father's farm which grew loganberry and boysenberry bushes. After a career in marketing and information technology, she returned to her roots and moved to a farm outside Plain, Washington. She used an FSA microloan to get started and marketed locally at farmers' markets and restaurants. Through her own Community Supported Agriculture (CSA), she now grows and markets over 100 different types of produce (including berries), free-range chickens providing fresh eggs to the community, and an apiary providing honey and pollination services. She also built a hoop house to extend the growing season and has plans to start growing spinach year round.



Curtis received her Washington Food Processing License and built a processing kitchen that provides professional packing services for her farm and other local farms. This building also includes two root cellars, a walk-in cooler, and freezer and storage areas. Her CSA produces a digital newsletter that features produce descriptions and recipes, and she uses her produce in baked goods, makes beeswax lip balm, and produces infused honey.

For every million dollars in lending, FSA supports approximately 13 jobs in the rural community and, in total, contributed over \$9.5 billion to the U. S. economy in 2016. Despite low prices for several major commodities, FSA and its borrowers have managed to maintain an extremely low delinquency rate while increasing the overall amount of aid to farmers.

Access to credit is one of the most difficult barriers to overcome for new and beginning farmers. With the average farm operator age over 58, it is important to provide opportunities for new farmers. FSA has increased the dollar amount loaned to beginning farmers by 6 percent relative to 2015, and the total number of loans by 3 percent. FSA also increased the dollars loaned to minority and women farmers and ranchers by 7 percent and increased total loan numbers by 2 percent compared to 2015. Through these efforts, FSA is reaching more farmers and assisting them to create and support thriving operations.



Preserving Water, Soil, and Wildlife

Restoring the Land: Conservation Reserve Program

America's farmers and ranchers are among the most concerned about conserving the land for their families and posterity. For over 30 years, the Conservation Reserve Program (CRP) – one of USDA's most successful conservation programs – has helped producers protect environmentally sensitive land. Producers contract with USDA to ensure that the land is devoted to conservation uses for 10 to 15 years. In return, FSA provides participants nationwide with approximately \$2 billion in annual rental payments, incentive payments and cost-share assistance.

By enrolling in CRP, producers are improving water quality, reducing soil erosion, and restoring habitat for ducks, pheasants, turkey, quail, deer, and other wildlife. This in turn spurs hunting, fishing, recreation, tourism, and other economic development across rural America.

FSA is targeting enrollment to get the most environmental benefit. To do so, the focus is increasingly on continuous enrollment (which can occur at any time) of selected practices such as buffers and wetland restorations and selecting the highest-ranking offers in general signup enrollments (offered periodically). In 2016, continuous signup enrolled the most acreage in any 1 year since inception of the continuous signup program in 1997. CRP general enrollment in 2016 resulted in the highest environmental benefits per acre in CRP's 30-year history of general signup enrollments.

