

# Farm Service Agency Programs: Helping Protect America's Bounty

(NAPSA)—The Farm Service Agency (FSA) has been delivering much-needed benefits to farmers and ranchers as part of the 2002 Farm Security and Rural Investment Act (2002 Farm Bill). Despite a rapid implementation schedule, the Direct and Counter-cyclical Program added additional crops and still delivered commodity payments to farmers and ranchers on schedule. Other existing programs from conservation to food and nutrition were given a boost of funding.

## Direct and Counter-cyclical Program

The Direct and Counter-cyclical Program is among the hallmarks of the new farm bill. It provides for payments to eligible producers of covered commodities including feed grains, wheat, upland cotton, rice, soybeans, other oilseeds and peanuts for the 2002 through 2007 crop years. Direct payments are issued to producers regardless of market prices, while counter-cyclical payments are available to farmers when effective prices fall below target prices set in the 2002 Farm Bill. This year, counter-cyclical payments were issued to producers of cotton, rice and peanuts. Both direct and counter-cyclical payments are established using a formula that takes into account rates set for each commodity by Congress, as well as the producer's base acreage and yields.

## Milk Income Loss Contract

FSA delivered over \$1 billion so far to dairy producers nationwide



**Programs from the 2002 Farm Bill are helping protect America's farmers and ranchers.**

who were, in some cases, receiving the lowest domestic milk prices since 1974. Feed prices were high, wells were dry and milk prices were down 25 to 30 percent. With the price of feed rising and dairy prices stagnant, it had been an especially tough year for dairy producers. In response to the plunging prices, the 2002 Farm Bill authorized the new Milk Income Loss Contract program.

"Although this payment doesn't make up for what farmers are losing, it is a shot in the arm to the ag-community and the rural economy. It came in the nick of time for some farmers to pay feed bills, harvest expenses, bank loans and vet bills," said Farm Service Agency Administrator James R. Little.

## Conservation Programs

Conservation programs allow farmers to farm their best land and conserve the rest without losing money in the process.

"Conservation programs like

the Conservation Reserve Program (CRP), and the Conservation Reserve Enhancement Program (CREP) allow American producers to run healthy agri-businesses, which protect environmentally sensitive land, even in the midst of hard times," said Little.

CRP delivered \$1.6 billion, and new CREP programs were developed in Ohio, West Virginia, Florida, Montana and Nebraska.

## Livestock Compensation Program

Federal emergency drought assistance provided relief to ranchers in eligible disaster counties by helping them cope with the devastating drought. In addition to the problems resulting from last year's drought, feed and transportation prices continued to be high. FSA's Livestock Compensation Program provided about \$850 million to the nation's ranchers. Without this assistance, the fallout from 2002's drought would have created additional debt in an industry already suffering from record low prices.

"Producers are used to anticipating problems on a yearly basis, but the one thing they cannot control is the weather. It is devastating when a combination of drought and high costs hits in a 12-month period. The livestock program's funds give ranchers a better chance to cover their financial obligations which, in turn, benefits the nation's economy," said Little.

To learn more about the 2002 Farm Bill and its programs, visit the Web site at [www.fsa.usda.gov](http://www.fsa.usda.gov).