

FSA Administered Programs

Agricultural Mediation Program

The Agricultural Mediation Program helps agricultural producers, their lenders, and other persons directly affected by the actions of USDA resolve disputes. A trained, impartial mediator reviews conflicts, identifies options, and assists in settling disputes between participants in many different USDA program areas. These include farm loans, farm and conservation programs, wetland determinations, rural water loan programs, grazing on national forest system lands, and pesticides.

Average Crop Revenue Election (ACRE) Program

Producers on farms with covered commodity or peanut base acres may elect to participate in the Average Crop Revenue Election (ACRE) Program, authorized by the 2008 Farm Bill, instead of the Direct and Counter-cyclical Program (DCP). Under the ACRE Program, producers may receive revenue-based payments as an alternative to receiving price-based counter-cyclical (CC) payments. The following planted or considered planted crops may be eligible for ACRE

payments: wheat, barley, oats, grain sorghum, corn, upland cotton, rice (medium and long grain), soybeans, other oilseeds, canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed, peanuts and pulse crops (dry peas, lentils, and small and large chickpeas (garbanzo beans)).

Beginning Farmer and Rancher Loans

FSA provides direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources. A beginning farmer or rancher is an individual or entity who (1) has not operated a farm or ranch for more than 10 years; (2) meets the loan eligibility requirements of the program to which he/she is applying; (3) substantially participates in the operation; and, (4) for FO loan purposes, does not own a farm greater than 30 percent of the median size farm in the county and has farmed for at least three years.

Biomass Crop Assistance Program (BCAP)

BCAP was authorized in the 2008 Farm Bill to assist agricultural and forest

land owners and eligible material owners with the collection, harvest, storage, and transportation (CHST) of eligible material for use in CHST qualified Biomass Conversion Facilities (BCF). These payments are available to eligible material owners at a dollar per dollar match per dry ton paid by the CHST-qualified BCF to the eligible material owners. Establishment and annual payments are also provided for eligible crops on eligible land for conversion to bioenergy in selected project areas.

Boll Weevil Eradication Loan Program

The Boll Weevil Eradication Loan Program provides low-interest loans to nonprofit organizations that work collaboratively with state agencies, USDA's Animal and Plant Health Inspection Service, and the National Cotton Council to eradicate the boll weevil. The program objective is to assist producers and state government agencies in the eradication of boll weevils from cotton producing areas.

Conservation Reserve Program (CRP)

CRP is a voluntary program available to agricultural producers to help safeguard

environmentally sensitive land. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion, and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

Conservation Reserve Enhancement Program (CREP)

CREP is a derivative program of the Conservation Reserve Program (CRP). CREP is a voluntary land retirement program that helps agricultural producers protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water. The program is a partnership among producers; tribal, state, and federal governments; and, in some cases, private groups.

Dairy Indemnity Payment Program

The Dairy Indemnity Payment Program pays 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, nuclear radiation or fallout, or toxic

substances and chemical residues other than pesticides. Payments are made to manufacturers of dairy products only for products removed from the market because of pesticide contamination.

Dairy Product Price Support Program (DPPSP)

Under this program, FSA supports the price of nonfat dry milk, butter and cheddar at statutory minimum levels through the purchase of such products made from cow's milk produced in the United States. The established prices are uniform for all regions of the United States and may be increased by the Secretary when considered appropriate. Reductions that cause the purchase price to fall below the minimum purchase prices can only be temporarily adjustments made in accordance with the 2008 Farm Bill. The DPPSP is authorized through December 31, 2012.

Debt for Nature Program

The Debt for Nature Program, also known as the Debt Cancellation Conservation Contract Program, is available to persons with FSA loans secured by real estate who may qualify for cancellation of a portion of their FSA indebtedness in exchange for a conservation contract with a term of 50, 30, or

10 years. A conservation contract is a voluntary legal agreement that restricts the type and amount of development and farming practices that may take place on portions of a landowner's property. Contracts may be established on marginal cropland and other environmentally sensitive lands for conservation, recreation, and wildlife purposes.

