



## Wisconsin State FSA Office

For individual program information, please contact your local county office.

8030 Excelsior Dr.  
Suite 100  
Madison, WI 53717

### Hours

Monday-Friday  
8:00 am - 4:30 pm

### State Executive Director

Brad Pfaff

### WI State Committee

Bill Averbeck, Chair  
Patty Edelburg  
George Huber

### Website

[www.fsa.usda.gov/wi](http://www.fsa.usda.gov/wi)

## March 2011

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### From the Desk of Brad Pfaff, Wisconsin State Executive Director

Well, it has been a long winter, with plenty of snow and cold weather. As spring approaches, I know that many of you are anxious to get in the fields.

FSA is again offering a Conservation Reserve Program general signup beginning March 14 and ending April 15, 2011. I encourage any landowner interested in the CRP program to contact their local office before April 15th.

The ACRE/DCP sign up continues until June 1, 2011. Producers must sign up annually to be eligible to receive benefits from ACRE and DCP. If you have not already signed up, please contact your county today as the signup deadline is fast approaching.

In addition, our farm loan program staff continues to remain busy providing agriculture with important credit through these difficult times.

Thank you for your continued work in producing the food that feeds our nation and world.

### CRP General Sign up Begins March 14

General sign up for the Conservation Reserve Program (CRP) will begin on March 14, 2011, and continue through April 15, 2011. During the sign up period, farmers and ranchers may offer eligible land for CRP's competitive general sign.

Land currently not enrolled in CRP may be offered in this sign up provided all eligibility requirements are met. Additionally, current CRP participants with contracts expiring this fall may make new contract offers. Contracts awarded under this sign up are scheduled to become effective October 1, 2011.

FSA, which administers CRP, will evaluate and rank eligible CRP offers using an Environmental Benefits Index (EBI) that shows the environmental benefits to be gained from enrolling the land in CRP. The EBI consists of five environmental factors (wildlife, water, soil, air and enduring benefits) and cost. Decisions on the EBI cutoff will be made after the sign-up ends and after analyzing the EBI data of all the offers.

In addition to the general sign-up, CRP's continuous sign-up program will be ongoing. Continuous acres represent the most

environmentally desirable and sensitive land. Please contact your county office to schedule an appointment if you want to place an offer. For more information, visit <http://www.fsa.usda.gov/crp>.

### 2011 DCP and ACRE Sign up

Sign-up for the 2011 Direct and Counter-cyclical Payment (DCP) Program and Average Crop Revenue Election (ACRE) will continue until June 1, 2011.

Producers need to sign a DCP or ACRE contract annually to be eligible to receive program benefits.

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 to receive advance direct payments based on 22 percent of the direct payment.

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. A farm's payment is based on a revenue guar-

antee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For the 2011 crop, the 2-year price average will be based on the 2009 and 2010 crop years. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.



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.

Please contact your local county office today to set up an appointment to enroll in DCP or ACRE.

### **Conservation Reserve Program Maintenance Requirements**

With spring approaching it is time for producers to review their conservation plan concerning maintenance of Conservation Reserve Program (CRP) acres. Maintenance of these acres is a producer's responsibility. CRP contracts require producers to control invading woody vegetation, weeds, and other pests.

On an annual basis, CRP participants are prohibited from mowing an entire field or large amounts of acreage for weed control. However, each year, producers need to survey their CRP to determine if maintenance actions are required. Spot mowing or spot spraying to control invading woody plants or weed patches outside of the primary nesting season is an allowed activity to comply with the contract. If it is determined there is a major weed problem that threatens to take over the cover on the contract, and action needs to be taken during the primary nesting season, producers must contact the Farm Service Agency (FSA) office before taking action. The goal of CRP is not to disturb the cover during the primary nesting season which greatly reduces the habitat benefit. If it is absolutely necessary to control a large problem, FSA County Committees have authority to approve limited activities during this time period. An example of this is a Canada thistle problem. To control Canada thistle, the plant must be mowed or sprayed

before the plant seeds out. However, in most cases, mowing after the primary nesting season is too late. Producers need to contact the county office about conducting maintenance activities on Canada thistle to obtain permission to control it during the nesting season.

