



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

July 2007

Increased Costs of Forfeiting Loan Cotton to CCC

A new provision for 2006 and subsequent crop-year cotton marketing assistance loans will result in increased costs to producers if cotton loans are forfeited. If the cotton loan collateral is forfeited to Commodity Credit Corporation, CCC automatically pays the warehouse its receiving charge and the storage charges based on the CCC-loan storage rate (capped at \$2.66 per bale per month for all states except Arizona and California).

However, CCC will bill the producer for the receiving charges, compression charges, storage charges that accrued before the loan, and any portion of the accrued storage charges during the period of the loan in excess of charges based on the storage-credit rate.

The amount of compression charges billed will be the actual compression charge levied by the gin/warehouse that shows as unpaid on the warehouse receipt. Even though compression charges are ordinarily paid by the buyer of the cotton, CCC holds the producer responsible for paying compression charges for cotton forfeited to CCC.

Disaster Aid for Farmers and Ranchers

In the months ahead, FSA will distribute approximately \$3 billion in disaster assistance to help America's producers recover losses to crops and livestock in 2005, 2006 and part of 2007.

Late last month, President Bush signed into law legislation that funds a Crop Disaster Program, Livestock Compensation Program, Livestock Indemnity Program and Emergency Conservation Program. The law also extends the Emergency Forestry Conservation Reserve Program and the Milk Income Loss Contract program. FSA is in the process of developing regulations and computer software for the ad hoc programs. The agency will conduct sign-up for the programs as soon as possible.

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More information about the Agricultural Assistance Act of 2007 is available in the fact sheet posted online at:

http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20070608_distr_en_disastera.html

The Disaster Assistance Web page on FSA's Internet site will include all communications materials as they become available. Go to:

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=landing>

Acreage Reporting Deadline Approaches

July 16, 2007 is the deadline to report spring planted crops. Producers are required to report ALL cropland on the farm as a condition to receive Direct and Counter-Cyclical Payments, Loan Deficiency Payments (LDP's), and Marketing Assistance Loans. Since July 15 falls on Sunday, producers will have through close of business Monday July 16, 2007 to complete their acreage reports. Call your local county office to receive an appointment to certify.

Failed Acreage Provisions

Producers should report failed crop acres to their local FSA Office when the crop is failed due to disaster-related conditions. To be timely filed, acreage reports for failed acreage shall be filed before the crop is destroyed. County Committee review and action are required to receive history credit in accordance with applicable rules and regulations.

2007 Compliance Process

Starting this year a new compliance and spot check selection process will be implemented for the 2007 crop year. Instead of locally selecting farms, contracts, deficiency loans etc. for spot check and review, a nation-wide selection of producers and/or entities will be made using a statistical sampling method. Spot check selections are to be conducted based on participation in programs like Conservation Reserve Program, Direct and Counter-Cyclical Program, Loan Deficiency Program etc. For more information about the new spot check selection procedure, feel free to contact your local Farm Service Agency office for additional clarification.

Program Deadlines

Final date to request a reconstitution for a farm participating in DCP	August 1, 2007
2007 DCP Sign-up Ends	August 3, 2007
DCP Late-filed Sign-up \$100.00	August 3 – September 30, 2007
Final Date to Report Changes in Farm Operation	September 30, 2007