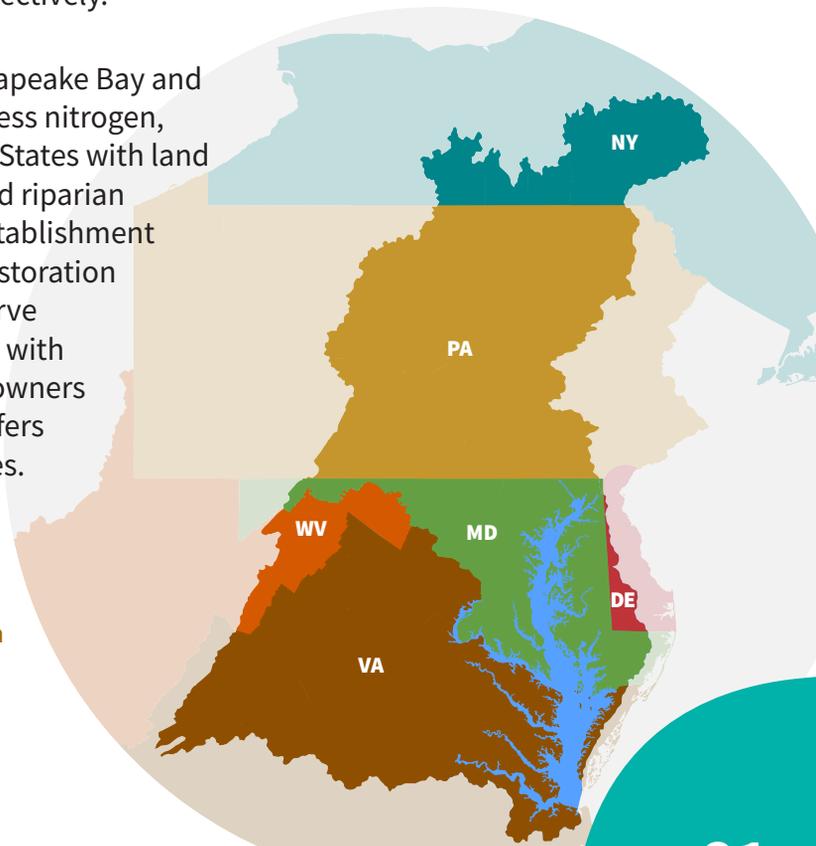
In addition, FSA held the first-ever enrollment period for CRP Grasslands in 2016 and approved 101,000 acres. CRP Grasslands provides participants with financial assistance for establishing approved grasses, trees and shrubs on pasture and rangeland that can continue to be grazed. More than 70 percent of these acres are diverse native grasslands under threat of conversion and more than 97 percent of the acres have a new, veteran, or underserved farmer or rancher as a primary producer.

CRP Enrollment Offers Many Benefits

Protecting Water: Enrolling land in CRP improves water quality by reducing nitrogen and phosphorus leaving fields. Grass filter strips and riparian forest buffers intercept sediment and nutrients before they enter waterways. On average over the past 5 years, producers participating in CRP have protected more than 175,000 stream miles with riparian forest and grass buffers – enough to go around the world seven times – and since 1996, have created about 2.8 million acres of restored wetlands. In 2016, CRP enrollment reduced nitrogen and phosphorus losses from farm fields by over 500 million tons and over 100 million tons, respectively.

The Chesapeake Bay: The Chesapeake Bay and its tributaries are impaired with excess nitrogen, phosphorus, and sediment. The six States with land in the Bay’s watershed have targeted riparian forest buffer and grass filter strip establishment along waterways as a vital to Bay restoration efforts. Through Conservation Reserve Enhancement Program agreements with each of the six States, eligible land owners and operators who install these buffers qualify for added financial incentives.

Source: Chesapeake Bay Program
www.chesapeakebay.net





“The quality of life has been drastically improved by putting in the habitat that we have,” said Arvil Kappelmann while giving a tour of the Kappelmann Century Farm in Missouri. Over 180 species of birds have been documented on his farm.

Protecting Wildlife: Producers participating in CRP have generated tremendous wildlife benefits. CRP is currently protecting more than 100,000 acres of bottomland hardwood trees, nearly 300,000 acres of flood-plain wetlands, 300,000 acres for duck nesting habitat, and nearly 250,000 acres of upland bird habitat buffers. In addition, CRP participants have established wildlife habitat for critical species on over 1.3 million acres through nearly 100 State Acres for Wildlife project areas across 35 States.

Prairie Pothole Ducks: In the United States Prairie Pothole region, CRP is known as a “Duck Factory.” The U.S. Fish and Wildlife Service estimates that about 1.6 million ducks are added each year to the fall migration as a result of participation in CRP.

Protecting Pollinators: Pollinators contribute more than \$24 billion annually to the U.S. economy, and over one-third of our food products are pollinator-dependent. CRP promotes pollinator health by encouraging the selection of pollinator-friendly seed mixes. CRP participation currently includes more than 15 million acres of healthy habitat and forage for pollinators. Recently, FSA added 100,000 acres to the allocation for its pollinator habitat continuous signup initiative, bringing the initiative’s total to 300,000 acres. As of September 2016, about 250,000 acres of this initiative have been enrolled.

