



June 2006

2006 Acreage Reporting Deadline News

The deadline for submitting a timely-filed acreage report is July 15, 2006. However, since July 15, 2006, falls on a Saturday, producers will have until Monday, July 17, 2006, to file a timely acreage report. Producers are reminded that filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Also, producers who request prevented planting acreage credit must report the acreage and complete a CCC-576, Notice of Loss, within 15 calendar days after the latter of:

- the occurrence of prevented planting or
- the end of the planting period.

Youth Project Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other youth organizations. Projects must be planned and operated with the help of the organization's advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Live in the open country or in a town of less than 10,000 people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above

- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office. We'll help prepare and process the application forms and answer any questions you may have about the program. Remember, FSA is an equal opportunity lender.

Loans for Socially Disadvantaged Applicants

The Farm Service Agency can make direct and guaranteed loans to socially disadvantaged applicants to buy and operate family-size farms and ranches. Funds for these loans are reserved each year.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

Direct loans may be made to applicants by FSA for both farm operating and farm ownership loans. Guaranteed farm loans also may be made for ownership or operating purposes, and may be made by any lending institution subject to federal or state supervision (e.g., banks and units of the Farm Credit System) and guaranteed by FSA. FSA typically guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails.

Persons who are primarily and directly engaged in farming and ranching on family-size operations may apply.

Socially disadvantaged loan applicants

do not receive automatic approval. Individual applicants under this program must meet *all* requirements for FSA's regular farm loan program assistance.

Contact the county office staff or USDA Service Center for more information.

Non-Insured Assistance Program (NAP)

Producers with NAP coverage must complete the following to qualify for benefits:

- Timely file an acreage report and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.
- File a "Notice of Loss" within 15 days after the disaster occurrence or the date the loss is apparent to the producer. A notice of loss must be filed prior to the abandonment of the crop.

Late Filed Provisions

CCC-509's, for which missing signatures are obtained **after June 1, but by September 30**, will be considered late-filed. CCC will assess a late-filed sign-up fee of \$100 per farm for any farm enrolled after June 1 and by September 30 of the fiscal year in which the DCP payments are requested. The late-filed sign-up fee must be collected before an approval can be made. If CCC-509's are not filed by September 30th of the fiscal year they are ineligible for that fiscal year's DCP payments.



DCP Contract Reminder

By signing the CCC-509, the participant is agreeing to:

- comply with highly erodible land conservation and wetland conservation provisions on all your land;
- devote acreage equal to the base acreage to an agricultural or conserving use;
- effectively control noxious weeds and otherwise maintain base acres according to sound agricultural practices;
- not harvest annual FAVs (other than lentils, mung beans, and dry peas) on base acres;
- file acreage report with respect to all cropland on the farm; and
- notify the county office staff when there is a transfer of or change of interest of a producer.

DCP Contract Succession-in-interest

The statute provides that a transfer of, or change in, the interest of the producers on a farm for which DCP payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under the contract. All successors and any other producers shall sign the revised CCC-509 no later than **September 30** of the current fiscal year. Failure to do so will result in the loss of DCP payments for that FY.

After the CCC-509 is approved, changes made to the contract for any of the following are successions-in-interest:

- A transfer or change in the interest of a producer on the farm
- Sale of land
- Change of operator or producer
- Foreclosure, bankruptcy, or involuntary loss of the farm
- Change in producer share to reflect changes in shares originally approved on the CCC-509.

Each affected producer or owner must inform the COC of the changes in interest not later than **September 30** of the current fiscal year, if:

- Producers remain the same but shares change
- A new producer is being added to the contract

If a change in interest occurs requiring a succession to the CCC-509, but the COC is not informed of the change **by September 30** of the current fiscal year:

- Neither the predecessors nor the successors are eligible for the current year DCP payments on the farm
- CCC-509 will be terminated for the current year with respect to the predecessors
- The successors may sign a CCC-509 for subsequent fiscal years, if applicable.

Maintaining DCP Acres

DCP participants are required to protect all base acres from erosion and weeds. Fields designated as "base acres" must have an eligible cover such as crop residue or volunteer grasses. Weeds are not an acceptable cover and must be maintained. Failure to control weeds on base acres may result in a reduction of program benefits if the County Committee determines that a good faith effort to control weeds and/or erosion was not made.

DCP FAV Plantings

Producers who planted fruit and vegetables (FAV's) plantings in 2006 need to be aware of the FAV planting restrictions on DCP base acreage (Dry peas and Lentils are exempted from the FAV restriction). Producers have the following options when planting FAV's:

1. Plant FAV's on a participating farm's "free acres."
2. Plant FAV's on base acreage of a participating farm that has a farm FAV history and takes an acre-for-acre reduction in the DCP payment. NOTE: Farm FAV history is based on the FAV planting history for 1991-1995 or 1998-2001.
3. Plant FAV's on base acreage of a participating farm without farm FAV history, using the producer's FAV history and takes an acre-for-acre reduction in DCP payment. NOTE: Producer FAV history is based on the producer's planting history of each specific FAV crop
4. Plant FAV's on a nonparticipating farm.

