

## **Agricultural Risk Protection Act of 2000**

### **Funds authorized by The Agricultural Risk Protection Act of 2000 include:**

- **\$5.465 billion – market loss assistance payment**

A market loss assistance payment to owners and producers who are eligible for a final payment for fiscal year 2000 under a production flexibility contract. Payments will be made in September 2000.

### **\$500 million — oilseeds**

Payments to producers of the 2000 crop of oilseeds who are eligible to obtain a marketing assistance loan.

### **\$5 million – apples**

Loans to apple producers who are suffering economic loss as a result of low prices.

### **\$61.6 million – quota peanuts or additional peanuts**

Payments to producers of quota peanuts or additional peanuts to compensate them for continuing low commodity prices and increasing costs of production, for the 2000 crop year.

### **\$340 million – tobacco**

Payments will be made to tobacco producers in October 2000. Eligible producers are those who own or operate a farm for which the quantity of quota of eligible tobacco was reduced from the 1999 crop year to the 2000 crop year; and that farm is used for the production of eligible tobacco during the 2000 crop year. The funds shall be divided between quota owners, quota lessees, and tobacco producers.

### **honey loans**

Recourse loans for honey producers on the 2000 crop. The loan rate would equal 85 percent of the average price of honey during the 5-crop year period preceding the 2000 crop, dropping the year with the highest price and the year with the lowest price in calculating the average.

### **\$10.5 million – wool and mohair**

Direct payments to producers of wool and mohair for production during the 1999 marketing year. Payments rates are 20 cents per pound for wool and 40 cents per pound for mohair.

### **\$100 million – cottonseed**

Cottonseed payments to first handlers of the 2000 crop to help alleviate the problems caused by unusually low prices.

### **“LDP-like” payments on grazed acreage**

Payments in lieu of loan deficiency payments (LDP). Crop year 2001 producers of wheat, oats and barley on a farm with a production flexibility contract who graze the acreage will receive a payment under the same terms and conditions as a producer who harvests a crop and applies for a loan deficiency payment.

### **LDPs on non-contract farms**

Expands the range of producers eligible for LDPs. Producers growing a contract commodity on a farm with no AMTA contract are eligible for LDPs on 2000 crop production subject to same terms and conditions as a farm with a contract. Effective only for the 2000 crop year.

## **Fact Sheet**

### *Agricultural Risk Protection Act of 2000*

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#### **\$10 million – boll weevil eradication loans**

A loan made to the Texas Boll Weevil Eradication Foundation, Inc., to enable it to retire certain debt associated with boll weevil eradication zones which have ended their participation in the federally funded boll weevil eradication program.

#### **\$35.2 million – AgriBiotech (ABT) producers**

Provides non-interest loans to producers of 1999 crop grass, forage, vegetable and sorghum seed who have not received payments from ABT as a result of bankruptcy. ABT, one of the largest single turf, forage, and alfalfa seed companies in the country, filed bankruptcy affecting over 1,200 farmer growers in 39 states.

#### **\$24 million – Flood Compensation Program**

The 2000 Flood Compensation Program compensates producers for the loss of cropland or pastureland due to unusual flooding. This assistance is targeted to producers who are still experiencing flooding, but have not been compensated for losses between time of enactment of this legislation and the Flood Compensation Program authorized by the 1998 omnibus appropriation bill. Acres on which crops were planted but failed are not eligible. Payment may not exceed \$40,000 per producer.

#### **Major revisions in Non Insured Crop Disaster Assistance Program (NAP) include:**

- At the option of the Secretary, all types or varieties of a crop or commodity may be considered to be a single eligible crop.
- Producers must annually provide records of crop acreage, acreage yields, and production for each eligible crop to be eligible for NAP.
- NAP assistance shall be provided to individual producers without any requirement of an area loss.

#### **At the time of application, producers must pay a service fee for the eligible crop in an amount that is equal to the lesser of:**

- \$100 per crop per county; or
- \$300 per producer per county, but not to exceed a total of \$900 per producer.

The Secretary shall waive the service fee in the case of limited resource farmers. Producers must apply for NAP no later than 30 days before the beginning of the crop coverage period.

Legislative changes for NAP are effective for the 2001 crop year.

This fact sheet provides a brief summary of provisions of the Agricultural Risk Protection Act of 2000. It is not meant to be all inclusive.

#### **Further Information**

Further information is available at local FSA offices and USDA Service Centers. Information is also available from FSA's Home Page at [www.fsa.usda.gov](http://www.fsa.usda.gov)

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