Indiana State FSA Office
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INDIANA
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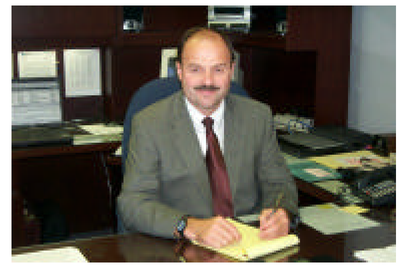
Service Above Expectations

Issue 6 **October 2002**



FROM THE STATE EXECUTIVE DIRECTOR

Welcome to the Farm Bill issue of the Indiana State FSA Newsletter.

President Bush signed the new Farm Bill into law on May 13, 2002. A primary goal of this new Farm Bill is to bring economic stability to our nation's farmers. The Farm Bill will be the guide for our nation's Ag policy over the next 6 years. Substantial changes have been made to existing programs and several new programs have been created. Soybeans have been added as a covered commodity. Other new payment programs include dairy, honey, wool and mohair. Loan rates are revised for the marketing loan program for major grains and oilseeds. The Direct and Counter Cyclical Program (DCP) will continue to make guaranteed direct payments (similar to the old AMTA program) and creates a new system of counter-cyclical payments based on market prices in relation to target prices. Limitations of Fruit/Vegetable plantings are maintained. With the addition of oilseeds as a covered commodity, fewer acres

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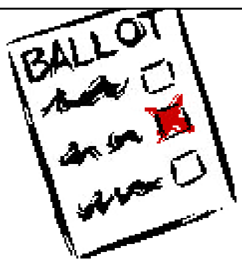
are available for fruit and vegetable production without prior planting history.

The DCP program provides participants several different base and yield options, but unlike past programs, the decision on the election of base and yield options will be the sole responsibility of the landowner. The DCP is going to require landowners and operators to communicate and research what may be the best option for their farm. I hope this newsletter will be beneficial in resolving many of your concerns, but I also encourage you to contact your local FSA office or to access one of the following web sites: (www.fsa.usda.gov), (www.fsa.usda.gov.in), and (www.afpc.tamu.edu/models/bya).

I would also like to take this time to encourage all producers regardless of race, ethnicity and gender to participate in the upcoming County Committee elections. County offices can accept nominations from October 18, 2002 through October 28, 2002.



Livestock Compensation Program

On September 19, 2002, the Secretary announced LCP. LCP will provide assistance to certain livestock producers experiencing severe 2001 and 2002 crop year feed and pasture losses because of drought. LCP is available only in counties that are either of the following:

- named as primary counties on or after January 1, 2001, under a Secretarial disaster designation
- have been requested by a Governor, no later than September 19, 2002, and are subsequently approved.

Many Counties in Indiana fit the second bullet and we are awaiting approval. Keep in touch with your local office for further developments.

apply. You must report at least 15 days prior to the onset of harvest of any crop. Crops must be reported by crop, type/variety, and include the date planted.

Provide production evidence

- Producers must provide the best verifiable or reliable evidence available for the crop by practice, type, or variety and by unit. Evidence must be summarized and provided in a manner that can be easily understood by the FSA County Committee.

- Producers must retain production evidence for 3 crop years after the crop year in which it is initially certified.

- Non-verifiable evidence may be accepted in certain circumstances if the local county committee feels evidence is reliable and production is similar to that of neighboring farms. In these situations, the evidence must be the best evidence available. The determination of reliability on non-verifiable evidence will be made at the discretion of the county committee.

Producers interested in applying for NAP coverage for 2003 crops should make application prior to the application closing date. These dates vary by crop and begin in early fall of 2002.   Check with your local FSA office to find out the date applicable to your crops.

Base Options

By: Dan Ford

The new farm bill gives owners a one-time opportunity to update the base acreage on a farm. This updated base will be used in the equation to compute farm program payments for the 2002-2007 crop years. Owners may choose one of the following 5 base options:

Option 1: Retain 2002 PFC acres

Option 2: Retain 2002 PFC acres and add the eligible oilseed acres without offset.

Option 3: Offset 2002 PFC acres and add the maximum oilseed acres.

Option 4: Update the base equal to the average acreage history 1998-2001.

