USDA FSA

February 7, 2011

NEWSLETTER

Weber/Davis/Morgan County FSA

2871 S. Commerce Way
Ogden, Utah 84401

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Hours

Monday—Friday
8:00 am—4:30 pm

County Office Staff

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Website

www.fsa.usda.gov

SURE SIGNUP

Signup for the 2009 Supplemental Revenue Assistance Program (SURE) began Jan. 10, 2011. SURE provides benefits for farm revenue losses due to natural disasters. For SURE, all crops must be covered by crop insurance, NAP or be eligible for waivers.

A farm enrolled in SURE is eligible when either:

- a portion of the farm is located in a county covered by a qualifying natural disaster declaration (USDA Secretarial Declarations only) or a contiguous county; or,
- the actual production is less than 50% of the normal production.

NONINSURED CROP DISASTER ASSISTANCE PROGRAM (NAP)

The Noninsured Crop Disaster Assistance Program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops, and crops for livestock feed. These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date.

Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop for the following year. FSA requires that any production reported in a loss year be verifiable according to Agency specifications.

NAP Losses must be reported within 15 days of loss.

COUNTY COMMITTEE ELECTION RESULTS

Congratulations to Jennifer Clark! Jennifer was elected to her first term to represent farmers from Morgan county on the COC.

FSA appreciates all of the voters for taking the time to complete the election ballot. The COC system works only because of your participation.

The COC members held their organizational meeting in January to determine who will serve as the chairman and vice-chairman. The results were:

Chairman: Tom Day
Vice-chairman: Neil Briggs

Congratulations to both of them!

FARMING OPERATION CHANGES

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for the purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring.

Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

IRS FORM 1099-G

Producers annually receive CCC-1099-Gs detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on CCC-1099-Gs is a service intended to help our customers report taxable income. It is not intended to replace the producers' responsibilities to report income to the IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

HIGHLY ERODIBLE LAND AND WETLAND CONSERVATION COMPLIANCE

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland

Conservation (WC) provisions are required.

Farmers with HEL determined soils are reminded of tillage, crop residue, and rotation requirements as specified per their conservation plan. Producers are to notify the FSA prior to conducting land clearing or drainage projects to insure compliance. Failure to obtain advance approval for any of these situations can result in the loss of eligibility and all Federal payments.

FOREIGN BUYERS NOTIFICATION

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agriculture land to report their holdings to the Secretary of Agriculture. The FSA administers this program for USDA.

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property.

County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

POWER OF ATTORNEY

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any FSA office near you for more information.

BANK ACCOUNT CHANGES

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

APPEAL PROCESS

After an FSA official makes a decision on your request for USDA services or application, you will be sent a letter informing you of the decision and options you can pursue if you disagree. Generally, program participants have three choices—an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

FSA SIGNATURE POLICY

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

For more clarification on spousal signature authority, feel free to contact your local FSA office.

SORGHUM REFERENDUM

The Sorghum Promotion, Research, and Information Order, commonly known as the Sorghum Checkoff Program, was implemented July 1, 2008, as authorized by the Sorghum Commodity Promotion, Research, and Information Act, to maintain and expand existing markets and develop new markets for sorghum and sorghum products. The Act requires that the Secretary conduct a referendum among eligible sorghum producers and importers to determine whether the Order should be continued.

Eligible producers may cast a ballot at their local FSA County Office during a 4-week period beginning February 1, and ending February 28, 2011. The results of the referendum will be published . Please call our office for more information.

ACREAGE REPORTING

Filing an accurate acreage report at your local FSA office can prevent the loss of benefits for a variety of programs. Failed acreage is acreage that was timely planted with the intent to harvest, but because of disaster related conditions, the crop failed before it could be brought to harvest.

Prevented planting must be reported no later than 15 days after the final planting date.

Annual acreage reports are required for most FSA programs. The annual crop reporting deadline is **June 30th** every year.

