



March 19, 2003

The Hartley County Harvester

**Hartley County FSA
District 1**
PO Box 177
Hartley, TX 79044-0177

Voice: (806) 365-4453
FAX: (806) 365-4446

Hours:
Monday-Friday
8:00 AM – 4:30 PM

County Committee:
Joe Parker
Jason Schniederjan
Bud Snead

Minority Advisor:
Babette Spinhirne

Farm Program Staff:
Glen Clugy, CED
Becky Brown, PT
Becky Voight, PT
Teresa Gates, PT
Leanna Evans, PT

Farm Loan Staff:
(Dalhart Office)
Marc Lathem, FLM
Barbara Koch, PT

Regular Committee Meetings
held on the 3rd Wednesday of
each Month.

Dates to Remember

- March 31st** – Final Day to Request a 2002 Small Grain Loan or LDP
- March 31st** – Final Date to Request 2002 Wool & Mohair LDP
- March 31st** – Last Day to Designate Peanut DCP Acreage
- April 1st** – Final Date to Elect DCP Base & Yield Aoptions
- April 1st** – Small Grain Grazing Pull-Off Date
- May 15th** – Final Date to Report 2003 Small Grain Acres

On the World Wide Web:
USDA Washington Office
www.usda.gov
FSA Washington Office
www.fsa.usda.gov
Texas State FSA Office
www.fsa.usda.gov/tx
Hartley FSA
www.fsa.usda.gov/tx/tx205



Fruit & Vegetable Plantings

Any producer who intends to plant a fruit or vegetable crop should contact this office before planting the crop. Several changes were made for fruit and vegetable plantings from the last farm program that could impact each farm's payment eligibility.

Under the Direct & Counter-Cyclical Farm Program, fruits and vegetables can be planted with-out a reduction in DCP payments or the assessment of a penalty if they are planted:

- in a home garden, 2.0 acres or less and are only for the consumption and home use of the producer,
- with an intended use of green manure or forage if the producer pays a fee for an FSA inspection of the acres,
- on "free acres" (cropland not covered by base acres),
- in a COC approved double-crop rotation with a DCP program crop and the program crop is **harvested as grain or lint** (all producers should note that grazing and haying are not considered as a form of harvest under the new program, grazing out or haying the program crop does not meet the double cropping provision, and therefore; it appears that only summer planted vegetable crops will qualify for the provision since the program crop must be carried to harvest as grain or lint), or
- and, if the fruit or vegetable is a nonperennial crop, the crop is destroyed before harvest and the destruction is verified through a paid-for FSA farm visit.

Fruits and vegetables can also be planted with an acre-for-acre reduction in DCP program payments if the farm or producer has a history of planting the crops in 1991-1995 or 1998-2001. Under the farm history exception, any type or amount of fruit and vegetable acres can be planted. For the producer history exception, the specific crop and average acreage history is allowed to be planted. However; each of these options will still result in an acre-for-acre DCP payment reduction.

Fruit and vegetable plantings not covered by any of these exceptions will result in an acre-for-acre payment reduction and FAV penalty being assessed unless the farm is not enrolled in the DCP farm program in the year the plantings are made (unlike the AMTA farm program, producers can enroll a farm one year, not enroll it the next, and then reenroll it in subsequent years).

With the changes, we encourage you to contact this office if you intend to plant a fruit or vegetable crop.

DCP Yield Updates, Missing Production



Producers who have already or intend to update a farm's DCP Counter-Cyclical Payment Yield are required to provide production evidence for each of the years 1998-2001 or receive a yield for each production missing year based on 75% of the NASS yield for the crop. However; producers who are unable to obtain any or all of the production evidence can request that the County Committee assign a yield based on 3-similar farms (not to exceed 100% of the crop's NASS yield) provided that they did not have an interest in the farm or fed all the production AND evidence is not available in this office for the missing production year.

If you feel that this new missing production provision could apply to one or more of your farms, you should contact this office immediately and prior to the April 1st final Base & Yield Selection date.

DCP, Time is Running Out!

Did you know we are issuing advance payments for DCP? Did you also know that April 1st is the final date to update your crop bases and yields? Producers who did not participate in the 7-year Production Flexibility Contract (PFC) must make their base and yield selection by April 1 in order to participate in this new program. Former PFC participants are eligible for DCP because their farm already has a base and yield established. By April 1, those farmers must decide if they want to update their base and yields or use their PFC base and yields.



There are no set-asides and no acreage restrictions. So make your decisions about your bases and yields, sign your DCP contract and receive your advance payment

Peanuts - March 31, 2003 is the deadline for historic peanut producers to submit base and yield designations to Farm Service Agency.

