



## South Carolina State FSA Office

**October 2010**  
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**Hours**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.

### State Staff

Riley Odum, Chief,  
Production  
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Kenneth McCaskill,  
Chief,  
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Conservation

Frank Sligh, Chief  
Farm Loan Programs

Toni Turner,  
Administrative Officer



### Laurie C. Lawson, State Executive Director, South Carolina Farm Service Agency

It is my hope that 2010 has been a good year for each of you. We had good moisture for many weeks but very dry conditions at other times. As I write this most of our state is very dry. Hay is now being used to supplement our limited pastures. Also, army worms have damaged grass and other crops in many areas of our state.

All in all, we have much to be thankful for. Our peaches, corn, tobacco, wheat, peanuts, and cotton crops are good in most areas of our state. The late dry weather has put a big question mark on our soybean yields. Most fruit and vegetable crops seem to have done relatively well.

South Carolina FSA is ready to serve you, our fine producers. We want to help each of you be successful! Please come into your local FSA office and let us help you in any way that we can. We are now ready to serve you by taking your requests for enrollment in 2011 DCP through June 1, 2011.

#### County Committee Elections

Be watching your mailbox for your official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters starting on November 5, 2010. If, for some reason, you don't receive a ballot, feel free to notify your local FSA county office.

Completed and signed ballots must be received in the county office by the close of business, or postmarked, on December 6, 2010.

#### Get Instant Access to Your Current and Historical Financial Data

Farm Service Agency would like to announce a new web page to assist customers with their FSA Financial needs. Included in this web page will be information on how to get access to financial applications, instructions on financial applications, fact sheets, examples of disbursement statements and electronic forms link.

REGISTER ONLINE TODAY!  
<http://www.fsa.usda.gov/fmi>

### Dates to Remember

November 20, 2010	NAP Application Closing Date - Alfalfa, apples, blackberries, caneberries, blueberries, grapes, <b>all perennial grasses for hay or grazing</b> , honey, kiwifruit, lespepeza, nectarines, peaches, pears, pecans, plums, and figs.
December 6, 2010	Deadline for receiving, or postmarked date, completed and signed ballots for COC Election.
December 15, 2010	NAP Application Closing Date - Artichokes, asparagus, basil, beets, broccoli, brussels sprouts, cabbage, carrots, cauliflower, all greens, kohlrabi, lettuce, green onions, all peas including english and field varieties, potatoes, radishes, rutabagas, turnips, and leeks.
June 1, 2011	Direct and Counter-Cyclical Payment Program (DCP) – Final Enrollment Date

### OCTOBER INTEREST RATES

Farm Operating	2.125%
Farm Operating – Limited Resource	5.000%
Farm Ownership	4.375%
Farm Ownership – Limited Resource	5.000%
Farm Ownership – Beginning Farmer Down Payment	1.500%
Emergency – Actual Loss	3.750%

#### NAP Coverage

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available and is produced for food or fiber.

The application deadline to apply for many 2011 NAP crops is soon approaching.



For alfalfa, apples, blackberries, caneberries, blueberries, grapes, **all perennial grasses for hay or grazing**, honey, kiwifruit, lespepeza, nectarines, peaches, pears, pecans, plums and figs, the deadline date is **November 20, 2010**.

For artichokes, asparagus, basil, beets, broccoli, brussels sprouts, cabbage, carrots, cauliflower, all greens, kohlrabi, lettuce, green onions, all peas including english and field varieties, potatoes, radishes, rutabagas, turnips, and leeks the deadline is **December 15, 2010**.

Producers who already have coverage on 2010 NAP crops may choose to continue coverage on the same crop or crops for 2011, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add a new crop(s) or delete a crop(s) from previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable service fee.

NAP coverage for 2011 costs \$250 per crop, but not more than \$750 per producer per county, or not more than \$1875 total per producer for all counties. Service fees may be waived for eligible limited resource producers.

In order to be eligible for disaster assistance programs, like the Supplemental Revenue Assistance Program (SURE), producers are required to timely purchase, at a minimum, CAT coverage for all insurable crops and/or NAP coverage for all non-insurable crops on their entire farm.

