

Texas FSA Today

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

April 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.

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USDA Levies Stiff Penalties for Unauthorized Sales of Loan Collateral

Recently, USDA's Office of the Inspector General (OIG) investigated unauthorized sales of cattle, crops and equipment used as collateral on FSA

loans. In a Texas case, OIG determined that an FSA borrower illegally sold cattle used as loan security. As a result of U.S. Attorney's criminal proceedings, significant penalties were imposed.

It is very important for FSA borrowers to understand the terms of the Agreement for the Use of Proceeds/Release of Chattel Security signed at the time a loan is obtained. The agreement states that a borrower must obtain written consent before he/she can "sell, exchange, feed to livestock, consume, or in any way dispose of collateral."

FSA borrowers must maintain and protect the FSA security in a responsible manner and promptly report to FSA any losses or other changes in the security.

Extending Wool, Mohair, Unshorn Pelt, and Honey MALs & LDPs

The Farm Bill extension signed by the President on December 26, 2007, authorized the MAL and LDP programs for the 2008 crop of graded and ungraded wool, mohair, and unshorn pelts through March 15, 2008. On March 14, 2008, S. 2745 was signed into law, and subsequently authorizes FSA to continue administering 2008 crop wool, mohair, and unshorn pelt MALs and LDPs through April 18, 2008.

Because the availability date for 2008 crop honey begins on April 1, 2008, FSA County Offices are authorized to accept 2008 honey MAL and LDP requests from April 1, 2008 through April 18, 2008.

Sign-up for DDAP III Ends May 5th

Eligible dairy producers who suffered production losses in 2005, 2006 or 2007 have until May 5 to make application to receive benefits under the Dairy Disaster Assistance Program III.

More information on the Dairy Disaster Assistance Program III is available at your local county FSA office, or on line at <http://www.fsa.usda.gov>.

USDA Works to Protect Personally Identifiable Information (PII)

USDA has launched a campaign to make certain your "Personally Identifiable Information" or PII, is protected. PII generally refers to your personal information which is maintained by a USDA agency. This information can include details of financial transactions between you and USDA; and may include your Social Security number, date of birth or other personal information which can be linked to you.

As part of USDA's official policy on social security numbers, USDA will collect, use, maintain, and/or disseminate Social Security numbers only when required by statute or when specifically authorized to do so. USDA agencies will not use the number as an identifying number. Agencies must mask or encrypt Social Security numbers so they cannot be viewed on computer screens, reports, or other products. Agencies will not use Social Security numbers to access customer records.

Conservation Compliance

All participants in USDA programs are required to have a conservation system in place on all the highly erodible land (HEL) that they operate. Several areas where problems can arise with complying with a conservation system are; renting new cropland, purchasing new land, breaking out additional cropland, planting different crops such as soybeans, and changing or removing existing conservation practices.

It is very important that you contact the FSA office before doing any of the above. Also, it is very important that you contact our office before modifying - tiling, draining, dredging, filling, or leveling - any wetland or drainage ditch. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and eligibility.

FSA Signature Policy

NOTE: Signature Requirements may differ for Farm Loan Programs

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- A married woman shall sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from an eligible parent

Note, by signing the applicable document, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, etc

- When signing your own name, the signature must agree with the name typed or printed on the form, or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc

- FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.

Examples of documents not approved for FAXED signatures include:

- o Promissory note
- o Assignment of payment

- o Joint payment authorization
- o NAP actual production history and approved yield record
- o Acknowledgement of commodity certificate purchase
- o Financing statement
- o UCC financing statement
- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities
- All members of a general partnership must sign for the general partnership unless an individual is authorized to act on the behalf of the general partnership and bind all members
- Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office

- Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts shall consist of an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity

For additional clarification on proper signatures contact your local FSA office.

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 down payment is also required, so for more info call your FSA office.

Direct and Guaranteed Loans

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are available now.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan.

Loan funds can be made available. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner.

Most of our loan programs have special funding available for minority, female and beginning farmers.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it or who to contact to get it. To find out more about FSA loan programs, contact the county office staff.

Rural Youth Loans

Farm Service Agency (FSA) makes operating loans to individual rural youths age 10 through 20 to establish and operate income producing projects. Eligible youth loan recipients must reside in a rural area, city or town with a population of 50,000 or fewer people. These projects must be of modest size and

be initiated, developed, carried out by rural youths participating in 4-H Clubs, FFA, or a similar organization or with a vocational teacher or county extension agent. The project must be an organized and supervised program of work. It must be planned and operated with the assistance of the organization advisor, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience. Contact your local FSA office for more details.

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 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.

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.

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.

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.

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.

