



## **“SCOOP”**

### **ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE**

**February 2014**

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## **CONSERVATION RESERVE PROGRAM (CRP)**

Arkansas State Committee has been granted an exemption to the required mid-contract management activity for the following tree practices – CP3, CP3A, CP11, CP31, CP38C, and CP40. If you have a mid-contract management activity written into your Conservation Plan of Operation, and you would like to request an exemption – **contact your FSA office.**

Also, the Arkansas State Committee has been granted authority to review requests for exemption to the required mid-contract management activity on a case by case basis for these tree practices – CP23, CP23A, CP38B, *when the cover established was a woodland ecosystem. Grassland ecosystem covers are not exempt.* Again, if you wish to request an exemption – **contact your FSA office.**

### **All other practices must have mid-contract management activities performed.**

FSA's authority to accept or approve offers ended September 30, 2013; this continues until a new Farm Bill or an extension to the current bill is implemented.

A reminder to all current CRP participants that there are certain obligations you have made when entering the contract. The obligations and agreements are outlined in the Appendix to the CRP-1 and Conservation Plan of Operation that are part of your contract, and you were given copies at the time you signed the contract.

Some important things to remember:

- You have agreed to comply with the terms and conditions of the Conservation Plan;
- To establish, maintain, and replace, as specified in the CRP contract, the practices agreed to in the Conservation Plan;
- Not to harvest or sell, nor otherwise make commercial use of, trees or forage or other cover on the CRP land including the shearing or shaping of trees for future use as Christmas trees (the participants may conduct pruning, thinning, stand improvement, or other activities consistent with customary forestry practices on land that is planted to trees);
- Not to undertake any action on land under the participant's control which tends to defeat the purposes of this contract, as determined by FSA;
- To annually certify crop and land use for the farm with the FSA on the appropriate form, accurately listing all land enrolled in CRP on the farm, not later than the final reporting date determined and announced by the Farm Service Agency
- To control on land subject to a CRP contract all weeds, insects, pests and other undesirable species to the extent necessary to ensure that the establishment and maintenance of the approved cover is adequately protected and to provide such maintenance as necessary to avoid an adverse impact on surrounding land, taking into consideration water quality, wildlife and other factors;
- Not to disturb the acreage under contract during the primary nesting and brood rearing season for wildlife, which is April 1 through July 15
- To perform certain periodic management activities described in the conservation plan to maintain the approved cover such as light disking, burning, etc.

## **EMERGENCY CONSERVATION PROGRAM (ECP)**

If you have been approved and funded for assistance, please be mindful of the expiration date for implementing the practice(s) for which you applied. An extension, if justified, must be requested before the expiration date.

## **EMERGENCY FOREST RESTORATION PROGRAM (EFRP)**

If you have been approved and funded for assistance, please be mindful of the expiration date for implementing the practice(s) for which you applied. An extension, if justified, must be requested before the expiration date.

## **BIOMASS CROP ASSISTANCE PROGRAM (BCAP)**

BCAP Contracts that were approved for the 2011 and 2012 years will receive annual payments during the anniversary month of the contract's effective date.

If there will be a harvest of the Giant Miscanthus in 2014, please review the Conservation Plan of operations for the Forage Harvest management requirements, and contact your local FSA office with any questions concerning harvest or contract payment reduction.

## **SUPPORTING DOCUMENTATION REQUIRED TO PARTICIPATE IN THE 2013 DCP OR ACRE PROGRAM FOR PAYMENT PURPOSES**

Before final payments can be issued for the 2013 DCP or ACRE Program, the following supporting documentation must be submitted:

1. CCC-902, Farm Operating Plan for Payment Eligibility Review
2. AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC)
3. CCC-933, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information
4. A FSA-578 acreage report for all acreage on the farm.

## **ABSENTEE LANDOWNERS MAY BE DECEASED**

Many farm producers rely on the FSA-211, Power of Attorney, and sign documents on behalf of the absentee landowner, and later discover through FSA review that the landowner is deceased. When this occurs, it affects every producer on the program contract. FSA must be notified **immediately** upon the death of producers who are participating in FSA programs. Failure to notify FSA, and make timely modifications to program contracts may result in a loss of benefits. **Once a person dies, the power-of-attorney is no longer valid.** It is producer's responsibility that signs an FSA document to ensure that the document they sign, and the signature they provide are accurate.

## **BEFORE YOU SIGN FSA DOCUMENTS**

Before signing documents prepared by FSA county offices employees, producers shall review the documents for accuracy. By signing, you are agreeing to the information that is reflected in the document. Later if it is determined the information is incorrect, and the applicable deadline has passed, the incorrect information may result in being determined ineligible for payment.

