

February, 2010

Farm Service Agency

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White River Jct., VT
05001

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www.fsa.usda.gov

Hours

Monday - Friday
8:00 a.m. - 4:30 p.m.

County Committee

Paul Doton, Chair
Heidi Dolloff, Vice Chair
Michael Emerson
Agnes Spaulding
Sandra Whitney

COC meets 3rd
Wednesday each month at
10:00 am

County Executive Director

Christine Lary, ext 13
christine.lary@vt.usda.gov

Farm Loan Manager

George Button Jr. ext15
george.button@vt.usda.gov
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Windsor-Orange County Updates

2009 County Committee Elections

The election of agricultural producers to Farm Service Agency county committees is important to ALL farmers, whether beginning or long-established, with large or small operations. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture (USDA).

The election this year is for Local Administrative Areas (LAA) #2 and LAA #5. LAA #2 includes the towns of Strafford, Sharon, Norwich, Hartford, Pomfret, Barnard, Stockbridge, Bridgewater and Woodstock. LAA #5 includes the towns of Tunbridge, Orange, Topsham, Williamstown, Washington, Brookfield, Chelsea, and Braintree.

Paul Doton — Elected to the county committee with 33 votes,
Anna Bassett — Elected 1st alternate to the county committee with 8 votes*

Sandra Whitney — Elected to the county committee with 24 votes,
John Pease II — Elected 1st alternate to the county committee with 1 vote*#,
Phil Winters — Elected 2nd alternate to the county committee with 1 vote*#,
Tied votes were settled by lot. *Write-in vote

Congratulations to Sandra Whitney who was re-elected as representative for LAA #5, and also to Paul Doton, who was re-elected to represent LAA # 2 of the County Committee.



SURE

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster that 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 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 backgrounder are also available online.

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.

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.

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.

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 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/efrms/mainervlet>.

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 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.

Payment Limitation/Eligibility

USDA payments and benefits are subject to producer eligibility and limitation provisions. Documents and forms to determine eligibility are reviewed on an annual basis. It is the program participants responsibility to report changes in a farming operation that may affect payment eligibility and payment limitation. Entities such as corporations, limited partnerships, trusts and estates are required to provide names, addresses, and ID numbers of their members. You must provide the office with documentation of who may sign on behalf of the entity. Other payment limitation (PL) requirements to consider are:

The program participant or the County Committee may initiate PL and eligibility determinations.

All participants are subject to year-end-reviews to ensure operations are farmed according to the way your PL is filed. Spouses may be considered separate "persons" for PL purposes, if this determination is requested and the applicable requirements are met.

A determination of "not actively engaged in farming" results in program ineligibility.

Signature Policy for Spouses

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 from either spouse.

There are exceptions to the rule. For example, spouses may not sign FSA-211's (power of attorney forms) on behalf of each other or sign for each other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities.

Spouses must have a power of attorney on file or sign personally for claim settlements, such as promissory notes.

A spouse's authority to sign documents on behalf of the other spouse does not entitle a spouse to review or receive agency records of the other spouse.

Farmer Discussion Group: Water Quality Planning in the Ottauquechee/Black Watersheds

Wednesday

March 3, 2010

7:00 - 8:30 p.m.

Billings Farm & Museum

Route 12 & River Rd.

Woodstock, Vermont

www.billingsfarm.org

The Ottauquechee Natural Resources Conservation District is hosting a Farmer Discussion Group on the Agricultural Section of the Basin 10 Water Quality Management Plan for the Black and Ottauquechee Rivers. **Sylvia Harris, Agricultural Resource Specialist for ONRCD, will review the Ag Section of the Plan.** The group will discuss agricultural recommendations and actions to address issues and concerns to be included in the Basin Plan. **If you would like to insure that the voice of agriculture is heard in this important planning document, attend this meeting!** A follow up meeting will be scheduled in the spring to review the draft ag section and recommendations. Cider and local snacks will be provided.

The Basin Plan being developed by the Agency of Natural Resources in cooperation with the Agency of Agriculture, Food, & Markets will address water quality in rivers, streams, lakes, and ponds throughout the Basin. Participants help develop strategies to improve local waters and water resources. Partnering organizations include the Ottauquechee Natural Resources Conservation District, the Two-Rivers Ottauquechee and Southern Windsor County Planning Commissions, the Black River Action Team, the Ottauquechee River Group, the Woodstock Area Agricultural Forum, the Windsor County Farm Bureau and the Green Mountain Horse Association. Please call Sylvia for further information: 802-254-5323 x10.

Attention Producers, Landowners!

- Do you intend to clear timber areas to create or to expand existing crop areas?
- Are you converting a pasture field into a crop field?
- Are there any areas on your farm(s) that you are considering cropping that have not been cropped in recent years?
- Is there a wet spot in a field that you want drain to make cropping easier?
- Are you disturbing a wildlife habitat area of any type?
- Are you doing anything different on your farm(s) this year?

These are Highly Erodible and Wetlands provision questions that need to be considered each year by producers to assure that they may remain eligible for USDA benefits. If you have any question or concern that something you plan to do on your farm could jeopardize your eligibility for benefits, please contact your NRCS representative before you begin work.

Farm Loan Programs

The Farm Service Agency (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 \$1,112,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA.

For details just contact the county office staff for an appointment with a farm loan officer.

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of Socially Disadvantaged Applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility

USDA – Farm Service Agency
Windsor-Orange FSA Office
28 Farmvu Drive
White River Junction, VT 05001

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Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA’s general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA’s TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."