

2017 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	Conservation Operations
Bartering	Storing		

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 2015. 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 Agriculture 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.

Agriculture 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 had a one-time opportunity in 2015 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 became "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.

Farm owners also had 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 commodity base acres on the farm are enrolled in PLC and which commodity 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 was not able to 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 annually to receive coverage. ARC and PLC payments are issued on October 1 of the subsequent crop year or when the marketing year average price for the covered commodity is published by USDA, whichever is later. Payment for the 2014 crop year began in October, 2015.

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 Disaster 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 Assistance Program (CTAP) – Upland cotton is no longer a covered commodity and is not eligible to participate in ARC and PLC programs, but rather, becomes eligible for the new Stacked Income Protection Plan (STAX) offered by the Risk Management Agency (RMA). Until STAX became available for all upland cotton producing counties in 2016, producers were eligible for CTAP payments.

For the 2014 crop year, CTAP payments are provided to producers on farms that had cotton base acres in 2013. For the 2015 crop year, CTAP 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.

DAIRY PROGRAMS

The Dairy Margin Protection Program for Dairy (MPP-Dairy) – 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 created

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) – The 2014 Farm Bill expanded NAP to include buy-up coverage, 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. 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 Consolidated and Further Continuing Appropriations Act, 2015 and FY 2016 which was capped at \$3 million by the Consolidated Appropriations Act, 2016.

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.

Biofuel Infrastructure Partnership (BIP) - USDA is investing \$100 million in the Biofuel Infrastructure Partnership (BIP) in FY 2016, a partnership between the Government and States and private partners, to install nearly 5,000 pumps offering higher blends of ethanol nationwide. With the matching commitments by State and private entities, the BIP is investing a total of \$210 million to nearly double the number of fueling pumps nationwide that supply renewable fuels to American motorists. These investments will help to create new markets for agricultural commodities, support demand and increase prices paid to farmers.

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 Agriculture Risk Coverage (ARC) payments which start outlaying this fiscal year.

COMMODITY CREDIT CORPORATION
Payment Programs, Fiscal Years 2014 – 2017
(Dollars in Thousands)

	2014 Actual	2015 Actual	2016 Estimate	2017 Estimate
Total Production Flexibility Payments For all Commodities	\$1,456	-\$89	0	0
ARC Payments:				
Corn	0	0	\$3,997,170	\$5,686,985
Grain Sorghum	0	0	38,682	0
Barley	0	0	8,766	0
Oats	0	0	139	24,510
Total Feed Grains	0	0	4,044,757	5,711,495
Wheat	0	0	326,000	845,000
Rice	0	0	135	50
Peanuts	0	0	93	600
Lentils	0	0	569	300
Large Chickpeas	0	0	2,321	2,974
Small Chickpeas	0	0	187	218
Dry Edible Peas	0	0	2,332	3,169
Soybeans	0	0	343,800	1,209,600
Sunflower Seed Oil	0	0	7,900	2,940
Flaxseed	0	0	370	1,670
Canola	0	0	570	650
Rapeseed	0	0	24	6
Mustard Seed	0	0	54	0
Safflower Seed	0	0	241	70
Crambe	0	0	0	40
Total Oilseeds	0	0	352,959	1,214,976
Total ARC Payments	0	0	4,729,353	7,778,782
PLC Payments				
Corn	0	0	0	30,400
Grain Sorghum	0	0	0	115,330
Barley	0	0	0	0
Oats	0	0	0	5,035
Total Feed Grains	0	0	0	150,765
Wheat	0	0	0	445,000
Rice	0	0	422,137	410,274
Peanuts	0	0	337,570	706,600
Lentils	0	0	0	0
Small Chickpeas	0	0	0	0
Dry Edible Peas	0	0	0	0
Sunflower Seed Oil	0	0	0	29,090
Flaxseed	0	0	0	5,930
Canola	0	0	55,760	91,110
Rapeseed	0	0	0	38
Crambe	0	0	0	0
Total Oilseeds	0	0	55,760	126,168

	2014 Actual	2015 Actual	2016 Estimate	2017 Estimate
Total PLC Payments	0	0	815,467	1,838,807
Direct Payments:				
Corn	1,914,392	8,065	0	0
Grain Sorghum	178,205	810	0	0
Barley	75,793	447	0	0
Oats	2,864	16	0	0
Total Feed Grains	2,171,254	9,338	0	0
Wheat	1,036,148	5,939	0	0
Upland Cotton	526,153	3,279	0	0
Rice	377,049	2,493	0	0
Peanuts	64,886	286	0	0
Soybeans	532,813	2,145	0	0
Other Oilseeds	17,652	108	0	0
Total Fixed Decoupled Payments	4,725,955	23,588	0	0
ACRE Payments:				
Corn	145,476	154,502	0	0
Grain Sorghum	4,027	6,402	0	0
Barley	53	167	0	0
Oats	15	8	0	0
Total Feed Grains	149,571	161,079	0	0
Wheat	1,672	48,883	0	0
Upland Cotton	3,521	64,384	0	0
Lentils	407	0	0	0
Small Chickpeas	3	2	0	0
Dry Edible Peas	25	87	0	0
Soybeans	58,272	1,098	0	0
Other Oilseeds	351	3,746	0	0
Total ACRE Payments	213,822	279,279	0	0
Counter- Cyclical Payments				
Upland Cotton	213	97	0	0
Peanuts	75	14	0	0
Total Counter-Cyclical Payments	288	111	0	0
Market Loss Assistance Payments				
Corn	34	0	0	0
Grain Sorghum	27	0	0	0
Barley	35	-1	0	0
Total Feed Grains	96	-1	0	0
Wheat	164	0	0	0
Upland Cotton Transition Payments	478	484,293	1,000	0
Rice	79	0	0	0
Milk Income Loss Payments	5,665	1,767	0	0
Other Market Loss Asst Payments	0	0	0	0
Unidentified Commodity	37	-47	0	0
Total Market Loss and MILC Payments	6,519	486,012	1,000	0
Loan Deficiency Payments				
Corn	-11	-113	0	0
Grain Sorghum	-11	0	0	0
Barley	-2	-3	0	0

