Support for Agriculture – Farmers, ranchers and those working in supporting industries maintain an agriculture sector that has seen strong growth over the past seven years. Agriculture and related industries account for about $775.8 billion in economic activity, support one out of every twelve jobs in the economy, and help to maintain vibrant, thriving rural communities. 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. Agricultural exports have climbed more than 45 percent in value since 2009, totaling $911.3 billion over the past seven years and set a new record in 2014 at $152.3 billion, more than $11 billion above the previous record. The 2017 Budget continues a strong farm safety net and makes investments to meet challenges of a competitive global market, changing climate, and making agriculture a reality for new and beginning farmers. The Budget will continue to ensure the tools are in place to address animal disease outbreaks that threaten agriculture productivity.

The 2017 Budget provides:

- **Funding for an in-country presence in Cuba** to cultivate key relationships, gain firsthand knowledge of the country’s agricultural challenges and opportunities, and develop programs for the mutual benefit of both countries. U.S. agricultural exports have grown significantly since trade with Cuba was authorized in 2000. In 2014, Cuba imported over $2 billion in agricultural products including $300 million from the U.S., and an in-country presence will capitalize on opportunities this nearby market provides for U.S. agricultural exporters.

- **Assistance to support agricultural trade**, which reached a record $152.3 billion in 2014, including more than $6.4 billion in trade preserved through resolution of foreign market access issues in 2014. Agriculture exports have had the strongest seven-year period of growth in our Nation’s history, with U.S. agricultural product exports totaling $911.3 billion between 2009 and 2015. Since 2009, USDA has helped challenge 2,098 sanitary and phytosanitary, technical, and other barriers to the export of American agricultural products, helping to spur record exports of American agricultural products. In countries without access to adequate commercial credit, the 2017 Budget provides $5.5 billion for the Export Credit Guarantee program.

- **Direct and guaranteed loans to support about 43,000 producers**, 80 percent of whom will be beginning farmers and ranchers, including veterans, and socially disadvantaged producers. Includes a total loan level of about $6.4 billion for Farm Service Agency direct and guaranteed farm ownership and operating loans. Since 2009, USDA has provided about 237,000 loans totaling over $33 billion to farmers and ranchers. Additional lending opportunities are provided for Indian Country, including $20 million in loan level for Indian Land Acquisition loans and $10 million in loan level for the Highly Fractionated Indian Land intermediary re-lending program.

- **Resources to assist the next generation of new and beginning farmers and ranchers**, including military veterans, overcome barriers they face when entering agricultural production. This investment will support three overarching goals: assisting new producers in overcoming the most commonly-cited barriers – the inability to access sufficient capital and to acquire land; expanding financial literacy and business training tools to help support the development of financially sustainable operations; and, expanding access and awareness of available resources. Increases include $10 million for the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Grant Program; $4 million for the Farm Service Agency...
to support regional coordinators within StrikeForce States to facilitate and coordinate producer outreach and provide support for USDA employees in their region; $5 million under the Sustainable Agriculture Research and Education Program to support beginning farmers and ranchers in the adoption of sustainable agricultural practices; $2.5 million for a new competitive Food and Agriculture Resilience Program for Military Veterans (FARM-Vets) that will focus on projects involving research, education, and extension activity for veterans; $3 million under the National Agricultural Statistics Service to survey beginning farmers on unmet needs or barriers to access to USDA programs; and, about $0.5 million for the Economic Research Service to expand analysis to examine differences in adoption of new approaches to meeting changing consumer needs by new farmers and ranchers, including socially disadvantaged, women, and veterans.

- **Assistance to the Nation’s farmers and ranchers take advantage of emerging marketing opportunities for local and regional foods** through on-farm research, support for value-added production and processing, farm-to-school efforts, and venues such as food hubs. Also includes funding to increase the availability of healthy foods in underserved areas, which will expand demand for locally and regionally produced food. Between 2009 and 2014, USDA invested more than $800 million in more than 29,100 local and regional food businesses and infrastructure projects. As a result, the market for local food has grown to at least $12 billion in 2014 from $5 billion in 2008.

