

**Testimony of Robert Bonnie
Under Secretary for Farm Production and Conservation
U.S. Department of Agriculture
before the
Senate Committee on Agriculture, Nutrition, and Forestry
February 9, 2023**

Chairwoman Stabenow, Ranking Member Boozman, and Members of the Committee, thank you for the opportunity to speak with you today about the continued importance of the 2018 Farm Bill programs for American agriculture, and the challenges our producers continue to face, as you begin your consideration of a new Farm Bill.

My name is Robert Bonnie, and as the Under Secretary for the Farm Production and Conservation (FPAC) mission area, I have the honor to work with USDA's producer-facing agencies as we partner with farmers, ranchers and forest owners to strengthen American agriculture together. All four FPAC agencies – the Farm Service Agency (FSA), the Risk Management Agency (RMA), the Natural Resources Conservation Service (NRCS), and the FPAC Business Center (FPAC BC) – are engaging producers in new and more effective ways, streamlining the delivery of our programs, opening the doors of agriculture to all, and providing a more effective and holistic farm safety net than ever before.

Under the leadership of the Biden-Harris Administration and Secretary Vilsack, USDA has been hard at work to address the challenges our farmers face every day. When a producer needs service or assistance, they often turn to FPAC first. Whether they are working to recover from a natural disaster, figuring out how to finance their operation, developing a plan to manage their risk, or seeking new ways to earn their fair share of the food dollar by accessing new and better markets, farmers can rely on FPAC programs and professionals.

Farming and ranching is hard work. Even with record farm incomes this year, small farms, which comprise 89% of all farming operations, often relied on off-farm income to meet the needs of their families — and there are still far too many barriers to entry for small, new, and beginning farmers. This is precisely why FPAC is joining the other agencies of USDA to help producers increase their revenue sources and income opportunities so their operations – and the agricultural economy – can become more sustainable, resilient, and profitable. Through our efforts to build markets for climate-smart commodities, create new and better tools to manage risk to crops and revenue, take proactive steps to improve access to our programs, and increase our support for working lands conservation practices, we are helping farmers create a more resilient agricultural economy that can weather the challenges of the twenty-first century.

My testimony today focuses on (1) delivery of farm programs, (2) keeping families on the farm by targeting disaster programs based on need and through improved farm loan program, (3) reducing burdens to producers to participate in USDA programs, (4) building a producer-led, voluntary, incentive-based approach to encourage climate-smart agriculture and forestry, and (5) strengthening FPAC's work through collaboration.

I look forward to providing the Committee an update on how our Farm Bill programs are working in agricultural communities across the country and sharing insights on how implementation of additional flexibilities and new tools have benefitted the farmers, ranchers, and producers we all serve.

Delivering Our Programs

Safety net programs continued to offer a vital lifeline to producers affected by damaging weather and market changes. FSA and RMA are delivering these programs to provide timely support to producers of more crops than ever, while expanding options for producers to address immediate and emerging situations such as drought, flooding, and freezing weather.

Farm Programs

The 2018 Farm Bill strengthened the programs that FSA delivers to producers, giving them the tools to succeed in feeding and clothing the world.

Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to producers of noninsurable crops when low yields, loss of inventory, or prevented planting occurs due to natural disasters. This program provided more than \$134 million to producers in Fiscal Year (FY) 2022. FSA recently announced it will provide basic NAP coverage and waive the NAP service fee for eligible producers who have a CCC-860, which is our Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, on file prior to the applicable NAP application closing date. It is USDA's hope that this key update will broaden the program's reach and ensure that NAP remains an accessible means of assistance for producers for generations to come.

FSA has also made several changes to our livestock programs to assist producers suffering from adverse weather events. For the Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish Program (ELAP), an FSA policy change now makes food fish and other aquatic species eligible for ELAP. Previously, only farm-raised game and bait fish were eligible for assistance. In response to drought conditions, FSA updated the ELAP regulations to help cover the cost of transporting feed for livestock that rely on grazing and cover above normal costs of hauling livestock to forage or other grazing acres.

