

Texas FSA Today

AN ONLINE MONTHLY NEWSLETTER COVERING THE HOTTEST TOPICS IN FEDERAL FARM PROGRAMS

June 2008

STATUS OF FSA FARM BILL DELIVERY

Congress recently voted to override a Presidential veto thereby passing the Food, Conservation, and Energy Act of 2008 (Farm Bill).

The new farm bill strengthens our nation's food security, protects the livelihood of our producers and provides investments in nutrition assistance programs, conservation and renewable energy.

At the very core, the farm bill provides a strong safety net for agricultural producers, improves nutrition assistance programs, encourages good land stewardship and provides incentives for renewable energy and research.

Producers need to understand that, from this point, it could take several months for FSA to be positioned to start making payments to producers.

Once a Farm Bill is approved, there are a significant number of steps before we are prepared to accept applications and issue payments to producers.

These steps include:

1. National Office writes regulations
2. National Office writes handbook procedures for state and county offices to use
3. Program software is developed
4. National training modules are developed
5. State FSA staff receives training

6. County Office staff receives training

7. Public information campaigns begin

We will make every effort to implement Farm Bill provisions in a timely manner.

COUNTY COMMITTEE ELECTIONS

For election purposes, counties are divided into local administrative areas, or LAAs. Each LAA selects one producer to serve a three-year term on the Farm Service Agency county committee.

Each year, an election is held in an LAA to replace the committee member whose three-year term is expiring. In counties with three LAAs, one seat is up for election. In combined counties in some years, two seats may be up for election.

Nominations

Candidate nominations for the FSA county committee election will be accepted June 15 through Aug. 1, 2008.

Producers who are residents in the LAA holding the election and who participate or cooperate in an FSA program and are of legal voting age may be nominated to serve on the county committee.

Individuals may nominate themselves or others as candidates. Also, organizations representing socially disadvantaged minorities and women farmers or ranchers may also nominate candidates.

A completed nomination form must be returned to the county office by

the close of business on Aug. 1, or postmarked by midnight Aug. 1, 2008.

Voting

Ballots will be mailed to eligible voters beginning Nov. 3, and must be returned to the county office by the close of business on Dec. 1, or postmarked by midnight Dec. 1, 2008.

Agricultural producers of legal voting age can vote if they participate or cooperate in any FSA program. A person who is not of legal voting age but supervises and conducts the farming operations on an entire farm can also vote.

No one can be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

Candidate Eligibility

To hold office as a county committee member, a person must meet the following eligibility criteria:

- Participate or cooperate in a program administered by FSA

- Be eligible to vote in a county committee election

- Reside in the LAA in which the person is a candidate

Not have been:

- Removed or disqualified from the office of county committee member, alternate or employee

- Removed for cause from any public

office or have been convicted of fraud, larceny, embezzlement or any other felony

- Dishonorably discharged from any branch of the armed services.

SIGN-UP DEADLINE FOR LCP AND LIP

The Farm Service Agency (FSA) has announced that livestock producers have until July 18, 2008, to enroll in the 2005 - 2007 Livestock Compensation Program (LCP) and Livestock Indemnity Program (LIP).

Signup began on Sept. 10, 2007, for the two programs that provide aid to livestock producers who suffered eligible livestock or livestock feed losses between Jan. 1, 2005, and Dec. 31, 2007, because of a natural disaster.

CROP DISASTER PROGRAM SIGNUP CONTINUES

Eligible farmers and ranchers who suffered crop loss damage before Dec. 31, 2007, can still apply to receive disaster assistance.

FSA continues to accept applications and make payments for quantity losses under the Crop Disaster Program (CDP), for losses that occurred before the end of the 2007 calendar year. No ending date has yet been announced for CDP. Later this summer FSA will begin making payments to producers for quality losses under CDP.

USDA ANNOUNCES CRP PERMITTED USE FOR LIVESTOCK FEED NEEDS

USDA has authorized certain acreage enrolled under the Conservation Reserve Program (CRP) to be available for hay and forage after the primary nesting season ends for grass-nesting birds.

