



September 2006

Ohio FSA State Newsletter

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Final DCP Payments For 2006

Enrolled producers can expect their final direct cyclical payment to be directly deposited into personal bank accounts sometime during the first few weeks of October.

Producers who did not elect to receive an advance direct payment will receive their entire direct payment for the year in one lump sum after the end of the fiscal year which ends September 30.

The direct payment for a crop equals 85 percent of the farm's base acreage *times* (x) the farm's direct payment yield *times* (x) the direct payment rate.

County Committee Elections

Nominations for the county committee election were due in the county office by August 1, 2006. The next step in the election process is to mail out ballots, which will begin on November 3, 2006. Voters have until December 4, 2006, to return their properly completed ballots to the county office. Elected committee members and alternates take office on Jan. 1, 2007.

Prospective Voter Requirements - Anyone who meets the requirements in either, 1 or 2, as well as item number 3, is eligible to vote for county committee members.

1. Voter is of legal voting age and participates or cooperates in any FSA program, or
2. The voter is not of legal voting age, but supervises and conducts the farming operations on an entire farm.
3. The voter must also be eligible to participate in any FSA program provided by law, regardless of the status of funding.

Discrimination Prohibited - No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. If you have any questions about your voter eligibility, please contact your county office staff.

Loan and LDP Information

Loans or LDPs are available for producers who share in the risk of producing crops. To be eligible, you must maintain beneficial interest (maintain title, control of the crop) in the crop through the time of application. Producers who have contracted the commodity, sold directly off the field, or immediately fed the commodity should have filed a CCC-633EZ page 1 to maintain eligibility for an LDP. The CCC-633EZ page 1 needs to be signed prior to harvest. Producers who deliver grain under a delayed pricing contract lose beneficial interest upon delivery in most cases.

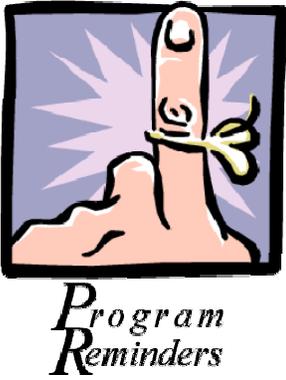
Electronic Loan Deficiency Payments (eLDPs) are available to producers who have an active USDA eAuthentication Level 2 account. The eLDP is an internet based service allowing producers to request certified LDPs online and, in most cases receive approval and payment by direct deposit within 48 hours.

ELDP services provide greater flexibility to producers allowing them to minimize travel to and from county FSA offices. ELDPs are available 24 hours a day, seven days week, except during routine backup and maintenance periods.

Commodities harvested for other than grain (such as hay or silage) are also eligible for LDPs. Applications should be made prior to feeding or selling. The maximum eligible quantity is based on actual production of grain for the farm. Producers that want to ensure the use of their own yield should request measurement service for farm stored commodities prior to feeding. If actual production is not available, the county committee will assign a yield based on three similar farms in your area. Yield for crops that sustained weather damage will be based on the insurance appraisal.

Interest rates vary monthly and are based on the month of approval. Rates are subject to change January 1.





Loan repayment options, include:

- repay the loan, principal plus interest;
- repay the loan at the market repayment rate; and
- deliver the outstanding quantity to a designated warehouse.

When commodities are under loan and used as collateral, they may not be moved without prior written consent from the county office. **SO, CALL BEFORE YOU HAUL!**

Payment Limitations

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. Documents and forms to determine eligibility and limitation once completed are reviewed on an annual basis. It is the producer's responsibility to report changes in the farming operation that may affect payment eligibility and payment limitation.

The following limitations apply to Direct and Counter-cyclical Program payments for each contract year. Payment limitations include; Direct and Counter-cyclical Payment Program, \$40,000 for direct payments and \$65,000 for counter-cyclical payments; Conservation Reserve Program, \$50,000; Non-insured Crop Disaster Assistance Program, \$100,000; and \$75,000 per crop year for Loan Deficiency Payments.

Entities such as corporations, limited partnerships, trusts and estates are required to provide names, addresses, and ID numbers of their members. These entities should also identify every payment under more than one entity.

Adjusted Gross Income - Effective through 2007, an individual or entity shall not be eligible for certain program benefits during a crop, program or fiscal year if both of the following apply.

- The three-year average of the adjusted gross income for the individual or entity exceeds \$2.5 million; and
- Less than 75 percent of the average AGI is derived from farming, ranching or forestry operations.

Farm Storage Facility Loans

Low interest rate loans for storage facilities are available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, soybeans and corn.

The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. Eligible facilities include new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures.

All Farm Storage Facility Loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment is also required. For details, contact the county office staff.