- **A total of $2.9 billion for agricultural research** and related activities, including: $1.1 billion that will support approximately 700 research projects in over 90 laboratories of the Agricultural Research Service; $1.4 billion for extramural research, education, and extension programs of the National Institute of Food and Agriculture; $177 million for the National Agricultural Statistics Service, and $91 million for the Economic Research Service. The Budget provides $700 million for Agriculture and Food Research Initiative (AFRI) competitive research grants, including $375 million in discretionary funding and $325 million in mandatory funding to address key research needs. Research has been shown to significantly boost agricultural productivity. Recent outcomes include: new ways to deal with the influenza virus in pigs; increased milk production with fewer resources; innovative and effective ways to manage pests; innovations in irrigation technologies resulting in water savings and improved nitrogen use efficiency; and increased profitability of farmers and livestock producers despite droughts and increasing temperatures.

- **Resources necessary to strengthen animal disease response capabilities.** In recent years, USDA has responded to outbreaks of swine enteric coronavirus disease and highly pathogenic avian influenza. These outbreaks caused significant industry impacts. While the Animal and Plant Health Inspection Service has a strong track record of addressing animal diseases, these two outbreaks have highlighted the need for enhanced staffing to better respond to animal disease outbreaks and to improve regulation of select agents. The Animal and Plant Health Inspection Service has experienced a reduction of more than 200 animal health professionals over the last decade, which has resulted in challenges implementing response plans. For this reason, the Budget includes an increase of an increase of approximately $31 million to strengthen animal disease capabilities.

- **Funding to continue efforts to control feral swine**, a harmful and destructive invasive species. The feral swine population is estimated to be responsible for $1.5 billion in damage annually. In 2015, APHIS successfully eliminated feral swine from four States. The Budget includes approximately $20 million for this effort.
• **Funding to continue efforts to increase the demand for biofuels.** The Budget includes $43 million in Commodity Credit Corporation funding to fulfill USDA’s commitment to assist in the development and support of a commercial advanced drop-in biofuel to be used for both Department of Defense and private sector transportation. In 2015, USDA invested $100 million in the Biofuel Infrastructure Partnership (BIP), a partnership between the Government and States and private partners, to install nearly 5,000 pumps offering higher blends of ethanol nationwide. With the matching commitments by State and private entities, the BIP is investing a total of $210 million to nearly double the number of fueling pumps nationwide that supply renewable fuels to American motorists. These investments will help to create new markets for agricultural commodities, support demand and increase prices paid to farmers.

• **Support for crop insurance coverage on an estimated $92 billion in crop production.** Since the 2009 crop year, USDA has provided crop insurance protection for nearly $725 billion in crop production. As of January 15, 2016, indemnities paid for losses on the 2009-2015 crops have totaled about $64 billion.

• **A proposed legislation to make smart and targeted reforms to the crop insurance program** that reduce the cost of the program, while still maintaining a quality safety net for farmers.

**Rural Opportunities** – Rural America makes significant contributions to the security, prosperity, and economic strength of the country but faces significant challenges from declining population, lagging job growth and persistent poverty. While poverty is a rural, suburban and urban challenge, the reality is that nearly 85 percent of America’s persistent poverty counties are in rural areas. Of particular concern, rural childhood poverty rates are at their highest point since 1986; over 25 percent of rural children live in poverty compared to 21 percent of children in urban areas. USDA continues to focus on promoting economic opportunity, creating jobs, and enhancing the quality of life for those who live in rural America. For example, in the past seven years, the Department helped more than 1.1 million rural families buy or refinance a home, helping over 141,000 rural Americans become homeowners in 2015 alone. Since 2009, nearly 18 million rural residents were able to get access to clean drinking water and better waste water disposal. USDA has supported nearly 112,000 rural businesses through grant and loan support, creating or saving nearly 450,000 jobs between 2009 and 2015. The 2017 Budget strengthens USDA support for rural America with a comprehensive set of loan and grant programs and innovative means to enhance program delivery through a mobile Rural Corps that can more effectively deliver assistance to persistent and high poverty areas.