Selected Interest Rates for June 2006	
90-Day Treasury Bill	4.625%
Farm Operating - Direct	5.375%
Farm Ownership - Direct	5.500%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000%
Emergency	3.750%
Farm Storage Facility	5.000%
Sugar Storage Facility	5.250%
Commodity Loans 1996-Present	6.000%

Combination Share Leases

For FSA purposes, a lease is considered to be a combination share lease if the lease provides for both of the following:

- A guaranteed amount such as a fixed dollar amount or quantity and
- A share of the crop or crop proceeds.

If such a lease exists, both the owner and operator are required to share in the DCP payments.

Honey Loans

Nonrecourse honey loans are available on the 2006 crop honey through March 31, 2007. Eligible honey must have been produced in the United States, derived from an eligible floral source, extracted in calendar year 2006, and stored in eligible containers as determined by Commodity Credit Corporation. The loan rate is \$.60 per pound.

Eligible producers must have beneficial interest in the honey, reported acreage for any owned or operated cropland, be in compliance with highly erodible and wetland provisions, and not have a delinquent non-tax federal debt.



Eligible containers include: new, or reconditioned 30 or 55 gallon open ended steel drums, free of rust and dents, and containing an inside food lining; 5 gallon metal or plastic container lined with a new FDA-approved pail liner. Steel drums can be filled no closer than 2 inches from the top of the drum.

All containers offered for loan must be marked with all of the following information:

- producer name
- type of honey
- number of containers
- net weight

Pre-loan inspections are required prior to loan approval to verify number, condition of containers, and container labeling.

Loan service fees are the smaller of \$45, or one-half of one percent (.005%) of the gross loan amount plus \$3 for each additional lot over one.

The loan interest rate is based on the CCC announced rate for the month in which the loan is disbursed. The rate is based on the CCC borrowing interest rate plus one percent. The interest rate is subject to adjustment on January 1 of the following year if the loan is still outstanding. Loans mature 9 months after the month in which the loan was disbursed.

Honey loans that are not repaid by loan maturity will be settled through local sale. The settlement value will be determined based on samples submitted to AMS for color, moisture and adulteration. All expenses for advertising the sale, sampling, testing and weighing are the responsibility of the loan producers and will be included in the settlement charges.

Loan applications are available at the local county FSA office.

Wool and Mohair Loans

Nonrecourse farm-stored loans are available for wool and mohair sheared in calendar year 2006. Loans are available on 2006 crop wool and mohair through January 31, 2007. The ungraded wool loan rate is \$.40 per pound; mohair is \$4.20 per pound.

Eligible producers must have beneficial interest in the wool or mohair, reported acreage for any owned or operated cropland, be in compliance with highly erodible and wetland provisions, and not have a delinquent non-tax federal debt. In addition, the sheep or goats that produced the wool or mohair must have been owned for not less than 30 calendar days before shearing.

Eligible wool or mohair must have been produced and shorn in the United

States, be in existence, in storable condition, and unprocessed.

Wool loans can be requested as graded or ungraded. If a graded loan is requested, the wool must be core tested by a CCC-approved testing facility to determine the fiber diameter (micron) and yield. The core test results must be provided at the time of the loan application and cannot be averaged for ungraded quantities commingled with graded quantities.

Wool and mohair must be stored in approved bags specifically designed for storing wool. These include:

- standard jute burlap bags
- polyethylene plastic film packs
- high density polyethylene packs
- nylon packs.

Each bag of wool or mohair must be identified with a label containing the following information:

- producer name
- lot/bale/bag number
- commodity
- date of shearing
- for mohair, type (kid, adult, yearling, etc.)
- net weight, if available.

Pre-loan inspections are required prior to loan approval to verify that the wool or mohair is packaged in acceptable bags, labeled as required, and stored in a structure that provides safe storage through the maturity date of the loan.

Loan service fees are the smaller of \$45 or one-half of one percent (.005%) of the gross loan amount, plus \$3 for each additional lot over one.

The loan interest rate is based on the CCC announced rate for the month in which the loan is disbursed. The rate is based on the CCC borrowing interest rate plus one percent. The interest rate is subject to adjustment on January 1 of the following year if the loan is still outstanding.

Loans mature 9 months after the month in which the loan was disbursed.

Wool and mohair loans that are not repaid by loan maturity will be settled through local sale. The settlement value will be determined based on samples submitted to a CCC-approved core test laboratory. All expenses for advertising the sale, sampling, testing and weighing are the responsibility of the loan producers and will be included in the settlement charges.

Loan applications are available at the local county FSA office.

Wool, Mohair and Unshorn Pelt LDP's

LDP's are available when the CCC-determined market repayment rate is below the commodity loan rate. If an LDP payment is requested, a producer agrees to forego obtaining a loan on the same quantity.

LDP's are only available after the wool or mohair is sheared. Approved storage is not required for commodities to be eligible for LDP.

