



2008 Peanut Industry Meeting

John A. Johnson
Deputy Administrator, Farm Programs
Cordele, Georgia
August 6, 2008



The Food, Conservation, and Energy Act of 2008

Enacted into law on June 18, 2008

Effective date: May 22, 2008



United States Department of Agriculture

America's Farm Bill



2008

Disclaimer in Regard to Presentation

- **Time pressure caused by late passage of the Farm Bill**
- **Massive workload**
- **Financial, IT, and staff constraints**
- **Development of new programs, procedures, data, program application software, and staff training**
- **Multi-dimensional decision and clearance process**
- **Interim Rule and Comment Period in Some Cases**
- **Nothing is Final Until Publication of Final Rule**



United States Department of Agriculture

America's Farm Bill



2008

Putting Policy in Action and Delivering Results

- Marketing Assistance Loans and LDP Provisions Implemented – June 12th
 - County Loan Rates for 2008 crop of:
 - Wheat, Corn, Grain Sorghum, Barley, Oats, Soybeans, Other Oilseeds, Long Grain Rice, Medium Grain Rice, Small Chickpeas, Dry Peas, and Lentils



United States Department of Agriculture

America's Farm Bill



2008

Putting Policy in Action and Delivering Results

- Direct & Counter Cyclical Payment Signup – Began June 25th
- Advance Direct Payments (DCP) – Began July 7th
 - Farmers will receive up to \$1.15 Billion in 2008 Advance Direct Payments
- Publication Notice for 2008 Peanut/Cotton Marketing Assistance Loans and LDP Provisions – Pending
- A lot more to go



United States Department of Agriculture

America's Farm Bill



2008

Covered Commodities

- Barley
- Corn
- Grain Sorghum
- Oats
- Other Oilseeds (Canola, Crambe, Flaxseed, Mustard Seed, Rapeseed, Safflower, Sesame Seed, or Sunflower Seed)



United States Department of Agriculture

America's Farm Bill



2008

Covered Commodities

- Peanuts (Separate Section, but treated the same)
- Pulse Crops
- Long Grain Rice
- Medium Grain Rice (Includes Short Grain)
- Soybeans
- Upland Cotton
- Wheat



United States Department of Agriculture

America's Farm Bill



2008

Crop Base Acres

- A farm's base acres remain the same (no updating)
- Rice bases will be split between Long and Medium/Short Grain
- Establish base acres for 2009 Pulse Crops – Large Chickpeas (Kabuli), Small Chickpeas (Desi), Dry Peas, and Lentils
- Adjustment in base acres allowed for CRP contract expiration or voluntary termination, or early release



United States Department of Agriculture

America's Farm Bill



2008

Crop Base Acreage

- **Land Subdivided and Developed for Multiple Residential Units**
 - Proportionately reduce base acres on a farm
 - Land is unlikely to return to previous agricultural use
 - Producers unable to prove land remains devoted to commercial agricultural production, or is likely to be returned to previous agricultural use



United States Department of Agriculture

America's Farm Bill



2008

Treatment of Farms with Limited Base Acres

- Sum of the base acres of the farm is 10 acres or less
 - No Direct Payments
 - No Counter-Cyclical Payments
 - No Average Crop Revenue Election Payments
- Exception – Farm is wholly owned by a socially disadvantaged farmer or rancher; farm is wholly owned by a limited resource farmer or rancher



United States Department of Agriculture

America's Farm Bill



2008

Payment Yields

- A Farm's Payment Yield(s) remain the same (no updating)
- Establish Payment Yields for Counter-Cyclical Payments:
 - Designated oilseed or eligible pulse crop (Large Chickpea, Small Chickpea, Dry Peas, Lentils)



United States Department of Agriculture

America's Farm Bill



2008

Payment Acres

Year	Percentage of Base Acres Used to Calculate <u>Direct</u> Payments	Percentage of Base Acres Used to Calculate <u>Counter-Cyclical</u> Payments
2008	85%	85%
2009	83.3%	85%
2010	83.3%	85%
2011	83.3%	85%
2012	85%	85%



United States Department of Agriculture

America's Farm Bill



2008

Direct Payment Rates

Crop	2008 through 2012 Payment Rate
Barley	\$0.24/bu
Corn	\$0.28/bu
Grain Sorghum	\$0.35/bu
Oats	\$0.024/bu
Other Oilseeds	\$0.80/cwt
Peanuts	\$36/ton
Rice, Long Grain	\$2.35/cwt
Rice, Medium Grain	\$2.35/cwt
Soybeans	\$0.44/bu
Upland Cotton	\$0.0667/lb
Wheat	\$0.52/bu



