

**Farm Service Agency**

August 2010

# **Cochise County Newsletter**

## **Cochise County USDA Service Center**

Cochise County FSA  
658 N Bisbee Ave  
Willcox, AZ 85643  
PH: (520) 384-3588  
FAX: (520) 384-2735  
www.fsa.usda.gov

Hours of Operation  
Monday – Friday  
8:00 am – 4:30 pm

### **County Committee**

Mark Cook, Chair  
Lance Owen, Vice Chair  
Edward Curry, Member

### **Program Staff**

Carol Case, CED  
Rebecca Burreight, PT  
Shari Binger, PT  
Tonya Ayala, PT

### **Farm Loan Staff**

Jonna Darnell, FLM  
Cissi Graves, FLO  
Dee Haupt, PT

### **In this Issue:**

- 2009 CC Payments
- Farm Loan Limitations
- Marketing Assistance Loans
- 2011 Sales Closing Dates
- Loan Deficiency Payments
- Actively Engaged
- 2008 Sure Sign-up
- Preventing Fraud
- Word Search
- Dates to Remember



## **FEDS, FARMERS AND FRIENDS FEED FAMILIES FOOD DRIVE**

We are all so fortunate to have our jobs, lives, food on our table, and so many other blessings we take for granted. Food bank, food pantries, and soup kitchens are depleted during the summer months of emergency food supplies while demands rise and donations decrease. USDA employees, farmers, and friends are joining together to combat hunger at USDA offices throughout the country; and the government's goal is to collect 1.2 million pounds of food nationwide. **The food drive is scheduled to end August 31, 2010.** Boxes are available in each office within the service center. The best part is all the food collected at the Willcox Service Center will be donated to our local community. We invite you to bring in your non-perishable items and place them in one of the donation boxes. For questions regarding the food drive, contact the Willcox Service Center or visit [www.FedsFeedFamilies.gov](http://www.FedsFeedFamilies.gov).

## **COC NOMINATIONS CLOSED**

The County Committee nominations are closed for LAA 2 which covers Bowie, San Simon, Portal and the Chiricahua Monument. The nominees for this year are Mark Cook and Lynne Ray. The ballots will be mailed to producers on November 5, 2010. Ballots must be completed and postmarked by December 6, 2010. The nominee with the most votes will take office on January 1, 2011. It is very important that producers take the time to complete their ballots correctly, including signing them. For example, if ABC, LLC was voting, the LLC's authorized signor would sign the ballot as "ABC, LLC by John Doe, Manager." If you have any questions about the election process, contact your local county office.

## **DURUM WHEAT QUALITY PROGRAM (DWQP)**

Signup for the Durum Wheat Quality Program (DWQP) began on July 21, 2010. This program compensates producers of durum wheat for up to 50 percent of the actual cost of fungicide applied to control Fusarium Head Blight (FHB), commonly known as wheat scab, for FY's 2009 through 2012, subject to available funding. **The deadline to apply for the 2010 crop year is September 15, 2010.**

To qualify for fungicide cost-share assistance, producers must:

- Have used an eligible fungicide to control FHB on acres certified as planted to durum wheat.
- File a completed DWQP application in the county office during the application period announced by the Deputy Administrator.
- Provide the total number and location of acres planted to durum wheat to which an eligible fungicide was applied to control FHB.
- Provide dates when fungicide was applied.
- Provide documentation of the actual cost of the eligible fungicides.

Fungicide cost-share assistance not to exceed 50 percent, under DWQP is available for the applied fungicides and does not include the cost of surfactants or application.

For more information on DWQP, contact your local county office

## 2009 CC PAYMENTS FOR SMALL GRAINS

As a part of the 2009 Direct and Counter-Cyclical Program, the calculations have been finalized for computing 2009 final counter-cyclical (CC) payments for wheat, barley and oats. The payment rate for wheat, barley and oats was computed to zero because their effective prices exceed their respective target prices. The effective price equals the direct payment rate plus the higher of the national average loan rate or the nation average farm price.

The following table provides the payment calculation for wheat, barley and oats.

Item	Wheat	Barley	Oats
	Dollars Per Bushel		
Target Price	3.92	2.24	1.44
National Average Loan Rate	2.75	1.85	1.33
National Average Farm Price	4.87	2.61	2.02
Higher of Loan Rate of Farm Price	4.87	2.61	2.02
Direct Payment Rate	0.52	0.24	0.024
Effective Price	5.39	2.85	2.044
<b>Final CC Payment</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

To access the website for national market year average prices received by producers for contract commodities, navigate to the FSA Internet home page located at <http://www.fsa.usda.gov/> and complete the following:

- Enter “foa” in the search bar and click “Go”
- Select “Counter-Cyclical Payment Rates and Average Market Prices.”

