FARM TOPICS

Understanding Farm Bill Payments

(NAPSA)—The new Farm Bill may help America's farmers get some bread for a job well done.

The 2002 bill provides for payment to be made to eligible producers of covered commodities and peanuts for the 2002 through 2007 crop years. Direct and counter-cyclical payments will be made to producers with established crop bases and yield payments.

After program participants select their base and yield options, they may also request their first partial counter-cyclical payment, which is equal to 35 percent of the entire projected rate. For each commodity, the counter-cyclical payment equals the counter-cyclical payment rate times 85 percent of the farm's base acreage, times the farm's counter-cyclical payment yield for crops.

The counter-cyclical payment rate is the amount by which the target price of each covered commodity exceeds its effective price. The effective price equals the direct payment rate plus the higher of: (1) the national average market price received by producers during the market year, or (2) the national loan rate for the commodity.

Fortunately, the USDA has a free Web-based tool farmers can use to determine the payment owed to them. To use the tool, called the Base Yield Update Option Analyzer (BYA), a farmer need only go to the Web site, www.fsa.usda.gov/pas/farmbill/tools.asp, and plug in the updated bases and yields from his crop.

The tool, developed at Texas A&M, will calculate a combination of seven base and yield options and six years of projected payments for each crop covered under the 2002 Farm Bill. BYA can also be used to determine the consequences or merits of switching base crops.

For more information visit www.fsa.usda.gov.

A new Web-based tool may help farmers calculate the payments owed to them from the 2002 Farm Bill.