United States Department of Agriculture

America's Farm Bill



2008

Direct Payments

- Advance Payments available for 2008 through 2011 crop years
- Advance payment percentage is 22 %
- 2008 DCP signup began on June 25, 2008, and will end September 30, 2008
- FSA began issuing advance payments on July 7, 2008 (If requested by producer)



United States Department of Agriculture

America's Farm Bill



2008

Counter-Cyclical Payments

(Red indicates increase from 2002 Farm Bill)

Crop	2008 Crop Year Target Price	2009 Crop Year Target Price	2010 through 2012 Crop Years Target Price
Wheat	\$3.92/bu	\$3.92/bu	\$4.17/bu
Corn	\$2.63/bu	\$2.63/bu	\$2.63/bu
Grain Sorghum	\$2.57/bu	\$2.57/bu	\$2.63/bu
Barley	\$2.24/bu	\$2.24/bu	\$2.63/bu
Oats	\$1.44/bu	\$1.44/bu	\$1.79/bu
Upland Cotton	\$0.7125/lb	\$0.7125/lb	\$0.7125/lb
Long Grain Rice	\$10.50/cwt	\$10.50/cwt	\$10.50/cwt
Medium Grain Rice	\$10.50/cwt	\$10.50/cwt	\$10.50/cwt
Soybeans	\$5.80/bu	\$5.80/bu	\$6.00/bu
Peanuts	\$495/ton	\$495/ton	\$495/ton



United States Department of Agriculture

America's Farm Bill



2008

Counter-Cyclical Payments - Continued

(Red indicates increase from 2002 Farm Bill)

Crop	2008 Crop Year Target Price	2009 Crop Year Target Price	2010 through 2012 Crop Years Target Price
Other Oilseeds	\$10.10/cwt	\$10.10/cwt	\$12.68/cwt
Dry Peas	NA	\$8.32/cwt	\$8.32/cwt
Lentils	NA	\$12.81/cwt	\$12.81/cwt
Small Chickpeas	NA	\$10.36/cwt	\$10.36/cwt
Large Chickpeas	NA	\$12.81/cwt	\$12.81



United States Department of Agriculture

America's Farm Bill



2008

Counter-Cyclical Payments

- Available for 2008 through 2012 crop years
- Issued if effective price is less than the target price of the covered commodity
- Made after October 1, or as soon as practical after end of marketing year for the covered commodity



United States Department of Agriculture

America's Farm Bill



2008

Counter-Cyclical Payments, continued

- Partial advance payment for 2008 through 2010 crop years may not exceed 40% (Partial advance if estimated counter-cyclical payment will be required for the covered commodity)
- Repayment of partial advance payment amount by which the total of partial payment exceeds the actual counter-cyclical payment for the covered commodity
- No partial advance payments authorized for the 2011-2012 crop years



United States Department of Agriculture

America's Farm Bill



2008

Average Crop Revenue Election Program (ACRE)

- 2009 through 2012 crop years
- Irrevocable election on the farm for the initial crop year the election is made through the 2012 crop year
- Failure to make election (all producers on a farm), then farm considered enrolled in DCP
- Alternative to receiving counter-cyclical payment
- 20 percent **reduction** in direct payments
- 30 percent **reduction** in marketing assistance loan rates



United States Department of Agriculture

America's Farm Bill



2008

Average Crop Revenue Election Program (ACRE), continued

- ACRE Payments are revenue-based and not price based; based on State parameters and not National parameters
- ACRE Payments triggered when both apply:
 - Actual **State** revenue for the crop year for the covered commodity is **less than** ACRE program guarantee for the crop year for the covered commodity
 - Actual Farm revenue for the crop year for the covered commodity is **less than** the **Farm** ACRE benchmark revenue for the crop year for the covered commodity



United States Department of Agriculture

America's Farm Bill



2008

Average Crop Revenue Election Program (ACRE), continued

- **ACRE Program Guarantee**
 - 90% **times** Benchmark State Yield (Five year Olympic state average yield) **times** the ACRE Program Guarantee Price (Two year national simple average market price)
 - Shall not **decrease** or **increase** more than 10% from the previous year's ACRE Program Guarantee



United States Department of Agriculture

America's Farm Bill



2008

Average Crop Revenue Election Program (ACRE), continued

- **Actual Farm Revenue**
 - Actual yield for the covered commodity **times** the national average market price received by producers during the 12-month marketing year for the covered commodity
- **Farm ACRE Benchmark Revenue**
 - Five year Olympic average yield per planted acreage for the covered commodity **times** the ACRE Program Guarantee Price (Two year national simple average market price) **plus** the amount of the crop insurance premium required to be paid by the producers on the farm