	2014 Actual	2015 Actual	2016 Estimate	2017 Estimate
Total Feed Grains	-24	-116	0	0
Wheat	-6	-1		
Upland Cotton	424	173,315	120,273	168,177
Rice	93	0	0	0
Peanuts	8	313	300	334
Dry Peas	-2	0	0	0
Wool	-8	-2	0	0
Mohair	-6	4	0	0
Soybeans	43	-2	0	0
Other Oilseeds	3	0	0	0
Total Loan Deficiency Payments	525	173,511	120,573	168,511
Noninsured Crop Disaster Asst Program	165,259	124,662	146,878	154,463
Crop Disaster Programs				
Pre-2014 Farm Bill Crop Disaster	-64	-6,899	0	0
Tree Assistance Program	44	11,147	8,424	5,000
Livestock Forage Disaster Program	2,988,133	2,521,295	562,573	422,000
Emergency Livestock Assistance	50	48,585	28,831	19,500
Disaster Reserve Flood Compensation	0	0	0	0
Livestock Indemnity Program	54,782	52,018	36,226	35,150
Total Disaster Payments	3,042,945	2,626,146	636,054	481,650
Other Programs:				
Upland Cotton Econ Adjustment Asst	48,363	48,983	52,985	53,410
Tobacco Payments	917,739	35,007	0	0
Dairy Margin Protection Program	0	436	1,000	180,000
Total Other Payments	966,102	84,426	53,985	233,410
Payments, Grand Total	9,122,871	3,797,646	6,503,310	10,655,623

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 2015 were \$1.811 billion, all for the GSM-102 program. Total program levels for 2016 and 2017 are estimated to be \$5.5 billion each year. The FY 2017 budget proposes \$5.0 billion for GSM-102 and \$500 million for facility guarantees.

The 2017 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 and enrollment authority 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. Grassland enrollment is a hybrid: continuous, but competitive.

The last general signup was held in fiscal year 2013 and in fiscal years 2014 and 2015, one-year contract extensions were offered to eligible expiring contracts. Under the fiscal year 2015 continuous signup, over 810,000 acres were enrolled. The budget assumes a general signup of 600,000 acres in 2016, a continuous signup of 829,000 acres, and enrollment of 400,000 acres of grassland.

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	2014 Actual	2015 Actual	2016 Estimated	2017 Estimated
Financial Assistance	\$1,718,092	\$1,713,551	\$1,818,004	\$1,900,941
Technical Assistance	13,937	22,561	17,500	16,072
Total, Program Level	\$1,732,029	\$1,736,112	\$1,835,504	\$1,917,013

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. As of September 30, 2015, there were 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 65 percent of honey bee hives are located during the summer when forage habitat is most critical. The Budget includes \$4 million in fiscal year 2016 and \$4 million in fiscal year 2017 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 United States Geological Survey (USGS), Agricultural Research Service (ARS), Natural Resources Conservation Service (NRCS), and National Institute of Food and Agriculture (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, P.L. 109-148, as amended by P.L. 109-234 and P.L. 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 have 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 Agricultural Management Assistance Program (AMAP). AMAP 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 2015 actual outlays totaled \$5 million, \$4 million to Risk Management Agency (RMA) and \$1 million to the Agricultural Marketing Service (AMS).

DISASTER PROGRAMS

The following four disaster programs were authorized by the 2008 Farm Bill under the USDA Supplemental Disaster Assistance program. These programs were re-authorized under CCC and extended indefinitely (beyond the horizon of the 2014 Farm Bill). The programs were 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 PL 480 Title II 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 – The Food for Progress Program (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 2014 and 2015 and anticipated amounts for 2016 and 2017:

CCC Farm Bill Transfers				
(Dollars in Thousands)				
Agencies Receiving Transfers:	FY 2014	FY 2015	FY 2016	FY 2017
Agricultural Marketing Service	\$125,500	\$115,000	\$118,000	\$118,000
Bill Emerson Humanitarian Trust (BEHT)	130,000	0	0	0
National Agriculture Statistic Service	1,000	0	0	0
Department of Interior	150,000	0	0	0
Animal and Plant Health Inspection Service	62,500	62,500	62,500	62,500
Farm Service Agency	37,000	46,000	46,000	46,000
Office of Chief Economist	1,000	1,000	1,000	1,000
National Institute of Food and Agriculture	158,000	123,000	143,000	143,000
Departmental Administration	13,000	13,000	13,000	13,000
Food and Nutrition Service	20,600	20,600	20,600	20,600
Natural Resources Conservation Service	3,714,247	3,709,521	3,588,000	3,871,000
Risk Management Agency	6,000	4,000	4,000	4,000
Rural Development	393,000	102,000	114,000	88,000
APHIS Non-Farm Bill 1/	20,898	1,007,000	0	0
Total	4,832,745	5,203,621	4,110,100	4,367,100

