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**The Georgia Economic Issues
Newsletter**

Urgent Concerns under Current Federal Programs for Georgia's Farm Businesses

In this issue we are putting up reminders about certain federal programs being implemented by the United States Department of Agriculture (USDA) that deserve special and urgent attention. Three separate programs will be featured here that cater to different issues in farming. We encourage eligible farmers to take advantage of the opportunities provided by these programs while they are being made available under existing legislation.

The Conservation Security Program

First up is the Conservation Security Program (CSP) which has been recently launched by the USDA's Natural Resources Conservation Service. The CSP is a voluntary program that supports the ongoing conservation stewardship of agricultural working lands and enhances the condition of America's natural resources. A separate article by Curt Lacy provides more details on the CSP program later in this issue.

Under the CSP, Georgia's Little River Watershed was selected as one of 18 priority watersheds in the country where producers who qualify would be able to participate this year. Producers in parts of seven Georgia counties were able to participate under the program. The Little River Watershed encompasses parts of Brooks, Colquitt, Cook, Lowndes, Tift, Turner, and Worth counties. While the sign-up period for this particular phase of the program has already lapsed (last July), acting State Conservationist Jimmy Bramblett reminds that "the program will be offered each year, on a rotational basis, in as many watersheds as funding al-

lows, and most agricultural land will be eligible for CSP. (Hence) producers on cropland, orchards, vineyards, and pasture may apply for the program, regardless of size, type of operation, or crops produced."

The Trade Adjustment Assistance (TAA) Program

Early this year, approved petitions under the TAA program for Georgia's shrimp and catfish producers have been successfully serviced. Over a hundred shrimp farmers and several catfish producers were able to avail of the technical and financial assistance provided to them under the TAA program.

The USDA has again released reminders that they are now ready to accept and evaluate TAA petitions. The petition period started last August 16 and will run until January 31, 2005. Groups of U.S. agricultural producers may file their petitions with USDA's Foreign Agricultural Service (FAS).

To recall, the TAA program was created by the Trade Act of 2002 to provide technical assistance and cash benefits to producers and qualified fishermen. The statute authorizes an appropriation of not more than \$90 million for each fiscal year 2003 through 2007 to carry out the program.

Under the program, a group of agricultural
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commodity producers and qualified fishermen whose crops or catch have been adversely affected by imports of like or directly competitive commodities may petition for trade adjustment assistance.

Once a petition has been accepted, the FAS will determine whether the most recent marketing year price for the commodity produced by the group is less than 80 percent of the average of the national average prices for the 5 marketing years preceding the most recent marketing year and whether increases in imports of a like of directly competitive product contributed importantly to the decline in price. If these conditions are met, the FAS will certify the group as eligible for TAA benefits. After a petition has been certified for a group, eligible farmers and fishermen will have 90 days to contact the

Farm Service Agency (FSA) to apply for assistance.

Considering the potential benefits (*see box insert*) that eligible farmers and fishermen could enjoy under the program, commodity groups from industries with declining incomes due to foreign market competition are highly encouraged to prepare and file petitions. Please contact your local FSA office for further information.

The FSA County Committee Election

Later this year, farmers will be given a chance to choose their representatives to the FSA County Committees. On November 8, the FSA is scheduled to mail ballots for the

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Conservation Security Program Unveiled in Georgia

By Curt Lacy, Extension Assistant Professor

Georgia is one of 22 states participating in the new Conservation Security Program (CSP). According to Secretary of Agriculture Ann Veneman, "CSP helps supports those farmers who reach the pinnacle of good land stewardship, and encourage others to enhance the ongoing production of clean water and clean air on their farms and ranches-which are valuable commodities."

Unlike other conservation programs like EQIP that provides cost-share assistance to producers or CRP that encourages the retirement of land, CSP is an entitlement program targeted toward working farms and ranches to encourage the adoption of conservation practices. It is also different in that it rewards producers for doing a good job of conservation while at the same time trying to provide enough incentives to encourage other producers to adopt more soil, water, air, energy, and wildlife conservation practices. In short, CSP is designed to "Reward the best, and motivate the rest."

