

2016 Explanatory Notes
Commodity Credit Corporation

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COMMODITY CREDIT CORPORATION

Purpose Statement

The Commodity Credit Corporation (CCC or the Corporation) is a wholly owned Government corporation created in 1933 under a Delaware charter and reincorporated June 30, 1948, as a Federal corporation within the Department of Agriculture by the Commodity Credit Corporation Charter Act, approved June 29, 1948 (15 U.S.C. 714). CCC assists in stabilizing, supporting, and protecting farm income and prices, helps to maintain balanced and adequate supplies of agricultural commodities, helps in the orderly distribution of these commodities, and assists in the conservation of soil and water resources. The goal is to promote economic stability in the farm sector through an approach that supports farm income and facilitates prices that are reasonable to consumers and competitive in world markets, while retaining basic management responsibilities of farmers and minimizing Federal interference in the agricultural economy.

Management of the Corporation is vested in a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is an ex-officio director and chairman of the board. The board consists of seven members, in addition to the Secretary. Various Department of Agriculture officials are ex-officio officers of the Corporation. The activities of the Corporation are carried out mainly by the personnel and through the facilities of the Farm Service Agency (FSA) and the FSA State and county committees. The Foreign Agricultural Service (FAS), the Natural Resources Conservation Service (NRCS), and other agencies and offices of the Department, and commercial agents also carry out certain phases of the Corporation's activities. With respect to FSA-administered CCC programs, FSA utilizes its headquarters offices in Washington, D.C. and Kansas and FSA State and county offices. There are 50 State offices, an insular area office in Puerto Rico, and over 2,100 county offices. Similarly, NRCS-administered programs are carried out through the national office of NRCS and its nationwide office structure. CCC activities carried out by FAS require the use of the FAS headquarters office and agricultural attachés located throughout the world.

Historically, the principal operations conducted by CCC are related to the operation of price and income support programs for producers of agricultural commodities. While the CCC Charter Act provides broad authority with respect to the support of U.S. Agriculture, the majority of CCC activities are those that the Corporation is required to implement under various statutes, such as the 2014 Farm Bill. Operations of the CCC include:

Buying	Donating	Transporting	Crop Loss Protection
Selling	Lending	Making Payments	
Bartering	Storing	Conservation Operations	

In addition, a significant amount of CCC funds are expended in the operation of numerous conservation programs, principally under the Food Security Act of 1985. Most of these conservation programs are administered on behalf of CCC by NRCS.

CCC is the principal source of funds for the international activities of the Department of Agriculture. Under the CCC Charter Act and other acts, most notably Public Law 480 and the Agricultural Trade Act of 1978, the Corporation provides assistance in the development of international markets and provides guarantees to facilitate the financing of goods and services exported from the United States to improve or establish agriculture-related facilities in emerging markets, and storage, handling, and disposition of commodities acquired under the various programs. CCC funds, and CCC-acquired commodities, are also used with respect to the administration of developmental programs in foreign countries.

CCC-owned commodities are also available for use in the administration of domestic nutrition and feeding programs administered by the Food and Nutrition Service.

FINANCING

The Corporation has an authorized capital stock of \$100 million held by the United States, with the authority to have outstanding borrowing of up to \$30 billion at any one time. Its capital structure is replenished each year by appropriations to restore net realized losses on support operations and to reimburse costs of other programs.

Borrowing Authority

Funds are borrowed from the Treasury and may also be borrowed from private lending agencies and others. The Corporation maintains a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the Act of March 8, 1938 (15 U.S.C. 713a-4). Reservation of borrowing authority for these purposes has not been required for many years.

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest may also be paid on other notes and obligations at a rate prescribed by the Corporation and approved by the Secretary of the Treasury.

Appropriations

Reimbursement for Net Realized Losses. Under Section 2 of Public Law 87-155, the Act of August 17, 1961 (15 U.S.C. 713a-11), annual appropriations are authorized for each fiscal year, commencing with 1961, to reimburse the Corporation for net realized losses. The Omnibus Budget Reconciliation Act of 1987 amended Public Law 87-155 to authorize that the Corporation be reimbursed for its net realized losses by means of a current, indefinite appropriation as provided in annual appropriations acts.

Hazardous Waste Management Program. Legislation affecting this program includes the Safe Drinking Water Act and the Comprehensive Environmental Response, Compensation, and Liability Act. CCC conducted a grain storage program from the 1930's to the early 1970's. At its peak during the 1950's, CCC operated grain storage facilities on leased property at approximately 4,500 locations nationwide. During this period, some of the grain was authorized for fumigation using carbon tetrachloride to control destructive insects. In 1985, use of carbon tetrachloride was prohibited and the EPA assigned a maximum allowable contaminant level. Since that time, over 50 former CCC storage sites have been found to have carbon tetrachloride ground water contamination levels exceeding the EPA maximum. Section 11 borrowing authority is used to conduct both operation and maintenance of existing treatment systems as well as remedial actions, with \$4.2 million approved in 2014. CCC is authorized to use its borrowing authority, not to exceed \$5 million, for site investigations, ongoing operations and maintenance and remediation expenses.

AGRICULTURAL ACT OF 2014

Public Law 113-79, the Agricultural Act of 2014 (2014 Farm Bill) was signed by the President on February 7, 2014. The 2014 Farm Bill repealed certain programs, continued some programs with modifications, and authorized several new programs. (Unless otherwise noted, these programs are authorized and/or funded through 2018).

PROGRAMS OF THE CORPORATION

COMMODITY PROGRAMS

Price support, marketing assistance loans, and related stabilization programs – The Corporation conducts programs to support farm income and prices and stabilize the market for agricultural commodities. Price support is provided to producers of agricultural commodities through loans, purchases, payments, and other means.

Price support is mandatory for sugar and dairy products. Marketing assistance loans are mandatory for wheat, feed grains, oilseeds, upland cotton, peanuts, rice, and pulse crops. Loans are also required to be made for sugar, honey, wool, mohair, and extra-long staple cotton.

One method of providing support is loans to and purchases from producers. With limited exceptions, loans made on commodities are nonrecourse. The commodities serve as collateral for the loan and on maturity the producer may deliver or forfeit such collateral to satisfy the loan obligation without further payment.

Direct purchases may be made from processors as well as producers, depending on the commodity involved. Also, special purchases are made under various laws for the removal of surpluses; for example, the Act of August 19, 1958, as amended, and section 416 of the Agricultural Act of 1949, as amended.

Direct, Counter-Cyclical and Average Crop Revenue Election (ACRE) Payments – The 2014 Farm Bill repealed Direct Payments, Counter-Cyclical Payments and Average Crop Revenue Election Payments and established two new programs, Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC).

Price Loss Coverage (PLC) – Payments are issued when the effective price of a covered commodity is less than the respective reference price for that commodity established in the statute. The payment is equal to 85 percent of the base acres of the covered commodity times the difference between the reference price and the effective price times the program payment yield for the covered commodity.

Agricultural Risk Coverage (ARC) – There are two types: County ARC and Individual ARC.

County ARC – Payments are issued when the actual county crop revenue of a covered commodity is less than the ARC county guarantee for the covered commodity and are based on county-level data. The ARC county guarantee equals 86 percent of the previous 5-year average national farm price, excluding the years with the highest and lowest price (the ARC guarantee price), times the 5-year average county yield, excluding the years with the highest and lowest yield (the ARC county guarantee yield). Both the guarantee and actual revenue are computed using yield per planted acre. The payment is equal to 85 percent of the base acres of the covered commodity times the difference between the county guarantee and the actual county crop revenue for the covered commodity. Payments may not exceed 10 percent of the benchmark county revenue (the ARC guarantee price times the ARC county guarantee yield).

Individual ARC – Payments are issued when the actual individual crop revenues, summed across all covered commodities on the farm, are less than ARC individual guarantees summed across those covered commodities on the farm. The farm for individual ARC purposes is the sum of the producer's interest in all ARC farms in the State. The farm's ARC individual guarantee equals 86 percent of the farm's individual benchmark guarantee, which is defined as the ARC guarantee price times the 5-year average individual yield, excluding the years with the highest and lowest yields, and summing across all crops on the farm. The actual revenue is computed in a similar fashion, with both the guarantee and actual revenue computed using planted acreage on the farm. The individual ARC payment equals: (a) 65 percent of the sum of the base acres of all covered commodities plus generic base on the farm, times (b) the difference between the individual guarantee revenue and the actual individual crop revenue across all covered commodities planted on the farm. A covered commodity must be planted on generic base to receive the payment. For farms with generic base, plantings occur on generic base first. Payments may not exceed 10 percent of the individual benchmark revenue.

Base Reallocation and Yield Updates – Owners of farms that participate in PLC or ARC programs for the 2014-2018 crops have a one-time opportunity to: (1) maintain the farm's 2013 base acres through 2018; or (2) reallocate base acres (excluding cotton base acres). Covered commodities include wheat, oats, barley, corn, grain sorghum, rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed, dry peas, lentils, small chickpeas, and large chickpeas. Upland cotton is no longer considered a covered commodity, but the upland cotton base acres on the farm are renamed "generic" base acres. Producers may receive payments on generic base acres if those acres are planted to a covered commodity. Plantings of covered commodities on the farm are attributed to generic base first.

A producer also has the opportunity to update the counter-cyclical payment yield for each covered commodity based on 90 percent of the farm's 2008-2012 average yield per planted acre, excluding any year when no acreage was planted to the covered commodity. Program payment yields are used to determine payment quantities for the Price Loss Coverage program. Upland cotton yields are not eligible for updating.

