



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

March 2010

SURE PROGRAM CALCULATOR AVAILABLE TO PRODUCERS VIA THE WEB

FSA has developed a web-based calculator to help producers calculate the financial benefits they may receive under the 2008 Supplemental Revenue Assistance Payments (SURE) program. However, it's very important that producers understand that using the calculator does not constitute an application for the program. The calculator is available on the FSA website at <http://www.fsa.usda.gov/sure>. For more information or to apply for SURE, producers should visit their local FSA county office.

WHY IS JUNE 1, 2010 IMPORTANT AT FSA

This date is extremely important in many different ways. First, it is FSA ownership interest date, which is similar to a status date. Payment limits for 2010 direct attribution are calculated from the way the farming operation is structured on June 1, 2010. For example, a producer has 50 percent stock in Corporation A on June 1, but sells 25 percent of his share on or after June 2. FSA will still attribute 50 percent of the corporation's payment to the producer for 2010 payment limitation. The sale occurred after June 1 and is not recognized for the 2010 program payments. In summary, producers need to have their farming operations determined and established by June 1. Farming operation structures are reported on FSA form CCC-902, Farm Operating Plan, and can be submitted after June 1, 2010.

Second, June 1, 2010 is the deadline to enroll and have all returned signatures for persons sharing in the Direct and Counter-Cyclical Program (DCP), election to get into the Average Crop Revenue Election (ACRE) Program, and the yearly enrollment in the ACRE program for 2010. An extension is NOT expected. Producers are reminded that participation in ACRE is a two-contract process. The first contract is an election to get in; the second is to participate for the year.

RECONSTITUTION OF ENROLLED DCP/ACRE FARMS

Farms enrolled in the 2010 DCP or ACRE Program may request a 2010 reconstitution by August 1, 2010. If advance payments have been issued on the farm they must be refunded in full before the County Committee can act upon the reconstitution. If the reconstitution is approved by the County Committee the DCP or ACRE enrollment is terminated. The new resulting farm(s) is eligible to enroll in DCP or ACRE by the later of, June 1, 2010, or 30 calendar days following issuance of notification of the completion of the reconstitution. Failure to timely enroll and obtain all required signatures will cause the farm to be ineligible for payments for the 2010 program year.

Note: Producers are reminded that ACRE is a two-step process, first: election into ACRE, second: yearly enrollment. Reconstitution does not cancel the election, but does cancel the yearly enrollment.

CHANGES TO A DCP OR ACRE CONTRACT AFTER ENROLLMENT

Immediately report a transfer or change in the interest of an owner or producer on a farm enrolled in DCP or ACRE to the FSA office. FSA procedure requires that the transfer or change in interest of an owner or producer will result in the termination of the program contract, and a refund of all payments will be required. If there is a successor(s) to the farm, they are eligible to enroll in a new DCP or ACRE contract. *New* specific deadlines for enrolling the successor-in-interest to the 2010 DCP or ACRE contract are as follows:

- if the change occurred before June 1, 2010, the revised contract must be filed by June 1, 2010
- if the change occurred after June 1, 2010, the revised contact shall be filed as soon as the change occurs but no later than September 30, 2010.
 - Note: Producers are reminded that ACRE is a two-step process, first: election into ACRE, second: yearly enrollment. A transfer or change in interest of an owner or producer on a farm does not cancel the election, but does cancel the yearly enrollment.

PLANTING FLEXIBILITY

Any commodity may be planted on the following:

- any land, including base acres, on a farm NOT enrolled in a DCP contract
 - non base acres of a farm enrolled in a DCP contract
 - base acres of a farm enrolled in a DCP contract, except for fruits, vegetables and wild rice.
- Check with your local office to see if you or the farm qualifies for allowable exceptions.

