

# USDA



## Nebraska Farm Service Agency

# Producer News

July 2007

### **From the SED**

After nearly 18 months of deliberations, the Nebraska FSA State Review Plan has been sent to Washington for consideration by the National FSA Staff and U.S. Agriculture Secretary, Mike Johanns. The final recommendation reflected two fewer offices than the original proposal. By reducing the number of consolidations, we impacted 30 percent fewer producers, maintained a strong FSA presence and will allow staff to focus more time on serving producers and less time to administrative duties.

Upon Secretarial approval the agency must wait 120 days to consolidate any location. During this period, impacted producers would be given the choice of which contiguous county they want to conduct their business in. Since keeping existing FSA employees is critical, our staff will be assigned to nearby offices based on where producers choose to do business. A timeline for the process is unclear; however, if the approval is received by August 1, for example, no offices would be consolidated until after December 1, 2007.

Thank you to everyone who took the time to attend our public meetings or express your comments regarding this proposal. We appreciate the tremendous interest in USDA Farm Service Agency.

### **Managed Haying And Grazing Of CRP**

The rules for managed haying and grazing of the Conservation Reserve Program (CRP) changed as of September 26, 2006, as a result of a lawsuit settlement between USDA and the National Wildlife Federation. FSA now has two sets of rules to administer managed haying and grazing on CRP.

**Old Rules:** For CRP contracts in effect prior to September 26, 2006, that included managed haying and grazing in their conservation plan or have been authorized managed haying and grazing using the applicable Nebraska NRCS planning sheets, the old rules apply. The old rules of managed

haying or grazing once every three years after the practice is established, applies.

**New Rules:** For all new or revised CRP contracts, or revised conservation plans approved on or after September 26, 2006, the new rules apply. The new rules provide managed haying can occur once every 10 years on 50 percent of the field. The other 50 percent of the field can be hayed after five years. Managed grazing may occur once every five years on the entire field at no more than a 75 percent approved stocking rate.

**Both rules:** In both sets of rules, emergency haying and grazing does count for determining the intervals. For example, acreage hayed or grazed under emergency provisions in 2006 is not eligible for managed haying and grazing this year. Managed haying or grazing can occur after the primary nesting date on July 16. Managed haying ends on August 31 and any bales must be removed from CRP by October 15. Managed grazing is allowed until September 30.

CRP participants requesting managed haying and grazing must file a request with the county office staff indicating the acreage to be hayed or grazed before the activity begins.

CRP participants requesting managed haying and grazing are assessed a 25 percent payment reduction.

### **CRP Continuous Sign-up Payments**

FSA provides CRP continuous sign-up participants with rental payments, including any incentives, and cost-share assistance:

**Rental Payments:** In return for establishing long-term, resource-conserving covers, FSA provides annual rental payments to participants. FSA bases rental rates on the relative productivity of the soils within each county and the average dryland cash rent or cash rent equivalent. The maximum CRP rental rate for each offer is calculated in

advance of enrollment. Producers may offer land at that rate or offer a lower rental rate to increase the likelihood that their offer will be accepted.

The per-acre annual rental rate may not exceed FSA's maximum payment amount and is calculated in advance of enrollment. While continuous sign-up acceptance is not determined by a competitive offer process, producers may elect to receive an amount less than the maximum payment rate.

CRP rental rates are currently being updated by County and State FSA Committees and should be available August 1, 2007.

**Cost-share Assistance:** FSA provides cost-share assistance to participants who establish approved cover on eligible cropland.

The cost-share assistance can be no more than 50 percent of the participant's cost to establish approved practices.

**Financial Incentives :** As a part of annual rental payments, FSA offers financial incentives of up to 20 percent of the soil rental rate for field windbreaks, grass waterways, filter strips, and riparian buffers. An additional 10 percent may be added to the soil rental rate for land located within EPA-designated wellhead protection areas. A per-acre payment rate may also be added for maintenance of eligible practices.

**Additional Financial Incentives:** Also as a part of annual rental payments,

FSA offers participants the following payment enhancements:

- An up front signing incentive payment (CRP-SIP) up to \$100 per acre for eligible participants who enroll certain practices. The one-time SIP will be made after the contract is approved and all payment eligibility criteria are met; and
- A practice incentive payment (CRP-PIP) equal to 40 percent of the eligible installation costs for eligible participants who enroll certain practices. The one-time PIP will be issued after the practice is installed, eligible costs are verified, and other payment eligibility criteria are met.

