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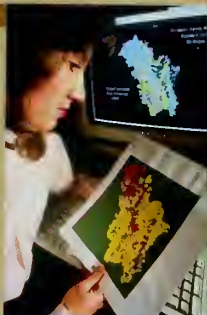


United States
Department of
Agriculture

Farm Service
Agency

Serving All Americans

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WELCOME TO THE FARM SERVICE AGENCY

The Farm Service Agency (FSA) is the U.S. Department of Agriculture's principal agency charged with promoting a stable and abundant American food supply. This objective is best met by supporting America's production agriculture community and helping protect the Nation's food and natural resources.

The Farm Service Agency helps ensure the well-being of American agriculture and the American public through efficient and equitable administration of farm commodity, farm loan, conservation, emergency assistance, and domestic and international food assistance programs.

FSA serves the public by providing all farmers and ranchers access and opportunity to participate in farm commodity, credit, conservation, environmental, and emergency assistance programs. Through these activities, FSA supports the USDA mission and helps ensure a healthful, stable, accessible, and affordable food supply. Through these programs, FSA also fosters good land stewardship, which will help preserve our agricultural prosperity for generations to come.

The national FSA office guides State and county offices in their implementation of programs legislated by Congress. Farmers and ranchers who are eligible for FSA programs nominate and elect representatives from their peers in the local community to serve on the local FSA County Committee. This extensive county-based structure provides us a unique position from which to serve rural America.

FSA is dedicated to:

- *Serving our customers through effective program delivery;*
- *Following sound management policies and financial procedures;*
- *Providing fair and equitable treatment of customers and employees;*
- *Ensuring producer compliance with program provisions;*
- *Promoting land and natural resource stewardship;*
- *Providing charitable food distribution; and*
- *Meeting future challenges and opportunities.*

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Farmers and ranchers face weather and market uncertainties. FSA delivers programs that help producers manage risks and strengthen the agricultural economy and rural communities.

FSA responds to rapidly changing farm markets and agricultural policies by focusing on producer needs.

The key to FSA's success is the development of policies and procedures that implement commodity and conservation program statutes.

FSA is continuously making improvements in farm programs to ensure they are administered cost-effectively and equitably.

"Program payments help me manage my overall financial risk and give me marketing options I would not otherwise have. In short, these farm programs have helped keep my business on a sound footing."

*Brian Taliaferro,
Center Cross, Virginia*

Farm Programs Help Producers Manage Market Risks

Under the 2002 Farm Act, FSA helps farmers manage market risk through several key programs, including marketing loans, direct payments, and countercyclical payments.

FSA offers a marketing assistance loan program so farmers have an alternative to selling crops at harvest when prices tend to be seasonally low.

Farmers can receive a loan using their crops as collateral. Repayment is typically made after a rise in prices. If prices fall, the producer can generally repay the loan at the low prevailing market price.

Farmers may also apply for Farm Storage Facility Loans to construct or renovate storage structures, or to install grain handling and drying equipment.

To provide income stability, FSA makes direct payments to farmers and eligible landowners in the form of annual, fixed direct payments. When prices drop below specified levels, FSA also makes countercyclical payments to producers to offset lost market income. To be eligible for these farm programs, producers must use approved conservation practices and meet other land stewardship requirements.



Disaster Assistance Helps Producers Manage Weather Risks

When disaster strikes, FSA reacts promptly to help producers recover their noninsurable crop losses. The *Noninsured Crop Disaster Assistance Program* (NAP) is federally funded and provides financial assistance to producers affected by natural disasters.

Americans spend around 11 percent of their disposable income on food, the lowest percentage in the world.

The *Emergency Conservation Program* (ECP) shares with agricultural producers in the cost of rehabilitating farmlands damaged by natural disaster. During severe drought, ECP also provides emergency water assistance — both for livestock and for existing orchard and vineyard irrigation systems.