PLANTING OF FRUITS AND VEGETABLES (FAV's) OR WILD RICE

If you or your farm qualifies to have FAV's or wild rice planted, you are reminded, to check with your local FSA office to determine the number of acres that are eligible on your farm to be planted to FAV's or wild rice. FSA's new digital maps may have revised the acres on your farm and this could affect the number of acres eligible for planting. In addition, we often find that producers are not advising FSA of changes in available land such as a sale of land until after the FAV's or wild rice has been planted and or harvested. Unfortunately, some produces have had large penalties enforced for planting to many acres of FAV's or wild rice. **Do not let this happen to you.**

FALL-SEEDED CROPS ACREAGE REPORTING DEADLINE

May 15, 2010, is the deadline to report this year's fall-seeded crops to your local FSA Office. Acreage reports are required to be eligible to receive DCP Payments and many other program payments.

FEDERAL CROP INSURANCE PROGRAM INTEGRITY

The Agricultural Risk Protection Act of 2000 requires Farm Service Agency (FSA), and Risk Management Agency (RMA) to work together, to improve program compliance, and integrity of the Federal Crop Insurance Program.

- FSA will be assisting RMA and insurance providers in monitoring crop conditions throughout the growing season
- FSA will refer all suspected cases of fraud, waste, and abuse in the Federal Crop Insurance Program to RMA
- Producers may report suspected cases of fraud, waste, and abuse to their local FSA County Office, RMA, or the Office of Inspector General (OIG)
- FSA will assist RMA with auditing claims.

REPORTING DOUBLE-CROPPED ACREAGE

Producers are reminded, before double-cropped acreage can be recognized by FSA as double-cropped; the Arkansas State Committee must approve the double-cropping practice. The Arkansas State Committee has approved soybeans behind wheat and oats for all counties in Arkansas. Be sure and check with your county to see if any other crops have been approved. If not, a producer has the option of showing he/she successfully produces the specific crops in double cropping practices. Details are available at your local FSA office.

2010-2011 LIVESTOCK INDEMNITY PROGRAM (LIP) AND 2010-2011 EMERGENCY LIVESTOCK ASSISTANCE PROGRAM (ELAP) SIGNUP

For 2010 and subsequent years losses, livestock owners and contract growers that suffer a loss of livestock, or for 2010 and subsequent calendar year losses, producers that suffer eligible livestock (losses not covered by LIP), honey bee, or farm-raised fish losses shall file:

- a notice of loss the earlier of the following dates:
 - 30 calendar days of when the loss of livestock is apparent to the participant
 - 30 calendar days after the end of the calendar year in which the loss of livestock occurred
- an application for payment no later than 30 calendar days after the end of the calendar year in which the loss of livestock occurred.

Important: There are **no** late-filed provisions for LIP or ELAP. A loss covered under LFP, LIP, or SURE is **not** eligible for ELAP.

To be considered eligible to receive benefits under LIP, livestock **must** have died in excess of normal mortality as a direct result of an eligible adverse weather event as follows:

- been owned by an eligible livestock owner on the day the livestock died
- been maintained for commercial use as part of a farming operation on the day the livestock died

2010-2011 Livestock Indemnity Program (Lip) And 2010-2011 Emergency Livestock Assistance Program (Elap) Signup continued:

- died as a direct result of an eligible adverse weather event:
 - on or after January 1, 2008, and before October 1, 2011
 - no later than 60 calendar days from the ending date of the applicable eligible adverse weather event
 - in the calendar year for which benefits are being requested.

Eligible livestock losses under ELAP are:

- losses of purchased forage or feedstuffs
- losses of mechanically harvested forage or feedstuffs
- losses resulting from the additional cost incurred for providing or transporting livestock feed to eligible livestock because of an eligible adverse weather or loss condition, of purchasing additional livestock feed, above normal quantities, required to maintain eligible livestock during an eligible adverse weather or loss condition, until additional livestock feed becomes available
- grazing losses incurred on eligible grazing lands physically located in the county where the eligible adverse weather or loss condition occurred because of an eligible adverse weather or loss condition
- be a physical loss of livestock because of an eligible adverse loss condition not covered under LIP
- a loss of purchased or produced honey bee or farm-raised fish feed that was intended as feed for the honey bees or farm-raised fish that was damaged because of an eligible adverse weather or loss condition
- lost the honey bee colony or honey bee hive because of an eligible adverse weather or eligible loss condition
- suffered a physical loss of bait fish or game fish because of an eligible adverse weather or eligible loss condition

