



The State Executive Director's Outlook

Stabilizing farm income, helping farmers conserve land and water resources, providing credit to farmers and helping operations recover from natural

disasters are the primary missions of the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA).

The FSA delivers programs that improve the economic viability of American agriculture. The Agency meets this goal through direct payments that offer stability, additional payments in periods of low commodity prices, assistance in times of natural disaster, and programs to encourage good environmental stewardship. FSA extends credit to family farmers who are unable to obtain credit from conventional sources. We offer Farm Ownership loans and loans for operating expenses. FSA's support of agriculture has been a fixture in American agriculture for nearly seventy-five years.

Agriculture has changed dramatically over that period of time and there is no sign of the trend changing. With the authorization of the Tobacco Transition Payment Program and the elimination of the federal tobacco program, South Carolina agriculture will change forever. How the growers accept that change and prepare for the future will set the foundation for the future of agriculture in the tobacco areas.

The FSA in South Carolina and throughout the Nation will also experience significant changes. We are building the foundation for our future. Just as farmers are being pressed into new technology to stay competitive, adopting new technology will make FSA better equipped to deliver programs more quickly and administer them more accurately. We will be working to build an even stronger partnership with the farmers we serve.

Our outstanding team of dedicated USDA Service Center employees carry the responsibility for delivering these programs and benefits that have become vital to South Carolina producers. For most farmers, the local USDA Service Center is their only point of contact for FSA programs. It is these people in the Service Centers and the members of our County Committees, who are the cornerstone of our Agency's solid reputation.

As we look back at our past accomplishments, we have a sense of satisfaction for a job well done. As we look to the future, we reaffirm our strong commitment to serving South Carolina's farmers.

J. Kenneth Rentiers, Jr.

THIS FSA REPORT

Welcome to the South Carolina Farm Service Agency's (FSA) first state wide newsletter for farmers and landowners involved in agriculture – the customers of the FSA. Historically, each of the local FSA Offices currently located in 37 of the 46 South Carolina Counties would periodically issue a newsletter for their local producers. Times are changing. Technology is allowing for more efficient mass communication than ever before, and programs administered by the FSA are becoming more effective as technology gives us better insight into how to attain the goals established in legislation. In 1983, the most sophisticated equipment in the Agricultural Stabilization and Conservation Service (ASCS) was the adding machine that resided on many, but not all, Program Technician's desks. A few years afterward, the first computer received in our offices was a mini-computer the size of a desk. Now all of that processing power is contained in the desktop computer that is available in many homes.

This newsletter is our attempt to take advantage of the newest technology to most efficiently use the tax dollars entrusted us in keeping the public informed. Writing and mailing the local newsletters has been time consuming and labor intensive task for the employees working for the local County Committees. We felt like it would be a more efficient use of your taxpayer dollars to consolidate that effort at the State level, while we continue to recognize the importance of local information for each of the farmers. Please understand that your county office continues to serve you locally and continues to look forward to your visit. Please continue to call on them for information on program benefits and requirements.

Our goal with this newsletter is to keep you informed of the program requirements you need to know to successfully participate in the programs that the FSA provides. This newsletter will provide State wide news and program details, as well as information that is individual to each county. For the present time, we expect to issue four newsletters a year. If you are not receiving this newsletter and you believe you should be, please let your local office know. They will be able to have your name added to the mailing list.

DCP SIGN UP STARTS OCTOBER 1

The DCP sign-up period for fiscal year 2006 is Oct. 1, 2005 to June 1, 2006. The CCC509 must be submitted by June 1, 2006. All owners and the operator and producer(s) who share in the DCP payments on the farm must sign the CCC-509. Forms with signatures that are obtained after June 1, 2006, but before Sept. 30, 2006, will be accepted, but the farm will be assessed a late-file fee of \$100. When you sign the CCC-509, you are agreeing to:

- comply with highly erodible land conservation and wetland conservation provisions on all your land;
- devote acreage equal to the base acreage to an agricultural or conserving use;
- effectively control noxious weeds and otherwise maintain

- base acres according to sound agricultural practices;
- not plant perennial fruits and vegetables (FAVs) or harvest annual FAVs (other than lentils, mung beans, and dry peas) or wild rice on base acres (Exceptions: Double-cropping covered commodities or peanuts with wild rice, fruits, or vegetables shall be permitted in any region in which there is a history of this type of double-cropping.);
- file acreage report with respect to all cropland on the farm; and
- notify the county office staff when there is a transfer of or change of interest of a producer.

