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FSA Advises Producers to Anticipate Payment Reductions

USDA's Farm Service Agency (FSA) is reminding farmers and ranchers who participate in FSA programs to plan accordingly in FY2014 for automatic spending reductions known as sequestration. The Budget Control Act of 2011 (BCA) mandates that federal agencies implement automatic, annual reductions to discretionary and mandatory spending limits For mandatory programs, the sequestration rate for FY2014 is 7.2%. Accordingly, FSA is implementing sequestration for the following program:

- Dairy Indemnity Payment Program;
- Marketing Assistance Loans;
- Loan Deficiency Payments;
- Sugar Loans;
- Noninsured Crop Disaster Assistance Program;
- Tobacco Transition Program;
- 2013 Direct and Counter-Cyclical Payments;
- 2013 Average Crop Revenue Election Program;
- 2011 and 2012 Supplemental Revenue Assistance Program;
- Storage, handling; and
- Economic Adjustment Assistance for Upland Cotton.

Conservation Reserve Program payments are specifically exempt by statute from sequestration, thus these payments will not be reduced.

"These sequester percentages reflect current law estimates; however with the continuing budget uncertainty, Congress still may adjust the exact percentage reduction. Today's announcement intends to help producers plan for the impact of sequestration cuts in FY2014," said FSA Administrator Juan M. Garcia. "At this time, FSA is required to implement the sequester reductions. Due to the expiration of the Farm Bill on September 30, FSA does not have the flexibility to cover these payment reductions in the same manner is in FY13. FSA will provide notification as early as practicable on the specific payment reductions."

For information about FSA programs, visit your county USDA Service Center or go to www.fsa.usda.gov/.