

Farm, Folks and Funding

A wide-angle photograph of a rural farm landscape. In the foreground, a grassy field is separated from a road by a wooden fence. A paved road curves through the middle ground. In the background, a large white barn with a dark roof is visible, along with several red buildings and two tall metal silos. The sky is clear and blue.

February 2, 2011

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Farm, Folks and Funding

- USDA, Acting through the Farm Service Agency, provides America's farmers with a strong safety net via:
- Farm Conservation Programs
- Farm Loan Programs
- Farm Commodity Programs

FSA

- We administer conservation programs through a partnership with Natural Resource Conservation Service (NRCS) which is a sister USDA agency
- NRCS provides FSA and farmers with technical assistance.

Conservation Programs

- Conservation Reserve Program (CRP)
- Conservation Reserve Enhancement Program (CREP)
- Biomass Crop Assistance Program (BCAP)
- Grassland Reserve Program (GRP)

08/18/2010

CRP

- The Conservation Reserve Program (CRP) is a voluntary program for agricultural landowners. Through CRP, farmers can receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible farmland.
- The Commodity Credit Corporation (CCC) makes annual rental payments based on the agriculture rental value of the land, and it provides cost-share assistance for up to 50 percent of the participant's costs in establishing approved conservation practices. Participants enroll in CRP contracts for 10 to 15 years.

08/18/2010

CRP

- CRP protects millions of acres of American topsoil from erosion and is designed to safeguard the Nation's natural resources. By reducing water runoff and sedimentation, CRP protects groundwater and helps improve the condition of lakes, rivers, ponds, and streams. Acreage enrolled in the CRP is planted to resource-conserving vegetative covers, making the program a major contributor to increased wildlife populations in many parts of the country.

07/08/2010

CREP

- The program is a partnership among producers; tribal, state, and federal governments; and, in some cases, private groups. CREP is an offshoot of the country's largest private-lands environmental improvement program - the Conservation Reserve Program (CRP).

07/08/2010

CREP

- Addresses high-priority conservation issues of both local and national significance, such as impacts to water supplies, loss of critical habitat for threatened and endangered wildlife species, and soil erosion. CREP is a community-based, results-oriented effort centered around local participation and leadership.

08/18/2010

CREP

Purpose of New York State CREP

- Improve water quality
- Improve drinking water supplies (wellheads)
- Preserve or enhance wildlife habitat

