Farm Service Agency Administered Programs

Agricultural Mediation Program

The Agricultural Mediation Program helps agricultural producers, their lenders and people 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.

Average Crop Revenue Election (ACRE) Program

Producers on farms with a covered commodity or peanut base acres may elect to participate for the 2013 crop year in the Average Crop Revenue Election (ACRE) Program. Farms must be enrolled by June 3, 2013. Under the ACRE Program, producers may receive revenue-based payments instead of price-based counter-cyclical (CC) payments issued under the Direct and Counter-cyclical Program (DCP). The following planted or considered planted crops may be eligible for ACRE payments: wheat, barley, oats, grain sorghum, corn, upland cotton, rice (medium and long grain), soybeans, other oilseeds, canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed, peanuts and pulse crops (dry peas, lentils, and small and large chickpeas [garbanzo beans]).

Beginning Farmers and Ranchers Loans

Each fiscal year, the Farm Service Agency targets a portion of its direct and guaranteed farm ownership and operating loan funds to beginning farmers and ranchers. Although this is not an official FSA program, FSA makes and guarantees loans to beginning farmers and ranchers who are unable to obtain financing from commercial lenders. 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 farm ownership loan purposes, does not own a farm greater than 30 percent of the median size farm in the county and has farmed for at least three years.

Biomass Crop Assistance Program (BCAP)

BCAP is a voluntary program for agricultural and forestland owners and operators. BCAP is intended to support the production and use of biomass crops for conversion to bioenergy. BCAP can include 1) Project Areas: Supports establishing and producing eligible crops for the conversion to bioenergy on contracts up to five years for annual and non-woody perennial crops or up to 15 years for woody perennial crops. Support may include annual payments and up to 75 percent payment of cost-share assistance to establish eligible crops; and 2) Matching Payments: Assists agricultural and forest land owners and operators with matching payments for the collection, harvest, storage and transportation of eligible material by a qualified Biomass Conversion Facility (BCF). As of February 2013, BCAP has not been funded for fiscal year 2013.

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 and ensuring the pest is not re-introduced.

Conservation Loan Program (CL)

FSA guarantees CLs to implement conservation techniques that will conserve natural resources. Guaranteed CLs are available from lenders working with FSA. CL funds can be used to implement conservation practices approved by the Natural Resources Conservation Service (NRCS), such as the installation of conservation structures; establishment of forest cover; installation of water conservation measures; establishment or improvement of permanent pastures; implementation of manure management; and the adaptation of other emerging or existing...
conservation practices, techniques or technologies.

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 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.

Dairy Indemnity Payment Program (DIPP)
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.

Dairy Product Price Support Program (DPPSP)
Under this program, FSA supports the price of nonfat dry milk, butter and cheddar at statutory minimum levels through the purchase of such products made from cow’s milk produced in the United States. The established prices are uniform for all regions of the United States and may be increased by the Secretary when considered appropriate. The DPPSP is authorized through Dec. 31, 2013.

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 and farming practices 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 Program (DCP)
DCP provides income support to producers. DCP payments do not depend on the current production choices of the farmer; instead, they are based on historical acreage and yields. Producers on a farm with established base acres may annually enroll the farm in a DCP contract. Depending on the farm’s planting history, a farm may have base acres established for one or more of the following covered commodities: barley, corn, grain sorghum (including dual-purpose varieties), oats, canola, crambe, flax, mustard, pulse crops, rapeseed, safflower, sesame and sunflower (including oil and non-oil varieties), peanuts, rice (excluding wild rice), soybeans, upland cotton, and wheat. Farms must be enrolled by Aug. 2, 2013.

Direct Farm Ownership Loan Program
FSA direct farm ownership loans (FO) may be made 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 unable to obtain credit from commercial credit sources, able to show sufficient repayment ability and pledge enough collateral to fully secure the loan. A percentage of loan funds is targeted to beginning farmers and ranchers and minority applicants.