RURAL YOUTH LOANS

FSA's Rural Youth Loan program is available to young people age 10 to 20 years to establish and operate income-producing projects. The projects must be of modest size and be initiated, developed and carried out by youths participating in a 4-H Club, FFA or similar organization or with a vocational teacher or county extension agent. These loans can finance nearly any kind of income-producing project such as livestock and crop production, lawn and garden services, repair shops and roadside stands. Loan funds may be used to buy livestock, equipment, supplies or pay for operating expenses for the project. Maximum loan amount is \$5,000 and the repayment terms are dependent on the type of project involved. Interested? Contact your local Farm Loan Manager and/or view the FSA home page at www.fsa.usda.gov.

NAP APPLICATION CLOSING DATE SET FOR FEBRUARY 28, 2006 FOR SPRING ANNUALLY PLANTED CROPS

Producers in need of insurance coverage for Spring and Fall annually planted crops under the Noninsured Crop Assistance Program (NAP) have until Feb 28th to apply for the following crops for which the catastrophic level of insurance is not available.

Beans	Cantaloupes	Cucumbers
Eggplant	Forage Sorghum	Grain Sorghum
Honeydews	Okra	Peanuts
Peas	Peppers	Pumpkins
Tomatoes	Watermelons	Sweet Potatoes
Squash	Sunflowers	

NAP coverage requires a service fee of \$100 per crop, per producer with a \$300 cap per county. Out-of-pocket expenses will not exceed \$900 for any producer, even if production occurs in more than three counties. Service fees may be waived for eligible limited resource producers.

REPORTING FARM AND RECORD CHANGES

If you have bought, sold or are renting different land, make sure you report the changes to the Farm Service Agency office as soon as possible after they occur. For farm ownership changes you will need to provide a recorded deed or recorded land contract. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and fines if you are participating in our programs. For example, if you earn DCP payments on land you do not rent and do not have the owner's permission to farm, DCP payments will have to be refunded plus interest. If it is determined that you knowingly failed to report this information, a refund of DCP payments on all farms you have an interest in will be due. It is the

producer's responsibility to notify the Farm Service Agency of any changes in his or her farming operation or entity status throughout the year. Also, please report changes in banking information.

FALL SEEDED CROPS FINAL DISPOSITION AND REPORTING DATE

May 1st is the final crop reporting and disposition date for the following fall-seeded crops:

Wheat	Barley	Oats	Rye
Triticale	Trees	Fall Seeded Grasses	

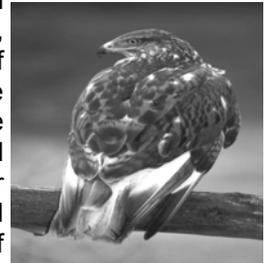
May 1st is also the final date Mandatory Intended Cotton Acreage Reports for the Boll Weevil Eradication Program.

Filing an accurate and timely acreage report for all crops and land uses, including failed acreage, can prevent loss of benefits. Prevented planted acreage is required to be submitted no later than 15 days after the final planting date for the applicable crop. Failed acreage shall be filed before the disposition of the crop.

Measurement service is available to owners, operators, or other tenants. Contact your local county FSA Office for rates and information.

19th ANNUAL WILD QUAIL MANAGEMENT SEMINARS SCHEDULED FOR MARCH 9-11, 2006

Bobwhite quail populations in South Carolina and the Southeast have been declining steadily over the past 60 years due to major land use change and reduction in suitable habitat. The 19th Annual Wild Quail Management Seminars, sponsored by the S.C. Department of Natural Resources and the S.C. State Committee of Quail Unlimited, are designed to instruct landowners and land managers in the proper techniques of creating habitat that will support native populations of bobwhite quail.