Producers with NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.

File a "Notice of Loss" within 15 days of when a loss is apparent, due to drought, hail, etc.

### Conservation Reserve Program (CRP)

Through the Conservation Reserve Program, USDA is serious about restoring and enhancing habitat for wildlife.

Some practices available now under the Continuous CRP signup are:

- **Restoration of longleaf pine plantations** that provide habitat for numerous species of plants and animals. Land must have 4 out of 6 year cropping history in years 2002-2007 and be longleaf suitable soils. Other eligibility requirements apply.



- **Establishment of bird buffers** that provide habitat for the bob-white quail and numerous other bird species. The bird buffer strips established under CCRP have been proven to increase quail populations in the State. Land must have 4 out of 6 year cropping history in years 2002 through 2007. Other eligibility

requirements apply.

- **Establishment of riparian buffers** on marginal pastureland that protect water quality for all animals, including humans. This practice establishes a strip of trees next to an eligible permanent water body used for livestock drinking water. The livestock are fenced out of the protected water body and cost-share assistance and other lucrative benefits are provided to install wells as an alternate water source. Livestock producers that have utilized this practice in the past have stated that providing reliable clean well water to their livestock has greatly improved herd health.

- **Thinning CRP Pines** Producers may thin CRP pines without an annual rental payment reduction. The thinning must be done in accordance with State Specifications that provide enhanced wildlife habitat. Burns are required in conjunction with the thinning. Cost-share assistance is available to establish pollinator/wildlife habitat on logging roads and



decks.

### Conservation Reserve Program Reminders

- ✓ Producers are required to annually certify CRP acreage by July 15 of each year. Failure to certify may result in contract termination.
- ✓ Pine straw cannot be harvested from CRP acreage.
- ✓ Clear-cutting CRP trees is a contract violation. If your CRP trees are damaged by root-rot, pine beetles or other disasters, immediately notify FSA.
- ✓ Thinning of CRP pines must be approved by the County Committee prior to thinning and must be thinned according to State Specifications.
- ✓ If CRP land changes ownership, or if there is a death of a CRP participant, the new owner or estate representative must assume the CRP contract within 60 days or the contract will be terminated. If you are considering selling your CRP land, contact the FSA office so that they can advise you of the penalties that will apply if the new owners do not assume the contract.

- ✓ Management and maintenance activities are prescribed in the Conservation Plan and must be completed outside of the primary nesting season. The primary nesting season is April 1 through September 1. CRP contracts will be considered in non-compliance if required management and maintenance activities are not performed or performed during the primary nesting season. Carefully review and follow your conservation plan.

### Livestock Indemnity Program (LIP)

LIP will compensate producers for eligible livestock death losses in excess of normal mortality that occur due to adverse weather. Pleasure livestock, pets, and livestock that are not used as part of a farming operation are not eligible. Contract growers must provide a copy of their grower contract. For eligible livestock losses a notice of loss must be filed within 30 calendar days of when the livestock loss is apparent, and an application for payment no later than 30 calendar days after the end of the calendar year in which the loss of livestock occurred.

Inventory documentation must be provided when the first LIP application is filed during the calendar year. Producers must provide documentation of livestock deaths by one of these means:

- Verifiable documentation.
- Producer reliable records in conjunction with verifiable beginning and ending inventory records.
- Third party certification. A completed FSA-926 form is required for third party certifications.

In the event of a disaster resulting in livestock losses, livestock producers should document normal mortality losses during the year. Dated photographs are a good means of documentation.

### Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)

The purpose of ELAP is to provide compensation to eligible producers of livestock, honey bees, and farm-raised fish for losses due to disease, adverse weather, or other loss conditions, including losses due to blizzards and wildfires, that are NOT covered under LIP, LFP, or SURE. Eligible losses include feed losses, physical losses and additional costs incurred in providing feed to eligible livestock. Contact your local FSA office if you believe you have an eligible loss. Crop insurance requirements must be met in order to be eligible.