For the Livestock Indemnity Program (LIP), FSA updated the payment rates to better reflect the true market value of non-adult beef, beefalo, bison, and dairy animals and added Mycoplasma bovis as an eligible bison disease in 2022 and future years.

For ELAP, LIP, and the Livestock Forage Program, FSA expanded eligible livestock to include horses maintained on eligible grazing land. Many family farms and ranches use their forage to raise horses to augment other agriculture endeavors and USDA recognizes that animals maintained in a commercial agriculture operation add value to the operation and could be available for marketing from the farm. By the close of FY 2022, ELAP provided more than \$214 million and LIP provided nearly \$17 million to adversely impacted producers.

In additional safety net support, FSA provided more than \$2.2 billion in FY 2022 in critical support through the Agriculture Risk Coverage and Price Loss Coverage programs to mitigate fluctuations in either revenue or prices for certain crops; \$3.4 million in financial assistance to qualifying orchardists and nursery tree growers through the Tree Assistance Program; and \$13.9 million in support to owners of non-industrial private forests through the Emergency Forest Restoration Program.

Dairy Programs

Dairy Margin Coverage (DMC) offers reasonably priced protection to dairy producers when the difference between the all-milk price and the average cost of feed falls below a certain level selected by the program participants. By providing flexible coverage options, DMC was crafted to better target small- and mid-sized dairy producers.

In 2021, DMC payment triggered for 11 months and paid enrolled producers a total of \$1.18 billion with an average of \$61,914 per operation. In 2022, DMC payments fell to \$79.2 million due to record high milk prices.

Ahead of the 2022 DMC signup, FSA made key improvements to DMC using pandemic supplemental funding (CAA source) by expanding the program to allow dairy producers to better protect their operations by enrolling supplemental production. Supplemental DMC provides \$580 million to better help our small- and mid-sized dairy operations that have increased production over the years but were not able to enroll that additional production. Eligible dairy operations with fewer than five million pounds of established production history can now enroll supplemental pounds based on a formula using 2019 actual milk marketing, which are resulting in additional payments. Supplemental DMC coverage is applicable to calendar years 2021, 2022, and 2023, which means that participating dairy operations with supplemental production history have been able to receive retroactive supplemental payments for 2021 in addition to payments based on their established production history. Since Supplemental DMC was created to allow farmers to bring additional production into the program, 2,400 farmers have added over 3 billion additional pounds of production to DMC coverage.

In addition to implementing Supplemental DMC, FSA updated the DMC and Supplemental DMC feed cost formula to better reflect the actual cost dairy farmers pay for high-quality alfalfa hay. FSA now calculates payments using 100 percent premium alfalfa hay rather than 50 percent. Using pandemic emergency funding, the alfalfa feed cost change was retroactive to January 2020 and provided additional payments of 100 million dollars for 2020 and 2021. Changes to the calculation of feed costs, specifically high-quality alfalfa, have put approximately \$115 million in additional funds into the pockets of farmers.

Crop Insurance

RMA leveraged the tools in the 2018 Farm Bill to expand crop insurance to more crops and producers. Through a series of stakeholder engagements, RMA was able to learn about the needs of specialty crop and underserved producers, which led to the development of a new nursery policy that is easier for producers to access and for insurance companies to sell and service; a new policy for strawberries in Florida and California; several modifications to the

Whole Farm Revenue Protection Program to expand eligibility limits and provide more coverage for organic and livestock producers; and to a new Micro Farm Policy targeted at providing crop insurance for smaller producers who sell locally, such as to farmers markets.

RMA also updated cover crop guidelines so that producers know that insurance will attach at the time of planting the insured crop and that cover crops are covered by Good Farming Practice provisions as directed in the 2018 Farm Bill. These changes will give producers the confidence to undertake voluntary conservation practices, accounting for advances in cover crop practices, without impacting their crop insurance coverage and allow producers to hay, graze, or chop their cover crop at any time and still receive 100% of a prevented planting payment.