Election Required – All of the producers on a farm must make a one-time, unanimous election of: (1) PLC/County ARC on a covered-commodity-by-covered-commodity basis; or (2) Individual ARC for all covered commodities on the farm. If the producers on the farm elect PLC/County ARC, the producers must also make a one-time election to select which base acres on the farm are enrolled in PLC and which base acres are enrolled in County ARC. Alternatively, if Individual ARC is selected, then every covered commodity on the farm must participate in Individual ARC.

Once the election between ARC and PLC is made, a producer cannot switch to ARC (from PLC), or vice versa, in subsequent years. If an election was not made, the farm may not participate in either PLC or ARC for the 2014 crop year and the producers on the farm are deemed to have elected PLC for subsequent crop years, but must still enroll their farm to receive coverage. If the sum of the base acres on a farm is 10 acres or less, the producer on that farm may not receive PLC or ARC payments, unless the producer is a socially disadvantaged farmer or rancher or is a limited resource farmer or rancher. Payments for PLC and ARC are issued after the end of the respective crop year, but not before October 1.

Producers enrolling in PLC, and who also participate in the Federal crop insurance program, may, beginning with the 2015 crop year, make the annual choice whether to purchase additional crop insurance coverage called the Supplemental Coverage Option (SCO). SCO provides the producer the option of covering a portion of his or her crop insurance deductible and is based on expected county yields or revenue. The cost of SCO is subsidized and indemnities are determined by the yield or revenue loss for the county or area. SCO is not available for a covered commodity enrolled in ARC.

Adjusted Gross Income (AGI) – AGI provisions have been simplified and modified. Producers whose average total AGI exceeds \$900,000 during a crop, fiscal, or program year are not eligible to participate in most programs administered by FSA and the Natural Resources Conservation Service (NRCS). Previous AGI provisions distinguished between farm and nonfarm AGI.

Payment Limitations – The total amount of payments received, directly and indirectly, by a person or legal entity (except joint ventures or general partnerships) for PLC, ARC, marketing loan gains, and loan deficiency payments (other than for peanuts), may not exceed \$125,000 per crop year. A person or legal entity that receives payments for peanuts has a separate \$125,000 payment limitation. Cotton transition payments are limited to \$40,000 per year. For the livestock disaster programs, a total \$125,000 annual limitation applies for payments under the Livestock Indemnity Program, the Livestock Forage Program, and the Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish program. A separate \$125,000 annual limitation applies to payments under the Tree Assistance Program.

Cotton Transition – Upland cotton is the only formerly “covered commodity” that is no longer eligible to participate in these programs, but rather, becomes eligible for the new Stacked Income Protection Plan (STAX) offered by the Risk Management Agency (RMA). Until STAX becomes available, upland cotton is eligible for transition payments made by FSA for 2014 and 2015 crops.

For the 2014 crop year, transition payments are provided to producers on farms that had cotton base acres in 2013. For the 2015 crop year, transition payments are only offered in counties where STAX is unavailable. The transition payment is equal to 60 and 36.5 percent of the farm’s 2013 cotton base acres for 2014 and 2015, respectively, times the farm’s direct payment program yield times the transition rate provided in the statute.

Marketing Assistance Loans (MAL) and Sugar Loans – The 2014 Farm Bill extended the authority for sugar loans for the 2014 through 2018 crop years and nonrecourse marketing assistance loans (MALs) and loan deficiency payment (LDPs) for the 2014-2018 crops of wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton, long grain rice, medium grain rice, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, graded and non-graded wool, mohair, honey, unshorn pelts and peanuts. Availability of loans for some commodities may be affected by appropriations language. Provisions are mostly unchanged from the 2008 Farm Bill, except marketing loan gains and loan deficiency payments are subject to payment limitations.

DAIRY PROGRAMS

Margin Protection Program for Dairy Producers (MPP) – This program replaced the Milk Income Loss Contract (MILC) program was effective September 1, 2014, and extends through December 31, 2018. The MPP offers dairy producers: (1) catastrophic coverage, at no cost to the producer, other than an annual \$100 administrative fee; and (2) various levels of buy-up coverage. Catastrophic coverage provides payments to participating producers when the national dairy production margin is less than \$4.00 per hundredweight (cwt). The national dairy production margin is the difference between the all-milk price and average feed costs. Producers may purchase buy-up coverage that provides payments when margins are between \$4.00 and \$8.00 per cwt. To participate in buy-up coverage, a producer must pay a premium that varies with the level of protection the producer elects. In addition, the 2014 Farm Bill creates the Dairy Product Donation Program. This program is triggered in times of low operating margins for dairy producers, and requires USDA to purchase dairy products for donation to food banks and other feeding programs.

Dairy Indemnity Payment Program (DIPP) – The program provides payments to dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because it has been contaminated by pesticides and other residues.

OTHER PROGRAMS

Noninsured Crop Disaster Assistance Program (NAP) – NAP has been expanded to include buy-up protection, similar to buy-up provisions offered under the federal crop insurance program. Producers may elect coverage for each individual crop between 50 and 65 percent, in 5 percent increments, at 100 percent of the average market price. Producers also pay a service fee and a fixed premium equal to 5.25 percent of the liability for buy-up coverage. The waiver of service fees has been expanded from just limited resource farmers to also include beginning farmers and socially disadvantaged farmers. The premiums for buy-up coverage are reduced by 50 percent for those same farmers. NAP coverage is expanded to include crops grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or bio-based products. NAP is also made available to producers that suffered a loss to a 2012 annual fruit crop grown on a bush or tree in a county declared a disaster by the Secretary due to a freeze or frost. Grazing land is not eligible for buy-up coverage.

Biomass Crop Assistance Program (BCAP) – BCAP provides incentives to farmers, ranchers and forest landowners to establish, cultivate and harvest eligible biomass for heat, power, bio-based products, research and advanced biofuels. Crop producers and bioenergy facilities can team together to submit proposals to USDA for selection as a BCAP project area. BCAP is extended through 2018 and funded at \$25 million per fiscal year, except for FY 2015, which was capped at \$23 million by the 2015 Consolidated and Continuing Appropriations Act.

Feedstock Flexibility Program (FFP) – The 2014 Farm Bill extended FFP through fiscal year 2018. FFP allows for the purchase of sugar to be sold for the production of bioenergy in order to avoid forfeitures of sugar loan collateral under the Sugar Program.

Bio-based Fuel Production – Section 5(e) of the CCC Charter Act authorized CCC to take action to increase the consumption of agricultural commodities by “...aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.” Under this authority, CCC will make available up to \$170 million to subsidize the production of bio-based jet fuel. Because there is no existing viable commercial source for the large-scale production of such fuel, CCC has entered into an agreement with the Department of Energy and the Navy to assist in the development of this product.

The following table shows estimated CCC payments made directly to producers, in accordance with the provisions of the 2014 Farm Bill. Payments were substantially lower in FY 2015 because of the two new payment programs, Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC) payments which start outlaying this fiscal year.

COMMODITY CREDIT CORPORATION
Payment Programs, Fiscal Years 2013 – 2016
(Dollars in Thousands)

	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Total Production Flexibility Payments:				
For all Commodities	\$124	\$1,456	0	0
ARC Payments:				
Corn	0	0	0	\$5,339,200
Grain Sorghum	0	0	0	50,500
Total Feed Grains	0	0	0	5,389,700
Lentils	0	0	0	3,291
Large Chickpeas	0	0	0	5,227
Dry Edible Peas	0	0	0	751
Canola	0	0	0	4,600
Rapeseed	0	0	0	50
Total Oilseeds	0	0	0	4,650
Total ARC Payments	0	0	0	5,403,619
PLC Payments:				
Corn	0	0	0	439,500
Grain Sorghum	0	0	0	213,900
Total Feed Grains	0	0	0	653,400
Rice	0	0	0	263,987
Peanuts	0	0	0	325,367
Canola	0	0	0	63,000
Total Oilseeds	0	0	0	63,000
Total PLC Payments	0	0	0	1,305,754
Direct Payments:				
Corn	1,933,390	1,914,392	0	0
Grain Sorghum	183,148	178,205	0	0
Barley	74,841	75,793	0	0
Oats	2,885	2,864	0	0
Total Feed Grains	2,194,264	2,171,254	0	0
Wheat	1,050,230	1,036,148	0	0
Upland Cotton	569,498	526,153	0	0
Rice	406,146	377,049	0	0
Peanuts	67,013	64,886	0	0
Soybeans	538,374	532,813	0	0
Other Oilseeds	17,811	17,652	0	0
Unidentified Commodity	0	0	0	0
Total Fixed Decoupled Payments	4,843,336	4,725,955	0	0
ACRE Payments:				
Corn	6,642	145,476	\$153,769	0
Grain Sorghum	4,780	4,027	6,284	0
Barley	263	53	339	0
Oats	34	15	0	0
Total Feed Grains	11,719	149,571	160,392	0
Wheat	28,679	1,672	65,883	0
Upland Cotton	4,307	3,521	65,889	0
Rice	517	0	0	0
Lentils	65	407	0	0
Small Chickpeas	39	3	0	0

