



California FY 2006 Accomplishments

The USDA Farm Service Agency supports American farmers through a variety of credit and commodity programs designed to stabilize and enhance our rural landscape. FSA is at the forefront of providing services farmers have come to trust in order to complement their operations in times of plenty and brace their operations during times of economic insecurity.

The California Farm Service Agency delivered more than \$520.5 million in payments and assistance to the state's farmers and ranchers during the past year.

Making credit available to California farmers

Farm Loans: \$83.8 million. In Fiscal Year 2006, FSA county offices approved 443 loans totaling \$83,857,000 to producers who operate family-size farms and ranches, and who were temporarily unable to obtain commercial credit. Of these loans:

\$61.47 million - Farm Operating Loans: FSA processed 375 loans, totaling \$61,470,000 in Direct and Guaranteed Farm Operating Loans to help California farmers plant crops, purchase livestock, or reorganize their operation.

\$20.5 million - Farm Ownership Loans: FSA processed 56 loans, making \$20,596,000 in credit available to California farmers through the Direct and

Guaranteed Farm Ownership Loan programs. The loan funds were used to purchase real estate or construct buildings.

Of these direct and guaranteed loans - **\$63.8 million** were **Special Qualified Loans.** FSA provided **\$36.2 million** to 207 qualified farmers under the Socially Disadvantaged Loan Program, and **\$27.58 million** to 153 qualified beginning farmers.

\$96,644 - Youth Loans: Under the Youth Loan Program, rural youths may receive a loan to establish and operate income-producing projects. Money must be used to purchase supplies, animals, and equipment, and pay operating expenses. FSA California made 49 youth loans last year.

Price support and farm programs

Farm Support: \$373.94 million. California farmers received \$373,944,500 in Commodity Credit Corporation program benefits. Farm and price supports included a variety of different programs:

\$304.65 million - Direct and Counter-Cyclical Payments: The 2002 Farm Bill replaced production flexibility contract payments with direct payments, and added new counter-cyclical payments.

Both payments are established from historical acreage bases and payment yields and not on current production. These payments are

issued to producers with a history of growing corn, oats, barley, wheat, soybeans and other oilseeds.

\$32.65 million - Marketing Loan Gains & Loan Deficiency

Payments: Marketing assistance loans provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities with market prices are typically at harvest-time lows. Allowing producers to store production at harvest facilitates more orderly marketing of commodities throughout the year. A producer realizes a marketing loan gain if the loan is repaid at less than the loan principal. The marketing loan gain rate equals the amount by which the applicable loan rate exceeds the loan repayment rate. LDPs help bridge the difference between low market prices and established target prices set by the government.

\$36.02 million - Milk Income Loss Contract Payments:

This program is a safety net for the state's dairy farmers. FSA provided \$36,018,130 in payments to eligible dairy farms when the Boston Class I milk price was below \$16.94 per hundredweight. Eligible milk production for payment purposes does not exceed 2.4 million pounds per operation.

\$130,226 - Trade Adjustment

Assistance: provides technical assistance and cash benefits to eligible producers of agricultural commodities under Trade Adjustment Assistance for

Farmers Program. Fishermen and aquaculture producers may also qualify. These payments are provided to help producers adjust to competition from imports.

\$439,329 - Hard White Wheat Incentive Program: Funded in the 2002 Farm Bill, the program aims to increase the supply of hard white wheat available for domestic milling and export. Both hard white winter wheat and hard white spring wheat were eligible for payment.

\$49,230 - Other Support Programs

Disaster Programs

California producers received \$57.4 million in disaster assistance during FY 2006. From drought to flood, freeze to tornadoes, natural disasters can severely affect even the best run agricultural operation.

\$21.04 million - Crop Disaster Assistance: This program helped compensate producers who suffered crop losses due to adverse weather.

\$7.5 million - Livestock Assistance Program: Farm Service Agency's Livestock Assistance Program provides payments to livestock producers who suffered grazing losses due to natural disasters in 2003 or 2004. To be approved, a county must have suffered a 40 percent or greater loss of available grazing for at least three consecutive months as a result of damage due to drought, hot weather, disease, insect infestation, fire, severe storms, or other disasters during the 2003- or 2004-crop years.

\$4.9 million - Emergency Conservation Program: This program provides emergency funding and technical assistance

for farmers and ranchers to rehabilitate farmland damaged by natural disasters, and for carrying out emergency water conservation measures in periods of severe drought.

\$2.39 million - Noninsured Crop Disaster Assistance Program Payments: Crops commercially grown for food and fiber and ineligible for crop insurance may be covered under FSA's NAP program. NAP provides crop insurance-type coverage in the event of weather-related crop losses.

\$577,180 - Tree Assistance Program: FSA's Tree Assistance Program provides financial relief to owners of trees, bushes, vines, and forest land damaged by natural disasters.

Conservation

California producers received \$5.31 million in conservation program payments during the last fiscal year.

\$4.73 million - Conservation Reserve Program Payments: The Conservation Reserve Program is USDA's largest environmental improvement program on private lands.

Other conservation payments included:

\$287,100 in Grasslands Reserve Program payments.

\$215,200 in Wetlands Reserve payments.

\$80,340 in Soil/Water Conservation Assistance.

Payments by County

Alameda	\$345,119
Amador	48,984
Butte	15,483,407
Calaveras	288,832
Colusa	29,632,944
Contra Costa	464,842
Del Norte	93,218
El Dorado	70,036
Fresno	63,641,262
Glenn	18,915,222
Humboldt	1,395,792
Imperial	7,995,316
Inyo	44,892
Kern	44,510,031
Kings	35,015,613
Lake	28,831
Lassen	112,477
Los Angeles	114,790
Madera	10,002,264
Marin	719,750
Mariposa	376,406
Mendocino	657,437
Merced	30,773,584
Modoc	611,076
Mono	7,014
Monterey	1,521,249
Napa	234,537
Nevada	14,726
Orange	70,100
Placer	2,948,892
Plumas	9,543
Riverside	5,358,504
Sacramento	6,256,462
San Benito	763,068
San Bernardino	2,449,186
San Diego	981,082
San Joaquin	13,637,853
San Luis Obispo	4,908,767
Santa Barbara	2,137,932
Santa Clara	181,639
Santa Cruz	151,635
Shasta	117,014
Sierra	19,401
Siskiyou	2,147,635
Solano	3,501,288
Sonoma	1,760,521
Stanislaus	12,096,810
Sutter	20,427,583
Tehama	1,741,114
Trinity	15,585
Tulare	42,223,256
Tuolumne	179,956
Ventura	3,388,890
Yolo	12,114,209
Yuba	6,266,064