Conservation Reserve Program acreage can also be made available for emergency haying and grazing situations. In addition, FSA also provides *emergency* loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantines.

Helping Weather the Weather

Sanny Paurier, a Native American rancher, came to FSA in need of financing. At the time, a bank was about to foreclose on his operation. Times were tough, and the previous spring got the best of him with late blizzards, which caused a high livestock death loss. When Sanny contacted FSA in South Dakota, he had 25 cows, 14 replacement heifers, and 12 calves. He was trying to make ends meet by taking in some pasture cattle.

Working with an FSA farm loan manager, Sanny learned how his business could operate more efficiently. Together, they set goals and developed a business plan. Sanny applied for and received a direct operating loan from FSA.

Five years later, Sanny's operation had grown to 116 cows, 5 bulls, and 17 yearlings. Sanny says, "Honesty, pride, hard work, and working with FSA's loan officer contributed to my success."

TEACHING KIDS RESPONSIBILITY

In Utah, FSA helped an eager high-school student start his own cattle business. After receiving a Youth Loan, the young man is gradually building his herd and, in the process, learning the skills he will need to be an effective rancher. He says, "I think this loan is a good idea because it teaches kids how to manage money, responsibility, and how to work."



Farm Loan Programs Help Producers Manage Credit Needs

Farming in the 21st century is a sophisticated business requiring substantial resources and extensive management skills. FSA makes and guarantees loans and provides credit counseling and supervision to farmers and ranchers who are temporarily unable to obtain private, commercial credit.

Many FSA loan applicants are beginning farmers who do not qualify for conventional loans because of insufficient net worth. Other applicants are established farmers who have suffered financial setbacks from natural disasters or economic downturns.

FSA makes direct loans to producers to finance farm ownership and operating expenses, and to provide needed capital in times of emergency. FSA sets aside a percentage of funds for loans to minority applicants and beginning farmers.

In addition to loaning money, FSA provides credit counseling and helps borrowers manage their debt and repayment schedules.

Developing Tomorrow's Leaders

FSA is a strong bridge in helping rural youth to grow both personally and professionally in preparation for becoming tomorrow's leaders in agriculture. FSA offers special loans of up to \$5,000 for rural youths. To qualify for a loan, an applicant must be a U.S. citizen; be between 10 and 20 years old; live in a town of less than 10,000 people; be unable to obtain a loan from other sources; and conduct a modest income-producing project in a supervised program of work.



YOUTH LOAN HELPS BUILD HERD

There aren't many 16-year-old girls in Connecticut who assist in the birthing process of lambs, which makes Rachael Gately no ordinary teenager. Starting with three ewes and two ewe lambs in 1998, she has tripled her flock every year. She shows her sheep at fairs throughout New England and uses her winnings and youth loan to purchase supplies and grow her operation.



PROTECTING THE ENVIRONMENT

FSA protects America's natural resources by reducing soil erosion on millions of farmland acres, improving air and water quality, and increasing wildlife habitat.

FSA administers conservation and environmental programs and activities to conserve our Nation's natural resources, including land, water, air, and wildlife.

The *Conservation Reserve Program* (CRP) is a voluntary program for agricultural landowners. Through CRP, landowners receive annual rental payments to put farmland into environmentally friendly conservation uses. They also receive cost-share assistance to establish long-term, resource-conserving practices.

The *Conservation Reserve Enhancement Program* (CREP) is an offspring of CRP. CREP is a voluntary program for agricultural landowners in which State priorities drive program enrollment. State and Federal partnerships allow participants to receive incentive payments for installing specific conservation practices. Through CREP, farmers can receive annual rental payments and cost-share assistance to establish long-term conservation measures on land.

Eligible farmers and ranchers may also enroll their land in filter strips, riparian buffers, grass waterways, and other similar practices at any time. These practices protect fragile streams and rivers from eroding soil and chemical runoff. The *Environmental Quality Incentives Program* (EQIP), which is administered by the Natural Resources Conservation Service, offers financial and technical assistance to participants who install or implement structural and management practices that help reach conservation goals.

