

March 2008

South Dakota FSA News

FSA WEB SITE – <http://www.fsa.usda.gov>

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CRP SAFE Approved for South Dakota

South Dakota was included in the second round of projects approved under the new continuous Conservation Reserve Program (CRP) conservation practice titled State Acres for Wildlife Enhancement (SAFE), also known as CP38.

SD Department of Game, Fish and Parks along with Pheasants Forever, Inc. worked with USDA to develop the **SD Pheasants SAFE** project with a goal of enrolling 20,200 acres in CRP to provide block grass acreages for ring-necked pheasants and other upland birds in the form of nesting, brood-rearing, winter-roosting and escape cover. The project is expected to develop habitat for non-game grassland birds, improve water quality and reduce soil erosion as well as increase the overall populations of ring-necked pheasants and other economically significant species such as sharp tail grouse, prairie chicken and upland nesting ducks. The SD Pheasants SAFE targets 20,200 acres of eligible cropland in counties east of the Missouri River plus Jones, Stanley, Gregory, Tripp and Lyman.

The **SD Sagebrush SAFE** project is a multi-state project that includes Harding and Butte counties of SD as well as counties in North Dakota and Montana. This project was developed by the Northern Great Plains Joint Venture in Bismarck, N.D. The South Dakota goal is to enroll 500 acres in CRP from Harding and Butte counties to benefit the sage grouse population by restoring cropland to sagebrush habitat suitable for sage grouse and other sagebrush obligate such as sage sparrows and sage thrasher.

SAFE practices provide the flexibility to meet the specific needs of high-value wildlife species in a participating area. Conservation practices currently offered under CRP were fine-tuned through SAFE to improve, connect or create higher-quality habitat to promote healthier ecosystems in areas identified as essential to effective management of high priority species. SAFE, like other continuous CRP practices, targets CRP acres to the most environmentally sensitive land. USDA's national goal is to restore or enhance 500,000 acres of wildlife habitat through SAFE.

Producers will receive annual CRP rental payments, incentives and cost-share assistance to establish habitat-enhancing natural covers on eligible land. Producers enrolling in CRP enter into contracts with USDA's Commodity Credit Corporation (CCC).

FSA will announce a beginning sign-up date for SAFE in the near future. Producers can voluntarily offer land for enrollment in SAFE and other CRP programs at their local FSA service center.

Beware of Crop Insurance Rebating Schemes

With the spring sales closing date for many Federal crop insurance policies right around the corner, crop insurance agents have been marketing their products aggressively. Producers report that some agents have approached them with promises of lower insurance premiums, refunds, or dividends. Most of these schemes are not legal. The Risk Management Agency and state insurance regulators have stepped up their efforts to uncover illegal rebating. Those producers who are found to participate in these schemes will not only lose their crop insurance coverage but may also become ineligible for other government programs. Producers can report suspicions of illegal rebating to the OIG Hotline: 1-800-424-9121.

Spousal Signatures

Spouses may sign documents on behalf of each other for most FSA and CCC programs, unless written notification is provided to the FSA Office denying a spouse this authority. Exceptions where spouses cannot sign for each other are Farm Loan Program documents, Farm Storage Facility Loan Program documents, CRP easements and CCC claim settlements.

* Important * Producer/Land Changes

Producers need to be aware of the importance of reporting changes in their farming operations to our office. Changes must be reported on form CCC-502 Farm Operating Plan. Some types of changes that must be reported include:

- Address changes
- Changing from cash rent to share rent and vice versa
- Changes in membership and shares of an entity, including death of a member
- Owner and operator changes, including forming an entity to conduct the farming operations.
- Changes in how the farming operation is being conducted (Example: an individual transfers land to a Trust for estate planning purposes – the Trust is now the producer)

Failure to keep us informed of these types of changes results in inaccurate farm data and may possibly delay the issuance of program payments or may affect program eligibility requiring a refund of program benefits.

False Claims

False or fraudulent claims knowingly presented to the Government may result in severe fines and penalties.