Selected Interest Rates for September 2006	
90-Day Treasury Bill	5.00%
Farm Operating Loans — Direct	5.625%
Farm Ownership Loans — Direct	5.75%
Limited Resource Loans	5.00%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	4.00%
Emergency Loans	3.75%
Farm Storage Facility Loans	4.875%
Sugar Storage Facility Loans	5.125%
Commodity Loans 1996-Present	6.125%

Refund of Unearned CC Payments

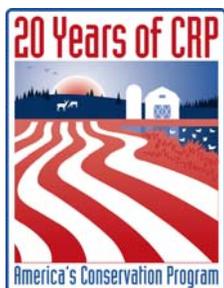
There is the potential that under current market prices producers who received advance counter-cyclical payments may be required to repay all or a portion of the advance payments. Producers have two options to refund unearned advances:

Refund Option 1: Commodity Credit Corporation (CCC) will automatically reduce any Direct and Counter-cyclical Program payments you received, to satisfy your obligation to repay the unearned advance counter-cyclical payments. Scheduled payments you may have received include: final direct payments for the previous year, advance counter-cyclical payments, and advance direct payments. For this method you need not take any action—the Farm



Service Agency Service Center will automatically take deductions from future DCP payments.

Refund Option 2: This method follows procedures under the Debt Collection Improvement Act of 1996. Under this option you will be sent an initial notification letter following the end of each crop's marketing year that will inform you of the specific amount of the debt, followed by a first demand letter. At that time you may settle the debt by writing a check to CCC. Please notify the county office staff if you wish to use refund option 2.



Succession in Interest

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these *successions-in-interest* to the county committee **by Sept. 29**, so that a final determination can be made on who is program eligible on the property.

Changes that qualify as a succession-in-interest include:

- A sale of land,
- A change of operator or producer, including an increase or decrease in the number of partners,
- A foreclosure, bankruptcy or involuntary loss of the farm, and
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the "predecessor," are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the "successor."

Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

A revised CCC-509, Direct and Counter-cyclical Program Contract, with all succession changes must be complete with all signatures **by Sept. 29** for payments to be distributed.

Note: Changes that require a reconstitution should have been reported to the county committee by Aug. 1 of the fiscal year in which the change occurred.



The Northern Bobwhite Quail Habitat Initiative

Since the blizzard of 1977, the call of the bobwhite has been silent in all but a few Ohio counties. Since 1980, the bobwhite quail populations have declined from an estimated 59 million birds to about 20 million birds in 1999. The habitats are disappearing due to urbanization, loss of native grasslands, intensive agriculture and a transitioning of once grassy fields into forests.

In 2004, President Bush announced a program that aims to return the song of the Bobwhite to the landscape. Seventy-five counties in Ohio are eligible for the CRP Northern Bobwhite Quail Habitat Initiative. The picture below illustrates the counties approved in Ohio.



The habitat buffers for upland birds practice, commonly called practice # 33, is a border of native grasses and forbs placed between the edge of the field and the crop. The border can be between 30 and 120 ft. wide. Farmers find this practice particularly economically advantageous under field fence rows and around woods.

Presently, producers will receive annual rental payments for the length of the contract, maintenance incentive payments and cost-share assistance of up to 50 percent of the eligible practice cost to establish CP33 cover. Additionally, FSA provides producers with a signing incentive payment of up to \$100 per acre, and a practice incentive payment of up to 40 percent of the eligible establishment cost.

The purpose of this practice is to provide food and cover for bobwhite quail and other upland birds in cropland areas. Also, the practice will reduce soil erosion from wind and water, increase soil and

water quality and protect and enhance the on-farm ecosystem. The program will only apply to land around field edges of eligible cropland.

CRP Northern Bobwhite Quail Habitat Initiative sign-up continues at local FSA offices. The program will run on a continuous basis, meaning eligible land may be enrolled at any time until 14,200 acres have been enrolled in Ohio, or Dec. 31, 2007, whichever comes first. Currently Ohio has enrolled 8,511.1 acres in the program.

If you are interested in restoring the Bob White Quail habitat on your land or wish to learn more about the CRP Northern Bobwhite Quail Habitat Initiative then stop by your local FSA office. More information is available on the FSA's Website at: www.fsa.usda.gov.

You can also visit the websites of the conservation partners helping to restore bobwhite quails. These partners include; Quail Unlimited, the Southeast Quail Study Group, Pheasants Forever, Quail Forever, Ducks Unlimited, the National Wild Turkey Federation, The Ohio Division of Wildlife, Soil and Water Conservation District, the U.S. Fish and Wildlife Service and NRCS.

Dates to Remember

Sept. 29	Final date for 2006 DCP contract revisions.
Sept. 29	Last day for late file sign-up for the 2006 DCP program. \$100 late fee.
Oct. 1	Producers, it's time to start thinking about signing-up for the 2007 DCP program.
Oct. 2	Last day to apply for 2007 NAP coverage on winter wheat, rye barley and speltz.
Oct. 9	Columbus Day Holiday. FSA offices closed.
Nov. 3	County committee election ballots mailed.
Nov. 10	Veteran's Day Holiday. FSA offices closed.
Nov. 23	Thanksgiving Holiday. FSA offices closed.
Dec. 4	Last day to return voted ballots in county committee election.

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