### Tree Assistance Program (TAP)

TAP authorizes payments for eligible orchardist and nursery growers who produce nursery, ornamental, fruit, nut or Christmas trees for commercial sale and actually replant or rehabilitate eligible trees, bushes, and vines that have been destroyed or damaged by a natural disaster. Applications and supporting documentation must be filed within 90 calendar days of the disaster event. Crop insurance requirements must be met to be eligible.

### DCP/ACRE Signup

2011 Direct and Counter-Cyclical Program (DCP) enrollment will end **June 1, 2011**. Here are some IMPORTANT REMINDERS:

- All producers planting on **DCP base** acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.
- Changes on the farm after enrolling June 1<sup>st</sup> in DCP/ACRE **must** be reported to your local FSA office such as:
  - Ownership changes
  - Producer changes (Individuals and Entities)
  - Change in crop shares arrangements
  - Changes cannot be made after September 30<sup>th</sup>, 2011.

### Land Changes

If you have bought, sold or are renting different land from the previous year, make sure you report the changes to the Farm Service Agency as soon as possible after the change occurs. Land in your farming operation may contain multiple ownership farms that you rent each year. If you no longer rent a farm that you did in the prior year you will need to report the change which may require a reconstitution to remove this farm from your operation. Failure to remove land you no longer rent could affect your DCP/ACRE contract eligibility as well as other FSA program activities. Please review your land leases to determine farmland you have leased as well as farmland you have given up from the previous year and report these changes to your

local FSA county office. It is up to you to review with FSA land changes before signing program contracts. Signing program contracts containing farmland you do not control could result in contracts being terminated without benefits. Failure to maintain accurate records with FSA on all land you have an interest in can lead to problems with Crop Insurance if FSA farm numbers and acreage reports do not agree with Crop Insurance records.

### **Farm Operators Subleasing Cropland**

All producers planting on **DCP base** acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm. Producers who enroll a farm in DCP/ACRE by June 1, 2011 and at a later date sublease cropland to another producer that is planting on DCP **base** acres, must revise their DCP/ACRE contract no later than September 30, 2011. Failure to report the new producer and make a DCP/ACRE contract revision is considered a contract violation which will result in DCP/ACRE contract termination and loss of payment for **all** producers on the farm. To avoid DCP/ACRE contract violations, such changes in producers on the farm after enrolling in DCP/ACRE **must** be reported to your local FSA office to determine if the new producer has control of base acres. Do not wait until the last minute to revise a DCP contract because all necessary signatures must be obtained no later than September 30, 2011. Contracts may also be terminated upon written agreement of all producers receiving payment under the contract no later than September 30, 2011, provided any advanced payments are repaid with interest.

### **Farm Reconstitutions**

In program terminology, farms are *constituted* to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution is the process of combining or dividing farms or tracts of land based in the farming operation. The following are the different methods used when doing a farm recon.

- **Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;
- **Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding. This method allows seller or buyer an opportunity to retain bases on the farm.

• **DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

• **Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

If payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded. Request for farm reconstitutions may be filed through August 1, 2011.

### **Banking Changes?**

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

### **Average Crop Revenue Election (ACRE)**

The ACRE program provides participating producers a revenue guarantee each year based on market prices and average yields for the respective commodities. The guarantee is based on State-level planted yields and national market prices, but payments are dependent upon State- and farm-level planted yields and national market prices.

Producers can enroll in ACRE any year during crop years 2011-12. A producer must enroll all covered commodities (wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, other oilseeds, peanuts, dry peas, lentils, small chickpeas, and large chickpeas) for a participating farm. Upon enrollment, the farm is enrolled in ACRE for the remainder of the 2008 Farm Act, which ends with crop year 2012. After enrollment, a farm is no longer eligible to receive Counter-Cyclical Program Payments. Also, as a condition for the farm's enrollment in ACRE, direct payments for the farm are based on 80 percent of the legislated direct payment rate, and marketing loan benefits are based on 70 percent of the legislated national marketing loan rate.

