Attachment 3B(1)

Explanatory Note for USDA Farm Service Agency (FSA) Report
February 1, 2010

FSA has determined that the following programs receiving an appropriation from the American Recovery and Reinvestment Act can be considered categorically excluded at the programmatic level and therefore, are excluded from the preparation of environmental assessments or environmental impact statements:

- *IT Stabilization/Modernization* – funding for the stabilization and modernization of computer systems – falls under routine activities [7 CFR 1b.3(a)(1)]
- *2008 Aquaculture Assistance* – increases maximum program spending for grants to states – falls under activities which deal solely with the funding of programs [7 CFR 1b.3(a)(2)]
- *Farm Direct Operating Loans* – funding for costs associated with operating the direct farm operating program – falls under [7 CFR 1940.310(e)(1)]
- *Agriculture Disaster Relief* – provides financial assistance for qualified producers who experienced a crop loss in 2008 - falls under activities which deal solely with the funding of programs [7 CFR 1b.3(a)(2)]

During this reporting period, some States refunded unused or unneeded funds while another State declined any financial support under the 2008 Aquaculture Assistance Program causing the number of projects to decline to 36. Obligations for this program declined as a result as well, as reflected in page 1 of the FSA's Spreadsheet (row 2).

Since the last report, 33 projects (individual loan applications) were withdrawn from the Farm Direct Operating Loans Program per the applicants request for various reasons outside of FSA's control.

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