



FSA-Administered Programs

Agricultural Mediation Program

The Agricultural Mediation Program helps agricultural producers, their lenders, and other persons directly affected by the actions of USDA resolve disputes. A trained, impartial mediator reviews conflicts, identifies options, and assists in settling disputes between participants in many different USDA program areas. These include farm loans, farm and conservation programs, wetland determinations, rural water loan programs, grazing on national forest system lands, and pesticides.

American Indian Livestock Feed Program (AILFP)

The AILFP provides financial assistance to livestock producers who purchased livestock feed for livestock that occupied tribal-governed land during a natural disaster occurring in calendar years 2003 or 2004. The tribal government that governs the land used for livestock production will determine if the livestock producer meets the eligibility requirements.

Beginning Farmer and Rancher Loans

FSA provides direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources. A beginning farmer or rancher is an individual or entity who (1) has not operated a farm or ranch for more than 10

years; (2) meets the loan eligibility requirements of the program to which he/she is applying; (3) substantially participates in the operation; and, (4) for FO loan purposes, does not own a farm greater than 30 percent of the average size farm in the county.

Bioenergy Program

Bioenergy is fuel-grade ethanol and biodiesel made from program-eligible commodities. USDA's Bioenergy Program pays U.S. commercial bioenergy producers of ethanol and biodiesel to increase their bioenergy production from eligible commodities in one Fiscal Year (FY) compared to the same time period in the previous FY. The program also pays biodiesel producers for production that is not an increase from the previous FY (base production) at 15 percent the rate of increased production.

Boll Weevil Eradication Loan Program

The Boll Weevil Eradication Loan Program provides low-interest loans to nonprofit organizations that work collaboratively with state agencies, USDA's Animal and Plant Health Inspection Service, and the National Cotton Council to eradicate the boll weevil. The program objective is to assist producers and state government agencies in the eradication of boll weevils from cotton producing areas.

Conservation Reserve Program (CRP)

CRP is a voluntary program available to agricultural producers to help safeguard environmentally sensitive land. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion, and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

Conservation Reserve Enhancement Program (CREP)

CREP is a derivative program of the Conservation Reserve Program (CRP). CREP is a voluntary land retirement program that helps agricultural producers protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water. The program is a partnership among producers; tribal, state, and federal governments; and, in some cases, private groups.

Cottonseed Payment Program

The Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005, requires CCC to pay \$10 million to producers and first handlers of the 2004 crop of cottonseed in counties declared a disaster by the President in

2004 due to hurricanes or tropical storms. Normally, seed value covers the cost of ginning cotton. However, the value of cottonseed in 2004 was insufficient to pay for ginning in many locations in the Cotton Belt, and growers were asked to pay fees. Program payments will compensate gins for seed prices that were so low that their ginning costs were not fully covered by the seed market value, or producers for the extra ginning fees paid.

Crop Disaster Program (CDP)

The CDP provides crop-loss disaster assistance for producers who suffered 2003, 2004, or 2005 crop losses caused by damaging weather and related conditions. Also included is disaster assistance specifically for producers in Virginia, and producers of fruit and vegetable crops located in North Carolina that suffered losses due to adverse weather and related conditions that occurred in 2003.

Dairy Disaster Assistance Payment Program (DDPP)

DDPP was authorized by the Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act of 2005 to provide \$10 million for milk producers in counties declared a disaster by the President in 2004 due to hurricanes. Dairy producers who suffered production losses and dairy spoilage losses as a result of 2004 hurricanes may apply for compensation for losses incurred during the 2004 calendar year.

Dairy Indemnity Payment Program

The Dairy Indemnity Payment Program pays dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because it has been contaminated by pesticides, nuclear radiation or fallout, or toxic substances and chemical residues other than pesticides. Payments are made to manufacturers of dairy products only for products removed from the market because of pesticide contamination.