Risk Management Purchase Requirement

For producers to be eligible for assistance under ELAP for eligible losses for livestock, honey bees, or farm-raised fish, producers **must**, for every commodity on every farm in which the producer has an interest for the relevant program year:

- in the case of an “insurable commodity”, obtained catastrophic coverage or better under a policy or plan of insurance administered by RMA under FCIA, except this obligation will not include crop insurance pilot programs so designated by RMA or forage crops intended for grazing
- in the case of a “non-insurable commodity”, obtain NAP coverage by filing the proper paperwork and paying the applicable administrative fees by the applicable State application closing dates for NAP, except that this requirement will not include forage on grazing land.

The statute requires eligible producers to obtain a policy or plan of insurance equal to at least the CAT level of coverage or NAP coverage for each crop planted or intended to be planted for harvest on the **whole** farm, excluding grazing. A farm is defined as the sum of all crop acreage

2010-2011 Livestock Indemnity Program (Lip) And 2010-2011 Emergency Livestock Assistance Program (Elap) Signup continued:

in all counties nationwide that a producer has an interest that is planted or intended to be planted for harvest by the eligible producer.

PROGRAM DEADLINES

PROGRAM DEADLINES	DATE
Final date to inform FSA of crop losses	Before Crop Disposition
Last date to file prevented planting credit (See the May 2009 SCOOP for more information)	15 days after the final planting date
Final Date to report wheat and oats planted acreage	May 15, 2010
Final date to file a 2010 ACRE Election Final date to have all signatures on an ACRE Election Final date to file a 2010 DCP and/or ACRE (yearly) enrollment Final date to have returned signatures for producers who have a share in a DCP and/or ACRE contract Final date to file a successor-in-interest DCP or ACRE contract if the change occurred by June 1, 2010	June 1, 2010
The date FSA uses to look at the structure of farming operations to calculate direct attributions	June 1, 2010
Final Date to Report 2010 Spring Seeded Crops	July 15, 2010
Last date to request a 2010 reconstitution on a DCP or ACRE farm	August 1, 2010
Final date to prioritize crop to receive ACRE Payments Final date to file a 2010 successor-in-interest DCP or ACRE contract if the change occurred after June 1, 2010 Final date to have returned signatures for producers who have a share in a DCP and/or ACRE contract that had a 2010 successor-in-interest contract filed after June 1, 2010	Sept. 30, 2010

BIOMASS CROP ASSISTANCE PROGRAM TO SPUR PRODUCTION OF RENEWABLE ENERGY, JOB CREATION

On February 3, 2010, the U.S. Department of Agriculture issued a proposed rule for the new Biomass Crop Assistance Program (BCAP) that intends to spur the expansion of dedicated non-food crops for renewable energy and biofuel production. A public comment period will continue for 60 days after the rule is published in the Federal Register. The Proposed Rule was published on February 8, 2010.

BCAP is designed to ensure that a sufficiently large base of new, non-food, non-feed biomass crops is established in anticipation of future demand for renewable energy consumption. BCAP is intended to reduce the financial risk for farmers, ranchers and forest landowners by providing

Biomass Crop Assistance Program To Spur Production Of Renewable Energy, Job Creation continued:

incentive payments to those who invest in the production, harvest, storage and transportation of new first-generation energy crops that displace hydrocarbon-based materials now used for heat, power and vehicle fuel.

BCAP is authorized to fund two main types of activities. First, it provides funding for agriculture and forest land owners and operators to receive matching payments for eligible biomass materials sold to qualified biomass conversion facilities for the production of heat, power, bio-based products or advanced biofuels. The payment rate is intended to assist producers with the cost of collection, harvest, storage and transportation of the biomass to the facility, for up to two years.

Additionally, BCAP will provide funding for producers of eligible renewable crops within a select geographical area to receive payments up to 75 percent of the cost of establishing the crop and annual payments for up to 15 years for crop production.

Other proposed notable goals of BCAP include improvements in forest health by removing uneconomical forest thinning, reducing the risk of disease, invasive species and forest fires and providing new options for improving air quality by avoiding open-air burning of scrap biomass.