## **FSA SIGNATURE POLICY**

Providing the correct signature when doing business with FSA can save time and prevent a delay in program and farm loan program benefits. The following are FSA signature guidelines:

### **Policy for Program Benefits such as but not limited to DCP, ACRE, LDPs, MAL, Price Support Loans, SURE, NAP, LIP, LFP, BWEP, CRP:**

- A married woman shall sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature, and a signature from an eligible parent
- (Note, by signing the applicable document, the parent is liable for actions of the minor, and may be liable for refunds, liquidated damages, etc.)
- When signing on one's behalf, the signature must agree with the name typed or printed on the form, or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J. W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc.
- FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.
- Spouses may sign documents on behalf of each other for FSA, and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office.
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities.
- Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office.
- Persons signing in a representative capacity must ensure that the applicant is still living. Once a person is deceased, signature authority ceases to exist. If an FSA document is signed in a representative capacity for a deceased person, then the document is invalid and FSA program benefits are not earned.

**Policy for Farm Loan Programs:** - Farm Loan Programs and Farm Programs have different signature requirements. Producer's requesting benefits with our FSA Loan Division should work with their local representative to ensure correct signatures are obtained.

## **FINAL PAYMENTS**

For 2013, advance “direct” payments were not authorized. Final payments were released in mid-October 2013 for those payments that were eligible. All eligibility requirements must be met, and all supporting documentation must be on file before payments are issued.

Partial advanced “counter-cyclical” payments were not authorized for 2013. Final counter-cyclical payments will be made beginning October 1, or as soon as possible, after the end of the 12-month marketing year for the applicable commodity.

## **REMINDER FOR PRODUCERS**

Before FSA recognizes double-cropped acreage as double cropped, the Arkansas State Committee must approve the double-cropping practice.

- The Arkansas State Committee has approved soybeans behind wheat and oats for all counties in Arkansas.
- Be sure and check with your county to see if there are other approved double cropping crops.
- If the crop is not recognized as a double cropped practice, a producer has the option of showing he/she successfully produces the specific crops in double cropping practices.
- Details are available at your local FSA office.

## **FEDERAL CROP INSURANCE PROGRAM INTEGRITY**

The Agricultural Risk Protection Act of 2000 requires Farm Service Agency (FSA), and Risk Management Agency (RMA) to work together, to improve program compliance, and integrity of the Federal Crop Insurance Program.

- FSA will be assisting RMA and insurance providers in monitoring crop conditions throughout the growing season
- FSA will refer all suspected cases of fraud, waste, and abuse in the Federal Crop Insurance Program to RMA
- Producers may report suspected cases of fraud, waste, and abuse to their local FSA County Office, RMA, or the Office of Inspector General (OIG)
- FSA will assist RMA with auditing claims.

## **FSA FINANCIAL INQUIRIES WEB SITE**

The U.S. Department of Agriculture (USDA) Farm Service Agency's (FSA) Financial Inquiries Web Site is an Internet-based service that allows agricultural producers and other customers to generate reports showing their current, and historical financial information related to FSA programs. Authorized customers may view summary and detailed information about specific payments received, collections paid, outstanding debt (excluding loans), and information reported on the Commodity Credit Corporation (CCC) Form 1099. For additional information, visit <http://www.fsa.usda.gov>. From the top menu bar, click on "Online Services." Under "Related Topics," click on "Financial Inquiries for FSA Producers."

## **FSA ASSIGNMENTS**

An "assignment of payment" is a service provided by the Farm Service Agency (FSA) for producers who are eligible to receive specified program payments from FSA or Commodity Credit Corporation (CCC) programs. Those eligible Producers may arrange to have all or part of their payments assigned directly to another party either by electronic funds transfer (EFT) using the Automated Clearing House (ACH) method or by check. This allows a third party, such as a person or entity, to receive a selected program payment directly from FSA/CCC in lieu of receiving the payment from a producer. To assign eligible FSA or CCC program payments, producers must either use the web-based Assignment application or submit a completed form CCC-36, Assignment of Payments, and CCC-252, Instrument of Assignment form. The assignee must complete and sign SF-3881, ACH Vendor/Miscellaneous Payment Enrollment, to initiate EFT transactions. For additional information on assigning FSA and CCC program payments and other FSA programs and services, contact your FSA county office, or visit FSA's Web site at <http://www.fsa.usda.gov>

## **CHANGING BANKS**

Almost all Farm Service Agency payments are made electronically using direct deposit.

