



News from Washington

1. House Outlook.

September 18, 2009

Next week, the House of Representatives is expected to vote on a **short-term continuing resolution** to fund the government beyond the end of the current fiscal year. While the chamber has completed all 12 of its Fiscal Year 2010 Appropriations bills, the Senate is still working through the process, so a temporary extension of funding will be required. Additionally, the Energy and Commerce Committee will likely complete work on **healthcare legislation** in advance of floor consideration.

2. Senate Outlook.

September 18, 2009

The Senate will also focus on healthcare and appropriations in the coming week. The Finance Committee is expected to take up Chairman Max Baucus' **healthcare overhaul**, while the full chamber debates the Fiscal Year 2010 **Commerce, Justice, and Science Appropriations bill**.

3. USDA to help small producers.

September 18, 2009

USDA Deputy Secretary Kathleen Merrigan announced this week that the Risk Management Agency has awarded \$8.6 million in partnership agreements to help producers learn more about risk management within their own businesses. For more information, click [here](#).

4. New Senate Agriculture Staffer.

September 18, 2009

Senate Agriculture Chairwoman Blanche Lincoln (D-AR) has selected Robert Holifield to serve as her Committee Staff Director. Holifield previously served as Lincoln's senior agriculture advisor and most recently as Deputy Chief of Staff for the Commodity Futures Trading Commission. We will keep you updated as we learn additional information.

5. FCIC Board Meeting.

September 18, 2009

On Wednesday, September 16, the Federal Crop Insurance Corporation held a Board of Directors meeting in Kansas City, Missouri. The primary business included voting on whether or not to provide reimbursement for the development costs of products approved during this past fiscal year. Six new products were determined to be reimbursable, including ones for GRP oysters, cotton seed, and tobacco quality.

6. Emergency Assistance for Livestock.

September 18, 2009

Agriculture Secretary Vilsack announced this week that producers may now apply for benefits under the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program and the Livestock Forage Disaster Program. These permanent programs replace previous ad-hoc disaster assistance programs. For more information, click [here](#).

News from the Field

Citations

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1. USDA Release: USDA Designates 8 Counties in Iowa as Primary Natural Disaster Areas

Sep 16, 2009

USDA News

FSA has a variety of programs, in addition to the EM loan program, to help eligible farmers recover from adversity. Additional information is also available online at: <http://disaster.fsa.usda.gov>. FSA news releases are available on FSA's Web site at:

2. Rain aiding farmers with winter crops

Sep 14, 2009

Valley Morning Star

...average of 5,000 pounds an acre, Smith said. Ed Landry, general manager of La Feria Coop Gin and Supply, said that this year, the Rio Grande Valley's cotton yield fell to 28,901 bales, or 13.8 million pounds. "I'd call it an economic disaster," he said. Hurricane Dolly ravaged Valley farmland last year, leaving cotton farmers to harvest 17,431 bales, or 8.3 million pounds, Landry said. Yields plunged from 2007 figures, when Valley farmers harvested 120,000 bales,...

3. Relief for farmers being sought for drought and rain

Sep 16, 2009

Star Tribune

And there's no immediate prospect for relief: No substantial rain is forecast for at least a week. Meanwhile, six Minnesota counties have the opposite problem.

4. Soybean pests endanger late crop

Sep 16, 2009

Arkansas Democrat Gazette

The Associated PressAs with growers of other crops in Arkansas, soybean farmers planted late because of the wet spring. The worms also make the plants less resistant to other stresses, including drought and diseases.

5. Recent rain helps ease Texas drought conditions

Sep 17, 2009

USA Today

It has dried up waterways, forced more than 340 public water systems to restrict water use and killed hundreds of thousands of trees. San Antonio had 59 days over 100 degrees, shattering the record of 36.

6. Workshop advises farmers on crop markets

Sep 17, 2009

Journal-Advocate

Objections to that are what if the price goes higher and what if I can't deliver?

