



COLORADO FSA News

2008 Farm Bill Updates



From the Desk of the State Executive Director

Colorado Farmers and Ranchers:

With the recent passing of the 2008 Farm Bill, the U.S. Department of Agriculture (USDA) is putting into action hundreds of pages of new farm bill law. In fact, within only weeks of the bill's enactment, USDA has implemented increased Farm Loan limits, Marketing Assistance Loan and Loan Deficiency Payment (LDP) provisions, as well as announced the sign-up period for the 2008 Direct and Counter-cyclical Payment Program (DCP).

This special edition of *Colorado FSA News* is issued to provide our State's producers with program information and deadlines you need to be aware of in the coming weeks. In addition to the 2008 DCP enrollment period, stipulations for participating in the new 2009 disaster programs must be met by September 16; the Conservation Reserve Program (CRP) critical use timeline for haying and grazing will end soon; and sign-up continues for Quantity and Quality losses through the 2005-2007 Crop Disaster Program (CDP).

Finally, August 1 is the deadline to submit nominations to an FSA county committee and I trust this publication will be in your hands before that date. Please consider self-nominating or nominating a trusted producer among your counterparts who would consent to the nomination and agree to potentially serve on an FSA county committee. The nomination and election of responsible agricultural producers to FSA county committees is important. It is crucial that every eligible producer take part in the process because county committees are a direct link between the farm community and USDA.

We, at the Colorado Farm Service Agency, are committed to providing our State's producers with the best possible program service and support that we can. You can depend on us to administer programs in an equitable manner to all agricultural producers.

Sincerely,

Lewis Frank
State Executive Director

Colorado State Committee

Reggie Wyckoff, Chair
Washington County

Chann Fogg
Delta County

Landis Porter
Montezuma County

John Schweizer
Otero County

Leon Silkman
Kit Carson County

State committees are responsible for the general oversight of FSA state operations. They oversee implementation of domestic farm programs, provide policy direction to the State Executive Director and oversee FSA county committees. In addition, they hear program appeals and keep producers and ranchers informed of FSA policies.

DATES TO REMEMBER

August 15	Crop reporting extended deadline
September 1	Final date to sign-up for NAP: asparagus, barley, caneberreries, canola, garlic, rye, speltz, triticale, wheat, sod, flowers, Christmas trees, nursery

CRP Critical Use For Livestock Feed Needs

Beginning July 16 thru November 10, 2008

Agriculture Secretary Ed Schafer has authorized certain acreage enrolled under the Conservation Reserve Program (CRP) to be available for hay and forage after the primary nesting season ends. Sign-up for interested CRP participants began June 2.

In Colorado, eligible land may not be hayed or grazed until after July 15. Also, some of the eligible land or forage of the land must be reserved for wildlife and any land that is used must have a conservation

plan. 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 per contract will be charged to process the required contract modification.

Visit your local USDA Service Center for additional details and sign-up information. ♦

2008 Direct and Counter-Cyclical Payment Program - DCP

Sign-up for 2008 DCP began June 25, and will continue through September 30, 2008. Authorized by the 2008 Farm Bill, the program will provide payments to eligible producers on farms enrolled for the 2008 through 2012 crop years.

Eligible Producers

To be eligible for DCP payments, owners, operators, landlords, tenants, or sharecroppers must:

- share in the risk of producing a crop on base acres on a farm enrolled in DCP, and be entitled to share in the crop available for marketing from the base acres or would have shared had a crop been produced;
- annually report the use of the farm's cropland acreage;
- comply with planting flexibility requirements;
- use the base acres for agricultural or related activities; and
- protect all base acres from erosion, including providing sufficient cover as determined necessary by the county FSA committee, and control weeds.

Eligible Commodities for 2008

Base acres and payment yields are established for the following commodities for 2008:

- barley;
- corn;
- grain sorghum, including dual purpose varieties that can be harvested as grain;
- oats;
- canola, crambe; flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed, including oil and non-oil varieties;
- soybeans; and
- wheat.

2008 Direct Payments

Direct payments for eligible

DCP commodities are as follows:

- Barley: \$0.24/bushel;
- Corn: \$0.28/bushel;
- Grain sorghum: \$0.35/bushel;
- Oats: \$0.24/bushel;
- Other oilseeds: \$0.80/hundredweight;
- Soybeans: \$0.44/bushel; and
- Wheat: \$0.52/bushel

For each commodity, the total direct payment for 2008 for producers on a farm equals 85 percent of the farm's base acreage times the farm's direct payment yield times the direct payment rate.

2008 Counter-cyclical Payments

The 2008 Farm Bill authorizes counter-cyclical payments, which provide support counter to the cycle of market prices as part of a "safety net" in the event of low crop prices. Counter-cyclical payments for a commodity are only issued if the effective price for a commodity is below the target price for the commodity.

2008 Timing of Payments

For the 2008 crop year, producers may elect to receive direct payments in two installments:

- The first advance payment for crop year 2008 will be made as soon as practical after enrollment (22% of total payment)
- The balance of the total direct payment will be available in October. Producers who elect not to take the advance payment will receive the entire direct payment in October.

