



Conservation Reserve Program (CRP)	X	X	X	X	X	X	\$50,000
Non-Insured Disaster Assistance Program (NAP)	X						\$100,000
EQIP						X	\$450,000****

- \* separate \$40,000 limitation for covered commodities and separate \$40,000 limitation for peanuts
- \*\* separate \$65,000 limitation for covered commodities and separate \$65,000 limitation for peanuts
- \*\*\* separate \$75,000 limitation for covered commodities and separate \$75,000 limitation for peanuts, honey, wool, and mohair
- \*\*\*\* \$450,000 limitation over 6 years by attribution (individual or entity) not per “person”

**“Actively Engaged in Farming” Rule** – an individual or entity must have:

- Significant “left-hand” contributions to the farming operation
  - Capital, land, equipment, or a combination
- Significant “right-hand” contributions to the farming
  - Active personal labor or active personal management or a combination
- A claimed share of the profits or losses from the farming operation that is commensurate with the contributions to the farming operation
- Contributions that are at risk

**Cash Rent Tenant Rule** applies to any producer that rents land from another producer for cash or a crop share guaranteed as the amount of the commodity to be paid in rent. The provision also applies to tenants who rent land for 0 dollars or who farm on the land in exchange for compensation other than cash, such as controlling weeds on land not owned or barter arrangements. Any cash-rent tenant shall be ineligible to receive payment unless the cash-rent tenant makes either of the following:

- A significant contribution of active personal labor to the farming operation
- A significant contribution of both active personal management and equipment to farming operation

**Permitted Entities Rule** – an individual or entity may not receive specified payments, either directly or indirectly, from more than 3 “permitted entities.”

**Foreign Person Rule** applies to individuals and entities.

- Foreign individual is someone who is not a citizen of the U. S. or a lawful alien possessing a valid Alien Registration Receipt Card. The individual must provide significant contribution of land, capital, and active personal labor.
- Foreign Entity is a corporation, trust, estate, or other similar organization, that has more than 10 percent of its beneficial interest held by individuals who are not citizens of the U. S. or lawful alien possessing a valid Alien Registration Receipt Card. Each foreign individual who is a stockholder or other type of member must provide significant active personal labor for the entity.

#### **Spot Checks by FSA for Payment Eligibility**

All CCC-501s (Members Information), CCC-502s (Farm Operating Plan for Payment Eligibility Review), and CCC-526s (Average Adjusted Gross Income Certification) are subject to spot check through our end-of-year review process. If selected for a spot check, producers will be asked to submit proof of their contribution to the operation such as seed, fertilizer and chemical bills, land lease agreements, land

contracts or property tax payments, equipment lists, cancelled checks for paid labor or hired management, Federal and State income tax returns, financial statements, balance sheets, reports prepared for other government agencies, information prepared for private lender, and any other items the FSA County Committee determine are necessary. The producer is required to provide these items for the spot check so the FSA county committee can make a determination that the farming operation is actually being performed as was stated on the applicable CCC-501 or CCC-502 which was originally completed, and average adjusted gross income provisions are met as certified.

**Payment Eligibility Requirement-Average Adjusted Gross Income (AGI)**

Under the Farm Security and Rural Investment Act of 2002, producers are ineligible for FSA program payments and benefits if their Average Adjusted Gross Income (AGI) is in excess of \$2.5 million, unless 75 percent of the AGI is from farming, ranching or forestry operations. AGI is effective for the 2003 through 2007 crop and fiscal years. The average AGI for the individual or entity is the average of AGI, or comparable measure, of the individual or entity over the 3 tax years immediately preceding the year for which benefits are requested. To comply with the AGI requirement, all individuals or entities, including embedded entities must submit a completed form CCC-526 before program benefits can be issued.

**2006 1<sup>st</sup> Advance Counter-Cyclical (CC) Rates**

In October, county offices issued 2006 first partial advance counter-cyclical payments for producers with base acres enrolled in USDA’s Direct and Counter-cyclical Program (DCP). Most eligible producers with base acres will not receive these counter-cyclical payments because of solid market prices. Producers with peanut and upland cotton base acres will receive benefits listed below.

<b>Crop</b>	<b>Rate</b>	<b>35 Percent of Rate</b>
Upland Cotton (lb)	0.1373	0.0481
Peanuts (lb)	0.0435	0.015225

**Signature Authority**

An individual can sign FSA documents on behalf of another as long as acceptable evidence of authority is on file with FSA. The FSA power of attorney form is the “FSA-211”. This form must be signed and properly witnessed, and will remain effective until cancelled by the grantor, or either party dies, becomes incompetent or incapacitated, or if an entity, is dissolved. *Ensure FSA has your proper signature authorization on file.* If a document is signed by an individual without signature authority, any payments or benefits resulting from the improper signature may have to be refunded. Check with your local FSA County Office.

**Prevented Planted Acreage**

Producers should report prevented planted acreage to their local FSA Office when the crop acreage is not planted due to disaster-related conditions. To be considered timely filed, prevented planted acres should be reported no later than **15 calendar days after the final planting date** established by Federal Crop Insurance. **Final planting date for wheat and oats is November 30, 2006, so the final date to report prevented planted wheat or oats is December 15, 2006.** County Committee review and action are required to receive history credit in accordance with applicable rules and regulations.

### ***New Measurement Service Rates Implemented***

FSA has implemented a new measurement service rate as mandated by the National office. The new rate is an increase for Arkansas producers. The new rate is \$30.00 per farm plus \$16.00 for the first hour and \$8.00 for every 30 minutes after the first hour. A minimum of one hour is required. The rate will apply to, but is not limited to, the following services:

- measuring crops after planting
- staking and referencing acreage to be planted
- measuring acreage that have been adjusted
- verifying crops and disaster acreage
- remeasuring any acreage that has been measure previously
- measuring or sampling farm stored commodities
- late field fees

**See Conservation Reserve Program/CP33 Upland Habitat for Wildlife Information Attached**

### **Program Deadlines**

Apples – Intended Use: FH, PR, Asparagus, Blueberries, Caneberries (blackberries & raspberries), Figs, Grapes, Peaches – Intended Use: FH, PR, Pears	November 20, 2006
Final Planting Date for Wheat and Oats	November 30, 2006
Final Loan and LDP Availability for Wool, Mohair, Peanuts, and Unshorn Pelts	January 31, 2007
Final Loan and LDP Availability for Wheat, Barley, Oats, Honey, Canola, Crambe, Flaxseed, Rapeseed, and Sesame Seed	March 31, 2007
Final Loan and LDP Availability for Upland Cotton, Rice, Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Safflower Seed, Small Chickpeas, Soybeans, and Sunflower Seed	May 31, 2007
Deadline to sign up for 2007 DCP	June 1, 2007

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