	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Dry Edible Peas	77	25	152	0
Soybeans	3,987	58,272	1,102	0
Other Oilseeds	196	351	4,697	0
Total Acre Payments	49,586	213,822	298,115	0
Counter-Cyclical Payments:				
Upland Cotton	884	213	0	0
Peanuts	233	75	0	0
Total Counter-Cyclical Payments	1,117	288	0	0
Market Loss Assistance Payments:				
Corn	35	34	0	0
Grain Sorghum	0	27	0	0
Barley	0	35	0	0
Total Feed Grains	35	96	0	0
Wheat	0	164	0	0
Upland Cotton Transition Payments	0	478	500,000	0
Rice	0	79	0	0
Milk Income Loss Payments	275,175	5,665	0	0
Other Market Loss ASST Payments	-54	0	0	0
Unidentified Commodity	-7	37	0	0
Total Market Loss and MILC Payments	275,149	6,519	500,000	0
Loan Deficiency Payments:				
Corn	-115	-11	0	0
Grain Sorghum	0	-11	0	0
Barley	-5	-2	0	0
Total Feed Grains	-120	-24	0	0
Wheat	-487	-6	0	0
Upland Cotton	10,331	424	107,000	72,000
Rice	-1	93	0	0
Peanuts	0	8	0	0
Dry Peas	0	-2	0	0
Wool	-176	-8	0	0
Mohair	0	-6	0	0
Soybeans	-22	43	0	0
Other Oilseeds	-1	3	0	0
Total Loan Deficiency Payments	9,524	525	107,000	72,000
Noninsured Assistance Programs	334,776	165,259	165,000	165,000
Crop Disaster Program:				
Pre-2014 Farm Bill Crop Disaster	-896	-64	0	0
Tree Assistance Program	0	44	9,900	8,000
Livestock Forage Disaster Program	0	2,988,133	2,719,200	488,300
Emergency Livestock Assistance	0	50	59,000	19,000
Disaster Reserve Flood Compensation	0	-6		
Livestock Indemnity Program	0	54,782	58,400	57,600
Total Disaster Payments	-896	3,042,939	2,846,500	572,900
Other Programs:				
Upland Cotton Econ Adjustment Asst	49,456	48,363	51,280	55,210
Tobacco Payments	951,718	917,739	0	0
Dairy Margin Protection Program	0	0	0	104,000
Total Other Payments	1,001,174	966,102	51,280	159,210
Payments, Grand Total	6,513,890	9,122,865	3,967,895	7,678,483

EXPORT PROGRAMS

Export Credit Guarantees – The short-term Export Credit Guarantee Program (GSM-102), CCC guarantees (for up to 3 years) payments due to U.S. exporters, or their assignees (U.S. financial institutions), from defaults in payments by foreign banks on export credit sales due to commercial as well as noncommercial risks. Facility payment guarantees operate under the general provisions of the GSM-102 program and provide export financing for capital goods and services to improve handling, marketing, processing, storage, or distribution of imported agricultural products.

On July 1, 2005, the guarantee fees (premia) charged under the export credit guarantee programs were changed from a flat fee basis to a country risk-based approach. The revised premia respond to a World Trade Organization (WTO) dispute panel decision and are intended to remove any long-term subsidy component of the program, prospectively. Fees were updated using the risk-based approach in October 2011. Also in response to the panel decision, the GSM-103 intermediate export credit guarantee program was suspended on July 1, 2005. Both GSM-103 and the Supplier Credit Guarantee were repealed by Title III, Section 3101, of the Food, Conservation, and Energy Act of 2008.

Total loan guarantee commitments in 2014 were \$2.160 billion, all for the GSM-102 program. Total program levels for 2015 and 2016 are estimated to be \$5.5 billion each year, including \$5.4 billion for GSM-102 and \$100 million for facility guarantees.

The 2016 budget continues to reflect credit reform procedures for Federal credit programs authorized by the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990. These procedures require that for guarantees issued since 1992, budget authority and outlays for these programs represent estimated subsidy costs over the life of the program, rather than claim disbursements and repayments. The appropriation language specifies the portion of the requested budget authority to be used for administrative expenses, which are funded via a discretionary annual appropriation. Budget authority for the subsidy represents the present value of CCC's estimated net cash flows over the lifetime of the credit guarantee. Budget authority and outlays for subsidy are presented in the Budget in the program account. All claims disbursement and repayment activity related to loans made in 1992 or later appear in a "financing account" and are considered "off-budget" for purposes of estimating the deficit. Budget authority and outlays for pre-1992 portfolios of guarantees and claims are reflected in the budget in "liquidating accounts" and are calculated on a cash basis as before, to represent claim disbursements and borrower repayments.

CONSERVATION PROGRAMS

Title II of the 2014 Farm Bill re-authorized funding for new and existing conservation programs implemented by FSA and NRCS. The bill provided funding through September 30, 2018 to help farmers adopt and maintain conservation systems that protect water quality, reduce soil erosion, protect and enhance wildlife habitat and wetlands, conserve water and sequester carbon. NRCS administers many of the programs that are financed through CCC, and detailed descriptions of program operations and performance indicators can be found under NRCS elsewhere in these Explanatory Notes.

Conservation Reserve Program (CRP) – Administered by FSA, the purpose of CRP is to cost-effectively assist farm owners and operators in conserving and improving soil, water, air, and wildlife resources by converting highly erodible and other environmentally sensitive acreage normally devoted to the production of agricultural commodities to a long-term resource-conserving cover. CRP participants enroll contracts for periods from 10 to 15 years in exchange for annual rental payments and cost-share and technical assistance for installing approved conservation practices.

The 2014 Farm Bill extended and modified the authorization for CRP. The acreage cap is gradually lowered to 24 million acres for fiscal years 2017 and 2018. The requirement to reduce rental payments under emergency haying and grazing is eliminated. Rental payment reductions of not less than 25 percent are required for managed and routine haying and grazing. Producers are also given the opportunity for an "early-out" from their CRP contracts, but only in fiscal year 2015. The rental payment portion of the Grassland Reserve Program enrollment has been incorporated into the CRP. The Farm Bill also authorizes up to \$10 million in incentive payments for tree thinning and related activities.

CRP enrolls land through general and continuous signups. Under general signup provisions, producers compete nationally during specified enrollment periods for acceptance based on an environmental benefits index. Under continuous signup provisions, producers enroll specified high-environmental value lands such as wetlands, riparian buffers, and various types of wildlife habitat at any time during the year without competition.

The last general signups was held in fiscal year 2013 and in fiscal year 2014, a one-year contract extension was offered to eligible expiring contracts. Under the fiscal year 2014 continuous signup, 514,000 acres were enrolled. The budget assumes a general signup of 700,000 acres in 2015, a continuous signup of 7,724,000 acres in 2016, and enrollment of 200,000 acres of grassland.

Fiscal year 2014 ended with 25.4 million acres under contract. With contracts expiring on 1.7 million acres on September 30, 2014, contracts were extended on 265,000 acres, and contracts beginning on 505,000 acres from FY 2014's continuous signup, 2015 enrollment began with 24.2 million acres under contract. General, continuous, and grassland signups are assumed to be held annually with the enrollment cap gradually lowered to 24 million acres for fiscal years 2017 and 2018.

The Transition Incentive Program (TIP) – The 2014 Farm Bill included a provision that provides up to \$33 million to encourage the transition of expiring CRP land to a beginning or socially disadvantaged farmer or rancher so land can be returned to sustainable grazing or crop production. TIP now includes eligibility for military veterans (i.e., “veteran farmers”) who are beginning farmers.

**Conservation Reserve Program
Net Expenditures
(Dollars in Thousands)**

Program Level	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimated	FY 2016 Estimated
Financial Assistance	\$1,769,356	\$1,718,092	\$1,798,014	\$1,819,370
Technical Assistance	158,723	13,937	10,098	14,662
Total, Program Level	1,928,079	1,732,029	1,808,112	1,834,032

Pollinator Health – A fundamental concern for honey bee health is enhancing bee nutrition. Through the Conservation Reserve Program, FSA and USDA have the ability to significantly improve bee nutrition by enhancing conservation cover to those varieties that are most beneficial for pollinator forage habitat. There are currently 24.2 million acres of CRP; 19 million of these acres are in grass cover, which can be improved for bee nutrition using mid-contract management to incorporate pollinator friendly forbs into the CRP covers. More importantly, over a quarter of CRP enrollment is located in five states (Michigan, Minnesota, North Dakota, South Dakota, and Wisconsin) where over 65percent of honey bee hives are located during the summer when forage habitat is most critical. The Budget includes \$9 million in fiscal year 2015 and \$9 million in fiscal year 2016 CRP pollinator incentives to establish lower cost and more widely available seed mixes during mid-contract management in the five states and to provide additional outreach to CRP participants to increase habitat and forage for honey bees and other pollinators. In addition, FSA has established a goal of doubling the acreage enrolled in CRP pollinator habitat practice (CP42) to 200,000 acres. FSA is coordinating 5 monitoring, assessment, and evaluation projects with other agencies, including USGS, ARS, NRCS, and NIFA to assure these efforts will be effective and cost efficient.

Emergency Forestry Conservation Reserve Program (EFCRP) – The Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act of 2006, Public Law 109-148, as amended by Public Law 109-234 and Public Law 110-28, mandated that the Secretary carry out an emergency pilot program in States that the Secretary determines have suffered damage to merchantable timber in counties affected by hurricanes during the 2005 calendar year. The Act provided \$404.1 million for this program, called the Emergency Forestry Conservation Reserve Program (EFCRP). The Agricultural Act of 2014 repealed EFCRP, although payments for existing contracts will continue. These acres are not counted against the CRP maximum program authority for acreage enrollment.