Trees on CRP land remove an estimated 3.7 million tons of carbon per year from the atmosphere.

CRP provides environmental benefits estimated to total more than \$2 billion per year.

Since its inception in 1986, CRP has produced dramatic improvements in the health and size of wildlife populations.





Grasslands make up the largest land cover on America's private lands and, along with shrub lands, account for more than 525 million acres in the United States. The new Grassland Reserve Program will enhance water quality, increase wildlife habitat, and help conserve native rangeland.

REACHING UNDERSERVED FARMERS AND RANCHERS

FSA makes special efforts to bring its programs to new customers and to groups that may not have participated in the past.

Realizing the Dream of Land Ownership

Most of the 150-plus Hmong vegetable farmers in Minnesota do not own cropland, but there is a growing interest among them in purchasing farms and realizing their American dream. In Dakota County, Minnesota, Youa Yang and brothers Vang and Ninzong purchased a 116-acre farm with the help of an FSA loan program.

The Yangs will use their farm to raise 35 crops ranging from oriental greens to watermelons and cut flowers. They also have plans to raise steers, goats, Boston pigs, ducks, and chickens. Many Hmong farmers sell products at the Minnesota Farmers' Market in St. Paul.

Reaching Out to the Underserved

FSA's Outreach Program identifies and works with partner organizations and customers to overcome such barriers to program participation as language and cultural differences, transportation challenges in remote areas, and challenges in comprehension of program requirements and procedures.

The program places special emphasis on reaching socially disadvantaged and limited resource farmers and members of racial and ethnic minority groups. Each State and Puerto Rico has an Outreach Coordinator to assist customers at local levels.



FSA's special lending programs give new or underserved farmers a hand by bringing opportunities to those unable to secure financing from commercial sources. FSA reserves direct and guaranteed loan funds each year to help socially disadvantaged applicants buy and operate family-sized farms and ranches. Direct loans for both ownership and operating purposes are made at reduced interest rates to low-income farmers and ranchers. The *Indian Land Acquisition Loan Program* enables

FSA Internships Provide Opportunities for Youth

FSA offers college and university students beginning career experiences that will put their talents and education to the test. Students can apply to become a summer intern in the Nation's Capital. Or, if it's closer to school or home, volunteer at one of our State and nearly 2,400 county offices nationwide, including the Virgin Islands and Puerto Rico. Student programs allow FSA to give youth the opportunity to make an investment in their future.

"My 10 weeks of interning for FSA's Outreach branch have been intense. I've attended meetings on Native American issues and learned some of the challenges surrounding women, African-Americans, Hispanics and other minorities."

Jay McCray, College Junior, Arizona

Indian tribes to purchase privately held lands that lie within their reservations.

The *Outreach Mediation Program* helps producers, their lenders, and others directly affected by USDA actions to mutually resolve any disputes. Through mediation, a trained, impartial mediator helps participants review their conflicts, identify options, and develop solutions. FSA helps States develop USDA-Certified State Mediation Programs and provides mediation matching grants to State-certified programs.



Transitioning Producers to Commercial Lenders

Emiliano and Irene Mendoza are raspberry farmers in California. They received their first FSA loan in April 1996, and several other FSA loans since that time. After establishing a good credit history, the couple was able to get a guaranteed loan through a commercial bank for their 2002 operating needs. They also attended several FSA financial management training courses, which have been beneficial to their farming operation. With FSA's help, the Mendozas' raspberry farm has proven to be a successful operation.

SHARING AMERICA'S BOUNTY

In cooperation with other Federal agencies, FSA helps feed millions of people across America and around the world.