April 1st Grazing Deadline

All producers are reminded that April 1st is the final date to graze small grain acres that you intend to harvest for hay or grain. Failure to remove livestock by this date can result in reduced FSA and FCIC benefits.

By the April 1st deadline, you should also report to FSA and your FCIC agent any small grain acres previously reported as grain and which you now intend to graze-out or hay.

Fall Seeded Crop Reports Due

All producers are reminded that May 15th is the final date to report fall seeded crop acres. However; producers should note that the final date to report small grain acres with uses other than grain is 15-days prior to the onset of harvest (ie. grazing or hay).

Under the new DCP farm program, producers participating in the program are required to report all the crops they plant regardless of the intended use of the crop and failure to accurately and timely report the acreage could result in a loss of program benefits.

FSA measurement service is available for a small fee if you are uncertain of the correct acres but must be requested by the May 15th certification deadline.

2003 Loan Rates

National commodity loan rates for 2003 are unchanged from the 2002 crop year, however; Hartley County loan rates have changed for 2003. The 2002 and 2003 loan rates for Hartley County are:

	<u>2002</u>	<u>2003</u>		<u>2002</u>	<u>2003</u>
Wheat (bu.)	\$ 2.74	\$ 2.76	Soybeans (bu)	\$ 4.64	\$ 4.66
Oats (bu)	\$ 1.44	\$ 1.44	Sunflowers, Oil (cwt)	\$ 8.97	\$ 9.41
Barley (bu.)	\$ 1.86	\$ 1.90	Sunflowers, Other (cwt)	\$ 10.86	\$ 9.41
Corn (bu.)	\$ 2.30	\$ 2.27	Cotton (lb)	\$.5165	
Sorghum (cwt)	\$ 3.74	\$ 3.74			

These rates are available for producers in pledging their eligible commodity for a 9-month CCC non-recourse loan. During the loan period, interest will accrue and storage must be provided at the producer's expense. Anytime during the loan period or at loan maturity, the loan can be repaid at the lesser of the principle plus interest or the Posted County Price (PCP) in effect on the date of the repayment. Even if you don't use the commodity loan program, you should be aware of the loan rates because they are one of the components used to calculate LDPs.

2002 Loans and LDPs

The final date to request a fall seeded grain loan or LDP for 2002 crop production is March 31st. May 31st is the final date for all other 2002 crops.

Conservation Reserve Program

The new farm bill increased the ceiling for the Conservation Reserve Program from 34.6 million acres to 39.2 million acres. Secretary Veneman recently announced there will be a new sign-up for the CRP in the first part of 2003. Watch the newsletter for a sign-up period.

Crop Disaster Program

Approximately \$3.1 billion is available for a number of different disaster programs. The bulk of the funds will be used for crop losses with some going for livestock, tobacco, cottonseed etc. Crop disaster program rules have not been finalized yet, but we do know procedure will be similar to previous disaster programs. We know producers will have a choice of receiving payments for the 2001 or 2002 crops (but not both), and the payment rates will be less than previous crop loss payments. Payments will be issued to producers for losses in excess of 35 percent at:

- 50 percent of the established price to producers who had crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage;
- 50 percent of the established price to producers for which crop insurance or NAP was not available; and
- 45 percent of the established price to producers who did not obtain crop insurance or NAP.

Payments are limited to \$80,000. All sign-up dates have not been announced. However, sign-up for Livestock Compensation Program (LCP) is scheduled to begin April 1, 2003.

Expanded LCP Provisions

A second Livestock Compensation Program sign-up will begin on April 1st and is scheduled to end early June 2003. Previously under LCP, a county must have been named as a primary county under a Secretarial disaster designation between Jan. 1, 2001, and Sept. 19, 2002, only for drought. The Act expands LCP to make eligible any counties that were requested as primary disaster areas under a Presidential or Secretarial declaration by February 20, 2003, and that were subsequently approved.

To be eligible for LCP assistance, a producer's livestock operation headquarters must be physically located in a county with a qualifying disaster designation. Eligible livestock are cattle, sheep, goats, and buffalo, as well as catfish. Counties named as contiguous counties are not eligible for the program. LCP payments will be based on losses per head or number of eligible livestock and catfish.

For current disaster program information log on to FSA's disaster website at: <http://disaster.fsa.usda.gov/default.asp> (Please note, "www." is not part of the address.)