CONSERVATION RESERVE PROGRAM

Agriculture Secretary Tom Vilsack announced that the next general signup for the Conservation Reserve Program (CRP) will begin **March 14th and continue through April 15, 2011.**

Producers enrolling in CRP plant long-term, resource-conserving covers. In return, the FSA provides participants rental payments, cost-share and technical assistance and does so on behalf of the Commodity Credit Corporation.

Eligible acreage includes cropland that has been cropped or is considered to be cropped for four of the six years between 2002-2007. It is located within conservation priority areas and it is land that has an average Erodibility Index (EI) of eight or greater, which means it is highly erodible or it is land that has been in CRP, but the contract is expiring.

After signup ends on April 15th, FSA will evaluate the offers. During May, FSA expects to notify producers about offers that are accepted and rejected.

MILK INCOME LOSS CONTRACT PROGRAM (MILC)

Just a reminder to those of you who have a MILC contract and would like to change your start date...This must be done by the 14th of the month **prior** to the month that you would like to start.

LOAN DEFICIENCY PAYMENT (LDP) PROGRAM & COMMODITY LOANS

USDA's Commodity Credit Corporation makes available nonrecourse marketing assistance loans for certain commodities. CCC establishes loan rates for these commodities annually at the national level, and adjusts the rates locally. Marketing Loans provide interim financing for eligible producers, allowing them to store their crops at harvest (when prices tend to be low), then market their crops when the prices rise.

Alternatively, a producer may be eligible for and choose to receive an LDP in lieu of securing a marketing loan. An LDP is the difference between the loan rate at a given location and the announced market price for the applicable commodity.

DIRECT & COUNTER-CYCLICAL (DCP) & AVERAGE CROP REVENUE ELECTION (ACRE)

Signup for DCP occurs annually with a June 1st deadline. FSA will not accept any late-filed applications.

Signup in the ACRE option is also available through June 1st each year. If you elect the ACRE option, you are committed to this option through 2012, but are still required to enroll annually by June 1st. You may receive an advance payment of 22% of your direct payment if you elect to do so.

FARM LOAN PROGRAMS

FSA offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,094,000.

Rural youth loans, loans to beginning farmers, loans for socially disadvantaged applicants and emergency loans are also available through FSA.

For detailed information regarding loans and loan eligibility, contact the county office for an appointment with a farm loan representative.

AVERAGE ADJUSTED GROSS INCOME (AGI)

For commodity and disaster programs under the new farm bill, the AGI limitation was reduced from \$2.5 million from all sources to a three-year average non-farm AGI of \$500,000, such that a person or entity shall not be eligible for such programs if the non-farm AGI exceeds \$500,000.

Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-Cyclical Program.

For conservation programs, the average non-farm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.6 % or more of the total AGI is derived from farming, ranching and forestry operations.

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CUSTOMER STATEMENT

January signals the beginning of a new year, and a time to start thinking about filing taxes. Producers who have signed up for a USDA eAuthentication Level 2 account will be able to access their farm data via their Customer Statement.

The Customer Statement puts a range of USDA services and programs into a single report that's at your fingertips and available online, 24 hours a day, seven days a week. It allows USDA customers to view their participation, application and payment status in various commodity and conservation programs; information on farm loans; and conservation plan and land unit information.

PRODUCER EMAIL ADDRESSES

If you would like to receive newsletters and other program information and updates via email, please contact our office and we will enter your email address into the system. It is a simple and effective way to get information out to busy producers!

Please call our office if you need more information.

Thank you!

DATES TO REMEMBER

February 21st	Closed for George Washington's Birthday
March 14th	Signup for the Conservation Reserve Program (CRP) begins
March 15th	Signup for NAP coverage for spring planted crops
June 1st	Signup deadline for DCP & ACRE
June 30th	Deadline for Acreage Reporting
August 1st	COC nominations due
December 1st	Signup deadline for NAP coverage for fall planted and perennial crops
December 5th	Election Ballots due
COC Meetings	Meetings are held every 1st Tuesday of the month at 10:00 a.m.