Signup for interested CRP participants began June 2, 2008, at local Farm Service Agency (FSA) offices. This modification for critical feed use is only for 2008. All forage use must be completed no later than November 10, 2008.

More than 24 million acres of land enrolled in CRP will be eligible for this critical feed use program. USDA estimates that this program will make available up to 18 million tons of forage worth \$1.2 billion.

Eligible land may not be hayed or grazed until after the end of the primary nesting season.

Also, some of the eligible land or forage of the land must be reserved for wildlife and any land that is used under this authority must have a conservation plan.

In many instances, the removal of some of the grass cover will increase the diversity of the stand and provide long-term benefits for wildlife. Further, the most environmentally-sensitive land enrolled in CRP will not be eligible.

The land will be subject to a site inspection to ensure compliance with the conservation plan. No rental payment reduction will be assessed on contracts being utilized for this critical use. However, a \$75 fee will be charged to process the required contract modification.

COTTON ADJUSTED WORLD PRICE (AWP) MOVES TO REFLECT FAR EAST QUOTES

The Commodity Credit Corporation (CCC) is revising the Upland Cotton regulations to use Far East prices instead of Northern Europe prices in determining the upland cotton adjusted world price (AWP).

The change is being made because of changes in the market and in the available price data. The AWP is used to determine repayment rates for marketing assistance loans (MAL) and to establish loan deficiency payments (LDP).

RURAL YOUTH LOANS

Farm Service Agency (FSA) makes operating loans to individual rural youths age 10 through 20 to establish and operate income producing projects.

Eligible youth loan recipients must reside in a rural area, city or town with a population of 50,000 or fewer people. These projects must be of modest size and be initiated, developed, carried out by rural youths participating in 4-H Clubs, FFA, or a similar organization or with a vocational teacher or county extension agent.

The project must be an organized and supervised program of work. It must be planned and operated with the assistance of the organization advisor, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience.

2008 CROP YEAR MARKETING ASSISTANCE LOANS (MAL) AND LOAN DEFICIENCY PAYMENTS (LDP)

The Food, Conservation, and Energy Act of 2008 (2008 Act), Pub.L. 110-234, was enacted into law May 22, 2008. The 2008 Act authorizes 2008 crop MALs and LDPs for the following commodities:

Barley, Canola, Corn, Crambe, Dry Peas, Flaxseed, Graded Wool, Grain Sorghum, Honey, Lentils, Mohair, Mustard Seed, Non-Graded Wool, Oats, Rapeseed, Rice, Safflower, Sesame Seed, Small Chickpeas, Soybeans, Sunflower Seed, Wheat

Hay, silage, and unshorn pelts derived from the eligible loan commodities are eligible for LDPs, but not for MALs.

GRAZE-OUT payments instead of LDPs for the 2008 crop year are available to eligible producers who:

- elect to use acreage planted to, barley, oats, triticale, or wheat for the grazing by livestock

- agree to forgo any other harvesting of the commodity on this acreage during the crop year.

Eligible producers can begin requesting LDPs and MALs from their local FSA office, but a new AGI certification will be required when signing-up for payments.

For commodity loan rates, please visit the national FSA website at: <http://www.fsa.usda.gov>

CROP REPORTING

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting, or crop certification. Filing an accurate and timely report for all crops and land uses, including prevented planting and failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, marketing assistance loans and Loan Deficiency Payments.

The certification form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. Contact the local FSA office for county and crop-specific certification deadlines.

SODBUSTING

The term "sodbusting" is used to identify the plowing up of erosion-prone grasslands for use as cropland. Sodbuster violations are unauthorized tillage practices on highly erodible lands that converted native vegetation such as rangeland or woodland, to crop production after Dec. 23, 1985.

Farmers and ranchers should be aware that use of highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in Farm Service Agency programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If Natural Resources Conservation Service indicates on a CPA-026 that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage, before bringing land into production.

2008 COMPLIANCE

Compliance and spot checks will once again be utilized during the 2008 crop year. Instead of locally selecting farms, contracts, deficiency loans, etc. for spot check and review, a nationwide selection of producers is used to achieve a statistical sampling of participating producers.

