



## “SCOOP”

### ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

May 2009

#### **AVERAGE CROP REVENUE ELECTION (ACRE) PROGRAM**

***FSA is now accepting applications for the Average Crop Revenue Election (ACRE) Program.*** Interested persons should make an appointment with their FSA office. 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. August 14, 2009, is the deadline to file and return signatures for both of these contracts for 2009.

The decision to participate in ACRE may be difficult for some. For most, it is a complex program. The Arkansas Extension Service is working closely with FSA in helping producers evaluate their options. Robert Coats, Professor of Economics from the University Of Arkansas Division Of Agriculture, Cooperative Extension Service has written an article on “The ACRE Decision, The Knowns of the Traditional Program and the Unknowns of ACRE.” The article gives great detail and helps producers evaluate their options. Producers are encouraged to read the article from <http://www.aragriculture.org/agfoodpolicy/ACRE.htm>.

#### **DCP AND ACRE SIGNUP DEADLINE EXTENDED**

The Direct and Counter-Cyclical (DCP) and Average Crop Revenue Election (ACRE) Program deadline has been extended to August 14, 2009. Producers wanting to participate in these programs must enroll and have all required signatures returned by this date to be eligible for 2009 program benefits. ***However, it is extremely important that producers understand that June 1, 2009, is still the date FSA uses to determine ownership interest in farming operations, and is similar to a status date.*** 2009 payment limits for direct attribution are calculated from the way the farming operation is structured on June 1, 2009. For example, a producer has 50 percent stock in Corporation 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 2009 payment limitation. Because the sale occurred after June 1 it cannot be recognized for the 2009 program payments.

#### **BASE ACRES ON FEDERALLY OWNED LAND REINSTATED**

Great news! Agriculture Secretary Tom Vilsack announced, the rule terminating base acres on federal land has been rescinded. Producers who lease federal land are again considered eligible to receive payments under the Direct and Counter-cyclical Program (DCP) on federal land with base acres. Applicable producers should contact their local FSA office to make an appointment to enroll the farm.

## RECONSTITUTION OF A DCP OR ACRE FARM

Producers who reconstitute a DCP or ACRE farm will want to ensure they understand how a reconstitution will affect program participation and benefits. Example 1: If an ACRE farm is reconstituted, the resulting farm(s) will also be considered an ACRE farm. Example 2: A CCC-509 Contract to participate in ACRE or DCP is automatically cancelled if a timely request for reconstitution is received after a DCP or ACRE contract is initiated. In order for the new resulting farm(s) to receive payments for either DCP or ACRE it must be timely enrolled into DCP or ACRE. Deadlines and other provisions apply, ensure you are knowledgeable, and comply. Failure to understand the requirements may keep you from earning benefits.

## 10.0 BASE ACRE OR LESS RULE LOOSENED

FSA rules previously stated, to receive DCP or ACRE payments on a farm with 10.0 base acres or less the farm must be *wholly owned* by socially disadvantaged or limited resource farmers or ranchers whether owned as an individual, group of individuals, or an entity. The revised provisions now state if a group of individuals or an entity owns the farm, only 50 percent of the ownership interest must be from socially disadvantaged or limited resource farmers or ranchers. Example, a farm owned equally by a husband and wife could now earn payments, since the wife has a 50 percent interest; women are considered socially disadvantaged persons for DCP and ACRE.

## MAY 18, 2009 DEADLINE APPROACHES 2008 CATASTOPHIC RISK PROTECTION (CAT) BUY-IN

The ARRA Act of 2009 is giving producers a unique opportunity to pay the applicable administrative fee, which is necessary before benefits can be received for 2008 crop losses for the Supplemental Revenue Assistance (SURE), Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP). Producers have until May 18, 2009 to report to their local FSA office to pay the fee known as buy-in. Producers will be required to pay the applicable fee they would have paid if they had purchased CAT level of Federal Crop Insurance or Non-insured Crop Disaster Assistance Program (NAP) coverage. By paying the buy-in fee, producers are not getting the insurance protection since the deadline to purchase insurance has passed, but it could allow disaster assistance benefits if other eligibility requirements are met. For crops covered by FCIC, the disaster payment level is calculated at 70 percent of the yield and 100 percent of the price. The buy-in fee is \$100 per crop, with a maximum fee of \$300 per county, per producer, not to exceed \$900 for all counties.

Producers who meet the definition of “Socially Disadvantaged,” “Limited Resource,” or “Beginning Farmer or Rancher,” are not required to pay the buy-in fee.