**For More Information:** For more information on CRP continuous sign-up, contact your local FSA office or visit FSA's Web site at: <http://ww.fsa.usda.gov/>.

### ***NAP Coverage Deadline***

The Non-insured Crop Disaster Assistance Program (NAP) deadline is fast approaching. NAP is designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic or "CAT" insurance.

September 1 is the final date for producers to apply for NAP coverage on crop year 2008 value loss crops, nursery crops,

turf grass sod, Christmas trees and aquaculture.

September 30 is the final date for producers to apply for NAP coverage on crop year 2008 grasses, alfalfa, mixed forage and fall seeded annual crops.

Producers who had coverage of 2007 NAP crops may choose to continue coverage on the same crops for 2008, if the applicable service fee is submitted by the application closing date. A new form CCC-471, Application for Coverage, is not required to be signed when applying for continuous coverage of the same crops.

Producers who choose to add or delete a crop from the previous year's coverage or changing crop shares must file a new CCC-471, with signatures, and pay the applicable service fee.

Producers with NAP coverage are required to 1) file a Notice of Loss with 15 days of when a loss is apparent; 2) timely file acreage reports; and 3) keep track of harvested production using acceptable methods.

### ***Reporting Noninsured Crop Losses***

If you've purchased Noninsured Crop Disaster Assistance Program (NAP) coverage, don't forget to file a timely notice of loss if you have one.

To be eligible for NAP assistance, you must notify the staff of your local Farm Service Agency county office of any crop loss or damage within 15 days of the:

- natural disaster occurrence;
- date damage to the crop or loss of production becomes apparent to the farmer;
- normal harvest date, as established by FSA; or

<b>Nebraska Farm Service Agency</b> State Committee Milton Rogers, Chairman	
Rob Anderson	Mary Gerdes
Ronald Ochsner	Dennis Richters
Brian Wolford, State Executive Director Mike Sander, Administrative Officer Rich Barta, Farm Loan Chief Greg Reisdorff, Conservation & Environmental Programs Dan Steinkruger, Production & Compliance Programs Doy Unzicker, Price Support Programs	

- final planting date, if the planting was prevented by a natural disaster.

Field visits may be required for a timely filed notice of loss. If so, they'll be scheduled, to the extent practicable, within five calendar days of the date the notice of loss is filed.

If you are planning to destroy the crop prior to harvest, an inspection of the **entire acreage** must be completed before hand. Acreage destroyed without inspection and consent will not be eligible for NAP assistance.

If notice of loss is not filed timely, you may be determined ineligible for NAP payments for that specific crop loss. Late-filed notice of loss can only be approved if the cause of loss and extent of crop damage can be accurately assessed by FSA through a field visit.

The form CCC-576, Notice of Loss and Application for Payment, is used to document losses for NAP crops. The CCC-576 documents:

- your notice of loss or damage to a NAP crop or commodity;
- an explanation of what has been done with the crop acreage or commodity;
- a record of production; and
- an application for NAP payment.

A separate CCC-576 must be filed for each crop and type, or variety of the crop, affected by a weather-related event or adverse natural disaster occurrence.

Later weather events affecting the same crop must also be reported, but will be documented on the previously filed CCC-576. "Part B" of the CCC-576 is completed by the producer.

An application for payment is not considered filed until all production

information has been submitted, including appraisal data and production evidence, and agreed to in "Part E" of the CCC-576.

Any producer having an interest in the crop or commodity may file a CCC-576. However, all producers on a unit are bound by the operator's filing or failure to file, unless the individual producers elect to timely file notice.

The NAP Application for Coverage, Form CCC-471, must be filed by the applicable application closing date for the crop, with the appropriate fees paid, in order for Form CCC-576 to be approved by FSA.

### ***New Program Compliance Procedure for 2007***

FSA has revised its compliance procedures for 2007 program reviews. In past years, each county office reviewed a random sample of producers as part of their overall compliance activities. Beginning with 2007, a sample of producers will be selected from the national database and those producers will have all of their programs reviewed. In addition to nationally selected producers, county offices may select additional producers if they have concerns about program compliance. This change in national procedure has been implemented as a time and cost savings of 368,000 hours and \$3.7 million.

