



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

March 2012

900 ARKANSAS PRODUCERS ARE NON-COMPLIANT WITH AGI

FSA’s national office has advised that so far approximately 900 Arkansas producers have been identified as exceeding the Average Adjusted Gross Income (AGI) certification limits for which they said they met. The applicable years of review for these producers are 2009 and 2010. These producers are expected to receive a letter advising them of this and their options in the near future. You are reminded that FSA’s compliance process is continuous and additional producers will be notified in a similar manner if the IRS search results reveal non-compliance, or if you fail to submit the required forms. Producers should always be careful when certifying compliance. Producers should ensure that they fully understand the certification form, and the income limitations.

2010 END-OF-YEAR PAYMENT LIMITATION REVIEWS UNDERWAY

FSA is also in the process of completing payment eligibility, and payment limitation compliance reviews for 2010. Producers selected for review are required to supply actual receipts, and documents to support the claimed capital, equipment, land, labor, and management contributions for which were designated on the CCC-902 Farm Operating plan. Sixty-six Arkansas operations are being reviewed and each has been notified in writing. New operations are selected each year, ensure you follow through with the contributions submitted on your Farm Operating Plan.

ACRE PAYMENT TRIGGER FOR 2010 RICE

Producers planting 2010 rice who enrolled in the 2010 Crop Average Crop Revenue Election Program (ACRE) were recently issued ACRE payments. Nationwide producers received \$2.4 million dollars in rice payments. However, Arkansas did not receive any payments due to very little participation in the program, and the fact that the farms enrolled did not plant rice in 2010. The rice payment concludes 2010 ACRE payments with a total of over \$8 million dollars nationwide for eligible commodities, and producers. You are reminded that ACRE payments occur when the State’s actual revenue per acre falls below the state’s guarantee revenue per acre.

State	Long Grain Rice State Payment Rate in \$ per Acre	Medium Grain Rice State Payment Rate in \$ per Acre
Arkansas	133.52	87.02
California	214.86	66.56
Louisiana	75.09	24.28
Mississippi	102.83	0.00
Missouri	119.31	0.00
Texas	69.34	0.00

90 DAY NOTICE
For
2012 DCP, and ACRE and 2010 SURE SIGNUPS:

There are approximately 90 days left before the June 1, 2012 deadline to enroll in the 2012 DCP, ACRE Programs, and the 2010 SURE Program. FSA is expected to get busier as the deadlines near. We need you to make your appointment now! You are reminded for the DCP, and ACRE Programs supporting documents such as the CCC-502, Farm Operating Plan, AD-1026, Conservation Compliance Plan, and CCC-931 Adjusted Gross Income Form can be submitted after June 1.

ABSENTEE LANDOWNERS MAY BE DECEASED

Learn from other producers mistakes, check with absentee landowners to ensure they still own the farm and are not deceased. Many farm producers rely on the FSA-211, Power of Attorney and sign documents on behalf of the absentee landowner, and later discover through FSA review the landowner is deceased. When this occurs usually everyone on FSA's participation documents must refund all payments. Don't let this happen to you. It is very costly! FSA must be notified **immediately** upon the death of producers who are participating in FSA programs. Failure to notify FSA, and make timely modifications to program contracts timely may result in a loss of benefits. ***Once a person dies, the power-of-attorney is no longer valid.*** It is everyone's responsibility that signs an FSA document to ensure that the document they sign is correct.

**FSA is Preparing for Possible FY 2012
Milk Income Loss Contract (MILC) Payments**

MILC payments are triggered when the Boston Class I (BCI) milk price falls below \$16.94 per hundredweight, after adjustment for the cost of dairy feed rations. No MILC payment rate was triggered in FY 2011. While, the BCI milk price has remained consistently above the trigger level, feed ingredient prices are slowly increasing. As a result, MILC payments are expected in FY 2012.

MILC payments are issued on a monthly basis for the period of consecutive months with a payment rate in effect beginning with the FY 2012 production start month selected by the dairy operation through the earlier of the:

- maximum eligible production cap is reached; or
- end of the FY.