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

CCC NET EXPENDITURES

CCC net expenditures for 2016 are estimated at \$10.3 billion, an increase of \$3.6 billion from 2015 outlays of \$6.7 billion. Baseline expenditures for 2017 are estimated at \$13.5 billion.

The following table shows CCC net expenditures by commodity and program for 2014 through 2017.

(Dollars in Thousands)

	2014 Actual	2015 Actual	2016 Estimate	2017 Estimate
Feed Grains:				
Corn	\$2,093,284	\$200,840	\$4,066,850	\$4,998,370
Grain Sorghum	181,360	43,759	45,015	110,212
Barley	73,754	2,647	14,442	12,983
Oats	3,087	225	1,302	29,964
Feed Grain Products	-18	-19	0	0
Total Feed Grains and Products	2,351,467	247,452	4,127,609	5,151,529
Wheat and Products	1,088,633	142,675	681,559	1,513,608
Rice	350,200	17,751	462,825	435,912
Upland Cotton	607,483	1,008,919	552,366	597,234
ELS Cotton	-303	4,367	-4,182	6
Tobacco	-174,998	-225,220	0	0
Honey	-2,788	-337	-26	-21
Dairy and Products	5,600	-66,084	-37,000	173,000
Soybeans	590,675	25,960	332,199	1,248,104
Other Oilseeds	17,922	6,097	64,959	131,339
Sugar	-18,806	0	0	0
Peanuts	46,216	74,003	503,585	870,064
Wool and Mohair	-16	2	0	0
Soybeans Products	34,391	3,906	38,250	38,250
Vegetable Oil Products	27,556	21,202	17,125	29,250
Other Commodities	-11,124	5,626	3,343	16,433
Total Commodities	4,912,108	1,266,319	6,742,612	10,204,708
Market Access Program	183,914	191,671	184,663	191,948
Foreign Market Development Cooperator	30,091	30,897	31,746	33,372
Quality Samples Program	1,294	1,569	2,548	2,559
Livestock Forage	2,988,133	2,521,295	562,573	422,000
Livestock Indemnity	54,782	52,018	36,226	35,150
Tree Assistance Program	44	11,147	8,424	5,000
Pre-2014 Farm Bill Crop Disaster	-64	-6,899	0	0
Export Donations - Ocean Transportation	37,422	38,869	53,366	55,000
Noninsured Disaster Assistance Program	140,678	110,788	125,236	132,605
Emergency Livestock Assistance	50	48,585	28,831	19,500
Bio-based Fuel Production	0	0	42,500	42,500
Conservation Reserve Program (CRP)	1,732,029	1,736,112	1,835,504	1,917,013
Emergency Forestry CRP	4,502	5,250	5,825	5,622
Voluntary Public Access & Habitat Incentives Program	-43	-12	0	0
Pilot Program for Local and Regional Food Aid	104	0	0	0
Biomass Crop Assistance	7,260	6,578	10,478	24,001

	2014 Actual	2015 Actual	2016 Estimate	2017 Estimate
Technical Assistance for Specialty Crops	5,861	6,300	8,420	9,342
Interest	-22,200	-11,695	-8,996	19,202
Change in Working Capital	718,975	230,371	352,000	252,540
CCC Operating Expenses	20,742	58,989	47,463	7,606
All Other	278,808	355,582	213,438	80,072
Total Programs and Expenses	6,182,382	5,387,415	3,540,245	3,255,032
Total Net Expenditures, CCC Baseline	11,094,490	6,653,734	10,282,857	13,459,740

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

Item	2014 Actual	2015 Actual	2016 Estimated	2017 Estimated
Reimbursement for Net Realized Losses	\$9,582,002	\$13,444,728	\$6,871,131	\$13,476,854
CCC Export Loans Program Account (current, discretionary)	6,748	6,748	6,748	8,537
Total Commodity Credit Corporation	9,588,750	13,451,476	6,877,879	13,485,391

COMMODITY CREDIT CORPORATION
Classification by Objects
(Dollars in Thousands)

	2014 Actual	2015 Actual	2016 Estimate	2017 Estimate
Direct Obligations:				
22 Transportation of things	\$42,000	\$47,000	\$40,000	\$40,000
25.2 Other services from Federal sources	112,000	0	0	0
33 Investments and loans	3,763,000	6,083,000	7,427,000	7,636,000
41 Grants, subsidies, and contributions	10,125,000	3,441,000	19,801,000	12,512,000
Subtotal Direct Obligations	14,042,000	9,571,000	27,268,000	20,188,000
Reimbursable Obligations				
25.2 Other services from Federal sources	157,000	0	469,000	469,000
41 Grants, subsidies and contributions	925,000	0	0	0
Subtotal, Reimbursable Obligations	1,082,000	0	469,000	469,000
99.9 Total, new obligations	15,124,000	9,571,000	27,737,000	20,657,000

COMMODITY CREDIT CORPORATION

The estimates include appropriation language for this item as follows:

COMMODITY CREDIT CORPORATION FUND

Reimbursement for Net Realized Losses

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).