The 2017 Budget provides:

• **A total of $1.2 billion to support rural business creation and expansion through loans and grants, which will lead to the creation or preservation of over 55,000 jobs** in rural communities. This funding will support revolving loan funds and microentrepreneur development activities in rural areas. Additionally, funding is provided to support agricultural producers develop and market value added products that provide higher returns for producers and create jobs in rural areas. The Budget also supports start-up capital and business expansion in rural areas for high priority activities, including biobased manufacturing and renewable energy development. USDA will continue to facilitate private equity investments in agriculture-related businesses through the Rural Business Investment Company. Currently, USDA programs exist to help
provide loans or loan guarantees to help rural businesses grow, but many small cutting-edge businesses also need equity support in addition to or instead of borrowed funds.

- **Funding that facilitates the growth of the bioeconomy** with a $25 million increase in competitive research funding under AFRI to support development of biobased energy sources. Funds would be used to link feedstock development, production, conversion, and markets in the creation of commercial-scale, advanced biofuels and biobased products that are compatible with existing infrastructure.

- **A total of $6.5 billion in loans for rural electric improvements that will benefit 6 million rural residents**, while increasing renewable energy generation and loans and grants for telecommunications projects to improve services for 100,000 households and businesses.

- **More than triple the current funding for broadband grants** that serve the neediest, most rural communities, which are least likely to have access to high-speed broadband infrastructure which is a critical foundation to foster job creation. This support is needed because nearly 20 percent of Americans living in rural areas lack access to advanced broadband compared to 2 percent in urban areas.

- **Improved health, safety and educational facilities that provide critical services to rural residents**. Continued funding for community facilities grants will address emerging priorities such as Promise Zones, Energy Sector Transition, Generation Indigenous, and StrikeForce Communities. These funds will allow USDA to be responsive to community needs, such as modern healthcare facilities and libraries.

- **Support for over 166,000 families with homeownership opportunities**. Since 2009, the Rural Housing Service has financed approximately 1.1 million home loans for very low and low income rural residents.

- **Resources to implement innovative strategies to combat rural child poverty**, including $25 million in grants for two-generation demonstration projects – intentionally aligning high-quality early childhood education with high-quality workforce development for parents to put the entire family on a path to permanent economic security and positive life outcomes. These projects will be conducted to address the fact that over 25 percent of rural youth live in poverty. The Budget also introduces a new rural home visiting program to serve more high-risk, high-need children and families in remote rural areas.

- **Support for the Healthy Food Financing Initiative**, which will provide funding to improve access to affordable, healthy foods in underserved areas. Nationwide, USDA estimates that 23.5 million people, including 6.5 million children, live in low-income areas that are more than a mile from a supermarket. This effort will complement work to help our Nation’s farmers and ranchers take advantage of emerging marketing opportunities for local and regional foods through on-farm research, support for value-added production and processing, farm-to-school efforts, and venues such as food hubs.

- **Strengthened program delivery through creation of a Rural Corps pilot** to provide mobile technical assistance to needy communities and supports additional staffing for program delivery in StrikeForce areas.

Conservation for Private Working Lands and National Forests – 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. These lands are also critical in offering benefits of
clean air, clean and abundant water and critical wildlife habitat. Continued prosperity and benefits rely upon careful stewardship of these lands, particularly in the face of a changing climate. More than half of the Nation’s freshwater flows from public and private forest lands, with 60 million Americans relying on drinking water originating on the National Forest System. Improved agricultural production practices generate important environmental benefits for producers and the public, including quality improvement of ground and surface water, wildlife habitat, air quality, and soil quality. With regard to wildlife habitat, a noteworthy achievement was observed in 2015. As a result of our Working Land for Wildlife efforts and the work of our many partners, 90 percent of the greater sage-grouse’s breeding habitat in the western United States is protected. Due to this achievement, the U.S. Fish and Wildlife Service has determined this species does not warrant protection under the Endangered Species Act. The work that led to this achievement as well as the many other conservation efforts of the Department ensure that private working lands and national forests are conserved, restored, and made resilient to climate change, while enhancing the Nation’s water resources.

