

Conservation Reserve Program Sign-up March 27-April 14, 2006

Farmers will be able to make offers for the Conservation Reserve Program (CRP) competitive general sign-up from March 27, 2006, through April 14, 2006, at their local FSA offices.

The Conservation Reserve Program (CRP) was established by the Food Security Act of 1985 and began enrolling farmland in 1986. Under this voluntary program USDA establishes contracts with agricultural land owners and operators for period of 10 to 15 years.

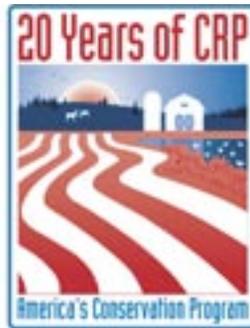
CRP provides annual rental payments and cost-share assistance to establish long-term, resource-conserving covers on certain eligible farmland through long-term rental contracts. CRP provides a variety of options for restoring and protecting highly erodible land, wetland areas, and other land.

Submitting CRP Offers

Land that is not currently enrolled in CRP may be offered for enrollment during CRP sign-up 33. In addition, CRP participants with contracts expiring on September 30, 2006, may submit offers.

Eligible Producers

To be eligible for CRP enrollment, a producer must have owned or operated the land for at least 12 months



prior to the end of the CRP sign-up period, unless:

- The new owner acquired the land due to the previous owner's death;
- The ownership change occurred due to foreclosure where the owner exercised a timely right of redemption in accordance with state law; or
- The circumstances of the acquisition present adequate assurance to FSA that the new owner did not acquire the land for the purpose of placing it in CRP.

Eligible Land

To be eligible for placement in CRP, land must be either:

- Cropland (including field margins) that is planted to an agricultural commodity four of the previous six crop years from 1996 to 2001, and which is physically and legally capable of being planted in a normal manner to an agricultural commodity; or
- Certain land devoted to hardwood trees that was under CRP contract

which expired on September 30, 2001, or earlier.

Additional Cropland Requirements

In addition to the eligible land requirements, cropland must meet one of the following criteria:

- Have a weighted average erosion index of 8 or higher;
- Be expiring CRP acreage; or
- Be located in a national or state CRP conservation priority area.

CRP Payments

FSA provides CRP sign-up 33 participants with annual rental payments, including certain incentive payments, and cost-share assistance:

- **Rental Payments:** In return for establishing long-term, resource-conserving cover, FSA provides rental payments to participants.

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CRP Initiatives Are Tailored To Farmers' Needs

- Through CRP General and Continuous Sign-up, producers help protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water
- Conservation Reserve Enhancement Program targets high-priority conservation issues of both local and national significance through partnerships with States
- Farmable Wetlands Program protects farmed and prior-converted wetlands
- Bottomland Hardwood Tree Initiative sequesters greenhouse gases
- Northern Bobwhite Quail Habitat Initiative increases quail populations
- Wetlands Restoration Initiative restores playa lakes and prairie potholes

CRP Sign-up

March 27 to April 14, 2006, *continued*

- Maintenance Incentive Payments: CRP annual rental payments may include an additional amount per acre per year as an incentive to perform certain maintenance obligations.
- Cost-share Assistance: FSA provides cost-share assistance to participants who establish approved cover on eligible cropland. The cost-share assistance cannot exceed 50 percent of the participant's costs to establish approved practices.

Ranking CRP Offers

FSA will rank offers for CRP sign-up 33 according to the Environmental Benefits Index (EBI). FSA collects data for each of the EBI factors based on environmental indices for the land offered.

FSA ranks each eligible offer in comparison to all other offers and selects from that ranking. After the sign-up ends, FSA will decide where to make the EBI cutoff. Those who have met previous sign-up EBI thresholds are not guaranteed a contract under this sign-up. Producers may consult with their local USDA experts on how to maximize EBI points and increase the likelihood that their offer will be accepted.

Sign-up for Extension of Milk Income Loss Contract (MILC) Program

Congress authorized the extension of the Milk Income Loss Contract (MILC) Program for the period beginning Oct. 1, 2005, and ending Sept. 30, 2007, with some minor changes. The re-authorization allows the continuation of financial assistance on a monthly basis when domestic prices fall below a specified level.