## FARM LOAN LIMITATIONS

Loan Type	Maximum	Term	Rate as of 08/01/2010
<b>Farm Ownership Loan (FO)</b>	\$ 300,000	Up to 40 years	Now 4.625%
<b>Operating Loan (OL)</b>	\$ 300,000	1 to 7 years	Now 2.500%
<b>Emergency Loan</b>	\$ 500,000	1 to 40 years	Now 3.750%
<b>Guaranteed Loans (FO &amp; OL)</b>	\$ 1,112,000	By Lender	By Lender, Commercial Rates

## MARKETING ASSISTANCE LOANS

Marketing assistance loans provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. Allowing producers to store production at harvest facilitates more orderly marketing of commodities throughout the year.

Marketing assistance loans are available for covered commodities including barley, wheat, oats and corn. They are non-recourse because the commodity is pledged as loan collateral and producers have the option of delivering the pledged collateral to the Commodity Credit Corporation (CCC) in satisfaction of the repayment of the outstanding loan for the loan at maturity. A settlement value is determined and applied to the outstanding loan principal and interest.

Producers who want to sell and ship their commodity can only do so after receiving proper authorization from FSA. Once the producer notifies FSA of their intentions, the county office then contacts the purchaser to inform them of the lien on the commodity. The purchaser then has the option to disburse funds solely to the CCC or jointly to the CCC and the producer. Weight tickets then must be turned into the county office to ensure the commodity was not being moved until after authorization was granted as well as to verify how much of the commodity was sold to the purchaser. Out of the funds received from the purchaser, the CCC will retain their portion to repay the loan amount for the commodity sold.

Once the producers are given proper authorization from FSA to move their collateral, they have 30 days to repay the full amount of the loan regardless of the amount of commodity they ship and sell and regardless of the loan maturity date. If the producer is unable to repay the full amount of their loan they can request up to two extensions of no more than 60 days total.

For Example:

On January 1<sup>st</sup>, Farmer John puts 50,000 bushels of yellow corn into loan. The maturity date for the corn loan is September 1<sup>st</sup>. On June 1<sup>st</sup>, Farmer John decides to sell 25,000 bushels to XYZ Grain so he contacts FSA and obtains authorization to ship the commodity. Since Farmer John was provided authorization to ship the collateral on June 1<sup>st</sup>, the full loan amount is due on June 30<sup>th</sup> even though he only planned to ship half of the collateral.

## 2011 Sales Closing Dates

This table provides the 2011 sales closing dates for Arizona. The county where the crops are physically grown, will determine whether they are insurable and eligible for catastrophic risk protection (CAT) level or are noninsurable and eligible for noninsured crop disaster assistance program (NAP). Consult your local insurance agent to determine whether the crops you are growing are eligible for CAT or NAP. Please note: Some FSA programs require ALL crops to be insured with either CAT or NAP.

January 31, 2011	February 28, 2011	May 31, 2010	May 31, 2011	September 1, 2010	October 31, 2010	November 20, 2009	November 20, 2010	November 30, 2010
Alfalfa Mix Cucumbers Grapes Grass, Bermuda Grass, Sudan Herbs, Basil Jojoba Pecans Peppers, Chile Raisins	Beans, Pinto Corn Cotton Okra Olives Peanuts Potato, Sweet Pumpkins Sorghum Squash	Artichokes Beans, Gar Beets Broccoli Cabbage Canola Carrots Cauliflower Celery Flowers, Chrysanthemum Greens, All Herbs, Cilantro Mustard Oats Onions Peas Radish Tomatoes	Nursery	Crustaceans Flowers, Stock Garlic	Alfalfa Barley Cantaloupe Grass, Native Honeydews Lettuce Rye Wheat	Grapfruit Lemons Oranges Tangelos	Apples Apricots Cherries Honey Peaches Pears Pistachios Plums Watermelon	Potatoes

## LOAN DEFICIENCY PAYMENTS

Loan Deficiency Payments (LDP's) are payments made to producers who, although eligible to obtain a CCC commodity loan, agree to forgo the loan in return for a payment on the eligible commodity. LDP's are the difference between the county loan rate and the CCC determined value for the applicable commodity or class or commodity times the eligible quantity.