Option 5: Partial Offset of 2002 PFC acres and add oilseeds up to the maximum acres, not to exceed cropland.

Owners have until April 1, 2003 to elect a base option, but a farm cannot be enrolled until after a base option is selected. If an owner fails to make a base election, the farm's base will be defaulted to the 2002 PFC acres plus eligible oilseeds (Option 2).
The new farm bill adds oilseeds as covered commodities, the eligible amount of oilseeds to be added is limited to

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the lesser of the 1998-2001 planted acres of covered commodities minus the 2002 PFC acres, or 4 year 1998-2001 average planted oilseed acreage.

The base acres on a farm are limited by the cropland. The sum of the base acres and acres enrolled in CRP or WRP cannot exceed the actual cropland unless the farm has an approved double crop history.

Base acres enrolled in the farm program must be used for an agricultural activity. Base acres cannot be used for nonagricultural, commercial or industrial use. All idle base acres shall be protected from erosion and noxious weeds controlled.

Selecting a base option is the first step in determining the amount of benefits earned on a farm. As in past years, payments will be computed on 85% of the base acreage. Planting flexibility is continued, so participants will have the freedom to plant whatever commodity they choose (except fruits and vegetables) and not affect a farm's payment. FSA will soon be mailing owners and operators a base option report to assist them in selecting a base option for each farm.

- **Report loss conditions timely**
  Form CCC-576, part B must be filed for each crop and type, or variety, as applicable, within 15 days of the date when the loss becomes apparent.

  An adjuster must be scheduled to document each loss condition as it occurs. In addition to documentation of the disaster condition, appraisals and/or post-harvest inspections may be needed to document losses.

  Producers of hand harvested crops must notify the county office within 15 days after harvest is complete and before destruction of the crop, so that an appraisal of the remaining production can be completed. The purpose of this appraisal is to document production left in the field because of quality or production that is unmarketable due to a lack of market.

- **Report crop acreage's**
  NAP crops must be certified by <u>the earlier of</u>
  - The established acreage reporting date
  - 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported

The established acreage certification date varies according to the crop. However the 2002 July 15th acreage certification deadline, which was applicable to some crops, was extended to August 15th. The certification date for individual crops may be obtained by contacting your local FSA office.

Remember. If the established acreage reporting date is not at least 15 days prior to the onset of harvest, it does not

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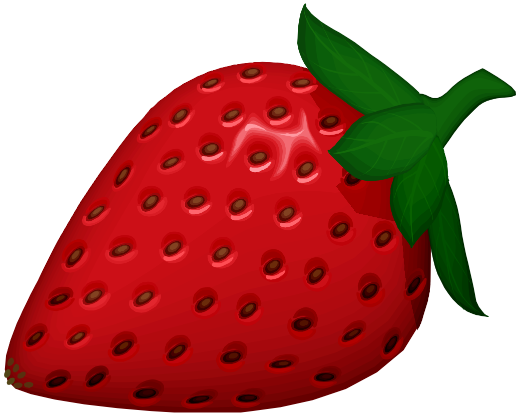

2002 Non-Insured Assistance Program

By April Mann and Jeff Fisher

The Non-Insured Assistance Program (NAP) was authorized by the Agricultural Risk Protection Act of 2000. This program is available for crops and commodities for which crop insurance is not available, NAP is designed to provide coverage equivalent to the catastrophic (CAT) level of crop insurance. Losses of greater than 50% of expected production are covered by NAP.

Producers who purchased NAP coverage for 2002 should remember that their responsibilities include the following items:

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Direct and Counter-Cyclical Payment Information

Crop	Target Price	Loan Rate	Direct Rate	Max CC Payment
Corn	2.60	1.98	.28	.34
Wheat	3.86	2.80	.52	.54
Soybeans	5.80	5.00	.44	.36
Barley	2.21	1.88	.24	.09
Oats	1.40	1.35	.024	.026

Covered Commodities for the 2002 DCP Program

Barley	Canola
Corn	Soybeans
Grain Sorghum	Sunflowers
Oats	Wheat

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Payment Yield Option

Direct Payment Yields

The new program provides for a Direct Payment Yield (Guaranteed) and a Counter-Cyclical Payment Yield (Based on Market Prices). The direct payment yield for the old PFC crops (wheat, feed grains) is the PFC yield that has been used for the past programs or an assigned yield when one is not present. For oilseeds, the direct payment yield is the average yield for the farm (1998-2001), factored by the historical yield ratio, which is .78 soybeans and .80 for Sunflowers. Producers who are unable to provide their average soybean yield for (1998-2001) will have to take an adjusted yield up to 75% of the NASS 4-year weighted county average.

