

Texas FSA Today

AN ONLINE MONTHLY NEWSLETTER COVERING THE HOTTEST TOPICS IN FEDERAL FARM PROGRAMS

March 2008

Don't Delay

Sign-up NOW For Livestock & Crop Disaster Assistance

When a new Farm Bill is announced, FSA anticipates a heavy workload further compounded by spring crop reporting dates as early as April 15. Additionally, we expect to be implementing a signup of the quality loss portion of the Crop Disaster Program (CDP) soon. Needless to say, our staff will be busy.

If you are eligible for the Livestock Indemnity Program (LIP), Livestock Compensation Program (LCP) or the Crop Disaster Program (CDP) for quantity loss, we STRONGLY encourage you to sign-up for these programs by March 31 to insure that we have adequate time to meet your needs before the blitz of program sign-ups swamps our county offices.

Delivering New Farm Bill Programs Will Take Time

From the time an initial Farm Bill is passed by both the House and Senate, it takes an average of 64 days to get the President's signature of approval. Why is this important? Because from the date of Presidential signature, it typically takes about 6-8 months for FSA to be positioned to start making payments to producers.

Once a Farm Bill is approved, there are a significant number of steps before we are prepared to accept applications and issue payments to producers. These steps include:

1. National Office writes regulations
2. National Office writes handbook procedures for state offices to use
3. Program software is developed

4. National training modules are developed
5. State FSA staff receives training
6. County Office staff receives training
7. Public information campaigns begin

Although there are some limited provisions for expedited implementation, the process in reality is not all that expeditious. We will make every effort to implement Farm Bill provisions in a timely manner.

Texas FSA Supports Establishing Firebreaks on CRP

In response to the continued threat of grass fires statewide, Texas Farm Service Agency (FSA) reminds landowners of a provision in Conservation Reserve Program (CRP) procedure allowing for the establishment of firebreaks as a preventive measure.

Although disking CRP ground is not a typically authorized practice, the benefit outweighs the cost in terms of fire protection of life and property.

Firebreaks are strips of bare land or vegetation that retard fire. The area must be a minimum of 10 feet of bare soil or planted to an annual green winter crop that will not burn.

NRCS has a job sheet that provides more information about firebreaks and fireguards. It can be viewed at www.tx.nrcs.usda.gov. Ferguson said that the job sheet illustrates ideal firebreak/fireguard situations, but that a fireguard cannot be created under a burn ban situation.

Individuals who are interested in disking perimeter firebreaks on

ground enrolled in CRP must first visit the USDA Service Center and work with the Natural Resources Conservation Service (NRCS) to modify CRP contracts to include firebreaks. NRCS will determine acceptable firebreak widths on a site-specific basis.

With nearly four million acres of CRP in the state, many of those acres bordering communities and residences, Texas FSA supports efforts to reduce combustible vegetation that may cause a fire to spread.

There is no cost-share for establishing firebreaks and rental payment penalties will not be assessed.

Although fuel prices are high, a little fuel and some sweat equity may prove to be cheap insurance in the long run.

Sign-up for Dairy Disaster Assistance Program Resumes

Eligible dairy producers who suffered production losses in 2005, 2006 or 2007 may apply to receive benefits under the Dairy Disaster Assistance Program III, beginning March 5, the U.S. Department of Agriculture announced today.

Producers can sign up at their local USDA Farm Service Agency (FSA) service center until May 5, when sign-up will end.

This dairy program will provide \$16 million in benefits to dairy producers for dairy production losses that occurred between Jan. 1, 2005, and Dec. 31, 2007, because of natural disasters. To be eligible, a producer's operation must be in a county designated a major disaster or emergency area by the president or declared a natural disaster area by the

secretary of agriculture between Jan. 1, 2005, and Dec. 31, 2007.

Producers in contiguous counties are also eligible. Producers in counties declared disaster areas by the president may be eligible, even though the agricultural loss was not covered by the declaration, if an FSA Administrator's Physical Loss Notice covered such losses.

FSA began enrolling producers in DDAP-III in late 2007 and early 2008, and then temporarily halted sign-up pending the completion of rulemaking which began with the issuance of a proposed rule for public comments on the program. Based on public comments, FSA made minor changes to the proposed DDAP-III rules. These changes are explained in the final DDAP-III regulations, which were published in the March 4 Federal Register.

New Wildlife Initiative Approved For Texas

USDA approved conservation projects on a quarter-million acres in 18 states under a new partnership within the Conservation Reserve Program called State Acres for Wildlife Enhancement (SAFE).

SAFE practices provide the flexibility to meet the specific needs of high-value wildlife species in a participating state or region. Conservation practices currently offered under CRP are fine-tuned through SAFE to improve, connect or create higher-quality habitat to promote healthier ecosystems in areas identified as essential to effective management of high priority species. SAFE, like other continuous CRP practices, targets CRP acres to the most environmentally sensitive land. USDA's national goal is to restore or enhance 500,000 acres of wildlife habitat through SAFE.