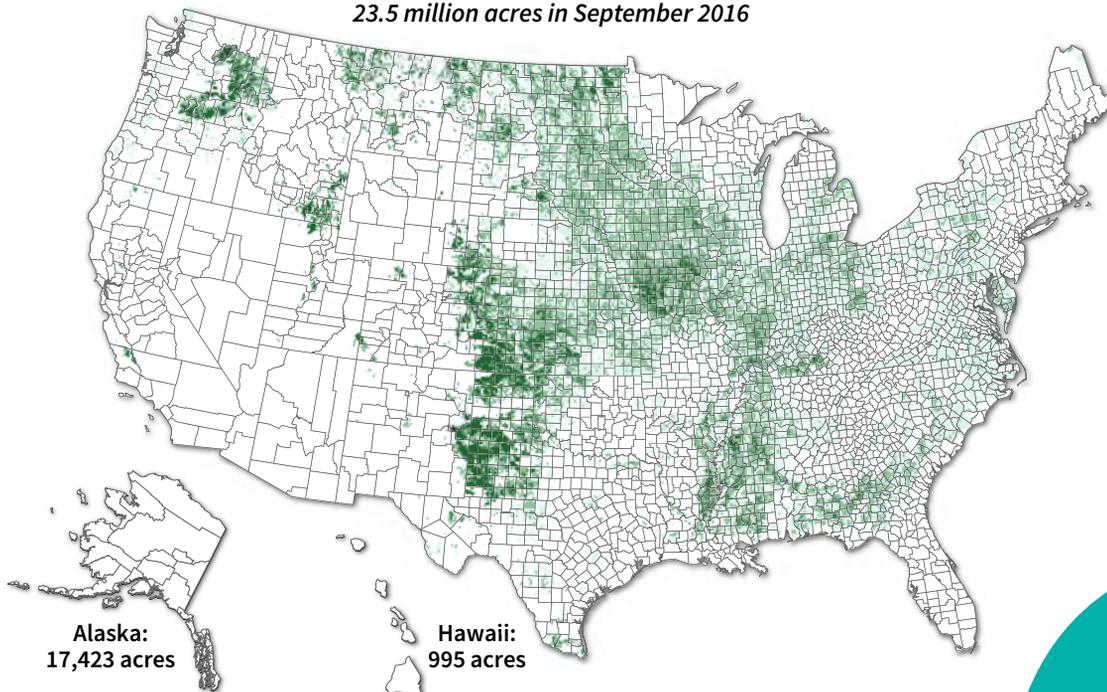


Protecting Soil: Producers using CRP also reduced soil erosion by an estimated 300 million tons in 2016. Erosion from water, as well as wind, is reduced when croplands are converted to long-term vegetative covers. The CRP's Highly Erodible Lands Initiative increased by almost 140,000 acres in 2016. Since 1985, CRP participation has prevented more than 9 billion tons of soil – or 600 million dump trucks, from eroding.

Sequestering Greenhouse Gas: When land is enrolled in CRP, several activities – including tillage, nitrogen fertilization, and energy use – are substantially reduced or eliminated, which sequesters carbon. These carbon sequestration benefits help reduce the rate of climate change. In 2016, producers with land in CRP sequestered an estimated 40 million metric tons of CO₂ equivalent. This is equal to removing 8 million cars from the road that year.

CRP Acreage in 2016

23.5 million acres in September 2016



Strengthening Food Security Worldwide

Increased food security is an important need for populations across the globe. To this end, FSA works closely with key stakeholders to acquire, store and distribute commodities.

United States Warehouse Act (USWA):

USWA marked its 100th anniversary in 2016 helping to ensure the security of commodities distributed worldwide through the voluntary licensing of public warehouses. Federally licensed public warehouses issue receipts that are used to obtain marketing assistance loans.



Peanut storage warehouse

Over 3,000 warehouses—storing grains, nuts, and cotton—are inspected annually by FSA’s 48 examiners. Warehouse examiners ensure that stored commodities remain in good condition. Food aid program commodities authorized by the U.S. Agency for International Development and the USDA Foreign Agricultural Service require commercial storage. These program commodities are most often stored in commercial warehouses regulated under USWA.