7. Heavy rains little relief for farmers

Sep 18, 2009

Lubbock Avalanche-Journal

...soil moisture," said Dan Fromme, Texas AgriLife Extension agronomist in Corpus Christi. "We've still got a long ways to go." The drought, which covered more than 48 percent of the state until rains knocked the number down to 39 percent, is the largest contributor to agriculture losses projected to reach \$4 billion in the state by years's end. By no means does the rain mean the

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1. **USDA Release: USDA Designates 8 Counties in Iowa as Primary Natural Disaster Areas**

Sep 16, 2009

USDA News

Release No. 0445.09

Contact:

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USDA Designates 8 Counties in Iowa as Primary Natural Disaster Areas

Decision Allows Farmers and Ranchers to Apply for USDA Assistance

WASHINGTON, Sept. 16, 2009 - The U.S. Department of Agriculture designated Calhoun, Grundy, Hamilton, Hardin, Ida, Sac, Webster and Woodbury counties in Iowa as primary natural disaster areas because of losses caused by severe storms, hail and flooding that occurred from Aug. 1, 2009, through Aug. 9, 2009.

"President Obama and I understand these conditions caused severe damage to the area and serious harm to farms in Iowa," said Secretary Tom Vilsack. "These designations will provide help to farmers who suffered significant production losses to field crops such as corn and soybeans, truck crops such as onions, peppers, eggplant, cane fruits, melons, squash and sweet corn, and forage crops."

Farm operators in the counties listed below in Iowa also qualify for natural disaster benefits because their counties are contiguous. Those counties are:

Black Hawk Cherokee Humboldt Pocahontas

Boone Crawford Marshall Story

Buena Vista Franklin Monona Tama

Butler Greene Plymouth Wright

Carroll . . .

Farm operators in the counties listed below in the adjacent states of Nebraska and South Dakota also qualify for natural disaster benefits because their counties are contiguous.

Nebraska: Dakota and Thurston

South Dakota: Union

All counties listed above were designated natural disaster areas Sept. 10, 2009, making all qualified farm operators in the designated areas eligible for low interest emergency (EM) loans from USDA's Farm Service Agency (FSA), provided eligibility requirements are met. Farmers in eligible counties have eight months from the date of the declaration to apply for loans to help cover part of their actual losses. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. FSA has a variety of programs, in addition to the EM loan program, to help eligible farmers recover from adversity.

USDA has also made other programs available to assist farmers and ranchers, including the Supplemental Revenue Assistance Program (SURE), which was approved as part of the Food, Conservation, and Energy Act of 2008; the Emergency Conservation Program; Federal Crop Insurance; and the Noninsured Crop Disaster Assistance Program. Interested farmers may contact their local USDA Service Centers for further information on eligibility requirements and application procedures for these and other programs. Additional information is also available online at: <http://disaster.fsa.usda.gov>.

FSA news releases are available on FSA's Web site at: <http://www.fsa.usda.gov> via the "News and Events" link.

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2. Rain aiding farmers with winter crops

Sep 14, 2009

Valley Morning Star

Fernando Del Valle

Sep. 14, 2009 (McClatchy-Tribune Regional News delivered by Newstex) -- HARLINGEN — Late summer rains are helping farmers till the soil as they plant their winter crops after back-to-back years yielded the poorest harvests in about 50 years, farmers said.

"It's getting everything ready for the winter set, which is great," Lamar Smith, a Willacy County farmer, said after drought ruined his cotton crop this year.

Valley International Airport reported 2.2 inches of rain between Wednesday and Saturday, the National Weather Service reported.

The late summer rains eased months of drought, said Buddy Martin, a meteorologist with the National Weather Service in

Brownsville.

Forecasters predicted hot weather — a high of 97 degrees — and a chance for thunderstorms today and Tuesday, according to the NWS Web site.

Rains will help plump citrus fruit in the weeks before the orange and grapefruit harvests, Ted Prukop, a crop insurance manager at Texas Citrus Mutual, said.

"It's going to help the trees size up the fruit," Prukop said. "Rain water is so much more beneficial. Irrigation water isn't as good because of its salt. (Rainwater) leaches out the salt and cleans the tree leaves of dust and dirt they've accumulated.

It helps them grow better because it cleans off their little solar panels."

Tilling the soil now means it will hold more moisture after months of drought, Smith said.