Spot check selections are to be conducted based on a producer's participation in Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc.

CONTROLLED SUBSTANCES

Program participants convicted under federal or state law of any planting, cultivating, growing, producing, harvesting or storing a controlled substance are ineligible for program payments and benefits.

If convicted of one of these offenses, the program participant shall be ineligible during that crop year and the four succeeding crop years for direct and counter-cyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Non-insured Crop Disaster Assistance Program payments or disaster payments.

Program participants convicted of any federal or state offense consisting of the distribution (trafficking) of a controlled substance shall, at the discretion of the court, be ineligible for any or all program payments and benefits:

- for up to 5 years after the first conviction

- for up to 10 years after the second conviction

- permanently for a third or subsequent conviction.

Program participants convicted of federal or state offense for the possession of a controlled substance shall be ineligible, at the discretion of the court, for any or all program

benefits, as follows:

- up to 1 year upon the first conviction

- up to 5 years after a second or subsequent conviction.

CONTINUOUS CRP

The Continuous Conservation Reserve Program is a private lands environmental improvement program that allows participants the opportunity to enroll environmentally sensitive acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

The Continuous CRP program is a voluntary enrollment program. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost share for establishment.

To be eligible for enrollment in the Continuous CRP, participants and acreage must meet certain requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollments of acreage into Continuous CRP. Landowners may enroll in the program at any time during the year.

TIMELY FILE NOTICE OF LOSS

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required on ALL CROPS INCLUDING GRASSES.

For losses on crops covered by the Non-insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a form CCC-576 (notice of loss) in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be

filed within 15 calendar days of the final planting date for the crop.

FARM RECONSTITUTIONS

In FSA program terminology, farms are constituted to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by August 1 for farms enrolled in specific programs.

FSA SIGNATURE POLICY

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits delivery.

FSA has important signature policies for married individuals and minors as well as specific provisions for general partnerships, joint ventures, trusts, etc. Certain criteria also apply to FAXED signatures.

For additional clarification on proper signatures contact your local FSA office.

POWER OF ATTORNEY

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office.

If you want a crop loan, a power of attorney form will need to be completed for husband and wife, if both do not come into the office to sign the forms on the day the loan is disbursed.

ONLINE SERVICES

Producers, if you have Internet access you can electronically log on, fill out

and print a variety of FSA paper forms in the comfort of your home as your schedule allows.

You can also register for secure electronic access that will allow you to electronically sign and transmit some forms directly to the county office staff. If you are new to the website, first you will want to obtain a Level 2 USDA Service Center Customer ID and password at: <http://www.eauth.egov.usda.gov/> and then click on "Create an Account Page" link.

USDA eAuthentication is the system used by USDA agencies to enable customers to obtain accounts that will allow them to access USDA Web applications and services via the Internet. This includes things such as submitting forms electronically, completing surveys online, and checking the status of your USDA accounts.

If you already have a Customer ID and password, then click on the following eForms website at: <http://forms.sc.egov.usda.gov/eforms/mainervlet> and then click on the "Sign In" button. A disclaimer window will open and after you read the "Warning message" click on the "Continue" button.

The USDA Web services page will open to the eAuthentication login page. Enter your login User ID and password and then click on the "Login" button. To sign and transmit forms electronically, you must sign-up and get a User ID and password.

Submitting an e-Form is convenient. You can access information anytime day or night seven days a week. It's faster and forms and applications can be submitted and received in the county office in a matter of minutes, not days or weeks.

BANKING CHANGES?

Almost all Farm Service Agency payments are made electronically using Direct Deposit. This innovation has cut down on the number of missing and late payments and reduced the time required to move funds. I

t has been calculated that having a problem with a payment is 20 times greater with checks than with Direct Deposit. Another benefit is that Direct Deposit to your account can be made within 48 hours.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

SPECIAL ACCOMMODATIONS

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency.

If you require special accommodations to attend or participate in one of our events, please call the FSA county office and we will be happy to make any needed arrangements.

Readers are advised that dates for FSA programs in Texas are often county-specific. Please contact your local FSA office for detailed information pertaining to your operation.