FSA Assists Crop Insurance

The Ag Risk Protection Act requires FSA to assist the Risk Management Agency (RMA) improve the integrity of the crop insurance program. We have been asked to monitor the program, report problems to RMA and assist RMA and insurance providers when auditing certain claims. FSA will refer all suspected cases of fraud, waste and abuse to RMA. You are encouraged to report suspected cases of fraud or abuse to our office. We are not involved with the decision making process. We are merely assisting RMA by gathering facts and reporting observations as they pertain to weather and crop plantings, maintenance and harvest.

Farm Operating Loans

Eligible applicants may obtain direct loans up to a maximum \$200,000, and guaranteed loans for up to a maximum indebtedness of \$762,000. Loans for annual operating expenses are generally repaid within 12 months or when the commodities produced are sold. Operating loans may also include uses such as the purchase of livestock, machinery and equipment, real estate repairs, and refinancing debt. These types of loans are for a period of 1 to 7 years, depending on the life of the security.

<i>Operating Loan Limits Extended</i>	Under certain circumstances, the farm bill provided “term limit extensions” for producers who have exceeded operating loan term limits. This applies to “direct” loans only. Now borrowers may receive a one-time, 2-year extension for direct loans if they are unable to obtain credit elsewhere. Producers must complete borrower training and have a viable operation. Producers who have reached this limit do not need to request the extension. However, extensions are not automatic and a decision to not grant an extension cannot be appealed.
<i>Youth Loans</i>	Through the Youth Loan program, we can assist eligible rural youth with loans to establish and operate an income-producing project in conjunction with 4-H, FFA or another supervised youth program. Youth Loans provide an excellent opportunity for youths to establish their own farming operation, while at the same time helping them to learn financial management.
<i>Beginning Farmer and Socially Disadvantaged Loans</i>	FSA is authorized to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person whom: <ul style="list-style-type: none"> ▪ 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 ▪ For farm ownership loans - does not own a farm in excess of 25% of the county’s average size Each member of an entity must meet the eligibility requirements. Socially disadvantaged groups are Hispanics, Native Americans, African Americans, Asians, Pacific Islanders and women.
<i>Year End Analysis</i>	Producers that have a farm loan with FSA are reminded they must provide data for their Year-End Analysis (YEA) to their loan officer each year. Borrowers are urged to provide this information timely so that their files can be maintained. The office will contact you for the data you will need to assist us.
<i>MILC</i>	The number of changes to the MILC program requires participants to file a new CCC-580-Addendum-1. All operations must complete this requirement by March 14, 2003. Payments cannot be issued after that date unless the new Addendum is on file. The February and March MILC rates are \$ 1.557/cwt and \$ 1.746/cwt respectively. County loan rates can be found at http://www.fsa.usda.gov/dafp/psd/loanRate.htm
<i>2002 Wool & Mohair LDPs</i>	March 31 is the final date wool and mohair growers can request a Loan Deficiency Payment (LDP) for their 2002 shorn fiber. LDPs are not loans. It is a price support tool to provide you a price floor for your commodity. LDPs are available to producers that still have the fiber on hand or for those individuals that sold their product before October 11, 2002. Unshorn pelts from the 2002 harvest are now eligible for LDP. To be qualify, you must be an eligible producer who: <ul style="list-style-type: none"> ▪ Owned the unshorn lamb for at least 30 days prior to slaughter and ▪ Sold the lamb for immediate slaughter, or ▪ Slaughtered the unshorn lamb for personal use. Again, March 31 is the final date to request the LDP. Anyone who lost beneficial interest in the pelt before February 21 (the date the program was announced) is eligible to request an LDP. Lambs slaughtered for personal use will receive the rate in effect on the date of slaughter. Pelts sold to a buyer will receive the LDP rate based on the date of sale. If you still have 2002 pelts, your LDP will be based on the date you apply. FSA uses a standard weight of 6.865 per pounds per pelt to calculate the LDP. Production evidence needed to determine the LDP rate should be in the form of: <ul style="list-style-type: none"> ▪ Sales evidence ▪ Feed receipts ▪ Kill sheets from the slaughterhouse ▪ Veterinary records ▪ IRS inventory records ▪ Farm credit balance sheets ▪ Private insurance documents
<i>2003 Wool & Mohair Production</i>	Are you preparing to shear your livestock? Will you sell, trade, give away, or process your 2003 fiber immediately after shearing? If so, stop in the office and apply for an LDP. Request to sign a CCC-709 form. You will receive the LDP rate in effect on the day your receipt indicates you transferred control or processed your fiber. If you will maintain interest in your wool or mohair for a period of time, you have the option of selecting the day you want to apply for an LDP. Unshorn pelts are also eligible for LDP.
<i>Non-Star Link Farmer Litigation</i>	By May 31, 2003, producers who elected to file a claim with the Claims Administrator for Non-Star-Link Farmer Litigation, c/o The Garden City Group Inc., P.O. Box 9000 #6075, Merrick, NY 11566-9000, must submit a copy of the following documentation: <ul style="list-style-type: none"> ▪ FSA form 578 including the Farm Summary, Farm and Detail Listing ▪ Photocopy of farm and any other information included in the acreage report Upon request, FSA will provide this information to producers who shared in the crop without restriction and at no cost. In corn producing counties, this process has the potential of being time consuming for FSA staff. Due to heavy DCP sign-up, the FSA office may elect to delay providing this material until after the April 1, 2003 DCP deadline.