Counter-Cyclical Payment Yields

The statute provides 3 methods for a Counter-Cyclical yield update. 1. Use the Direct Payment yield. 2. Use a 70.0% option 3. Use a 93.5% option. Producers and landowners will only be able to update their Counter-Cyclical yields if they choose base option 4. The method selected shall be used for all covered commodities on the farm.

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Milk Income Loss Contract Program (MILC)

By Carl Schweikhardt

The Farm Security and Rural Investment Act of 2002 authorizes the National Dairy Program entitled the Milk Income Loss Contract (MILC) Program. The act provides the nation's dairy producers with economic assistance for market losses. This program allows financial assistance on a monthly basis to dairy operations in connection with production that is sold in the commercial market, up to a limit of 2.4 million pounds of milk in a fiscal year.

The MILC Program eligibility period began December 1, 2001 and will run to September 20, 2005. An eligible dairy operation may receive a transition lump sum payment on the quantity of eligible production marketed during the period beginning December1, 2001 and ending the last day of the month preceding the month the operation's CCC-580 is executed by CCC. Payments thereafter will be made on a monthly basis. Payments will be issued on a monthly basis when the Boston Class I milk price is below $16.94 per cwt.

Dairy producers may apply for monthly payments through their local county FSA Office. Eligible producers shall apply for the MILC program by completing a CCC-580 and providing verifiable production evidence to the county office. Producers may obtain the CCC-580 from a local FSA Office in person, by telephone, by mail or by fax. Applications may also be downloaded from the internet at the following websites: http/www.fsa.usda.gov/dafp/psd/ or http://www.sc.egov.usda.gov/. Applications are now being accepted in county FSA Offices. Payments will not be processed until October.

produce the effective quota.
- Made reasonable and customary efforts to produce the crop.
- Marketed less than 80% of the farm effective quota
- Met all price support eligibility conditions.

Farms that do not file a notice of loss prior to harvesting the crop may file a notice of loss after marketings are complete. The late filed application for disaster will also have to include proof of all inputs such as receipts for plants, fertilizer, chemicals, labor, and equipment, and be reviewed by the FSA County Committee and a representative of the FSA State Office.

Farms that are approved for disaster lease and transfer provisions are then eligible to lease the undermarketings to any other farm in Indiana that has produced tobacco in excess of their effective quota.

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Examples
Historic Yield for Soybeans

Average Soybean Yield = 50 Bu. (1998-2001)

Records provided
50 X .78 = 39 Bu. Direct Payment Yield

No records provided
NASS Soybean Yield = 45 Bu. (1998-2001)
45 Bu. X 75% = 34 Bu.
34 Bu. X .78 = 27 Bu. Direct Payment Yield

Counter-Cyclical Yield Options

70% Method
45 Bu. Actual Yield - 35 Bu. Direct Yield = 10 Bu. X 70% = 7 Bu. + 35 Bu. = 42
93.5% Method
45 Bu. Actual Yield X .935 = 42 Bu

Important Dates & Public Information Web-Sites

October 2002	FSA will mail owners/operators a Base Option Report and a Yield Report. The Base Option Report will show the farm's base options using the acreage reported to FSA. The Yield Report will show the Farm's minimum yield that would be used for payments.

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October 1, 2002	Signup begins for the Direct and Counter-Cyclical program for crop years 2002 and 2003.
April 1, 2003	Ending date for owners to select Base and Yield options.
June 2, 2003	Signup for the 2002 and 2003 direct and counter cyclical program ends.
WEB-Sites	www.fsa.usda.gov www.fsa.usda.gov/in www.afpc.tamu.edu/models/bya

Production Evidence

By Marietta Kendall

One of the major changes in the New 2002 Farm Bill is that it now allows landowners and producers to update their oilseed yields for Direct payments and all covered commodities for Counter-Cyclical payments. Producers will be required to certify production on a farm by completing an FSA-658P. Many changes have been made in this area since the program was announced.

