



# “SCOOP”

## ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

February 2012

### ADDITIONAL AVERAGE ADJUSTED GROSS INCOME (AGI) PROVISIONS APPLY FOR 2012 DCP & ACRE

Producers requesting benefits for the 2012 Direct and Counter-Cyclical Program (DCP) and Acreage Crop Revenue Election Program (ACRE) must meet an additional income requirement before earning benefits. The new requirement:

- will NOT allow payments to persons or entities whose average adjusted gross income from years 2008, 2009, and 2010 derived from both farm and non-farm income exceed \$1 million dollars
- was made law with the Consolidate and Further Continuing Appropriations ACT of 2012, Pub. L. 112-55.

A summary of the AGI provisions for persons or legal entity for all programs in 2012 are as follows:

Programs and Average AGI Limitations			
Program Payments and Benefits	Average AGI Amount	Income	Average AGI
Commodity (DCP and ACRE), Price Support, and Disaster Assistance	\$500,000	Nonfarm	Adjusted gross nonfarm income.
DCP and ACRE Direct Payments	\$750,000	Farm	Adjusted gross farm income (must also meet both the \$500,000 nonfarm AGI and the \$1 million AGI limitations).
DCP and ACRE Direct Payments	\$1 million	Total farm and nonfarm	Adjusted gross income (must also meet both the \$500,000 nonfarm and the \$750,000 farm AGI limitations).
Conservation	\$1 million	Nonfarm	Adjusted gross nonfarm income, <b>unless</b> 66.66 percent or more of the average AGI is average adjusted gross farm income. <b>Note:</b> May be waived on a case-by-case basis if Environmentally sensitive land of special significance would be protected.

**Note:** The use of FSA’s Power of Attorney form, FSA-211 is not allowed for the submission the AGI certification, form CCC-931, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information. This form is used for both FSA and IRS purposes, and the grantor of the FSA’s power of attorney did not grant authority for signature toward IRS activities.

## DCP AND ACRE ENROLLMENT HAS STARTED

The 2012 DCP and ACRE enrollment deadline is now underway.

- The deadline to enroll is June 1, 2012, which is approximately only 120 days away.
- Your quick enrollment is needed and appreciated.

FSA is signing up many programs at the same time with similar deadlines. Producers are also busy certifying crops, obtaining price support loans, and many other activities. Help us help you, don't delay.

**On-line options are available with proper security, and/or make an appointment with your local FSA office.** As a reminder the most common ways producers jeopardize their DCP and/or ACRE benefits are improperly planting Fruits and Vegetables or Wild Rice on base acres, or failing to share in the DCP Contract in an acceptable manner when compared to the crops are marketed. Check with FSA at signup to ensure that your intentions follow the provisions of the program(s). We also encourage you to read the Appendix to the DCP and ACRE contracts given to you during signup.

### SUPPORTING DOCUMENTATION REQUIRED FOR PRODUCERS PARTICIPATING IN THE 2012 DCP OR ACRE Program

*Before payments can be issued for the 2012 DCP or ACRE Program, the following supporting documentation must be submitted:*

1. CCC-902, Farm Operating Plan for Payment Eligibility Review
2. AD-1026, Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC)
3. CCC-931, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information
4. A CCC-578 acreage report for all acreage on the farm.

### EXPIRED, VOLUNTARILY TERMINATED OR RELEASED CRP CONTRACTS COULD INCREASE DCP OR ACRE PAYMENTS

Farms with Conservation Reserve Program (CRP) contracts that have expired, voluntarily terminated, or early released after September 30, 2008 and before October 1, 2012, may be eligible to have reduced acres restored and enrolled in the DCP or ACRE Program.

- Throughout different farm bills, in some situations, reduction of base, and/or Production Flexibility (PFC) acres was required upon enrollment into the CRP Program.
- The 2008 Farm Bill allows for restoration of these acres as base acres for the DCP or ACRE Program.
- Producers with acreage that has come out of the CRP Program should visit their local FSA Office to determine eligibility.
- **REMINDER:** June 1, 2012 is the deadline to have all acres enrolled in DCP or ACRE for 2012 including any restored acres.

### 2010 SUPPLEMENTAL REVENUE ASSISTANCE PAYMENTS (SURE) PROGRAM

FSA is still accepting 2010 crop loss applications for the Supplemental Revenue Assistance Payments (SURE) Program. **The signup deadline is June 1, 2012.**

## OWNERSHIP INTEREST DATE

June 1, 2012 is the date FSA uses to determine the ownership interest of operations when determining payment limitation allocations for 2012 programs subject to direct attribution.

- 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 2012 payment limitation.
- Since the sale occurred after June 1, the change is not recognized for the 2012 program payments.
- Exceptions are allowed for death of an interest holder.
- The June 1 deadline is not applicable to new entities.