Producers are reminded of the following MILC program provisions important to processing and issuing MILC program payments for FY 2012 by FSA:

- **Production Evidence** Verifiable production evidence **must** be provided to the County Office **before** any payment will be issued to a dairy operation. The production evidence must be provided to the County Office with any supporting documentation available to assist in verifying the operation's eligible production, and commercial milk marketing's for applicable months with a MILC payment rate in effect.
- **Adjusted Gross Income (AGI)** MILC program participants are required to comply with the AGI requirement each applicable fiscal year. All persons and legal entities requesting MILC program payments, either directly or indirectly are subject to the average AGI provisions. If persons or legal entities whose average AGI for the three taxable years preceding the immediate

taxable year exceeds the qualifying limits, they are ineligible for the applicable program payment. If program payments are issued to an entity, general partnership, or a joint venture, they will be reduced by an amount that is commensurate with the direct and indirect interest of any member, or interest holder who is non-compliant with the average AGI provisions.

For MILC, a person or legal entity with an Average Adjusted Gross Nonfarm Income exceeding \$500,000 is ineligible for all commodity program payments and benefits. Average Adjusted Gross Income (AGI) Certification, and Consent to Disclosure of Tax Information (Form CCC-931) with year 2012 selected must be completed, and submitted to the County Office before a MILC payment for FY 2012 can be disbursed.

Production Start Month Change Provisions

MILC producers are reminded of the MILC production start month change policy. It is very **important** to review your MILC contract, or contact your local County FSA Office to determine if you would like to make a change to your production start month to start receiving MILC payments for this upcoming FY.

Changes to your production start month must be made on or before the 14th of the month before the:

- month originally selected by the dairy operation as their MILC production start month
- newly selected MILC production start month for the dairy operation.

Changes must be made in advance of payment rates going public, for both the original production start month that the dairy operation is changing from, and the production start month to which the dairy operation is changing.

If you failed to make a production start month selection for this upcoming FY, then by perpetual designation, the production start month for the upcoming FY for which a production start month is **not** selected will be the production start month initially designated on your Milk Income Loss Contract. **Unless** a modification form, (CCC-580M), is submitted to modify the production start month. If a recent CCC-580M was submitted to modify the production start month for your dairy operation, the newly designated production start month becomes the perpetual designation month for all subsequent FY's for which a production start month is **not** selected.

USDA Announces CRP General Signup Landowners and Producers Will Have a 4-Week Window Beginning in March to Enroll

Arkansas State Executive Director, Linda Newkirk, announced that the U.S. Department of Agriculture (USDA) – Farm Service Agency will conduct a four-week Conservation Reserve Program (CRP) general signup, beginning on March 12 and ending on April 6. CRP has a 25-year legacy of successfully protecting the nation's natural resources through voluntary participation, while providing significant economic and environmental benefits to rural communities across the United States.

"It is USDA's goal, to ensure that we use CRP to address our most critical resource issues," said Newkirk "CRP is an important program for protecting our most environmentally sensitive lands from erosion and sedimentation, and for ensuring the sustainability of our groundwater, lakes, rivers, ponds and streams. As always, we expect strong competition to enroll acres into CRP, and we urge interested producers to maximize their environmental benefits and to make cost-effective offers."

CRP is a voluntary program available to agricultural producers to help them use environmentally sensitive land for conservation benefits. Producers enrolled in CRP plant long-term, resource-

USDA Announces CRP General Signup continued:

conserving covers to improve the quality of water, control soil erosion and develop wildlife habitat. In return, USDA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years. Producers with expiring contracts and producers with environmentally sensitive land are encouraged to evaluate their options under CRP. Producers also are encouraged to look into CRP's other enrollment opportunities offered on a continuous, non-competitive, signup basis.

Currently, CRP has about 30 million acres enrolled, and contracts on an estimated 6.5 million acres will expire on Sept. 30, 2012.