The 2017 Budget provides:

- **A total of $6.7 billion in funding for Farm Bill conservation programs to bring cumulative enrollment to a historic high of 444 million acres.** Includes $1.9 billion in funding for the Conservation Reserve Program. The Conservation Stewardship Program (CSP) and Environmental Quality Incentives Program (EQIP) are funded at authorized levels. This will allow 10 million more CSP acres to be enrolled and will support several critical efforts including the Sage Grouse Initiative, the EQIP Organic Initiative, and the Conservation Innovation Grants program. Also, $500 million in funding is provided to preserve land in agriculture and support habitat for fish and wildlife through the Agricultural Conservation Easement Program (ACEP). ACEP fosters public-private partnerships with landowners, Indian Tribes, State and local governments, and nongovernmental organizations through the use of cooperative agreements or contracts for easements.

- **A total of $263 million, an increase of $35.9 million for the Regional Conservation Partnership Program (RCPP).** RCPP facilitates the delivery of conservation on a broader scale, while providing additional opportunities for diverse partners to implement innovative and cooperative conservation projects. RCPP leverages private and public funds to implement projects across the country to improve the Nation’s water quality, support wildlife and enhance the environment. Through RCPP, USDA has leveraged $800 million to support 115 high-impact conservation projects across the Nation that will improve the Nation’s water quality, support wildlife habitat and enhance the environment.

- **A budget-neutral alternative funding approach to wildland fire suppression that would end the practice of fire transfers** and would mitigate the impact of the growing cost of fire suppression on the Forest Service budget. The growth of the fire programs as a percent of the agency’s budget and the compounding problem of transfers have a significant impact on the agency’s ability to accomplish critical work including restoration work that can reduce fire threats, protection of drinking water source areas, and recreation investments that support thousands of recreation-related jobs. In this proposed approach, the 10-year average for the cost of wildfire suppression is fully funded through a combination of the Forest Service’s discretionary budget and additional emergency budget resources to provide the necessary funding for wildland fire suppression, while promoting program integrity within the Forest Service’s other,
mission critical activities. Additional budget resources are made available to USDA through a budget cap adjustment to cover wildland fire suppression above the base appropriation. This approach will allow the Forest Service to stabilize and invest in programs that restore forested landscapes and prepare the 70,000 communities in the Wildland Urban Interface to avert and minimize damage from future wildfires.

- **The maintenance of 193 million acres of Forest and Grasslands thereby enabling 166 million visitors to enjoy the beauty and serenity of these forests and lands.** Visitation to our national forests and grasslands supports approximately 194,000 jobs and contributes over $13 billion to the Nation’s economy. This includes continued support for the President’s America’s Great Outdoors Initiative, helping America’s young people and our returning veterans become actively engaged in protecting and enhancing our extraordinary natural and cultural heritage.

- **A total of $228 million in discretionary and mandatory funding for Forest Service Forest Legacy and Land Acquisition as part of the Administration’s full funding of the Land and Water Conservation Fund (LWCF).** In total, for USDA and the Department of the Interior this request will provide $900 million in discretionary and mandatory funding for LWCF. The Budget proposes to permanently authorize $900 million in annual mandatory funding. LWCF provides critical support to States to protect high priority forests from conversion and enhance recreation and support the 194,000 jobs created through recreation, hunting and fishing on Forest Service lands.

- **A total of $40 million for the Collaborative Forest Landscape Restoration Program (CFLRP).** CFLRP funds multi-year, landscape scale restoration projects on the National Forest System, taking an all-lands approach to create a more resilient landscape while increasing the pace and scale of restoration. CFLRP projects are designed to reduce the risk of catastrophic fire, while improving water quality, increasing carbon sequestration, and encouraging the creation of sustainable jobs in rural America.

- **An increase of $4.5 million to enhance the enforcement of the Lacey Act.** This funding will be used to make submission of mandated declarations easier for importers, providing law enforcement agencies improved access to declarations, thereby facilitating enforcement.

**Food Security and Safety** – 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 has collaborated extensively with other Federal partners to safeguard the food supply, prevent foodborne illnesses and improve consumers’ knowledge about the food they eat. Since 2009, the number of illnesses attributed to products regulated by the Food Safety and Inspection Service (FSIS) declined by more than 46,000 on an annual basis, or nearly 11 percent. USDA’s nutrition assistance programs help reduce food insecurity, improve nutrition and reduce obesity by ensuring that children and families have access to healthy diets in schools and child and adult care facilities and ensuring that families have the means to purchase food. 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. Successful implementation of the Healthy, Hunger Free Kids Act has provided significant improvements in the nutritional quality of school meals, with 97 percent of participating schools meeting the improved meal standards. In addition to improving access to healthy foods, USDA provides nutrition education and engages in targeted outreach to ensure Americans are equipped to make healthy choices. USDA has also made significant improvements in program delivery, with a
reduction in Supplemental Nutrition Assistance Program (SNAP) payment errors by about 15 percent between 2009 and 2014.