Producers will receive annual CRP rental payments, incentives and cost-share assistance to establish habitat-enhancing natural covers on eligible land. Producers enrolling in CRP enter into contracts with USDA's Commodity Credit Corporation (CCC).

When known, FSA will announce a beginning sign-up date for SAFE in the near future and conduct sign-up on a continuous basis. Producers can voluntarily offer land for enrollment in SAFE and other CRP programs at their local FSA service center.

Texas was awarded three SAFE projects with an acreage allocation totaling 39,400 acres.

- The Lower Rio Grande Valley project includes 5,000 acres of cropland located in Cameron, Hidalgo, Kenedy and Willacy counties. The project goal is to restore the thornscrub habitat for the benefit of the endangered Ocelot and other Wildlife species.

- The Gulf Coast Prairie project includes 14,400 acres of cropland located in Aransas, Austin, Brazoria, Calhoun, Chambers, Colorado, Fort Bend, Galveston, Goliad, Harris, Jackson, Jefferson, Lavaca, Liberty, Matagorda, Orange, Refugio, San Patricio, Victoria, Waller and Wharton counties of Texas. The project goal is to restore grassland and shallow water areas to benefit targeted species which include the Mottled Duck, Le Conte's Sparrow, Grasshopper Sparrow, Henslow's Sparrow and Attwater's Greater Prairie Chicken as well as other Wildlife species.

- The Mixed Grass Prairie project includes 20,000 acres of cropland located in Lipscomb, Ochiltree, Castro, Deaf Smith, Parmer, Randall, Cochran, Hockley, Terry, Yoakum, Andrews, Dawson, Gaines, and Martin counties of Texas. These counties include to location of the 4 targeted Lesser Prairie Chicken population complexes. The project goal is to reconnect geographically the isolated populations of the Lesser Prairie Chicken by restoring grassland habitat and travel corridors.

Beware of Crop Insurance Rebating Schemes

With the spring sales closing date for many Federal crop insurance policies right around the corner, crop insurance agents have stepped

up their marketing efforts. The Risk Management Agency (RMA) has received reports from producers and agents that some aggressive marketers have been approaching producers with rebate offers. These schemes promise lower insurance premiums, refunds, dividends, or items of value tied to crop insurance purchases. Most of these activities are illegal.

RMA reminds all Federal crop insurance program participants that it is now coordinating with state regulators to take appropriate regulatory action against all those who are found to promote or participate in such schemes. Producers who are found to participate in illegal rebating activities will not only lose their crop insurance coverage but will also lose eligibility in all USDA programs. Producers and agents can report suspicions of illegal rebating to the Office of Inspector General (OIG) Hotline: 1-800-424-9121.

Partial Counter-Cyclical Payments for Cotton & Peanuts

USDA will soon begin issuing about \$315 million in partial 2007-crop-year counter-cyclical payments (CCPs) for producers with upland cotton and/or peanuts base acres enrolled in USDA's Direct and Counter-cyclical Program (DCP). The 2002 Farm Bill authorizes preliminary partial payments for the 2007 crop to be made six months after the start of the marketing year, which began on Aug. 1, 2007, for these commodities. Preliminary payments must be refunded if full-year price calculations result in a lower payment rate.

USDA estimates producers with enrolled upland cotton and peanuts base acres will receive \$300 million and \$15 million, respectively, in partial CCPs. The 2007-crop year projected partial payment rates, equal to 40 percent of the projected amount, are \$0.0309 per pound for cotton and \$7.60 per ton for peanuts.

Overpayments to producers can be repaid to USDA, or the computer system will automatically deduct any

unearned amount from a producer's future payments.

No Partial Counter-Cyclical Payments for Grains & Oilseeds

Based on supply/demand and price projections from USDA's World Agriculture Supply and Demand Estimates, producers of crops other than cotton and peanuts, will not receive a second partial counter-cyclical payment. When effective commodity price projections are equal to or more than their respective target prices; the commodities do not qualify for counter-cyclical payments.

Not Too Late To Return Your 2007 Ag Census Form

The 2007 Census of Agriculture, the only source of consistent and comprehensive agricultural data for every state and county in the nation, was mailed out to agricultural producers across the United States last December with a Feb 4th due date for return. Officials at the National Agricultural Statistics Service say that while the deadline has passed, completed forms are still being accepted.

Conducted every five years by the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS), the Census provides detailed data covering nearly every facet of U.S. agriculture. Government organizations, lawmakers, town planners and individual farm operations can use this vital information to help them plan for future facilities, services and community growth.

Producers can return their forms by mail or, for the first time, they have the convenient option of filling out the Census online. For more information about the Census, visit www.agcensus.usda.gov. The Census is your voice, your future and your responsibility.

Continuous CRP Available

USDA has recently indicated there will not be general signups scheduled for the Conservation Reserve Program (CRP) in 2008. The budget for FY 2008

assumes no available funding for CRP general signups.

However, environmentally sensitive acreage qualifying for Continuous CRP will still be eligible for enrollment. These targeted programs will remain funded, and continue to provide a heightened environmental benefit on select areas.