### ***FSA, RMA Coordinate 2007 Crop Insurance Monitoring Activities***

The Farm Service Agency and the Risk Management Agency are jointly monitoring activities to detect and prevent program fraud, waste and abuse. The Risk Management Agency (RMA) provides oversight for private insurance companies that issue crop insurance policies. With the crop acreage reporting functions provided by the Farm Service Agency (FSA),

these two USDA agencies are natural partners to provide program integrity for the insurance program.

With FSA statewide presence, this provides additional opportunities to detect possible crop insurance program fraud, waste and abuse that will be reported to RMA for follow up action. Producers are encouraged to report suspected cases to their local FSA Service Center, RMA Office or the Office of Inspector General (OIG). FSA completes monitoring activities for RMA by completing growing season inspections, as well as assistance in auditing claims. A small number of policy holders with losses are the insureds that RMA will request FSA to monitor.

### ***Crop Acreage Reports***

If you apply for marketing assistance loans and loan deficiency payments or participate in the Direct and Counter-cyclical Payment, Conservation Reserve or Noninsured Crop Disaster Assistance programs, you are required to file a crop acreage report each year. The final date to file a report for 2007 is July 2 for small grains and July 16 for all other crops.

### ***Farm Reconstitutions***

In Farm Service Agency terms, 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 called for.

The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by August 1 for farms enrolled in the Direct and Counter-cyclical Payment Program.

- Estate Method – the division of bases for a parent farm among heirs in settling an estate;

- Designation of Landowner Method – may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;
- Default Method – the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system;
- CDP Cropland Method – the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract.

The final date to request a 2007 reconstitution is August 1, 2007. If 2007 DCP direct payments have already been issued on the farm, the reconstitution will be effective for 2008 unless the payments are refunded.

### ***It's Not Too Late...***

...to sign up for the 2007 Direct and Counter-cyclical Payment Program, but having missed the August 3 deadline will cost you a late-filing fee of \$100 per farm.

You have until September 28, 2007, to sign up for the 2006 DCP.

When signing the 2007 contract, remember that contract shares should correspond with (1) the shares and risk and (2) control of base acreage reported on acreage reports.

Succession to contract shares for 2007 must be reported and new contracts

### ***Dates to Remember***

July 2	Final certification date for small grains.
July 4	Independence Day Holiday. FSA offices closed.
July 16	Final certification date for spring planted crops, other than small grains.
Aug. 1	Final date to submit nomination to be on county committee election ballot
Aug. 1	Final date to request a 2007 farm reconstitution.
Sept. 1	NAP final application date for value loss crops, nursery crops, turf grass sod, Christmas trees and aquaculture.
Sept. 30	NAP final application date for alfalfa, mixed forage, fall seeded annual crops (rye, wheat, triticale) and grass.
Sept. 30	Final date to revise 2006 Direct and Counter-cyclical Payment

signed no later than September 28, 2007.

Contact the staff of your local county office for details.

### ***Nominations Accepted for County Committee***

It's county committee election time and your local Farm Service Agency county office is accepting nominations for candidates. County committees have three to five members, each representing one of the county's local administrative areas, and each serving a three-year term.

Every year one-third of the seats on the county committee are up for election. Most counties are divided into three LAAs, and that means one seat will be filled this election. Combined counties have as many as five LAAs. Some of these counties may be filling two seats this year.

From June 15 through August 1, county offices will be accepting nominations for candidates to run for a seat on the committee. To be a candidate, the nominee must be eligible to vote in the election and must reside in the LAA holding the election.

**Who can vote?** If you are of legal voting age and have an interest in a farm or ranch and you are eligible to participate in any FSA program that is provided for by law, you are an eligible voter. If you are not of legal voting age but supervise and conduct the farming

operations on an entire farm, and you are eligible to participate in any FSA program that is provided for by law, you are also an eligible voter. If you have a question about your eligibility, contact your county office staff.

**Nominate or be Nominated.** Eligible voters can nominate one or more candidates to run for office. If you are an eligible voter and reside in the local administrative area that is holding this year's election, you can be nominated by another voter or *you can nominate yourself* as a candidate.

County committees are important to the operation of FSA. They help deliver farm programs at the local level. Producers who serve on committees help with the decisions necessary to administer the programs their counties offer. They work to serve the needs of local producers.