Direct Operating Loan Program
FSA direct farm operating loans (OL) may be made 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. To qualify for a direct loan, the applicant must be unable to obtain credit from commercial credit sources, able to show sufficient repayment ability and pledge enough collateral to fully secure the loan. A percentage of loan funds are targeted to beginning farmers and ranchers and minority applicants.
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applicants.

Domestic and Foreign Food Assistance

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 children, the Women, Infants, and Children program, and other organizations and charities that help needy persons. Also, agricultural commodities are donated to international relief agencies to help feed people around the world. The Foreign Agricultural Service (FAS) of USDA organizes the delivery of the donated food to international development and humanitarian organizations operating in dozens of 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 socially disadvantaged and 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. Under this program the applicant provides a 5 percent down payment, FSA provides 45 percent of the needed loan funds at a reduced rate and other financing provides the financing for the remaining 50 percent.

Economic Adjustment Assistance to Users of Upland Cotton

The Commodity Credit Corporation (CCC) issues payments to eligible domestic users of upland cotton. The program is designed to stimulate investment to maintain a globally competitive U.S. textile industry. Payments are made to eligible domestic users who enter into an agreement with the CCC. The payment rate is four cents per pound from Aug. 1, 2008, through July 31, 2012, and three cents per pound beginning Aug. 1, 2012. Proceeds received under this program must be used for capital investments that relate to manufacturing upland cotton into cotton products.

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 1) impair or endanger the land, 2) materially affect the productive capacity of the land, 3) represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area, and 4) be so costly to repair that federal assistance is or will be required to return the land to productive agricultural use. Subject to availability of funds, locally elected county committees are authorized to implement ECP for all disasters except drought and insect infestations, which may be authorized by the FSA national office. Eligible ECP participants may receive financial assistance of up to 75 percent of the cost to implement approved emergency forest restoration practices as determined by county FSA committees.

Emergency Forest Restoration Program (EFRP)

EFRP provides payments to eligible owners of rural nonindustrial private forest (NIPF) land in order to carry out emergency measures to restore forest health on land damaged by natural disaster events such as floods, hurricanes, or other natural disasters. Subject to availability of funds, locally elected county committees are authorized to implement EFRP for all disasters except drought and insect infestations, which may be authorized by the FSA national office. Eligible EFRP participants may receive financial assistance of up to 75 percent of the cost to implement approved emergency forest restoration practices as determined by county FSA committees.

Emergency Loan Program (EM)

FSA provides EM loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. EM loans may be made to farmers and ranchers who cannot obtain credit from commercial sources and 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 1) restore or replace essential property, 2) pay all or part of production costs associated with the disaster year, 3) pay essential family living expenses, 4) reorganize the farming operation, and 5) refinance certain debts.
Extra Long Staple (ELS) Cotton Competitiveness Payments

ELS Cotton Competitiveness Payments are made 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.

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, hay, honey, renewable biomass, sunflower seeds, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds as determined and announced by CCC. Corn, grain sorghum, oats, wheat, barley, fruits and vegetables are also eligible, subject to program requirements.

Farmable Wetlands Program (FWP)

The Farmable Wetlands Program (FWP) is a voluntary program to restore up to one million acres of farmable wetlands and associated buffers by improving the land’s hydrology and vegetation. Eligible producers in all states can enroll eligible land in the FWP through the Conservation Reserve Program (CRP). Contract duration is between 10 and 15 years. FWP is designed to prevent degradation of wetland areas, increase sediment trapping efficiencies, improve water quality, prevent soil erosion and provide habitat for waterfowl and other wildlife.

Feedstock Flexibility Program (FFP)

FFP is designed to avoid sugar loan forfeitures to the Commodity Credit Corporation (CCC) by diverting sugar from food use to ethanol production. Every September, the Secretary of Agriculture announces the amount of sugar (if any) for the CCC to purchase and to be made available for sale to ethanol producers. Raw, refined and in-process sugars are eligible for purchase. Such sugar can be purchased from any marketer located in the United States.