Debt for Nature Program

The Debt for Nature Program, also known as the Debt Cancellation Conservation Contract Program, is available to persons with FSA loans secured by real estate who may qualify for cancellation of a portion of their FSA indebtedness in exchange for a conservation contract with a term of 50, 30, or 10 years. A conservation contract is a voluntary legal agreement that restricts the type and amount of development that may take place on portions of a landowner's property. Contracts may be established on marginal cropland and other environmentally sensitive lands for conservation, recreation, and wildlife purposes.

Direct and Counter-cyclical Payment Program (DCP)

DCP payments provide income support to producers of eligible commodities and are based on historically-based acreage and yields and do not depend on the current production choices of the farmer. DCP was authorized

by the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) for farms enrolled for the 2002 through 2007 crop years for barley, corn, grain sorghum (including dual-purpose varieties), oats, canola, crambe, flax, mustard, rapeseed, safflower, sesame and sunflower (including oil and non-oil varieties), peanuts, rice (excluding wild rice), soybeans, upland cotton, and wheat.

Direct Farm Ownership Loan Program (FO)

FSA direct farm ownership loans are loans to purchase farmland, construct or repair buildings and other fixtures, and promote soil and water conservation. To qualify for a direct loan, the applicant must be able to show sufficient repayment ability and pledge enough collateral to fully secure the loan.

Direct Operating Loan Program (OL)

FSA direct farm operating loans are loans to purchase items such as livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance, and other operating expenses. They can also be used to pay for minor improvements to buildings, costs associated with land and water development, family subsistence, and refinancing debts under certain conditions.

Domestic and Foreign Food Assistance Program

USDA, through FSA, donates food to the Bureau of Indian Affairs, as well as Federal, State, and other private and nonprofit agencies in the United States.

Food items are used for school lunch programs, summer camps for kids, the Women, Infants, and Children program, and other organizations and charities that help needy persons. Also, agricultural commodities are donated to foreign or international relief agencies to help feed people around the world. The Foreign Agricultural Service of USDA organizes the delivery of the donated food to international development and humanitarian organizations operating in dozens of other countries. Food donations also assist in the FAS Food for Progress program, which assists countries working to transition to market-oriented economies.

Downpayment Farm Ownership Loans

Downpayment Farm Ownership loans were developed to help beginning farmers and ranchers purchase a farm or ranch. These loans provide a way for retiring farmers to transfer their land to a future generation of farmers and ranchers.

Emergency Conservation Program (ECP)

ECP provides funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters, and for carrying out emergency water conservation measures during periods of severe drought. The natural disaster must create new conservation problems, which, if not treated, would: impair or endanger the land; materially affect the

productive capacity of the land; represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and be so costly to repair that Federal assistance is or will be required to return the land to productive agricultural use.

Emergency Loan Program (ELP)

FSA provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. Emergency loans may be made to farmers and ranchers who own or operate land located in a county declared by the President as a disaster area or designated by the Secretary of Agriculture as a disaster area or quarantine area (for physical losses only, the FSA Administrator may authorize emergency loan assistance). Emergency loan funds may be used to: restore or replace essential property; pay all or part of production costs associated with the disaster year; pay essential family living expenses; reorganize the farming operation; and refinance certain debts.

Ewe Lamb Replacement And Retention Payment Program (ELRRPP)

ELRRPP assists producers of sheep and promotes the replacement and retention of ewe lamb breeding stock by providing payments to producers who reduced production and flock size due to low prices and other market conditions.

Extra Long Staple (ELS) Cotton Competitiveness Payments

ELS Cotton Competitiveness Payments provide commodity certificates or cash to domestic users and exporters of ELS cotton when the market prices of domestically produced versus foreign grown ELS cotton are such that payments are necessary to improve the competitiveness of domestically produced cotton in the world market.

Farmable Wetlands Program (FWP)

The FWP Program is a voluntary program intended to restore up to 1 million acres of farmable wetlands and associated buffers by improving the land's hydrology and vegetation under the Conservation Reserve Program.

Farm Storage Facility Loan Program

The Commodity Credit Corporation (CCC), through FSA, may make loans to producers to build or upgrade farm storage and handling facilities for rice, soybeans, dry peas, lentils, small chickpeas, peanuts, sunflower seeds, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds as determined and announced by CCC. Corn, grain sorghum, oats, wheat, and barley are also eligible, subject to program requirements.