## FSA AND RMA WILL HAVE THE SAME ACREAGE REPORTING DATES

Beginning July 1, 2012, FSA and RMA will have the same acreage reporting deadlines for crops that are eligible to obtain Federal Crop Insurance Coverage. The change is to help improve services to farm producers with a common reporting environment and consistent deadlines. FSA deadlines will change beginning with 2013 Wheat and Oats certification. The next change will occur with the certification of 2013 Apples, Grapes, and Peaches with 2013 Fresh Market Tomatoes to follow. **Below is a table with the new certification dates.** *It is important for producers to understand these deadlines are applicable whether the crop is insured with RMA; or not insured with RMA.*

Crop Year (Harvested Year)	Crop	Reporting Date
2012 (no change)	Wheat and Oats	May 15, 2012
2012 (no change)	All crops except fall seeded	July 15, 2012
<i>(new) 2013</i>	Wheat and Oats	December 15, 2012
<i>(new) 2013</i>	Apples, Grapes, Peaches	January 15, 2013
<i>(new) 2013</i>	Corn, Upland Cotton, Grain Sorghum, Peanuts, Rice, Soybeans and other Spring Seeded Crops	July 15, 2013

### Reminder for Non-Insured Disaster Assistance Program (NAP) Producers:

The deadline for reporting crops insured under the Non-insured Disaster Assistance Program (NAP) could be different from the dates listed above. Producers are always encouraged to check with their local FSA for NAP certification deadlines. In addition you should continue to watch your county office newsletters and the State Office SCOOP publications since we strive hard to publicize these dates as they become near.

## **REPORTING DOUBLE-CROPPED ACREAGE**

**REMINDER FOR PRODUCERS:** Before FSA recognizes double-cropped acreage 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 there are other approved double cropping crops.
- If the crop is not recognized as a double cropped practice, 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.

## **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.

## **BEFORE YOU SIGN**

Before signing documents prepared by FSA county offices employees, producers shall review all documents for accuracy. Your signature agrees to the data displayed, and you may have to refund payments, or be determined ineligible for future payments, if the data is found at a later date to be incorrect beyond the allowable correction period.

## **FSA, NRCS, AND RD ARE OFFERING A RECEIPT FOR SERVICE**

FSA, NRCS, and RD have now implemented a new procedure and document that producers receive when they request a receipt for service. The receipt has been designed and allows for the following:

- Summary of benefit or service requested
- Action taken or recommended
- Additional comments
- The employee's, name, signature providing the service
- Date of service.

**FSA TO COLLECT INFORMATION REGARDING RACE, ETHNICITY, AND GENDER**

FSA along with NRCS, RD, RMA, Rural Business Service (RBS), the Rural Housing Service (RHS), and the Rural Utilities Service (RUS) are trying to improve the operations of their programs to provide additional opportunities for program participation and to monitor and enforce Civil Rights Laws. The following gives additional details:

- In order to accomplish these goals producers/customers are being asked to voluntarily complete a questionnaire asking their race, ethnicity, and gender.
- The information provided will not be used when reviewing applications or when determining eligibility to participate in programs.
- FSA will ask producers to complete the application as they visit the county office for other business.
- Producers farming in multiple counties only need to complete the form in one county.

**PROGRAM DEADLINES**

<p><b>2012 NAP Application Closing Dates:</b>                  (last date to purchase 2012 crop year coverage) for:</p> <p>Beans (spring and fall), fresh--(Does not include Greenbeans)                  Cantaloupes                  Corn, grain                  Cotton                  Cucumbers (spring and fall), fresh                  Eggplant, fresh                  Grain Sorghum, grain                  Lettuce, fresh                  Okra, fresh                  Peanuts                  Peas (spring and fall), fresh                  Peppers, fresh                  Pumpkins, fresh                  Rice, grain                  Soybeans, grain                  Squash (spring and fall), fresh                  Sugarcane, fresh                  Sunflowers                  Sweet Potatoes                  Watermelons, fresh                  Corn, forage                  Millet, forage                  Sorghum, forage</p>	<p align="center">February 28, 2012</p>
<p><b>2012 NAP Application Closing Dates:</b>                  (last date to purchase 2012 crop year coverage) for:</p> <p>Green Beans                  Sweet Corn                  Tomatoes, (spring and fall), fresh                  All forage and grazing crops - (except wheat, rye, barley, and oats)</p>	<p align="center">March 15, 2012</p>

<b>Program Deadlines Continued:</b>	
Final date to <b>inform FSA of crop losses</b>	Before Crop Disposition
Final Date to report <b>wheat and oats planted acreage</b>	May 15, 2012
Final date to <b>file a 2012 ACRE Election</b> Final date to <b>have all signatures on an ACRE Election</b> Final date to <b>file a 2012 DCP and/or ACRE (yearly) enrollment</b> Final date to <b>return signatures for producers sharing in the DCP and/or ACRE contract</b> Final date to file a <b>successor-in-interest DCP or ACRE contract</b> if the change occurred by June 1, 2012	June 1, 2012
The date FSA uses to <b>look at the structure of farming operations to calculate direct attributions</b>	June 1, 2012
Final Date for <b>Sign-up for 2010 Losses for the SURE Program</b>	June 1, 2012
Final Date to <b>Report 2012 Spring Seeded Crops</b>	July 15, 2012
Last date to request a <b>2012 reconstitution on a DCP or ACRE farm</b>	August 1, 2012
Final date to <b>prioritize crop to receive ACRE Payments</b> Final date to file a <b>2012 successor-in-interest DCP or ACRE contract if the change occurred after June 1, 2012</b> Final date to <b>return signatures for producers who share in a DCP and/or ACRE contract that had a 2012 successor-in-interest contract filed after June 1, 2012</b>	September 30, 2012

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