"The moisture will help us work the land that we couldn't work because it was too hard. We got everything ready to hold the moisture," Smith said. "It will keep moisture for the spring crop."

This year, dryland farming yielded as little as 1,200 pounds of cotton per acre, down from an average of 5,000 pounds an acre, Smith said.

Ed Landry, general manager of La Feria Coop Gin and Supply, said that this year, the Rio Grande Valley's cotton yield fell to 28,901 bales, or 13.8 million pounds.

"I'd call it an economic disaster," he said.

Hurricane Dolly ravaged Valley farmland last year, leaving cotton farmers to harvest 17,431 bales, or 8.3 million pounds, Landry said.

Yields plunged from 2007 figures, when Valley farmers harvested 120,000 bales, or 57.6 million pounds of cotton, Landry said.

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3. Relief for farmers being sought for drought and rain

Sep 16, 2009

Star Tribune

Bob von Sternberg

Sep. 16, 2009 (McClatchy-Tribune Regional News delivered by Newstex) -- After appearing to ease a bit with the rain that fell in August, the drought that has gripped much of Minnesota for more than a year has settled back in.

Temperatures that seem more suited to midsummer than September have been accompanied by a renewed dry stretch that produced what the state climatology office calls "negligible" rainfall.

During the first two weeks of September, a grand total of .01 inch of rain has fallen in the Twin Cities. That's 1.4 inches below normal.

The drought, most severe in east-central Minnesota, began to take hold in June 2008 and has escalated to what the U.S. Drought Monitor describes as "moderate to severe."

The region is running a precipitation deficit of as much as 12 inches below normal, according to the monitor. And there's no immediate prospect for relief: No substantial rain is forecast for at least a week.

Meanwhile, six Minnesota counties have the opposite problem. On Tuesday, Gov. Tim Pawlenty asked federal officials to declare an agricultural disaster in Kittson, Lake of the Woods, Marshall, Pennington, Roseau and Koochiching counties.

Farmers in those counties "have experienced significant losses due to excessively wet conditions in 2008 and 2009," Pawlenty wrote in a letter to Agriculture Secretary Tom Vilsack.

If the disaster is declared, farmers would become eligible for low-interest emergency loans from the federal Farm Service Agency.

Starting last fall, the region's soil was saturated by heavy rainfall, followed by flooding in the spring and unseasonably cool weather. As a result, some farmers never planted this year's crops, and losses for corn, soybeans and several other crops exceeded 30 percent.

BOB VON STERNBERG

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4. Soybean pests endanger late crop

Sep 16, 2009

Arkansas Democrat Gazette

The Associated Press

As with growers of other crops in Arkansas, soybean farmers planted late because of the wet spring. While

some farmers wait as long as another month until they harvest, they'll have more to worry about than the weather.

The Cooperative Extension Service says field tests have shown root-knot nematodes turning up in increasing numbers.

The worms are most common in land that was converted from cotton to soybeans.

The extension service says root-knot nematode damage results in poor growth, a decline in crop quality and yield. The worms also make the plants less resistant to other stresses, including drought and diseases. At its worst, an infestation can lead to total crop loss.

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5. Recent rain helps ease Texas drought conditions

Sep 17, 2009

USA Today

John Mcfarland

DALLAS — Recent storms in Texas brought some long-awaited relief to the nation's most drought-stricken state, but the brutal dry spell is far from over as it drags into its third year.

About 16% of the state — all in the southern and central parts of Texas — is classified under the most extreme two categories of drought, according to the latest drought monitor map released Thursday. That's down from last week's 25%, but still well above 2.4% from a year ago. A small section of Hawaii is the only other U.S. state classified as under severe drought.

Storms dumped more than a foot of rain in some of the hardest-hit Texas drought areas over the past week or so, but the land is so dry that the water was mostly just sucked up instead of making its way into lakes, rivers and creeks.

"In the core of the drought area they've gotten only about half the normal rainfall the entire year for two years," said Texas state climatologist John Nielsen-Gammon. "They've effectively missed an entire year's worth of rainfall."