Direct and Counter-cyclical Payment Program (DCP)

DCP payments provide income support to producers of eligible commodities and are based on historically-based acreage and yields and do not depend on the current production choices of the farmer. DCP was authorized by the 2008 Farm Bill for farms enrolled for the 2008 through 2012 crop years for barley, corn, grain sorghum (including dual-purpose varieties), oats, canola, crambe, flax, mustard, pulse crops, rapeseed, safflower, sesame and sunflower (including oil and non-oil varieties), peanuts, rice (excluding wild rice), soybeans, upland cotton, and wheat.

**Direct Farm Ownership
Loan Program (FO)**

FSA direct farm ownership loans are loans to purchase farmland, construct or repair buildings and other fixtures, and promote soil and water conservation. To qualify for a direct loan, the applicant must be able to show sufficient repayment ability and pledge enough collateral to fully secure the loan.

**Direct Operating Loan
Program (OL)**

FSA direct farm operating loans are loans to purchase items such as livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance, and other operating expenses. They can also be used to pay for minor improvements to buildings, costs associated with land and water development, family subsistence, and refinancing debts under certain conditions.

**Domestic and Foreign
Food Assistance**

USDA, through FSA, donates food to the Bureau of Indian Affairs, as well as Federal, State, and other private and nonprofit agencies in the United States. Food items are used for school lunch programs, summer camps for children, the Women, Infants, and Children program, and

other organizations and charities that help needy persons. Also, agricultural commodities are donated to international relief agencies to help feed people around the world. The Foreign Agricultural Service of USDA organizes the delivery of the donated food to international development and humanitarian organizations operating in dozens of countries. Food donations also assist in the FAS Food for Progress program, which assists countries working to transition to market-oriented economies.

**Downpayment Farm
Ownership Loans**

Downpayment Farm Ownership loans were developed to help beginning farmers and ranchers and SDA applicants purchase a farm or ranch. These loans provide a way for retiring farmers to transfer their land to a future generation of farmers and ranchers.

**Economic Adjustment
Assistance to Users of
Upland Cotton**

CCC issues payments to eligible domestic users of upland cotton. The program is designed to stimulate investment to maintain a globally competitive U.S. Textile Industry. Payments are made to eligible domestic users who enter into an agreement with the Commodity Credit

Corporation. The payment rate is four cents per pound from Aug. 1, 2008, through July 31, 2012, and three cents per pound beginning Aug. 1, 2012. Proceeds received under this program must be used for capital investments that relate to manufacturing upland cotton into cotton products.

**Emergency Assistance
for Livestock, Honeybees,
and Farm Raised Fish
(ELAP)**

ELAP was authorized by the 2008 Farm Bill to provide emergency relief to producers of livestock, honeybees, and farm-raised fish and covers losses from disaster such as adverse weather or other conditions, such as blizzards and wildfires not adequately covered by any other disaster program.

**Emergency Conservation
Program (ECP)**

ECP provides funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters, and for carrying out emergency water conservation measures during periods of severe drought. The natural disaster must create new conservation problems, which, if not treated, would: impair or endanger the land; materially affect the productive capacity of the land; represent unusual

damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and be so costly to repair that Federal assistance is or will be required to return the land to productive agricultural use.

Emergency Loan Program (ELP)

FSA provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. Emergency loans may be made to farmers and ranchers who own or operate land located in a county declared by the President as a disaster area or designated by the Secretary of Agriculture as a disaster area or quarantine area (for physical losses only, the FSA Administrator may authorize emergency loan assistance).

Emergency loan funds may be used to: restore or replace essential property; pay all or part of production costs associated with the disaster year; pay essential family living expenses; reorganize the farming operation; and refinance certain debts.

Extra Long Staple (ELS) Cotton Competitiveness Payments

ELS Cotton Competitiveness Payments are made to domestic

users and exporters of ELS cotton when the market prices of domestically produced versus foreign grown ELS cotton are such that payments are necessary to improve the competitiveness of domestically produced cotton in the world market.

Farmable Wetlands Program (FWP)

The FWP is a voluntary program intended to restore up to 1 million acres of farmable wetlands and associated buffers by improving the land's hydrology and vegetation under the Conservation Reserve Program.