Producers who take advantage of this buy-in opportunity are agreeing to the following:

- If FCIC insurance is available for the crop to purchase the FCIC insurance **in the next available year**, (excluding grazing land) for a level of 70 percent or more of the yield at 100 percent of the price.
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**MAY 18, 2009 DEADLINE APPROACHES**  
**2008 CATASTOPHIC RISK PROTECTION (CAT) BUY-IN .....Continued**

- IF NAP is available for the crop, to purchase NAP coverage in the next available year, and to file all of the necessary paperwork. NAP coverage is always 50 percent of yields and 55 percent of the price.

Note: The buy-in option does not cover benefits in the Livestock Forage Disaster Program (LFP)

**PREVENTED PLANTED PROVISIONS**

Producers should report prevented planted acreage to their local FSA Office when the crop acreage is not planted due to disaster-related conditions. To be considered timely filed, prevented planted acres should be reported no later than 15 calendar days after the final planting date established by Federal Crop Insurance. Below are the final planting dates for Arkansas and the deadlines for filing prevented planted credit. *Please note that the dates for Corn and Grain Sorghum have been updated from the last SCOOP publication.* Unless noted the date is applicable to all counties in Arkansas:

<b>Crop</b>	<b>Federal Crop Insurance Final Planting Date</b>	<b>Deadline to File Prevented Planted</b>
Corn	May 10 Revised to April 25	May 25 Revised to May 10
Upland Cotton	May 20 Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, St Francis, White, and Woodruff Counties	June 4
Upland Cotton	May 25 Arkansas, Ashley, Bradley, Chicot, Clark, Dallas, Desha, Drew, Jefferson, Lafayette, Lee, Lincoln, Little River, Lonoke, Miller, Monroe, Phillips, Prairie, and Pulaski Counties	June 9
Peanuts	May 25	June 9
Rice	May 31	June 15
Grain Sorghum	June 10 Revised to May 15	June 25 Revised to May 30
Soybeans	June 15	June 30
Wheat, Oats,	November 30	December 15

**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 is required to receive history credit in accordance with applicable rules and regulations.

**ACREAGE REPORTS ARE REQUIRED**

May 15, 2009, is the deadline to report to your local FSA Office this year’s planted acreage of fall-seeded crops, and July 15, 2009 is the deadline for spring-seeded crops. Acreage reports are required to be eligible to receive benefits on many FSA programs. Some programs require all cropland on the farm be reported. Failure to report your acreage may result in the farm and or producer being ineligible for FSA program benefits. There is a late file fee for Acreage reports filed after the applicable deadline. FSA only recognizes verifiable acreage.

**PROGRAM DEADLINES**

<b>2009 Noninsured Crop Disaster Assistance (NAP) Acreage Reporting Deadline</b>	
Broccoli	May 15, 2009
Cabbage	
Carrots	
Sweet Corn	
Lettuce – All varieties	
Potatoes – All varieties	
Strawberries	
Tomatoes – Spring Planted	
<b>Other Deadlines</b>	
Fall Seeded Acreage Reporting Deadline (Wheat & Oats)	May 15, 2009
2008 Crop Buy-In for SURE, ELAP, TAP	May 18, 2009
Last date to file Request for Soybean Referendum	May 29, 2009
Final Loan and LDP Availability for 2008-crop Upland Cotton, Rice, Corn, Dry peas, Grain Sorghum, Lentils, Mustard Seed, Safflower Seed, Small Chickpeas, Soybeans and Sunflower seed.	May 31, 2009
Final date owners can designate rice apportionments	June 1, 2009
The date FSA uses to look at the structure of farming operations to calculate direct attributions	June 1, 2009
Spring Seeded Acreage Reporting Deadline	July 15, 2009
Last date to request a 2009 reconstitution on a DCP or ACRE farm	August 1, 2009
Final date to file a 2009 ACRE Election	<del>June 1, 2009</del>
Final date to have all signatures on an ACRE Election	Extended to
Final date to file a 2009 DCP and/or ACRE 2009 (yearly) enrollment	August 14, 2009
Final date to have returned signatures for producers who have a share in a DCP and/or an ACRE contract	
Final date to prioritize crops to receive ACRE Payments	Sept. 30, 2009

## **USDA SETS DATE FOR SOYBEAN REQUEST FOR REFERENDUM**

The U.S. Department of Agriculture's (USDA) announced it would offer soybean producers the opportunity to request a referendum on the Soybean Promotion and Research Order (Order), as authorized under the Soybean Promotion, Research, and Consumer Information Act (Act). USDA invites all Soybean producers who are interested in having a referendum to determine whether to continue the soybean check off program to participate.

FSA county offices will conduct the Request for Referendum. To be eligible to participate, producers must certify and provide documentation that shows they produced soybeans and paid an assessment on the soybeans during the period of January 1, 2007, through December 31, 2008.

