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USDA's Farm Service Agency Issues Direct Payments

Farm Service Agency (FSA) County Director, Shawna Mitchell announced that USDA's Farm Service Agency (FSA) in Richardson County issued direct payments last week to participants in the 2013 Direct and Counter-cyclical Program (DCP) and Average Crop Revenue Election (ACRE). Payments originally were scheduled to be issued earlier in the month, but were delayed due to the lapse in federal funding.

“Our staff worked hard to issue these payments as scheduled prior to the furlough”, Mitchell said. “We understand the importance of getting these payments out to Richardson County farmers and landowners, and that's been our priority since returning to work.”

Direct payments are calculated using the base acres and payment yields established for the farm. For each eligible commodity, the total direct payment for producers on a farm is determined by multiplying 85 percent of the farm's base acreage by the farm's direct payment yield, multiplied by the direct payment rate as established by the Farm Bill.

Richardson County producers normally receive more than \$3 Million in direct DCP and ACRE payments. However, the Balanced Budget and Emergency Deficit Contract Act of 1985, as amended by the Budget Control Act of 2011, requires a reduction in payments (also known as sequester). As a result, 2013 DCP direct payments received by participants will be reduced by 8.6 percent.

The 2008 Farm Bill, extended by the American Tax Payer Relief Act of 2012, provided authority to enroll in the 2013 DCP or ACRE program. Legislation has not been enacted to reauthorize or extend this authority for a 2014 program.

Direct payments are processed through FSA's Kansas City Office. Individual questions on payments should be directed to the local FSA Office where the DCP contract is administered. For more information on DCP, ACRE and other FSA programs, visit your local FSA Service Center or www.fsa.usda.gov.