At the time of this printing, here is the type of production evidence that can be accepted. Farmers may now use LDP records as production evidence. This includes Farm Stored Certified LDP's. Also, if producers received LDP'S for silage or feeding for

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periods available in the Fall. The dates will be: September 30- October 4th, October 28-November 1st, December 2nd-6th, December 30-January 4th, February 3rd-7th. The new designation will then become effective on the second Monday after the end of the redesignation period.

DISASTER LEASE AND TRANSFER PROVISIONS

Extreme and variable weather conditions have occurred around the state this year, and as a result, crop losses may occur. Tobacco producers are reminded that undermarketings or carryover pounds on an individual marketing card, as it is sometimes referred to, can potentially be reduced after the marketing season, if the national Burley Tobacco production is less than 90% of the national effective quota. Therefore, any producer who may suffer more than a 20% loss of production due to natural disaster conditions should report the disaster conditions to their respective FSA Office on form FSA-574 prior to harvest and as soon as it is determined that the loss will exceed 20%. The operator will be required to pay a $20 fee to file the notice of loss, which will be refunded after losses exceeding 20% are confirmed and marketing's are complete.

Eligibility conditions for the growing farm are:

- planted and certified sufficient acreage to

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Eligible producers will receive $18 per ewe lamb. Once an application is approved, a percentage of the applications will be selected for a compliance spot-check. Spot-checks will consist of a review of farm records and documentation which show the purchase and retention of the number of ewe lambs and proof of scrapie program compliance. In addition, an on-site inspection will be performed to ensure the ewe lambs are being maintained by the operation.

BURLEY TOBACCO ITEMS

By Bob Backus

TOBACCO WAREHOUSE DESIGNATION

Tobacco producers should have made their designation to declare the point of sale for their tobacco by August 1, 2002. The tobacco card will be issued with the designated sale location on the front of the card. Tobacco then can only be sold at the location that is designated on the card.

For those producers who did not make their designation by August 1st, or who wish to change their designation, there will be redesignation

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which the COC approved yields, they can now use that yield. The COC may require additional information to avoid submission of duplicate records being submitted. Licensed Warehouse documentation of bushels sold/stored, etc. will also be accepted, as long as the following information is documented: Producer Name, Commodity, Buyer or Storing Facility, Transaction Date or Delivery Date and the Quantity (bushels, pounds, cwt.). Along with these changes, producers may use a factor established by the hybrid seed corn company (dependent on the variety) to make adjustments to the harvested yield. Along with the factor for seed corn, a producer can now convert corn silage to bushels (if weighed, or measured by FSA/crop insurance, or crop insurance loss records indicate # of tons). The conversion factor is TONS X 7.94= Bushels of Corn. Remember that the producer is responsible for prorating co-mingled production. The producer needs to be able to state how the production evidence was prorated and to keep copies of the documentation that was used for future spot-check purposes.

Check before you plant Fruits and Vegetables

By Doug Hovermale

Fruits and vegetables planted on base acres are prohibited unless a producer has one of the following approved exemptions;

Farm History- Farm has a history of planting fruits and vegetables during the AMTA contract period or has a history of plantings during the period 1998-2001.

Producer History- Producer has a history of growing fruits and vegetables either during the period of 1991-1995 or 1998-2001, which ever is greater. This exemption is crop and acreage specific but can be utilized by producers on farms where no history is present.

Producer Double Crop history- fruits and vegetables following a DCP crop.

If a producer plants fruits and vegetables on farms with history, or utilizes their producer history, there is an acre for acre DCP payment reduction.

However, if the producer harvests fruits and or vegetables from farms without history or does not have enough producer history to cover acres harvested, the producer is subject to both an acre for acre DCP payment reduction and a penalty equal to the value of the fruit or vegetable.

Bottom line, farmers who intend to plant fruits and or vegetables for 2003 they should visit the local office to review any limitations that may possibly affect them.