Farm Storage Facility Loan Program

The Commodity Credit Corporation (CCC), through FSA, may make loans to producers to build or upgrade farm storage and handling facilities for rice, soybeans, dry peas, lentils, small chickpeas, peanuts, hay, renewable biomass, sunflower seeds, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds as determined and announced by CCC. Corn, grain sorghum, oats, wheat, barley, fruits and vegetables are also eligible, subject to program requirements.

Feedstock Flexibility Program (FFP)

Designed to avoid sugar loan forfeitures to the Commodity Credit Corporation by diverting sugar from food use to ethanol production. Every September, the Agriculture Secretary announces the amount of sugar (if any) for the CCC to purchase and to be made available for sale to ethanol producers. Raw, refined and in-process sugars are eligible for purchase. Such sugar can be purchased from any marketer located in the United States.

Grassland Reserve Program (GRP)

GRP is a voluntary program for landowners to protect, restore, and enhance grasslands on their property. USDA's NRCS, FSA, and Forest Service implement GRP to conserve vulnerable grasslands from conversion to cropland or other uses and conserve valuable grasslands by helping maintain viable ranching operations.

Guaranteed Farm Ownership Loan Program

FSA guaranteed loans provide lenders (banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers

apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. A percentage of guaranteed loan funds is targeted to beginning farmers and ranchers and minority applicants. Guaranteed Farm Ownership Loans may be made to purchase farmland, construct or repair buildings and other fixtures, develop farmland to promote soil and water conservation, or to refinance debt.

Guaranteed Operating Loan Program

FSA guaranteed loans provide lenders (banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. A percentage of guaranteed loan funds is targeted to beginning farmers and ranchers and minority applicants. Guaranteed Operating Loans may be made to purchase items needed such as livestock, farm equipment, feed,

seed, fuel, farm chemicals, repairs, insurance, and other operating expenses. Operating Loans also can be used to pay for minor improvements to buildings, costs associated with land and water development, family living expenses, and to refinance debts under certain conditions.

Homestead Protection Program (HPP)

If the FSA has exhausted all loan servicing options and foreclosures on a property as required by law, the HPP allows the borrower to lease property, including up to 10 acres, for up to 5 years if it contains the borrower's primary residence. The lease may contain an option to purchase.

Indian Tribal Land Acquisition Program (ITLAP)

ITLAP loans enable Indian tribes to purchase privately held lands that lie within their reservations. Loan funds may be used to pay expenses incidental to the purchase of the land, but not for land development.

Livestock Forage Disaster Program (LFP)

LFP was authorized by the 2008 Farm Bill to provide assistance to livestock producers for forage losses due to drought and losses

due to wildfire on public lands.

Livestock Indemnity Program (LIP)

LIP was authorized by the 2008 Farm Bill to provide assistance to livestock producers for livestock deaths from disaster events, in excess of normal mortality.

Milk Income Loss Contract (MILC) Program

The MILC Program financially compensates dairy producers when domestic milk prices fall below a specified level. MILC payments are made monthly when the milk price falls below the established price per hundredweight.

Noninsured Crop Disaster Assistance Program (NAP)

NAP provides financial assistance to eligible producers affected by drought, flood, hurricane, or other natural disasters. NAP covers noninsurable crop losses and planting prevented by disasters. Landowners, tenants, or sharecroppers who share in the risk of producing an eligible crop are eligible. Eligible crops include commercial crops and other agricultural commodities produced for food, including livestock feed or fiber for which the catastrophic level of crop insurance is

unavailable. Also eligible for NAP coverage are controlled-environment crops (mushroom and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod).

Nonrecourse Marketing Assistance Loan (MAL) and Loan Deficiency Payment (LDP) Programs

MALs provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. MALs allow producers to store production at harvest and facilitates more orderly marketing of commodities throughout the year. MALs for covered commodities are nonrecourse because the commodity is pledged as loan collateral and producers have the option of delivering the pledged collateral to the Commodity Credit Corporation as full payment for the loan at maturity. A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain an LDP. An LDP is the amount by which the applicable loan rate exceeds the alternative loan repayment rate for the respective commodity.

