



May, 2006

Ellis County News

Ellis County
USDA Service Center

Ellis County FSA
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Hours
Monday - Friday
8:00 a.m. -4:30 p.m.

County Committee
Opal Flinn Chairperson
Paul Baier
William Hoffman

County Committee meets
2nd Thursday of the month

Office Staff:
Gregory W. Kerr, CED
Hazel Love, PT
Ruan Windholz, PT
Marge Shore, PT

Conservation Reserve Program

Letters have been sent for extensions of CRP contracts expiring in 2008-2010. Producers have until June 30 to re-enroll or extend these contracts.

Producers extending their CRP contracts may sign up for management practices on these contracts including haying, grazing and burning. There would be a 25% annual rental payment reduction on acres hayed or grazed. All new CRP contracts are required to have a management practice in their contract plan.

Haying/Grazing is **NOT** allowed on CRP lands without prior approval. Unauthorized haying and grazing will result in a fine and/or contract termination. Contract termination results in a refund of all CRP contract payments including cost-share, all rental payments, interest, and liquidated damages. Managed haying and grazing can only be done after the primary nesting season (July 15). Contact our office on managed haying/grazing provisions.



Direct Payment Change

Producers who enroll land in the Direct and Countercyclical Payment Program after Feb. 8 will have the option to receive an advance direct payment of **40 percent** of the direct payment for any covered commodity for the 2006 crop year.

The amount of the advance payment was reduced from 50 percent by the Agricultural Reconciliation Act of 2005, also known as Title I of the Deficit Reduction Act of 2005.

As before, producers may elect to receive their direct payments in two installments per year. The first payment is available in December of the calendar year before the crop is harvested. The balance of the direct payment is available in October of the calendar year in which the crop is harvested.

For the 2007 crop year, producers will have the option to receive an advance payment of **22 percent** of the total direct payment. The total value of the direct payment does not change. Producers will receive the balance of the direct payment in the second installment.

Producers who enrolled in the 2006 DCP program prior to Feb. 8 and elected to receive a 50 percent advance direct payment will be unaffected.

Never EZer!

Last August, the Farm Service Agency announced the launch of the CCC-633 EZ to replace the old CCC-709 and CCC-633-LDP. Since then, it's undergone a few modifications to make it even more user-friendly.

The EZ form is a two-part loan deficiency payment request that allows producers to (1) indicate their intentions to receive LDP benefits *before* losing beneficial interest in the eligible commodity, and (2) submit a request for an LDP at any time during the loan/LDP availability period before or after losing beneficial interest.

The EZ form was developed to cover field direct LDPs, basic LDPs and CCC-cotton AA, and revised to cover basic and field direct LDPs for wool, mohair and unshorn pelts.

By signing the first page of the EZ form, the producer indicates his or her intentions to receive LDP benefits. This one page covers all counties and all eligible harvested commodities for the entire crop year for the individual, joint operation or entity identified on the form.

Once the first page of the form has been signed and submitted, the producer can submit an LDP request by completing page 2 for all harvested commodities, except cotton; page 3 for cotton; or page 4 for wool, mohair and unshorn pelts. The LDP request can be submitted at any time during the loan availability period, before or after losing beneficial interest.

A key point to remember is that page 1 of the EZ form must be signed by the producer before beneficial interest in the commodity is lost. Once beneficial interest is lost the commodity is ineligible for an LDP even if beneficial interest is regained.

All producers are encouraged to submit page 1 of the EZ for each crop year whether or not they plan to subsequently request a loan or LDP.

For the 2006 crop year, the CCC-633 EZ or eLDP online requests are the only methods available to request LDPs.

2006 COC Elections

William Hoffman was elected to the Ellis County Committee for a three year term beginning January 1, 2006, for Local Administrative Area (LAA) 2. This LLA is the center section of Ellis County.

Upcoming elections for 2006 find Opal Flinn completing her third year of her second term. She is eligible to run for a third term. Ms. Flinn represents LAA 3, which is the West third of the county.

The County office will take petitions through September, 2006, from any individual in LAA3 who would like to serve on the county committee starting 2007. The COC meets once a month to review and approve program applications, handle appeals, monitor emergency and disaster situations, and see programs are administered fairly to all county producers. Our appreciation to our COC for serving.