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Stop by your local FSA county office to pick up nomination forms (FSA-669A) or download them from the FSA Web site. Go to <http://www.fsa.usda.gov> and click on the Vote icon.

Remember, you can nominate as many candidates as you like, but you must use a separate form for each candidate. Also, nominees must sign the form, indicating their willingness to serve if elected.

### **Election Timeline**

- June 15 – Nomination period begins
- Aug. 1 – Deadline to submit nomination forms
- Nov. 2 – Ballots mailed to eligible voters
- Dec. 3 – Deadline to submit completed ballots
- Jan. 1, 2008 – New committee members and alternates take office.

### **Election Guidelines**

Guidelines are in effect to help ensure that Farm Service Agency county committees fairly represent all agricultural producers in a county, including farmers and ranchers who are members of a socially disadvantaged group.

Socially disadvantaged farmers and ranchers include African Americans, American Indians, Alaskan Natives, Hispanics, Asians, Pacific Islanders and women.

The guidelines were authorized by the 2002 Farm Bill and are designed to increase participation on county committees by minorities and women.

Under the guidelines:

- If no valid nominations are filed, the Secretary of Agriculture may nominate up to two individuals to be placed on the ballot;
- County committees must review the local administrative area boundaries annually to ensure the fair representation of socially disadvantaged

producers in the county or multi-county area;

- FSA county office staff will actively locate and recruit eligible candidates identified as socially disadvantaged farmers or ranchers as potential nominees.

In addition to elected members, county committees may also include advisors appointed by the state committee. Advisors are appointed to committees in counties or multi-county areas with large numbers of socially disadvantaged producers or that do not have minority or female elected members on the committee.

More information on the elections, including nomination forms, is available at the county office or online at <http://www.fsa.usda.gov>.

### **Farm Storage Facility Loan Program**

Producers considering expanding their on-farm grain storage should look into the Farm Storage Facility Loan Program. This low interest loan program is available to all producers of eligible commodities to help build or upgrade commodity storage and handling facilities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, or minor oilseeds harvested as whole grain. Also eligible are corn, grain sorghum, wheat, oats or barley harvested as other than whole grain. Some of the program details include:

- Items eligible for loan are conventional bins designed for whole grain storage, oxygen limiting or upright silos designed for whole grain wet storage and silage, flat storage structures used primarily to store grain, and bunkers. Permanently affixed grain handling and drying equipment, safety equipment (ex. ladders), electrical equipment, concrete foundations, site preparation, materials and paid

labor, are also eligible.

- Used equipment, portable dryers, scales, structures of temporary nature, or structures used for commercial purposes are not eligible.
- The loan amount will be up to 85 percent of the net cost of the facility, not to exceed \$100,000 per producer.
- The loan will be for a 7-year term with annual installments.
- The interest rate will be fixed for the term of the loan. The interest rate for Farm Storage Facility Loans approved in June 2007 will be 4.625 percent.
- A down payment of 15 percent is required.
- Producers are required to carry property insurance on the storage facility and also crop insurance on the facility commodity for the term of the loan.
- Loans over \$50,000 require real estate to be taken for security.
- Eligible bushel capacity is limited to 2 years of production minus the applicant's current available storage.
- There is a \$45 non-refundable application fee.

### **FSA Farm Loans Available**

**Beginning Farmers or Ranchers Loans** – Beginning farmers or ranchers can get a “regular” farm ownership loan by using funds set aside especially for them by the Farm Service Agency. These loans finance up to 100 percent of the land's purchase price (up to the \$200,000 loan limit), and the term of the loan can be up to 40 years. The interest

rate can be either the “regular” rate of 5.375 percent as of June 1, 2007 or the “limited resource” rate of 5.00 percent.

**Beginning Farmer Down Payment Ownership Program (10-40-50)** – is available to finance the purchase of a farm up to \$250,000 of the purchase price or the appraised value whichever is less. The applicant must put down 10 percent. FSA finances up to 40 percent of the purchase price for 15 years at 4 percent interest. The remaining 50 percent of the purchase price can be financed on contract with the seller or through a conventional lender. The lender can obtain a guarantee from FSA if the customer is eligible.

The regular farm ownership loan funds may also be utilized in joint financing where FSA lends up to 50 percent of the amount financed and another lender provides 50 percent or more. The current interest rate is 5 percent with terms up to 40 years.

