



Fiscal Year Bulletin

February 2007

Maryland FY 2006 Accomplishments

Fiscal Year 2006

The Farm Service Agency (FSA) supports American farmers through a variety of *Credit and Commodity Programs* designed to stabilize and enhance our rural landscape. FSA is at the forefront of providing services farmers have come to trust in order to compliment their operations in times of plenty and brace their operations during times of economic insecurity.

Making Credit Available to Maryland Farmers

\$5.4 Million Available to Maryland Farmers - FSA county offices approved 36 loans totaling \$5,495,000 to producers, including:

\$1.3 Million in Farm Operating Loan - FSA processed 20 loans, totaling \$1,364,000 in Direct and Guaranteed Farm Operating Loans to help Maryland farmers plant crops, purchase livestock, or reorganize their operation.

\$4.1 Million in Farm Ownership Loans - FSA processed 16 loans, making \$4,131,000 in credit available to Maryland farmers through the Direct and Guaranteed Farm Ownership Loan programs. The loan funds were used to purchase real estate or construct buildings.

Of these direct and guaranteed loans - \$3.5 Million in Special Qualified Loans. FSA provided \$26,000 to two qualified farmers under the Socially Disadvantaged Loan Program, and \$3,569,000 to 19 qualified beginning farmers.

Emergency Loans – Farmers can also qualify for Emergency Loan funds. These loans are used to purchase feed, pay production costs, and restore or replace essential property destroyed by weather-related disasters

\$15,000 for Youth Loans -

Under the Youth Loan program, three youths received \$10,000 to establish and operate income-producing projects. Money was used to purchase supplies, animals, and equipment, and pay operating expenses.

Price Support and Farm Programs

\$65.2 Million in Farm and Program Support - Maryland farmers received \$65,242,035 in Commodity Credit Corporation program benefits. Farm and price supports included a variety of different programs:

\$3.1 Million in Milk Income Loss Contract (MILC) Payments

MILC is a safety net for dairy farmers established under the 2002 farm bill. FSA provided \$3,187,348 in payments to eligible dairy farms when the Boston Class I milk price was below \$16.94 per hundredweight (cwt.). This program benefited all dairy operations, regardless of size. Eligible milk production for payment purposes does not exceed 2.4 million pounds per operation.

\$29.8 Million in Direct and Counter-Cyclical Payments -

The 2002 Farm Bill replaced production flexibility contract (PFC) payments with direct

payments, and added new counter-cyclical payments. Both payments are established from historical acreage bases and payment yields and not on current production. These payments are issued to producers with a history of growing corn, oats, barley, wheat, soybeans and other oilseeds. 14,458 farms enrolled in DCP during FY 2006 received a total of 29,839,524 in payments.

\$20,310,902 in Loan Deficiency Payments -

LDPs help bridge the difference between low market prices and established target prices set by the government. The target price is the lowest price farmers should expect to receive for their commodities.

\$87,000 in Crop Disaster Program Payments-

The 2005 Crop Disaster Program provided \$87,297 assistance for Maryland farmers who suffered crop losses caused by damaging weather and related conditions.

\$11.5 Million in Conservation Reserve Program Payments -

The Conservation Reserve Program is USDA's largest environmental improvement program on private lands. Maryland farmers received \$9,803,225 in annual rental payments for removing highly erodible land and environmentally sensitive cropland from production. Newly enrolled program participants received \$920,030 in CRP cost-share payments. Cost sharing is provided to cover part of the cost

to establish conservation measures on the land. This may include re-establishing native or perennial grasses, planting trees or fencing animals out of streams. Incentive payments totaling \$722,954 were paid out under CRP. Incentive payments are offered in some cases to encourage participation and to protect highly sensitive land surrounding waterways.

\$53,000 in Emergency Conservation Program Funds -

Farmers whose cropland was severely damaged by storms or whose wells dried up as a result of a prolonged drought received \$53,593 in assistance. Cost sharing is used to repair the land and return it to productive agricultural use. It also allows farmers to develop water sources or haul water for their livestock during prolonged droughts.

\$162 in Lamb Meat Adjustment Assistance Payments -

Shepherds received \$162 under a program designed to help them raise a higher quality meat product for market.

\$55,000 in Noninsured Assistance Program –

Producers of noninsured crops in Maryland received \$55,285 in benefits. These benefits are paid to provide financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occurs as result of natural disasters or when the catastrophic level of crop insurance is not available.

\$12,991 in Grassland Reserve Payments –

which helps landowners restore and protect grassland, rangeland, pastureland, shrubland and certain other lands and provides assistance for rehabilitating grasslands.

\$24,301 in the Wetland Reserve Program –

This program offers landowners an opportunity to establish long-term conservation and wildlife practices and protection. The program is

designed to achieve the greatest wetland functions and values, along with optimum wildlife habitat on every acre enrolled.

\$1,848 in Tree Assistance Program -

provides financial relief to owners of eligible trees, bushes, vines, and forest land damaged by natural disasters. Eligible TAP applicants are owners of eligible trees, bushes and vines from which an annual crop is produced for commercial purposes; forest land owners who produce crops of timber for commercial purposes; and pecan producers.

\$80,088 in Agricultural Management Assistance –

Maryland farmers enrolled in the Natural Resources Conservation Service's AMA program received payments for addressing soil, water, and related natural resource concerns on their lands. FSA helps administer the program.

Commodity Payments Issued by County

ALLEGANY	\$214,000
ANNE ARUNDEL	\$422,806
BALTIMORE	\$2,113,681
CALVERT	\$296,260
CAROLINE	\$4,728,816
CARROLL	\$4,842,385
CECIL	\$2,762,998
CHARLES	\$777,297
DORCHESTER	\$4,913,463
FREDERICK	\$5,607,280
GARRETT	\$679,398
HARFORD	\$2,407,656
HOWARD	\$909,190
KENT	\$6,200,574
MONTGOMERY	\$1,700,299
PRINCE GEORGES	\$353,525
QUEEN ANNES	\$8,396,391
SOMERSET	\$2,178,616
ST MARYS	\$872,958
TALBOT	\$5,027,826
WASHINGTON	\$2,041,044
WICIMICO	\$3,174,239
WORCESTER	\$4,621,233
TOTAL	\$65,242,035

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