In partnership with Approved Insurance Providers, RMA provided almost \$175 billion in total risk protection for American farmers and ranchers and delivered almost \$16 billion in indemnities to producers during crop year 2022. This includes over 1 million policies for more than 600 types of crops covering nearly 500 million acres. This public-private partnership provides important risk management and peace of mind for producers while achieving an improper payment rate of just 2.58 percent. This low error rate is due in large part to RMA's rigorous analysis and identification of root causes and the continuous dialogue between RMA, industry, and producers so that similar errors can be avoided in the future.

RMA has made it a priority to design policies that pay producers promptly. For example, RMA's Hurricane Insurance Protection – Wind Index for the Gulf Coast, Eastern Seaboard, and Hawaii provides prompt payment to producers when a hurricane hits. In three years, policy has paid almost \$450 million to producers, covering over a dozen hurricanes. This policy has proven so successful that RMA is looking to expand options to other named tropical storms in the near future.

Similarly, for those experiencing dry conditions, the Pasture, Rangeland, and Forage program now has more than 250 million acres insured — compared to less than 100 million in 2018. The new dual option that allows producers that grow crops that are grazed and mechanically harvested on the same acres to have two separate insurance policies has more than doubled the acreage now insured under the Annual Forage program. Annual Forage is designed to protect against lack of precipitation, a vital safety net program in a time of increasingly frequent and severe drought.

One notable feature of the Federal crop insurance program is the "508(h)" process. This process allows stakeholders, private insurance providers, RMA, and the Federal Crop Insurance Corporation Board of Directors (who broadly represent the government, farmers, and the insurance industry) to come together to develop new, innovative, and financially sound policies and plans of insurance to meet the needs of farmers and ranchers. It is through this partnership that almost 40 new insurance products have been developed to further strengthen the Federal crop insurance program. This process has been particularly important for producers who had limited crop insurance options for their operations and has led to the creation of popular programs like Livestock Risk Protection, Dairy Revenue Protection, and the Enhanced Coverage Option.

Finally, in response to the Russian invasion of Ukraine, RMA increased the number of counties eligible for double cropping insurance, boosting food production by allowing more farmers to plant a second crop on the same land in the same year, such as wheat that is then followed by soybeans. This type of farming can be risky, and insurance gives these farmers financial security to expand the practice. At the same time, double cropping has the potential to improve farmer bottom lines while providing significant environmental gains as well.

Keeping Farmers Farming Through Holistic Disaster Assistance and Support for Distressed Farm Loan Borrowers

Disaster Assistance

FPAC has also risen to the challenge as the pandemic continued to disrupt operations, markets, and lives across the countryside. Our Pandemic Assistance for Producers initiative filled gaps in previous assistance, making sure that USDA was reaching a much broader set of producers, including those in underserved communities, small- and medium-sized producers, farmers and producers of non-commodity crops, and other agricultural businesses. This initiative also provided an opportunity for the Department to evaluate and adjust how it delivers programs based on feedback from the agriculture industry.

Early in 2021, USDA paused the Coronavirus Food Assistance Program (CFAP) 2 briefly to make significant improvements to the program and to better meet the needs of producers and industries left out of earlier pandemic assistance programs. This included a \$4.7 million investment to establish partnerships with organizations to provide outreach and technical assistance to underserved producers leading to a fourfold increase in participation by underserved producers when the program reopened in April 2021. Just last month, we also FSA announced that it would be making automatic Coronavirus Food Assistance Program 2 (CFAP 2) top-up payments to underserved producers.

In addition to making substantial improvements to CFAP 2, USDA created several new pandemic assistance programs to support those producers who experienced substantial losses due to the pandemic but who had not been included in previous rounds of assistance. FSA focused on making sure the assistance it provided with these updates helped address every producer's true, comprehensive losses. This meant creating new programs to support transitioning organic producers, cotton and wool apparel manufacturers, biofuel producers, producers who sold hogs through a spot market sale, livestock producers impacted by insufficient access to processing, timber harvesting and hauling businesses, dairy farmers who received a lower value due to market abnormalities, and more. It also meant reimagining and improving our approach to disaster assistance.