The drought that began in September 2007 has cost an estimated \$3.6 billion in crop and livestock losses in the nation's No. 2 agriculture state. It has dried up waterways, forced more than 340 public water systems to restrict water use and killed hundreds of thousands of trees. It's been declared the driest 24-month period in recorded history in parts of the state and the worst drought in history in a handful of counties.

An unusually hot summer compounded the problems. San Antonio had 59 days over 100 degrees, shattering the record of 36. Austin had 68 days over 100, one shy of the record set in 1925.

The recent storms helped — with parts of San Antonio getting 8 inches of rain, Austin getting 6 inches and the nearby Texas Hill Country about 15 inches — but Pat McDonald of the National Weather Service said that still leaves the area at 15-25 inches below normal for the year.

The rain came too late to help many farmers and ranchers. Cattle herds are already being culled because there's not enough grass to graze on, and the dry summer doomed many crop yields in the leading U.S.

cotton-producing state.

"Two weeks in the middle of August with 100-plus degree temperatures pretty much finished out our dryland crop for us," Todd Baughman, a Texas A&M AgriLife Extension agronomist said in the weekly crop report. He said the crop outlook was outstanding before August but now appears just average.

It'll take several more months of above normal rainfall for Texas to emerge from the drought, officials said.

Bob Rose, a meteorologist with the Lower Colorado River Authority, said more rain is crucial to the two major reservoirs along the Colorado River that provide drinking water for more than 1 million people and are popular boating and swimming spots.

The recent storms only added about a foot to Lake Travis, which is still down 50 feet and is at its third-lowest level ever. Lake Buchanan didn't get any noticeable increase because the parched ground sucked up the moisture before it could run off into creeks and streams, Rose said.

"To bring our lakes back to full, we're estimating we need between 15 and 20 inches of rain," he said.

The area typically gets just under 7 inches of rain in October and November but has gotten less than half that the past two years. Rose said much higher totals are possible because of the El Nino system in the Pacific Ocean that typically is followed by heavier Texas rains in the fall.

If that doesn't happen, there could be even tighter water restrictions during the hotter months of the third year of the drought, Rose said.

"There's just a lot riding on the amount of rain we get in this fall and winter period," he said.

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6. Workshop advises farmers on crop markets

Sep 17, 2009

Journal-Advocate

Judy Debus

Sep. 17, 2009 (McClatchy-Tribune Regional News delivered by Newstex) -- PEETZ -- Grain producers were given an opportunity to learn more about the benefits of Profit Based Marketing of their crops at a meeting in Peetz on Tuesday night. The free program, sponsored by the Peetz Coop Elevator, Jackson Insurance Agency, Logan County Farmer's Union/Rocky Mountain Farmer's Union, featured Scott Hardy of White Commercial Corporation.

"The agricultural culture is based on 'noise,'" Hardy said. "You are flooded with information and frozen from information overload."

He then outlined what is needed to overcome that state of being frozen and not able to make decisions due to the tremendous amount of information going around.

The first goal is to be successful, the second

is to know that the elevator and the farmer are not an adversarial relationship and the elevator can coach you to success, he said.

"That 'noise' is counterproductive," he said. "Focus on the knowable, not predictions, and stay disciplined in marketing."

To do that, one must have clarity of focus, a long-term perspective and some meaningful benchmarks along the way.

Hardy highlighted the benefits of profit-based marketing as being less stress, less time marketing and more time producing and, it makes marketing fun.

"Change your talk from what the price is going to do, and think in terms of profit and in terms of risk," he said.

Hardy suggested doing a market evaluation and to look at forward contracting.

"Selling even a little can make a big difference," he said.

The revenue stream can be enhanced with crop insurance and forward contracting, Hardy explained.

Hardy worked through a sample of figuring acres, price, cost and profit to come to a price that would be set as the target price. Objections to that are what if the price goes higher and what if I can't deliver? Those questions are a result of the agricultural culture, he said.

"If you are not willing to sell at (i.e.) \$7, somebody else is, such as the investment banker, etc.," he said.

Hardy also spoke about dealing with volatility in prices and costs saying that, "volatility can be a good friend." He encouraged those attending that the timing is perfect to work their plan in conjunction with their financial advisors and then to stay with the plan.

