USDA Forages Ahead With Farm Bill Implementation

Outdated computers at FSA could slow down delivery

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You'll probably hear a few more news stories about completing the 2008 Farm Bill in the next couple of weeks, after a clerical glitch resulted in Congressional approval of a bill that was missing one of fifteen titles. However, the folks at USDA are already combing through details and preparing to implement the massive new law. And that's no simple task.

Although many of the basic commodity programs are similar, there are hundreds of subtle changes that will require the Farm Service Agency to make a multitude of changes in their computer software and delivery systems.

For example, direct payments are retained in the new farm bill. The payment rate stays the same, but the payment acres percentage is reduced from 85 percent to 83.3 percent in crop years 2009 through 2011.

Several additional changes were made in the way farm program payment limits will be calculated. The three-entity rule that enabled certain individuals to receive farm program payments as part of three different entities will be dismantled in favor of programs that require direct attribution to individuals. At the same time, payment limits for loan deficiency payments and marketing loan gains are removed.

Low-tech or no-tech?

Making these types of computer programming changes might seem easy in a high-tech office setting. Yet, as anyone who has visited a county Farm Service Agency (FSA) in recent years understands, the computers and software programs are anything but high-tech. Some of the FSA computer systems are so outdated that county offices were assigned shifts last year, with those in the Eastern U.S. operating during early parts of the day and Western states working the later shift.

"We are operating with one foot in the Internet age and one foot in software from 1985," FSA's Deputy Administrator for Farm Programs John Johnson told us recently. Asked whether FSA office computers would still be operating on a "shift" basis, Johnson says there have been some improvements since then and the entire system is no longer as close to a meltdown. But upgrades are sorely needed, he added.

Johnson says the agency will do the best they can with limited resources, but had hoped the new bill would have included additional funds to modernize the IT infrastructure and automate the delivery process. Instead, the farm bill requires a study within the first 180 days of enactment by an outside third party, to analyze the agency's need for modernization of their IT infrastructure.

Farm Bill conferees provided $50 million to implement the five-year, $307 billion update of U.S. farm policy – less than half the funds used to implement just the commodities title of the 2002 farm bill.

USDA's Budget Director Scott Steele says implementing Title I of the 2002 Farm Bill cost "close to $125 million. Of this amount, $55 million was made available in the 2002 Farm Bill itself and an additional $70 million came from the Agriculture Assistance Act of 2003. The $70 million was to be used for implementing the 2003 Act with the proviso that any remaining funds could be used for Title 1 of the 2002 Act.

The bulk of these funds went towards 2002 Farm Bill implementation, with almost all of these funds going to the Farm Service Agency, says Steele. These dollars were used for administrative costs: to hire temporary employees in field office service centers, to develop new program software, conduct training sessions, develop regulation, handbooks, etc.

FSA not alone

But several other agencies will also have new programs to administer. For example, USDA faces a September 30 deadline to implement mandatory country-of-origin labeling (COOL) of meat, poultry and produce. The Natural Resources Conservation Service (NRCS) will moving from the current Conservation Security Program to new rules that will be established for the Conservation Stewardship Program.

In the past, agencies that implemented other titles of the 2002 Farm Bill merely absorbed the implementation costs out of their traditional (appropriated) Salary and Expense (S&E) accounts, Steele explained. "No attempt was made to specifically track expenses related to the Farm Bill in these S & E accounts. This will also be the case for implementing the other titles this time around. However, S&E accounts are now very tight since agencies are absorbing mandated salary increases for 2008." As a result, Steele says implementation "is likely to be a bit more difficult but will get done one way or the other."

Senator Kent Conrad (D-ND), a member of the Farm Bill Conference Committee in 2002 and 2008, defended the lower funding allocation for implementation of the new law. "We put $50 million in for implementation because we thought that was the best, solid estimate of what it would legitimately cost."

Within the next few months, we'll probably find out if USDA has the necessary funds to get the job done as the agency starts preparing to make payments. Or if producers will be standing around county FSA offices, waiting for the computers to turn on. Δ

Editor Sara Wyant publishes a weekly e-newsletter covering farm and rural policy called Agri-Pulse. For a four-week free trial, go to www.Agri-Pulse.com