



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

JUNE 2013

CONSERVATION RESERVE PROGRAM (CRP)

USDA's Farm Service Agency (FSA) will hold a Conservation Reserve Program (CRP) general sign-up from May 20 - June 14, 2013.

CRP is a voluntary program that helps agricultural producers use environmentally sensitive land for conservation benefits. Producers enrolled in CRP plant long-term, resource-conserving covers to control soil erosion, improve water and air quality, and develop wildlife habitat. In return, FSA provides participants with rental payments, and cost-share assistance. Contract duration is between 10 to 15 years. Accepted contracts for CRP sign-up 45 will begin Oct. 1 2013.

FSA administers CRP, while other USDA agencies and partners provide technical support. More detailed information on CRP is available in the FSA fact sheet, "**Conservation Reserve Program.**"

Submitting CRP Offers

Land that is not currently enrolled in CRP may be offered for enrollment during CRP sign-up 45. In addition, CRP participants with contracts expiring on Sept. 30, 2013, may submit offers.

To submit CRP offers, producers must visit their local FSA office. FSA will accept offers only during the sign-up period. To find a local FSA office, visit the USDA website at <http://offices.sc.egov.usda.gov/locator/app>.

Eligible Producers

To be eligible for CRP enrollment, a producer must have owned or operated the land for at least 12 months prior to the end of the CRP sign-up period, unless:

- The new owner acquired the land due to the previous owner's death;
- The ownership change occurred due to foreclosure where the owner exercised a timely right of redemption in accordance with state law or;
- The circumstance of the acquisition presents adequate assurance to FSA that the new owner did not acquire the land for the purpose of placing it in CRP.

Eligible Land

To be eligible for placement in the CRP general sign-up, land must be cropland (including field margins) that is planted, or considered planted, to an agricultural commodity four of the six crop years from 2002 to 2007, and be physically and legally capable of being planted (no planting restrictions due to an easement or other legally binding instrument) in a normal manner to an agricultural commodity. Alfalfa or other multiyear grasses, and legumes grown in a rotation not to exceed 12 years may be eligible for CRP sign-up 45.

Additional Cropland Requirements

In addition to the eligible land requirements for the CRP general sign-up, cropland must meet one of the following criteria:

- Have a weighted average erosion index of eight or higher;
- Be expiring CRP acreage or;
- Be located in a national or state CRP conservation priority area.

CRP Payments

FSA provides CRP sign-up 45 participants with annual rental payments, including certain incentive payments and cost-share assistance.

- **Rental Payments** - In return for establishing long-term, resource-conserving covers, FSA provides rental payments to participants. FSA bases rental rates on the relative productivity of the soils within each county and the average dry land cash rent. County office staff working with the producer will calculate the maximum CRP rental rate for each offer prior to enrollment. Producers may offer land below the rate to increase the likelihood that their offer will be accepted.
- **Cost-Share Assistance** - FSA provides cost-share assistance to participants who establish approved cover on eligible cropland. The cost-share assistance cannot exceed 50 percent of the participant's costs to establish approved practices.

Ranking CRP Offers

FSA will rank offers for CRP sign-up 45 according to the Environmental Benefits Index (EBI). FSA collects data (primarily based on location, soils information, and selected conservation practice), and determines the environmental indices for the land offered.

FSA ranks each eligible offer in comparison to all other offers and selects from that ranking. After the sign-up ends, the Secretary of Agriculture will decide where to make the EBI cutoff. Those who have met previous sign-up EBI thresholds are not guaranteed a contract under this sign-up. Producers may

consult with local FSA and Natural Resource Conservation (NRCS) staff on how to maximize EBI points, and increase the likelihood that their offer will be accepted.

More information on EBI for CRP sign-up 45 is available by reading the FSA fact sheet, "Conservation Reserve Program Sign-up 45, Environmental Benefits Index."

CRP Continuous Sign-Up

In addition to CRP sign-up 45, producers at any time can participate in CRP continuous sign-up, in which producers can enroll the most environmentally sensitive land. The announcement of Continuous Signup 44 has been made and signup is going on now.

More information on CRP continuous sign-up is available in the FSA fact sheet, "[Conservation Reserve Program Continuous Sign-Up](#)" document.

CROP CERTIFICATION

After spring planting, producers should certify their 2013 acreage. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs. Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many Farm Service Agency programs. For crops enrolled in programs other than NAP (Noninsured Crop Disaster Assistance Program), acreage reports are to be certified by July 15, 2013.

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.**

Final planting dates are provided in this SCOOP titled "Program Deadlines."

FAILED ACREAGE PROVISIONS

Producers should report failed crop acres to their local FSA Office when the crop failed due to disaster related conditions. To be timely filed the failed acreage shall be reported to FSA before the crop is destroyed. County Committee review and action is required to receive history credit in accordance with applicable rules and regulations. The County Committee may require the office to conduct a field visit for crop residue and verification.

DCP/ACRE DEADLINES APPROACH

The sign-up period for DCP and ACRE is still open. Producers are encouraged to sign up for DCP before the Aug. 2, 2013, deadline. An even earlier deadline is for ACRE, which will end June 3, 2013.

The 2013 DCP and ACRE program provisions are unchanged from 2012, except that all eligible participants in 2013 may choose to enroll in either DCP or ACRE for the 2013 crop year. This means that eligible producers who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013 or may re-enroll in ACRE in 2013. Likewise producers who were enrolled in DCP may opt for ACRE enrollment.

[Read more about DCP and ACRE](#) or contact the FSA county office for more information, or an appointment to enroll.