**Direct Operating Loans** – Obtain up to \$200,000 to finance your farm business. This includes annual operating and family living expenses, machinery, or breeding livestock purchases, refinance most operating type debts and real estate improvements or repairs.

The interest rate as of June 1, 2007 is 5.125 percent or the Limited Resource rate of 5.0 percent. The term of the loan can not exceed seven years from the date the loan is closed.

**Guaranteed Loans** – Obtain up to \$899,000 in Guaranteed Farm Ownership and/or Farm Operating loans. Funds can be used to purchase or enlarge a farm, refinance debt or for most operating uses. Under this program your local lender makes the loan and FSA provides a guarantee of up to 95 percent (depends on the circumstances) on the loan. This allows your local lender to continue to help you even if you are experiencing a decline in your financial condition.

The interest rate is negotiated with the lender but should not exceed the rate charged to their average customers. You could qualify for Interest Assistance (4 percent rate reduction on a max of \$400,000) if your financial situation will justify the need. Loans for real estate can be amortized for up to 40 years and for chattel up to 7 years.

### ***Socially Disadvantaged Farmers***

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improvements of farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of Socially Disadvantaged Applicants.

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.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

### ***LDP for Silage or Hay***

A number of producers may be harvesting commodities as silage or hay, which raises the questions about whether they may apply for marketing assistance

loans and loan deficiency payments (LDPs).

If a commodity is harvested as other than grain (silage or hay), it is not eligible for a commodity loan, but it is eligible for a LDP as long as it is mechanically harvested and a LDP rate is available for the commodity. For purposes of LDP, loan commodities harvested as silage or hay are treated the same as those harvested as grain and production is converted to a grain yield.

The producer must retain beneficial interest through the date the LDP is requested to receive the rate on the date of request. LDP intent must be filed on a form CCC-633 EZ LDP page 1 prior to harvest for commodities immediately delivered to a feedlot or fed during harvest.

### **Marketing Assistance Loans, LDPs**

Marketing assistance loans and loan deficiency payments (LDPs) can be very beneficial for many producers operations. With that in mind, it is important to understand and comply with the rules.

To be eligible for a loan or LDP, producers must:

- comply with conservation and wetland protection requirements;
- file an acreage report indicating how they use their cropland acreage on the farm;
- have beneficial interest in the commodity;
- have harvested a commodity that meets CCC minimum grade and quality standards.

Beneficial interest means the producer retains control, which allows them the ability to make day to day decisions about the commodity and has title to the commodity. If beneficial interest in a commodity is lost, it may not be regained to make the commodity eligible. For commodities to be eligible for loan or LDP, they must have been produced

by an eligible producer, be in existence, and in a storable condition which is merchantable as determined by CCC.

Substituted grain is not eligible for price support. If the commodity a producer intends to pledge as collateral for loan or LDP is not the grain produced and harvested by the eligible producer, but was merely exchanged for a quantity of the commodity produced and harvested by the eligible producer, it is ineligible for price support.

An example would be where grain is shipped direct delivery off the farm to the ethanol plant and not dumped at the warehouse, but the producer is given a storage position at the elevator. Since the grain was not physically deposited at the warehouse it would be considered substitution and be ineligible for price support.

Individuals and entities whose previous three-year average adjusted gross income, or AGI, exceeds \$2.5 million are ineligible for LDP and market loan gains unless they can show that at least 75 percent of their AGI comes from agriculture.

The total payment limitation of LDP and market loan gains received by a producer is limited to \$75,000 for each crop year.

Participation in the Direct and Countercyclical Program is not required to be eligible for loan or LDP. However, the crop acreage must be certified.

Violating provisions of the loan and LDP program may trigger administrative actions such as assessing liquidated damages, calling the loan and denial of future farm-stored loans and LDPs. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization or providing an incorrect quantity certification.

### **Commodity Loans Maturing**

Reminder – 2006 commodity loans for farm stored commodities may mature this summer and fall. Take the time  
July 2007

to examine the condition of your grain during this weather pattern of humid air and fluctuating temperatures. If you put 10,000 dollars in the bin you would check it every few days. Although your loan is subject to random spot check by Commodity Credit Corporation (CCC), it is the producer's responsibility to maintain the condition of the grain. Quality losses can be disastrous.