Grassland Reserve Program (GRP)

GRP is a voluntary program for landowners to protect, restore, and enhance grasslands on their property. USDA’s NRCS and FSA jointly implement GRP to conserve vulnerable grasslands from conversion to cropland or other uses and conserve valuable grasslands by helping maintain viable ranching operations.

Grassroots Source Water Protection Program

The Grassroots Source Water Protection Program (GSWPP) is a joint project by the FSA and the nonprofit National Rural Water Association (NRWA) designed to help prevent source water pollution in states through voluntary practices installed by producers and other landowners at the local level. GSWPP uses onsite technical assistance capabilities of each state rural water association that operates a source water protection program in the state. State rural water associations deliver assistance in developing source water protection plans within watersheds for the common goal of preventing the contamination of drinking water supplies.

Graze-out Program

The Graze-out Program provides for payments to eligible producers who elect to use their acreage planted to wheat, barley, oats, or triticale for grazing by livestock and agree to forgo any other harvesting of the commodity on such acreage during the applicable crop year. Graze-out payments are subject to the same basic eligibility requirements as commodity loans and, when available, loan deficiency payments.

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 (FO) 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 Farm Ownership Loans (FO) 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.
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 are targeted to beginning farmers and ranchers and minority applicants. Guaranteed Operating Loans (OL) may be made to purchase items needed such as livestock, farm equipment, feed, seed, fuel, farm chemicals, repairs, insurance, and other operating expenses. OLs 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.

**Homestead Protection Program**

If the FSA has exhausted all loan servicing options and foreclosures on a property as required by law, the Homestead Protection Program allows the borrower to lease, with an option to purchase, their primary residence and up to 10 adjoining acres for up to five years.

**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.

**Land Contract Guarantee Program**

Guarantees are available for the owner of a farm who sells real estate through a land contract to a beginning or socially disadvantaged farmer. The guarantee provides an incentive to sell to individuals in these groups as it reduces the financial risk to the seller in the event of default. FSA offers two types of guarantees: a seller may request either a Prompt Payment Guarantee of up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance; or a Standard Guarantee of 90 percent of the outstanding principal balance under the land contract. To qualify for assistance, buyers must meet eligibility requirements similar to those for the Guaranteed and Direct Farm Ownership programs.

**Microloan Program**

Microloans are a special subcategory of direct operating loans that provide more flexible access to credit for smaller farming operations including specialty, niche and local food producers. The Microloan program simplifies the loan application process and reduces the paperwork burden substantially. The program provides additional flexibility to some of the loan eligibility requirements, reduces documentation requirements, and provides for simplified financial planning for small operations. Eligible applicants may obtain a micro-loan for up to $35,000.

**Milk Income Loss Contract (MILC) Program**

The MILC Program financially compensates dairy producers when domestic milk prices fall below a specified level that is adjusted each month by a dairy feed ration adjustment if certain feed cost components that make up the feed adjustment price also fall below a specified level. MILC payments are made monthly when the milk price falls below the established price per hundredweight and are issued by CCC based upon selection of a start month by the producer for the dairy operation. Payments are issued up to a maximum eligible quantity per dairy operation per fiscal year of 2,985,000 million pounds through August 31, 2013. The production cap in September 2013 is reduced to 2.4 million pounds per operation.

**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 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 a LDP. A LDP is the amount by which the applicable loan rate exceeds the alternative loan repayment rate for the respective commodity.

Planting Transferability Pilot Program

The 2008 Farm Bill, as amended by the American Taxpayer Relief Act of 2012, provides funding for the 2013 crop year for the Planting Transferability Pilot Program (PTPP), a pilot project to permit the planting of cucumbers, green peas, lima beans, pumpkins, snap beans, sweet corn and tomatoes grown for processing on base acres. Base acres on a farm will be reduced by an acre for each acre planted under PTPP. However, the reduction in base acres under PTPP will expire at the end of the crop year and will be restored to the farm.