FSA plays an important role in America's worldwide humanitarian and goodwill efforts. Working with USDA's Foreign Agricultural Service and Food and Nutrition Service, FSA makes it possible to share America's bounty of nutritious food with those in need. FSA purchases and delivers agricultural commodities to foreign countries under Federal food aid programs and with the help of voluntary agencies, the World Food Program, and the U.S. Agency for International Development.



Domestically, FSA makes commodities available to the Bureau of Indian Affairs, and Federal, State, and private agencies for feeding programs. Food items are used for the *National School Lunch Program*, *Commodity Supplemental Food Program*, the *Emergency Food Assistance Program*, and other programs that provide food for summer camps for kids, needy persons, and others.

Agricultural commodities, along with purchased food products, are stored in more than 10,000 commercial warehouses approved for this purpose by FSA. FSA maintains reserves of commodities that are to be used solely to meet emergency humanitarian food needs in foreign countries.

Under the *Dairy Price Support Program*, FSA purchases cheese, butter, and nonfat dry milk at established

support levels. Once these commodities are purchased, they are stored in commercial warehouses until they are either sold or channeled into domestic or foreign food assistance programs.

FSA employs warehouse examiners who are strategically located throughout the Nation to ensure that warehouse operators properly store and handle our Nation's agricultural commodities. Examiners conduct on-site visits to verify that the regulatory and contract requirements are being met.

FSA also engages in electronic commerce in its food assistance procurements, which involves commodity vendors, transportation providers, private voluntary organizations and others, to ensure commodities reach their destination for the lowest possible cost.



FSA works closely with private entities to provide and assist in the delivery of a large portion of domestic and international food aid.

Food for Education

USDA's Commodity Credit Corporation, staffed by FSA employees, contributes to school feeding programs that help assure that children attend and remain in school to improve childhood development and achievement, thereby contributing to a more self-reliant, productive society.

McGovern-Dole International Food for Education and Child Nutrition Program

USDA purchases commodities under the *McGovern-Dole International Food for Education and Child Nutrition Program* that was enacted in June 2003. The USDA-approved projects are being conducted through the United Nations World Food Program, private voluntary organizations, and eligible foreign governments.

Javits-Wagner-O'Day Act

FSA supports our Nation's disabled citizens. Under the Javits-Wagner-O'Day Act (JWOD), FSA contracts with community rehabilitation programs to purchase products that were processed by our Nation's disabled citizens. The JWOD Program is an example of Government at its best.

IMPLEMENTING POLICY WITH A LOCAL VOICE

A unique county-based network gives grassroots input into the administration of Federal policy.

Of the nearly 8,200 committee members who serve our nearly 2,400 FSA offices nationwide, roughly one-third of their seats are up for election each year.

A Structure for Local Input

Locally elected county committees consist of three to five members and provide producers a much-needed say in how Federal actions affect their communities and their individual operations. Members make decisions on a number of important issues such as commodity price support loans and payments, conservation programs, and farm disaster assistance.

FSA is a Federal agency guided by the farmers and ranchers it serves. This approach to program delivery sets FSA apart from other Federal agencies.

FSA's unique structure facilitates program delivery and administration and promotes effective communication. In addition to its Washington, D.C., headquarters and national offices in Kansas City, St. Louis, and Salt Lake City, FSA maintains State offices, usually at the capital, or near a State land-grant university, and in Puerto Rico and the Virgin Islands. USDA Service Centers are located in counties around the country to serve America's farmers and ranchers at the local level.



County Committees

Farmers and ranchers elect representatives from their community to serve on their local FSA County Committees. County Committees work with local FSA staff to administer programs, provide policy direction, and guide eligibility requirements for programs in their own communities. County Committees provide important insight into how farm programs affect local communities.

In areas with historically underserved customers, County Committees may also include minority advisors. These advisors highlight special concerns and represent additional views on program implementation and administration. They are an integral part of the process that ensures that all producers have a voice in the County Committee system.