It is important for producers to understand the consequences of not maintaining CRP as required. If the problem is so severe that it cannot be corrected, such as a field that has been allowed to be taken over by box elder trees, the contract will be terminated. Termination of a contract requires producers to refund all payments received, plus interest, as well as a liquidated damage charge. Other compliance issues related to maintenance can cause a loss of payment on the violated acreage or all acreage on the contract for that year.

Maintenance is a very serious issue. An agreement was made to conduct maintenance on contracted acres throughout the contract period, thus producers need to ensure compliance. Compliant producers will be rewarded with even greater wildlife use of their property! If producers have any questions concerning maintenance requirements, or actions that can be taken without causing a violation, they should contact their local FSA office.

### **MAL and LDP Sign Up Deadlines**

FSA provides Marking Assistance Loans (MAL) and Loan Deficiency Program (LDP) payments to producers for various market price situations.

A MAL provides the advantage of a low interest rate and repayment options.

The deadline to put 2010 crop wheat, small grains, many minor oilseeds and honey under a 9-month loan is March 31, 2011. In addition, the deadline for 2010 corn and soybeans is May 31, 2011.

There is currently a LDP payment on wool and unshorn pelts. Producers must complete and file page one of the CCC-633 EZ form at the county office before beneficial interest is lost in the commodity in order to be eligible for possible LDP payments. For 2011 wool, mohair and unshorn pelt production, the deadline to apply for benefits is

January 31, 2012. The deadline to file on 2010 production ended January 31, 2011. Contact your county office at least a week prior to the time you would like the loan or for more information about MALs and LDPs.

### **Maintaining Farm Stored Grain Quality**

As temperatures rise with the impending spring season, producers are reminded to check the quality of their stored grain since spring is often when maintaining quality can be difficult. Quality problems can quickly affect grain value. Producers with marketing assistance loans are responsible for maintaining the quality of the commodity for the term of the loan. The Commodity Credit Corporation (CCC) is not responsible for any quality loss.

Producers are also responsible to ensure payment is received prior to feeding or selling any commodity under CCC loan. County offices conduct spot-checks regularly to verify that the quality and quantity of the loan collateral is being maintained by the borrower.

### **Commodity Credit Corporation Loan Reminder**

Producers are reminded that any grain under the Commodity Credit Corporation loan cannot be removed or disposed of without prior county office staff authorization or repayment. County offices may issue marketing authorizations based on telephone or in person requests when a producer is ready to move grain. However, if grain is moved without proper authorization, significant monetary and administrative penalties, such as repaying the loan at principal plus interest, liquidated damages, calling the loan and denial of future farm-stored loans and loan deficiency payments, may be applied.

Contact your local Farm Service Agency (FSA) office with questions regarding the CCC loans and before moving or disposing of any grain under the CCC loan.

### **FSA Financial Services Website**

The Farm Service Agency (FSA) Financial Services website allows producers to generate reports that show both current and historical financial information. Currently, individual producers who have Internet access and have registered for

e-authentication Level 2 may use the FSA Financial Inquiries website. Producers may sign-up for an e-authentication Level 2 Account on the [www.eauth.egov.usda.gov](http://www.eauth.egov.usda.gov) website.

Registered producers may view summary and detail information about specific payments, collections, outstanding debt (excluding loans) and CCC-1099-G. Registered producers may enter their own information to assign a payment to a third party, request that a payment be made jointly to the producer and a third party, or route their program payments to their account at a financial institution.

Below are the steps needed to obtain an e-authentication Level 2 Account.

- To obtain a Level 2 Account you must complete a customer profile and submit it online.
- After submitting your customer profile, you will receive a confirmation email, and you must respond to it within 7 days to activate your account.
- Then you must complete the "Identity Proofing" process by visiting a local USDA Service Center and present a photo ID, such as your Driver's License.

The Financial Management Information webpage is <http://www.fsa.usda.gov/fmi>.