John Hagenow, an FSA warehouse examiner in the Midwest, spends much of his time inspecting grain elevators to ensure that corn, soybeans, wheat, and other commodities are safely and securely stored. *“With bumper crops this year, we’re expecting a higher volume of loan placements—which means that ensuring the integrity of storage facilities is absolutely critical. We do our part to improve food security by making sure high standards for warehouses are maintained and that the commodity pipeline works efficiently.”*



Providing Food Assistance: FSA is a world partner in providing assistance to food-insecure nations—about \$667 million in commodity relief in FY 2016. These efforts have reduced high rates of malnutrition in low- to moderate-income countries, particularly in the Sahel region of Africa. The most requested commodities are lentils, chick peas and other pulses, milled rice, and vegetable oil which make up over 60 percent of packaged commodity shipments.

In addition, since 2008, USDA has helped combat hunger through the Stocks-for-Food Initiative. This program was used during fiscal years 2015 and 2016 to exchange nearly 172,000 tons of peanuts for commercial grade peanut butter, which was shipped to all parts of the United States. Small amounts were shipped overseas.



Photo by Bob Nichols

Small Business Partners: FSA has a time-honored partnership with its small business vendors, which are players in the distribution of commodities to the international food aid market. With regular participation in the “Small Business Contractor of the Year Program,” FSA continues to encourage participation. In 2016, FSA awarded over 60 percent of its contracts for packaged commodity deliveries—valued at over \$200 million—to more than 30 small business contractors. FSA strives to provide opportunities for small and disadvantaged businesses, which in 2016 represented 64 percent of the commodity-purchaser vendors doing business with FSA.

Jacob Norman of Transylvania Vocational Services, mixes a batch of Super Cereal Plus. The cereal ships overseas for starving infants and children.



Mission Possible



A New Era of Service

The Farm Service Agency helps all sorts of people make their dream of farming a reality—including young people, military veterans, minorities, women, and immigrants with limited English proficiency who have struggled for acceptance as farmers and ranchers. FSA invites them all to explore opportunities in agriculture. And many have accepted the offers. To make this possible, FSA works to effectively implement farm legislation, provide the payments and services that farmers and ranchers need, and is proud to deliver a robust outreach program particularly targeted at meeting the needs of underserved producers, including:

- **Bridges to Opportunity**—FSA local office employees not only provide information on our commodity, conservation, and credit programs, but also serve as “bridges” that connect producers with other resources that can help them establish or grow their operation. This initiative which started just over 2 years ago, is now nationwide in 2016 and creates links between producers and partner organizations that assist with financial advice, technical assistance, and many other topics.
- **Receipt for Service**—USDA customers (and potential customers) who visit a local FSA office now receive a “receipt for service” every time they seek a benefit or service. This way, not only are all inquiries acknowledged and addressed, but also producers have documentation that they can use—such as acreage report certification that they can share with their crop insurance agent or reminders of upcoming FSA appointments.
- **Local Partnerships**—While numerous FSA national partnerships are noted in this booklet, much of our interaction occurs at the local level. This is true not only behind the FSA counter, but also through educational partners such as the Center for Heirs Property, which helps South Carolina farmers demonstrate land ownership and document their eligibility for programs.



Joshua Eilers: This farm belongs to Joshua Eilers, a former Army Ranger wounded in Afghanistan. Eilers returned to civilian life in his native State of Texas as a cattle rancher. With very little experience, but the know-how to make the best of challenging situations, he connected with a mentor and then the Farm Service Agency for loans, program knowledge, and a county office staff willing to help him succeed. Raising Wagyu beef, Eilers turned his dream into success and in the process became a spokesperson for the Army and a great friend of FSA as demonstrated by this video.

<https://www.youtube.com/watch?v=ZiQfUTEh92U>

Ivan Tellez: Despite his limited English proficiency, Ivan Tellez worked on a ranch for a few years before venturing off to Nampa, Idaho, to team up with his father. He began work for a local, fresh-produce farmer with 25 years of experience. In 2010, Tellez had an opportunity to purchase an acre of tomato plants. He raised them, handpicked the tomatoes and sold them at a local farmers' market. Two years later, he expanded and added jalapeno peppers. Tellez sought credit and when turned down by commercial lenders, his mentor directed him to the Farm Service Agency and Farm Loan Officer Shawna Anderson. With his cousin as interpreter, Tellez became a successful FSA customer, and now farms 71 acres.



Farm Service Agency

Internet: www.fsa.usda.gov

Twitter: <http://www.twitter.com/usdafsa>

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer and lender.

November 2016