LDP Applications

LDP applications can be filed in person, by fax or through the eLDP process. A new CCC-633 EZ LDP (06-07-06) application is available and must be used for the 2006 crop year. The CCC-633 and the CCC-709 forms are obsolete and will not be accepted for 2006 LDP requests.

The CCC-633 EZ is a multi-part form. Page 1 is the intention to request an LDP. It must be filed each crop year and can be filed anytime after January 1. It will cover all farms and commodities in which a producer has an interest for the 2006 crop year. Page 1 must be filed before beneficial interest is lost in the commodity and before a request for payment is completed on pages 2-4. The completion of page 1 does not cause a producer to lose loan eligibility for the commodity. The option of obtaining a loan is maintained until a page 2 or 4 payment request is filed.

Joint applications are no longer accepted. Each producer or entity who intends to file an LDP request must complete a separate CCC-633 EZ page 1. Page 1 can be filed in any county FSA office in which a producer has a farming interest.

Page 2 of the form is used to request the LDP payment for wheat and feed grains, oilseeds, pulse crops and honey. Page 4 is used to request wool, mohair and unshorn pelt LDP payments. Pages 2 and 4 of the application must be filed in the county FSA office that maintains the farm records that produced the requested commodity.

The LDP rate is based on the date that the administrative county office receives the properly completed application if beneficial interest is maintained on the date the application is received. If a properly completed CCC-633 EZ page 1 is on file before loss of beneficial interest, and beneficial interest was lost prior to the date of filing page 2 or page 4 of the payment request, the LDP rate will be based on the date that beneficial interest was lost.

Producers who rely on third parties to fax the application are responsible for accuracy, form completion, and ensuring that the application is filed in the correct county FSA office.

Payment Limitation

Federal statute limits the amount a producer may earn in marketing loan gains and LDP's to \$75,000 for grains, oilseeds and pulse crops. There is a separate \$75,000 limitation for honey, wool, mohair and unshorn pelt marketing loan gains and LDP's.

CRP Haying as Cover Management Tool

Certain CRP acreage may be hayed or grazed once every three years as a tool to improve the vegetative cover. Haying is allowed from August 2 through September 1. Grazing is allowed from August 2 through

October 1. Authorization must be received each year before haying or grazing begins. There is a 25 percent reduction in the annual payment on each acre hayed or grazed. Wetland restoration practices CP23, CP27 and CP28 are not eligible for managed haying and grazing.

Weed Control on CRP

Continue to monitor CRP acres for weed infestation in CRP fields. Weed infestations that adversely impact the required cover or surrounding landowners are a contract violation and could result in loss of program benefits. Take necessary control action after notifying the County FSA Office of action to be taken.

County Committee Election Information

Agricultural producers throughout the state can nominate eligible candidates

to serve on USDA Farm Service Agency (FSA) county committees beginning through Aug. 1, 2006 for the county committee elections to be held in the fall.

Farmers and ranchers have an important opportunity to ensure that their FSA county committees represent them by participating in the county committee election process. Agricultural producers across the state are encouraged to nominate eligible candidates, especially minorities and women, to serve on their local county committees and to vote this fall.

Farmers and ranchers who serve on county committees help make decisions necessary to administer federal farm programs offered in their communities. County committees make decisions on agricultural issues such as commodity price support loans and payments, conservation programs, disaster payments and employing county executive directors.

Agricultural producers who participate or cooperate in programs administered by FSA and live in the local administrative area conducting an election may be nominated for candidacy for a committee. Farmers and ranchers can obtain a complete list of eligibility requirements by visiting a local USDA Service Center or online at:

<http://www.fsa.usda.gov/pas/publications/facts/html/cocelig06.htm>

Individuals may nominate themselves or others as candidates. Additionally, community based organizations representing minorities and women may nominate candidates. To become a nominee, eligible individuals must sign nomination form FSA-669A. The form includes a statement that the nominee agrees to serve if elected. An information meeting will be held in each county office on Monday, July 10 at 10:00 AM to discuss the election process. Nomination petitions and Fact sheets are available at <http://www.fsa.usda.gov/pas/publications/elections>, at your County FSA office, and in our April Newsletter which can also be found on-line at <http://www.fsa.usda.gov/nd/>. Information regarding which LAA is holding the election in your county may be found at <http://www.fsa.usda.gov/nd/> or by contacting your local FSA Office.

Farmers and ranchers should keep the following important

dates in mind during the 2006 county committee election process:

- The nomination period begins June 15 and August 1 is the deadline to file nomination forms at the local USDA Service Center.
- USDA will mail ballots to eligible voters by November 3.
- The last day to return voted ballots to the local USDA Service Center is December 4.
- Newly elected county committee members take office Jan. 1, 2007.

Dates to Remember	
July 4	FSA Offices closed for Independence Day
July 17	Deadline to file a timely acreage report (FSA-578) for 2006
August 1	Deadline to submit County Committee nominations
September 30	Deadline to Enroll in 2006 DCP

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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