Reimbursement for Net Realized Losses

Budget Estimate, 2017.....	\$13,476,854,000
2016 Enacted.....	<u>6,871,131,397</u>
Change in Appropriation.....	+6,605,722,603

RECONCILIATION TO BUDGET AUTHORITY

The following table reconciles budget authority with appropriations:

(Dollars in thousands)

	FY 2014	FY 2015	FY 2016	FY 2017
Appropriation (for realized losses)	\$9,582,002	\$13,444,728	\$6,871,131	\$13,476,854
Portion applied to CCC debt reduction	-4,748,757	-8,241,541	-2,760,131	-9,108,754
Transferred to Other Accounts	-4,832,745	-5,203,621	-4,111,100	-4,367,100
Adjusted Appropriation	0	0	0	0
Adjustments:				
Authority to borrow	10,252,885	7,788,000	27,285,000	19,738,000
CCC Export Loans Program Account	6,748	6,748	6,748	8,537
Budget Authority (net)	10,259,633	7,794,748	27,291,748	19,746,537

The following tables reflect actual and estimated losses by commodity and program for fiscal years 2014 through 2017:

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
Export Donations	103.8	0.0	\$40.0	\$3.3	0.0	\$1.5	0.0	59.0
Storage and Handling	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0
Loan Deficiency Payments	-0.3	-\$0.1	0.0	0.0	0.0	-0.2	0.0	-0.0
Counter-Cyclical Payments	-0.3	0.0	0.0	0.0	-\$0.3	0.0	0.0	0.0
Direct Payments	-1.0	-0.2	-0.1	-0.1	-0.3	0.0	0.0	-0.3
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
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/	-1,450.3	105.1	97.1	34.3	38.9	-1.8	3.0	-1,726.9
Total Program Costs:	13,408.8	104.8	137.0	37.5	383.1	-5	8.7	12,738.2
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 programs include the Emergency Forestry Conservation Reserve Program.

c/ Other costs include ocean transportation for export donations, and all other miscellaneous expense.

FY 2015 - 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	\$4.2	0.0	0.0	0.0	0.0	0.0	0.0	\$4.2
Domestic Donations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Export Donations	102.8	\$38.5	\$19.8	\$3.0	0.0	0.0	0.0	41.5
Storage and Handling	6.9	0.0	0.0	0.0	0.0	0.0	0.0	6.9
Transportation	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.7
Loan Deficiency Payments	173.5	0.0	0.0	0.0	\$173.3	0.0	0.0	0.2
ACRE Payments	123.4	0.0	0.0	0.0	0.0	0.0	0.0	123.4
Upland Cotton Transition Payment	484.3	0.0	0.0	0.0	484.3	0.0	0.0	0.0
Dairy Margin Protection Program	0.4	0.0	0.0	0.0	0.0	0.0	\$0.4	0.0
Dairy Producer Paid Premiums	-76.2	0.0	0.0	0.0	0.0	0.0	-76.2	0.0
Conservation Reserve Program	1,603.3	0.0	0.0	0.0	0.0	0.0	0.0	1,603.3
Other Conservation Program b/	8.9	0.0	0.0	0.0	0.0	0.0	0.0	8.9
Foreign Market Development Coop	31.8	0.0	0.0	0.0	0.0	0.0	0.0	31.8
Quality Samples Program	1.5	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Noninsured Assistance Program	100.3	0.0	0.0	0.0	0.0	0.0	0.0	100.3
Market Access Program	195.7	0.0	0.0	0.0	0.0	0.0	0.0	195.7
Marketing Loan Write-offs	187.1	0.0	0.0	0.0	187.1	0.0	0.0	0.0
Transfers to Other USDA Agencies	5,203.2	0.0	0.0	0.0	0.0	0.0	0.0	5,203.2
Disaster Programs	-1,208.9	0.0	0.0	0.0	0.0	0.0	0.0	-1,208.9
Other c/	-209.9	82.4	68.4	19.8	84.9	-\$0.7	1.8	-466.5
Total Program Costs:	6,733.0	120.9	88.2	22.8	929.6	-0.7	-74.0	5,645.2
Non-Program Costs:								
Interest (net):								
Support and Related Costs	-11.9							
Export Credit Sales	0.0							
Loss in Interest Income	1.0							
Operating Expenses	59.0							
Total Non-Program Costs	48.1							
Total Net Realized Losses	6,871.1							