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NEW EWE LAMB PROGRAM ANNOUNCED UNDER THE LAMB MEAT ADJUSTMENT PROGRAM

By Will Herr

The Lamb Meat Adjustment Program was amended in 2002 to include a ewe lamb retention program for year 3 and 4 of the program. This program was developed to provide an incentive for producers to purchase or retain ewe lambs for breeding purposes. Year 4 of this program began on August 1, 2002, and will continue through July 31, 2003. To qualify for year 4 benefits, the ewe lambs must not be older than 18 months of age and must not have produced an offspring at the time of application. Producers that intend on lambing their ewe lambs should make application prior to lambing, otherwise the ewe lamb will be ineligible. Producers must also certify that the ewe lambs do not possess the characteristics of parrot mouth, foot rot, or scrapie. Once application has been made, the ewe lambs must be retained in the herd for at least 1 complete offspring lambing cycle. The ewe lambs must be identified through the Voluntary Scrapie Flock Certification Program or the Scrapie Eradication Program if the lambs will be moved interstate.

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Debt Collection Improvement Act
By Steve Brown

The Act provides that a person owing a delinquent non-tax debt to the Federal Government is ineligible for Federal financial assistance including direct loans (other than disaster loans) or loan insurance or guarantee. The Appropriations Act of 2001 amended the above to exclude marketing assistance loans or LDP's from the restrictions on barring delinquent Federal debtors from obtaining Federal loans or loan guarantees. Therefore, producers with any delinquent Federal non-tax debt are eligible for marketing assistance loans and LDP's with the special provision that these proceeds must be offset against outstanding FSA debts only.

Reconstitution's Opened
By Marietta Kendall

2002 Tract and Farm Divisions are now allowed. The opening of these provisions help eliminate the problem on multiple-ownership farms requiring all owners to agree to the base and yield elections. Producers can choose to repay the 2002 PFC (Production Flexibility Contract) payments, or have the county office offset the payment due on the new farm under the 2002 DCP Contract (Direct-Counter Cyclical Program). These payments will be issued after the base and yield elections have been made on the new farm. A new 2002 DCP contract will also need to be signed and approved before issuing the 2002 DCP payments. At this time, a final deadline date to request the reconstitution has not been announced.

Power of Attorney Changes
By Steve Brown

The Farm Security and Rural Investment Act of 2002 (the Act) provides producers with options and responsibilities that are significantly different and have a significant economic impact on producers that differ from past programs. Because the Farm Bill provides significantly different options and responsibilities, all current FSA Powers of Attorney are invalid for any program covered by the 2002 Farm Bill. Landowners must designate a base and yield option by April 1, 2003. For this

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designation, a landowner must sign a contract or grant a Power of Attorney to an individual on an FSA-211 to sign on his/her behalf. FSA-211's can be completed in any county office. FSA-211's completed outside a FSA county office must be notarized.

LDP's May Still Be Waiting for YOU!

By Tom Shepherd

The 2002 farm bill contained provisions to:

allow Loan Deficiency Payments for program crops (corn, wheat, etc.) grown on non-program farms during Crop Year 2001.
allow Loan Deficiency Payments on bushels that you lost beneficial interest (title, control, and risk of loss) in before requesting an LDP.
extend the deadline for requesting LDP's for bushels in which you still hold beneficial interest.

Payment rates will be based on the rate in effect on the date beneficial interest was lost, or, in the case of grain that is still being held, on the date that the LDP is requested.

The deadline to apply for LDP's under these provisions will be announced in the near future, so visit your county FSA office soon to take advantage of these "relaxed" provisions.

Farm Storage Facility Loan Program

By Chris Hollis

Could your farming operation use a new grain bin or dryer? Could your existing storage use some improvements? How about a new leg or air system? If so the Farm Service Agency's Farm Storage and Drying Equipment Loan Program could be of some assistance.

Under this program, FSA makes loans to grain producers to build or upgrade farm storage and handling facilities. Loans may be made for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities.

The maximum term of the loan is 7 years. FSA will loan on 85% of the total cost. Producers can receive a loan for up to $100,000 per person. FSA will take a lien on only the structure or handling equipment if the loan is less than $50,000. The interest rate for each loan will remain in effect for the term of the loan.

For example, the interest rate for loans approved in September is 4.0%. So far in Indiana, 283 loans have been disbursed or obligated totaling over $10,865,408 million. These loans have helped Indiana grain producers add an additional 7.55 million bushels of storage capacity in the state.