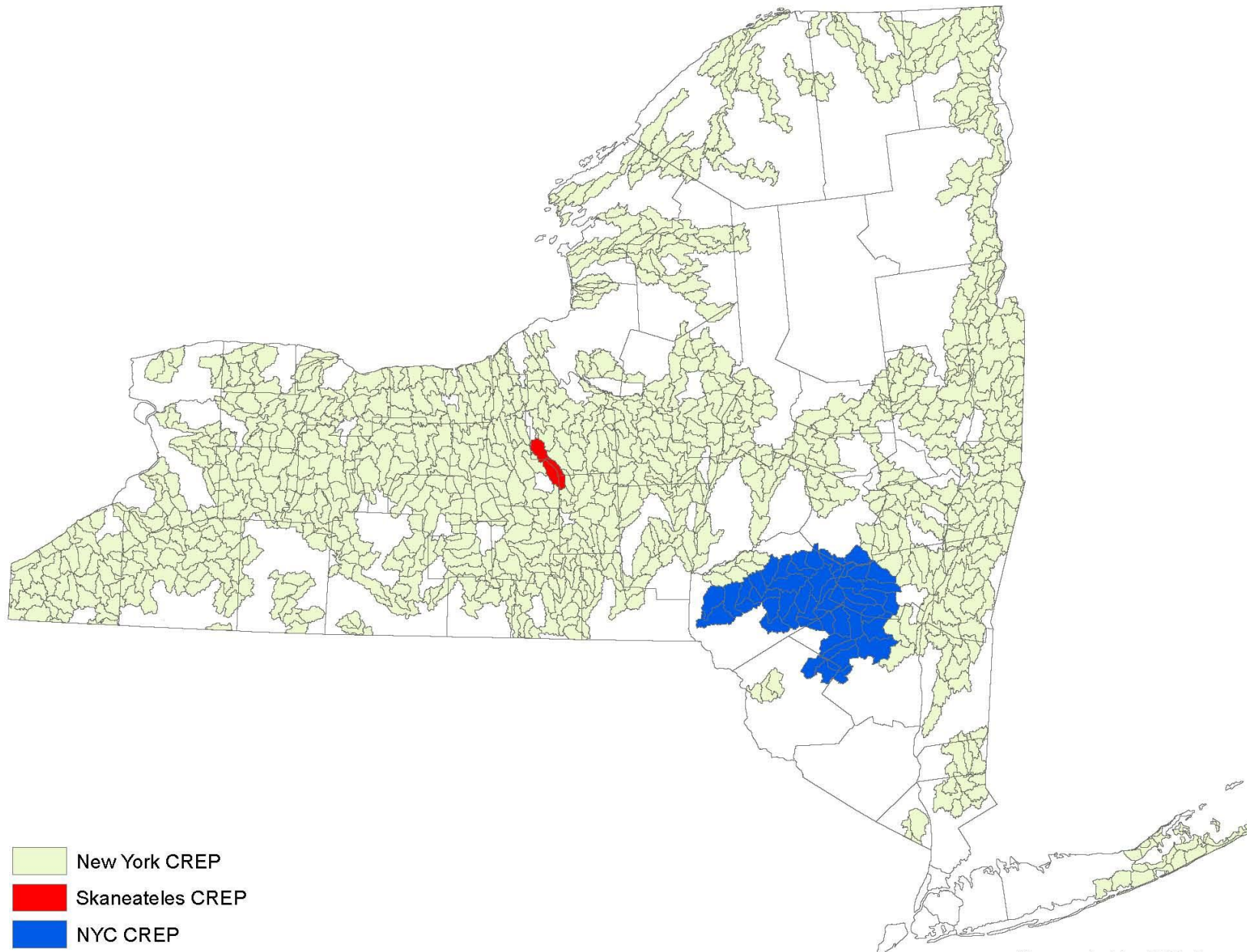
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CREP Goals

- New York's CREP will reduce phosphorus, nitrogen, and sedimentation loading in the state's 12 major watersheds. Additional benefits will include:
- Improved water quality
- Reduced erosion
- Decreased fertilizer/pesticide runoff
- Establishment of wildlife habitat
- Removes animals from streams
- Increases aquatic habitat
- Upholds good farming practices
- Protects public drinking water supplies

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CREP Areas for New York State



Map created by STO, Syracuse NY

CREP Practices

- **Some of the CREP practices available to farmers include:**
 - Establishment of grasses
 - Tree plantings
 - Creating wildlife habitat
 - Grass Waterways
 - Filter Strips
 - Riparian Buffers
 - Marginal Pastureland Wildlife Habitat or Wetland Buffers
 - Contour Grass Strips
 - Restoring wetlands
 - Improving Existing Vegetative Cover

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Total Payments over 10 years!

TYPE OF PMT	CREP contract of 6.3 acres for 10 years
Annual pmts.	\$9313.29
SIP	\$630.00
PIP	\$756.00
Cost-share	6.3acX\$150/ac = \$945
Management Cost-share	\$630.00
TOTAL PMTS	\$ 12274.29

BCAP

- The Biomass Crop Assistance Program (BCAP) provides financial assistance to owners and operators of agricultural and non-industrial private forest land who wish to establish, produce, and deliver biomass feed stocks. BCAP provides two categories of assistance:

BCAP

- Matching payments may be available for the delivery of eligible material to qualified biomass conversion facilities by eligible material owners. Qualified biomass conversion facilities produce heat, power, biobased products, or advanced biofuels from biomass feed stocks.
- Establishment and annual payments may be available to certain producers who enter into contracts with the Commodity Credit Corporation (CCC) to produce eligible biomass crops on contract acres within BCAP project areas.

BCAP

- Eligible Material:
- Forest thinning, wood debris, chips, cutoffs, bark, pulp
- Forbs (sunflower, clover), legumes, grasses
- Crop residues, corn cobs, stover, straw, switch grass, orchard & vineyard wastes

GRP

- The Grassland Reserve Program (GRP) is a voluntary conservation program that emphasizes support for working grazing operations, enhancement of plant and animal biodiversity and protection of grassland under threat of conversion to other uses.