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

b/ Other conservation programs include 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	\$29.7	0.0	0.0	0.0	0.0	0.0	0.0	\$29.7
Domestic Donations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Export Donations	160.7	\$5.0	\$27.6	\$33.0	0.0	0.0	0.0	95.1
Storage and Handling	31.2	0.0	0.0	0.0	0.0	0.0	0.0	31.2
Transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loan Deficiency Payments	120.6	0.0	0.0	0.0	\$120.3	0.0	0.0	0.3
ARC Payments	4,729.4	4,044.8	326.0	0.1	0.0	\$2.3	0.0	356.2
PLC Payments	815.5	0.0	0.0	422.1	0.0	0.0	0.0	393.4
Upland Cotton Transition Payment	1.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Dairy Margin Protection Program	1.0	0.0	0.0	0.0	0.0	0.0	\$1.0	0
Conservation Reserve Program	1,818.0	0.0	0.0	0.0	0.0	0.0	0.0	1,818.0
Other Conservation Program b/	6.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0
Foreign Market Development Coop	31.7	0.0	0.0	0.0	0.0	0.0	0.0	31.7
Quality Samples Program	2.5	0.0	0.0	0.0	0.0	0.0	0.0	2.5
Noninsured Assistance Program	146.9	0.0	0.0	0.0	0.0	0.0	0.0	146.9
Market Access Program	184.7	0.0	0.0	0.0	0.0	0.0	0.0	184.7
Marketing Loan Write-offs	284.1	0.8	0.0	0.0	283.3	0.0	0.0	0.0
Transfers to Other USDA Agencies	4,111.1	0.0	0.0	0.0	0.0	0.0	0.0	4,111.1
Other c/	956.6	0.0	0.0	0.1	98.4	0.0	-38.0	895.8
Total Program Costs:	13,430.3	4,054.2	353.6	455.3	503.0	2.3	-37.0	8,102.6
Non-Program Costs:								
Interest (net):								
Support and Related Costs	-1.0							
Export Credit Sales	0.0							
Loss in Interest Income	0.0							
Operating Expenses	47.5							
Total Non-Program Costs	46.5							
Total Net Realized Losses	13,476.9							

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

b/ Other conservation programs include 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 2017 - 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	\$62.3	0.0	0.0	0.0	0.0	0.0	0.0	\$62.3
Domestic Donations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Export Donations	170.7	\$5.0	\$27.6	\$33.0	0.0	0.0	0.0	105.1
Storage and Handling	38.3	0.0	0.0	0.0	0.0	0.0	0.0	38.3
Transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loan Deficiency Payments	168.5	0.0	0.0	0.0	\$168.2	0.0	0.0	0.3
ARC Payments	7,778.8	5,711.5	845.0	2.2	0.0	1,209.6	0.0	10.5
PLC Payments	1,838.8	150.8	445.0	410.3	0.0	13.5	0.0	819.2
Upland Cotton Transition Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dairy Margin Protection Program	180.0	0.0	0.0	0.0	0.0	0.0	\$180.0	0.0
Conservation Reserve Program	1,900.9	0.0	0.0	0.0	0.0	0.0	0.0	1,900.9
Other Conservation Program b/	5.6	0.0	0.0	0.0	0.0	0.0	0.0	5.6
Foreign Market Development Coop	33.4	0.0	0.0	0.0	0.0	0.0	0.0	33.4
Quality Samples Program	2.6	0.0	0.0	0.0	0.0	0.0	0.0	2.6
Noninsured Assistance Program	154.5	0.0	0.0	0.0	0.0	0.0	0.0	154.5
Market Access Program	191.9	0.0	0.0	0.0	0.0	0.0	0.0	191.9
Marketing Loan Write-offs	328.4	0.3	0.0	0.0	328.1	0.0	0.0	0.0
Transfers to Other USDA Agencies	4,368.1	0.0	0.0	0.0	0.0	0.0	0.0	4,368.1
Disaster Programs	481.7	0.0	0.0	0.0	0.0	0.0	0.0	481.7
Other c/	268.4	0.0	0.0	0.0	100.1	0.0	-7.0	175.3
Total Program Costs:	17,972.9	5,868.4	1,317.6	445.5	596.4	1,223.1	173.0	8,374.9
Non-Program Costs:								
Interest (net):								
Support and Related Costs	86.1							
Export Credit Sales	0.0							
Loss in Interest Income	0.0							
Operating Expenses	1.2							
Total Non-Program Costs	87.3							
Total Net Realized Losses	18,060.2							

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

b/ Other conservation programs include 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
Lead-Off Tabular Statement

Budget Estimate, 2017.....	\$308,500,000
2016 Enacted.....	320,000,000
Change in Appropriation.....	<u><u>-11,500,000</u></u>

Summary of Increases and Decreases
(Dollars in Thousands)

	2014 <u>Actual</u>	2015 <u>Change</u>	2016 <u>Change</u>	2017 <u>Change</u>	2017 <u>Estimate</u>
Mandatory Appropriations:					
FFSL Program Level.....	\$300,000	-	-	-	\$300,000
SSFL Program Level.....	20,000	-	-	-\$11,500	8,500
Total.....	<u>320,000</u>	<u>-</u>	<u>-</u>	<u>-11,500</u>	<u>\$308,500</u>

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

Program	<u>2014 Actual</u> Amount	<u>2015 Actual</u> Amount	<u>2016 Enacted</u> Amount	<u>Inc. or Dec.</u> Amount	<u>2017 Estimate</u> Amount
Mandatory Appropriations:					
Program Level					
FSFL.....	\$300,000	\$300,000	\$300,000	-	\$300,000
SSFL.....	8,500	20,000	20,000	-\$11,500 (1)	8,500
Subtotal Program Level.....	<u>308,500</u>	<u>320,000</u>	<u>320,000</u>	<u>-11,500</u>	<u>308,500</u>
Total Program Level Available.....	308,500	320,000	320,000	-11,500	308,500
Lapsing Balances.....	-192,548	-140,000	-	-	-
Total Obligations (Program Level).....	<u>115,952</u>	<u>180,000</u>	<u>320,000</u>	<u>-11,500</u>	<u>308,500</u>

