



Maricopa County July 2008 Newsletter

Farm Service Agency

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Mark Dobson, Chairperson
Hours: 7:30 am to 4:30 PM

PROGRAM NOTES:

Dates to Remember



- June 25th-DCP Sign-up Began
- July 18th- Sign-up Deadline for 06/07' LCP/LIP
- August 15th-Deadline for acreage reporting (other crops)
- On going - Farm Loan Program Applications are accepted (Direct and Guaranteed Loans)

ATTENTION ALL PRODUCERS-

(ACTION): For your convenience, we are asking all producers to **SCHEDULE APPOINTMENTS FOR ALL PROGRAM SIGNUPS.** To provide you the optimum service possible in a timely manner, please schedule your appointment **1 week in advance** and don't forget to **bring in any new leases.**

2008 DCP Sign-up Underway -

(ACTION): Sign-up began on Wednesday, June 25th and will continue until September 30, 2008. Producers may elect a 22 percent advance payment on direct payments through September 30, 2008. After September 30, 2008, all payments will be included with the final direct payments made in October. Fruit and Vegetable requirements remain the same in 2008 as they were in 2007. **No producer on a farm that has a total of 10 base acres or less shall be eligible to receive payments on that farm.**

NOTE: The September 30th sign-up deadline is statutory and therefore will **NOT** be extended.

Recons, Recons, Recons-(UPDATE)

Producers must request reconstitutions by **August 1, 2008**, for farms participating in DCP. All reconstitutions must be initiated by the County Office by COB August 14, 2008. The Food, Conservation, and Energy Act of 2008 (2008 Act) was enacted into law on May 22, 2008. The 2008 Act provides that a producer on a farm may **not** receive direct payments, counter-cyclical payments or average crop revenue election payments

if the sum of the base acres of the farm is 10.0 acres or less, except if the farm is owned by either of the following:

- A socially disadvantaged farmer or rancher
- A limited resource farmer or rancher
-

Exception: A producer having base acres of 10.0 acres or less may be combined with another farm if 1 of the farms undergoes a change in land ownership. To qualify for this exception, the owners of each of the farms participating in the new combination must be identical and have identical shares in both farms. Call for questions.

2006/2007 Deadline for, LIP/ LCP-

(UPDATE): The Farm Service Agency (FSA) has announced that livestock producers have until **July 18, 2008**, to enroll in the 2006 - 2007 Livestock Compensation Program (LCP) and Livestock Indemnity Program (LIP). Signup began on Sept. 10, 2007, for the two programs that provide aid to livestock producers who suffered eligible livestock or livestock feed losses between Jan. 1, 2006, and Dec. 30, 2007, because of a natural disaster.

For more information please contact your local FSA office for program sign-up details

NOTE: There are no late-filed provisions for 2006/2007 LCP or LIP

Important Election Dates:

June 15, 2008:

Nomination period begins. Nomination forms are available at www.fsa.usda.gov under the Section heading Election Materials as well as from your local FSA Office.

August 1, 2008:

Last day to file nomination forms at the local FSA Office.

Extending Crop Reporting Dates-

(ACTION): Due to the delay in announcing the Farm Bill provisions, for 2008 the final crop reporting dates are being extended to August 15th, 2008 for cotton, corn, sorghum, alfalfa and fallow by August 15th and all other crop reporting requirements are met

according to 2-CP. This includes NAP acreage reports.

No Partial Counter-Cyclical Payments for Grains & Oilseeds- (INFO):

Based on supply/demand and price projections from USDA's World Agriculture Supply and Demand Estimates, producers of crops **other than** cotton and peanuts, will not receive a second partial counter cyclical payment. When effective commodity price projections are equal to or more that their respective target prices; the commodities do **not** qualify for counter-cyclical payments.