To expedite the distribution of the \$10 billion in emergency relief funds provided by the Extending Government Funding and Delivering Emergency Assistance Act of 2021, FSA and RMA leveraged existing data to streamline an application process and get money to producers faster than previous ad hoc programs without burdening producers. In collaboration with the FPAC BC, FSA and RMA created prefilled applications which allowed FSA to quickly assist

producers in need. As of December 31, 2022, FSA processed more than 100,000 applications totaling nearly \$670 million in payments to livestock producers and more than 255,000 applications totaling over \$7.2 billion in payments to commodity and specialty crop producers to help offset eligible losses from qualifying 2020 and 2021 natural disasters.

The design of Phase One of the Emergency Livestock Relief Program (ELRP) and Phase One of the Emergency Relief Program (ERP) allowed for an expedited process that is estimated to have saved staff over a million hours of staff and farmer time. FSA was able to begin disbursing payments to producers within days of rolling out each program, a stark contrast to the lengthy applications and processing times required when payments were made under the previous ad-hoc disaster program known as Wildfire and Hurricane Indemnity Program — Plus (WHIP+). FSA county offices can process almost nine ERP applications in the time it took to process one application for WHIP+, which equates to 88% less time to process applications.

These process improvements also enhanced the customer experience for farmers by reducing the number of producer trips to FSA county offices, allowing producers to spend less time completing forms so they could focus more on their farming operations. In addition, the ERP program design greatly diminished the potential for errors and leveraged the existing RMA and Federal Crop Insurance loss adjustment data as part of the verification processes. With more applications approved, more dollars distributed, and more dollars paid per application in a shorter timeframe, the streamlined application process has been immensely successful.

Last month, the Secretary also announced the second phase of ERP, along with the Pandemic Assistance Revenue Program (PARP), both of which will fill any remaining gaps in previous assistance. ERP helps producers who suffered crop losses due to wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, and qualifying droughts occurring in calendar years 2020 and 2021. Phase Two will cover gaps not covered by Phase One of ERP announced in May 2022.

Meanwhile, PARP provides new, broader and more equitable opportunities for farmers, ranchers and producers impacted by the coronavirus pandemic. PARP helps producers of agricultural commodities who had a 15% or greater gross revenue decrease in 2020, compared to 2018 or 2019. Prior pandemic assistance was targeted to individual crop price declines or limited market access, rather than overall revenue losses in 2020, thus, leaving significant holes in coverage.

Through these new revenue-based programs, FPAC is working to address producers' true losses and make sure they can keep farming into the next growing season, despite the many challenges they have faced these past years.

Assistance for Distressed Borrowers

When it comes to keeping farmers farming, USDA has also taken significant steps to support the producers who rely on our farm loan programs.

Farm loans were especially critical this past year as producers struggled with rising interest rates, pandemic-driven supply chain issues, increased input costs, rising farmland prices for those who want to start or expand their operation, and climate-induced natural disasters. These challenges pose an even greater hurdle for underserved producers, including beginning and veteran producers, along with producers working to find ways to diversify and add value to their operations. These are the producers who make up the vast majority of the approximately 115,000 direct and guaranteed farm loan borrowers with more than \$32 billion in loans.

In 2022, total farm loans equaled \$5.8 billion, down from a high in 2020 of \$7.2 billion. This includes \$3.2 billion for beginning farmers and ranchers, who represent two-thirds of all borrowers. Direct Farm Ownership loans totaled \$1.8 billion and Guaranteed Farm Ownership Loans totaled \$2.4 billion.

Thanks to the work of Congress and the passage of the Inflation Reduction Act, FSA was able to provide once-in-a-generation assistance to keep our borrowers on their operations. Section 22006 of the Inflation Reduction Act included \$3.1 billion to help ease the burdens of the past years for distressed borrowers. Under this provision, producers with qualifying USDA farm loans received nearly \$800 million in assistance and we have outlined steps to administer up to an additional \$500 million. Approximately 11,000 delinquent direct and guaranteed borrowers had their accounts brought current since USDA's announcement in October 2022. USDA also paid the next scheduled annual installment for qualifying direct loan borrowers giving them peace of mind in the near term while loan modifications and other payment options are considered. Approximately 2,100 borrowers who had their farms foreclosed on and still had remaining debt have had this debt resolved to cease debt collections and garnishment relieving that burden.