United States Department of Agriculture

America's Farm Bill



2008

Average Crop Revenue Election Program (ACRE), continued

- **ACRE Payment Amount is the product obtained by multiplying the lesser of:**

(A) The Acre State program guarantee for the crop minus the Actual State revenue for the crop

OR

(B) 25% of the ACRE Program Guarantee



United States Department of Agriculture

America's Farm Bill



2008

Average Crop Revenue Election Program (ACRE), continued

ACRE Payment Amount Calculation Continued:

- **Times** 83.3 percent (2009 through 2011 crop years) or 85% (2012 crop year) of the average planted or considered planted to the covered commodity for harvest on the farm
- **Times** the quotient obtained by dividing the Five year Olympic average yield per planted acre for the covered commodity of the producers on the farm **by** the Benchmark State Yield for the crop year.

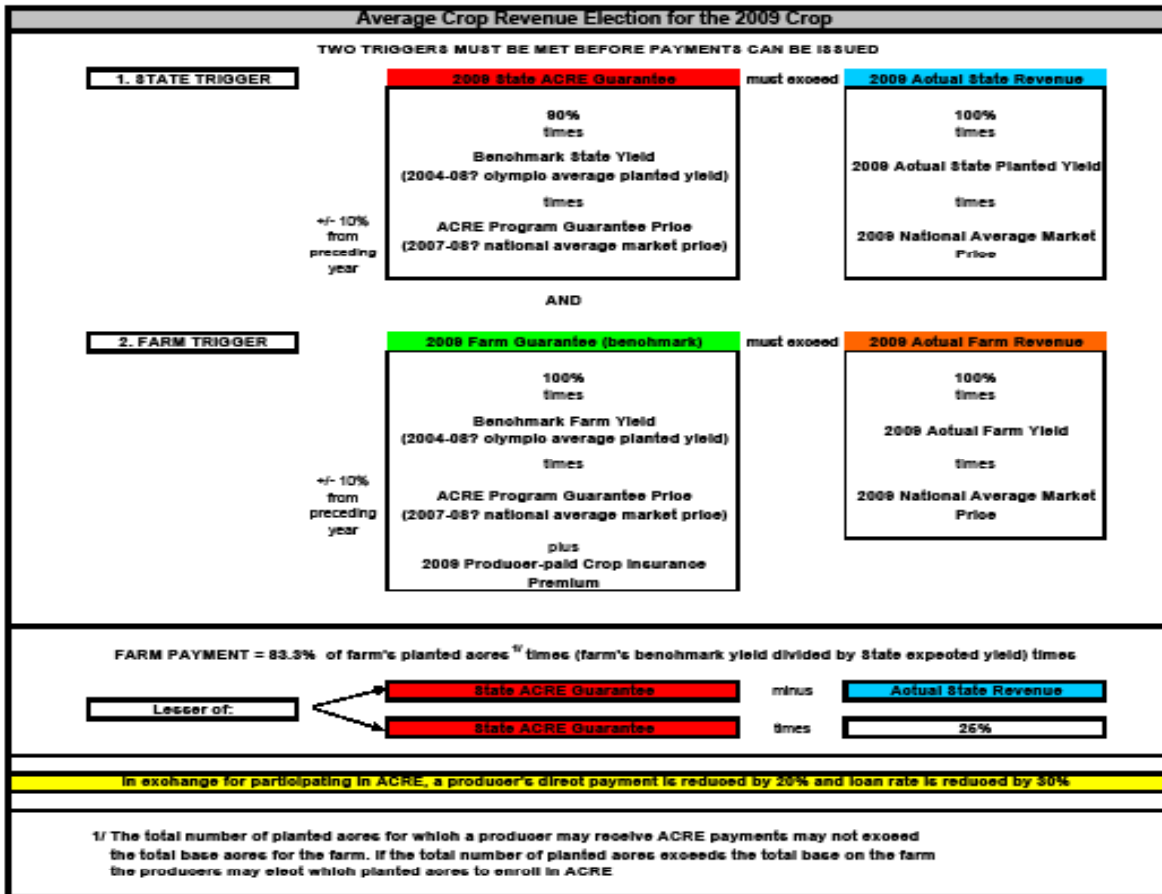


United States Department of Agriculture

America's Farm Bill



2008



Payments issued at end of marketing year (no advance payments)

Average Crop Revenue Election for the 2009 Crop

TWO TRIGGERS MUST BE MET BEFORE PAYMENTS CAN BE ISSUED

1. STATE TRIGGER

	2008 State ACRE Guarantee	must exceed	2008 Actual State Revenue
+/- 10% from preceding year	<p>90% times</p> <p>Benchmark State Yield (2004-08? olympic average planted yield)</p> <p>times</p> <p>ACRE Program Guarantee Price (2007-08? national average market price)</p>		<p>100% times</p> <p>2008 Actual State Planted Yield</p> <p>times</p> <p>2008 National Average Market Price</p>

