



**Chittenden/Washington
County
USDA Service Center**

**Chittenden/Washington
County FSA**

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

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 9, 2011
April 13, 2011

FSA Staff

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

**Natural Resources
Conservation Service**

Caroline Alves x203
Heather Dorsey x115
Tate Jeffrey x119
Michel Lapointe x118
Danny Peet x202
Norman Smith x117
John Thurgood x204

**Natural Resources
Conservation District**

Justin Kenny x104

**VT Association of
Conservation Districts**

Mark Marsh x206

SURE

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster 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 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

receive NAP 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.

If you would like additional clarification call or stop by your local FSA office.

2011 DCP Signup

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. 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 2011 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 2011, eligible producers may request partial direct payments as an advance on the total amount.

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, 2011, 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.

Continue on Page 2 ACRE



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 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.

Emergency Conservation Program (ECP) Approved

The USDA's Farm Service Agency has approved Chittenden/Washington County FSA's request to implement the Emergency Conservation Program (ECP) to help producers in **Chittenden County** recover from damage caused by the December 1, 2010 wind storm. Funds are available to help with the costs associated with: debris clean-up in maple sugar orchards, pastures, and cropland; repair of damaged livestock fences; and repairs or replacement of maple sap taps and tubing. Under the ECP, participants are generally reimbursed up to 75% of the costs, not to exceed an amount determined by the local FSA County Committee, to repair or restore damaged property to pre-disaster condition. Participants must have sustained a minimum of \$1,000 of eligible damages to qualify and an on-site inspection by an FSA employee must be preformed.

Generally, applicants must wait to begin restoration work until they have filed an ECP application; however, there are waiver provisions available for those who have already started, or even finished, cleanup and have not filed an

application. Participants must document expenses, labor, and equipment use to be eligible for reimbursement. Other program provisions apply.

The deadline to apply is **March 8, 2011**.

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 a service 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 a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data.

Conservation Loan Program

The Conservation Loan (CL) Program provides farmers with the funding necessary to implement conservation measures on their land. The available limit for a direct CL is \$300,000, and the limit for a guaranteed CL is \$1,119,000.

The Natural Resources Conservation Service (NRCS) will work with applicants to develop a conservation plan containing approved conservation practices. Examples of some conservation practices are: water conservation structures, forest cover, permanent pastures, manure digesters, and other installations.

For more information on a potential Conservation Loan, call the local FSA office and make an appointment with a loan officer.

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 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 when 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 by the legal entity and each of the members can't exceed \$40,000.

Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to USDA.

The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928

(Legal Entity) to the Internal Revenue Service by June 15. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainse.rvlet>.

BCAP

The Biomass Crop Assistance Program (BCAP) provides financial assistance to producers or entities that deliver eligible biomass material to approved biomass conversion facilities (BCF) for use as heat, power, bio-based products or bio-fuels. Initial assistance will be for the collection, harvest, storage and transportation (CHST) costs associated with the delivery of eligible materials. Producers who sell these materials can apply for FSA matching payments under the CHST.

An application must be submitted before the eligible material is sold and delivered to a BCF. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office.

Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan.

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 \$1,119,000. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it or who to contact to get it. To find out more about FSA loan programs, contact the county office staff.



Chittenden/Washington
County FSA Office
1193 S Brownell Rd STE 35
Williston, VT 05495-7416
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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. ***NAP sign-up deadline for vegetables and some small grains is March 15, 2011!***

Selected Interest Rates for February 2011	
90-Day Treasury Bill	1.25%
Farm Operating - Direct	2.25%
Farm Ownership - Direct	4.75%
Limited Resource	5.0%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	5.0%
Emergency	3.75%
Farm Storage Facility- 7 year	2.570%
Farm Storage Facility- 10 year	3.375%
Farm Storage Facility-12 year	3.625%
Commodity Loans 1996-Present	1.25%

Dates to Remember	
Feb 21	Presidents Day-Office Closed
Mar 9	COC meeting – 10 a.m.
Mar 15	NAP Fees Due – Vegetables
Apr 13	COC meeting – 10 a.m.
Jun 1	DCP/ACRE sign-up ends
Jul 15	Crop Acreage Reports Due 2010 Harvested Production Due
Jul 29	2009 SURE sign-up ends
Ongoing	CRP/CREP, FSFL, MILC

USDA is an equal opportunity provider and employer.