<i>New Hard White Wheat Program</i>	<p>The Hard White Wheat Incentive Program (HWWIP) provides \$20 million in incentive payments for hard white wheat growers from the 2003 through 2005 crop years. HWWIP will provide two payments to producers: An incentive payment of \$0.20 for each bushel of eligible hard white wheat produced, with a maximum of 60 bushels per acre eligible for payment, and a payment of \$2.00 per acre for each acre planted to certified seed. Producers do not have to plant certified seed to receive the production incentive payment. The purpose of the program is to create an incentive for producers to plant hard white wheat, of winter and spring varieties, which would subsequently increase production for domestic and export markets. Target markets are predominantly in Southeast Asia, where hard white wheat varieties are used to produce Chinese noodles. More details will be forthcoming.</p>
<i>Signature Reminders</i>	<p>All persons who sign on behalf of an entity or partnership are required to provide documentation to FSA to prove they have the authority to conduct business for the operation. For partnerships, authorization may be in the form of one of the following:</p> <ul style="list-style-type: none"> ▪ Partnership Agreement that designates a partner to act on behalf of the Partnership ▪ An affidavit signed by all members ▪ Valid power of attorney signed by all members <p>For joint ventures, acceptable signature authority may be either:</p> <ul style="list-style-type: none"> ▪ An affidavit signed by all members ▪ Valid power of attorney <p>For Corporations, Trusts, LLCs, and Limited Partnerships, acceptable authority to act for the entity requires one of the following:</p> <ul style="list-style-type: none"> ▪ Corporate charter, by laws, or trust agreement which specifies who has authority to act on behalf of the entity ▪ Resolution or minutes signed by the applicable corporate officer that details who has authority to act on behalf of the entity ▪ Unless otherwise stated in the charter, by-laws or trust agreement the person designated by the entity to represent them, does not have the authority to grant power of attorney to another individual. <p>We cannot develop our own affidavit for you to sign. A husband and wife may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the County Office from either spouse.</p>
<i>What's Your Status?</i>	<p>The status of an individual or entity on April 1 is the basis on which "person" determinations are made throughout the year. What this means is the way your farm is operated as of April 1 will remain unchanged throughout the applicable program, crop, or fiscal year even if you change the structure of your farm. Actions taken by an individual or entity after April 1 will not increase the number of "persons" on the farm, but it can decrease the number of "persons". If the management of your farm has changed, now is the time to contact the office.</p>
<i>Farm Record Changes</i>	<p>If you have sold or bought land, changed tenants, or rented additional land for 2003, please notify the office so your farm records can be updated. Also, when land is purchased you need to provide the office proof of ownership.</p>
<i>Foreign Land-owners</i>	<p>The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. FSA administers this program for USDA. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements. It is the foreign person's responsibility to report the land transactions.</p>
<i>Direct Deposit</i>	<p>Payments from FSA are required by law to be directly deposited into a producer's savings or checking account. Our office will send you a transaction statement indicating the payment type and amount. All producers were required to have initiated Electronic Funds Transfer (EFT) by January 1, 1999. Any person may request a waiver of EFT if it poses a financial or personal hardship. It is important that any changes to your account - such as bank mergers, changes to your routing number or account numbers, or if you close your account - be provided to the county office promptly to avoid possible payment delay.</p>
<i>Producer Payment Problem</i>	<p>Reports from Washington indicate some of the producer payment statements that show how much money you received from FSA last year were incorrect. Form CCC-1099, may have an incorrect social security number. The error was identified and a corrected CCC-1099 will be mailed. The word "corrected" will appear at the top of the revised form.</p>
<i>Controlled Substance</i>	<p>Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Violations also include convictions for possession and trafficking of controlled substances.</p>

If you have any questions about this newsletter or any FSA program, please come by this office or call us at (806) 365-4453 extension 2.