

## **Increase Agricultural Opportunities by Ensuring a Robust Safety Net, Creating New Markets, and Supporting a Competitive Agricultural System**

**ACHIEVEMENTS:** America's farmers and ranchers are expanding into new markets around the world, spurring innovation, and creating jobs and opportunity on and off the farm. Agriculture exports have had the strongest six-year period of growth in our Nation's history and reached the third highest level of record in FY 2015 of \$139.7 billion, supporting 1 million jobs here at home. Agricultural exports have increased 45% in value over the past 6 years, an increase in monetary value and volume that demonstrates that initiatives including "Made in Rural America" are succeeding in creating agricultural opportunities at home and abroad. In FY 2015 USDA also has 20 projects obligated for a total of over \$18 million that will support local and regional food systems.

Farm programs are a critical component of the farm safety net, serving to expand domestic market opportunities and provide risk management and financial tools to farmers and ranchers. Among the first major 2014 Farm Bill initiatives to be implemented were disaster relief programs for livestock producers, many of whom have been waiting years for assistance. After the 2008 Farm Bill passed, it took over one year to set up disaster assistance programs. In 2014, it took under 10 weeks. In FY 2015, USDA accomplished its goal of increasing the amount of credit assistance provided to minority and women farmers and ranchers as well as exceeded the targeted level of performance for lending to beginning farmers. Lending to beginning farmers and ranchers increased by seven percent to \$2.6 billion. Similar results were achieved with respect to lending to socially disadvantaged farmers and ranchers (women and minorities). These loans, valued at \$827 million, help thousands of farmers and ranchers to start or maintain their farming operations. The largest percentage changes in lending to minorities and women occurred in the direct farm ownership (FO) loan program, an increase of 19 percent in both the number of loans and dollar amount - 1,223 loans valued at \$208 million in FY 2015. Additional accomplishments from FY 2015 include, expanding credit to new and beginning farmers by increasing the microloan debt limit from \$35,000 to \$50,000, and also expanding the types of entities eligible for farm loans to better reflect the nature of family farms. The microloan program posted a third consecutive strong year, with demand greatly exceeding expectations with 6,596 microloans obligated.

The Federal crop insurance program continues to serve as the nation's primary farm safety net. Today America's farmers and ranchers rely upon crop insurance to address the inherent risks of agriculture. USDA has worked to ensure that crop insurance is available to meet the needs of as many producers as possible. The Department has continued its efforts to expand coverage options to different regions and different crops – the recent improvements for organic producers and the development of the Whole Farm Revenue Insurance policy serve as examples of the Department's ability to respond to the diverse needs of American agriculture and quickly implement provisions of the 2014 Farm Bill. In FY 2015, USDA's exceeded its target for risk protection provided to agricultural producers through the Federal Crop Insurance Program by providing \$68.7 billion in normalized value of risk protection.

Additional crop insurance program accomplishments from FY 2015 include the Department's new option to allow growers of selected crops and counties to exclude unusually bad years from their yield history resulted in higher effective coverage levels, which boosted participation and ultimately increased the value of insurance coverage. The Supplemental Coverage Option (SCO) is now available for over 85 percent of the crop insurance program liability – meaning that all major crops are covered along with some specialty crops. RMA will continue to expand options as more data becomes available. In addition, Stacked Income Protection Plan for Producers of Upland Cotton (STAX) is available for over 99 percent of cotton acreage nationwide. New Whole Farm Policy: RMA's Whole Farm Revenue Protection (WFRP) insurance product combined the previously available Adjusted Gross Revenue (AGR) and AGR-Lite with improvements to target both (1) highly diversified farms and (2) farms selling 2-5 commodities to wholesale markets. WFRP was made available in portions of the country for the 2015 crop year and covers all commodities on the farm, including specialty crops. In the 2016 crop year, it will be available in every county nationwide. The Acreage Crop Reporting Streamlining Initiative (ACRSI) project continued to progress towards developing streamlined acreage reporting solutions across USDA programs, including on-line self-service tools. Agencies participating in the ACRSI include RMA, FSA, Natural Resources Conservation Service, and National Agricultural Statistics Service.

In the effort to strengthen the marketing chain, USDA has launched more than 70 guides and videos that support sound and sensible organic certification for existing and candidate businesses. In addition, we have released two versions of the Organic Integrity Database, and all organic certifiers have submitted updated data to the system.

The Agricultural Marketing Service (AMS) successfully led a variety of organic standards projects, all designed to clarify requirements for certifiers and operators and level the playing field across organic businesses. Standards published in FY 2015 include multiple rules regarding the National List of Allowed and Prohibited Substances and the Origin of Livestock Proposed Rule. In addition, AMS published guidance documents including Policy Memo on Biodegradable Biobased Mulch Film; Policy Memo on Electrolyzed Water; and Draft Guidance on Natural Resources and Biodiversity Conservation for Certified Organic Operations.

AMS conducted a total of 34 audits of USDA-accredited organic certifiers to verify regulatory compliance. The audits found that USDA organic certifiers remained in full compliance with 96 percent of accreditation criteria.

**CHALLENGES:** To the extent that commodity prices decrease in the future, so will the value of risk protection. USDA will need to find ways to continue enhancing participation in the crop insurance program, especially in the South and underserved States. Provisions in the 2014 Farm Bill will help participation. In addition, trade barriers related to biotechnology and other new agricultural technologies also require continual attention from USDA as U.S. development and approval of technological innovations in agriculture often outpace international approvals. To date, the most broadly accepted new technology has been genetically engineered (GE) crops (soybeans, corn, and cotton) and products derived from these crops (oils, meal, and feed). Together, they comprise about one-third of total U.S. agricultural exports.