2011 SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM APPLICATION DEADLINE

The last day to submit SURE applications for 2011 crop losses is June 7, 2013. The SURE Program provides payments to producers when crop revenues are less than the crop guarantee. The SURE Program payment is equal to 60 percent of the difference between the crop guarantee and revenue.

To determine the guarantee and revenue for the SURE Program, all crops on all farms for a producer are included in the calculation. Payments under the SURE Program are limited to \$100,000.

To be eligible for the 2011 SURE Program, producers must have crop insurance on all insurable crops. For crops that are not covered by crop insurance such as pumpkins and cucumbers, producers must have purchased Non Insured Crop Disaster Assistance Program (NAP) coverage.

For more information concerning the 2011 SURE program or other Farm Service Agency programs, contact the local FSA office or visit the Farm Service Agency website at www.fsa.usda.gov/pas/.

PAYMENT LIMITATIONS

All payment eligibility and payment limitation provisions, including AGI limitations, are extended for the 2013 crop year, program year, and fiscal year.

All rules and requirements effective for 2012 program payments and benefits are applicable to eligible recipients of 2013 program payment and benefits. This includes the requirements of actively engaged in farming, cash-rent tenant, substantive change, minor child, and spousal provisions. Payments will continue to be limited by direct attribution to person and legal entity.

CONTRIBUTIONS*

All partners, stockholders or members with an ownership interest in the legal entity must make a contribution, whether compensated or **not** compensated, for:

- Active personal labor,
- Active personal management,
- A combination of active personal labor and active personal management to the farming operation

***Note:** There are exceptions for spouses.

Additional information on payment limitations is available at FSA county offices or online at:
www.fsa.usda.gov

SODBUSTING

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in Farm Service Agency programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production. If Natural Resources Conservation Service indicates that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage before bringing land into production.

CONTROLLED SUBSTANCES

Program participants convicted under federal or state law of any planting, cultivating, growing, producing, harvesting or storing a controlled substance are ineligible for program payments and benefits. If convicted of one of these offenses, the program participant shall be ineligible during that crop year and the four succeeding crop years for Direct and Counter-Cyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Non-Insured Crop Disaster Assistance Program payments or disaster payments.

Program participants convicted of any federal or state offense consisting of the distribution (trafficking) of a controlled substance shall, at the discretion of the court, be ineligible for any or all program payments and benefits:

- For up to 5 years after the first conviction
- For up to 10 years after the second conviction
- Permanently for a third or subsequent conviction.

Program participants convicted of federal or state offense for the possession of a controlled substance shall be ineligible, at the discretion of the court, for any or all program benefits as follows:

- Up to one year upon the first conviction
- Up to five years after a second or subsequent conviction.

FARM RECONSTITUTIONS

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by **Aug. 1** for farms enrolled in specific programs.

The following are the different methods used when doing a farm recon:

Estate Method — The division of bases, allotments and quotas for a parent farm among heirs in settling an estate

Designation of Landowner Method — May be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding

DCP Cropland Method — The division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract

Default Method — The division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

PRODUCER ELIGIBILITY FOR 2013 MARKETING ASSISTANCE LOANS (MAL) AND LOAN DEFICIENCY PAYMENTS (LDP)

An eligible producer is a person or legal entity that has complied with annual program requirements, including:

- reporting acreage for all cropland on a farm
- completing form AD-1026 for conservation compliance
- having beneficial interest in the eligible commodity
- sharing in the risk of producing the eligible commodity
- meeting average adjusted gross income (AGI) provisions

A person or legal entity with average adjusted gross non-farm income that exceeds \$500,000 is **not** eligible for MAL **gains** and LDP payments. However, the person or entity is eligible for MAL's, but the loans **must** be repaid at principal plus interest.

SOLDIERS' AND SAILORS' CIVIL RELIEF ACT OF 1940

Relief from foreclosure, sale, or seizure of property for nonpayment of a loan obligation, during the period of active military service or within 3 months thereafter, is offered to Marketing Assistance Loan borrowers who are on active duty anywhere in the world and are active duty members of the U.S. Army, U.S. Navy, U.S. Marine Corps, U.S. Air Force, or U.S. Coast Guard. Also, Treasury and internal administrative offsets will be discontinued once a producer is ordered to report for induction or military service. Contact your local FSA Office for more information.

REMOVING CCC LOAN COLLATERAL

Producers, if you have grain under a Commodity Credit Corporation loan it cannot be removed without prior authorization or repayment. Unauthorized removal, which includes removal for cleaning for seed or planting, is a violation and is subject to monetary and administrative penalties.

Your loans are subject to spot check. Determined shortages must be repaid with principal plus interest, and additional monetary penalties plus loss of future loan eligibility may apply.

Producers planning to remove or clean CCC loan grain should contact the county office staff for additional information.

<u>PROGRAM DEADLINES:</u> continued	
<u>Final</u> date to Report 2013 Spring Seeded Crops	July 15, 2013
<u>Last</u> date to request a 2013 reconstitution on a DCP or ACRE farm	August 1, 2013
<u>Final</u> date to file a 2013 DCP Contracts	August 2, 2013
<u>Final</u> date to return signatures for producers sharing in the DCP contracts	
<u>Final</u> date to prioritize crops to receive ACRE Payments	
<u>Final</u> date to file a 2013 successor-in-interest DCP or ACRE contract if the change occurred after June 1, 2013	September 30, 2013
<u>Final</u> date to return signatures for producers who share in a DCP and/or ACRE contract that had a 2013 successor-in-interest contract filed after June 1, 2013	
<u>Final</u> date to report <u>2014</u> planted and prevented planted wheat and oats	December 15, 2013

For More Information

For more information on CRP, contact a local FSA office, or visit FSA's website at www.fsa.usda.gov/crp.

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

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