Do not forget, grain under CCC loan cannot be removed without prior authorization or repayment. A simple telephone call or visit to the office to request an authorization will avoid a loan violation which is subject to monetary and administrative penalties.

### **Graze Out for Small Grains**

The Graze Out program is for eligible producers who elect to use their wheat, barley, oats or triticale acreage for grazing by livestock and agree to forgo any other harvesting of the commodity on such acreage during the applicable crop year.

The application period for Graze Out begins on the first day the crop is normally mechanically harvested as determined by the county committee, and ends on March 31 of the calendar year following the year the crop is normally harvested. Producers may file an application for Graze Out any time during the application period when a LDP rate is available, and applications may not be cancelled or withdrawn once submitted.

An eligible producer for Graze Out is any producer who is eligible for a marketing assistance loan and who meets all of the following requirements:

- requests Graze-Out payments on loan deficiency payment certification and application (CCC-633 Grazing) before March 31 of the calendar year following the year the crop is normally harvested;
- agrees to forgo any other harvesting of the commodity on the acreage planted for grazing by livestock;
- and retains beneficial interest

through the date the crop is grazed out.

Eligible acreage for Graze Out is any acreage of wheat, barley, oats or triticale that is certified with intended use as grazing. The crop must be entirely grazed out and not mechanically harvested. Crop acreage requested for Graze-Out is not eligible for any other marketing assistance loan or LDP, a crop insurance indemnity, or Noninsured Crop Disaster Assistance Program or Crop Disaster Program.

### **LDP Reminder**

Although many commodity prices are above the county loan rate and LDP may not be currently available, interest in loan deficiency payments may pick up if prices spike downward. It's a good time for a mini-refresher on LDP options.

### **Storing Commodities on the Farm**

placed in farm storage, you can request a farm-stored LDP using the CCC-633 EZ pages 1 and 2 until the commodity leaves your farm or is fed. You must execute the intention for a LDP using a CCC-633 EZ page 1 before you sell or feed the crop and it can be done right now to protect yourself even if there is no LDP rate in effect. The payment rate would be based on the date you submit the request on page 2.

The LDP quantity can be measured by the office for a fee or certified. If you are certifying the bushels, be prepared to provide the bin dimensions, height of grain, test weight, and moisture. Certified quantities are subject to random spot check.

### **Grain Delivered Directly From the Field to a Buyer, Processor, Ethanol Plant, Unlicensed Facility or Feedlot**

You must sign a CCC-633 EZ page 1 prior to crop harvest since you will lose beneficial interest. The LDP rate is based upon the date the grain is delivered once you file the CCC-633 EZ page 2 and provide your production

evidence. Your sales receipts or summary sheets are your documentation. Receipts should include your name and address; the buyer's name, address and phone number; quantity delivered; the date of delivery; and the grade, test weight and moisture content. A scale ticket alone is not acceptable production evidence.

### Grain Being Fed During Harvest

Chopped corn, for instance, fed during harvest is still eligible for a LDP. Keep track of the harvest dates and the tonnage chopped and fed daily. You must sign a CCC-633 EZ page 1 prior to harvest. The LDP rate is based on the dates fed. The county committee determines your yield using the whole grain quantity harvested on your farm, three similar farms, or tonnage. You execute your page 2 LDP request after harvest and provide your documentation to the office by the final loan availability date. Grazing is not considered harvested.

### Grain Delivered to a Licensed Warehouse

For quantities delivered to approved warehouses where beneficial interest will be maintained, the producer must complete a CCC-633 EZ page 1 before beneficial interest is lost. Acceptable production evidence in the form of summary sheets, scale tickets, etc., must be provided at the time of completion of the CCC-633 EZ page 2 request.

### Price Support Payment Limitation Issues

It is not the responsibility of Farm Service Agency employees to maintain totals of benefits (e.g., marketing assistance loans and loan deficiency payments) to inform you of payment limitation earnings. Determined person or persons are responsible for keeping track of their own limitation based upon their submitted applications.

The gain earned from the commod-

ity loan redemption using commodity certificates does not apply toward the payment limitation. The option to lock in a posted county price is not available for locking in a commodity certificate or rate.

The rate for the purchase of commodity certificates is based upon the daily posted county price on the date you purchase the commodity certificates. The commodity certificates must be redeemed on the same day they are purchased. You cannot lock-in a posted county price for later use of loan repayment and expect to use commodity certificates using the lock-in rate.

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