

# USDA

Oklahoma FSA State Office

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## Farm Service Agency

Oklahoma FSA State Newsletter

### Jim Reese, State Executive Director:



Greetings from the Farm Service Agency! Despite record drought throughout the entire state in 2006, agriculture still is a major driving force to the Oklahoma economy. Farm, and farm-related employment is still providing nearly 20% of all Oklahoma employment. Oklahoma farmers annually produce over \$5 billion of agriculture commodities. Sales of cattle and calves account for \$2.6 billion, while wheat accounts for \$412 million. In export sales, which are vital to the US economy, wheat accounts for \$352 million.

All Americans benefit from our agriculture economy and our USDA farm programs by having the safest, most affordable food supply in the world. Less of our per capita income is spent on food than any other nation in the world. Additionally, as a national security issue we should always ensure that we, as Americans, will be able to provide our own food supply.

Agriculture will continue to have a greater impact on the nation's energy independence as well. Thank you for persevering through both good times and bad, to improve our nation's self sufficiency.

Our FSA employees continue to provide the best service possible to you. We have had a few frustrating incidents recently where our technology has not kept up with our programming. Our computer networks have caused some disruption and revision in our FSA County Offices recently but we will prevail, and with your help and patience we will complete all of our work, as we always have. Again, thank you for your part in **providing the safest, most affordable food supply in the world.**

### ANNUAL DIRECT AND COUNTER-CYCLICAL PROGRAM (DCP)

To participate in DCP, producers are required to designate shares and sign the Direct and Counter-Cyclical Program Contract (CCC-509) on a yearly basis. The signup period is open at this time. **To be considered enrolled timely, the CCC-509 must be submitted with all shares and signatures intact by June 1, 2007.** CCC-509's with one or more signatures obtained after June 1, but by September 30, 2007, will be accepted, but the farm will be assessed a late-filing fee of \$100.00. Any change in the farming operation that results in a succession in interest previously reported on a CCC-509, must be reported by September 30. If a change occurs to a previously enrolled farm that requires a

farm reconstitution, the resulting farm(s) of the reconstitution must be re-enrolled by no later than 30 days following producer notification of the reconstitution if the producer(s) wishes to participate. All supporting documentation, such as the Farm Operating Plan (CCC-502), Highly Erodible and Wetland Certification (AO-1026), and the Adjusted Gross Income Certification (CCC-526), must be submitted before the contract can be paid.

Producers can plant any crop on DCP contract acres except for fruits and vegetables (FAV). Some FAV exceptions may apply. Consult your local FSA Office to determine the impact on eligibility or payments prior to planting a FAV.

DCP payments are calculated by taking 85 percent of the base acreage, multiplied by the farm payment yield, times the crop payment rate, times the producer share. An **advance payment of 22 percent** of the Direct Payment may be requested at signup. Final Direct Payments are made after October 1. Advance Counter-Cyclical Payments (CCP) are also available; however, CCP's are subject to refund if the actual calculated payment at the end of the marketing year is less than the advance.

Failure to meet deadlines noted in this article can result in ineligibility.



#### Oklahoma FSA State Committee:

Joe Kelly, Chair Altus, OK; Jay Franklin, Vinita, OK; Mary White, Ardmore, OK; Steve Wooderson, Blackwell, OK



### Acreage Reports



Producers who participate in the Direct and Counter-cyclical Program (DCP), or request a commodity loan (MAL) or LDP, will be required to annually report all crops planted or those growing on the participating farms. The total DCP cropland acreage reports are required for program participation in 2007 and subsequent years. CRP acreage must be reported to receive the CRP annual rental payments. Any crop acreage for which NAP benefits will be requested must be reported to establish eligibility of the crop and producer. All quota tobacco must be reported also. Producers who request prevented planting acreage credit must report the acreage within 15 calendar days after the final planting date. If a producer wants to request failed acreage credit, the acreage must be reported as failed acreage before the disposition of the crop. The COC will determine eligibility for failed acreage credit. The owner, operator, person authorized by POA or tenant may report crop acreage for which they have a share.

The final date to timely report fall seeded and spring seeded small grain crops is May 31 for Alfalfa, Beaver, Cimarron, Ellis, Garfield, Grant, Harper, Kay, Major, Noble, Texas, Woods, and Woodward Counties. May 15 is the reporting date for all other counties in Oklahoma on small seeded grain crops. The final date to report all other crops in all counties is August 1.