Project Statement
Obligations Detail
(Dollars in thousands)

Program	<u>2014 Actual</u> Amount	<u>2015 Actual</u> Amount	<u>2016 Enacted</u> Amount	<u>Inc. or Dec.</u> Amount	<u>2017 Estimate</u> Amount
Mandatory Appropriations:					
Program Level					
FSFL.....	\$115,952	\$180,000	\$300,000	-	\$300,000
SSFL.....	-	-	20,000	-\$11,500 (1)	8,500
Subtotal Program Level Obligations.....	<u>115,952</u>	<u>180,000</u>	<u>320,000</u>	<u>-11,500</u>	<u>308,500</u>
Total Obligations.....	<u>115,952</u>	<u>180,000</u>	<u>320,000</u>	<u>-11,500</u>	<u>308,500</u>
Lapsing Balances.....	192,548	140,000	-	-	-
Total Program Level	<u>308,500</u>	<u>320,000</u>	<u>320,000</u>	<u>-11,500</u>	<u>308,500</u>

Justification of Increases and Decreases

(1) A decrease of \$11,500,000 (\$20,000,000 available in FY 2016)

The decrease in Sugar Storage Facility Loans (SSFL) is due to the lack of program participation. The estimate is expected to be sufficient to meet the demand in FY 2017.

COMMODITY CREDIT CORPORATION
Farm and Sugar Storage Facility Loans
Geographic Breakdown of Loan Obligations and Staff Years
Dollars in thousands

State/Territory	2014 Actual Amount	2015 Actual Amount	2016 Enacted Amount	2017 Estimate Amount
Alabama.....	\$486	\$653	\$712	\$712
Arizona.....	-	-	-	-
Arkansas.....	1,289	835	833	833
California.....	68	35	37	37
Colorado.....	388	890	886	886
Connecticut.....	71	129	132	132
Delaware.....	994	1,087	1,336	1,336
Florida.....	345	43	44	44
Georgia.....	1,337	549	544	544
Idaho.....	1,073	1,550	1,788	1,788
Illinois.....	11,477	20,557	56,260	56,260
Indiana.....	3,353	11,892	11,988	11,988
Iowa.....	17,545	34,660	71,275	71,275
Kansas.....	2,031	4,313	4,278	4,278
Kentucky.....	2,394	3,466	3,688	3,688
Louisiana.....	-	-	-	-
Maine.....	-	771	793	793
Maryland.....	753	474	553	553
Massachusetts.....	-	-	-	-
Michigan.....	1,621	2,783	2,811	2,811
Minnesota.....	15,981	20,775	53,688	42,188
Mississippi.....	867	1,744	1,773	1,773
Missouri.....	5,845	8,844	8,829	8,829
Montana.....	2,509	2,904	2,507	2,507
Nebraska.....	9,206	16,796	17,150	17,150
Nevada.....	-	-	-	-
New Hampshire.....	361	-	-	-
New Jersey.....	71	155	159	159
New York.....	2,127	1,372	1,386	1,386
North Carolina.....	1,070	768	778	778
North Dakota.....	7,228	5,885	5,982	5,982
Ohio.....	3,202	3,833	3,894	3,894
Oklahoma.....	215	588	598	598
Oregon.....	45	165	165	165
Pennsylvania.....	1,977	1,463	1,689	1,689
South Carolina.....	272	208	234	234
South Dakota.....	13,373	21,277	54,488	54,488
Tennessee.....	1,383	1,173	1,330	1,330
Texas.....	168	-	-	-
Utah.....	-	70	70	70
Vermont.....	450	646	639	639
Virginia.....	1,476	2,236	2,301	2,301
Washington.....	-	-	-	-
West Virginia.....	-	212	214	214
Wisconsin.....	2,821	3,844	3,818	3,818
Wyoming.....	80	356	350	350
Undistributed.....	-	-	-	-
Obligations.....	115,952	180,000	320,000	308,500
Lapsing Balances.....	192,548	140,000	-	-
Total, Available.....	308,500	320,000	320,000	308,500

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

		2014	2015	2016	2017
		<u>Actual</u>	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>
Other Objects:					
33.0	Loans.....	\$115,952	\$180,000	\$320,000	\$308,500
99.9	Total, new obligations.....	<u>115,952</u>	<u>180,000</u>	<u>320,000</u>	<u>308,500</u>

COMMODITY CREDIT CORPORATION

STATUS OF PROGRAM

Current Activities:

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Loans Made	\$12.6	\$12.0	\$11.3	\$9.5	\$8.3	\$7.2	\$7.1	\$5.7	\$5.7	\$3.8	\$5.7
Loans Outstanding	\$1.1	\$1.5	\$0.7	\$0.6	\$0.4	\$0.7	\$0.3	\$0.4	\$0.3	\$0.2	\$0.4