With roots dating to the Great Depression of the 1930s, FSA's county-based structure has stood the test of time. By applying lessons learned from the past, today's FSA effectively and efficiently supports American

agricultural and rural communities with a broad array of market-based programs that help farmers and ranchers manage financial and operating risks.

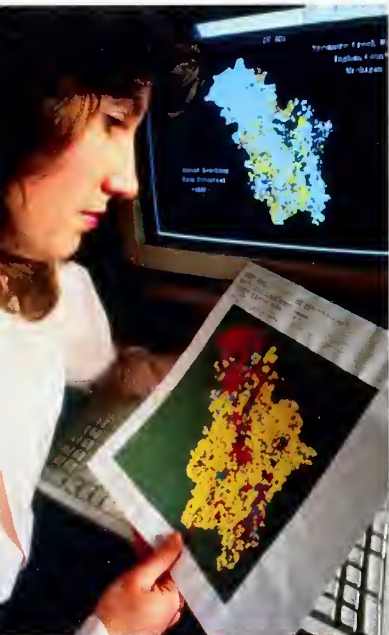


Nearly 8,200 County Committee members provide grassroots input and insight that help FSA continually improve programs and deliver higher levels of service efficiently and fairly to agricultural and rural communities across America.



FOCUSING ON THE FUTURE

FSA is adopting leading-edge technology to better serve customers and reduce costs.



FSA is committed to improving customer service and program delivery with the latest technology and information management systems. Leading-edge technology allows FSA to provide timely program delivery, reduce customer burdens, and keep local agency operations efficient and cost effective.

USDA Service Center Automation

FSA has worked with its partner Agencies (Natural Resources Conservation Service and Rural Development) to establish USDA Service Centers that share a common computing environment including hardware, administrative software, and telecommunications infrastructure. This has improved customer service and reduced costs by making better use of time, technology, and skills.

FSA is not only investing in technology, FSA is also investing in its people to ensure customers receive quality service everywhere. With numerous training events conducted annually and the increasing adoption of online training, FSA is committed to maintaining a highly trained and professional staff at every USDA Service Center.

eGovernment

As part of the Federal Government's eGovernment (eGov) initiative, FSA has worked to streamline operations and increase efficiency using the World Wide Web. Under the eGov initiative, FSA, along with other USDA

agencies, has developed and implemented online eForms.

Using eForms, FSA customers can access forms and account information. They can fill out and submit documents electronically, saving the time and effort that would have been required to travel to their local USDA Service Centers. These Web-based systems also allow participating banks and other lending institutions to fill out and submit guaranteed loan program forms online, saving time and money for the lender, farmer, and Government.

FSA also has activated an electronic warehouse receipt system to facilitate low-cost commercial and interstate trade of agricultural commodities. The warehouse receipt creates an enforceable contract between warehouse operator and farmer.

GIS and Satellite Imagery

FSA, along with other USDA agencies, is implementing Geographic Information Systems (GIS) and Global Positioning Systems technology.

These technologies, combined with aerial photographs and satellite imagery,

The eForms Web site is just one example of how USDA is harnessing the power of the Internet to better serve America's farmers, ranchers, and lending partners.

To learn more, go to www.sc.egov.usda.gov.

are helping FSA staff more efficiently measure land features, identify crop types, and establish maps for farm records. Computer-generated maps interact with databases that store information about land. These advances give local FSA offices tools to:

- *Help producers continue to exercise wise land stewardship;*
- *Provide quicker, more accurate information for decision-making purposes; and*
- *Reduce the amount of time a producer must spend working with local USDA staff in order to participate in FSA programs.*

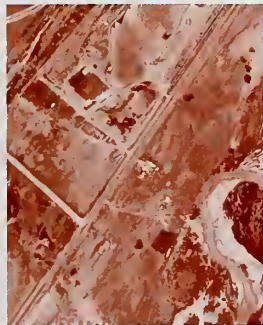
Aerial Photography

The Aerial Photography Field Office (APFO), located in Salt Lake City, Utah, provides FSA with aerial imagery to help administer farm programs. The aerial photography is used to map farm field boundaries and make precise measurements. Film from FSA image acquisition programs, and several cooperative programs, totals over 10 million exposures and dates from the present back to 1955.