Food security is important for sustainable economic growth of developing Nations and the long-term economic prosperity and security of the United States. Unfortunately, food insecurity is expected to rise. In 2000, USDA estimated that 37.4 percent of the population of 76 low- and middle-income developing countries were food-insecure. By 2012, this dropped to 20.6 percent, largely due to increases in the total area harvested, while yields remained constant or declined. Continued growth in the area harvested is not sustainable, thus food insecurity is expected to rise to 24.4 in 2018.

USDA’s Food for Progress and the McGovern-Dole International Food for Education and Child Nutrition Program have provided benefits to millions of people overseas. These programs have helped to engage recipient countries not only by delivering food assistance, but also by fostering stronger internal production capacity and infrastructure, generating employment, boosting revenue, and developing new markets and productive economic partnerships.

The 2017 Budget provides:

- **Funding for projected participation in nutrition assistance programs**, including:
  - Average monthly participation of 44.5 million in SNAP.
  - 32 million children to be served school lunches and about 15 million to be served school breakfast each day.
  - Average monthly participation of 8.1 million women, infants, and children who will get better nutrition through the WIC program.

- **Better means to address child hunger during the summer**. Based on the success of the Summer Electronic Benefit Transfer for Children (SEBTC) demonstration projects, the Budget proposes an increase of $12.2 billion over 10 years to make the program permanent and begin phased-in nationwide expansion. With an initial investment in 2017 of $146 million, almost one million children would receive benefits in the first year. In a related effort to address hunger in the summer, the Budget provides $10 million for the Summer Food Service Program for demonstration projects of non-congregate meal services by States and Indian Tribal Organizations in rural areas. Further, it provides $26 million to expand SEBTC demonstration projects.

- **Easier access to SNAP by the elderly** by helping States use data matching in lieu of reporting requirements for these generally stable households. The Budget also proposes an almost $14 million increase in the Commodity Supplemental Food Program to support the current number of elderly individuals served and expand caseloads in States by 20,000 slots.

- **Improved program integrity for Child Nutrition Programs and SNAP** aimed at reducing waste, fraud and abuse and ensure that program resources are targeted to those most in need. The Budget provides increased funding to develop and manage a framework related to reducing improper and erroneous payments while also ensuring proper implementation of the school meals programs. The Budget also increases funding to improve the accuracy and effectiveness of SNAP’s quality control system and provides funding to States to promote integrity education to SNAP clients.

- **Support for development of the first-ever dietary guidelines for children birth to two years**. The dietary guidelines have a significant impact on nutrition in the United
States because it forms the basis of Federal nutrition policy and programs; helps guide local, State, and national health promotion and disease prevention initiatives; and informs various organizations and industries. The DGA has traditionally focused on adults and children 2 years of age and older. Infants and toddlers from birth to 24 months of age and pregnant women have not been a focus in previous versions of the DGA because of their unique nutritional needs, eating patterns, and developmental stages.

- **Better protection for Americans from foodborne illnesses with close to 30,000 fewer illnesses projected in 2017 from 2015 as a result of FSIS food inspection.** The Budget includes $8.5 million for FSIS to further modernize its science-based decision-making process by developing and deploying new tools to reduce the prevalence of foodborne illnesses.

- **$182 million for the McGovern-Dole Food for Education and Child Nutrition program, which will support assistance to 3.4 million individuals in food insecure countries in 2017.** In addition, the Budget includes $20 million for the Local and Regional Food Aid Procurement program, which includes $5 million within McGovern-Dole, to support development projects that will assist 68,000 individuals.