To be eligible for the Emergency Loan Program, an eligible applicant must:

- have operated a family sized farm or ranch in a disaster declared county during the disaster
- have suffered a loss because of the reason for the disaster designation for the particular county
- continue the farming operation after the loan is made
- have suffered either a physical loss to livestock, livestock products, real estate, or chattels; or suffered a 30% loss in crop production
- have an acceptable credit history and cash flow projection
- have sufficient collateral available to secure the loan
- be unable to secure adequate financing from commercial credit sources

Producers who have suffered losses since 2001, and are in need of financial assistance to place their operation in a better financial position, are encouraged to contact their local FSA County Office or the Regional Farm Loan Program Office. Reduced yields due to this summer's drought are presently being reviewed for potential disaster designations.

2002 Crop Loan & LDP Provisions

By Sandy Burkhalter

The Marketing Assistance Loan and Loan Deficiency Payment programs are much the same as in the past. However, there are some changes of which producers will need to be aware.

First, the 2002 Farm Bill makes Marketing Assistance Loans and Loan Deficiency Payments available on all eligible commodities, regardless of participation in the Farm Program. Eligible commodities are corn, wheat, grain sorghum, barley, oats, soybeans, other oilseeds, wool, mohair, honey, dry peas, lentils, and small chickpeas. Loan commodities harvested as silage are eligible for LDP's only.

Congress updated loan rates. These will be posted at your local county office or they can be accessed on the internet at www.fsa.usda.gov/dafp/psd/LoanRate.htm. Remember, these will be the rates used to compute the Posted County Price.

The State of Indiana has changed the process that your FSA office uses for filing liens on crops that will be under CCC loan. As before, if you plan to put your crops under loan this fall or winter, visit your local FSA office prior to the time you want your loan disbursed. A good time to do this is before harvest begins. This will allow the office to be ready with your loan documents any time after you've got the crop in the bin. We also want to remind

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you that the state now requires you to pay for lien terminations once your loan is paid off. The fee is $7.00 per lien, payable at your County Recorder's office.

Congress established the Payment Limitation for Marketing Loan Gains and Loan Deficiency Payments to $75,000. In the past two years that limitation was increased to $150,000, but the odds are not good that this will happen again. Producers who reach the $75,000 limit can use commodity certificate exchanges when Posted County Prices are below the loan rate.

To make a certificate exchange a producer will take out a Marketing Assistance Loan, then immediately have the FSA office issue a commodity certificate, which will be used to redeem the loan at the posted county price. The difference (loan rate - posted county price) will be issued to the producer, but is not credited against the $75,000.00 payment limitation.

The Beneficial Interest provision still applies to Commodity Certificate exchanges and LDP's for 2002 - 2007. This means that farmers must request your LDP or certificate exchange prior to losing title, control, and risk of loss in the commodity.

Remember, the CCC-709 form (Producers signed while were reporting acres this summer) applies only to commodities delivered during harvest. After harvest, LDP's must be requested prior to losing beneficial interest.

As always, call your local FSA office if you have specific questions.

sharing assistance in the amount of 75% of eligible costs or an incentive payment. EQIP contracts have a minimum length of one year after implementation of all practices, up to a maximum length of 10 years.

Annual rental payments are not included within EQIP but this program does provide excellent opportunities to install practices not associated with other programs. Examples include nutrient management plans, pest management plans, animal waste facilities, pasture and hay land plantings, rotational grazing, first time no-till corn planting, and many others.

Levels of funding have increased for EQIP under the 2002 Farm Bill and will increase over the next several years.

Interested producers should contact the FSA and Natural Resources Conservation Service (NRCS) offices.

EMERGENCY LOANS AT 3.75% INTEREST

By Wesly Cramer

The Farm Service Agency provides low interest emergency loans to help eligible producers recover from production losses as well as physical property losses due to spring flooding. Presently 83 Indiana counties have current disaster declarations, making producers that operated during the disaster in those areas eligible to apply for an Emergency Loan from the FSA. Emergency Loans may be used to restore or replace essential farm property, pay production costs as well as essential family living expenses, reorganize the farming operation and refinance eligible debts.

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on the top 3 soils and a 20% incentive is added to that figure. Finally, $5 per acre is added for maintenance expenses.

