



February 2010

Chittenden/Washington County FSA News

Chittenden/Washington County USDA Service Center

Chittenden/ Washington County FSA

802-865-7895 x4 phone
802-865-7947 fax
800-910-2035 x4 (VT only)
www.fsa.usda.gov/VT

Hours

Monday – Friday
8:00 a.m. – 4:30 p.m.

County Committee

Richard Parizo LAA-1
Daniel Pillsbury LAA-2
Sumner Farr, Jr LAA-3
Catherine Scribner LAA-4
Morgan Churchill LAA-5

Upcoming County Committee Meeting

Dates

March 17, 2010
April 14, 2010

Staff

Lawrence Parker x102
Eileen Powers x106
Pearl Wells x100
Bradford Parker x103

Natural Resources Conservation Service

Caroline Alves x203
Tate Jeffrey x119
Michel Lapointe x118
Danny Peet x202
Norman Smith x117

Winooski Natural Resources Conservation District

Ashley Lidman x104



SURE

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster that were incurred in the crop years 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Crop Disaster Assistance Program (NAP) except for grazed acreage. However, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition
- crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop producer or crop quality losses. Losses are measured with consideration to the whole-farm revenue, which includes crop insurance

indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

A SURE calculator is available at: "http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls". The calculator is not official, but is intended for educational use. A fact sheet and back-grounder are also available online.

2010 DCP Signup

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2010. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2010 DCP contract.

USDA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2010, eligible producers may request advance direct payments based on 22 percent of the direct payment.

ACRE

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. The June 1, 2010, signup deadline is mandatory for all participants. USDA will not accept any late-filed applications.

A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

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An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3% (85% in 2012) of the farm's planted acres times the difference between the state ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20%, and marketing assistance loan rates are reduced by 30%.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

YOU Must File This Form!!!

Yes, YOU!

All producers expecting to receive any payment benefits from FSA are required to obtain and file Form CCC-927 (for individuals) and/or CCC-928 (for business entities) with the Internal Revenue Service (IRS). Service Centers are restricted from sending these forms out to you in the mail. You must visit a Service Center to pick up the forms, or obtain copies of them on the Internet. These forms must be sent to the IRS by June 15, 2010 to avoid interruption of program benefits. Please stop by the office Monday – Friday, 8:00 – 4:30 to pick up a form, or go to

“<http://forms.sc.egov.usda.gov/eforms/mainserver/vlet>” on the World Wide Web.

The CCC-927 and/or 928 must be filed in order to verify your certification of Adjusted Gross Income (AGI) that you made on Form CCC-926 starting in 2009. USDA has a Memorandum of Understanding with the IRS to establish an electronic information exchange process for verifying compliance with the AGI provisions for farm programs. By completing the CCC-927 (and/or CCC-928), you will be giving written consent for the tax review process. No actual tax data will be included in the report that the IRS sends to USDA. Please contact us if you have any questions about this process, but more importantly, stop in to pick up your forms as soon as possible to avoid any delay in receiving USDA benefits!

Actively Engaged

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by the FSA.

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs if both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- The total direct payments received, both directly and indirectly, by the legal entity and each of the members can not exceed \$40,000.

NAP Production Reporting

Producers enrolled in the Non-insured Assistance Program (NAP) **are required to provide production records for individual crops each year to establish an approved NAP yield.** If this is the first year you participated in NAP, you can provide production and acreage information for this year and 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 up-to-date. Records submitted must be reliable and verifiable. Records need to show crop disposition. It is recommended producers submit 2009 production records as soon as possible after harvest. All production records must be submitted by the subsequent crop year's final acreage reporting date.

1099-G

Producers who have received payments from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have questions concerning the 1099-G refund information, contact your local FSA office for assistance locating the correct payment data.

ARC Loan Program

Section 506 of the Recovery Act authorized the Small Business Administration (SBA) to help viable small businesses make payments on existing debt. The ARC loan program is designed to give viable small businesses facing immediate financial hardship some temporary financial relief so that they can keep operating and get their cash flow back on track. The SBA is now reaching out to farmers in Vermont with this loan program which is available until September 30, 2010, or until the appropriate funds run out, whichever comes first.

- An ARC loan is up to \$35,000
- ARC loans will be disbursed during the first six months followed by a 12 month period of no repayment by the borrower, followed by a repayment period of five (5) years
- 100% guaranteed backed by the SBA
- Proceeds may be used to repay mortgages, secured and unsecured loans, lines of credit, credit cards and other accounts payables
- No collateral required

- Eligible SBA lenders can participate

This is another source of credit for borrowers, farmers that may be near the FSA limits.

Further information can be found at <http://www.sba.gov/recovery>. The local SBA office in Montpelier can be reached at 1-802-828-4422.

NAP Coverage Deadlines

Noninsured Crop Disaster applications are due at different times according to the crop being insured. Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee **MUST** be filed by the crop sales closing date. Contact your local FSA office for the filing dates for your crops. ***The deadline for vegetables is March 15, 2010.***

The service fee is \$250 per crop per county up to a maximum of \$750 per producer per county. The fee cannot exceed a total of \$1875 per producer for individuals with farming interests in multiple counties. Limited resource producers may request a waiver for service fees.

To qualify, a producer must share in the risk of producing an eligible crop.

If you grow crops that cannot be covered by commercial crop insurance, ***you must have NAP coverage to participate in disaster programs.***

Help for Stressed Farmers

The economy, inclement weather, drought and other factors have hurt many farming operations and pushed some farmers to the emotional breaking point. Watching their livelihood being threatened is difficult for them and those who care about them.

The National Suicide Prevention Hotline is available to help. If you know a farmer or rancher who is under stress and is reluctant to ask for help, or if you just need to talk to someone, call 1-800-273-TALK (8255). Your call will be routed to the crisis center nearest you, where trained staffers are available 24/7. This nationwide service is free and confidential. Help is just a phone call away.

For more information, go to <http://www.suicidepreventionlifeline.org/>. This service is not affiliated with the US Department of Agriculture.

Chittenden/Washington County FSA Office
 1193 S Brownell Rd STE 35
 Williston, VT 05495
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Selected Interest Rates for February 2010	
90-Day Treasury Bill	1.25%
Farm Operating - Direct	2.625%
Farm Ownership - Direct	4.875%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	3.75%
Farm Storage Facility - 7 year	3.25%
Farm Storage Facility – 10 year	3.75%
Farm Storage Facility – 12 year	4.00%
Commodity Loans 1996-Present	1.375%

Dates to Remember	
Feb 15	Washington’s Birthday – Office Closed
Mar 15	NAP closing for vegetables
Mar 17	COC meeting – 10a.m.
Apr 14	COC meeting – 10a.m.

Apologies are in order for an error in the last Newsletter. COC Vice-Chair is Sumner (Chuck) Farr, Jr. *Must have been a senior moment!!*

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