AND

2. FARM TRIGGER

	2008 Farm Guarantee (benchmark)	must exceed	2008 Actual Farm Revenue
+/- 10% from preceding year	<p>100% times</p> <p>Benchmark Farm Yield (2004-08? olympic average planted yield)</p> <p>times</p> <p>ACRE Program Guarantee Price (2007-08? national average market price)</p> <p>plus</p> <p>2008 Producer-paid Crop Insurance Premium</p>		<p>100% times</p> <p>2008 Actual Farm Yield</p> <p>times</p> <p>2008 National Average Market Price</p>

FARM PAYMENT = 83.3% of farm's planted acres^{1/1} times (farm's benchmark yield divided by state expected yield) times

Lesser of:

	State ACRE Guarantee	minus	Actual State Revenue
	State ACRE Guarantee	times	25%

In exchange for participating in ACRE, a producer's direct payment is reduced by 20% and loan rate is reduced by 30%

^{1/1} The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base acres for the farm. If the total number of planted acres exceeds the total base on the farm the producers may elect which planted acres to enroll in ACRE.

Payments issued at end of marketing year (no advance payments)



United States Department of Agriculture

America's Farm Bill



2008

Producer Agreement Required as Condition of Provision of Payments

- Comply with applicable conservation requirements under the Food Security Act of 1985, Title XII, subtitle B (16 U.S.C. 3811 et seq.)
- Comply with applicable wetland protection requirements under the Food Security Act of 1985, Title XII, subtitle C (16 U.S.C. 3821 et seq.)
- Comply with the planting flexibility requirements



United States Department of Agriculture

America's Farm Bill



2008

Producer Agreement Required as Condition of Provision of Payments, Continued

- Use the land (quantity equal to the attributable base acres) for an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use
- Effectively control noxious weeds or maintain land according to sound agricultural practices if the land is not cultivated
- Submit annual acreage report with respect to all cropland on the farm
- Submit annual production reports for a farm participating in ACRE



Planting Transferability Pilot Project

- Pilot project permits the planting of cucumbers, green peas, lima beans, pumpkins, snap beans, sweet corn, and tomatoes grown for processing on base acres during each of the 2009-2012 crop years
- Producer must have entered into a contract to produce crop for processing
- Producer agrees to have program of crop rotation to achieve agronomic and pest/disease management
- Provide evidence of disposition of the crop

State	Base Acres Eligible
Illinois	9,000
Indiana	9,000
Iowa	1,000
Michigan	9,000
Minnesota	34,000
Ohio	4,000
Wisconsin	9,000



United States Department of Agriculture

America's Farm Bill



2008

Payment Eligibility/Limitation Requirements

Payment Eligibility/Limitation Requirements	2008	2009 through 2012
Actively engaged in farming	X	X
AGI	X	X
Cash rent tenant rule	X	X
Denying program benefits for scheme or device	X	X
Family member rule	X	X
Husband/wife rules	X	X
Minor child rule	X	X
Payment limitation control by direct attribution	NA	X
Permitted entity rules	X	NA
"Person" for payment limitation control	X	NA
Preventing payments to deceased individuals	NA	X
Review of estates open more than 2 years	X	X
Substantive change rule	X	X



United States Department of Agriculture

America's Farm Bill



2008

Basic Provisions, continued

Payment Limitation Amounts - 2008 through 2012

Program	Payment Limitation Per Crop Year
DCP (any covered commodity except peanuts)	Direct - \$40,000 Counter-Cyclical - \$65,000
DCP - Peanuts	Direct - \$40,000 Counter-Cyclical - \$65,000
ACRE	ACRE Payment – Sum of \$65,000 and the amount by which the Direct Payment limitation is reduced for the 20 percent reduction. Example – Producer participates in ACRE on all farms – ACRE Payment Limit is \$73,000 Direct Payment Limit is \$32,000



United States Department of Agriculture

America's Farm Bill



2008

Basic Provisions

Payment Limitation Amounts - 2008 through 2012

Program	Payment Limitation
Supplemental Agricultural Disaster Assistance Programs	Total amount of disaster assistance payments received directly or indirectly may not exceed \$100,000 for any crop year
CRP	\$50,000 per fiscal year
NAP	\$100,000 per crop year



United States Department of Agriculture

America's Farm Bill



2008

Payment Eligibility/Limitation Requirements, continued

- For 2008, all current rules, regulations, and procedures are applicable
- For 2009
 - “Person” rules do not apply
 - Permitted entity rules do not apply
 - Payments limited by direct attribution (Crediting individuals and entities with both the amount of payments they receive directly or indirectly by holding an interest in an entity receiving payment)