Agricultural Management Assistance Program (AMA) – The Agricultural Risk Protection Act of 2000 authorized CCC funding of \$10 million for 2001 and subsequent years for the AMA. AMA provides cost-share assistance to producers in states in which Federal Crop Insurance Program participation is historically low as determined by the Secretary of Agriculture. The Secretary delegated authority to implement this program to the Natural Resources Conservation Service (50 percent), Risk Management Agency (40 percent), and the Agricultural Marketing Service (10 percent). The program continues under the 2014 Farm Bill. FY 2014 actual outlays included \$7.5 million total transferred to RMA (\$6 million) & AMS (\$1.5 million).

DISASTER PROGRAMS

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

Livestock Forage Disaster Program (LFP) – LFP provides compensation to eligible livestock producers that have suffered grazing losses due to drought or fire on land that is native or improved pastureland with permanent vegetative cover or that is planted specifically for grazing. LFP payments for drought are equal to 60 percent of the monthly feed cost for up to 5 months, depending upon the severity of the drought. LFP payments for fire on federally managed rangeland are equal to 50 percent of the monthly feed cost for the number of days the producer is prohibited from grazing the managed rangeland, not to exceed 180 calendar days.

Livestock Indemnity Program (LIP) – LIP provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather or by attacks by animals reintroduced into the wild by the Federal Government. LIP payments are equal to 75 percent of the average fair market value of the livestock.

Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP) – ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease (including cattle tick fever), adverse weather, or other conditions, such as blizzards and wildfires, not covered by LFP and LIP. Total payments are capped at \$20 million in a fiscal year.

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

FOREIGN ASSISTANCE PROGRAMS

Market Access Program (MAP) – Under the MAP, CCC Funds are used to reimburse participating organizations for a portion of the costs of carrying out overseas marketing and promotional activities. The 2014 Farm Bill continued the authority for the MAP program with annual funding of \$200 million for 2014–2018.

Foreign Market Development Cooperator Program (FMD) and Quality Samples Program – Under the FMD program, \$34.5 million in cost-share assistance is provided to nonprofit commodity and agricultural trade associations to support overseas market development activities that are designed to remove long-term impediments to increased U.S. trade. CCC will fund the Quality Samples Program at an authorized annual level of \$2.5 million. Under this initiative, samples of U.S. agricultural products will be provided to foreign importers to promote a better understanding and appreciation for the high quality of U.S. products.

Technical Assistance for Specialty Crops and Emerging Markets – Emerging Markets is extended through 2018. Technical Assistance for Specialty Crops is extended through 2018 with annual funding of \$9 million for each fiscal year.

The Bill Emerson Humanitarian Trust (BEHT) – BEHT is a commodity and/or monetary reserve designed to ensure that the United States can meet its international food aid commitments. Assets of the Trust can be released any time the Administrator of the U.S. Agency for International Development determines that Public Law 480 Title

It is inadequate to meet those needs in any fiscal year. When a release from the Trust is authorized, the Trust's assets cover all commodity costs associated with the release. All non-commodity costs, including ocean freight charges; internal transportation, handling, and storage overseas; and certain administrative costs are paid by CCC. The 2014 Farm Bill extended the authorization to replenish the BEHT through 2018.

Food for Progress Program (FPP) – FPP helps developing countries and emerging democracies modernize and strengthen their agricultural sectors. U.S. agricultural commodities donated to recipient countries are sold on the local market and the proceeds are used to support agricultural, economic or infrastructure development programs. The 2014 Farm Bill extended FPP through 2018.

TRANSFER OF FUNDS

The 2002 and all subsequent Farm Bills have authorized CCC to transfer funds to various agencies to fulfill authorized programs. The following table shows recipient agencies and amounts of transfers for 2013 and 2014 and anticipated amounts for 2015 and 2016:

CCC Farm Bill Transfers (1/ 2/)				
(Dollars in Thousands)				
	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Agencies Receiving Transfers:				
Agricultural Marketing Service	\$53,695	\$125,500	\$116,000	\$118,000
Economic Research Service	0	500	0	0
U.S. Agency for International Development- Bill Emerson Humanitarian Trust	0	158,000	0	0
National Agriculture Statistic Service	0	1,000	0	0
Department of Interior	0	150,000	0	0
Animal and Plant Health Inspection Service	50,000	83,398	63,000	63,000
Farm Service Agency	89,352	37,000	46,000	46,000
Office of The Chief Economist	0	1,000	1,000	1,000
National Institute of Food and Agriculture	0	158,000	123,000	143,000
Departmental Administration	0	13,000	12,000	13,000
Food and Nutrition Service	19,549	20,600	20,600	20,600
Natural Resources Conservation Service	3,520,573	3,714,247	3,628,000	3,771,000
Risk Management Agency	5,694	6,000	4,000	4,000
Rural Development	91,000	393,000	118,000	118,000
Total	3,829,863	4,861,245	4,131,600	4,297,600

1/ Excludes transfers to Animal and Plant Health Inspection Service for emergency plant and animal disease eradication programs.

2/ As authorized in the 2014 Farm Bill, \$200 million was transferred in FY 2014 to the Foundation for Food and Agricultural Research.

CCC NET EXPENDITURES

CCC net expenditures for 2015 are estimated at \$8.0 billion, a decrease of \$4.2 billion from 2014 outlays of \$12.2 billion. Baseline expenditures for 2016 are estimated at \$10.3 billion.

The following table shows CCC net expenditures by commodity and program for 2013 through 2016.

(Dollars in Thousands)

	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Feed Grains:				
Corn	\$1,915,633	\$2,093,284	\$263,938	\$5,310,281
Grain Sorghum	188,159	181,360	8,053	276,241
Barley	76,754	73,754	8,256	6,679
Oats	2,780	3,087	1,391	804
Corn and Sorghum Products	11	-18	0	0
Total Feed Grains and Products	2,183,337	2,351,467	281,638	5,594,005
Commodities:				
Wheat and Wheat Products	1,116,253	1,088,633	140,351	67,303
Rice	292,255	350,200	80,633	259,709
Upland Cotton	562,296	607,483	1,137,842	407,441
ELS Cotton	-7,528	-303	407	165
Tobacco	96,895	-199,293	0	0
Honey	-494	-2,788	53	-32
Dairy and Products	271,568	5,665	-50,000	62,000
Soybeans	539,438	590,675	9,808	191,443
Soybeans Products	27,938	34,391	25,900	25,900
Minor Oilseeds	18,105	17,922	7,033	68,146
Sugar	222,211	717	0	0
Peanuts	107,353	46,216	59,008	378,963
Wool and Mohair	-210	-16	0	0
Vegetable Oil Products	27,799	27,556	-6,754	13,320
Other Commodities	11,616	-1,621	-14,041	10,644
Total Commodities	5,468,832	4,916,904	1,671,878	7,079,007
Programs:				
Market Access Program	196,275	183,914	201,329	190,608
Foreign Market Development Cooperator	33,064	30,091	35,858	33,292
Quality Samples Program	1,058	1,294	2,557	2,550
Livestock Forage	0	2,988,133	2,719,200	488,300
Livestock Indemnity	0	54,782	58,400	57,600
Tree Assistance Program	0	44	9,900	8,000
Pre-2014 Farm Bill Crop Disaster	-896	-64	0	0
Export Donations - Ocean Transportation	25,316	37,422	50,317	55,000
Crop Disaster Assistance	0	0	0	0
Noninsured Assistance Program	318,631	140,678	143,572	143,358

	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Disaster Assistance Programs	0	0	0	0
Emergency Livestock Assistance ^{a/}	0	50	59,000	19,000
Bio-based Fuel Production	0	0	55,620	60,000
Conservation Reserve Program (CRP)	1,928,079	1,732,029	1,808,112	1,834,032
Emergency Forestry CRP	4,563	4,502	5,895	5,548
Wetlands Reserve Program	2	0	0	0
Tech Assistance and Capacity Building for Brazilian Cotton	139,788	0	300,000	0
Voluntary Public Access & Habitat Incentives Program	-574	-43	0	0
Pilot Program for Local and Regional Food Aid	2,284	104	0	0
Biomass Crop Assistance	9,368	7,260	27,081	25,177
Technical Assistance for Specialty Crops	6,344	5,861	11,032	8,447
Interest	-49,654	-22,200	-10,808	-3,365
Change in Working Capital	7,268	729,288	250,000	250,000
CCC Operating Expenses	6,638	20,742	95,085	7,099
All Other	153,550	265,280	96,972	81,347
Total Programs and Expenses	8,249,936	11,096,071	7,591,000	10,345,000
Total Net Expenditures, CCC Baseline	8,249,936	11,096,071	7,591,000	10,345,000

^{a/} Estimated outlays for FY 2015 includes outlays from FY 2013 and FY 2014 obligations.