### **Farm Stored Facility Loan Program (FSFLP)**

The Farm Stored Facility Loan Program (FSFLP) provides low-interest financing for producers to build or upgrade farm storage and handling facilities. The FSFLP program has been amended to allow producers financing to build cold storage facilities to store fresh fruits and vegetables. Portable structures and portable handling and cooling equipment are not included. The maximum loan amount is \$500,000 per loan and requires a 15% down payment. Applications must be approved before construction begins. Loan terms of 7, 10, or 12 years are available depending on the amount of the loan. For more details visit you local County Office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

### **October Final DCP Payment and Counter Cyclical Payment**

FSA County Offices began issuing 2010 DCP program payments on October 12, 2010. Also on October 8, 2010 the 2009 final CC payment rates for corn, grain sorghum, soybeans, peanuts and upland cotton were announced. Corn, grain sorghum, soybeans effective price exceeded their respective target price therefore CC payments will not be issued for those crops. The final CC payment rate for upland cotton is .0168 cents per pound and the CC payment rate for peanuts is .0125 cents per pound. The FSA County Offices began issuing the CC payments on October 12, 2010 as well.

### **Paper Check Conversion (PCC)**

Over the next year, the Farm Service Agency (FSA) and the Commodity Credit Corporation (CCC) is moving toward an electronic method for processing producers checks. This will allow FSA/CCC to process collections faster. When producers present checks, either in person or through the mail, the checks will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt.

Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information:

<https://www.pccotc.gov/pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm>

**Note:** FSA/CCC will begin this process in the coming months.

#### **What is PCC - OTC?**

PCC – OTC is a process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It presents many benefits, such as reducing lost/misplaced checks and paper handling. This improves customer relations, speeds the check clearing process, and reduces the potential for human error.

#### **How will my checks be handled?**

If the check is presented in person, the check will be scanned into the system, voided, and stamped with the words, "Electronically Processed" or "Electronically Presented" and the voided check will be returned to the customer. If the check is mailed to FSA, the check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check.

#### **How quickly will funds be transferred from my account?**

The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do **not** have sufficient funds, we may initiate the transaction again.

#### **How will this transaction appear on my account statement?**

The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions".

**What are my rights if there is a problem with the transaction?**

You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

**Office Closures**

November 11, 2010	Offices Closed – Veterans Day
November 25, 2010	Offices Closed – Thanksgiving
December 24, 2010	Offices Closed – Christmas Holiday
December 31, 2010	Offices Closed - New Year's Holiday
January 17, 2011	Offices Closed - Birthday of Dr. Martin Luther King, Jr.
February 21, 2011	Offices Closed – Washington's Birthday

**USDA Announces Loan Program for Natural Resource Conservation**

On September 3, 2010, USDA launched a new Conservation Loan (CL) program that will provide farm owners and farm-related business operators' access to credit to implement conservation techniques that will conserve natural resources.

This new loan program will provide farmers, who want to implement conservation measures on their lands, a chance to do so by providing assistance with their up-front costs. In return, these producers will help reduce soil erosion, improve water quality and promote sustainable and organic agricultural practices.

Direct CLs can be obtained through local Farm Service Agency (FSA) offices with loan limits up to \$300,000. Guaranteed CLs up to \$1,119,000 are available from lenders working with FSA.

CL funds can be used to implement conservation practices approved by the Natural Resources Conservation Service (NRCS), such as the installation of conservation structures; establishment of forest covers; installation of water conservation measures; establishment or improvement to permanent pastures; implementation of manure management; and the adaptation of other emerging or existing conservation practices, techniques or technologies.

Since the beginning of the new Conservation Loan (CL) Program on September 3, 2010, South Carolina has approved nine

(9) new Conservation Loans for \$827,070.

For more information on the Conservation Loan program, contact your loan FSA office or visit the FSA website at [www.fsa.usda.gov](http://www.fsa.usda.gov).

**Loans for the Socially Disadvantaged**

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of Socially Disadvantaged Applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

**Please visit our website at <http://www.fsa.usda.gov/sc>**

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