United States Department of Agriculture

America's Farm Bill



2008

Average Adjusted Gross Income (AGI) Limitations for 2009 through 2012

Commodity Programs, Disaster Assistance – AGI

- DCP, ACRE, Marketing Loan Gain, LDP, Supplemental Agricultural Disaster Assistance, MILC, NAP
- Average AGI – 3 taxable years preceding the most complete taxable year
- Nonfarm AGI greater than \$500,000, the individual or entity ineligible
- Farm AGI greater than \$750,000, the individual or entity ineligible



United States Department of Agriculture

America's Farm Bill



2008

Average Adjusted Gross Income (AGI) Limitations for 2009 through 2012

Conservation Programs – AGI

- Average AGI – 3 taxable years preceding the most complete taxable year
- Total Nonfarm AGI greater than \$1 million, the individual or entity ineligible unless 66.66% is derived from farming, ranching, and forestry operations
- Secretary may waive ineligibility on a case-by-case basis if determined that environmentally sensitive land of special significance would be protected



United States Department of Agriculture

America's Farm Bill



2008

Marketing Assistance Loan (MAL) and Loan Deficiency Payment (LDP)

- Authorized for crop years 2008 through 2012
- \$75,000 payment limitation for MAL gains and LDP's for the 2008 crop year; Separate combined \$75,000 payment limitation for MAL gains and LDP's for wool, honey, mohair, peanuts, and unshorn pelts
- Beneficial interest policy for the 2008 crop year same as 2002 Act
- MAL have a term of 9 months beginning on first day of the first month after the month in which the loan is made
- LDP rate in effect when a producer makes request



United States Department of Agriculture

America's Farm Bill



2008

Marketing Assistance Loan Rates

(Red indicates change from 2002 Farm Bill)

Crop	2008 Crop Year Loan Rate	2009 Crop Year Loan Rate	2010 through 2012 Crop Years Loan Rate
Wheat	\$2.75/bu	\$2.75/bu	\$2.94/bu
Corn	\$1.95/bu	\$1.95/bu	\$1.95/bu
Grain Sorghum	\$1.95/bu	\$1.95/bu	\$1.95/bu
Barley	\$1.85/bu	\$1.85/bu	\$1.95/bu
Oats	\$1.33/bu	\$1.33/bu	\$1.39/bu
Upland Cotton	\$0.52/lb	\$0.52/lb	\$0.52/lb
ELS Cotton	\$0.7977/lb	\$0.7977/lb	\$0.7977/lb
Long Grain Rice	\$6.50/cwt	\$6.50/cwt	\$6.50/cwt
Medium Grain Rice	\$6.50/cwt	\$6.50/cwt	\$6.50/cwt
Soybeans	\$5.00/bu	\$5.00/bu	\$5.00/bu



United States Department of Agriculture

America's Farm Bill



2008

Marketing Assistance Loan Rates

(Red indicates change from 2002 Farm Bill), Continued

Crop	2008 Crop Year Loan Rate	2009 Crop Year Loan Rate	2010 through 2012 Crop Years Loan Rate
Other Oilseeds	\$9.30/cwt	\$9.30/cwt	\$10.09/cwt
Dry Peas	\$6.22/cwt	\$5.40/cwt	\$5.40/cwt
Lentils	\$11.72/cwt	\$11.28/cwt	\$11.28/cwt
Small Chickpeas	\$7.43/cwt	\$7.43/cwt	\$7.43/cwt
Large Chickpeas	NA	\$11.28/lb	\$11.28/lb
Graded Wool	\$1.00/lb	\$1.00/lb	\$1.15/lb
Nongraded Wool	\$0.40/lb	\$0.40/lb	\$0.40/lb
Mohair	\$4.20/lb	\$4.20/lb	\$4.20/lb
Honey	\$0.60/lb	\$0.60/lb	\$0.69/lb



2008 Crop Peanut Loan Rates

- On June 26, 2008, CCC announced the 2008 crop peanut loan rates by type.
- Peanut premiums and discounts remain unchanged from 2007 crop year.