Two seminars will be conducted over a three-day period, March 9-11, 2006, at the Webb Wildlife Center in Hampton County. The registration fee is \$75 and includes meals, overnight accommodations and seminar materials. For more information with Quail Management Seminars, DNR, P.O. Box 167, Columbia, SC 29202, or call the DNR Small Game Project in Columbia at 803.734.4306, or e-mail barnesj@dnr.sc.gov.

TOBACCO TRANSITION PAYMENT PROGRAM - (TOBACCO BUY OUT)

Payments for this program are currently being made and scheduled to be completed by February 3, 2006. This will be the second of 10 payments that you will receive. If you have changed your banking account since your first payment was made and not updated the information with our local office, you will not receive your second payment. If this is the case, you need to come by the FSA Office to update your banking information to ensure receipt of all remaining payments. ALL 2005 PAYMENTS HAVE BEEN PAID. If you enrolled and did not receive your payment, please call your local FSA office at once.

EXPIRING CONSERVATION RESERVE PROGRAM CONTRACTS CAN EXTEND, RE-ENROLL TO IMPROVE WATER QUALITY, WILDLIFE HABITAT

Farmers and ranchers will be able to re-enroll or extend their Conservation Reserve Program (CRP) contracts expiring in 2007 through 2010. This effort fulfills the commitment President Bush made last year to underscore the Administration's commitment to improving the environment and protecting the nation's wildlife habitat, water and natural resources.

In order to determine who might be able to re-enroll or extend their CRP contract, USDA's Farm Service Agency (FSA) will use the Environmental Benefits Index (EBI) that was in place when the contracts were first written. The EBI is a measuring system that assigns point scores to the contracts and then nationally ranks all CRP land enrollment offers.

The EBI scores are based upon a 100 percentile that is divided into five ranking tiers. In the first tier, CRP producers ranking in the top 20 percent of the EBI can re-enroll their land in new contracts and farmers and ranchers with wetlands in this ranking can receive contract terms of 10- to 15- years.

CRP producers

ranking within the second tier, between the 61-80 percent, can extend their contracts for five years. Farmers and ranchers ranking within the third tier, 41-60 percent, can extend their CRP contracts by four years. Those ranking in the fourth tier, between 21-40 percent, can receive 3-year extensions. And those contracts ranking in the fifth tier of the 20 percent of CRP producers can extend their contracts by two years.

In the Spring of 2006, FSA will write to CRP producers with contracts expiring Sept. 30, 2007, to discuss whether those contracts are eligible for re-enrollment or extension. Farmers and ranchers will confirm their contract interests at that point and a compliance check will be necessary. Producers are strongly encouraged to review their CRP conservation plans to ensure that CRP contracts are in compliance.

For more information on the CRP program, contact your local FSA office or visit the FSA Web site at <http://www.fsa.usda.gov>.

PAYMENT LIMITATIONS

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. Documents and forms to determine eligibility and limitation once completed are reviewed on an annual basis.

It is the producer's responsibility each year to report changes in the farming operation that may affect payment eligibility and payment limitation. Changes that may affect a determination include a change in the size of the producer's farming operation by the addition or deletion of land; a change in the structure of the farming operation, including any change in the member's shares; a change in the contributions of farm inputs of capital, equipment, active personal labor, or active personal management; and a change of farming interest not previously disclosed on CCC-502 or update, including the farming interests of a spouse or child.



The following limitations apply to Direct and Counter-cyclical Program payments for each contract year. For all covered commodities (except peanuts): \$40,000 for direct payments and \$65,000 for counter-cyclical payments. A separate limitation is established for peanuts: \$40,000 for peanut direct payments and \$65,000 for peanut counter-cyclical payments.

