

# FARM TOPICS



## History-Making New Payment Programs Grow On Farmers ㊦

(NAPSA)—Following a brutal summer of drought in many areas of the nation, America's farmers are getting some good news these days out of Washington, D.C. More than \$13 billion is being infused into the farm economy as the U.S. Department of Agriculture (USDA) races to implement the 2002 Farm Security and Rural Investment Act. Payments began in October.

Known widely as the 2002 Farm Bill, the new law passed by Congress mandated farmer-friendly changes to many current programs, and created new initiatives that will better balance the financial risks and rewards of a career in agriculture for America's farmers and ranchers.

"Our Farm Service Agency staff has worked almost non-stop with the rest of the USDA, and we're implementing this new Farm Bill and all its promising programs at a record pace. Assistance is already on the way to many farmers who need it most," said James Little, Farm Service Agency Administrator.

There are multiple examples of the law's historic impact. For one, the 2002 Farm Bill allows farmers to use a new—and most believe far more fair—means for calculating the bases and yields data: the size of farms and how much is grown, that are the building blocks for payments.

Also, the bill creates a new system of countercyclical payments that farmers receive when commodity prices on the market fall

below target prices. That means a corn grower in Iowa won't be left empty-handed if corn prices at the grain elevator fall too low. The bill also creates new payment programs for dairy, wool, honey and pulses, and it radically changed the peanut program.

### **New Payment Programs**

**Direct and Counter-cyclical Payments:** Direct payments are issued to producers regardless of market prices and are available for growers of barley, corn, oats, oilseeds, peanuts, rice, sorghum, soybeans, upland cotton and wheat. Counter-cyclical payments are available to farmers when commodity prices fall below target prices. Producers are eligible for counter-cyclical payments only if effective prices are less than the target prices set in the 2002 Farm Bill.

### **Dairy Program Payments**

Payments have begun for the Milk Income Loss Contract (MILC) Program that compensates dairy producers when domestic milk prices fall below a specific level.

### **Peanut Program**

The Farm Service Agency has made an overhaul of the peanut program, replacing the market quota system with a marketing loan program. Sign-up for the Peanut Quota Buyout Program began Sept. 3, 2002, and payments are being issued.

### **Apple Market Loss Assistance Program**

In the past few years a number of factors have produced a serious economic crisis threatening apple

growers across the U.S. That affects every state in the continental U.S. and significantly impacts the 36 states growing apples commercially. The Apple Market Loss Assistance Payment (AMLAP-III) Program established in the new farm bill addresses the situation by setting new guidelines for payments to apple growers.

### **Conservation Payments**

Producers continue to be the best stewards of our land and the new bill provides unprecedented resources to allow cost-effective conservation on private lands.

### **Drought Assistance**

The Bush Administration has used every tool available within its current authority to provide disaster assistance to farmers and ranchers experiencing severe drought conditions. The Farm Service Agency in Washington, D.C., is working hard with its offices in the states to implement the Livestock Compensation Program and get payments in the hands of producers in counties that have a Drought Disaster Declaration that went into process on or before Sept. 19.

### **Crop Insurance Indemnity Payments**

Producers covered by crop insurance have already begun receiving their indemnity checks. This year almost 80 percent of the nation's insurable acreage is included in the program.

For more information on any payment program, contact your local FSA office or visit [www.usda.gov](http://www.usda.gov).