Wishing you a memorable Independence Day

Selected Interest Rates for July 2008

Farm Operating - Direct	3.125 %
Farm Ownership - Direct	4.875 %
Farm Ownership - Direct Down Payment Beginning Farmer or Rancher	4.00 %
Emergency	3.750 %

2008 Scheduled Timetable for DCP Payments

Month/Year	Commodity			
	Barley Oats Wheat	Peanuts Rice Upland Cotton	Corn Sorghum Soybeans	"Other" Oilseeds
Marketing Year	June 1 – May 31	Aug. 1 – July 31	Sept. 1 – Aug. 31	Sept. 1 – Aug. 31
Enrollment to September 2008	Advance Direct	Advance Direct	Advance Direct	Advance Direct
Beginning October 2008	Final Direct	Final Direct	Final Direct	Final Direct
Beginning December 2008	Partial CC 1\			
Beginning February 2009	Partial CC 1\			
Beginning March 2009	Partial CC 1\			
Beginning October 2009	Final CC	Final CC for Peanuts & Upland Cotton 2\	Final CC	
Beginning February 2010	Final CC for Rice			

Direct and Counter-cyclical Payment Program

Background

The Direct and Counter-cyclical Payment Program (DCP) provides payments to eligible producers on farms enrolled for the 2008 through 2012 crop years. There are two types of DCP payments -- direct payments and counter-cyclical payments. Both are computed using the base acres and payment yields established for the farm. DCP is authorized by the Food, Conservation and Energy Act of 2008 (2008 Farm Bill) and is administered by the U.S. Department of Agriculture's Farm Service Agency (FSA).

Eligible Producers

To be eligible for DCP payments, owners, operators, landlords, tenants, or sharecroppers must:

- share in the risk of producing a crop on base acres on a farm enrolled in DCP, and be entitled to share in the crop available for marketing from the base acres or would have shared had a crop been produced;
- annually report the use of the farm's cropland acreage;
- comply with conservation and wetland protection requirements on all of their land;
- comply with planting flexibility requirements;
- use the base acres for agricultural or related activities; and
- protect all base acres from erosion, including providing sufficient cover as determined necessary by the county FSA committee, and control weeds.

Eligible Commodities for 2008

Base acres and payment yields are established for the following commodities for 2008:

- barley;
- corn;
- grain sorghum, including dual purpose varieties that can be harvested as grain;
- oats;
- canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed, including oil and non-oil varieties;
- peanuts;
- long grain rice, medium grain rice (which includes short grain rice), excluding wild rice;
- soybeans;
- upland cotton; and
- wheat.

Pulse crops will be added as an eligible commodity in the 2009 crop year. Pulse crops are defined as dry peas, lentils, small chickpeas

(Garbanzo bean, Desi), and large chickpeas (Garbanzo bean, Kabuli).

Direct Payments

The 2008 Farm Bill continues the direct payments that began under the Farm Security and Rural Investment Act of 2002.

Direct payment rates for the eligible DCP commodities are as follows:

Barley: \$0.24 per bushel

Corn: \$0.28 per bushel

Grain sorghum: \$0.35 per bushel

Oats: \$0.024 per bushel

Other oilseeds: \$0.80 per hundredweight

Peanuts: \$36 per ton

Rice, long grain: \$2.35 per hundredweight

Rice, medium/short grain: \$2.35 per hundredweight

Soybeans: \$0.44 per bushel

Upland cotton: \$0.0667 per pound

Wheat: \$0.52 per bushel

For each commodity, the total direct payment for 2008 for producers on a farm equals 85 percent of the farm's base acreage times the farm's direct payment yield times the direct payment rate. For 2009-2011, the payment percentage changes from 85 to 83.3 percent of the farm's base acreage. For 2012, the payment percentage reverts to 85 percent.

The following is an example for 2008 corn:

Base acres planted to corn:

100 acres

x 85%

85 acres payment acres

x 110 bushels direct payment yield

x \$0.28 per bushel direct payment rate

\$2,618.00 direct payment

Direct payments are not based on producers' current production choices, but instead are tied to base acres and yields.



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Attention: FSA Program Participant
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