Producers may elect to receive two counter-cyclical payments for the 2008 crop year:

- A partial payment will be available after completion of 180 days of the marketing year for the crop. These

payments cannot exceed 40 percent of the total projected payment.

- Final payments will be made beginning October 1, or as soon as practicable thereafter, after the end of the marketing year for the crop.

Farms Ineligible for Payment

The 2008 Farm Bill provides that producers on farms with DCP base acres that total 10.0 acres or less will not receive a direct, counter-cyclical, or average crop revenue election program payment, unless the farm is wholly owned by a socially disadvantaged or a limited resource farmer or rancher. A socially disadvantaged farmer is a person who is a member of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. A limited resource farmer or rancher is one who directly or indirectly had gross farm sales of not more than \$100,000 in each of the previous two years and has a total household income at or below the national poverty level for a family of four, **OR** less than 50 percent of county median household income in each of the previous years.

How to Sign-up?

The DCP Contract, Form CCC-509, includes base and payment acres, payment yields, producer payment shares, advance direct and counter-cyclical payment selections, and signatures of the producer and county office representative. Make an appointment at your local USDA Service Center to complete and submit the form by September 30, 2008, or you can enroll online with Level 2 authorization at <http://www.fsa.usda.gov/edcp>. ♦

Quality Loss Crop Disaster Program

Eligible farmers who suffered quality losses to their crops in recent years due to natural disasters and related conditions can enroll in the Crop Disaster Program 2005-2007 (CDP).

Producers who incurred qualifying quantity or quality losses in 2005, 2006 or 2007 may receive benefits for only one of the three years; however, producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year.

Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits. Producers

must have suffered quality losses of at least 25 percent to be eligible for CDP Quality Loss. The payment rate is set at 65 percent of the amount of the affected crop multiplied by 42 percent of the per-unit average market value in the year in which the loss occurred. Producers may receive assistance for both quantity and quality losses and must provide verifiable documentation. However, the total quantity and quality assistance, together with any crop insurance or NAP payment received for the same crop and the value of the crop production not lost, must not exceed 95 percent of the total value of the crop absent the disaster.

Contact your local USDA Service Center for more information. ♦

In-Handling Charges Producer Responsibility

Starting with the Colorado 2008 crop of wheat, feed grains, soybeans, pulses, minor oil seeds, honey, wool, and mohair, the Commodity Credit Corporation (CCC) will no longer pay warehouse operators or reimburse producers for in-handling charges applicable to either warehouse-stored commodities pledged as collateral for MAL's, or farm-stored commodities forfeited to CCC. In the past, CCC paid warehouse operators or reimbursed producers for these charges.

Producers must provide acceptable documentation specifying that all in-handling charges have been paid or provided for before a warehouse-stored MAL will be disbursed for the commodity, or before recording settlement of a forfeited farm-stored loan. Acceptable documentation includes either of the following:

- in-handling charges are recorded directly on the warehouse receipt
- certification signed by the warehouse operator with the following language.

“Arrangements for the payment of all in-handling charges have been made by the depositor of the commodity covered by receipt numbers (Insert Receipt Number(s)). No lien will be asserted by the warehouse operator against the Commodity Credit Corporation or any subsequent holder of the warehouse receipt for in-handling charges.”

**FSA
Counts on you!
Nominate & Vote**

FSA county committees make important decisions about disaster and conservation programs, commodity price support loans and payments and other agricultural issues.

Almost anyone participating or cooperating in an FSA program, and of legal voting age, can be a candidate. You can even nominate yourself.

So make a difference by nominating a candidate to serve on your local FSA county committee. The deadline to nominate is August 1, 2008.

May I have your full legal name, please?

It is Colorado FSA's mission to provide all our customers with the most effective and efficient service possible. To establish more consistent delivery of all programs, beginning July 1, you'll be asked to provide your full legal name whenever completing an application to participate in Farm Programs. Your cooperation and patience with us in our efforts to standardize our business practices is appreciated.

Supplemental Agricultural Disaster Assistance Programs

The 2008 Farm Bill amended the Trade Act of 1974 to create an agricultural disaster relief trust fund and supplemental agricultural disaster assistance programs. The programs are:

- Supplemental Revenue Assistance Payments (SURE) Program,
- Livestock Forage Disaster Program (LFP),
- Livestock Indemnity Program (LIP),
- Tree Assistance Program (TAP),
- Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish (EALHF) Program.

In general, the provision establishes funding for disaster assistance without the requirement of legislative action. Information about each specific program will be made available as it is developed.

Producers interested in SURE, EALHF, LFP or TAP programs must have purchased or obtained a plan of insurance covered under the Federal Crop Insurance Act (FCIC) or if the commodity is noninsurable, be covered under the Noninsured Crop Disaster Assistance (NAP) program through FSA and have paid the applicable administrative fee set by the State Committee approved deadline date.

However, for 2008, producers who do not meet the above listed requirements may be eligible if the producer pays a fee comparable to the cost of NAP or FCIC coverage by no later than **September 16, 2008**.

For more information, contact your local USDA Service Center. ♦



2008 DCP

Sign-up is **NOW!** Enroll by September 30, 2008.

more details inside...

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs 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 a 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, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.