COMMODITY CREDIT CORPORATION
Statement of Available Funds
(Dollars in Thousands)

Item	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimated	FY 2016 Estimated
Reimbursement for Net Realized Losses CCC Export Loans Program Account (current, discretionary)	\$9,155,656 6,279	\$9,582,000 6,748	\$13,444,728 6,748	\$10,519,933 6,748
Total Commodity Credit Corporation	9,161,935	9,588,750	13,451,476	10,526,681

COMMODITY CREDIT CORPORATION
Classification by Objects
(Dollars in Thousands)

		FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Direct Obligations:					
22	Transportation of things	\$35,576	\$42,000	\$40,000	\$40,000
25.2	Other services from Federal sources	179,491	112,000	0	0
25.2	Other services: storage and handling	4,417	0	0	0
26	Supplies and materials	761,440	0	0	0
33	Investments and loans	0	3,763,000	0	0
41	Grants, subsidies, and contributions	10,327,000	10,125,000	10,934,000	14,237,000
42	Insurance Claims and Indemnities	50,000	0	0	0
43	Interest and Dividends	3,176	0	0	0
33	Investments and loans	0	0	0	0
	Subtotal Direct Obligations	11,361,100	14,042,000	10,974,000	14,277,000
Reimbursable Obligations					
22	Transportation of things	1,269,043	0	0	0
25.2	Other services from Federal sources	0	157,000	469,000	469,000
26	Supplies and materials	603,396	0	0	0
33	Investments and loans	5,744,195	0	7,662,000	7,962,000
41	Grants, subsidies and contributions	0	925,000	0	0
	Subtotal, Reimbursable Obligations	7,616,634	1,082,000	8,131,000	8,431,000
99.9	Total, new obligations	18,977,734	15,124,000	19,105,000	22,708,000

COMMODITY CREDIT CORPORATION

The estimates include appropriation language for this item as follows:

COMMODITY CREDIT CORPORATION FUND

Reimbursement for Net Realized Losses
(Including Transfer of Funds)

For the current fiscal year, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed, pursuant to section 2 of the Act of August 17, 1961 (15 U.S.C. 713a-11): *Provided*, That of the funds available to the Commodity Credit Corporation under section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i) for the conduct of its business with the Foreign Agricultural Service, up to \$5,000,000 may be transferred to and used by the Foreign Agricultural Service for information resource management activities of the Foreign Agricultural Service that are not related to Commodity Credit Corporation business.

Hazardous Waste Management
(Limitation on Expenses)

For the current fiscal year, the Commodity Credit Corporation shall not expend more than \$5,000,000 for site investigation and cleanup expenses, and operations and maintenance expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9607(g)), and section 6001 of the Resource Conservation and Recovery Act (42 U.S.C. 6961).

Commodity Credit Corporation
Reimbursement for Net Realized Losses

Appropriations Act, 2015.....	\$13,444,728,135
Budget Estimate, 2016.....	<u>10,519,933,000</u>
Change from 2015 Appropriations.....	-2,924,795,135

RECONCILIATION TO BUDGET AUTHORITY

The following table reconciles budget authority with appropriations:

(Dollars in thousands)

	FY 2013	FY 2014	FY 2015	FY 2016
Appropriation (for realized losses)	\$9,155,656	\$9,582,000	\$13,444,728	\$10,519,933
Portion applied to CCC debt reduction	-5,325,793	-4,748,757	-9,313,128	-6,222,333
Transferred to Other Accounts	-3,829,863	-4,833,245	-4,131,600	-4,297,600
Adjusted Appropriation	0	0	0	0
Adjustments:				
Authority to borrow	8,710,573	10,252,885	7,791,423	10,556,557
CCC Export Loans Program Account	6,279	6,748	6,748	6,748
Budget Authority (net)	8,716,852	10,259,633	7,798,171	10,563,305

The following tables reflect actual and estimated losses by commodity and program for fiscal years 2013 through 2016:

FY 2013 - ACTUALS (millions of dollars)

ITEM	TOTAL	Feed Grains and Product	Wheat and Products	Rice	Upland Cotton	Soybeans	Dairy Products	All Other Commodities and Programs a/
Program Costs:								
Export Donations	\$92.3	0.0	\$42.5	0.0	0.0	\$1.5	0.0	\$48.3
Storage and Handling	4.4	0.0	0.0	0.0	0.0	0.0	0.0	4.4
Loan Deficiency Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Counter-Cyclical Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct Payments	4,322.7	\$2,194.3	1,050.2	\$406.1	\$569.5	538.4	0.0	-435.8
ACRE Payments	130.6	11.7	28.7	0.5	4.3	0.0	0.0	85.4
Milk Income Loss Payments	272.7	0.0	0.0	0.0	0.0	0.0	\$272.7	0.0
Conservation Reserve Program	1,709.9	0.0	0.0	0.0	0.0	0.0	0.0	1,709.9
Other Conservation Program b/	13.1	0.0	0.0	0.0	0.0	0.0	0.0	13.1
Foreign Market Development Coop	31.1	0.0	0.0	0.0	0.0	0.0	0.0	31.1
Quality Samples Program	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.7
Noninsured Assistance Program	342.4	0.0	0.0	0.0	0.0	0.0	0.0	342.4
Market Access Program	215.2	0.0	0.0	0.0	0.0	0.0	0.0	215.2
Marketing Loan Write-offs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers to Other USDA Agencies	3,829.9	0.0	0.0	0.0	0.0	0.0	0.0	3,829.9
Other c/	-1,361.1	97.3	195.5	66.3	0.0	0.0	0.0	-1,720.2
Total Program Costs:	9,603.9	2,303.3	1,316.9	472.9	573.8	539.9	272.7	4,124.4
Non-Program Costs:								
Interest (net):								
Support and Related Costs	-30.6							
Export Credit Sales	0.0							
Loss in Interest Income	2.1							
Operating Expenses	6.6							
Total Non-Program Costs	-21.9							
Total Net Realized Losses	9,852.0							

a/ Other commodities and programs include soybean products, blended food products, vegetable oil products, pulse crops, peanuts and minor oilseeds.

b/ Other conservation program includes the Emergency Forestry Conservation Reserve Program.

c/ Other costs include upland cotton economic adjustment assistance payments, ocean transportation for export donations, and all other miscellaneous expense.

FY 2014 - ACTUALS (millions of dollars)

ITEM	TOTAL	Feed Grains and Product	Wheat and Products	Rice	Upland Cotton	Soybeans	Dairy Products	All Other Commodities and Programs a/
Program Costs:								
Gain (-) or loss on sales	171.5	0.0	0.0	0.0	0.0	0.0	0.0	171.5
Domestic Donations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Export Donations	102.3	0.0	40.0	3.3	0.0	0.0	0.0	59.0
Storage and Handling	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0
Transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loan Deficiency Payments	-0.3	-0.1	0.0	0.0	0.0	-0.2	0.0	0.0
Counter-Cyclical Payments	-0.6	0.0	0.0	0.0	-0.3	0.0	0.0	-0.3
Direct Payments	184.0	-0.2	-0.1	-0.1	-0.3	0.0	0.0	184.7
ACRE Payments	219.7	0.0	0.0	0.0	0.0	0.0	0.0	219.7
Upland Cotton Transition Payment	342.2	0.0	0.0	0.0	342.2	0.0	0.0	0.0
Milk Income Loss Payments	5.2	0.0	0.0	0.0	0.0	0.0	5.7	-0.5
Conservation Reserve Program	1,891.8	0.0	0.0	0.0	0.0	0.0	0.0	1,891.8
Other Conservation Program b/	7.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
Foreign Market Development Coop	30.7	0.0	0.0	0.0	0.0	0.0	0.0	30.7
Quality Samples Program	1.3	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Noninsured Assistance Program	150.8	0.0	0.0	0.0	0.0	0.0	0.0	150.8
Market Access Program	188.2	0.0	0.0	0.0	0.0	0.0	0.0	188.2
Marketing Loan Write-offs	23.9	0.0	0.0	0.0	2.6	0.0	0.0	21.3
Transfers to Other USDA Agencies	4,833.2	0.0	0.0	0.0	0.0	0.0	0.0	4,833.2
Disaster Programs	6,892.4	0.0	0.0	0.0	0.0	0.0	0.0	6,892.4
Other c/	-1,633.5	105.1	97.1	34.3	38.9	-1.8	3.0	-1,910.1
Total Program Costs:	13,408.8	104.8	137.0	37.5	383.1	-2.0	8.7	12,739.7
Non-Program Costs:								
Interest (net):								
Support and Related Costs	37.7							
Export Credit Sales	0.0							
Loss in Interest Income	-22.5							
Operating Expenses	20.7							
Total Non-Program Costs	35.9							
Total Net Realized Losses	13,444.7							

a/ Other commodities and programs include soybean products, blended food products, vegetable oil products, pulse crops, peanuts and minor oilseeds.

b/ Other conservation program includes the Emergency Forestry Conservation Reserve Program.

c/ Other costs include upland cotton economic adjustment assistance payments, ocean transportation for export donations, and all other miscellaneous expense

FY 2015 - ESTIMATES (millions of dollars)

