

Farm Service Agency News

September 2006



SELECTING & CHANGING MILCX START MONTH

Dairy operations are reminded that they can change the start-month an unlimited number of times as long as the change is made:

- On or before day 14 of the month prior to the new MILCX production start-month (unless that day falls on a weekend, then the date falls to the previous business day);

- Before payment is sought;
- Before the original selected MILCX production start-month has passed.

Example: If a dairy operation's current start-month for FY 2007 is October, and the dairy operation would like to change the start-month. The dairy operations would have to select a new start-month by September 14, 2006.

If the dairy operation never changes the selected start-month, the start-month will remain the same throughout the MILCX contract's duration. Please contact your local FSA office if you are anticipating making changes to your current start-month selection for FY 2007.

MAL AND LDP PROGRAM CHANGES

The Commodity Credit Corporation (CCC) has announced changes to the marketing assistance loan (MAL) and loan deficiency payment (LDP) program. The amended policies and procedures affect the 2006 and subsequent crop years.

CCC made the changes in the Code of Federal Regulations, through a final rule issued June 6, 2006.

The following are some of the regulatory changes to the MAL and LDP program:

- Beneficial interest provisions – In the past, loan program regulations did not state that a producer loses beneficial interest in a loan eligible commodity when the commodity is delivered to a dairy, feedlot, ethanol plant, feed mill, wool pool or other end-use facility. The regulations were amended to state that beneficial interest is

lost when a loan eligible for commodity is delivered to one of the previously mentioned facilities. An LDP will be based on the date of delivery to such a facility.

- CCC will limit its use of lien searches for MALs greater than \$25,000 and file financing statements only for farm-stored MAL disbursements of \$25,000 or more. In the past, CCC conducted lien searches on all loans regardless of the loan amount. CCC may, however, conduct lien searches and file financing statements for loan disbursements of \$25,000 or less when there is reason to believe that CCC's interests will not be protected.
- Use of form CCC-633 EZ – In an effort to simplify the LDP request process, CCC recently issued a new LDP form, CCC-633 EZ. The CCC-633 EZ is

a two-part form consisting of an agreement, which is page 1 of the CCC-633 EZ, and a request for benefits, which is either pages 2, 3 or 4, depending on the commodity.

The 2002 Farm Bill provides for MALs and LDPs for the 2002-2007 crops of wheat, corn, grain sorghum, barley, oats, soybeans, other oilseeds (including sunflower seed, canola, safflower, flaxseed, rapeseed, mustard seed, crambe and sesame seed), rice, upland cotton, peanuts, honey, wool, mohair, dry peas, lentils and small chickpeas.

MALs provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are at harvest-time lows. A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain an LDP.

[Name] County USDA Service Center

Xxx xxx xxxxxx
XXXXXXXX, xx xxxxx
xxx-xxx-xxxx (phone)
xxx-xxx-xxxx (fax)

Hours
Monday - Friday
7:30 a.m. - 4:30 p.m.

County Committee
Xxxx xxxxxx
XXXXXX XXXXX
XXXX XXXXX

Staff
Xxx xxxxxxxxxxxxxx
XXXXXX XXXXX
XXXXXX XXXXXXXX
Xxx xxxxxxxx

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SEPTEMBER 30th FINAL DCP DEADLINE



Producers who missed the June 1, 2006, deadline still have until September 30 to enroll in the 2006 Direct and Counter-Cyclical Program. Applications will be considered late-filed and a \$100 late filing fee per farm will be assessed.

Contracts must be signed annually to receive benefits for the current year. Producers who decide not to participate in the 2006 DCP will retain eligibility for the 2007 DCP.

FALL APPLICATION DEADLINE FOR 2007 NAP CROPS

The application closing date to sign up for 2007 Non-Insured Assistance Program coverage for "value loss" crops such as ginseng, turf grass sod, Christmas trees and aquaculture, is September 1, 2006. Perennial crop deadlines on fruit and other crops such as ap-

ples, pears, blueberries, raspberries, strawberries, grapes, cherries, wild rice honey, maple sap, asparagus and other perennial fruits is November 20, 2006. Please be reminded that NAP coverage is only available for crops where coverage is not available under

the Federal Crop Insurance Program (FCIC). These deadlines also apply to persons who already have a policy and want to renew their coverage for 2007. **For Counties that do not have forage covered by a GRP policy, include the forage deadline of September 30th**

2006 COUNTY COMMITTEE ELECTION UPDATE



Don't forget to vote in the 2006 FSA County Committee Election to be

held from November 3 to December 4. Ballots will be mailed to all eligible voters by November 3. Ballots must be returned to FSA county offices by December 4, 2006.

It is important that producers sign their ballots; without a valid signature the vote doesn't count.

County committee elections give farmers and ranchers an important opportunity to ensure that their FSA county committees represent them.

Farmers and ranchers who serve on county committees help make decisions necessary to administer federal farm programs offered in their communities. County committees make decisions on agricultural issues, such as commodity price support loans and payments, conservation programs, disaster payments and employing county executive directors.

If you participate or cooperate in programs administered by FSA and live in the local administrative area conducting an election, you are eligible to vote.