Foreign Investments

The Agricultural Foreign Investment Disclosure Act (AFIDA) of 1978 requires any foreign person who acquires, transfers, or holds an interest in agricultural land to report such holdings to USDA within 90 days of the transaction. Form FSA-153 is used to file this report and is available at your local FSA Office. Failure to report such holdings or transactions may result in a fine of up to 25% of the properties fair market value.

Controlled Substances

Any person who is convicted under Federal or State Law of a controlled substance violation will be ineligible for any payments or benefits related to Price Support (i.e. Commodity loans or LDP's), FLP or any payments available under the Agriculture Act of 1949 and the CCC Charter Act.

Farm Reconstitutions

Landowner Designation

A method of farm division known as Designation by Landowner allows for the division of farm base acres in a manner agreed to by the current landowner and the purchaser or transferee. Eligibility for this method of division is on condition that the land was owned for at least three years and there exists an agreement on the division of bases between the seller and purchaser.

LCP and LIP Signup Progressing

Livestock producers that have not already signed up for the **Livestock Compensation Program** or the **Livestock Indemnity Program** should do so at their local county FSA offices. In order to be eligible the county had to be designated as a Presidential or Secretarial Disaster declaration due to a disaster in 2005, 2006 or 2007. Counties contiguous to a declared county are also eligible. Producers that suffered livestock losses, grazing losses or additional feed costs due to a disaster in 2005, 2006 or 2007 should visit their local FSA office to inquire about the programs. The final signup deadline date has not been announced for either program.

FLP Funding Frequently Asked Questions

Q: Someone at the FSA office told me the loan program I need to apply for is out of money. Why does FSA run out of money?

Each year Congress appropriates money for FSA farm loans as part of the USDA budget. The funds are appropriated for the Government's fiscal year, which runs from October 1 until September 30 of the following year. The amount of money appropriated by Congress does not always meet the demand for loan funds and the Agency may run out of money for some programs.

Q: The local office tells me they are out of loan money. But I know people in other areas are getting loans. How can this be?

Each year, when FSA receives loan money in the budget, every state receives an allocation of money from the Agency. So, one state can deplete its funds and be out of money while other states are still funding loans.

Q: What does FSA do when states start running out of money in loan programs?

When funds in a loan program start to run low and many states are out of money, the Agency will usually pool funds. Pooling means taking all of the unused loan money from the states and placing it in a National Headquarters pool. By pooling, FSA is able to move money from areas where it is not being used to areas where it is needed. If there is enough left, the money will be redistributed to states. If

there isn't much left, the money will be held at the national office, and states can request funding on a loan-by-loan basis. Pooling of unused loan funds most commonly happens in the spring.

Q: What happens when an FSA loan program is out of money?

Congress may pass a supplemental appropriations bill to make additional money available. If Congress does not appropriate additional money, loans cannot be funded until the next fiscal year when new appropriations become available.

Q: How does FSA allocate money to the states to make loans?

The Agency allocates money based upon the potential need for it. Money is allocated to states based upon the number of farmers in each state, the value of farm assets, and net farm income. The biggest factor in dividing the money among the states is the number of farmers in each state. The loan volumes of previous years are sometimes considered as well. FSA does not allocate emergency loan money to states because it is impossible to predict the occurrence of natural disasters. Instead, FSA makes money available for loans when a natural disaster is declared. Emergency loan money is available on a first-come, first-served basis.

Q: When a loan program is out of money, should I still apply for a loan?

Yes!! Even when money has run out for a loan program, FSA still accepts, processes, and approves loan applications. Approved loans are held until money becomes available. Loans are funded in date order, based on the date that the application was received. Submitting an application sets your place in the waiting line for funds, so it is to your advantage to apply for a loan even when there is no money available.

Q: My application is approved, but there is no money available. How can I find out where I stand and when there will be money for my loan?

Usually when this happens, the county offices are required to submit information about approved loans to the state office. The state office staff sets up a waiting list for the state using the loan application dates. The county office can tell you if your loan has been sent to the state office and its status for funding.