2005 LOAN DEFICIENCY PAYMENTS (LDP'S)

When commodity prices fall below the Posted County Price (PCP), there is a LDP payment available on these commodities. This payment rate changes daily for grains and oilseeds, on Wednesday for peanuts, and on Friday for cotton. You can check LDP rates online at our website: <http://www.fsa.usda.gov>. Producers must sign page 1 of the CCC-633 EZ form before requesting a LDP. Page 2 or 3, depending on the commodity, must be signed when the request for a LDP is made. A producer will receive the LDP rate on the date of the request if he retains beneficial interest on the commodity. If the producer has lost beneficial interest, he will receive the rate for the date the commodity was sold. A producer is considered to have beneficial interest in the commodity if the producer still has control of the commodity, title to the commodity, and risk of loss. **REMEMBER: ONCE BENEFICIAL INTEREST IN A COMMODITY IS LOST, THE COMMODITY IS NO LONGER ELIGIBLE FOR A LOAN OR LDP, even if the producer regains beneficial interest.**

CONSERVATION RESERVE PROGRAM REMINDERS

- ✓ Maintenance and Management activities required in the Conservation Plan must be completed outside of the primary nesting season. The primary nesting season set by the State Technical Committee is April 1 through September 1.
- ✓ Producers must receive prior COC approval to commercially thin CRP pines. **Thinning pines for commercial use without COC approval is a violation of the contract.**
- ✓ Harvesting pine straw is a violation of the CRP contract.
- ✓ If a CRP participant sells the CRP land, or there is a death of a CRP participant, the new owner or estate representative must assume the contract within 60 days or the contract will be terminated.
- ✓ Hunting pen raised wildlife is not allowed on CRP acres unless the producer has a commercial license from SCDNR.

1099s MAILED FROM KANSAS CITY

All producers who received payments from FSA in calendar year 2005 will be mailed a CCC-1099 from our Kansas City office by the last week of January. This form is a report to the Internal Revenue Service about FSA payments made last year. The CCC-1099 is a service to help you report taxable income. It is not intended to replace your responsibility to report income to the IRS. If you participate in DCP and TTPP, you will receive a separate CCC-1099 for each program. If you have any questions about your CCC-1099, first contact the National Processing Center at 1-800-673-2331 or your local county office.

County Office Phone Listing

ABBEVILLE/GREENWOOD/McCORMICK	(864) 459-5418	GREENVILLE/ PICKENS	(864) 467-2798
AIKEN	(803) 649-4591	HORRY	(843) 365-8732
ALLENDALE	(803) 584-4233	JASPER/ BEAUFORT	(843) 726-5313
ANDERSON	(864) 224-2126	KERSHAW	(803) 432-4174
BAMBERG	(803) 245-4311	LANCASTER	(803) 283-3969
BARNWELL	(803) 259-7143	LAURENS	(864) 984-7741
CALHOUN/ RICHLAND	(803) 874-3379	LEE	(803) 484-5388
CHARLESTON/BERKELEY	(843) 727-4160	LEXINGTON	(803) 359-3205
CHESTER/FAIRFIELD	(803) 581-1906	MARION	(843) 423-1341
CHESTERFIELD	(843) 623-2185	MARLBORO	(843) 479-2441
CLARENDON	(803) 435-2201	NEWBERRY	(803) 276-0000
COLLETON	(843) 549-1821	OCONEE	(864) 638-2213
DARLINGTON	(843) 395-1407	ORANGEBURG	(803) 534-3136
DILLON	(843) 774-5122	SALUDA	(803) 445-8118
DORCHESTER	(843) 563-3218	SPARTANBURG/ UNION/CHEROKEE	(864) 214-2471
EDGEFIELD	(803) 637-3220	SUMTER	(803) 905-7650
FLORENCE	(843) 669-9686	WILLIAMSBURG	(843) 354-9621
GEORGETOWN	(843) 546-7616	YORK	(803) 684-3136

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326W, Whitten Building, 14th and Independence Avenue, SW, Washington D.C. 20250-9410 or call (202) 720-5964 (voice or TDD).

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Para radicar una querrella, debera escribirle a el Director, Oficina de Derechos Civiles, Departamento de Agricultura de los Estados Unidos, Oficina Numero 326-W, Whitten Building, 1400 Endependence, SW Washington, DC 20250-9410, o puede llamar al (202) 720-5963 (voz y TDD), USDA es un patrono que ofrece igualdad de oportunidades de empleo.