USDA is also initiating two case-by-case processes to provide additional assistance to farm loan borrowers. Under the first new process, FSA will review and assist with delinquencies from 1,600 complex cases, including cases in which borrowers are facing bankruptcy or foreclosure. The second process will add a new option using existing direct loan servicing criteria to intervene more quickly and help an estimated 14,000 financially distressed borrowers who request assistance to avoid even becoming delinquent. USDA will also be administering up to \$66 million in separate automatic payments, using COVID-19 pandemic relief funds, to support up to 7,000 direct loan borrowers who used FSA's disaster-set-aside option during the pandemic to move their scheduled payments to the end of their loans.

Reducing The Burden for Producers

FSA Field Operations

FSA Field staff worked face to face with farmers and ranchers to ensure program benefits were processed and paid promptly while implementing the 2018 Farm Bill. During the COVID-19 pandemic, staff dealt with an increased volume of existing program applications and new program implementation while ensuring their own safety and that of the customer. Indeed, throughout the pandemic the FPAC Business Center Homeland Security Division worked across the mission area and with the Secretary's office to ensure both customers and employees were safe when visiting any of our state or county offices, adjusting guidance daily to balance risk and to optimize in-person staffing. Together, FPAC and USDA delivered programs amid the

pandemic while developing the first USDA Workforce Safety Plan protecting more than 100,000 employees and implemented the first facility staffing standards in Federal government based on COVID risk at the county level.

FPAC used new processes and technology to complete farmer and rancher requests in a way that took fewer steps for the farmer and less time to deliver results. This included expanded use of digital signatures, remote workload processing, and a centralized call center staffed with employees who were readily available to assist customers virtually. These improvements allowed farmers and ranchers to spend less time traveling long distances, taking them from their businesses, and also provided much-needed flexibility to engage with the agency on their schedule.

A well trained and robust field staff is essential to providing the service our producers deserve, whether in person or virtually. FSA Field Operations prioritized hiring staff in county office locations while taking steps to address systemic concerns with recruitment and retention. FSA has significantly increased use of recruitment, relocation, and retention incentives to improve recruitment and retention of high caliber employees. In FY 2022, FSA issued 334 student loan repayments to employees who, in exchange, entered into 3-year service agreements with the agency. FSA has been addressing concerns for entry and mid-career pay while working toward fully staffing offices. Through focused recruitment and outreach efforts to minority serving institutions, FSA also saw an 81 percent increase in diversity hires in county office staff in FY 2022 as compared to FY 2021.

Farm Loan Programs

FSA launched the Loan Assistance Tool in Fall 2022 to help farmers and ranchers better navigate the farm loan application process. FSA experiences a high rate of incomplete or withdrawn applications, particularly among underserved customers, due in part to a challenging and lengthy paper-based application process. The Loan Assistance Tool helps ensure loan applicants fully understand the application process and gather the correct documents before they begin the process. This will then help them prepare and submit their loan applications, which is expected to improve customer experience and reduce the number of incomplete, rejected, or withdrawn applications.

The tool mimics the support an applicant would receive when completing a loan application in person with a Farm Loan Officer by helping them assess their eligibility before beginning the application process, directing them to the appropriate loan types for their situation, providing a comprehensive documentation checklist noting what should be gathered before beginning the loan application process, and assisting them with the completion of all appropriate loan application forms while minimizing duplicate information requests.

The launch of the Loan Assistance Tool is the first of several farm loan process improvements that are part of Farm Loans' broad IT Modernization Initiative to replace paper-based and manual processes with efficiencies and automation that will benefit customers and employees. Planned improvements include the replacement of a 50-year-old COBOL based accounting system that interrupts daily operations and inhibits implementation of new programs and process improvements. Other farm loan improvements and tools that Farm Loans intends to roll out in

2023 include an interactive online direct loan application that gives customers a paperless and electronic signature option, along with the ability to attach supporting documents such as tax returns and an online direct loan repayment that relieves borrowers from the need to call, mail, or visit a local service center to pay a loan installment. These improvements will return valuable time to producers and farm loan officers alike.