Rapid assessment of storm damage

Severe weather in Stutsman County, North Dakota, in June 2003 provided FSA staffers the opportunity to use newly issued Global Positioning System (GPS) receivers and digital cameras to document crop losses. A series of severe thunderstorms brought up to 2 inches of rain, high winds, and hail as large as 1.5 inches in diameter.

FSA staff from the Stutsman County Farm Service Center, who had just completed GPS training, gathered GPS coordinates of hail-damaged fields and took digital pictures. Using the field data, they were able to accurately map the extent of the damage. The digital map and photographs illustrating crop damage were then sent in a report to the State office.



For more information about FSA, visit www.fsa.usda.gov or contact your local USDA Service Center.

FSA-ADMINISTERED PROGRAMS

Dairy

- Dairy Price Support Program
- Milk Income Loss Contract Program
- Dairy Indemnity Payment Program

Grains, Oilseeds, and Cotton

- Direct and Countercyclical Program (corn, rice, wheat, sorghum, barley, oats, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, sesame, crambe, upland cotton, and peanuts)
- Hard White Wheat Incentive Payment Program
- Extra Long Staple Cotton Competitiveness Program
- Peanut Quota Holder Compensation Program
- Marketing Assistance Loan and Loan Deficiency Payment Programs for feed grains, wheat, rice, upland cotton, extra long staple cotton, oilseeds, pulses, mahair, wool, hane, and peanuts
- Payments in Lieu of Loan Deficiency Payments for Grazed Acreage Program
- High Moisture Corn and Sorghum Recourse Loan Program
- Seed Cotton Recourse Loan Program

Sugar

- Sugar Allotment Program
- Sugar Loan Program

Tobacco

- Tobacco Program (burley, flue-cured, and other tobaccos)

Storage

- On Farm Storage Facility Loan Program
- Sugar Storage Facility Loan Program

Conservation

- Conservation Reserve Program
- Conservation Reserve Enhancement Program
- Wetlands Reserve (with Natural Resources Conservation Service)

- Tree Assistance Program (when funded)
- Emergency Conservation Program
- Environmental Quality Incentives Program (with NRCS)
- Grassland Reserve Program (with NRCS)

Loans

- Emergency Loan Program
- Direct Farm Ownership Loan Program
- Guaranteed Farm Ownership Loan Program
- Beginning Farmer and Rancher Loan Program
- Direct Operating Loan Program
- Guaranteed Operating Loan Program
- Boll Weevil Eradication Loan Program
- Youth Loan Program
- Indian Tribal Land Acquisition Program
- Socially Disadvantaged Persons Loan Program

Bioenergy

- Bioenergy Program

Disaster

- Noninsured Crop Disaster Assistance Program
- Crop Disaster Program (when funded)
- Livestock Assistance Programs (when funded)

Foreign Investment Ownership Disclosure

- Agricultural Foreign Investment Disclosure Program

Commodity Warehousing

- Commodity Warehouse Oversight Program

Food Assistance

- Domestic and Foreign Food Assistance Programs
- Trade Adjustment for Farmers (with Foreign Agricultural Service)

For more information on FSA programs or employment opportunities, please go to <http://www.fsa.usda.gov>.
USDA FSA Public Affairs
1400 Independence Ave, S.W.
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Telephone (202) 720-7807

For information on commodity sales and purchases contact:
USDA FSA Kansas City Commodity Office
6501 Beacon Drive
Kansas City, MO 64133-4676
Telephone: (816) 926-6301

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PA-1757, "USDA's Farm Service Agency Serving All Americans" January 2004

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