### Spousal Signature



A husband and wife may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the County Office from either spouse. Exceptions include claim settlements, lien filings and loans.

### Online Services

Would you like to conduct your FSA business from the comfort of your home? Sign-up for FSA programs, check the status of your current contracts, or view your financial information.

Its easy, just go to [www.fsa.usda.gov](http://www.fsa.usda.gov) & click on "Online Services" to learn more.

### Loan and Loan Deficiency Payments

Before harvesting a crop that will be carried directly to market and control of the crop will be lost, producers need to complete a CCC-633EZ to retain eligibility for a Loan Deficiency Payment. If form CCC-633EZ is not completed before interest in the crop has been lost, any eligible LDP payment will be lost. Form CCC-633EZ is used to request an LDP for grain stored on the farm or at a commercial elevator where the producer retains control, title, and risk of loss for the crop. Producers with 2006-crop corn, cotton, grain sorghum, and soybeans still in storage may request a loan or LDP, if available, before May 31, 2007.

Persons may sign loan or LDP documents, repay a loan, or act in a representative or fiduciary capacity only when evidence of authority is granted by completing FSA-211 and filing the document in the County Office.

### Power of Attorney

If you currently have a durable power of attorney, contact FSA to obtain an FSA-211, Power of Attorney, which can be completed and used for FSA and FCIC purposes. Save your family headaches in the future because FSA may or may not be able to use the durable power of attorney you have already completed.

### Do You Need Extra Farm Storage?

If you are in need of on-farm grain or silage storage facilities, you should contact the Farm Service Agency for information on the Farm Storage Facility Loan (FSFL) program. Producers are cautioned to file an application with FSA before purchasing the equipment if they intend to obtain a loan.

Eligible facilities must have a useful life of at least 10 years. Permanently affixed grain-handling equipment and grain drying equipment determined to be needed and essential to the proper functioning of a grain storage system and existing storage renovations, are eligible for FSFL.

The maximum term of the loan is 7 years. The interest rate is derived from comparable 3-8 year Treasury Bonds.



### Loans for Beginning Farmers Socially Disadvantaged

FSA is authorized to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person whom:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30% of the county's average farm size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed. Socially disadvantaged groups are Hispanics, American Indians, African Americans, Asians, Pacific Islanders and women.



### Change in Farming Operation/Address

Producers are reminded to contact the FSA office to report any changes in a farming operation so that records can be kept current and accurate. This includes, but is not limited to, farm operator changes, changes in address, and farm ownership changes. Farm ownership changes may require a farm reconstitution. If a farm must be divided, the Designation by Landowner Method of division may be used if the land has been owned for at least three years. This method divides crop acreage bases in the manner agreed to by the parent farm owner and purchaser; however, the agreement must be filed before the farm is reconstituted or any subsequent change of ownership.

Failure to meet deadlines noted in this article can result in ineligibility.

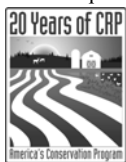
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### Continuous Conservation Reserve Program Available

Want to place a little land in CRP and benefit yourself and the environment? The CCRP allows cropland and some pastureland to be enrolled in CRP on a continuous basis - no signup period. Eligible offers are automatically accepted in CRP – no competitive process. Available CCRP practices include waterways, filter strips, riparian buffers, wildlife habitat buffers, windbreaks, wetland restoration, saline seeps, and wetland protective areas. Contract length runs from 10-15 years. In return, you receive an annual rental payment, incentive payments, and cost share for practice establishment. The result is minimal out-of-pocket expense. Program eligibility will be evaluated at the time of request.



### Buffers for Upland Birds

Increase upland bird habitat, such as quail, on your farm by installing a habitat for upland birds' buffer under the Continuous Conservation Reserve Program (CCRP). The purpose of this practice is to provide food and cover for bobwhite quail and other upland birds. This is accomplished by establishing a native grass buffer from 30 to 120 feet wide around a cropped field. Shrubs can be placed in the buffer to increase the wildlife habitat. Of course, hunting is permitted on the buffer according to state law. Eligibility, payments, incentives, and maintenance are applicable as mentioned in the above CCRP article.



### Foreign Investment Disclosure

The Agricultural Foreign Investment Disclosure Act (AFIDA) of 1978 requires any foreign person who acquires or transfers any interest, other than a security interest, in agricultural land to submit a completed FSA-153, AFIDA Report, to the Secretary of Agriculture (reports should be submitted to FSA) not later than 90 calendar days after the date of acquisition or transfer. Failure to properly report can result in civil penalties of up to 25 percent of the fair market value of the land. FSA-153's are available at your local FSA Office.

