

Texas FSA Today

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

February 2008

DON'T DELAY!

SIGN-UP FOR LIVESTOCK & CROP DISASTER ASSISTANCE NOW!

When a new Farm Bill is announced, FSA anticipates a heavy workload further compounded by spring crop reporting dates as early as April 15. Additionally, we expect to be implementing a signup of the quality loss portion of the Crop Disaster Program (CDP) soon. Needless to say, our staff will be busy.

If you are eligible for the Livestock Indemnity Program (LIP), Livestock Compensation Program (LCP) or the Crop Disaster Program (CDP) for quantity loss, we **STRONGLY** encourage you to sign-up for these programs by March 31 to insure that we have adequate time to meet your needs before the blitz of program sign-ups swamps our county offices.

FSA RESCHEDULES SIGN-UP FOR DAIRY DISASTER ASSISTANCE PROGRAM

The U.S. Department of Agriculture Farm Service Agency (FSA) today announced that it is postponing sign-up for the Dairy Disaster Assistance Program (DDAP-III) until the agency publishes final regulations in the Federal Register. Sign-up for DDAP-III was scheduled to resume Feb. 4, 2008.

Unlike other disaster programs, regulations require issuance of a proposed rule and opportunity for public comments on the rule prior to accepting applications. FSA is currently finalizing its review of the numerous comments received from the proposed rule and expects to publish

final regulations for DDAP-III within the next few weeks.

ED SCHAFER SWORN IN AS SECRETARY OF AGRICULTURE

Ed Schafer was sworn in as the 29th Secretary of the U.S. Department of Agriculture (USDA) on January 28, 2008. Secretary Schafer brings a record as an innovative two-term governor of North Dakota to USDA along with extensive private sector experience as both an entrepreneur and a business executive.

Schafer served as North Dakota's governor from 1992 to 2000 and made diversifying and expanding North Dakota's economy, reducing the cost of government and advancing agriculture his top priorities in office.

He worked to normalize trade relations with China and to develop that nation as an export market for North Dakota farm products. He led efforts to upgrade North Dakota's communications infrastructure and make high-speed voice and data networks available to farmers, ranchers and rural businesses.

In 2000, Schafer was elected chair of the Republican Governors Association and he co-founded and co-chaired the Governors Biotechnology Partnership to increase public understanding and support for the benefits of agricultural biotechnology.

In keeping with his lifelong interest in conservation, Schafer helped arrange the U.S. Forest Service's May 2007 purchase of the 5,200 acre Elkhorn ranch in North Dakota, an historic site where Theodore Roosevelt lived and

operated a cattle ranch in the 1880s. The ranch is near the preserved town of Medora—the state's leading tourist attraction.

Born and raised in Bismarck, North Dakota, Schafer graduated from the University of North Dakota in 1969 with a bachelor's degree in Business Administration and earned an MBA from the University of Denver in 1970.

2002 FARM BILL EXTENSION

The 2008 catch-all spending bill signed by President Bush on Dec. 26, 2007, extends FSA's authority to administer the Conservation Reserve Program and marketing loan benefits for wool and mohair through March 15, 2008. It also allows the Milk Price Support Program to continue operating at current price support levels through March 15, 2008. Under the 2002 Farm Bill, USDA's authority to administer these three programs expired on Dec. 31, 2007.

The law also provides \$3.3 billion in direct and guaranteed loan funds for FSA's Farm Loan Programs.

DISASTER ELIGIBILITY DATE EXTENDED

Eligible farmers and ranchers who suffered livestock, livestock feed and crop losses that occurred before Dec. 31, 2007, can now apply to receive disaster payments.

FSA is accepting applications and making payments for quantity losses under CDP that occurred before Dec. 31, 2007. FSA is currently issuing

LCP and LIP payments for losses that occurred up to Feb. 28, 2007, and will soon issue payments for losses incurred during the remainder of 2007. Sign-up for quality losses under CDP will begin this spring. More information about CDP, LCP and LIP is available online at: <http://disaster.fsa.usda.gov>.

The Dairy Disaster Assistance Payment (DDAP-III) Program, which provides benefits to eligible dairy producers for production losses suffered as a result of natural disasters since Jan. 1, 2005, was extended to include disasters occurring before Dec. 31, 2007.

