



Fact Sheet

November 2005

## Missouri Accomplishments for Fiscal Year 2005

The Farm Service Agency ensures the well-being of American agriculture, the environment and the American public through efficient and equitable administration of farm commodity programs; farm ownership, operating and emergency loans; conservation and environmental programs; and emergency and disaster assistance.

Missouri FSA employees worked hard to fulfill that mission during fiscal year 2005. Here are some of our accomplishments.

### **Making Credit Available to Missouri Producers.**

FSA makes and guarantees loans and provides credit counseling and supervision to farmers and ranchers who are temporarily unable to obtain private, commercial credit. FSA loan applicants are often beginning farmers who do not qualify for conventional loans because of insufficient net worth, or established farmers who have suffered financial setbacks due to natural disasters or economic downturns.

Under the Guaranteed Loan Program, FSA guarantees loans made by commercial agricultural lenders for up to 95 percent of any loss. FSA offers Direct Loans to those unable to qualify for a Guaranteed Loan.

**\$87.4 Million Available to Missouri Producers.** Missouri Farm Service Agency county offices approved 811 loans valued at \$87,454,000 to producers. Missouri ranked eleventh na-

tionally in the total number of loans made and sixteenth in the total amount of money loaned. This includes:

**\$50.3 Million in Farm Ownership Loans.** Farm Ownership Loan funds may be used to purchase or improve real estate or reorganize the farm business. We approved 246 loans, making \$50,337,000 in credit available to Missouri producers through the Farm Service Agency's Direct and Guaranteed Farm Ownership Loan programs.

**\$37.1 Million in Farm Operating Loans.** Farm Operating Loan funds may be used for normal operating expenses, machinery and equipment, real estate improvements, and refinancing debt. In fiscal year 2005, we approved 565 loans, totaling \$37,117,000, in Direct and Guaranteed Farm Operating Loans to help Missouri producers plant and harvest their crops or reorganize their businesses.

**\$43.3 Million in Loans to Beginning Farmers and Ranchers.** Of the Farm Operating and Farm Ownership loans we made, 341 loans totaling \$43,333,000 were made to beginning farmers and ranchers.

**\$24 Million in Loans to Socially Disadvantaged Applicants.** A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of his or her identity as a member of the group without regard to his or her individual quali-

ties. Included in the Farm Operating and Farm Ownership loans we made were 202 loans totaling \$24,096,000 that were made to socially disadvantaged applicants.

### **Helping Missouri Producers through Price Support and Farm Programs.**

Farm programs are designed to improve the economic stability and viability of the agriculture sector and to help ensure the production of an adequate and reasonably priced supply of food and fiber for American citizens.

Each program dollar paid to a producer turns over in the local community an estimated seven times.

**\$294 Million in Marketing Assistance Loans.** For the 2004 crop year (June 2004 through May 2005), Missouri county offices make 7,485 marketing assistance loans valued at \$294,793,981. These loans provide producers interim financing at harvest time to meet cash flow needs without having to sell commodities when market prices are at harvest-time lows.

**\$569 Million in Farm and Program Support Payments.** Missouri producers received \$569,718,038 (ranking the state tenth nationally) in Commodity Credit Corporation program benefits. Price and farm program support benefits included:

**\$245 Million in Direct and Counter-cyclical Program Payments.** The Direct and Counter-

## **Farm Program Fact Sheet**

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cyclical Program helps to stabilize U.S. agriculture by providing payments to eligible producers who enroll their farms each fiscal year during the life of the current farm bill. Producers who enrolled in the Direct and Counter-cyclical Program received \$245,017,162 in direct and counter-cyclical payments. Missouri ranked thirteenth nationally in total DCP payments.

**\$148 Million in Loan Deficiency Payments.** A producer who is eligible to obtain a marketing assistance loan, but who agrees to forgo the loan, may obtain a Loan Deficiency Payment instead. Producers who elected to receive loan deficiency payments in lieu of marketing assistance loans received \$148,543,543, ranking the state ninth nationally.

**\$105 Million in Conservation Reserve Program Payments.** Landowners enroll environmentally sensitive lands for terms of 10 to 15 years. In return for planting a protective cover of grass or trees, they receive an annual rental payment. Cost-share and incentive payments are also available. Missouri producers received \$105,242,332, making the state the eighth largest recipient of CRP funds nationally. Breaking down the payments, Missouri producers received \$101,083,424 in rental payments, \$2,351,318 cost-share payments, and \$1,807,591 incentive payments.

**\$57.9 Million in Crop Disaster Assistance.** Missouri producers who suffered losses to agricultural commodities due to damaging weather or related conditions in 2003 or 2004 were reimbursed \$57,941,356. Missouri ranked fourteenth nationally in

crop disaster payments. To qualify for reimbursement, production losses must have exceeded 35 percent and quality losses must have exceeded 20 percent.

**\$8 Million in Market Loan Gains.** Marketing assistance loans 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. A producer realizes a marketing loan gain if the loan is repaid at less than the loan principle. Missouri producers received \$8,070,173 in market loan gains in fiscal year 2005.

**\$3.3 Million in Livestock Assistance Program Payments.** The Livestock Assistance Program provided direct payments to eligible livestock producers who suffered grazing losses due to natural disasters during calendar year 2003 or 2004. Missouri livestock producers received \$3,316,732.

**\$632 Thousand in Emergency Conservation Program Payments.** ECP provides emergency cost-share funding for farmers to rehabilitate farmland damaged by natural disasters that create new conservation problems. The assistance may be used for removing debris from farmland; grading, shaping and re-leveling farmland; restoring livestock fences; and restoring irrigation structures. Missouri producers received \$632,799 to help restore farmlands that had been damaged by natural disasters.

**\$401 Thousand in Wetlands Reserve Program Payments.** This program provides an opportunity for

landowners to receive financial incentives to enhance wetlands in exchange for retiring marginal land from agriculture. Missouri producers received \$401,718, ranking the state ninth nationally, for voluntarily enhancing wetlands.

**\$303 Thousand in Grassland Reserve Program Payments.** This voluntary program helps landowners and operators restore and protect grassland, including pastureland, while maintaining the areas as grazing lands. Missouri producers received \$303,219. Missouri ranked first nationally in GRP payments.

**\$186 Thousand in Ewe Lamb Replacement and Retention Payment Program.** This program is designed to strengthen the lamb industry by boosting the purchasing power of producers and their ability to invest in larger and genetically improved breeding stock. Missouri producers received \$186,318.

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