Producers can receive a maximum of \$20,000-\$45,000 per year for 5-10 years depending on which level they choose to participate. Total payments are comprised of: base stewardship payments, maintenance payments, cost-share payments, and enhancement payments. To receive the most money from the program, participants will need to implement numerous conservation enhancements on their operation.

To be eligible to participate, producers must have at least 51 percent of their farming acres within a selected watershed. If this is the case, interested applicants then complete a self-assessment to determine their eligibility. If they are still eligible, they contact their local NRCS office to schedule an on-farm visit and determine their possibilities from there.

For more information on the Conservation Security Program producers can contact their local NRCS office or visit <http://www.nrcs.usda.gov/programs/csp/>.

Summary of TAA Assistance

TAA assistance comes in the form of cash benefits, technical training, and retraining and education benefits from the Department of Labor. The following provides details on these different forms of assistance:

A. Cash Benefits

Cash payments, which can amount to a maximum of \$10,000, are calculated by multiplying the quantity of the commodity produced in the most recent marketing year (Q) times one-half the difference between the previous year's average price (AP) and 80% of the average price from the previous five years (NP). That is,

$$\text{Payment} = Q \times \frac{.8AP - NP}{2}$$

B. Technical Assistance Benefits from Extension Service

Technical assistance is usually available through the University Extension Service **at no cost**. This training is designed to explore ways to help affected businesses improve profitability, implement better marketing and cost control strategies, and consider alternative enterprises for greater production and financial efficiency. This should be completed within 180 days after the commodity has been certified as eligible for TAA. The producer will need to provide proof (to the FSA) of having obtained this kind of assistance from the Extension Service in order to receive the cash benefits under the TAA program.

C. Retraining and Education Benefits

The Department of Labor provides employment counseling, case assessment, job development, and self-directed job search services. Education assistance pays tuition and travel for up to 104 weeks of full-time education including classroom training, on the job training, and employer-based training.

Excerpts from
The Racial Minority Lending Situation at the Farm Service Agency (by Rodney L. Brooks, Cesar L. Escalante, James E. Epperson, and Forrest E. Stegelin, published in the *AgLender*, March 2004 issue)

“... The equitable implementation of FSA’s lending programs, however, has been challenged in the last decade. A number of African American farmers filed in 1997 a class action suit against the USDA for racial discrimination in farm lending and benefit programs allegedly committed from 1981 to 1996. After a thorough investigation, the FSA acknowledged that there have been isolated cases of discrimination and “under service” in the past which could not necessarily be characterized as “systemic discriminatory practices (p. ii, USDA, 1997).” As a result, a five-year Consent decree between African American farmers and the USDA, which began in 1999, was established to provide a framework for the settlement of eligible (upheld) claims...

... (However), (i)n its latest progress report (FSA-USDA, November 2003), the FSA claims that black farmers’ participation in farm loan programs have been steadily increasing with 16.64% of black farmers in the country successfully obtaining loans from the FSA. This proportion is high compared to 13.20% among minority farmers and 3.68% among white farmers. Current total loans granted to black farmers have grown by 33% over the loan levels in 1995. Moreover, the USDA claims that the average length of processing of loan applications received from black farmers is 17 days, which is the same for all other applicants. This rate is well within the mandated 60-day period given to the FSA to approve or disapprove a farm loan application...

... The 1997 class action suit by Black farmers against the FSA has not only resulted in the remuneration of financial damages to majority of the complainant-minority farmers, but has also led to internal reforms that are being implemented in FSA offices nationwide to avoid another similar huge setback to the agency. The FSA reports improvements in the racial minority lending situation based on higher minority loan frequency and shorter processing times for these borrowers. Results of (our) study’s statistical analyses using randomly selected Georgia FSA borrowers corroborate such claims by the FSA as non-white borrowers appear to have been able to successfully obtain loans in spite of their relatively smaller farm operations (both in terms of assets and revenues) compared to their white counterparts. These trends need to be sustained and encouraged, but certainly not amplified at the expense of other classes of borrowers, not only for the sake of remuneration for past grievances but more importantly to help make farming a more viable business undertaking for all people, regardless of class, origin or race.”