Peanut Type	Loan Values Per Ton
Virginia	\$357.32
Runner	\$354.75
Spanish	\$348.95
Valencia	\$357.32



United States Department of Agriculture

America's Farm Bill



2008

Peanut Storage, Handling, and Associated Costs

- CCC shall pay handling and other associated costs (other than storage costs) when peanuts placed into loan
- Repayment of handling and other associated costs when peanuts are redeemed
- CCC pays storage, handling, and other associated costs when peanuts are forfeited



United States Department of Agriculture

America's Farm Bill



2008

Milk Income Loss Contract (MILC) Program

- MILC payments issued monthly when the Boston Class I milk price falls below \$16.94 (baseline price) per cwt
- Monthly payment rate per cwt is determined as follows:
 - \$16.94 minus the month's Boston Class I Price = Difference
 - Difference multiplied by 34% for FY 2008 production
 - Difference multiplied by 45%, beginning October 1, 2008, and ending August 31, 2012
 - Difference multiplied by 34%, beginning September 1, 2012, and thereafter



United States Department of Agriculture

America's Farm Bill



2008

Milk Income Loss Contract (MILC) Program, continued

- **Monthly Payment Rate Adjustment for Feed Prices**
 - An increase to the \$16.94 baseline price if the National Average Dairy Feed Ration cost for a month is greater than \$7.35/cwt (January 1, 2008 to August 31, 2012)
 - An increase to the \$16.94 baseline price if the National Average Dairy Feed Ration cost for a month is greater than \$9.50/ cwt (September 1, 2012, and thereafter)
- **Poundage Limit per Operation**
 - 2.4 Million Pounds in FY 2008
 - 2.985 Million Pounds for FY 2009, 2010, 2011, and through 8/31/2012.
 - 2.4 Million Pounds beginning 9/1/2012



United States Department of Agriculture

America's Farm Bill



2008

Farm Stored Facility Loan Program

- Increase in loan term from 7 years to a maximum of 12 years
- Increase in loan principle to a maximum of \$500,000 per loan
- Expanded eligible commodities to include:
 - Renewable biomass
 - Storable agricultural commodities



United States Department of Agriculture

America's Farm Bill



2008

Conservation Reserve Program (CRP)

- Enrollment authority extended through FY 2012
- Cropping history updated
 - 1996 to 2001 (6 years)
- Maximum Enrollment
 - 39.2 million acres for FY 2008 and 2009
 - 32.0 million for FY 2010 through 2012
- Transition Incentive for Beginning Farmers or Ranchers and Socially Disadvantaged Farmer or Ranchers
 - Facilitate transition of land from a retired or retiring owner or operator; One year before the date contract expiration
 - Returning some or all of the land into production



United States Department of Agriculture

America's Farm Bill



2008

CRP - Farmable Wetlands Program (FWP)

- **Significant changes**

- Eligible land to include constructed wetlands to provide nitrogen removal in tile-drained areas
- Eligible land devoted to commercial pond-raised aquaculture with 1 year of cropping history between CY 2002 through 2007
- Eligible land to include intermittently-flooded land, provided the land was actually cropped 3 of 10 crop years between 1/1/1990 and 12/31/2002, and subject to natural overflow of a prairie wetland