Later this year, Farm Loan Programs also intends to publish a simplified direct loan application. Written in plain language and reduced from ten forms to one, and from 29 pages to 13 pages, the new form is intended to streamline and simplify the loan application process. The new form will be published in the Loan Assistance Tool as a fillable form and with easy-to-understand instructions and navigation options. A printed version of the form will also be available to farmers at their local county office. Development of this new form will fulfill Executive Order 14058, [Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government](#), which requires the Secretary of Agriculture to design and implement a simplified direct farm loan application process.

These tools will improve program delivery by providing a more modern customer experience such as the experience offered by commercial banks.

Taxpayer Education

Taxpayer education has also been a longstanding issue in the agricultural community. There is a dearth of preparers in rural areas, many producers are not knowledgeable about agricultural taxes, and many do not have the experience or resources necessary to integrate tax planning into their farm financial planning process. FSA is leading USDA's Taxpayer Education and Asset Protection initiative by supporting the creation of educational agricultural tax materials and the establishment of a network to deliver education on these topics. Through this holistic approach, FSA is taking steps to make producers aware that receiving funds from USDA through disaster payments and debt relief loan payments, for example, creates a tax liability for their farm business.

FSA has partnered with key stakeholders to deliver training to tax attorneys, tax preparers, land grant and extension faculty, NGOs as well as to farmers and ranchers themselves. FSA is also leveraging this initiative to facilitate the delivery of Heirs Property resources and estate planning training to farmers and ranchers because tax and legal issues often go hand in hand for underserved producers. Through this initiative USDA seeks to empower farmers and ranchers in their financial decision making while ensuring they can protect their farm assets and transfer them to the next generation.

Producer Engagement

Throughout the past year, the FPAC BC increased the resources available to all producers and agricultural organizations to engage with information vital to the success of their operations. More than 200 new webpages were built on farmers.gov to highlight priority programs, deadlines and opportunities, and included Spanish translations of the farm loan discovery and

service center locator tools. Resources were organized to make searching easier for producers including those from the beginner, small-scale, urban, organic, women, youth, non-English speaker and LGBTQ+ communities. Currently, the FPAC BC is developing a webpage for Tribal producers to increase their awareness of our programs in general and those geared toward them in particular.

FPAC also expanded features for producers who log into their farmers.gov profiles. FPAC BC streamlined the process for producers and partners to access and conduct business with USDA in the internal portal side of farmers.gov. A new feature allows individuals or entities to act on behalf of other individuals or entities. Also, producers can now access farmers.gov on any device, including cell phones and tablets. Efficiency in communicating with customers through farmers.gov has improved collaboration with our producers while delivering services to the broadest audiences ever. For example, NRCS customers can fill out a standard application for access to most farm bill conservation programs, receive e-mail notifications, view payments, and request technical assistance from a local field office, reducing confusion and wait time to sign up for assistance.

Crop Insurance

In a similar endeavor, RMA has made several recent changes to ease the burden of buying crop insurance and to make the program enticing to more producers. RMA updated the cover crop guidelines so producers are aware up front that insurance will attach at the time of planting the insured crop and that cover crops are covered by Good Farming Practice provisions, proactively clarifying common issues with their coverage. RMA made additional modifications to keep up with cover crop advancements and now allows producers to hay, graze, or chop their cover crop at any time and still receive 100 percent of a prevented planting payment.

For Whole Farm Revenue Protection (WFRP), RMA now allows a producer to report and self-certify yield at the beginning of the year for commodities without other insurance options in a way similar to those with individual crop policies. This will significantly reduce the amount of paperwork required to apply for WFRP. RMA also eliminated expense reporting to reduce further paperwork for producers. In place of expense reporting, WFRP will reduce the expected revenue of commodities a producer is unable to plant to 60 percent, comparable to prevented planting for other programs.

Recognizing the practical reality that farms often cross county lines and insurance should accommodate that, producers can now insure land in multiple counties through Multi-County Enterprise Units.