Eligible voters, who have not received a ballot by November 15, should contact their administering FSA county office. Eligible voters must participate or cooperate in FSA programs.

Newly elected county committee members take office January 1, 2007.

HAYING AND GRAZING CRP ACREAGE

Under the current farm bill, Conservation Reserve Program (CRP) acreage can be hayed or grazed under certain, very restrictive, circumstances.

If you are a participant in the CRP you must have written approval from FSA before haying or grazing. It is the responsibility of the participant to submit a request for managed haying and grazing. Without

exception, the request must come from the CRP participant. Failure to obtain appropriate authorization to hay or graze CRP acreage can result in severe payment reductions or contract termination.

Haying can begin no earlier than July 16 and must be completed by September 15. Haying is limited to one cutting per year. Grazing plans will specify the stocking rate for the acreage to be

grazed and require that the cover not be grazed down to below 3 inches for cool season stands and 6 inches for warm season stands. Grazing also cannot begin before July 16 and livestock must be removed from grazed acreage no later than September 30. (Note: depending on the stocking rate, livestock may have to be removed prior to September 30 to assure the acreage is not grazed below the minimum height.)

LATE FILED CROP REPORTS STILL BEING ACCEPTED



Although the July 17 crop reporting deadline has passed, producers may still late file crop reports at the local FSA offices for a fee. You may also revise a 2006 crop report without penalty. If you are a farmer or landowner who participates in FSA's commodity programs such as the Direct and Counter-Cyclical Program, the Conservation Reserve Program, and the Noninsured Assistance Program, you are required to certify your crop acreages. Acreages are used to calculate the amount of financial assistance you as a producer or landowner can receive through various disaster programs.

Even if you are not participating in a current FSA program, you are still encouraged to certify your acres with the local FSA office. The report will maintain an official history of crop production for your land and may help establish eligibility in the event you want to participate in future programs.

If you would like more information about crop reporting or wish to set up an appointment to report acres, you should contact the local FSA office or USDA Service Center.

COMMODITY LOANS MATURING

Reminder that 2005 commodity loans for farm stored corn and soybeans will be maturing soon. Take a second to view the condition of the grain during this weather pattern of humid air and fluctuating temperatures.

Do not forget, grain under Commodity Credit Corporation loan cannot be removed without prior authorization or repayment. Unauthorized disposition is a violation and is subject to monetary and administrative penalties.

Your loans are subject to spot checks. Determined shortages must be repaid with principal plus interest, and additional monetary penalties plus loss of future loan eligibility may apply. Producers planning to sell or move CCC loan grain need to contact the local FSA county office for additional information.

SOCIALLY DISADVANTAGED LOANS

The Farm Service Agency is dedicated to promoting greater involvement in farming and ranching by women and minorities. Each year, we reserve a portion of our farm loan funds especially for socially disadvantaged applicants.

A Socially Disadvantaged (SDA) farmer is a member of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to individual qualities. For purposes of the SDA Loan Program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asians and Pacific Islanders. SDA loans are available for farm ownership and operating loans.

SDA farm ownership loans may be used to purchase or enlarge a farm, purchase easements, erect or improve buildings, and pay closing costs. SDA operating loan funds may be used to purchase livestock, equipment, feed, seed, fuel, fertilizer, chemicals, crop insurance, food, clothing, and medical care. SDA farmers must meet the same loan eligibility requirements as traditional applicants.

FINAL CC PAYMENT FOR BARLEY

Wisconsin Farm Service Agency county offices have begun issuing final 2005 crop counter-cyclical payments for barley. The final payment rate is \$0.13 per bushel.

If you are a producer who received first and second partial counter-cyclical payments of \$0.105 per bushel on 2005-crop barley, you are due an additional \$0.025 per bushel.

The counter-cyclical payment rate is the amount by which the "target price" of each commodity, specified by the 2002 Farm Bill, exceeds its effective price. The counter-cyclical payment is calculated by multiplying the payment rate by 85 percent of the farm's base acreage and then multiplying that number by the farm's counter-cyclical payment yield for each crop.

**U.S. Department of Agriculture
Your County FSA Office
Address
City, Wisconsin Zip**

**PRESORTED STANDARD
U. S. POSTAGE PAID
CITY, STATE
Permit No. xxx**

***SNOWMOBILE
TRAILS ON CRP***

It is up to the local FSA County Committee whether snowmobile trails are allowed to cross acreage enrolled in the Conservation Reserve Program. If this affects any of your CRP acreage, contact your local FSA office to request this particular use prior to allowing a trail on your CRP land.

MARK YOUR CALENDAR

September 1	2007 NAP application deadline for value loss crops
September 4	FSA offices will be closed for Labor Day
September 14	Last day to select or change MILCX start month
September 15	Deadline for haying CRP acreage
September 30	Deadline to remove livestock from grazed CRP acreage
September 30	Final signup deadline for 2006 DCP
September 30	2007 NAP deadline for winter rye, winter small grains & mint
November 3	COC Election ballots mailed to eligible voters
November 20	2007 NAP deadline for perennial crops
December 4	Deadline to return voted ballots to FSA offices

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, D.C., 20250-9410, or call 800-795-3272 or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.”