United States Department of Agriculture

America's Farm Bill



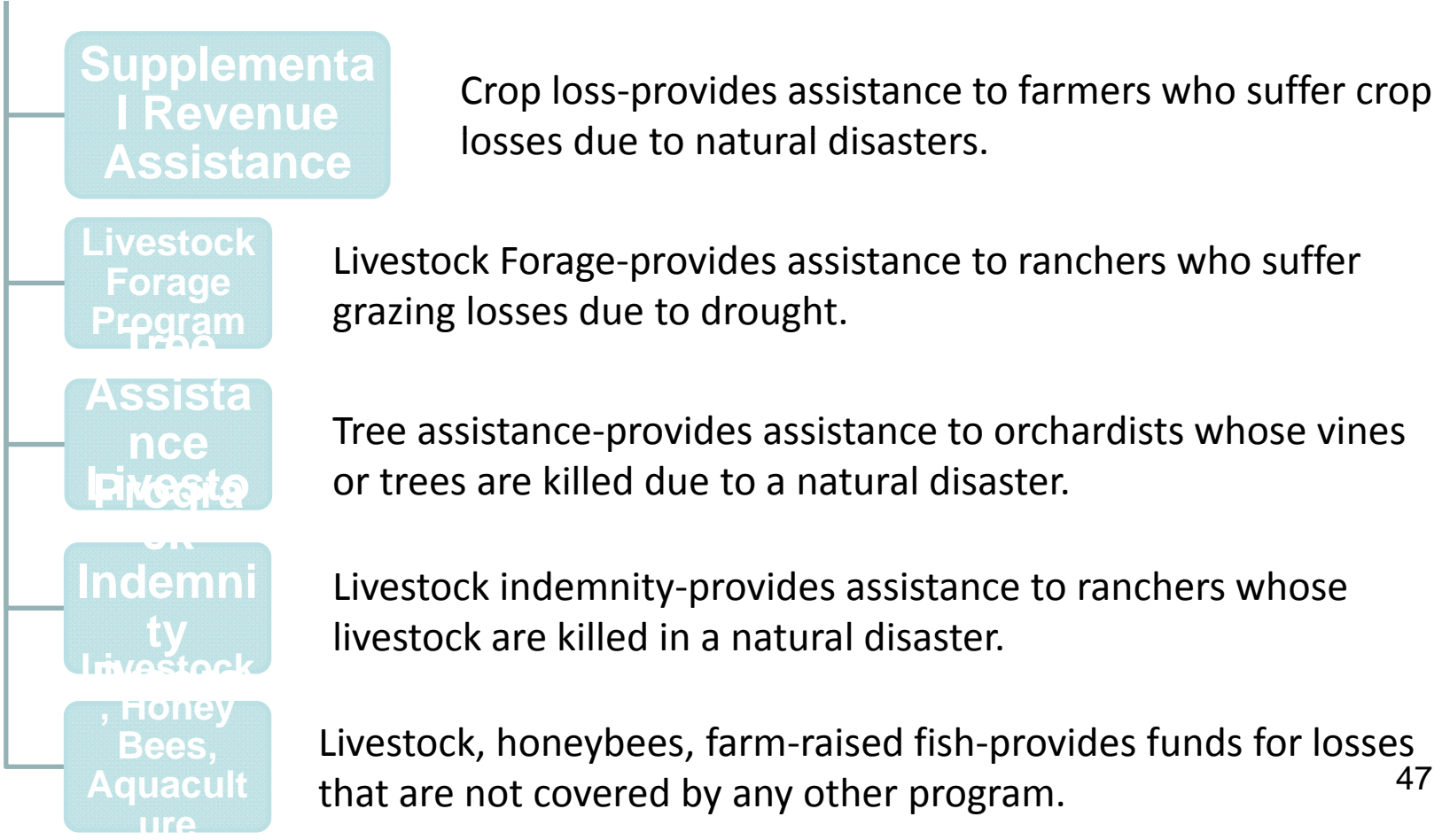
2008

Biomass Crop Assistance Program (BCAP)

- **Supports the establishment and production of crops within project areas for conversion to bio-energy**
- **Project areas are selected through an application process**
- **Producers enter into BCAP contracts**
 - 5 year for annual and perennial crops
 - 15 year for woody biomass
- **Producers within project areas may receive**
 - Cost share payments for establishment
 - Annual rental payments
 - Payments for harvest, transportation and storage



Disaster Trust Fund





United States Department of Agriculture

America's Farm Bill



2008

Supplemental Revenue Assistance Program (SURE)

- Covers crop losses due to natural disasters
- Producers must have purchased or be enrolled in:
 - CAT for insurable crops
 - NAP for uninsurable crops
- **Waiver provision** of CAT or NAP purchase for socially disadvantaged, limited resource, or beginning farmer or rancher



United States Department of Agriculture

America's Farm Bill



2008

Supplemental Revenue Assistance Program (SURE)

- Eligible producers on farms in disaster counties, including contiguous counties, that have incurred crop production losses and/or crop quality losses or;

the total loss of production of the farm because of weather is greater than 50 percent of the normal production of the farm
- For the 2008 crop year, producers may pay a fee equal to the administrative fees for CAT and NAP on crops for which no coverage has been purchased by no later than September 16, 2008



United States Department of Agriculture

America's Farm Bill



2008

Supplemental Revenue Assistance Program (SURE)

- “**Farm**” means the sum of **all** crop acreage in **all** counties that is planted or intended to be planted for harvest by the eligible producer
- **SURE** Program payments equate to 60 percent of the difference between the disaster assistance guarantee and total farm revenue



United States Department of Agriculture

America's Farm Bill



2008

Supplemental Revenue Assistance Program (SURE)

- Disaster Assistance Program Guarantee
 - **Insurable crop** on the farm, 115 percent of the product obtained by multiplying the:
 - crop insurance price election for the crop
 - acres planted or prevented from being planted to the crop
 - percentage of the crop insurance yield elected by the producer by the higher of the adjusted APH or the counter-cyclical program payment yield



United States Department of Agriculture

America's Farm Bill



2008

Supplemental Revenue Assistance Program (SURE)

- **Non-insurable crop** on the farm, 120 percent of the product obtained by multiplying:
 - 100 percent of the NAP program established price for the crop
 - the acres planted or prevented from being planted to the crop
 - the higher of the adjusted NAP program yield guarantee or the counter-cyclical program payment yield



United States Department of Agriculture

America's Farm Bill



2008

Supplemental Revenue Assistance Program (SURE)