ITEM	TOTAL	Feed Grains and Product	Wheat and Products	Rice	Upland Cotton	Soybeans	Dairy Products	All Other Commodities and Programs a/
Program Costs:								
Gain (-) or loss on sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic Donations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Export Donations	79.7	4.5	34.8	0.0	0.0	0.0	0.0	40.4
Storage and Handling	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	-1.6
Transportation	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Loan Deficiency Payments	107.0	0.0	0.0	0.0	107.0	0.0	0.0	0.0
ACRE Payments	298.1	160.4	65.9	0.0	65.9	1.1	0.0	4.8
Upland Cotton Transition Payment	157.8	0.0	0.0	0.0	157.8	0.0	0.0	0.0
Dairy Margin Protection Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Conservation Reserve Program	1,808.1	0.0	0.0	0.0	0.0	0.0	0.0	1,808.1
Other Conservation Program b/	16.8	0.0	0.0	0.0	0.0	0.0	0.0	16.8
Foreign Market Development Coop	36.0	0.0	0.0	0.0	0.0	0.0	0.0	36.0
Quality Samples Program	2.5	0.0	0.0	0.0	0.0	0.0	0.0	2.5
Noninsured Assistance Program	133.3	0.0	0.0	0.0	0.0	0.0	0.0	133.3
Market Access Program	200.4	0.0	0.0	0.0	0.0	0.0	0.0	200.4
Marketing Loan Write-offs	187.0	0.0	0.0	0.0	187.0	0.0	0.0	0.0
Transfers to Other USDA Agencies	4,405.1	0.0	0.0	0.0	0.0	0.0	0.0	4,405.1
Disaster Programs	2,790.1	0.0	0.0	0.0	0.0	0.0	0.0	2,790.1
Other c/	214.9	0.9	0.0	0.0	211.7	25.0	-50.0	27.3
Total Program Costs:	10,435.4	165.8	100.7	0.0	729.4	26.1	-50.0	9,463.4
Non-Program Costs:								
Interest (net):								
Support and Related Costs	-10.6							
Export Credit Sales	0.0							
Loss in Interest Income	0.0							
Operating Expenses	95.1							
Total Non-Program Costs	84.5							
Total Net Realized Losses	10,519.9							

a/ Other commodities and programs include soybean products, blended food products, vegetable oil products, pulse crops, peanuts and minor oilseeds.

b/ Other conservation program includes the Emergency Forestry Conservation Reserve Program.

c/ Other costs include upland cotton economic adjustment assistance payments, ocean transportation for export donations, and all other miscellaneous expense

FY 2016 - ESTIMATES (millions of dollars)

ITEM	TOTAL	Feed Grains and Product	Wheat and Products	Rice	Upland Cotton	Soybeans	Dairy Products	All Other Commodities and Programs a/
Program Costs:								
Gain (-) or loss on sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic Donations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Export Donations	79.7	4.5	34.8	0.0	0.0	0.0	0.0	40.4
Storage and Handling	15.5	0.0	0.0	0.0	0.0	0.0	0.0	15.5
Transportation	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Loan Deficiency Payments	72.0	0.0	0.0	0.0	72.0	0.0	0.0	0.0
ARC Payments	5,403.6	5,389.7	0.0	0.0	0.0	0.0	0.0	13.9
PLC Payments	1,305.8	653.4	0.0	264.0	0.0	0.0	0.0	388.4
Dairy Margin Protection Program	104.0	0.0	0.0	0.0	0.0	0.0	104.0	0.0
Conservation Reserve Program	1,834.0	0.0	0.0	0.0	0.0	0.0	0.0	1,834.0
Other Conservation Program b/	5.5	0.0	0.0	0.0	0.0	0.0	0.0	5.5
Foreign Market Development Coop	33.3	0.0	0.0	0.0	0.0	0.0	0.0	33.3
Quality Samples Program	2.6	0.0	0.0	0.0	0.0	0.0	0.0	2.6
Noninsured Assistance Program	143.4	0.0	0.0	0.0	0.0	0.0	0.0	143.4
Market Access Program	190.6	0.0	0.0	0.0	0.0	0.0	0.0	190.6
Marketing Loan Write-offs	129.0	0.0	0.0	0.0	129.0	0.0	0.0	0.0
Transfers to Other USDA Agencies	4,577.1	0.0	0.0	0.0	0.0	0.0	0.0	4,577.1
Disaster Programs	572.9	0.0	0.0	0.0	0.0	0.0	0.0	572.9
Other c/	127.6	-480.1	31.0	-2.6	208.6	192.5	-42.0	220.2
Total Program Costs:	14,597.1	5,567.5	65.8	261.4	409.6	192.5	62.0	8,038.3
Non-Program Costs:								
Interest (net):								
Support and Related Costs	39.1							
Export Credit Sales	0.0							
Loss in Interest Income	0.0							
Operating Expenses	7.1							
Total Non-Program Costs	46.2							
Total Net Realized Losses	14,643.3							

a/ Other commodities and programs include soybean products, blended food products, vegetable oil products, pulse crops, peanuts and minor oilseeds.

b/ Other conservation program includes the Emergency Forestry Conservation Reserve Program.

c/ Other costs include upland cotton economic adjustment assistance payments, ocean transportation for export donations, and all other miscellaneous expense

COMMODITY CREDIT CORPORATON
Farm and Sugar Storage Facility Loans (FSFL and SSFL)

Lead-Off Tabular Statement

Budget Estimate, 2016.....	\$320,000,000
2015 Enacted.....	320,000,000
Change in Appropriation.....	-

Summary of Increases and Decreases

(Dollars in Thousands)

	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Change</u>	<u>2015</u> <u>Change</u>	<u>2016</u> <u>Change</u>	<u>2016</u> <u>Estimate</u>
Mandatory Appropriations:					
FFSL Program Level.....	\$300,000	-	-	-	\$300,000
SSFL Program Level.....	8,500	-	+11,500	-	20,000
Total, Program Level or Change.....	308,500	-	+11,500	-	\$320,000

COMMODITY CREDIT CORPORATON
Farm and Sugar Storage Facility Loans (FSFL and SSFL)
Project Statement
Appropriations Detail
(Dollars in thousands)

Program	<u>2013 Actual</u> Amount	<u>2014 Actual</u> Amount	<u>2015 Enacted</u> Amount	<u>Inc. or Dec.</u> Amount	<u>2016 Estimate</u> Amount
Mandatory Appropriations:					
Program Level					
FSFL.....	\$300,000	\$300,000	\$300,000	-	\$300,000
SSFL.....	8,500	8,500	20,000	-	20,000
Subtotal Program Level.....	<u>308,500</u>	<u>308,500</u>	<u>320,000</u>	-	<u>320,000</u>
Total Program Level Available.....	308,500	308,500	320,000	-	320,000
Lapsing Balances.....	-68,192	-192,548	-	-	-
Total Obligations (Program Level).....	<u><u>240,308</u></u>	<u><u>115,952</u></u>	<u><u>320,000</u></u>	-	<u><u>320,000</u></u>

Project Statement
Obligations Detail
(Dollars in thousands)

Program	<u>2013 Actual</u> Amount	<u>2014 Actual</u> Amount	<u>2015 Enacted</u> Amount	<u>Inc. or Dec.</u> Amount	<u>2016 Estimate</u> Amount
Mandatory Appropriations:					
Program Level					
FSFL.....	\$240,308	\$115,952	\$300,000	-	\$300,000
SSFL.....	-	-	20,000	-	20,000
Subtotal Program Level Obligations.....	<u>240,308</u>	<u>115,952</u>	<u>320,000</u>	-	<u>320,000</u>
Total Obligations.....	<u>240,308</u>	<u>115,952</u>	<u>320,000</u>	-	<u>320,000</u>
Lapsing Balances.....	68,192	192,548	-	-	-
Total Program Level	<u><u>308,500</u></u>	<u><u>308,500</u></u>	<u><u>320,000</u></u>	-	<u><u>320,000</u></u>

COMMODITY CREDIT CORPORATON
Farm and Sugar Storage Facility Loans (FSFL and SSFL)
Geographic Breakdown of Loan Obligations and Staff Years
Dollars in thousands

State/Territory	2013 Actual	2014 Actual	2015 Enacted	2016 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$1,014	\$486	\$740	\$740
Arizona.....	43	-	317	317
Arkansas.....	2,787	1,289	1,012	1,012
California.....	275	68	-	-
Colorado.....	161	388	1,234	1,234
Connecticut.....	25	71	65	65
Delaware.....	278	994	526	526
Florida.....	466	345	65	65
Georgia.....	4,231	1,337	455	455
Idaho.....	1,781	1,073	3,100	3,100
Illinois.....	16,743	11,477	31,739	31,739
Indiana.....	7,057	3,353	13,404	13,404
Iowa.....	37,223	17,545	51,124	51,124
Kansas.....	4,098	2,031	5,101	5,101
Kentucky.....	5,161	2,394	4,930	4,930
Louisiana.....	556	-	402	402
Maine.....	1,510	-	4,456	4,456
Maryland.....	2,078	753	868	868
Massachusetts.....	30	-	-	-
Michigan.....	2,942	1,621	6,048	6,048
Minnesota.....	32,569	15,981	61,392	61,392
Mississippi.....	1,428	867	926	926
Missouri.....	7,167	5,845	12,866	12,866
Montana.....	2,569	2,509	4,656	4,656
Nebraska.....	8,410	9,206	23,612	23,612
Nevada.....	75	-	194	194
New Hampshire.....	56	361	32	32
New Jersey.....	432	71	270	270
New York.....	2,783	2,127	4,118	4,118
North Carolina.....	2,096	1,070	688	688
North Dakota.....	9,814	7,228	15,173	15,173
Ohio.....	6,661	3,202	5,456	5,456
Oklahoma.....	318	215	741	741
Oregon.....	465	45	1,508	1,508
Pennsylvania.....	2,362	1,977	3,340	3,340
South Carolina.....	1,227	272	685	685
South Dakota.....	15,356	13,373	32,198	32,198
Tennessee.....	1,213	1,383	1,151	1,151
Texas.....	429	168	643	643
Utah.....	-	-	692	692
Vermont.....	73	450	395	395
Virginia.....	2,996	1,476	1,931	1,931
Washington.....	-	-	908	908
West Virginia.....	220	-	65	65
Wisconsin.....	6,278	2,821	11,346	11,346
Wyoming.....	300	80	9,428	9,428
Undistributed.....	46,552	-	-	-
Obligations.....	240,308	115,952	320,000	320,000
Lapsing Balances.....	68,192	192,548	-	-
Total, Available.....	308,500	308,500	320,000	320,000