A copy of the proposed rule is available online at www.fsa.usda.gov/bcap . Comments on the proposed rule are invited and may be submitted to:

Email: cepdmail@wdc.usda.gov

Fax: 202-720-4619

Mail: Director, CEPD

USDA/FSA/CEPD/Stop 0513

1400 Independence Ave., SW

Washington, D.C. 20250-0513

Comments are also accepted through the Federal e-rulemaking portal at <http://www.regulations.gov> and follow the online instructions for submitting comments.

To learn more about the BCAP program, please contact your local county Farm Service Agency office or www.fsa.usda.gov .

BIOMASS CROP ASSISTANCE PROGRAM PROPOSED RULE AVAILABLE FOR COMMENTS

Those interested in reading the newly published Proposed Rule in the Federal Register and submitting comments during the comment period for the Biomass Crop Assistance Program (BCAP) can go to this website, click on *Biomass Crop Assistance Program (Feb.8, 2010)*. <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ener&topic=bcap>.

The BCAP program was operating under a Notice of Funds Available (NOFA) until Feb. 3, 2010 when the Proposed Rule was published and terminated the NOFA.

Biomass Crop Assistance Program Proposed Rule Available For Comments continued:

The proposed rule has some changes that came about because of the comments received on the NOFA, so please take the time to read and submit comments about the proposed rule. This is your opportunity to make a difference and let your thoughts be heard before the Final Rule is published.

We are currently unable to accept any new applications for matching payments from Eligible Material Owners or from facilities interested in being a Biomass Conversion Facility. The Final Rule will be published after the comment period ends April 9, 2010 and those comments will have to be compiled, considered and a Final Rule will be written from that information gathered. It will most likely be late summer before the program rules are established and we can once again offer this program.

We sincerely hope this information has answered a few of your questions. Again, the best information we have is to offer and encourage you to read the proposed rule and comment on it. Thanks for your patience.

UPDATE ON BI MASS CROP ASSISTANCE PROGRAM PAYMENTS

FSA will continue to make payments on all approved BCAP applications that were funded by close of business on February 3, 2010. Those applications were approved for delivery of BCAP materials through the earlier of March 31, 2010, or until the approved tonnage on the contract has been completed. All BCAP applications have an expiration date of 03/31/2010. Applicants can request a 30 day extension of the application to April 30, 2010, in order to complete delivery of any remaining tonnage approved on the original application.

FSA County Committee's have discontinued approving applications for collection, harvesting, storage, and transportation (CHST) matching payments effective close of business February 3, 2010. County Offices will continue to issue payments to eligible material owners with a BCAP AD-245 approved before close of business February 3, 2010.

Pending applications for approval of Biomass Conversions Facilities are on hold and FSA will not accept any further applications until publication of the Final Rule.

The BCAP proposed rule that was put on public display on February 3, 2010, terminated the Notice of Funds Availability (NOFA). FSA was notified to no longer accept applications for matching payments under the NOFA. This means no funds are currently available for the BCAP program until after the proposed rule's comment period expires and the Commodity Credit Corporation (CCC) has sufficient time to evaluate comments received and issues the Final Rule. The proposed rules have a 60 day comment period beginning on February 8, 2010, the date of publication of the proposed rule in the Federal Register.

Comments on the proposed rule received within 60 days of the publication in the Federal Register will be considered for any possible changes to the Final Rules for the BCAP program. We want to encourage interested persons to submit comments on the proposed rule following instructions in the Summary Section of the Proposed Rule. A copy of the proposed rule is available online at www.fsa.usda.gov/bcap.

**STC POLICY FOR FARM STORAGE
FACILITY LOAN'S ON HAY STORAGE STRUCTURES**

FSFL regulations incorporating the changes mandated by the Food, Conservation, and Energy Act of 2008 (the 2008 Act), were published as a final rule in Federal Register on August 18, 2009. The 2008 Act added hay and renewable biomass as eligible FSFL commodities. Producers may begin submitting applications for hay and renewable biomass storage facilities under the new provisions provided in FSFL regulations found at 7 CFR Part 1436.