Grassland Reserve Program (GRP)

GRP is a voluntary program for landowners to protect, restore, and enhance grasslands on their

property. USDA's NRCS, FSA, and Forest Service implement GRP to conserve vulnerable grasslands from conversion to cropland or other uses and conserve valuable grasslands by helping maintain viable ranching operations.

Guaranteed Farm Ownership Loan Program

FSA guaranteed loans provide lenders (banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. A percentage of guaranteed loan funds is targeted to beginning farmers and ranchers and minority applicants. Guaranteed Farm Ownership Loans may be made to purchase farmland, construct or repair buildings and other fixtures, develop farmland to promote soil and water conservation, or to refinance debt.

Guaranteed Operating Loan Program

FSA guaranteed loans provide lenders (banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural

credit available to farmers who do not meet the lender's normal underwriting criteria. A percentage of guaranteed loan funds is targeted to beginning farmers and ranchers and minority applicants. Guaranteed Operating Loans may be made to purchase items needed such as livestock, farm equipment, feed, seed, fuel, farm chemicals, repairs, insurance, and other operating expenses. Operating Loans also can be used to pay for minor improvements to buildings, costs associated with land and water development, family living expenses, and to refinance debts under certain conditions.

Hard White Wheat Incentive Program (HWWIP)

HWWIP is intended to increase the supply of hard white wheat available for domestic milling and export for the 2003 through 2005 crop years. Producers must apply for HWWIP benefits annually for each of the 2003 through 2005 crop years. Both hard white winter wheat and hard white spring wheat are eligible for payment, as long as the end use of the wheat is not for animal feed.

Homestead Protection Program (HPP)

If the FSA has exhausted all loan servicing options and foreclosures on a property as required by law, the HPP allows the borrower to lease the property for up to 5 years if it contains the borrower's primary residence. Farmers may lease up to 10 adjoining acres of land. The lease may contain an option to purchase.

Indian Tribal Land Acquisition Program (ITLAP)

ITLAP loans enable Indian tribes to purchase privately held lands that lie within their reservations. Loan funds may be used to pay expenses incidental to the purchase of the land, but not for land development.

Livestock Assistance Program (LAP)

LAP provides payments to livestock producers for grazing losses that occurred in an eligible year if a producer's grazing land is in a county that was declared a primary disaster area under a Presidential or Secretarial declaration. Contiguous counties were not eligible.

Milk Income Loss Contract (MILC) Program

The MILC Program financially compensates dairy producers when domestic milk prices fall below a specified level. MILC payments are made monthly when the milk price falls below the established price per hundred-weight.

Noninsured Crop Disaster Assistance Program (NAP)

NAP provides financial assistance to eligible producers affected by drought, flood, hurricane, or other natural disasters. NAP covers noninsurable crop losses and planting prevented by disasters. Landowners, tenants, or sharecroppers who share in the risk of producing an eligible crop are eligible. Eligible crops include commercial crops and other

agricultural commodities produced for food, including livestock feed or fiber for which the catastrophic level of crop insurance is unavailable. Also eligible for NAP coverage are controlled-environment crops (mushroom and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod).

Nonrecourse Marketing Assistance Loan (MAL) and Loan Deficiency Payment (LDP) Programs

MALs 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. MALs allow producers to store production at harvest and facilitates more orderly marketing of commodities throughout the year. MALs for covered commodities are nonrecourse because the commodity is pledged as loan collateral and producers have the option of delivering the pledged collateral to the Commodity Credit Corporation as full payment for the loan at maturity. A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain an LDP. An LDP is the amount by which the applicable loan rate where the commodity is stored exceeds the alternative loan repayment rate for the respective commodity.

Primary Loan Servicing Program

The Primary Loan Servicing Program gives options to borrowers who, due to reasons beyond their

control, are unable to make the scheduled payments on their debt to the Government. These options may include consolidation, loan rescheduling, deferral, interest rate reduction, and others. The program allows the delinquent FSA borrower to attain, or maintain, a current loan status - while at the same time allowing the borrower to regain a more solid financial footing for the long term.