Offers for CRP contracts are ranked according to the Environmental Benefits Index (EBI). USDA's Farm Service Agency (FSA) collects data for each of the EBI factors based on the relative environmental benefits for the land offered. Each eligible offer is ranked in comparison to all other offers, and selections made from that ranking. FSA uses the following EBI factors to assess the environmental benefits for the land offered:

- Wildlife habitat benefits resulting from covers on contract acreage;
- Water quality benefits from reduced erosion, runoff and leaching;
- On-farm benefits from reduced erosion;
- Benefits that will likely endure beyond the contract period
- Air quality benefits from reduced wind erosion; and
- Cost.

Over the past 25 years, farmers, ranchers, conservationists, hunters, anglers and other outdoor enthusiasts have made CRP the largest, and one of the most important in USDA's conservation portfolio.

CRP continues to make major contributions to national efforts to improve water, air quality, and prevent soil erosion by protecting the most sensitive areas, including those prone to flash flooding and runoff. At the same time, CRP has helped increase populations of pheasants, quail, ducks, and other rare species, like the sage grouse, the lesser prairie chicken, and others. Highlights of CRP include:

CRP has restored more than two million acres of wetlands and two million acres of riparian buffers;

- Each year, CRP keeps more than 600 million pounds of nitrogen and more than 100 million pounds of phosphorous from flowing into our nation's streams, rivers, and lakes.
- CRP provides \$1.8 billion annually to landowners—dollars that make their way into local economies, supporting small businesses and creating jobs; and
- CRP is the largest private lands carbon sequestration program in the country. By placing vulnerable cropland into conservation, CRP sequesters carbon in plants and soil, and reduces both fuel and fertilizer usage. In 2010, CRP resulted in carbon sequestration equal to taking almost 10 million cars off the road.

In 2011, USDA enrolled a record number of acres of private working lands in conservation programs, working with more than 500,000 farmers, and ranchers to implement conservation practices that clean the air we breathe, filter the water we drink, and prevent soil erosion. Moreover, the Obama Administration, with Agriculture Secretary Vilsack's leadership, has worked tirelessly to strengthen rural America, implement the Farm Bill, maintain a strong farm safety net, and create opportunities for America's farmers and ranchers. U.S. agriculture is currently experiencing one of its most productive periods in American history thanks to the productivity, resiliency, and resourcefulness of our producers.

For more information on CRP and other FSA programs, visit a local FSA service center or www.fsa.usda.gov.

PROGRAM DEADLINES

Final date to inform FSA of crop losses	Before Crop Disposition
2012 NAP Application Closing Dates: (last date to purchase 2012 crop year coverage) for: Green Beans Sweet Corn Tomatoes, (spring and fall), fresh All forage and grazing crops - (except wheat, rye, barley, and oats)	March 15, 2012
2011 Final Marketing Assistance Loan Availability Dates Wheat Oats Honey	March 31, 2012
2012 NAP Acreage Reporting Date for: Pecans (Improved and Native) Greens (All varieties-spring planted)	April 1, 2012
2012 NAP Acreage Reporting Date for: Broccoli Cabbage Carrots Lettuce Potatoes Tomatoes	May 15, 2012
Final Date to report 2012 wheat and oats planted acreage	May 15, 2012
2011 Final Marketing Assistance Loan Availability Dates Rice Upland Cotton Corn Grain Sorghum Soybeans	May 31, 2012
Final date to file a 2012 ACRE Election Final date to have all signatures on an ACRE Election Final date to file a 2012 DCP and/or ACRE (yearly) enrollment Final date to return signatures for producers sharing in the DCP and/or ACRE contract Final date to file a successor-in-interest DCP or ACRE contract if the change occurred by June 1, 2012	June 1, 2012
The date FSA uses to look at the structure of farming operations to calculate direct attributions	June 1, 2012
Final Date for Sign-up for 2010 Losses for the SURE Program	June 1, 2012
Final Date to Report 2012 Spring Seeded Crops	July 15, 2012
Last date to request a 2012 reconstitution on a DCP or ACRE farm	August 1, 2012
Final date to prioritize crop to receive ACRE Payments Final date to file a 2012 successor-in-interest DCP or ACRE contract if the change occurred after June 1, 2012 Final date to 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	September 30, 2012
New!!! Final Date to report 2013 planted and prevented planted wheat and oats	December 15, 2012

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