COMMODITY CREDIT CORPORATON
 Farm and Sugar Storage Facility Loans (FSFL and SSFL)
Classification by Objects
 (Dollars in thousands)

		2013	2014	2015	2016
		<u>Actual</u>	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>
Other Objects:					
41.0	Grants.....	\$240,308	\$115,952	\$320,000	\$320,000
99.9	Total, new obligations.....	<u>240,308</u>	<u>115,952</u>	<u>320,000</u>	<u>320,000</u>

COMMODITY CREDIT CORPORATION

Status of Program

Current Activities:

**Commodity Loans Made and Outstanding
(Dollars in Billions)**

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Loans Made	\$9.1	\$12.6	\$12.0	\$11.3	\$9.5	\$8.3	\$7.2	\$7.1	\$5.7	\$5.7	\$3.8
Loans Outstanding	\$1.8	\$1.1	\$1.5	\$0.7	\$0.6	\$0.4	\$0.7	\$0.3	\$0.4	\$0.3	\$0.2

**FY 2014 Commodity Loans
(Dollars in Thousands)**

Commodity	Loans Outstanding SOY	Loans Made	Loan Reductions	Loans Outstanding EOY
Cotton	\$13,114	\$1,130,161	\$1,105,614	\$37,661
Feed Grains	37,244	831,739	792,813	76,170
Other Oilseeds	802	6,453	6,308	947
Peanuts	60,407	502,668	541,806	21,269
Rice	45,175	196,446	225,379	16,242
Soybeans	5,253	232,376	231,018	6,611
Sugar	136,936	773,480	910,416	0
Wheat	35,582	82,040	69,985	47,637
Other	2,174	7,694	7,254	2,614
Total	336,687	3,763,057	3,890,593	209,151

**FY 2014 Counter-Cyclical, Direct and ACRE Payments
(Dollars in Thousands)**

Commodity	Counter-Cyclical	Direct	ACRE
Barley	0	\$75,793	\$53
Corn	0	1,914,392	145,476
Oats	0	2,864	15
Peanuts	\$75	64,886	0
Rice	0	377,049	0
Sorghum	0	178,205	4,027
Soybeans	0	532,813	58,272
Upland Cotton	213	526,153	3,521
Wheat	0	1,036,148	1,672
Other Oilseeds	0	17,652	351
Lentils	0	0	407
Small Chickpeas	0	0	3
Dry Edible Peas	0	0	25
Total	288	4,725,955	213,822

Other Payments Made Directly to Producers. The following table includes production flexibility contract payments, loan deficiency payments and marketing loss assistance payments, but excludes direct, acre and counter-cyclical payments.

**Other Payments to Producers
(Dollars in Thousands)**

Commodity	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Cotton	\$215.5	\$107.9	\$77.1	\$60.2	\$59.8	\$50.0
Dairy	756.9	181.5	0.6	403.2	275.2	5.7
Feed Grains	1.7	1.1	-0.7	-0.2	0	0.4
Rice	0	0	0	0	0	0.3
Soybeans	0	0	-0.4	0	0	0
Wheat	4.0	178.2	27.3	-0.4	-.4	0.8
Wool, Mohair and Pelts	8.5	8.0	3.2	.1	-.2	0
Other	0.7	0	0	0	0	-0.3
Tobacco	953.2	954.1	953.3	953.4	951.7	917.7
Total Payments	1,940.5	1,430.8	1,060.4	1,416.3	1,286.1	974.6

Minus (-) indicates credit adjustment to the program.

Purchases. Some commodities are purchased directly from processors. Milk prices are supported through purchases of processed dairy products from processors. Purchases of dairy products, purchases of wheat and wheat products, corn, oats, peanuts, and vegetable oils for donations and purchases of grains, soybeans, and oilseeds on which loans are also made totaled \$539.8 million, which is comprised entirely of cash purchases in FY 2014.

Noninsured Crop Disaster Assistance Program (NAP). NAP payments in 2014 totaled \$165.3 million, with offsetting fees collected of \$24.7 million. Of the payments, \$0.3 million was for the 2007-2011 crop, \$10.3 million was for the 2012 crop, \$148.6 million was for the 2013 crop and \$6.1 million was for the 2014 crop.

Emergency Assistance. The following table includes residual payments, corrections, and/or appeals to payments incurred during crop year 2008 - 2011.

**FY 2014 Emergency Assistance
(Dollars in Thousands)**

Programs	FY 2014 Outlays
Crop Disaster Assistance	-\$64
Tree Assistance Program	-770
Livestock Indemnity	-6
Total	-840

Minus (-) indicates credit adjustment to the program.

Disaster Assistance. The following four disaster programs are authorized by the Agricultural Act of 2014: Livestock Forage Program (LFP) Livestock Indemnity Program (LIP), Tree Assistance Program (TAP) and Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP). Payments to producers are authorized for FY 2012 and each succeeding fiscal year.

**FY 2014 Disaster Assistance
(Dollars in Thousands)**

2014 Farm Bill Programs	FY 2014 Outlays
Livestock Forage Program	\$2,988,133
Livestock Indemnity Program	54,782
Tree Assistance Program	814
Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program	0
Total	3,043,729

**Farm Bill-Authorized CCC Transfers, FY 2014
(Dollars in Thousands)**

Agencies Receiving Transfers	FY 2014 Amount
Agricultural Marketing Service (AMS)	\$125,500
Economic Research Service (ERS)	500
National Agriculture Statistics Service (NASS)	1,000
Department of Interior (DOI)	150,000
Departmental Administration (DA)	13,000
Animal and Plant Health Inspection Service (APHIS)	83,397
Office of Chief Economist (OCE)	1,000
Farm Service Agency (FSA)	37,000
Food and Nutrition Service (FNS)	20,600
Natural Resources Conservation Service (NRCS)	3,714,247
Risk Management Agency (RMA)	6,000
Rural Development (RD)	393,000
Bill Emerson Humanitarian Trust (BEHT)	130,000
National Institute of Food and Agriculture (NIFA)	158,000
Total	4,833,244

Prompt Payment Act Interest Payments. Total interest paid on late payments during 2014 was \$521,695.55 compared to \$885,175.89 in 2013. Payments were late because of program documentation delays, high number of payments being processed during payment cycle, misplacement or mishandling of documentation at the local office, and computer system processing delays as reported by State and county offices.

Farm Storage Facility Loan Program (FSFL). For 2014, loan obligations totaled \$189.2 million.

Sugar Storage Facility Loans. No loans were made in 2014.

COMMODITY EXPORT ACTIVITIES

The Corporation is authorized to promote the export of U.S. agricultural commodities and products through sales, payments, direct credit, credit guarantees, and the conduct of other activities related to the exportation of commodities. During 2014, CCC commercial export credit activities consisted of credit guarantees under the GSM-102 Export Credit Guarantee Program.

Direct Credit. From the beginning of the short-term export credit sales program in 1956 through September 30, 2005, sales of agricultural commodities amounted to approximately \$9,649.2 million, with an additional \$722.9 million in capitalized interest resulting from debt rescheduling. However, there has been no new program activity since 1987. There has been no amount outstanding under this program since September 30, 2010, and principal repayments from inception totaled \$9,649.2 million.

CCC Export Credit Guarantees. During 2014, the following loan commitments were made under the CCC Export Credit Guarantee Programs.

Activity	FY 2014 Loan Commitments (Dollar in Thousands)
GSM-102, Short-term Guarantees	\$2,159,728
Facilities Guarantee Program	0
Total	2,159,728

On July 1, 2005, the guarantee fees (premium) charged under the export credit guarantee programs were changed from a flat fee basis to a country risk-based approach. The revised premium respond to a World Trade Organization dispute panel decision and are intended to remove any long-term subsidy component of the program, prospectively.

U.S. Agricultural Technical Expertise Provided to Emerging Markets. The Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 113–79) as amended, authorizes for each fiscal year through 2018, a program for promoting agricultural exports to emerging markets through the sharing of U.S. agricultural technical expertise. Actual expenditures during 2014 totaled \$6 million, which included prior year obligations.

Dairy Export Incentive Program (DEIP). DEIP was repealed by the 2014 Farm Bill.

Bill Emerson Humanitarian Trust (BEHT). The Agricultural Act of 2014 extends the authorization to replenish the BEHT through 2018. BEHT is a commodity and/or monetary reserve designed to ensure that the United States can meet its international food assistance commitments under P.L. 480 Title II. Commodities or their cash equivalent that can be held in the reserve include wheat, corn, grain sorghum, and rice. Assets of the BEHT can be released any time the Administrator of the U.S. Agency for International Development determines that P.L. 480 Title II funding for emergency needs is inadequate to meet those needs in any fiscal year. When a BEHT release is authorized, the Trust's assets (whether commodities or funds) cover all commodity costs associated with the release. All non-commodity costs, including freight charges; internal transportation, storage, and handling overseas; and certain administrative costs are paid by CCC. During FY 2014, the Secretary authorized \$50 million in BEHT funds to procure commodities to meet the emergency food needs in South Sudan and \$130 million in CCC funds to be used for transportation and other associated costs.

STORAGE ACTIVITIES

The objectives of the Corporation in carrying out its storage program are to establish guidelines to protect the interests of commodity owners, monitor USDA approved and licensed warehouse programs to maintain adequate storage facilities and to make efficient use of commercial facilities in the storage of CCC-owned commodities.