Developing a Voluntary, Producer-led Approach to Encourage Climate-Smart Commodity Production

Partnerships for Climate-Smart Commodities

Agriculture not only is impacted by climate change but has significant potential to reduce greenhouse gas emissions and sequester carbon in soils and vegetation with the right set of

incentives. In addition, many climate-smart agricultural practices can improve agricultural and forest productivity. USDA is committed to an approach to climate-smart agriculture and forestry that is voluntary, incentive-based, collaborative and that expands and creates new markets for climate-smart commodities and GHG reductions that reward farmers, ranchers and forest owners for their stewardship.

There is strong and growing interest in the private sector and among consumers for food that is grown in a climate-friendly way, creating a major market opportunity for climate-smart agriculture. In response to this demand, Secretary Vilsack recently announced an investment in partnerships to support climate-smart farmers, ranchers, and forest landowners through the Partnerships for Climate-Smart Commodities. The effort will finance the production of climate-smart commodities through partner-led pilot and demonstration projects that help expand and create markets for climate-smart agricultural commodities that will provide new sources of revenue for producers.

On September 14, 2022, USDA announced funding of approximately \$2.8 billion for 70 projects selected from the first funding pool, which received over \$18 billion in total project requests for projects between \$5 million to \$100 million. Then, on December 12, 2022, USDA announced additional funding of approximately \$325 million for 71 projects under the second funding pool, which received over \$2 billion in proposals for projects from \$250,000 to up to \$5 million.

Proposals for the 141 selected projects include plans to match on average 50 percent of the Federal investment with nonfederal funds. USDA received over 1,000 proposals from more than 700 groups, including nonprofit organizations; government entities; farmer cooperatives; conservation, energy, and environmental groups; State, Tribal and local governments; universities (including minority-serving institutions); small businesses and large corporations. Applications covered every State in the nation as well as tribal lands, D.C., and Puerto Rico.

USDA anticipates the projects will result in expanded markets and revenue streams for producers and commodities across agriculture and forestry ranging from traditional corn to specialty crops. This effort will impact over 60,000 farms, encompassing more than 25 million acres of working land engaged in climate-smart production practices like cover crops, no-till, nutrient and manure management, as well as pasture and forest management.

Strengthening Resiliency through Collaboration and New Communities

FPAC has partnered within USDA and with other Federal partners to expand the reach of our programs to new audiences, building a more resilient agricultural community. Through formal partnerships, as well through greater engagement with the producers we serve and their organizations, we have expanded programs in more targeted and effective ways than ever before.

FSA Outreach

Through staff engagement in the Service Centers across the country and the efforts of leadership in the state and national offices, FSA's outreach and partnership work continues to grow. There were 7,461 outreach activities in 2022, a 38 percent increase from last year's 5,399 outreach activities. These activities include talking with producers in a townhall setting, hosting

technical assistance workshops to help producers apply for our programs, and holding webinars and office hours to help stakeholders working with farmers navigate our programs. For 2023, FSA staff look forward to further increases in outreach, education, and technical assistance opportunities.

Urban Agriculture

As directed in the 2018 Farm Bill, the Farm Service Agency (FSA) has been working in collaboration with the Natural Resources Conservation Service (NRCS) and the Office of Urban Agriculture and Innovative Production (OUAIP) to stand up pilot Urban and Suburban County Committees (UCOCs) in 17 urban areas across country. The agencies plan to announce additional pilot UCOC locations in early 2023. To demonstrate USDA's commitment to serving urban producers, FSA, NRCS, and OUAIP have been working to establish brick and mortar USDA urban service centers (USCs) in each location selected for UCOCs.

Heirs' Property

Efforts to expand partnerships and support farmers and ranchers are extensive and will continue this year through cooperative agreements and grant opportunities. For example, the Socially Disadvantaged Farmers and Ranchers Policy Research Center at Alcorn State University continues to lead the development and implementation of the heirs' property and fractionation issues training curriculum targeted to Socially Disadvantaged Farmers and Ranchers, who are disproportionately impacted by heirs' property and fractionation issues. The Federation of Southern Cooperatives/Land Assistance Fund has been conducting outreach and technical assistance on the Heirs' Property Relending Program (HPRP) to ensure eligible heirs learn about the program, receive programmatic and general support when applying to the HPRP, and provide assistance to individuals working to resolve title issues to their heir's property to support their access and participation in the HPRP program.