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 penalties it is strongly recommended that producers file an AD-1026 and have a determination made **before starting any kind of dirt work.**

NAP Program

Producers with Non-insurable Assistance Program crops need to remember that acres must be certified 15 days before harvesting. Grass grazing must be reported 15 days before putting livestock in to graze. If you lease new pasture, remember this must be reported.

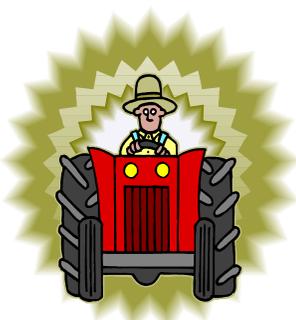
2006 Ellis Loan Rates

| | |
|------------|------------|
| Wheat - | \$2.80 Bu. |
| Corn - | \$2.01 Bu. |
| Barley - | \$1.80 Bu. |
| Oats - | \$1.34 Bu. |
| Gr Sorghum | \$3.24 cwt |
| Soybeans - | \$4.77 Bu. |
| Sunflowers | \$9.11 cwt |

Commodity loans are available for all crops, both farm-stored grain and warehouse certificates. May 31st is the last date to request 2005 feed grain loans.

Farm Storage Facility Loan Program

Producers may request loans to build or upgrade farm storage and handling facilities at the FSA office. These FSFL loans have a 7 year term with annual payments amortized over the term of the loan. The maximum principal loan amount is 85% of the net cost not to exceed \$100,000. If interested, contact the office for more information. Interest rate for April is 4.625%



Crop losses must be reported within 15 days from date of loss. If you had a NAP policy for wheat for graze, triticale, grass or oats forage, remember to report losses timely in order to be eligible. Notify the office before tearing up crops or for crops you will not harvest, so an appraisal can be done. Keep track of alfalfa production for each cutting, and you will need to weigh some bales. NAP producers need to provide all production for insured crops to FSA even if you do not have a loss.

Exception to FAV Rule

Every rule has an exception, and the exception for the FAV — that's fruits (including nuts) and vegetables — rule is that FAVs may be planted without penalty on Direct and Countercyclical Payment Program base acres under these conditions:

- FAVs are designated as and meet the definition of a home garden;
- FAVs are *planted and reported* with an intended use of green manure or forage and the producer pays a fee to cover the cost of a farm visit to verify that the crop has not been harvested as FAV;
- lentils, mung beans and dry peas (dry peas including Austrian, wrinkled seed, green, yellow and umatilla) are not FAV crops.

The producer declare his or her intentions when the acreage report is filed and cannot subsequently change the intended use of reported FAV acreage to home garden, green manure or forage to negate a violation or payment reduction. Better safe than sorry; check with the county office staff before planting any FAVs, such as dry edible beans.

Toll-Free Number for Borrowers

Direct loan borrowers with USDA's Farm Service Agency can now check the status of their accounts around the clock using a new toll-free telephone number.

The toll-free number, 1-888-518-4983, is available in both English and Spanish. The system delivers information on active FSA loans 24 hours a day, 7 days a week.

During the first call to the new system, borrowers will enter their tax identification number or the Social Security Number associated with the loan. They also will need to enter their ZIP code. Borrowers will create a personal identification number for security. Customers must enter their PIN every time they use the system and may change their PIN. The system menu helps users access helpful information. The system may also direct borrowers to contact their local FSA servicing office if action is necessary on their accounts.

Certification Reminder

All cropland including fallow must be certified for DCP eligibility. Small grains (oats, wheat, etc) must be certified by May 31. Feed grains (corn, milo, soybeans, etc) must be certified by Aug 1.

| Dates to Remember | |
|-------------------------------|--|
| May 31, 2006 | Report acres for fall seeded and small grain crops, alfalfa and CRP |
| May 31, 2006 | Final date to obtain loans and LDPs on 2005 feed grains |
| May 31, 2006 | Final date to provide 2005 production for Hard White Wheat incentive pay |
| June 1, 2006 | Signup ends for 2006 Direct and Counter-cyclical Payment Program without a late fee. |
| June 30, 2006 | Deadline for CRP contracts expiring in 2008-2010 to respond |
| August 1, 2006 | Final date to report spring seeded crops on total cropland. |
| September 1, 06 | Purchase NAP policy for 2007 Wheat and Triticale forage crops. |
| Holidays Office Closed | May 29, Memorial Day July 4, Independence Day September 4, Labor Day |

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