### **SURE Sign Up Available**

Producers who suffered 2009 crop production losses due to natural disasters may now sign-up for the 2009 crop year Supplemental Revenue Assistance Payments (SURE) program. Producers have until July 29, 2011, to sign up for SURE.

To be eligible for SURE a farm must have:

- At least a 10 percent production loss adjusted for quality on a crop of economic significance;
- A policy or plan of insurance under the Federal Crop Insurance Act or the Noninsured Crop Disaster Assistance Program (NAP) for all economically significant crops;
- Been physically located in a county that was declared a primary disaster county or contiguous county by the Agriculture Secretary under a Secretarial Disaster Designation. Without a Secretarial Disaster Designation, individual producers



may be eligible if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster.

- Reported to FSA all crops on all farms

In Wisconsin, all counties except the following were determined primary or contiguous for 2009:

Columbia	Dane
Dodge	Fond du Lac
Green Lake	Jefferson
Marquette	Milwaukee
Ozaukee	Racine
Sauk	Washington
Waukesha	

Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage.

For more information on the 2009 SURE program, visit any FSA county office or <http://www.fsa.usda.gov/sure>.

## Annual Notifications

### Civil Rights/Discrimination Complaint Process

As a participant or applicant for programs or activities operated or sponsored by USDA you have a right to be treated fairly. If you believe you have been discriminated against because of your race, color, national origin, gender, age, religion, disability, or marital or familial status, you may file a discrimination complaint. The complaint should be filed with the USDA Office of Civil Rights within 180 days of the date you became aware of the alleged discrimination. To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326W, Whitten Building, 14th and Independence Avenue, SW, Washington DC 20250-9410 or call 202-720-5964 (voice or TDD), USDA is an equal opportunity provider and employer.

A complaint must be filed within 180 calendar days from the date the complainant knew, or should have known, of the alleged discrimination.

## Changing Bank Accounts

All FSA payments should be electronically transferred into your bank account. In order to make timely payments, you need to notify the office if you close your account or if your bank is purchased by another financial institution. Payments can be delayed if we are not aware of changes to account and routing numbers.

## 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 Farm Service Agency office near you for more information.

## Special Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office directly or by phone.

## 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 Farm Service Agency programs. Annual crop report deadlines vary based on region, crop, permanent vs. annual crop type, NAP or non-NAP crop and fall or winter seeding. Consult your local FSA office for deadlines in your area.

## Change in Farming Operation

If you have bought or sold land, or if you have picked up 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 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.

### **Controlled Substance**

Program participants convicted under federal or state law of any planting, cultivating, growing, producing, harvesting or storing a controlled substance are ineligible for program payments and benefits. If convicted of one of these offenses, the program participant shall be ineligible during that crop year and the four succeeding crop years for direct and countercyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Non-insured Crop Disaster Assistance Program payments or disaster payments. Program participants convicted of any federal or state offense consisting of the distribution (trafficking) of a controlled substance shall, at the discretion of the court, be ineligible for any or all program payments and benefits:

- for up to 5 years after the first conviction
- for up to 10 years after the second conviction
- permanently for a third or subsequent conviction

Program participants convicted of federal or state offense for the possession of a controlled substance shall be ineligible, at the discretion of the court, for any or all program benefits, as follows:

- up to 1 year upon the first conviction
- up to 5 years after a second or subsequent conviction

### **Farm Service Agency (FSA) and Risk Management Agency (RMA)**

To prevent fraud, waste, and abuse FSA supports the RMA in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the county office

staff, the RMA office, or the Office of the Inspector General.

### **Foreign Buyers Notification**

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form 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.

### **Payment Eligibility and Payment Limitation 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 nonfarm 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 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by case basis if it is determined that environmentally sensitive land of special significance would be protected.

### **Payment Eligibility**

Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and



indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation. Individuals and entities must be “actively engaged in farming” with respect to a farming operation in order to be eligible for specified payments and benefits. To be “actively engaged in farming,” the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination.