**FY 2015 Commodity Loans
(Dollars in Thousands)**

Commodity	Loans Outstanding SOY	Loans Made	Loan Repaid	Loans Outstanding EOY
Cotton	\$37,661	\$2,115,678	\$2,101,860	\$51,479
Feed Grains	76,170	1,121,183	1,080,897	116,456
Other Oilseeds	947	13,768	11,555	3,160
Peanuts	21,269	757,937	740,776	38,430
Rice	16,242	274,964	259,739	31,467
Soybeans	6,611	405,841	382,470	29,982
Sugar	0	838,946	838,946	0
Wheat	47,637	186,439	117,518	116,558
Other	2,614	6,515	6,345	2,784
Total	209,151	5,721,271	5,540,106	390,316

**FY 2015 Counter-Cyclical, Direct and ACRE Payments
(Dollars in Thousands)**

Commodity	Counter-Cyclical	Direct	ACRE
Barley	\$0	\$447	\$167
Corn	0	8,065	154,502
Oats	0	16	8
Peanuts	14	286	0
Rice	0	2,493	0
Sorghum	0	810	6,402
Soybeans	0	2,145	1,098
Upland Cotton	97	3,279	64,384
Wheat	0	5,939	48,883
Other Oilseeds	0	108	3,746
Lentils	0	0	0
Small Chickpeas	0	0	2
Dry Edible Peas	0	0	87
Total	111	23,588	279,279

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 Millions)**

Commodity	2010	2011	2012	2013	2014	2015
Cotton	\$107.9	\$77.1	\$60.2	\$59.8	\$50.0	\$706.6
Dairy	181.5	0.6	403.2	275.2	5.7	2.2
Feed Grains	1.1	-0.7	-0.2	0	0.4	-1
Rice	0	0	0	0	0.3	0
Soybeans	0	-0.4	0	0		0
Wheat	178.2	27.3	-0.4	-4	0.8	0
Wool, Mohair and Pelts	8.0	3.2	.1	-2		0
Other	0	0	0	0	0.3	.3
Tobacco	954.1	953.3	953.4	951.7	917.7	35.0
Total Payments	1,430.8	1,060.4	1,416.3	1,286.1	975.2	744.0

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 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 \$463.0 million, which is comprised entirely of cash purchases in FY 2015.

Noninsured Crop Disaster Assistance Program (NAP). NAP payments in 2015 totaled \$124.7 million, with offsetting fees collected of \$13.9 million. Of the payments, \$0.3 million was for the 2007-2011 crop, \$9.3 million was for the 2012 crop, \$12.1 million was for the 2013 crop, \$98.5 million was for the 2014 crop and \$4.5 million was for crop year 2015.

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

**FY 2015 Emergency Assistance
(Dollars in Thousands)**

Programs	FY 2015 Outlays
Crop Disaster Assistance	\$-252
Livestock Indemnity	-6,647
Total	-6,899

Disaster Assistance. The following four disaster programs 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. Figures below do not include pre-2014 Farm bill disaster adjustments.

**FY 2015 Disaster Assistance
(Dollars in Thousands)**

2015 Farm Bill Programs	FY 2015 Outlays
Livestock Forage Program	\$2,521,295
Livestock Indemnity Program	52,018
Tree Assistance Program	11,147
Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program	48,585
Total	2,633,045

**Farm Bill-Authorized CCC Transfers, FY 2015
(Dollars in Thousands)**

Agencies Receiving Transfers	FY 2015 Amount
Agricultural Marketing Service (AMS)	\$115,000
Departmental Administration (DA)	13,000
Animal and Plant Health Inspection Service (APHIS)*	62,500
Office of Chief Economist (OCE)	1,000
Farm Service Agency (FSA)	46,000
Food and Nutrition Service (FNS)	20,600
Natural Resources Conservation Service (NRCS)	3,709,521
Risk Management Agency (RMA)	4,000
Rural Development (RD)	102,000
Bill Emerson Humanitarian Trust (BEHT)	0
National Institute of Food and Agriculture (NIFA)	123,000
Total	4,196,621

* Excludes APHIS Emergency Eradication Program Transfers of \$1.007 billion

Prompt Payment Act Interest Payments. Total interest paid on late payments during 2015 was \$557,254 compared to \$521,696 in 2014. 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 2015, loan obligations totaled \$180 million.

Sugar Storage Facility Loans. No loans were made in 2015.

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 2015, 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 2015, the following loan commitments were made under the CCC Export Sales Guarantee Programs.

Activity	FY 2015 Loan Commitments (Dollar in Thousands)
GSM-102, Short-term Guarantees	\$1,811,000
Facilities Guarantee Program	0
Total	1,811,000

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 extended by the Agriculture Act of 2014 , (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 2015 totaled \$6 million, which included prior year obligations.

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

Bill Emerson Humanitarian Trust. The Agricultural Act of 2014 extends the authorization to replenish the Bill Emerson Humanitarian Trust (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.

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 2015 were as follows: 9.1 billion bushels of grain and rice; 20.0 million bales of cotton; 3.5 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 increased in 2015 from 2014. CCC's acquisition cost value on September 30, 2015, was \$56.0 million, as compared to \$40.1 million in 2014.

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 2015 was \$498.5 million, and sales proceeds were \$391.5 million, with no certificate sales proceeds.