As a result, DDAP-III sign-up, which began Dec. 3, 2007, was temporarily suspended until such time as automation, policy, procedure and other administrative items can be updated accordingly. FSA will announce when DDAP-III program sign-up will resume.

NEW WILDLIFE INITIATIVE APPROVED FOR TEXAS

USDA approved conservation projects on a quarter-million acres in 18 states under a new partnership within the Conservation Reserve Program called State Acres for wildlife Enhancement (SAFE).

SAFE practices provide the flexibility to meet the specific needs of high-value wildlife species in a participating state or region. Conservation practices currently offered under CRP are fine-tuned through SAFE to improve, connect or create higher-quality habitat to promote healthier ecosystems in areas identified as essential to effective management of high priority species. SAFE, like other continuous CRP practices, targets CRP acres to the most environmentally sensitive land. USDA's national goal is to restore or enhance 500,000 acres of wildlife habitat through SAFE.

Producers will receive annual CRP rental payments, incentives and cost-share assistance to establish habitat-enhancing natural covers on eligible

land. Producers enrolling in CRP enter into contracts with USDA's Commodity Credit Corporation (CCC).

When known, FSA will announce a beginning sign-up date for SAFE in the near future and conduct sign-up on a continuous basis. Producers can voluntarily offer land for enrollment in SAFE and other CRP programs at their local FSA service center.

Texas was awarded three SAFE projects with an acreage allocation totaling 39,400 acres.

- ***The Lower Rio Grande Valley project*** includes 5,000 acres of cropland located in Cameron, Hidalgo, Kenedy and Willacy counties. The project goal is to restore the thornscrub habitat for the benefit of the endangered Ocelot and other Wildlife species.
- ***The Gulf Coast Prairie project*** includes 14,400 acres of cropland located in Aransas, Austin, Brazoria, Calhoun, Chambers, Colorado, Fort Bend, Galveston, Goliad, Harris, Jackson, Jefferson, Lavaca, Liberty, Matagorda, Orange, Refugio, San Patricio, Victoria, Waller and Wharton counties of Texas. The project goal is to restore grassland and shallow water areas to benefit targeted species which include the Mottled Duck, Le Conte's Sparrow, Grasshopper Sparrow, Henslow's Sparrow and Attwater's Greater Prairie Chicken as well as other Wildlife species.
- ***The Mixed Grass Prairie project*** includes 20,000 acres of cropland located in Lipscomb, Ochiltree, Castro, Deaf Smith, Parmer, Randall, Cochran, Hockley, Terry, Yoakum, Andrews, Dawson, Gaines, and Martin counties of Texas. These counties include to location of the 4 targeted Lesser Prairie Chicken population complexes. The project goal is to reconnect geographically the isolated populations of the Lesser Prairie Chicken by restoring grassland habitat and travel corridors.

KANSAS CITY MAILS 1099-G

During the last week of January, producers who received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you in calendar year 2007. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend that you check the amounts shown with those in your records to ensure the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with eAuthentication user ID's and passwords can access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports." Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

CONSERVATION COMPLIANCE

All participants in USDA programs are required to have a conservation system in place on all the highly erodible land (HEL) on which they operate. Certain actions can affect your conservation compliance, including: renting new cropland, purchasing new land, breaking out additional cropland, planting different crops such as soybeans, and changing or removing existing conservation practices. If you are considering any of these actions, contact the FSA office first..

Also, it is very important that you contact our office before modifying any wetland or drainage ditch by tiling, draining, dredging, filling, or leveling. Failure to obtain advance approval for any of these actions can result in your ineligibility for all Federal program payments.

HONEY LOANS AVAILABLE

Marketing assistance loans and loan deficiency payments for 2007 crop year honey are available until March 31, 2008. The national loan rate for honey is \$0.60 per pound. Market prices currently exceed the loan rate; so LDPs are not available right now.

To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extracted the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping the honey. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan.

The honey must be produced in the United States by an eligible producer, from an approved floral source, and stored in approved containers.

Containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed.

Honey used as collateral may not be disposed of without FSA's approval.

DIRECT AND GUARANTEED LOANS AVAILABLE

FSA is committed to helping meet the credit needs of the Nation's family farmers. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are available now.

If you've had a financial setback and your lender is reluctant to extend or renew your loan ask your lender about an FSA loan guarantee.

Loan funds are available now — apply early so that a loan can be processed and funded in a timely manner. Most of our loan programs have special funding available for minority, female and beginning farmers.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it or who to contact to get it. To find out more about FSA loan programs, contact the county office staff.