Permanent covers must be established on CRP acreage within 12 months of the effective (start) date of the contract. Participants will receive a Conservation Plan of Operations which serves as an outline for establishing the CRP practice(s). All seed, components, and practices listed in the Conservation Plan of Operations are eligible for cost-share at the rates listed.

More information about FSA and its conservation programs can be found on the FSA website at: www.fsa.usda.gov

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)

NOTE: All the information listed below is subject to change with the implementation of the 2002 Farm Bill. New rules were not available at publishing time, so stay tuned for updated information as it is received!

Cost-sharing applications are currently being accepted under EQIP. Applications may be submitted for a wide range of conservation practices, with each application being ranked based upon environmental benefits obtained.
Applications compete with others from throughout the state and may or may not be accepted. Depending upon the practice, successful applicants receive either cost-

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E-File Technology to Better Serve America

By Steven E. Brown

E-File is part of USDA's effort to better serve its customers through the use of computer technology and the Internet. E-File gives customers, producers, partners and others access to forms and account information online and allows them to fill out and submit forms electronically. Electronic forms can be filed via USDA's eGovernmentWeb site, http://www.sc.egov.usda.gov.

There are countless reasons why E-File is beneficial to USDA customers. Here are just a few: Convenience, Faster Processing, Improved Customer Service, Identity Security, Increased Government Efficiency and Reduced Paper Consumption.

Customers wanting to submit forms electronically must first register with the USDA online service application system by completing and submitting form AD-2016, USDA Registration Form To Request Electronic Access Code. This form is available at http://www.sc.egov.usda.gov and at USDA Service Centers. Registration is not necessary to browse the site and print forms. Instructions on how to complete forms are posted on the Web site listed above.

CONTINUOUS CRP SIGN-UP

By Brenda Minix and Noel Lawson

NOTE: All the information listed below is subject to change with the implementation of the 2002 Farm Bill. New rules were not available at publishing time, so stay tuned for updated information as it is received!

FSA is currently accepting applications for enrollment in the Conservation Reserve Program (CRP) under continuous sign-up provisions. CRP is a voluntary program that offers annual rental payments (comparable to cash rent) and cost-share assistance to establish long-term resource-conserving covers on eligible land.

Eligible land under the current rules of the 1996 Farm Bill include land that has been planted or considered planted to an agricultural commodity during any 2 of the crop years 1997 through 2001. An agricultural commodity is defined as any crop planted and produced by annual tilling of the soil on an annual basis by one-trip planters. Therefore, existing grass, hay, and alfalfa fields are not eligible unless the grass is existing CRP that is being re-enrolled without a break (example: CRP contract expires 9/30/2002 and is re-enrolled effective 10/1/2002).

Once land and producer eligibility has been determined, offers are automatically accepted.

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An up-front CRP Signing Incentive Payment (SIP) will be issued when the contract is approved, equal to $10 for each eligible acre for each full year of the CRP contract period. A full CRP year is October 1st through September 30th. The length of a CRP contract is determined by the participants and can be not less than 10 full years and not more than 15 full years. The width of most practices is also determined by the participants (example: a filter strip may be a minimum of 20 feet and a maximum of 120 feet). Once the contract is approved, the length in contract years and the width of the practice cannot be changed. The SIP payment is applicable to the following practices only: Filter Strips, Riparian Buffers, Field Windbreaks, Grassed Waterways, Shelterbelts, and Living Snow Fences.

A Practice Incentive Payment (PIP) equal to 80% of the eligible cost-share payment will be provided to all participants in continuous CRP, regardless of the chosen practice. The PIP payment is in addition to the 50% cost-share issued on eligible costs. For example: a producer submits invoices totaling $100 on a 1.0 acre filter strip. The County Office has determined the entire $100 is eligible for cost-share.

COST-SHARE PAYMENT: $100 x 50% = $50
PIP PAYMENT: $50 x 80% = $40

In this example, the producer's expense is $100 and he/she is being reimbursed $90 in 2 payments (cost-share and PIP).

Annual rental payments are computed by determining the top 3 soils types on the land being offered for enrollment. Each soils type has a soil rental rate established which is comparable to cash rent for that soils type. A weighted average is computed

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