Primary Loan Servicing Program

The Primary Loan Servicing Program gives options to borrowers who, due to reasons beyond their control, are unable to make the scheduled payments on their debt to the Government. These options may include consolidation, loan rescheduling, deferral, interest rate reduction, and others. The program allows delinquent and/or financially stressed FSA borrowers to attain, or maintain, a current loan status - while at the same time allowing the borrower to regain a more solid financial footing for the long term.

Recourse Seed Cotton Loans

Recourse seed cotton loans are made available by the Commodity Credit Corporation (CCC) to producers through March 31 of the year following the calendar year in which the cotton crop is normally harvested. Seed cotton pledged as collateral for a loan must be tendered to CCC by an eligible producer and must be in existence and in good condition at the time of disbursement of loan proceeds, in addition to other requirements. A producer must repay the seed cotton loan principal, interest, and charges

before pledging the cotton for a nonrecourse loan or before a loan deficiency payment can be approved. Seed cotton loans mature on demand by CCC but no later than May 31 following the calendar year in which such crop is normally harvested.

Sugar Loan Program and Sugar Marketing Allotments

The Sugar Loan Program provides nonrecourse loans to processors of domestically-grown sugarcane and sugar beets to stabilize America's sugar industry. The Commodity Credit Corporation (CCC) establishes marketing allotments for sugar from domestically-produced sugar beets and sugarcane. Allotments are assigned based on estimates of sugar consumption, stocks, production, and imports for a crop year with the intent being that the total allotment quantity minimizes forfeitures of sugar to CCC under the sugar loan program.

Sugar Storage Facility Loan Program

FSA may make loans to processors of domestically-produced sugarcane and sugar beets for the construction or upgrading of storage and handling facilities for raw sugars and refined sugars. Loans may be made only for the

purchase and installation of eligible storage facilities, permanently affixed handling equipment, or the remodeling of existing facilities.

Supplemental Revenue Assistance Payments Program (SURE)

SURE was authorized by the 2008 Farm Bill and covers crop revenue losses from quantity or quality deficiencies only those counties and contiguous counties declared disaster areas by the Agriculture Secretary or in cases where the overall production loss exceeds 50 percent.

Tobacco Transition Payment Program (TTPP)

TTPP provides payments over a ten-year period to quota holders and producers of quota tobacco to help them make the transition from the federally-regulated tobacco marketing quota and price support loan programs. Eligible tobacco quota holders and producers receive payments under this program in 10 installments in each of the 2005 through 2014 fiscal years.

Trade Adjustment Assistance for Farmers (TAAF)

TAA provides technical assistance and cash benefits to eligible

producers of raw agricultural commodities, such as fish or blueberries, after an associated industry group petitions the Secretary for assistance. If the national average price in the most recent marketing year for a commodity is less than 80 percent of the national average price in the preceding 5 marketing years as a result of increased imports of that commodity, producers may be eligible for TAA assistance.

Tree Assistance Program (TAP)

TAP was authorized by the 2008 Farm Bill and provides partial reimbursement to orchardists and nursery tree growers for replanting, salvage, pruning, debris removal and land preparation if losses due to natural disasters exceed 15 percent.

United States Warehouse Act (USWA)

The USWA authorizes the Secretary to issue licenses to public warehouse operators who voluntarily request regulation through licensing under the USWA to store agricultural products, including bulk grain, cotton, peanuts, sugar and other agricultural products. FSA administers USWA by providing licensing of

warehouse operators, regulation of paper and electronic warehouse receipt providers, protection for depositors through bonding or other financial assistance and compliance examinations. The USWA provides for the use of warehouse receipts and requires warehouse operators to accept agricultural products for storage without discrimination. Under the USWA, the facilities meet and are maintained at established standards. The USWA allows FSA to enforce a uniform regulatory system for the protection of depositors and the agricultural commodities stored in the licensed facilities.

Youth Loans

FSA makes loans to individual rural youths, between the ages of 10 and 20 years, to establish and operate income-producing projects of modest size in connection with their participation in 4-H clubs, the Future Farmers of America and similar organizations. Each project must be part of an organized and supervised program of work and must be related to agriculture. The project must be planned and operated with the help of the organization adviser, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience.

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