GRP

- Participants voluntarily limit future development and cropping uses of the land while retaining the right to conduct common grazing practices and operations related to the production of forage and seeding, subject to certain restrictions during nesting seasons of bird species that are in significant decline or are protected under Federal or State law. A grazing management plan is required for participants.

Conservation Programs

- Additional Information:

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=copr&topic=landing>

- Economic Impact on NY Agriculture in 2010 -
\$12,679,367

A photograph of a brown and white cow standing in a barn. The cow is the central focus, with its body covered in large white patches on a brown background. It is standing on a dirt floor with some straw. In the background, there are wooden stalls and a window. The text 'Farm Loan Programs' is overlaid on the top half of the image.

Farm Loan Programs

- Direct Loan Program
 - Operating Loans (OL)
 - Farm Ownership Loans (FO)
 - Emergency Loans (EM)
- Guaranteed Loan Program
 - Line of Credit (LOC)
 - OL & FO
- Conservation Loan Program

11/12/2010

Farm Loan Programs

- FSA makes direct and guaranteed farm ownership (FO) and operating loans (OL) to family-size farmers and ranchers who cannot obtain commercial credit from a bank, Farm Credit System institution, or other lender. FSA loans can be used to purchase land, livestock, equipment, feed, seed, and supplies. Our loans can also be used to construct buildings or make farm improvements.

2010 Conservation Loan

CL uses include, but are not limited to:

- Install structures to address soil, water, and related resource conservation.
- Establish forest cover for: sustainable yield timber management, erosion control, or shelter belt purposes.
- Install water conservation measures.
- Install waste management systems.
- Refinance debt incurred for any authorized CL purpose (Guaranteed only).
- Adapt any other emerging or existing conservation practices, techniques or technologies, as noted by NRCS, which may require the purchase of equipment.


CL

The CL Program contains several specific differences from many of FSA's traditional loan programs, such as family farm size, test for credit, and graduation requirements. These differences effectively replace FSA's traditional role as a "safety net" for America's farmers with the objective to encourage natural resource conservation.

These exceptions will allow FSA to provide access to conservation financing to more farmers and ranchers who are not our typical customers.

CL Funding

Funds are held by the National Office



FY 2010	Direct CL – 75 Million
	Guaranteed CL – 75 Million
FY 2011	Direct CL – 75 Million
	Guaranteed CL – 75 Million
FY 2012	Same?

CL Priority Funding

CL funds will be targeted to:

- **Beginning farmers and socially disadvantaged farmers.**
- **Facilitate an operation's transition to organic or sustainable agriculture. To be considered for priority funding, an applicant must submit a transition plan.**
- **Build conservation structures or establish conservation practices to comply with highly erodible land regulations.**

FLP Loan Limits

A combine harvester is shown in the background, harvesting a field of corn. The harvester is green and yellow, with a large auger extending from the front. The field is filled with golden-brown corn stalks, and the sky is a clear blue.

- Direct Loans (US Treasury Check)
 - \$300,000
- CL – 300,000/1119000 (75% guarantee)
- Guaranteed Loans (Lender Loan, FSA 90% guarantee to protect against loss)
 - \$1,119,000