Farm Stress

In 2019, FSA partnered with NIFA, Michigan State University, and the North Central Regional Center for Rural Development to develop resources to support Farm Service Agency employees in working with distressed producers. This partnership resulted in the development of farm stress, mental health, and suicide prevention training. FSA deployed the online training to its approximately 10,000 employees across the country in 2021. Natural Resources Conservation Service and Risk Management Agency and the FPAC Business Center, have since joined in this effort and trained their headquarters and field staff using the training modules. In fact, every new FPAC employee undergoes the farm stress training modules as part of their onboarding process. A total of 23,601 field employees in FSA, NRCS, and RMA have taken the entirety of the training as of November 2022.

Additionally, in September 2022, FSA and NIFA entered into a new partnership with the University of Illinois to further develop enhanced farm-stress training for USDA employees to support their work in serving farmers and ranchers. It has been so successful that other USDA agencies continue to explore the use of this training for their staff. This training has also formed

the basis of farm stress training developed by Farm Credit, National Farmers Union, and the Farm Bureau for their employees and American farmers themselves.

Risk Management Education

In 2021 and 2022, RMA invested nearly \$6.5 million in partnerships with 27 organizations to provide risk management education and to train and equip the next generation of crop insurance agents, adjusters, and outreach educators about crop insurance options.

Crop Insurance

RMA worked with a broad coalition of stakeholders, including the National Corn Growers Association and several conservation groups, to implement an innovative risk management tool which gives farmers protection if they choose to employ the innovative and environmentally friendly practice of split nitrogen application. This is another example of how USDA, commodity groups, and conservation groups can partner to advance voluntary conservation efforts. RMA has also partnered with national and local organization across the country to improve and promote Whole Farm Revenue Protection and the recently released Micro Farm policy. Since last fall RMA has more than 10 listening sessions with over 1,000 in attendance. These events bring producers, insurance agents, crop insurance companies, and local organizations together to learn about new opportunities and to provide feedback on what RMA can do better.

Organic Coverage

RMA announced additional premium assistance for producers transitioning to organic production through the Transitional and Organic Grower Assistance (TOGA) program for crop year 2023. TOGA is also available as for producers growing organic grain and feed crops, a segment of organic production that has struggled to keep up with demand. This builds upon RMA's efforts to enhance coverage for organic producers – including providing organic price premiums on over 80 crops and allowing producers to use contract prices to more accurately reflect the price they receive.

FSA also helps producers and handlers cover the cost of organic certification, along with other related expenses, through Organic and Transitional Education and Certification Program and Organic Certification Cost Share Program. By helping with organic certification costs USDA is helping producers participate in new markets while investing in the long-term health of their operations.

In conjunction with FSA and RMA, NRCS will offer technical assistance to farmers choosing to implement a new Organic Management conservation practice standard. This is in addition to the existing NRCS assistance for organic and transitioning producers including financial assistance for all offered conservation practices. These efforts are part of a \$300 million multi-agency USDA effort to support organic transition and build and strengthen organic markets.

Conclusion

Agricultural production requires constant adaptation to new challenges. FPAC continues to use the programs Congress has authorized to find innovative solutions that strengthen the farm safety net for communities impacted by severe weather, market disruption, and emerging threats.

More than 22,000 FPAC employees continue to deliver the 2018 Farm Bill programs that keep our agricultural producers in business and help them build stronger each year. Working day to day in more than 2,300 service centers, as well as behind the scenes in state and national offices, FPAC continues to deliver for American farmers, ranchers, and forest owners while implementing new programs during a global pandemic and through multiple disasters.

This past year has provided the opportunity to engage our producers as we build programs that help them become more sustainable and profitable. We have listened to them in town halls, county fairs, and across kitchen tables and they have helped inform our work as we design and deliver the assistance they need in a way that minimizes the burdens on producers and staff. I look forward to continued collaboration with the Committee as we seek to provide more efficient, effective, and inclusive support to the farmers, ranchers, and producers we serve.