Commercial Storage. The Corporation has contracts with about 2,500 commercial warehouse operators in over 6,400 locations in the United States for the storage of Government-owned and loan grain and rice, cotton, peanuts, sugar and processed commodities. The grain and rice facilities have a total capacity of about 9 billion bushels.

The capacities of the warehouses with CCC storage agreements in 2014 were as follows: 9 billion bushels of grain and rice; 19.4 million bales of cotton; 3.3 million short tons of peanuts; 14 billion pounds of sugar. In accordance with the Grain Standards and Warehouse Improvement Act of 2000, user fees are charged for warehouse examination services of all warehouses licensed under the United States Warehouse Act (USWA). Grain, rice, and cotton warehouses not licensed under the USWA may be assessed storage agreement fees; the collection of these fees is currently suspended.

SUPPLY AND FOREIGN PURCHASE ACTIVITIES

The Corporation is authorized to procure agricultural commodities in the U.S. and abroad for U.S. and foreign governmental agencies and entities, pursuant to sections 5(b) and (c) of its Charter Act, and Section 4 of the Act of July 16, 1943 (15 U.S.C. 713a-9).

ACQUISITION AND DISPOSAL ACTIVITIES

The Corporation acquires stocks of various farm products as a result of its support activities. Such acquisitions result from purchases from producers and processors and collateral acquisitions arising from loan operations. The inventory decreased in 2014 from 2013. CCC's acquisition cost value on September 30, 2014, was \$43.7 million, as compared to \$71.1 million in 2013.

Summary of Dispositions. The Corporation moves substantial quantities of farm commodities into useful channels, both at home and abroad. The value (at acquisition cost) of commodities removed from CCC inventories in FY 2013 was \$746.4 million, and sales proceeds were \$603.4 million, with no certificate sales proceeds.

Commodity Inventories Owned by CCC End of Year, Fiscal Years 1997-2014 (Dollars in Thousands)

	Cotton	Dairy	Feed Grains	Soybeans	Wheat	Other	Total
2014	0	0	0	0	0	\$40,120	\$40,120
2013	\$11	0	\$849	0	\$1,039	69,223	71,122
2012	0	0	0	0	0	13,784	13,784
2011	0	0	4,725	0	0	48,046	52,771
2010	0	\$6,081	355	0	2,046	39,144	47,626
2009	0	184,499	3,696	0	3,534	13,478	205,207
2008	0	0	4,597	0	89	6,071	10,757
2007	14,392	13,864	1,957	\$3,316	144,136	7,321	184,986
2006	1,204	40,906	3,835	5,257	160,921	13,916	226,039
2005	633	95,197	4,724	37	173,281	30,314	304,186
2004	680	605,544	21,793	11	291,436	30,740	950,204
2003	27,076	1,325,207	29,673	3,606	291,731	306,863	1,984,156
2002	43,530	1,283,648	34,868	14,105	370,042	740,360	2,486,553
2001	10,400	866,800	45,500	15,700	403,700	942,807	2,284,907
2000	2,300	562,200	71,600	48,400	399,600	119,600	1,203,700
1999	2,600	206,400	42,300	25,100	425,700	11,200	713,300
1998	0	128,225	21,358	11,700	369,967	0	531,250
1997	100	23,047	7,300	0	346,334	21	376,802

The following table shows the value of commodities disposed of during 2014:

(Dollar in Thousands)

Type of Disposition	Cost Value	Proceeds
Domestic Sales for Dollars	\$167,918	0
P.L. 480 (Export) Title II*	437,592	\$437,592
Export Donations	102,259	0
Subtotal Domestic Dispositions	167,918	0
Subtotal Export Dispositions	539,851	437,592
Total Dispositions	707,769	437,592

*Proceeds represent the value of commodities charged to P.L. 480 and recorded as sales.

Explanation of Dispositions by Domestic Commercial Sales. For unrestricted use - Commodities acquired under support can be sold for unrestricted use domestically only at prices which are not below minimums prescribed by law. There are no similar minimums on sales of non storables.

For restricted use - Commodities may be sold for restricted uses or outlets at less than the minimums prescribed by law. These uses would include new or by-product uses, peanuts and oilseeds sold for extraction of oil, and commodities that have substantially deteriorated in quality or are in danger of loss or waste.

CONSERVATION

Conservation Activities in 2014

Program	Authorized Acres or Funding Level	(Dollars in Thousands)	
		CCC Net Outlays	Transfer to NRCS
Conservation Reserve Program	27.5 million acres (rolling maximum)	\$1,732,029	0
Emergency Forestry Conservation Reserve Program	\$23.934 million	4,502	0
Wetlands Reserve Program	2.275 million acres (rolling maximum)	0	\$36,866
Voluntary Public Access & Habitat Incentives	\$50 million	-43	40,000
Environmental Quality Incentives Program	\$1.400 billion	0	1,482,120
Farmland Protection Program	\$200 million	0	2,888
Agricultural Management Assistance Program	\$15 million	0	7,500
Wildlife Habitat Incentives Program	\$73 million	0	8,189
Conservation Security Program (terminated after September 30, 2008, no new enrollment)	0	0	134,461
Grassland Reserve Program	1.220 million acres	0	1,361
Chesapeake Bay Watershed Program	\$43 million	0	0
Conservation Stewardship Program	\$230 million	0	1,151,158
Agricultural Water Enhancement Program	\$73 million	0	2,987
Healthy Forests Reserve Program	\$9.75 million	0	0

Program	Authorized Acres or Funding Level	(Dollars in Thousands)	
		CCC Net Outlays	Transfer to NRCS
Small Watershed Rehabilitation Program	\$262 million	0	261,880
Agricultural Conservation Easement Program	\$400 million	0	400,000
Regional Conservation Partnership Program	\$100 million	0	100,000
Wetlands Migration Banking Program	\$10 million	0	10,000
Conservation Reserve Program Technical Assistance	27.5 million acres (rolling maximum)	0	74,837
Total		1,736,488	3,714,247

(Authorized funding levels are based on the 2014 Farm Bill, P.L. 113-79, enacted February 7, 2014.)

FINANCING

Borrowing Authority. CCC operations are financed through borrowing from the U.S. Treasury. The 1988 Appropriations Act, P.L. 100-202, increased the statutory borrowing authority to \$30 billion. As of September 30, 2014, \$9.4 billion of this authority was in use.

Reimbursement for Net Realized Losses. During 2014, the Corporation received \$9.582 billion for reimbursement of 2013 losses. As of September 30, 2014, unrestored realized losses totaled \$13.444.5 billion. These losses are financed by the Corporation's borrowing authority until reimbursed by appropriation.

Section 11 Activities. Section 161 of the 1996 Act amended section 11 of the CCC Charter Act to limit the uses of CCC funds for reimbursable agreements and transfers and allotments of funds to State and Federal agencies. Starting 1997, total CCC funds used under that section in a fiscal year, including agreements for ADP or information technology management activities, were limited to the total of such allotments and transfers in 1995. The Section 11 cap was increased in 2001 from \$36.2 million to \$56.1 million to include Farm Service Agency loan service fees of nearly \$20 million based on 1995 collection computations. Obligations in 2014 were \$40.8 million.

Summary of CCC Activities for 2012 through 2014 (millions of dollars)

Item	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual
Loan Activity:			
Loans Outstanding, Beginning of Year	\$335.3	\$395.1	\$336.3
Loans Made	5,659.6	5,744.2	3,763.1
Loans Repaid	-5,598.5	-5,758.6	-3,715.1
Loans Repaid – Certificates	0	0	0
Marketing Loans Repaid	0	0	.2
Collateral Acquired	0	-42.3	-150.3
Write-offs	0	0	-23.9
Transfers to Accounts Receivable	-1.3	-1.7	-1.1
Loans Outstanding, End of Year	395.1	336.7	209.1
Inventory Activity:			
Inventory, Beginning of Year	52.8	13.8	71.1
Commodity Purchases	812.9	834.8	539.8
Certificates from Loan Redemption	0	0	0
Collateral Acquired	0	42.3	150.3
Loan Collateral Settlements	0	0	0
Processing, Packaging, etc.	0	0	0
Storage and Handling	-6	-4.4	-9
Transportation	0	0	0
Other Transfers (net)	0	-73.4	-9.8
Commodity Cost of Sales	753.3	654.1	609.1
Domestic Donations	3.7	0	0
Export Donations	94.9	92.3	102.2
Inventory, End of Year	13.8	71.1	40.1
Direct Cash Payments:			
Production Flexibility Payments a/	0	0	1.5
Direct Payments	3,837.5	4,843.3	4,725.9
Counter-Cyclical Payments	9.9	1.1	.3
Loan Deficiency Payments	-.1	9.5	.5
Milk Income Loss Payments	403.2	275.1	6.7
Noninsured Assistance Payments a/	253.6	318.6	140.6
Conservation Reserve Payments	1,814.3	1,769.4	1,718.1
Other Conservation Payments	5.9	4.7	4.5
Other Payments	1,013.6	1,001.2	966.5
Total	7,337.9	8,222.9	7,563.6
Commodity Export Activities:			
CCC Export Credit Guarantee Programs			
(Program Level)	(4,131.8)	(3,107.3)	(2,160.0)
(Net Outlays)	42.1	49.9	10.7
Market Access Program			
(Program Level)	(200.0)	(189.6)	(185.4)
(Net Outlays)	204.2	196.3	183.9
Other:			
Realized Loss	9,155.6	9,582.0	13,444.7
Investment in Agricultural Commodities	408.9	407.8	249.2

a/ Reflects refunds of overpayments or accounting adjustments.