Loan Terms

Direct Loans - determined by the type of security

OL up to 7 yrs, longer with balloon payment

FO up to 40 yrs

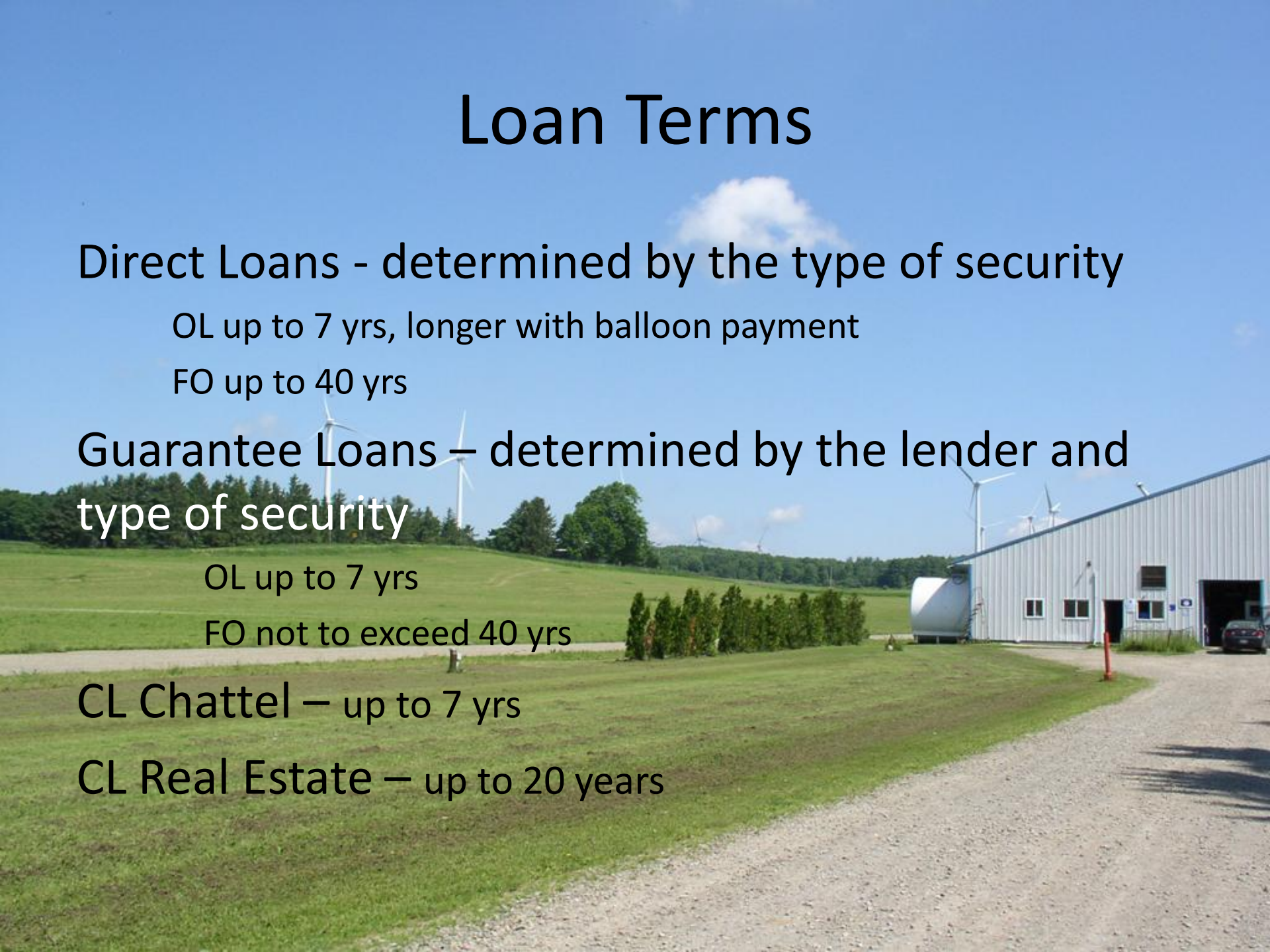
Guarantee Loans – determined by the lender and
type of security

OL up to 7 yrs

FO not to exceed 40 yrs

CL Chattel – up to 7 yrs

CL Real Estate – up to 20 years



FLP

- Additional information:

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=landing>

- Economic Impact on NY Agriculture in 2010 -
\$121,877,250



The Future

- NYS CAFO Requirements
- Bio-fuel Requirements
- Chesapeake Bay Watershed
- NYS Budget – Will Ag organizations receive funding?
- USDA Budget – Will Programs be funded?

Contact Information

- Conservation Programs:

Virginia Green: phone# 315-477-6354

e-mail: virginia.green@ny.usda.gov

- Farm Loan Programs

Christy Marshall: phone# 315-477-6341

e-mail: christy.marshall@ny.usda.gov

- Local FSA Office



Contact Information

Creg Ivison

phone # 315-477-6356

E-mail creg.ivison@ny.usda.gov

USDA, Farm Service Agency
441, South Salina St., Suite 356
Syracuse NY 13202



Q&A