- **Total Farm Revenue** for a farm shall be the sum obtained by adding the following:
 - the estimated actual value of each crop produced on a farm by the product obtained by multiplying the:
 - actual crop acreage harvested
 - estimated actual yield
 - national average market price for the marketing year for each crop
 - 15 percent of any direct payments issued



United States Department of Agriculture

America's Farm Bill



2008

Supplemental Revenue Assistance Program (SURE)

Total Farm Revenue Calculation Continued

- The total amount of all counter-cyclical or average crop revenue payments
- The total amount of all marketing loan proceeds (including certificate gains)
- The total amount of all crop insurance or NAP indemnities
- The value of any other natural disaster assistance payments for the same loss



United States Department of Agriculture

America's Farm Bill



2008

Livestock Forage Program (LFP)

- The forage disaster program pays for grazing losses for producers who certify to a loss and resides in a county showing a substantiated drought impact measured by the Drought Monitor.
- LFP Payments are equal to 60% of the lesser of:
 - a) The monthly feed cost for covered livestock
 - b) The monthly feed cost for the normal carrying capacity of the eligible grazing land



United States Department of Agriculture

America's Farm Bill



2008

Livestock Forage Program (LFP)

- **Monthly feed cost payment is equal to:**
60% of the feed cost obtained by multiplying:
 - a) 30 days;
 - b) The feed grain equivalent (based on pounds of corn) necessary to feed applicable livestock; and
 - c) The higher of the 12 or 24 month national average price per pound of corn.
- **Feed Cost Adjustments**
 - 80% LFP payments for livestock reduced due to extended drought in prior 2 years.
 - 50% LFP payments for losses due to fire related restrictions of grazing on federally managed grazing lands



United States Department of Agriculture

America's Farm Bill



2008

Livestock Forage Program (LFP)

COUNTY ELIGIBILITY

- Triggered by the Drought Monitor
 - 1 month payment - any area of the county is in D2 for 8 consecutive weeks during the growing season, or
 - 2 month payment - any area of the county is in D3 at any time during the growing season (no minimum day requirement), or
 - 3 month payment - any area of the county is in D3 for 4 consecutive weeks during the growing season or D4 at any time during the growing season (no minimum day requirement)

PRODUCER ELIGIBILITY

- Grazing /pasture land must be physically located in an eligible county (as determined by the Drought Monitor)
- Must own, cash or share lease or be a contractor of eligible livestock (90 days minimum) and personally provide pasture or grazing land for eligible livestock
- Must certify to grazing losses
- Must have purchased or obtained a policy or plan of insurance under the Federal Crop Insurance Act, including pilot programs; or have NAP coverage if noninsurable



United States Department of Agriculture

America's Farm Bill



2008

Livestock Forage Program (LFP)

- **MONTHLY PAYMENT RATE**
 - Based on the amount of feed grain equivalent (FGE) using corn that it takes to feed livestock a minimum ration for 30 days
 - Payment rates are adjusted up or down for types and weights of livestock by adjusting the 15.7 pounds FGE for the different livestock up or down



United States Department of Agriculture

America's Farm Bill



2008

Livestock Forage Program (LFP), continued

- **LFP-Fires of Federal land**

- LFP also covers losses to ranchers whose livestock utilize federal grazing permits.
- Producers whose livestock are prohibited by a Federal agency from grazing due to fire.
- Payments based on time period beginning on the date the Federal Agency excludes the eligible livestock producer and ending on the last day of the eligible producer's the Federal lease
- Payment rate is 50% of the monthly feed cost for the total number of livestock covered by the Federal lease.



United States Department of Agriculture

America's Farm Bill



2008

Livestock Indemnity Program (LIP)

- The permanent livestock indemnity program is available to eligible producers on farms that have incurred livestock death losses in excess of normal mortality rates during the calendar year due to a disaster
- Indemnity payments may not exceed 75% of the fair market value for the species of animal



United States Department of Agriculture

America's Farm Bill



2008

Emergency Assistance for Livestock, Honeybees, and Farm Raised Fish

- \$50 million per year is made available for natural disaster related losses not covered by Secretarial designations
- Unique or isolated disasters
 - Floods
 - Tornadoes
 - Blizzards
 - Wildfires
 - Disease mitigation, etc...



United States Department of Agriculture

America's Farm Bill



2008

Tree Assistance Program

- Compensation for specialty crop farmers to replant trees and vines destroyed by a natural disaster
- 70% reimbursement for cost of replanting trees or seedlings in excess of normal mortality of 15%
- 50% of the cost of pruning, removal and other costs to salvage existing trees, or to prepare land to replant trees in excess of normal mortality of 15%



United States Department of Agriculture

America's Farm Bill



2008

Thank You!

