

FSA resumes making commodity loans

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Farm Service Agency (FSA) State Executive Director Dan Steinkruger has announced that FSA's ability to process and disburse 2013 crop year commodity loans has resumed.

Commodity loan software was suspended Oct. 1, to make software enhancements related to funding reductions associated with the legal requirements of sequestration.

Although producers were not prevented from submitting loan applications, FSA could not process the loan until software was updated with the 5.1 percent sequestration reductions.

Marketing Assistance Loans are utilized by producers who store their commodities after harvest instead of immediately marketing their crops. The commodity loan enables producers to obtain a commodity loan on stored crops and provide cash flow to their farming operation. "FSA regrets the delay that has been created in issuing Marketing Assistance Loans because of their importance to the cash flow of farming operations," Steinkruger said.

Crop year 2013 commodity loans will be reduced by 5.1 percent upon disbursement. The 5.1 percent reduction will also apply to marketing associations and loan servicing agents.