Eligible producers may file an application for benefits beginning March 13, 2006 and ending on April 14, 2006. Producers should file applications in the county where the dairy operation is physically located.

2006 Final Crop Reporting Dates

✓ **May 31:** Small Grains

✓ **July 17:** All crops, except small grains

Loan Deficiency Payments (LDP)

Loan Deficiency Payments (LDP) are paid on those commodities for which the producer has beneficial interest at the time of application. The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the alternative loan repayment rate for the respective commodity. Kentucky producers received \$62.395 Million in LDP's for crop year 2005.

Beginning with the 2006 crop year, the CCC-633EZ, Loan Deficiency Payment Agreement and Request form (copy enclosed) will be the only LDP form accepted. The CCC-633EZ is a 2-part form available to producers to request LDP benefits. Eligible producers indicate intentions to request LDP benefits on an eligible LDP commodity by completing and submitting CCC-633EZ, Page 1, agreeing to the terms and conditions.

The CCC-633EZ (Page 1) is the LDP agreement. This form needs to be filed in one FSA County office for all counties in which you have a farming interest in the eligible commodity. This form must be filed before loss of beneficial interest.

Grain:

✓ If you will be hauling grain from the field to a buyer for immediate sale, the LDP rate will be the rate in effect on the date of delivery.

✓ If you want to obtain an LDP based on the date of delivery from the field to a processor, buyer, warehouse, etc., and who will not lose beneficial interest in the commodity at the time of delivery must submit a completed CCC-633EZ

(Page 1 and 2) and check item 23B (Date of Delivery). The completed CCC-633EZ must be submitted on or before date of delivery.

✓ Quantities delivered before the CCC-633EZ Page 2 is submitted will be based on the LDP rate in effect the earlier of the date of request or the date beneficial interest is lost.

**CCC-633EZ
Required
for
2006 LDP**

✓ If LDP is requested based on the date of delivery, delivery evidence must be received by FSA before issuance of the LDP benefit.

✓ If the grain is farm or warehouse stored request an LDP rate on form CCC-633EZ (page 2) prior to loss of beneficial interest in the crop. The LDP rate for payment will be the rate in effect the day the request is made. If you fail to request an LDP prior to the loss of beneficial interest, you will earn payment on the date beneficial interest was lost.

Note: If you sell grain to a buyer on contract, provide a copy of the contract to your FSA County office to determine LDP eligibility.

✓ Grain delivered to feed mills (even if it will go into storage) will be paid on the rate in effect on the date of delivery provided form CCC-633EZ is filed before loss of beneficial interest.

✓ If you will be immediately feeding grain harvested from the field, the LDP rate will be the rate in effect on the date of harvest. You must keep an accurate record of the amount of grain harvested each day.

✓ If the grain is stored on the farm to be fed later, you should request a measurement service from FSA and "lock-in" an LDP rate before feeding.

Silage:

If you will be harvesting silage and feeding it to livestock immediately upon harvest, the LDP rate will be the rate in effect on the day of harvest. If silage is to be stored on the farm, visit your local FSA office to "lock-in" a rate. The rate will be the rate in effect on the date of the LDP request.

eLdp:

Producers with Level 2 eAuthentication, who wish to submit their LDP request through eLDP, will be required to submit a completed CCC-633EZ, Page 1 to their County FSA Office prior to loss of beneficial interest.

United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write: USDA, Director of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

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Agency online



- My USDA
- USDA Customer Statement
www.usda.gov

- eLDP
- eDCP
www.fsa.usda.gov

- Kentucky FSA NEWS
www.fsa.usda.gov/ky

Special Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact their local FSA County office.

Important Dates

- ✓ **March 27** Start of CRP General Sign-up 33
- ✓ **March 31** Final date to for LDP on 2005 Small Grains
- ✓ **April 14** Final Date of CRP General Sign-up 33
Final Date to apply for MILC Extension Program
(Initial Sign-up Period)
- ✓ **May 29** Memorial Day - Federal Offices Closed
- ✓ **May 31** Final date to certify Small Grain planted acreage
- ✓ **June 1** Final application date for 2006 DCP
- ✓ **July 4** Independence Day - Federal Offices Closed
- ✓ **July 17** Final date to certify all crops, except small grains

Beginning Farmer Loans - 4.00%