FSA County Committee Election to eligible voters in the state. The voters will have until December 6 this year to returns voted ballots.

All eligible voters are highly encouraged to participate in this important process. The USDA reiterates that “(t)he election of responsible agricultural producers to FSA county committees is important to ALL farmers and ranchers with large or small operations. It is crucial that every eligible producer take part in this election because county committees are a direct link between the farm community and the USDA.”

It can be recalled that in the late 1990s, the FSA has been under fire for alleged discriminatory lending practices (*See box insert on FSA minority lending situation*). Since then, significant reforms have been implemented by the FSA to rectify the allegations and avoid similar situations in the future. The county committee election process is one venue for FSA borrowers to ensure that their concerns and needs will be properly represented in the decision-making process.

Committee members are a critical component of the day-to-day operations of the FSA. They help deliver FSA farm programs at the local level. Farmers who serve on committees help decide the kind of programs their counties will offer. They work to make FSA agricultural programs serve the needs of local producers. Committees make decisions on:

- Commodity price support loans and payments;
- Establishment of allotments and yields;
- Conservation programs;
- Incentive, indemnity, and disaster payments for some commodities; and
- Other farm disaster assistance.

FSA committees operate within official regulations designed to carry out Federal laws. Committee members apply their judgment and knowledge to make local decisions.

By: Cesar L. Escalante, Extension Assistant Professor

**EXERCISE YOUR RIGHT TO
VOTE!**

**VOTE FOR YOUR VOICE IN THE
FSA COUNTY COMMITTEES!**

**VOTING PERIOD IS FROM
NOVEMBER 8 TO DECEMBER 6 !**

For more information, contact your local county extension agent.

We can be reached at:

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For feasibility, marketing, policy studies, as well as agricultural, natural resource and demographic data prepared by the Center for Agribusiness and Economic Development

Recently Released Publications

- ◇ AGECON 04-90: "South Georgia Crop Enterprise Cost Analysis 2004" by N. Smith, C. Lacy, D. Shurley, K. Kightlinger, C. Escalante, and G. Shumaker
- ◇ AGECON 04-91: "Five Years Graphical Analysis of Average Prices of Selected Vegetables" by G. Fonsah
- ◇ AGECON 04-92: "Summer Management and Marketing Options for Beef Cattle" by C. Lacy
- ◇ AGECON 04-93: "Economic Analysis of Producing Southern High Bush Blueberries in Soil in Georgia" by G. Fonsah, G. Krewer, Harrison, and Burton
- ◇ AGECON-04-94: "Increasing Cotton Yield, Fiber Quality and Profit Through Improved Defoliation" by D. Shurley
- ◇ AGECON-04-95: "Beef Cattle Management and Marketing Alternatives for Fall 2004" by C. Lacy
- ◇ CR-04-01: "Public Preferences and Values for Purchase of Agricultural Conservation Easement (PACE) Programs in Georgia" by J. Bergstrom
- ◇ CR-04-07: "An Economic Impact Analysis of a Large-Scale (533 WTPD) Biomass Gasification Facility on Georgia's Economy" by D. Waters and J. McKissick
- ◇ FR-04-01: "Economics of a Small Premium Winery" by G. Fonsah
- ◇ SR-04-01: "2003 Georgia Farm Gate Vegetable Survey Report" by S. Boatright and J. McKissick

Edited by: Cesar L. Escalante, Extension Agricultural Economist

PUTTING KNOWLEDGE TO WORK

The University of Georgia College and Agricultural & Environmental Sciences and Ft. Valley State University, and the U.S. Department of Agriculture and counties of the state cooperating. The Cooperative Extension Service offers educational programs, assistance and materials to all people without regard to race, color, national origin, age, sex or disability.

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