Beginning May 4, 2009, and continuing through May 29, 2009, producers may obtain a form by mail, fax, or in person from FSA. Forms are obtainable via the internet at <http://www.ams.usda.govgov/lsmarketingprograms> during the same period. It is imperative, completed forms and supporting documentation be returned to the appropriate county FSA office by fax or in person no later than close of business May 29, 2009. If using US mail to return completed forms and supporting documentation, they must be postmarked by midnight May 29, 2009, and received in the FSA county office before June 5, 2009. USDA will conduct a referendum if at least 10 percent of the nation's 589,182 soybean producers support a referendum. No more than one-fifth of the producers who support having a referendum can be from any one state. Additional information is available at the local FSA office.

### **USDA Announces New Loan Repayment Rate Methods for Commodities Participating in the Marketing Assistance Loan Program**

USDA will begin using an improved and more stable system for determining non-recourse marketing assistance loan repayment rates and loan deficiency payment rates for wheat, feed grains, pulse crops, oilseeds, wool, mohair, and honey.

Beginning April 15, 2009, for wheat, corn, grain sorghum, soybeans, barley, oats, canola, flaxseed, and sunflower seed, USDA's Commodity Credit Corporation (CCC) will determine and publish daily loan repayment rates based on the average market prices during the preceding 30 days. At the same time, CCC will begin announcing each day a repayment rate based on the preceding five days. The new method will replace the current one, which is based on the previous day's market rates. The effective alternative repayment rate will be the lower of either the 30-day average or the 5-day average.

The 30-day method will reflect a 30-day moving average of all terminal market prices for the crop, adjusted by the difference between the applicable national average loan rate and the county loan rate. The 5-day method will reflect a 5-day moving average of applicable terminal market prices adjusted by applicable county differential and terminal adjustments.

**USDA Announces New Loan Repayment Rate Methods for Commodities Participating in the Marketing Assistance Loan Program.....continued**

Starting on or after April 15, for pulse crops (lentils, dry peas, small chickpeas, large chickpeas), crambe, mustard seed, rapeseed, safflower, sesame seed, wool, mohair, and honey, CCC will determine and publish loan repayment rates once a week based on average market prices during the preceding 30 days. CCC will also announce an alternative repayment rate using the current methodology each week. The effective repayment rate will be the lower of either the 30-day average or the alternative repayment rate. No alternative repayment rate will be available for honey.

No changes are being made to the loan repayment system for cotton, peanuts, or rice.

Contact your local Farm Service Agency for additional details.

**Marketing Assistance Loans and Loan Deficiency Payments Authorized for 2009 Through 2012**

The Food, Conservation, and Energy Act of 2008 (2008 Act) authorized 2009 through 2012 crop year Marketing Assistance Loans (MAL's) and Loan Deficiency Payments (LDP's) on the following crops:

Wheat	Barley	Oats	Corn
Grain Sorghum	Soybeans	Long Grain Rice	Medium Grain Rice
Peanuts	Sunflower Seed	Rapeseed	Canola
Safflower	Flaxseed	Mustard Seed	Crambe
Sesame Seed	Wool	Mohair	Honey
Dry Peas	Lentils	Small Chickpeas	Large Chickpeas

Hay, silage, and unshorn pelts are eligible for LDP, but not for MAL.

Although covered by the 2008 Act, the 2008 crop year operated under, basically, the same regulations, provisions, and policies of the 2002 Farm Bill.

**Policy Changes**

The 2008 Farm Bill has included several changes to MAL provisions. The regulation for MAL's and LDP's redefines rice as long grain and medium grain. Large chickpeas are included as an eligible pulse crop beginning with crop year 2009. The 2008 crop year MAL gains and LDP payments were limited to \$75,000 per person. Starting with 2009 crop year, these benefits will no longer be subject to a payment limit.

As part of USDA's efforts to streamline the loan process, the Commodity Credit Corporation (CCC) will no longer adjust loan rates on warehouse-stored loans by premiums and discounts at loan making time. Loan rates will be adjusted by premiums and discounts only at loan

## **Policy Changes.....continued**

settlement, if the commodity is either farm-stored delivered or warehouse-stored forfeited. This change starts with the 2009 crop year and does not apply to peanuts.

During recent years, CCC's loan repayment policies have minimized forfeitures to very low levels. So as part of USDA's modernization of delivering services, CCC will no longer require the execution of a storage agreement in storage facilities that are either (a) federally-licensed or (b) in compliance with applicable state laws and issue warehouse receipts. This change allows producers to obtain warehouse-stored loans with collateral stored at all warehouses, both State and Federally licensed, and expands the amount of storage available for use by producers who wish to obtain loans.

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