Primary Loan Servicing Program

The Primary Loan Servicing Program gives options to existing direct FSA 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, rescheduling or reamortization, deferral, interest rate reduction, and writedown. The program allows delinquent and/or financially distressed FSA borrowers 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 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 producer must repay the seed cotton loan principal, interest, and the 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.

State Acres for Wildlife Enhancement (SAFE)

SAFE is a voluntary program available under CRP’s continuous signup. SAFE is designed to address state and regional high-priority wildlife objectives. Producers within a SAFE area can submit offers to voluntarily enroll acres in CRP contracts for 10-15 years. In exchange, producers receive annual CRP rental payments, incentives and cost-share assistance to establish, improve, connect or create higher-quality habitat.

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.

Supplemental Revenue Assistance Payments Program (SURE)

SURE was authorized by the 2008 Farm Bill and provides assistance to producers suffering crop losses due to natural disasters. SURE is available for crop losses due to natural disasters occurring through Sept. 30, 2011, under certain conditions. SURE payments are calculated based on 60 percent of the difference between the SURE Disaster Program Guarantee and the Total Farm Revenue. Sign-up for 2011 SURE began on Oct. 22, 2012, and ends on June 7, 2013. Coverage is not available for losses occurring after Sep. 30, 2011.

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 receive payments under this program in 10 installments in each of the 2005 - 2014 fiscal years.

United States Warehouse Act (USWA)

The USWA authorizes the Secretary to issue licenses to public warehouse operators who voluntarily request regulation through licensing under the USWA to store agricultural products, including bulk grain, cotton, peanuts, sugar and other agricultural products. FSA administers USWA by providing licensing of warehouse operators, regulation of paper and electronic warehouse receipt providers, protection for depositors through bonding or other financial assistance and compliance examinations. The USWA provides for the use of warehouse receipts and requires warehouse operators to accept agricultural products for storage without discrimination. Under the USWA, the facilities meet and are maintained at established standards. The USWA establishes standards for the protection of depositors and the agricultural commodities stored in the licensed facilities.

Voluntary Carbon Data Initiative

FSA's Voluntary Carbon Data Initiative provides interested farmers, ranchers, and private forest landowners with an estimate of the amount of carbon that their eligible tree planting practices are expected to sequester through the Conservation Reserve Program (CRP) contract term and beyond. For this initiative, FSA has developed CarbonNet, a communications tool to facilitate information exchange of carbon sequestration needs and opportunities among interested parties.

For those private entities seeking sequestration opportunities, the Voluntary Carbon Data Initiative will provide an informational clearinghouse, reducing costs associated with the identification of willing sellers.

Eligible CRP tree planting practices include:

- CP22 Riparian Buffer
- CP23 Wetland Restoration
- CP31 Bottomland Timber Establishment on Wetlands
- CP36 Longleaf Pine Establishment

Any CRP incentives currently associated with eligible practices will apply. No additional incentives are authorized under this initiative. Only tree planting practices, not other CRP vegetative practices, have been included in the initiative.

Voluntary Public Access and Habitat Incentive Program

The Voluntary Public Access and Habitat Incentive Program (VPA-HIP) is a competitive grant program available only to states and tribal governments. The primary objective...
of the VPA-HIP is to encourage owners and operators of privately-held farm, ranch and forest land to voluntarily make that land available for access by the public for wildlife-dependent recreation, including hunting or fishing, under programs implemented by state or tribal governments. The funding provided by the VPA-HIP helps states and tribal governments to greatly increase access and recreational experiences by using that funding to provide landowner incentives for public access and wildlife habitat enhancement, technical assistance and conservation services to landowners participating, in public access programs, and to facilitate program administration, oversight, outreach, monitoring and evaluation. As of February 2013, VPA-HIP has not been funded for fiscal year 2013.

**Youth Loans**

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

**More Information**

For more information about FSA programs, contact your local FSA office or USDA Service Center, or go to www.fsa.usda.gov.