



# “SCOOP”

## ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

November 2009

### **PRODUCER PAYMENT TRANSACTION STATEMENTS MAY REFLECT OFFSET**

FSA payment processing has recently gone through some updates. These updates are necessary for advances in technology as well as to meet the provisions of the 2008 Farm Bill. Because of these changes, producer’s transaction statements may reflect that a portion of the final 2009 Direct, annual Conservation Reserve, and/or 2008 final UPCN Counter-Cyclical Cotton payments were offset to payoff a debt that the producer did not even know existed. Let us help solve this mystery. The debts referenced on the producer’s transaction statement in most cases are not true overpayments. They are simply an internal process that FSA computers have performed to subtract the previously issued 2009 DCP advance direct payments. Although this sounds simple, it is difficult to see this on the transaction statement because our computer system is subtracting the advance from the first available payment(s) to be issued and does not match up programs and or specific farm numbers. In fact, it is possible if you are a multi-county producer, final payments from one county will clear the advance payment debt from another county. In the end when looking at producers payments as a whole for all farms and all counties and the applicable program, the payments reflect the amount due. We apologize for the inconvenience this new system may have caused, but we understand it will be much better for producers in the future. FSA appreciates your patience. Your local FSA county office employees are there to help you if you need additional clarification of the new updated transaction statement.

### **2008 UPCN FINAL COUNTER-CYCLICAL (CC) PAYMENTS**

Producers with UPCN bases are currently being issued a final 2008 Counter-Cyclical payment. UPCN is due a final payment because the effective price is below the target price. The effective price equals the direct payment rate, plus the higher of the national average loan rate, or the national average price received by producers. The final payment rate is the target price minus the effective price. The following table illustrates the calculation for UPCN.

Item	Peanuts Dollars Per Pound
<b>Target Price</b>	0.7125
National Average Loan Rate	0.5200
National Average Farm Price	0.4780
Higher of Loan Rate or Farm Price	0.5200
Direct Payment Rate	0.0667
<b>Effective Price</b>	0.5867
<b>Final CC Payment Rate (Target Price Minus Effective Price)</b>	0.1258

**Note: Advance payments must be subtracted from the total calculated payments.  
2008 CORN, SORGHUM, SOYBEANS**

## FINAL COUNTER-CYCLICAL (CC) PAYMENTS

FSA will not issue any 2008 final counter-cyclical (CC) payments for corn, grain sorghum, or soybeans. The effective price exceeded the respective target price.

## 2010 DCP AND ACRE SIGN UP

Sign up for the 2010 Direct and Counter-Cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) program has begun, and will continue through June 1, 2010. Producers can sign up by visiting an FSA county office or by electronic services. To sign up electronically producers must have an active USDA authentication Level 2 account, which requires filling out an online registration form at [www.eauth.egov.usda.gov](http://www.eauth.egov.usda.gov) followed by a visit to the local USDA Service Center for identity verification. Producers are encouraged to mark their calendar and allow plenty of time for enrollment. Late filed applications will not be accepted into the program.

## SUPPLEMENTAL REVENUE ASSISTANCE PAYMENT (SURE)

**2008 Late File Acreage Report Being Accepted** – For SURE purposes, FSA’s national office has just advised that county offices will now accept 2008 late-filed acreage reports *without a late-filed fee*. Producers will have to provide evidence of the crop’s existence or disposition. The special provision is being implemented because of the delay in announcing the provisions of the 2008 Farm bill, and it is possible producers may not have been aware that SURE requires all crops to be reported in all counties on cropland and non-cropland acres, including native or improved grass that will be hayed or grazed. Although the reporting requirement is required for any year a producer wants to be eligible for SURE, the special late filed provision will only be open for year 2008. Normal late-filed provisions are applicable for all other years for producers who failed to timely report.

**2008 Signup** – At the time this publication was released a sign-up date for SURE for 2008 crop losses had not been announced. This sign up date is expected soon. Producer with losses are encouraged to keep in touch with their local FSA office for the sign-up period and program requirements.

**Risk Purchase Requirement** – A reminder for producers, one of the basic provisions of SURE is that producers are required to obtain a multi-peril plan of insurance for all crops grown in all counties with either Federal Crop insurance for insurable crops, or FSA for non-insurable crops. Exceptions to this exist, for information contact your local FSA office. **The deadline to purchase insurance for many 2010 crops is quickly approaching.**

## USDA SETS REFERENDUM FOR PROPOSED AMENDMENTS TO COTTON RESEARCH AND PROMOTION ORDER

The U.S. Department of Agriculture announced that a referendum will be conducted among U.S. Upland producers and importers **October 13, 2009, through November 10, 2009.**

The Agricultural Marketing Service (AMS) is proposing to amend the Cotton Research and Promotion Order (Order) to implement section 14202 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) that amended the Cotton Research and Promotion Act (Act). The 2008 Farm Bill provided that the states of Kansas, Virginia, and Florida be separate states in the definition of “cotton-producing state.”

**Cotton Referendum Continued:** According to the Act, a referendum among cotton producers and importers is required to implement, amend, continue, or when appropriate, to suspend, or to terminate the Order or any of its provisions. According to the Act, the AMS will provide an opportunity for all eligible persons to vote on the amendments to the Order. Producers will have an opportunity to vote by mail or through their respective Farm Service Agency County office and by mail for importers. All known cotton importers will be mailed a ballot and referendum instructions. Ballots will also be available on the Internet at <http://www.ams.usda.gov/cotton>.

The final referendum rules and the proposed rule and referendum order will be published in the Oct. 5, 2009, Federal Register, and can be found on the Internet at: <http://www.regulations.gov>. For more information, contact Shethir M. Riva, Chief, Research and Promotion Staff, Cotton and Tobacco Programs, AMS, USDA, Stop 0224, 1400 Independence Ave., SW., Room 2639-S, Washington, D.C. 20250-0224, telephone (202)720-6603, facsimile (202)690-1718, or email at [Shethir.Riva@ams.usda.gov](mailto:Shethir.Riva@ams.usda.gov).

<b>PROGRAM DEADLINES</b>	<b>DATE</b>
FCIC and FSA Final Planting Date for Wheat and Oats	November 30, 2009
Final Date to File Prevented Planting for Wheat and Oats	December 15, 2009

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