Recourse Seed Cotton Loans

Recourse seed cotton loans are made available by the Commodity Credit Corporation (CCC) to producers or to approved cooperative marketing associations (CMA) through March 31 of the year following the calendar year in which the cotton crop is normally harvested. Seed cotton pledged as collateral for a loan must be tendered to CCC by an eligible producer and must be in existence and in good condition at the time of disbursement of loan proceeds, in addition to other requirements. A CMA must repay the seed cotton loan principal, interest, and charges before pledging the cotton for a nonrecourse loan or before a loan deficiency payment can be approved. Seed cotton loans mature on demand by CCC but no later than May 31 following the calendar year in which such crop is normally harvested.

Sugarcane Disaster Program

The Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005, provides \$32.8 million to make payments to sugarcane

processors in Florida to compensate processors and producers for crop and other losses that are related to hurricanes, tropical storms, excessive rains, and floods in Florida during calendar year 2004 in counties declared a disaster by the President in 2004 due to hurricanes.

Sugar Loan Program and Sugar Marketing Allotments

The Sugar Loan Program provides nonrecourse loans to processors of domestically-grown sugarcane and sugar beets to stabilize America's sugar industry. The Commodity Credit Corporation (CCC) establishes marketing allotments for sugar from domestically-produced sugar beets and sugarcane. Allotments are assigned based on estimates of sugar consumption, stocks, production, and imports for a crop year with the intent being that the total allotment quantity minimizes forfeitures of sugar to CCC under the sugar loan program.

Sugar Storage Facility Loan Program

FSA may make loans to processors of domestically-produced sugarcane and sugar beets for the construction or upgrading of storage and handling facilities for raw sugars and refined sugars. Loans may be made only for the purchase and installation of eligible storage facilities, permanently affixed handling equipment, or the remodeling of existing facilities.

Tobacco Transition Payment Program (TTPP)

TTPP provides payments over a ten-year period to quota holders and producers of quota tobacco to help them make the transition from the federally-regulated tobacco marketing quota and price support loan programs. Eligible tobacco quota holders and producers will receive payments under this program in 10 installments in each of the 2005 through 2014 fiscal years.

Trade Adjustment Assistance for Farmers (TAA)

TAA provides technical assistance and cash benefits to eligible producers of raw agricultural commodities, such as fish or blueberries, after an associated industry group petitions the Secretary for assistance. If the national average price in the most recent marketing year for a commodity is less than 80 percent of the national average price in the preceding 5 marketing years as a result of increased imports of that commodity, producers may be eligible for TAA assistance. The program is authorized through 2007.

Tree Assistance Program (TAP)

TAP provides assistance to eligible producers of trees or tree products to replant trees, bushes, and vines grown for the production of an annual crop but lost due to a natural disaster. The tree losses must meet the criteria in TAP regulations. Funding is provided by the Commodity Credit Corporation.

United States Warehouse Act (USWA)

The USWA authorizes the Secretary of Agriculture to license warehouse operators who store agricultural products. Warehouse operators that apply must meet the USDA standards established within the USWA and its regulations. Application is voluntary. Applicants agree to be licensed under the USWA, observe the rules for licensing, and pay associated user fees.

Upland Cotton Domestic User/Exporter Program

FSA issues commodity certificates or cash to eligible domestic users and exporters of upland cotton who participate in the Upland Cotton User Marketing Certificate Program. The program is designed to increase the competitiveness of domestically produced baled upland cotton when certain conditions exist in U.S. and world upland cotton markets. Payments are made to eligible domestic users and exporters who enter into an agreement with the Commodity Credit Corporation (CCC) and comply with the terms and conditions of this program and instructions issued by CCC.

Youth Loans

FSA makes loans to individual rural youths, between the ages of 10 and 20 years, to establish and operate income-producing projects of modest size in connection with their participation in 4-H clubs, the Future Farmers of America and similar organizations. Each project must be part

of an organized and supervised program of work. The project must be planned and operated with the help of the organization adviser, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience.

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