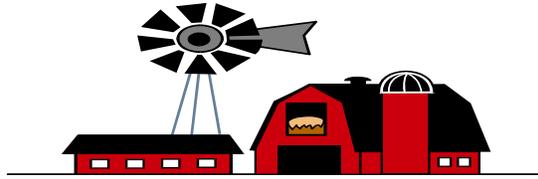


SURRY COUNTY FSA NEWSLETTER

MAY 2008



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CHAD KEITH CHILTON, REGULAR MEMBER
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**ISSUE HIGHLIGHTS:
Conservation Reserve Enhancement Program
Livestock Compensation Program
Crop Disaster Program
Crop Reports**

**LHEANNE M. DANIELS, PROGRAM TECH Ext. 100
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VICKIE YOUNG, FARM LOAN MANAGER Ext. 117**

LIVESTOCK COMPENSATION PROGRAM (LCP) SIGNUP CONTINUES

The USDA Farm Service Agency Livestock Compensation Program provides benefits to livestock producers who suffered feed losses or incurred additional feed costs directly resulting from natural disasters occurring in Surry County between January 1, 2007 and December 31, 2007. Producers need to provide: the number of adult livestock and the number of livestock over 500 pounds owned January 1, 2007, percent of grazing loss, number of acres grazed, and cost of additional feed purchased.

CROP DISASTER PROGRAM (CDP) 2005-2007 SIGNUP FOR QUANTITY CONTINUES

CDP provides benefits to farmers who suffered quantity and quality losses from natural disasters and related conditions that occurred in 2005, 2006 and 2007 crops. Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits. Producers must have suffered quantity losses in excess of 35 percent to be eligible for CDP. The loss of quality in harvested production must have resulted in at least a 25 percent reduction in value when compared to the value of the affected production of the commodity in the absence of a quality loss. A producer must apply for quantity loss to apply for a quality loss. Producers do not need to qualify for a quantity loss. **Signup for quality losses is expected to begin in June.**

CROP REPORTS

Acreage of fall or spring seeded grain must be reported by **May 15, 2008**. All other crops, with the exception of burley tobacco which is July 15th, must be reported by **June 30, 2008**. Prevented planting needs to be reported no later than 15 calendar days after the final planting date. Reports of failed acreage must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions. Filing an accurate and timely report for all crops and land uses can prevent loss of benefits for a variety of Farm Service Agency programs.

FARM LOAN PROGRAMS

FSA offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources. Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$200,000. Guaranteed loans can reach a maximum indebtedness of \$949,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA.

FSA SIGNATURE REQUIREMENTS

Proper signatures on Farm Service Agency contracts, applications and forms must be submitted before the document will be considered as filed. All entities, including revocable and irrevocable trusts, corporations, partnerships, estates, etc., must provide evidence of signature authority stipulating those individuals who are authorized to represent the entity. FSA cannot accept signatures without such documentation on file. Examples of acceptable evidence include trust agreements, corporate charters or resolutions, partnership agreements and court orders of appointment. Spouses can sign for one another on most program documents unless written notification denying a spouse this authority has been provided to the county office staff. An FSA-211 may be filed to delegate signature authority for FSA program purposes.

CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP) SIGNUP BEGINS MAY 1

USDA'S Commodity Credit Corporation (CCC) and the State of North Carolina have agreed on a plan to modify and expand their CREP. Surry County is now included in CREP. This voluntary program encourages producers to convert sensitive cropland and marginal pastureland to conservation practices through enrollment into Conservation Reserve Program (CRP) contracts under the CREP for 10 to 15 years. The following eligible practices may be established under this program: Tree Planting (CP3) (Short leaf Pine only), Hardwood Tree Planting (CP3A), Filter Strip (CP21), Riparian Buffer (CP22), Wetland Restoration (CP33), Wetland Restoration, Non-Floodplain (CP23A), and Bottomland Timber Establishment on Wetlands (CP31).

Under this program, participants will receive annual rental payments and other incentives from CCC and the State of North Carolina for voluntarily enrolling land in contracts. The annual rental payment is based on the soil rental rate as calculated by the FSA. It includes an incentive payment based on the conservation practice installed. Incentive rates will be 70 percent for filter strips and 100 percent for riparian buffers, tree planting and wetland restoration.

The CCC will pay up to 50 percent of the cost of installing conservation practices. The total of all cost-share payments will not exceed 100 percent of a participant's out-of-pocket expenses. The State of North Carolina will pay 25 percent of the established cost for a 10 year contract, and 30 percent for contracts greater than 10 up to 15 years. For producers who enroll in an optional 30-year conservation agreement for riparian buffers, filter strips or tree practices, the state will pay 40 percent of the established cost of approved conservation practices plus a one-time incentive payment of \$250 per acre for cropland and marginal pastureland. For producers who enroll in an optional state permanent easement for riparian buffers, wetland restoration or tree practices, the state will pay 50 percent of the established costs of approved conservation practices plus a one-time payment of \$1,000 per acre for cropland or marginal pastureland, and any additional eligible existing non-CRP forested buffer land voluntarily enrolled.

FARM STORAGE FACILITY LOANS

Low cost loans for storage facilities are available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, rice, soybeans and corn. The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. Eligible facilities include new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures. All Farm Storage Facility Loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment is also required.

BANKING CHANGES

If payments are electronically transferred into your bank account, and if we are not aware of changes to your account and routing numbers; there could be problems. In order to make timely payments, you need to notify the office if you close your account or if another financial institution purchases your bank. It is important that any changes in producer's account such as type account, bank mergers, routing number or account numbers, be provided to the county office promptly to avoid possible payment delay.

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, audiotape, etc.) should contact USDA's TARGET Center at (202)720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410, or call (800)795-3272 (voice) or (202)720-6382