



# FSA At Work Across California - FY 2010

"The USDA Farm Service Agency delivered over \$549 million in federal program payments and loans to California farmers and ranchers during FY 2010. Golden State agriculture benefits greatly from the tireless efforts of our dedicated FSA staff and County Committee members throughout our State." Val Dolcini, State Executive Director

## Commodity and Price Support Programs: \$451.6 million

California growers participated in a variety of Commodity Assistance programs during FY 2010. With the continuing high input costs, considerable market volatility, and other challenges, these programs provide additional risk management tools for producers.

### **\$241,128,818 - Direct and Counter Cyclical Program (DCP)**

Direct payments provide income support to producers of eligible commodities based on production history (acreage and yields) and do not depend on the current production choices. Counter-cyclical payments are made when the effective price for eligible commodities is less than the target price.

**\$823,400 - Average Crop Revenue Election (ACRE)** is a revenue-based payments alternative to receiving price based counter-cyclical (CC) payments. In it's first year out, his new 2008 Farm Bill program, had scant participation in California.

**\$157,580,006 - Commodity Loans and Loan Deficiency Payments (LDPs).** Commodity Loans are available to eligible producers who use crops as collateral. The Commodity Credit Corporation (CCC) makes loans for eligible commodities that are farm or warehouse stored. LDPs benefit producers who agree to forgo a commodity loan in return for a payment on the eligible commodity. LDP provisions allow compensation when market prices are low, as long as the producer maintains beneficial interest in the commodity.

**\$21,623,257 - Milk Income Loss Contract (MILC)** provides protection and compensation to dairy producers when domestic milk prices fall below a specified level.

**\$30,416,765 - Dairy Economic Loss Assistance Payment program (DELAP)** provided recovery assistance funds in three phases to dairy producers who experienced an industry-wide economic downturn in 2010. DELAP was funded by a special congressional Agricultural Appropriations Bill in 2010.



### **Federal Stimulus Funds Assist California Agriculture**

The **American Recovery and Reinvestment Act** provided **\$11.9 million** in additional disaster assistance payments in 2010 through **FSA California's SURE Program**. These funds assisted California rural communities as farmers purchased goods, supplies and services for recovery of their operations.

## Conservation and BioEnergy: \$30.8 million

FSA made significant investments toward conserving and improving soil, water, and wildlife resources in California. The Conservation Reserve Program is the USDA's single largest, most effective environmental improvements program on a national level.

**\$4,695,813 - Conservation Reserve Program (CRP)** provides financial incentives, cost-share and rental payments to producers who convert highly erodible cropland or environmentally sensitive acreage to long-term vegetative cover.

**\$271,067 - Grasslands Reserve Program (GRP)** provides similar financial incentives for the protection, restoration and enhancement of grasslands habitat by farmers and ranchers.



**\$364,393 - Emergency Conservation Program (ECP)** provides emergency funding for farmers and ranchers to rehabilitate farmland damaged by natural disasters and carry out emergency water conservation measures during periods of severe drought.

**\$29,726,245 - Biomass Crop Assistance Program (BCAP)** was authorized in the 2008 Farm Bill to provide matching payments to those producers, entities or contractors who collect, harvest, store and transport eligible biomass materials to qualified Biomass Conversion Facilities. In the next phase of this program, incentives will be structured to encourage the planting and cultivation of crops that are prime feedstocks for energy production at qualified Biomass Conversion Facilities.



## Disaster Assistance for Farms and Ranches: **\$39.9 million**

In 2010, California still suffered from several years of drought. This year, California producers also suffered due to flood, freeze, fire and wind damage. FSA helps recovery by extending several financial assistance options to growers following natural disasters.

**\$18,016,864 - Supplemental Revenue Assistance Payments (SURE)** is the new agricultural disaster assistance program approved by Congress in the 2008 Farm Bill. California growers suffering losses due to natural disasters received financial assistance to recover and rebuild their operations.

**\$16,144,824 - Non-Insured Crop Disaster Assistance Program (NAP)** provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occurs due to natural disasters.

**\$572,093 - Tree Assistance Program (TA)** provides financial assistance to qualifying orchard operators to replace trees, bushes and vines lost due to natural disasters.

**\$115,044 - Livestock Indemnity Program (LIP)** provides



funds to eligible agricultural producers who suffered qualified livestock losses.

**\$25,326,162 - Livestock Forage Program (LFP)** provides funds to eligible agricultural producers who suffered losses on grazing land due to drought. This new 2008 Farm Bill program keys program payments on determination of drought severity by the national Drought Monitor.

**\$2,566,720 - Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish Program (ELAP)** provides assistance to eligible producers who have suffered losses in those commodity areas. This new 2008 Farm Bill program is designed to aid in the reduction of losses not covered by other FSA Disaster Programs: SURE, LIP, TAP and LFP.



## Farm Operating and Ownership Loans: **\$117.6 million**

FSA obligated **\$117,631,000** in direct and guaranteed operating loans, farm ownership loans, emergency loans and youth loans to eligible California producers who manage family-sized operations and were temporarily unable to obtain private or commercial credit.

**\$70,784,000 - The Guaranteed Loan Program** works in tandem with conventional agricultural lenders to guarantee up to 90 or 95 percent of any loss if the loan fails. This last year, FSA guaranteed 45 farm ownership loans and 136 operating loans.

**\$45,811,000 - The Direct Loan Program** provides assistance to those unable to obtain credit elsewhere. FSA funded 36 direct farm ownership loans and 492 direct operating loans in FY2010.

**\$1,036,000 - The Emergency Loan Program** helps producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. In FY 2010,



California issued 5 emergency loans last year.

**Targeted Funding** - FSA in California is proud of its accomplishments in reaching out to minority populations and underserved areas. Nearly half (46.1%) of California FSA's lending went to Socially Disadvantaged farmers last year in 329 loans. In addition 195 loans went to Beginning Farmers and 192 went to Youth Farmers. Currently 80% of the county offices have bi-lingual staff (including Spanish, Hmong, Portugese, Punjabi, Hindu and Chinese).

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