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.

## **SELLING LAND**

If you plan on selling farmland, you should be aware of several consequences associated with FSA programs. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

## **INCREASED GUARANTEED LOAN LIMIT**

The loan limit for the Guaranteed Loan Program increased to \$1,355,000 on Oct. 1, 2013. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness will also increase to \$1,655,000.

As a reminder, the one-time loan origination fee charged on FSA guaranteed Farm Ownership and Operating loans is 1.5 percent of the guaranteed portion of the loan.

Producers should contact their local FSA County Offices with questions about farm loans.

## **MICROLOAN PROGRAM**

The Farm Service Agency (FSA) developed the Microloan program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA). Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with a Loan Approval Official.

## **RURAL YOUTH 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 agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

### **Youth Loan Eligibility Requirements:**

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer 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 for help preparing and processing the application forms.

## **BEGINNING AND LIMITED RESOURCE FARMERS**

FSA assists beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- 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 percent of the county's median size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

## **LOANS FOR THE SOCIALLY DISADVANTAGED**

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 improve 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.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

## **FARM RECONSTITUTIONS**

When changes in farm 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.

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 Aug. 1 for farms enrolled in the Direct and Counter-Cyclical Program.

**Estate Method** — the division of bases, allotments and quotas 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;

**DCP 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;

**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. If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.

Selected Interest Rates for January 2014	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.000%
Farm Ownership Loans — Direct	4.250%
Farm Ownership Loans, Direct Down Payment, Beginning farmer or Rancher	1.500%
Emergency Loans	3.000%
Farm Storage Facility Loans 7 years	2.375%
Farm Storage Facility Loans 10 years	3.000%
Farm Storage Facility Loans 12 years	3.125%
Sugar Storage Facility Loans	3.375%
Commodity Loans 1996-Present	1.125%

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## **PROGRAM DEADLINES**

<b>2014 NAP Application Closing Dates:</b> <b>(last date to purchase 2014 crop year coverage) for:</b>  Beans (spring and fall), fresh—(Does not include Green beans) Cantaloupes Corn, grain, Rice grain, Soybeans grain, Sorghum grain Cotton, Cucumbers (spring and fall), fresh Eggplant fresh, Lettuce fresh, Okra, Peppers fresh Pumpkins fresh, Squash (spring and fall) fresh Sugarcane fresh, Watermelons fresh, Sunflowers, Sweet Potatoes Corn forage, Millet forage, Sorghum forage	<b>February 28, 2014</b>
<b>2014 NAP Application Closing Dates:</b> <b>(last date to purchase 2014 crop year coverage) for:</b>  Green Beans, Sweet Corn Tomatoes, (spring and fall), fresh All forage and grazing crops - (except wheat, rye, barley, and oats)	<b>March 15, 2014</b>
<b><u>Final</u> date to inform FSA of crop losses</b>	<b>Before Crop Disposition</b>
<b><u>Final</u> date to file prevented planted acreage/credit for Corn</b>	<b>May 10, 2014</b>
<b><u>Final</u> date to file prevented planted acreage/credit for Grain Sorghum</b>	<b>May 30, 2014</b>
<b><u>Final</u> date to file prevented planted acreage/credit for Upland Cotton for: Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, St. Francis, White, and Woodruff Counties</b>	<b>June 4, 2014</b>
<b><u>Final</u> date to file prevented planted acreage/credit for Rice</b>	<b>June 9, 2014</b>
<b><u>Final</u> date to file prevented planted acreage/credit for Upland Cotton for: Arkansas, Ashley, Bradley, Chicot, Clark, Dallas, Desha, Drew, Jefferson, Lafayette, Lee, Lincoln, Little River, Lonoke, Miller, Monroe, Phillips, Prairie, and Pulaski Counties</b>	<b>June 9, 2014</b>
<b><u>Final</u> date to file prevented planted acreage/credit for Peanuts</b>	<b>June 9, 2014</b>
<b><u>Final</u> date to file prevented planted acreage/credit for Soybeans Not Following Another Crop (NFAC)</b>	<b>June 30, 2014</b>
<b><u>Final</u> date to file prevented planted acreage/credit for Soybeans Following Another Crop (FAC)</b>	<b>July 10, 2014</b>
<b><u>Final</u> date to Report 2014 Spring Seeded Crops</b> (Note crop insured under the NAP Program may have an earlier acreage reporting date. Check with your local county office for verification.)	<b>July 15, 2014</b>