After reviewing the notices and procedures, the State Committee established general requirements for producers to meet when applying for a hay storage facility loan. Each applicant must meet all eligibility requirements of the FSFL program, including annual purchase of NAP coverage or crop insurance on all commodities, annual proof of structural insurance, proof of repayment and provide positive cash flow ability, and demonstrate a need to increase storage space.

STC Policy For Farm Storage Facility Loan's On Hay Storage Structures continued:

The applicant must provide FSA with a building plan that includes the dimensions of the proposed facility. Applicant should understand that all peril insurance is required on the facility with CCC as the loss payee. Applicants are to check with his/her insurance agent/company to make sure the proposed structure meets the minimum construction specifications of the insurance company. In addition, the State Committee has determined that the following minimum building specifications shall be required:

- If wood posts are to be used, the posts must be treated, and all materials used in the facility must have an expected lifespan of at least 15 years.
- Posts must be set in concrete or packed with gravel.
- The facility must be built on a well-drained area. Compacted soil is permissible.

For facilities that have no resale value, additional security is required. The State Committee has determined that hay storage structures have little or no resale value; therefore, additional security is required.

**STC POLICY FOR FARM STORAGE
FACILITY LOAN'S ON HAY STORAGE STRUCTURES (Continued)**

The State Committee determined that hay storage facility loans of \$50,000 or less, will require additional security in the form of an irrevocable letter of credit that is approved by the Office of General Counsel (OGC), or a lien on the real estate on which the farm storage facility will be located. Commodity Credit Corporation's interest in the real estate shall be superior to all other lien holders.

Please contact your local FSA County Office for complete details required for farm storage facility loans for hay storage.

Noninsured Crop Disaster Assistance Program (NAP) Application Closing Dates	
Crop	Date
Beans ((Spring and Fall Plantings) Cantaloupes Corn (for grain) Corn, Sweet Cotton Cucumbers (Spring and Fall Plantings) Eggplant Grain Sorghum Lettuce Okra Peanuts Peas (Spring and Fall Plantings) Peppers Pumpkins Rice (for grain) Soybeans (for grain) Squash (Spring and Fall Plantings) Strawberries Sunflowers Sweet Potatoes Watermelons	February 28, 2010
Corn (intended for hay or grazing) Millet (intended for hay or grazing) Sorghum (intended for hay or grazing)	February 28, 2010
Tomatoes (Spring and Fall Plantings)	March 15, 2010

Noninsured Crop Disaster Assistance Program (NAP) Acreage Reporting Dates	
Crop	Date
Warm Season Grass (for Grazing) <u>1/</u>	February 15, 2010
Cool Season Grasses (for Grazing) <u>2/</u>	
Small Grains (for Grazing) <u>3/</u>	
Mechanically Harvested Forage (for Hay) <u>4/</u>	
Pecans, Improved	April 1, 2010
Pecans, Native	
Greens, (all varieties – Spring Planted)	
Spinach (Spring Planted)	

1/ Warm Season Grasses include: Alfalfa, Bermuda (hybrid, common, and coastal), Bahia, Bluestem Old World, Lovegrass, Sudangrass and Native interseeded grasses.

2/ Cool Season Grasses include: Fescue (red and tall), Orchardgrass, Annual Ryegrass, Mixed Forage grasses, and Small Grain interseeded grasses.

3/ Spring seeded Barley and Oats

4/ Mechanically Harvested for forage (for Hay) includes: Alfalfa, Bermuda (hybrid, common, and coastal), Bahia, Bluestem Old World, Lovegrass, Sudangrass, Fescue (red and tall), Tall Fescue for Seed, Orchardgrass, Annual Ryegrass, Mixed Forage grasses, and Small Grain interseeded grasses, Native interseeded grasses, Annual Rye, Spring seeded Barley and Oats.

USDA SERVICE CENTER OPEN HOUSE – HOPE, ARKANSAS

On Monday, February 22, 2010, an open house was held at 300 West Commerce Boulevard in Hope Arkansas for a new USDA facility. The new facility will be the home of Farm Service Agency (FSA), Natural Resources Conservation Services (NRCS), and Rural Development (RD) service centers. All three State Directors were in attendance, as were local officials and representatives of Arkansas' U.S. Senators and U.S. Congressman.

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