In order to be eligible for an LDP, the producer must certify their acreage with the county office. There is also a \$75,000 payment limitation. To qualify for an LDP the producer must have beneficial interest in the commodity, in addition to other requirements to request an LDP. A producer retains beneficial interest when he/she maintains control of and title to the commodity. The producer must retain beneficial interest in the commodity from the time of planting through the date the producer files Form CCC-633 EZ (page 1) in the FSA county office. When a producer loses beneficial interest in the commodity, the commodity becomes ineligible for a loan or LDP even if the producer later regains beneficial interest. Sales contracts (including advance sales contracts, contracts to sell, price-later contracts and contracts for future and contracts for future delivery) give the buyer an interest in the commodity at a time set forth in the contract or implied by law.

Requests for LDP's must be made on or before the final availability date for the respective commodities. For example: A producer has a corn crop for 2010. That producer has until May 31, 2011 to request an LDP for that corn.

The following table provides the final availability dates for loans and LDP's for the commodities listed.

Commodity	Final Availability Date
Peanuts	January 31
Barley Canola Honey Oats Wheat	March 31
Corn Dry Peas Grain Sorghum Lentils Safflower Seed Small Chickpeas Soybeans Sunflower Oil	May 31

## ACTIVELY ENGAGED

FSA reminds producers of the rules governing the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally, the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on a regular basis, must be identifiable, and separate from the contributions of others.

The exception of this rule for a stockholder or member of a legal entity only occurs if both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- The total direct payments received, both directly and indirectly, by the legal entity and each of the members can't exceed \$40,000.

For more information regarding 'actively engaged' in farming provisions, contact your local FSA office.

---

## 2008 SURE SIGN-UP ENDING SOON

The deadline for 2008 Supplemental Revenue Assistance (SURE) program payment applications is close of business on September 30, 2010. There are NO provisions for late-file applications.

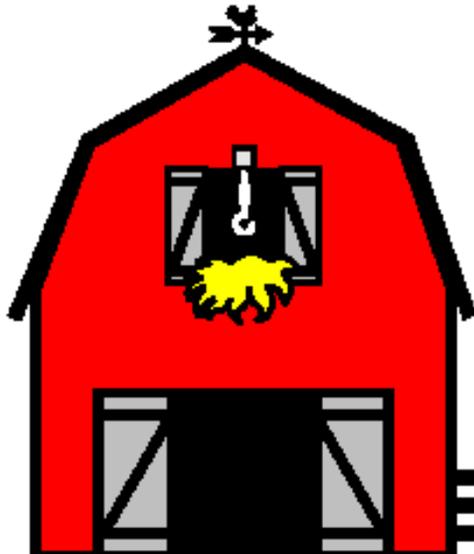
SURE provides financial assistance for crop production and/or quality losses due to a natural disaster.

---

## PREVENTING FRAUD

The Farm Service Agency supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA.

Producers can report suspected cases to the FSA office, RMA, or the Office of the Inspector General.



# Down on the farm word search

G	E	R	M	I	N	A	T	E	C
R	B	A	L	E	S	T	R	F	F
T	I	L	L	M	E	S	U	N	A
W	C	C	P	A	E	T	C	C	R
S	O	I	L	F	D	I	K	E	M
P	M	L	O	B	A	R	N	M	E
E	B	D	W	B	H	J	I	P	R
N	I	H	A	R	V	E	S	T	U
P	N	F	E	N	C	E	G	O	U
N	E	T	R	A	C	T	O	R	N

TRUCK  
SOIL  
FENCE

BARN  
SEED  
SUN

COMBINE  
PLOW  
PEN

TRACTOR  
GERMINATE  
FARMER

HARVEST  
BALE  
TILL

USDA Farm Service Agency  
An equal opportunity provider & employer

For more games and answer sheets, visit:

<http://www.fsa.usda.gov/FSA/kidsapp?area=home&subject=landing&topic=landing>

United States Department Of Agriculture  
Cochise County Farm Service Agency  
658 North Bisbee Avenue  
Willcox, Arizona 85643

## IMPORTANT DATES TO REMEMBER



### August

- 19 Cochise County Committee Meeting @ 9:00am
- 31 Feds, Farmers & Friends Feed Families Food Drive Ends

### September

- 6 Office Closed in Observance of Labor Day
- 15 2010 Crop Year Durum Wheat Quality Program Sign-up Deadline
- 16 Cochise County Committee Meeting @ 9:00am (Tentatively Scheduled)
- 30 2008 SURE Sign-up Deadline

### October

- 11 Office Closed in Observance of Columbus Day

*“If you don’t know where you are going, you will wind up somewhere else”  
- Author Unknown*

**NONDISCRIMINATION STATEMENT:** The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is derived from any public assistance program. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer. Special accommodations will be made upon request for persons with disabilities, vision impairment, or hearing impairment. If accommodations are required, please call Carol Case, County Executive Director at (520) 384-3588.