LOANS FOR BEGINNING FARMERS

FSA has funding to assist beginning farmers 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 average size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

FARM LOAN PROGRAM RULES STREAMLINED

Beginning January 1, 2008, farmers, ranchers and producers will find it easier to apply for FSA's Farm Loan Programs. Over the past few years FSA has streamlined areas of its farm loan programs, such as the Guaranteed

and Emergency Loan Programs, by revising loan making and servicing requirements and procedures to better serve applicants and borrowers.

Streamlining of the Direct Loans Program includes:

- Reducing applicable federal regulations by more than 80 percent
- Modifying requirements to more closely conform to those used by other lenders
- Ensuring all forms are available on-line
- Reducing the number of forms required by nearly 50%
- Consolidating guidance into six handbooks instead of nearly 40 instruction manuals.

Program rules and forms will officially change on Dec. 31, 2007 allowing employees time for nationwide training on the new forms and rules. Until then, FSA will follow current procedures.

The streamlining rule can be viewed via the Federal Register at http://www.access.gpo.gov/su_docs/fedreg/frcont07.html.

More information about streamlining can be provided by local Farm Loan Program staff or online at <http://www.fsa.usda.gov>; click on "Farm Loan Programs" for more information.

COUNTY COMMITTEE ADVISORS

FSA County Committee (COC) Advisors are a valued voice for under represented groups and socially disadvantaged farmers and ranchers.

COC members and their County Executive Directors, actively reach out to producer groups who are under represented on county committees. The COC submit the name of their nominee to the State Committee for confirmation, no later than February 1 of each year.

Eligibility requirements for COC Advisor nominee include:

- be actively participating in farming or ranching in the county or area
- be willing and able to serve as an advisor, if appointed
- indicate in writing a willingness and ability to serve

COC Advisors serve for a 12-month period not to exceed 9 consecutive years beginning March 1 each year.

Duties and responsibilities of COC Advisors include:

- attending each COC meeting, including executive sessions
- participating in all deliberations
- increasing awareness of and participation in FSA activities, including elections, by eligible voters to ensure that socially disadvantaged group problems and viewpoints are understood and considered in FSA actions
- helping to develop interest and incentives in socially disadvantaged group members for considering FSA work as a career
- actively soliciting candidates from socially disadvantaged groups for nomination during the election process
- able to perform special duties at COC's request

Note: Advisors do not have authority to sign documents.

NAP COVERAGE DEADLINE

The deadline date is fast approaching for producers to apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee MUST be filed by the

closing date for 2008 spring seeded crops including vegetables. Producers should contact the local FSA for dates specific to their respective county.

The service fee is \$100 per crop per county or \$300 per producer per county. The fee cannot exceed a total of \$900 per producer for individuals with farming interests in multiple counties. Limited resource producers may request a waiver for service fees.

To qualify, a producer must be a landowner, tenant or sharecropper who shares in the risk of producing an eligible crop.

IMPORTANCE OF AGRICULTURE STATISTICS SERVICE QUARTERLY SURVEYS

Have you been asked to participate in a survey with USDA's Agriculture Statistics Service?

The Quarterly Agricultural Surveys, conducted by the National Agricultural Statistics Service (NASS) provide inventory and production estimates for crops and livestock at state and national levels. Each quarter a list sample of farm operators are contacted by mail, telephone or personal interview for inventory information on the land they operate. Sample segments also screened for farm operators.

Why is it important for producers to participate in these surveys? Because...

Statistical information on acreage, production, stocks, prices, and income is essential for the smooth operation of Federal farm programs. It is also indispensable for planning and administering related Federal and State programs in such areas as consumer protection, conservation and environmental quality, trade, education, and recreation.

Moreover, the regular updating of information helps to ensure an orderly flow of goods and services among agriculture's producing, processing,

and marketing sectors. Reliable, timely, and detailed crop and livestock statistics help to maintain a stable economic climate and minimize the uncertainties and risks associated with the production, marketing, and distribution of commodities.

NAP PRODUCTION RECORDS

Production records for individual crops need to be filed with our office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield.

If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable and verifiable. Records need to show crop disposition.

We recommend producers submit 2007 production records as soon as harvest is complete. All production records must be submitted by the subsequent crop year's final acreage reporting date.

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.