Beginning Farmers & Rancher Loans

Are you a farmer or rancher who has substantially participated in a farm or ranch operation for at least three years but no more than 10 years? If so, you may qualify for beginning farmer targeted loan funds with the Farm Service Agency.

The program is designed to assist these farmers by providing direct and guaranteed loans when they are unable to obtain financing from commercial credit sources.

If you believe this program could be of benefit to you, please contact the county office for more information. FSA loan officials will be happy to arrange an appointment to meet with you and discuss your options.

Acreage Reporting

Acreage reporting time will soon be here. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many Farm Service Agency programs. For crops other than NAP (Noninsured Crop Disaster Assistance Program) crops, acreage reports are to be certified by the (date) deadline on small grains and a (date) deadline on all other crops.

Acreage reports on crops for which NAP assistance may be paid are due in the county office by the earlier of (date) for small grains and (date) for all other crops, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

Timely File Notice of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required on for ALL CROPS INCLUDING GRASSES. For losses on crops covered by the Non-insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576 (notice of loss) in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Sodbuster, Swampbuster

Most Farm Service Agency programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service.

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before starting to work in the fields.

Flexible or Cash Lease

Producers should be careful to differentiate between flexible leases and cash leases when reporting to the Farm Service Agency (FSA).

Flexible leases, in which the producer pays a base rent, and offers a bonus on yield and/or price increase to a landowner, are considered by the Farm Service Agency as share leases. Cash leases specifying a fixed amount, not subject to changes from yield or price are common and the norm across the country. Flexible or hybrid leases are now coming to the attention of FSA.

Example: A lease that is for \$100 acre plus an additional \$40 per acre if the crop exceeds \$4/bushel or 170 bushels corn/acre or \$7/bushel or 40 bushels of soybeans per acre is by FSA procedure a share lease. FSA procedure states that, a lease is a share lease if the lease bases the amount of rent on the quantity of crop produced or the proceeds from the crop, or the interest a producer would have if the crop had been produced.

NAP Application Deadline

Check with your local FSA office for deadline dates to apply for Noninsured Crop Disaster Assistance Program, or NAP coverage, using Form CCC-471. The application and service fee must be filed by the applicable closing date for each of the 2007 spring seeded NAP crops. To remain eligible for NAP, a producer must annually report the crop, including: type, variety, location, producer shares, date planted, and the intended use (fresh, processed, etc.). Once the crop is harvested the production must also be reported.

The NAP service fee is \$100 per crop per county or \$300 per producer per county. The fee cannot exceed a total of \$900 per producer with farming interest in multiple counties. Limited resource producers may request a waiver of service fees.

In the event of a crop failure caused by natural disaster, the producer needs to notify the local FSA office by completing a "Notice of Loss" (form

CCC-576). The notice of loss must be executed within 15 days of the date the damage became apparent.

Honey Loans

Marketing assistance loans and loan deficiency payments for 2007 crop year honey are available until March 31, 2008. The national loan rate for honey is \$0.60 per pound. Market prices currently exceed the loan rate, so LDPs are not available at this time.

To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extracted the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan.

The honey must be produced in the United States by an eligible producer, from an approved floral source, and stored in approved containers.

The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed.

Honey used as collateral may not be disposed of without approval of the county office staff.

National Ag Week (March 16-22, 2008)

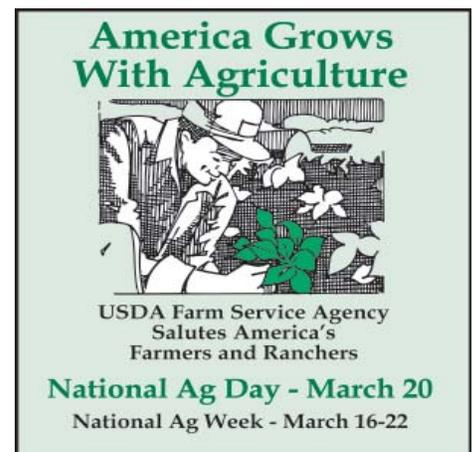
National Agriculture Day occurs every year on the first day of Spring - March 20, 2008. Although we appreciate our producers year-round, during National Ag Week, we honor agriculture for providing safe, abundant and affordable products, a strong economy, a source of renewable energy, and a world of job opportunities.

Farmers and ranchers are important to us because:

- 1% of our nation's population

feeds a major percentage of the growing global population. Each U.S. producer feeds an average of 130 people every day

- U.S. consumers enjoy the safest, most affordable food and fiber supply in the world. Only 10.9%, less than any other country is spent on food products.
- Ag producers are our nation's first-line of defense against agriculture & bio-terrorism.
- 4.4 cents per meal is a small price to pay to insure we maintain the high quality of life to which we have grown accustomed.
- The success of U.S. farmers & ranchers today insures tomorrow's basic necessities of life - food, clothing & shelter. We cannot afford to become dependent on foreign agriculture.



Readers are advised that dates for FSA programs in Texas are often county-specific. Please contact your local FSA office for detailed information pertaining to your operation.

