



Pima-Santa Cruz Newsletter

Pima-Santa Cruz County
USDA Service Center

Pima-Santa Cruz County
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Hours
Monday – Friday
7:30 am – 4:00 pm

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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 up to 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 up to 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 by the Act.

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 include Austrian, wrinkled seed, green, yellow and umatilla).

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 (or wild rice) on DCP base acres.

Honey Loans Available

Marketing assistance loans and loan deficiency payments for 2005 crop year honey are available until March 31, 2006. The national loan rate for honey is \$0.60 per pound. Market prices currently exceed the loan rate, so LDPs are not available right now.

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.

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 and eLDP online requests are the only methods available to request LDPs.



MILC Program for 2006

The Farm Service Agency's Milk Income Loss Contract (MILC) Program has been extended. Section 1101 of the Agricultural Reconciliation Act of 2005 authorized the extension of the Milk Income Loss Contract (MILC) Program for the period beginning October 1, 2005, and ending on September 30, 2007, with some minor changes to the MILC program provisions. The re-authorization of the MILC program allows the continuation of the financial assistance on a monthly basis to dairy operations in connection with production sold in the commercial market when domestic prices fall below a specified level.

Initial Signup Phase

The initial signup for the MILCX program will begin on March 13, 2006, and end on May 17, 2006. Producers that submit a MILCX for benefits during the initial sign-up period must select the MILCX production start month for their dairy operations (any month beginning December 2005 through May 2006) in which there was a payment rate in effect. Or may choose any month beginning May 2006 through September 2006 for which the payment rate is not known.

Extended Signup

Extended signup begins on May 18, 2006, the day after the initial signup ends. The extended signup will continue throughout the duration of the MILCX program, ending on September 30, 2007. Producers that submit a MILCX for benefits during the extended signup must select the MILCX production start month for their dairy operation prior to the Boston Class I (BCI) fluid milk price announcement.

Guaranteed Loan Limits Have Increased

Effective October 1, 2005, FSA's guaranteed loan limits increased. Limits include new guaranteed loan(s) plus any outstanding direct or guaranteed principal balances, as indicated, owed by anyone who will sign the promissory note.

The total outstanding:

- combined guaranteed farm ownership (FO) and operating loan (OL) principal balance cannot exceed \$852,000;

- direct and guaranteed FO principal balance cannot exceed \$852,000;
- direct and guaranteed OL principal balance cannot exceed \$852,000; and
- direct and guaranteed FO and OL and emergency loan principal balance cannot exceed \$1,513,000.

USDA UNVEILS NEW TOLL-FREE NUMBER FOR FSA BORROWERS

WASHINGTON, Feb. 24, 2006 – Farm Service Agency Administrator Teresa Lasseter today announced that direct loan borrowers with USDA's Farm Service Agency (FSA) can now check the status of their accounts around the clock using a new toll-free telephone number.

“This convenient new tool gives customers up-to-the-minute access to their accounts, helping producers better manage the daily operations of their farm or ranch,” said Lasseter. “This secure system is fast, efficient and very user-friendly, and yet another hallmark of our commitment to provide high quality and convenient services.”

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

The telephone system provides FSA direct loan borrowers with the following information:

- loan number;
- original loan amount;
- unpaid principal;
- if the borrower is delinquent and the amount of the delinquency;
- due date of next installment;
- principal and interest amount of next installment;
- date last payment was received;
- amount of interest paid in current calendar year; and
- amount of interest paid for prior loan year.

During the first call to the new system, borrowers will enter their tax identification number (TIN) or the social security number (SSN) associated with the loan. They also will need to enter their zip code. Borrowers will create a personal identification number (PIN) 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.

FSA has more than 73,000 direct borrowers with about \$7.2 billion in its loan portfolio. The agency makes direct farm ownership, operating and emergency loans to family-size farmers and ranchers who cannot obtain commercial credit from a bank, Farm

Credit System institution or other lenders. Borrowers can use FSA loans to purchase land, livestock, equipment, feed, seed, and supplies, construct buildings or make farm improvements. Special loan programs also exist for rural youth.

Farmers Market Promotion Program - Invitation for Grant Applications

The USDA Agricultural Marketing Service is pleased to announce the availability of approximately \$1 million in competitive grant funds. You are invited to submit proposals under the Farmers Market Promotion Program (FMPP) for Fiscal Year 2006.

We urge agricultural cooperatives, local governments, non-profit corporations, public benefit corporations, economic development corporations, regional farmer's market authorities, and Tribal governments to consider developing proposals for this grant program. The allocation of grant funds will be carried out in a single round of competition. Eligible entities must be owned, operated and located within one or more of the 50 United States and the District of Columbia.

Listed below are links to the required application materials:

- [Notice of Funding Availability \(Federal Register, March 15, 2006\)](#)
- [FMPP Guidelines](#)
- [SF-424 \(Application for Federal Assistance\)](#)
- [SF-424A \(Budget Information\)](#)
- [SF-424B \(Assurances Form\)](#)
- [FMPP Application Checklist](#)

Application forms and program guidelines are also available at the AMS Marketing Services website at <http://www.ams.usda.gov/tmd/MSB/index.htm>. The deadline for submitting a FMPP application is the close of business on May 1, 2006.

All proposals will be given full consideration in an impartial review process and selection. We are looking forward to receiving innovative proposals that will assist us in expanding the domestic consumption of agricultural commodities while strengthening the nation's farmers markets.

USDA Press Release announcing Farmers Market Promotion Program: [USDA TO OFFER NEW FARMERS MARKET PROMOTION GRANTS](#)

If you have any questions, please contact:

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Dates to Remember	
May 17	End of initial MILCX signup
May 18, 2006 to Sep- tember 30, 2007	Extended MILCX Signup Phase
June 1	End of DCP Signup
1 st Thursday of each month	County Committee Meeting

Visit our Web site at
<http://www.fsa.usda.gov/>

Arizona State FSA Homepage: www.fsa.usda.gov/edso/az/az.htm

USDA eCommerce Home (forms web site): <http://www.sc.egov.usda.gov/Main.asp>

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