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FSA Announces Sequester-Based Changes to 2013 Crop Marketing Assistance Loans

WASHINGTON, Sept. 30, 2013 – USDA's Farm Service Agency (FSA) announced today several adjustments to commodity loan programs to accommodate the automatic funding reductions known as *sequester* that are mandated by the Balanced Budget and Emergency Deficit Control Act of 1985 as amended by the Budget Control Act of 2011.

The programs, which provide interim financing for agricultural commodities to be stored after harvest and sold throughout the year when unaffected by harvest-season pressure on prices, are subject to sequester reductions of 5.1 percent. With commodity loan programs operating on a crop year basis and Sept. 30 marking the end of the federal fiscal year, adjustments will occur for the 2013 crop year as follows:

- Loan-making for all commodities will be suspended on Oct. 1 and are targeted to resume mid-October.
- Loan repayment and loan servicing for all disbursed commodity loans will continue.
- Beginning in mid-October, the 2013 crop loans, and if applicable, loan deficiency payments (LDPs) will receive 5.1 percent reductions.
- Re-pledged 2012 crop sugar loans are not subject to sequester.
- 2013 crop loan rates are not affected.

Commodity loans issued by FSA, marketing associations and loan servicing agents are all subject to these reductions.

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