After the presentation, Phil Schumacher said those attending liked the presentation and Don Fehringer, representing the Farmer's Union organizations said they would present more of these types of educational programs in the future.

"This is about the old concept of the 'bird in hand,'" said Rick Jackson of the Jackson Agency. "Crop insurance allows us to 'count chickens before they hatch.' We can sell when the opportunity arises and the crop insurance is there to fill in."

Hardy said for those who have not signed up yet, the deadline to purchase crop insurance for the crop that is going into the ground now is Sept. 30.

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7. Heavy rains little relief for farmers

Sep 18, 2009

Lubbock Avalanche-Journal

Joshua Hull

Sep. 18, 2009 (McClatchy-Tribune Regional News delivered by Newstex) -- September showers that covered the state late last week brought small relief to farmers and ranchers in South Texas during what many experts consider to be the worst drought in the region's history.

Rainfall between 5 and 7 inches covered the hardest-hit drought areas, creating the first significant relief in extreme drought conditions this year.

But even with the heavy rains, a few of which made their way to the High Plains, farmers are still facing devastated crops while ranchers struggle with finding feed for their cattle.

"We still need to replenish our soil moisture," said Dan Fromme, Texas AgriLife Extension agronomist in Corpus Christi. "We've still got a long ways to go."

The drought, which covered more than 48 percent of the state until rains knocked the number down to 39 percent, is the largest contributor to agriculture losses projected to reach \$4 billion in the state by year's end.

By no means does the rain mean the drought is over, but Fromme said he's hopeful that another slow rain could bring soil moisture in the affected areas back to good levels for the next planting season in an area that normally averages more than 30 inches of rain a year.

As of August, the Corpus Christi area had received just more than 4 inches of rain for the year, according to the National Weather Service.

What's good for South Texas may not be what's best for High Plains agriculture, with farmers hoping to avoid heavy rains complicating the cotton harvest, said Shawn Wade, communication director for Plains Cotton Growers.

"We'll probably be a little bit more leery of that moisture as we head into October and November, because we'll be harvesting cotton," Wade said. "By the same token, you don't ever turn your back on moisture out here."

While the local region is faring better than the dry parts of the state, the High Plains wasn't without its drought-induced losses with an estimated 650,000 acres of dryland cotton damaged by low rainfall in June.

The structure of the U.S. cotton market assured the damage in South Texas won't likely change prices for farmers nationwide, but Wade said the rain sends a message of encouragement to farmers across the state.

"You'd hope that if their fortunes can turn around from a moisture standpoint, that some of that can turn around to this area," he said. "We've had a reasonably dry time up here as well."

Much of the recovery, if rains continue, won't be known until next year, but there are those hopeful that enough grass will grow to sustain the dwindling cattle population, said Gene Hall, director of communications for the Texas Farm Bureau.

Cattlemen have been selling their livestock at record rates when local food sources became scarce and the rising prices of feed made it difficult to afford keeping ranches profitable.

"There's even some places talking about getting the cutting of hay in," Hall said. "It's a good thing overall for

the entire state, certainly for the economy of Texas, to start the recovery from the drought."

And while it could be an uphill battle for many producers looking to get back into the game after two hard years of low rainfall, Hall said sometimes the more noticeable outcome of rain is the morale boost it provides.

"One of the best things a rain does in agriculture is a change in attitude," he said. "There's a lot more hope in Texas agriculture this week than there was two weeks ago."

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First appeared on lubbockonline.com: 9:18 p.m. Thursday.

AGRICULTURE/Last week's 5 to 7 inches of rain may help, but likely won't save dry crops

Texas drought conditions

--None -- Last week, 51.5 percent; this week, 60.7 percent.

--Abnormally dry -- Last week, 12.7 percent; this week, 8.7 percent.

--Severe drought -- Last week, 7.3 percent; this week, 5.4 percent.

--Extreme drought -- Last week, 3.6 percent; this week, 9.4 percent.

--Exceptional drought -- Last week, 16.1 percent; this week, 3.4 percent.

Source: U.S. National Drought monitor, drought.unl.edu

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