Debt Collection Improvement Act

The Agricultural Rural Development Food and Drug Administration, and Related Agencies Appropriation Act, 2001 contained a provision that exempts marketing assistance loans and LDP's from the DCIA of 1996. However, any payment made by CCC to a producer as a result of the amendment shall be credited toward any delinquent debt owed by the producer to FSA. This means that proceeds received from marketing assistance loans and LDP's will be offset against any delinquent debt owed by a producer to FSA.

U.S.C. Title 28, Section 3201, enacted in 1999, provides that a debtor with a judgment lien against the debtor's property as a result of debt owed to the United States shall not be eligible to receive any grant or loan made by the Federal Government until the judgment is paid in

full or otherwise satisfied. FSA Farm Operating Loans, FSA Farm Ownership Loans or FSA Emergency Loans are not exempt from the DCIA and loans will not be approved to applicants who have unresolved Federal Judgments against them.

Upcoming NAP Deadline Dates

March 15, 2008
Alfalfa
Alfalfa Seed
Forage Seeding
Grass Hay
Mixed Hay
Grazing Forage
Grass Seed
All Other Spring Seeded Crops

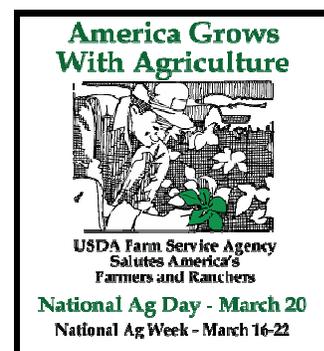
NAP Production Reporting

Production records for individual crops need to be filed at your local FSA office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield current. Records submitted must be reliable and verifiable. Records need to show crop disposition. We recommend producers submit 2007 production records as soon as harvest is complete. ***All production records must be submitted by the subsequent crop year's final acreage reporting date.***

Do Not Drain Wetlands Before Checking Conservation Compliance

It is very important that you contact our office before modifying - tiling, draining, dredging, filling, or leveling - any wetland or drainage ditch. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and eligibility.

Also all participants in USDA programs are required to have a conservation system in place on all the highly erodible land (HEL) that they operate. Several areas where problems can arise with complying with a conservation system are; renting new cropland, purchasing new land, breaking out additional cropland, planting different crops such as soybeans, and changing or removing existing conservation practices.



SD State FSA Office
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Huron, SD 57350



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Disaster Eligibility Date Extended

Eligible farmers and ranchers who suffered livestock, livestock feed and crop losses that occurred before December 31, 2007, can now apply to receive disaster payments.

The Farm Service Agency (FSA) is accepting applications and making payments for quantity losses under CDP that occurred before December 31, 2007. FSA is currently issuing LCP and LIP payments for losses that occurred up to February 28, 2007, and will soon issue payments for losses incurred during the remainder of 2007. Signup for the quality loss portion of CDP has not been announced at this time. More information about CDP, LCP and LIP is available online at: <http://disaster.fsa.usda.gov>.

The Dairy Disaster Assistance Payment (DDAP-III) Program, which provides benefits to eligible dairy producers for production losses suffered as a result of natural disasters since January 1, 2005, has also been extended to include disasters occurring before December 31, 2007.

As a result, DDAP-III sign-up, which began Dec. 3, 2007, has been temporarily suspended until such time as automation, policy, procedure and other administrative items can be updated accordingly. FSA will announce when DDAP-III program signup will resume.

FSA's Role in Crop Insurance Integrity

The Farm Service Agency has joined with the Risk Management Agency (RMA) and Approved Insurance Providers (AIP) to prevent fraud, waste, and abuse in the Federal Crop Insurance Program. FSA has been, and will continue to assist RMA and AIP's by monitoring crop conditions through out the growing season. Upon request, FSA will provide producer information to RMA and AIP's for claim audits, inspections, and quality control reviews. In addition, FSA will refer all suspected cases of fraud, waste and abuse to RMA.

Producers can report suspected cases to the FSA county office staff, RMA office, or the Office of the Inspector General.

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