**Innovation** – USDA has a long history of fostering research and innovation that has helped agricultural production thrive to the benefit of all Americans. In 1929, approximately 20 percent of disposable personal income went to paying for food consumed in the home. By 2014, the latest year for which data are available, this amount stood at approximately 6 percent. Economic analysis shows that long-term agricultural productivity is fueled by innovations in animal/crop genetics, chemicals, equipment, and farm organization that result from public and private research and development. Progress continues in support of technological development and the biobased economy. As a result of research by USDA scientists, between 2009 through 2015, USDA filed 883 patent applications with the U.S. Patent and Trademark Office and was issued 429 patents. In 2015, USDA held 421 income-bearing licenses. It also had 301 cooperative research and development agreements, of which 106 involved small businesses. Agricultural innovation is increasingly important as rural America faces the evolving threat of a changing climate.

The 2017 Budget provides:

- **A total of $2.9 billion for agricultural research, education, and extension activities,** including $700 million for competitive grants through the AFRI including $325 million in mandatory AFRI funding for research and development that would bring the program up to its authorized level. In addition, ARS scientists will work on about 700 research projects.

- **About $61 million to address antimicrobial resistance in pathogens of humans and livestock,** and to seek answers to key questions about the relationships among microbes and livestock, the environment, and human health as part of a coordinated Federal strategy.

- **Additional research on the effects climate change** and to develop adaptive strategies and technologies to address its impacts. Related research on water resources will increase water use efficiency; improve water management practices; improve the sustainability of key groundwater resources; and enhance the development of technologies for use of non-traditional waters, such as treated wastewaters, salty waters, and agricultural return flows.
• **$36 million for research to address the decline of pollinator health** with a goal of ensuring the recovery of pollinators in consultation with EPA and other relevant Federal partners. Pollinators are critical to our Nation’s economy, food security, and environmental health. Honey bee pollination alone adds more than $15 billion in value to agricultural crops each year, and provides the backbone to ensuring the availability of a variety of fruits, nuts, and vegetables.

• **An increase of $7 million to enhanced research and extension efforts in tribal areas** through 1994 Institutions and the Federally Recognized Tribes Extension Program (FRTEP). This latter increase will effectively double the number of FRTEP staff engaged in 4-H activities to 72, helping to serve more tribal youth.

• **Strengthened USDA abilities to examine the relationships between food programs, policies, and food choices, and address emerging interests in sustainable food systems**, by funding an update to the 2012 National Household Food Purchase and Acquisition Survey. The Survey will enhance information on the food purchase patterns of Americans by adding representative populations of participants from the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and school meal programs, and integrating the purchased foods to their equivalent agricultural food commodities.

**Modernization** – While providing record levels of service to rural America, USDA has improved the management operations of the Department. Through the Blueprint for Stronger Service, USDA has taken proactive steps to reduce spending, streamline operations and cut costs. These proactive steps have enhanced the ability to carry out the Department’s mission-critical work, while ensuring that USDA's millions of customers across America receive stronger service. Through the Blueprint, USDA has achieved over $1.4 billion in savings and cost avoidance in the management and administrative areas that support Departmental operations. Continuing this work, the Department is focused on improving management of its real property assets and by increasing the efficiency of procurement through enhanced strategic sourcing – particularly in the areas of information technology and fleet. The 2017 Budget builds on the success achieved to date and proposes other program reforms.

The 2017 Budget provides:

• **Funds to strengthen SNAP Employment and Training** by proactively engaging, supporting, and guiding State agencies and their partners in developing innovative, demand-driven training programs that empower SNAP recipients to attain self-sufficiency.

• **Resources to continue modernization of the headquarters facilities to eliminate leased space and address critical life/safety deficiencies** through a phased modernization of the USDA headquarters complex, including the 80 year old South Building.

• **Expanded cyber security assets to protect the USDA network** through the acquisition of more robust scanning tools and services to better protect the data and sensitive information of employees and customers of the Department.

• **Key research infrastructure investments** include addressing the backlog of USDA’s key laboratory construction and renovation needs, consistent with the 2012 Capital Investment Strategy, including the Agricultural Research Technology Center in Salinas,
CA, where research is done on alternatives to methyl bromide and development of scientifically based organic crop production practices for weed, insect, and disease control, as well as the Foreign Disease-Weed Science Research Laboratory in Ft. Detrick, MD.