Commodity Inventories Owned by CCC
End of Year, Fiscal Years 1997-2015
(Dollars in Thousands)

	Cotton	Dairy	Feed Grains	Soybeans	Wheat	Other	Total
2015	0	0	0	0	0	\$56,028	\$56,028
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 2015:

(Dollar in Thousands)

Type of Disposition	Cost Value	Proceeds
Domestic Sales for Dollars	\$21,294	\$17,062
P.L. 480 (Export) Title II*	374,407	374,407
Export Donations	102,848	0
Subtotal Domestic Dispositions	21,294	0
Subtotal Export Dispositions	477,255	374,407
Total Dispositions	498,549	391,469

*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 2015

Program	Authorized Acres or Funding Level	(Dollars in Thousands)	
		CCC Net Outlays	Transfer to NRCS ¹
Conservation Reserve Program	26.0 million acres (rolling maximum)	\$1,736,112	0
Emergency Forestry Conservation Reserve Program	\$23.934 million	5,250	0
Wetlands Reserve Program	2.275 million acres (rolling maximum)	0	0
Voluntary Public Access & Habitat Incentives	\$50 million	-12	0
Environmental Quality Incentives Program	\$1.600 billion	0	\$1,600,000
Farmland Protection Program	\$200 million	0	0
Agricultural Management Assistance Program	\$10 million	0	5,000
Wildlife Habitat Incentives Program	\$73 million	0	0
Conservation Security Program (terminated after September 30, 2008, will become the Conservation Stewardship Program)	0	0	30,631
Grassland Reserve Program	1.220 million acres	0	0
Chesapeake Bay Watershed Program	\$43 million	0	0
Conservation Stewardship Program	\$1.400 billion	0	1,307,080
Agricultural Water Enhancement Program	\$73 million	0	0
Healthy Forests Reserve Program	0	0	0
Small Watershed Rehabilitation Program	\$153,120 million	0	153,120
Agricultural Conservation Easement Program	\$400 million	0	425,000
Regional Conservation Partnership Program	\$100 million	0	100,000
Wetlands Migration Banking Program	\$10 million	0	0
Conservation Reserve Program Technical Assistance	26.0 million acres (rolling maximum)	0	88,690
Total		1,741,350	3,709,521

¹ Outlays from the CCC transfers to NRCS are reported on NRCS' accounts.
(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, 2015, \$7.6 billion of this authority was in use.

Reimbursement for Net Realized Losses. During 2015, the Corporation received \$13,445 million for reimbursement of 2014 losses. As of September 30, 2015, unrestored realized losses totaled \$6,871.1 million. 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 2015 were \$44.2 million.

Summary of CCC Activities for 2013 through 2015 (millions of dollars)

Item	2013 Actual	2014 Actual	2015 Actual
Loan Activity:			
Loans Outstanding, Beginning of Year	\$395.1	\$336.3	\$209.1
Loans Made	5,744.2	3,763.1	5,721.3
Loans Repaid	-5,758.6	-3,715.1	-5,238.0
Loans Repaid – Certificates	0	0	0
Marketing Loans Repaid	0	.2	187.1
Collateral Acquired	-42.3	-150.3	-54.8
Write-offs	0	-23.9	-54.2
Transfers to Accounts Receivable	-1.7	-1.1	-6.0
Loans Outstanding, End of Year	336.7	209.1	390.3
Inventory Activity:			
Inventory, Beginning of Year	13.8	71.1	40.1
Commodity Purchases	834.8	539.8	463.0
Certificates from Loan Redemption	0	0	0
Collateral Acquired	42.3	150.3	54.8
Loan Collateral Settlements	0	0	0
Processing, Packaging, etc.	0	0	0
Storage and Handling	-4.4	-.9	6.9
Transportation	0	0	0
Other Transfers (net)	-73.4	-9.8	-9.8
Commodity Cost of Sales	654.1	573.7	395.7
Domestic Donations	0	0	0
Export Donations	92.3	102.2	102.8
Inventory, End of Year	71.1	75.4	56.0
Direct Cash Payments:			
Production Flexibility Payments a/	0	1.5	0
Direct Payments	4,843.3	4,725.9	23.6
Counter-Cyclical Payments	1.1	.3	.1
Loan Deficiency Payments	9.5	.5	173.5
Milk Income Loss Payments	275.1	5.7	1.8
Noninsured Assistance Payments a/	318.6	165.3	124.6
Conservation Reserve Payments	1,769.4	1,718.1	1,713.5
Other Conservation Payments	4.7	4.5	5.2
Other Payments	1,001.2	966.5	568.2
Total	8,222.9	7,802.5	2,890.3
Commodity Export Activities:			
CCC Export Credit Guarantee Programs			
(Program Level)	(3,107.3)	(2,160.0)	(1,982.3)
(Net Outlays)	49.9	10.7	45.4
Market Access Program			
(Program Level)	(189.6)	(185.4)	(185.4)
(Net Outlays)	196.3	183.9	191.6
Other:			
Realized Loss	9,582.0	13,444.7	6,871.1
Investment in Agricultural Commodities	407.8	252.8	446.3

a/ Reflects refunds of overpayments or accounting adjustments.

b/ Does not include fee collections.