### Noninsured Crop Disaster Assistance Program (NAP)

NAP was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production (greater than 50% of the expected yield), or prevented planting of an eligible crop (greater than 35% of the intended acreage) by providing coverage equivalent to the Federal Crop Insurance Corporation (FCIC) catastrophic level (CAT). NAP is limited to commercial crops produced for food or fiber for which CAT is not available. NAP participants, and those considering NAP coverage, should adhere to the following deadlines:

- CCC-471, Application for Coverage—application closing dates as published by your local FSA Office. Consult with the office for the date that applies to your crop(s).
- Notice-of-Loss – within 15 days of the date of occurrence, or within 15 days of when the loss first becomes apparent. Must be filed on a CCC-576.
- Application for Payment – no later than the following crop year acreage reporting date for the crop (assumes a timely filed Notice of Loss).
- Change of Ownership, Operation, or Share –must be reported before a disaster occurs.
- Report of Production – no later than the following crop year acreage reporting date for the crop (certify on CCC-452).
- Acreage Reporting Date – acreage reporting dates can vary by crop, county, and grazing practices. Consult your local FSA Office for the date applicable to your crop(s).

### FSA/RMA Monitoring Efforts

FSA will again be assisting Risk Management Agency and insurance providers in monitoring crop conditions throughout the 2007 growing season and with auditing claims. FSA is required to refer all suspected cases of fraud, waste and abuse of the Federal Crop Insurance Program to RMA. Producers may also report suspected case of fraud, waste and abuse to their local County Office, RMA Office, or Office of Inspector General (OIG) at 800-424-9121.

### Payment Limitation/Eligibility

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. The programs listed in the following table (the table also provides the limitation amount) are subject to some or all of the following: “actively engaged in farming” requirements, cash-rent tenant rule, permitted entity restrictions, foreign person rule, and average adjusted gross income limitation. Definitions and explanations of these requirements as they apply to your farming operation are available at your local FSA Office.



<i>Program</i>	<i>Payment Limit</i>
Direct Payments	\$40,000
Counter Cyclical	\$65,000
Conservation Reserve Program	\$50,000
NAP	\$100,000
LDP/Market Grain	\$75,000
EQIP	\$450,000

Entities such as corporations, limited partnerships, limited liability companies, trusts and estates are required to provide names, addresses, and ID numbers for all members. Entity members must designate the entity for payment, or their share will be withheld.

Spouses may be considered separate “persons” for payment limitation purposes if so requested, and applicable requirements are met.

Any producer participating in a program requiring payment limit/eligibility determinations is subject to review. Sufficient documentation must be submitted to allow FSA to determine the accuracy of information submitted on all eligibility documents, and that the farming operation was conducted as presented. Examples of documentation include, but are not limited to, loan documents, bank statements, lease agreements, time sheets, crop sales documents, accounting records, and tax returns.

Failure to meet any eligibility criteria, or to fully cooperate in a review can result in ineligibility.



#### Non-Discrimination Statement

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information ( Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

#### Dates to Remember:

**February 19** - President's Day Holiday, FSA Offices Closed.

**March 15** - Final Date to Purchase 2007 NAP coverage for summer crops (contact your local office for specific details.)

**March 31** - Final Date to Request Loans and LDPs on 2006 barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat and sesame seed.

**May 15** - Final Date to Certify small grain acreages in all counties except Alfalfa, Beaver, Cimarron, Ellis, Garfield, Grant, Harper, Kay, Major, Noble, Texas, Woods, and Woodward.

**May 31** - Final Date to Request Loans and LDPs on 2006 dry peas, grain sorghum, lentils, mustard seed, safflower seed, chickpeas, soybeans and sunflower seed.

**May 31** - Final Date to Certify small grain acreages in Alfalfa, Beaver, Cimarron, Ellis, Garfield, Grant, Harper, Kay, Major, Noble, Texas Woods, and Woodward counties.

**June 1** - Direct and Counter-cyclical Payment (DCP) Program signup ends. Late-filed fees (\$100 per farm) apply June 2 - September 30. No signup after September 30.

#### Ongoing:

- NAP participants must report losses within 15 days of occurrence, or loss being apparent
- Direct and Guaranteed Farm Ownership and Operating Loans
- Rural Youth Loans
- Farm Storage Facility Loans
- Continuous Conservation Reserve Program (CRP)
- Milk Income Contract Program Extensions