Payments and benefits under certain FSA programs are subject to some or all of the following:

- payment limitation by direct attribution
- payment limitation amounts for the applicable programs
- actively engaged in farming requirements
- cash-rent tenant rule
- foreign person rule
- average AGI limitations

No program benefits subject to limitation will be provided until:

- all required forms for the specific situation are provided
- necessary payment eligibility and Payment limitation determinations are made

After 2009, a farm operating plan is not required to be filed annually, if the farming operation continues to be conducted as reflected on the farm operating plan and supporting documents are on file in the County Office

If any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average Adjusted Gross Income (AGI) determination, producers must timely notify the County Office by filing revised farm operating plans and/or supporting documentation, as applicable. Failure to timely notify the County Office may adversely affect payment eligibility.

### **Reconstitutions**

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number.

When changes in ownership or operation take place, a farm reconstitution is necessary. The reconstitution or recon is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by August 1 for farms enrolled in specific programs. The following are the different methods used when doing a farm recon:

- Estate Method - the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;
- Designation of Landowner Method – may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;
- DCP Cropland Method - the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;
- Default Method - the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

Note-- Reconstitutions must be requested by August 1 of the fiscal year for farms subject to DCP.

### **Signature Policy**

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- A married woman shall sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- For a minor, FSA requires the minor's signature and one from an eligible parent

Note, by signing the applicable document, the parent is liable for actions of the minor and may be liable:

- for refunds, liquidated damages, etc
- When signing on one's behalf the signature must agree with the name typed or printed on the form, or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc
- FAXED signatures will be accepted for certain forms and other documents provided the acceptable program forms are approved for FAXED signatures. Producers are responsible for the successful transmission and receipt of FAXED information.



Examples of documents not approved for FAXED signatures include:

- Promissory note
- Assignment of payment
- Joint payment authorization
- NAP actual production history and approved yield record
- Acknowledgement of commodity certificate purchase
- Financing statement
- UCC financing statement
- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities
- All members of a general partnership must sign for the general partnership unless an individual is authorized to act on the behalf of the general partnership and bind all members
- Spouses may sign on behalf of each other's individual interest in a partnership, unless notification denying a spouse that authority is provided to the county office
- Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts shall consist of

an indicator "by" or "for" the individual's name, individual's name and capacity, or individual's name, capacity, and name of entity.

For additional clarification on proper signatures contact your local FSA office.

### **Conservation Compliance**

All USDA program participants are required to have a conservation system in place on all highly erodible land (HEL). Renting new cropland, purchasing new land, breakup additional land, changing crops, and changing or removing existing conservation practices can result in compliance issues.

Contact your Farm Service Agency county office before taking any of the above actions. It is also important that you contact FSA before modifying, tilling, draining, dredging, filling or leveling any wetland or drainage ditches. Failure to obtain advance approval for any of these activities can result in loss of all federal payments and program eligibility.

### **CRP - Annual Certification**

Before an annual rental payment can be issued, participants must certify to contract compliance using the FSA-578, Report of Acreage, or CCC-817U, Certification of Compliance for CRP.

### **Program and Payment Limits**

The following programs are subject to payment limitation and eligibility provisions:

- ACRE: Direct Payment earned reduced by 20 percent; Not to exceed \$32,000
- DCP/Direct Payment: \$40,000
- ACRE: Counter-Cyclical Payment: \$65,000 plus any ACRE Direct Reduction
- LDPs and Market Gains: Unlimited
- Conservation Reserve Program: \$50,000
- Emergency Conservation Program: \$200,000
- Non-insured Assistance Program: \$100,000
- ELAP, LFP, LIP & SURE: \$100,000

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<b>Dates to Remember</b>	
March 14, 2011	CRP General Sign up begins
March 15, 2011	NAP application deadline for spring-seeded crops
March 31, 2011	Deadline to apply for 9-month loans and LDPs for small grains, wheat and honey
April 15, 2011	CRP General Sign up deadline
May 30, 2011	Offices will be closed for Memorial Day
May 31, 2011	Deadline to apply for 9-month loans and LDPs for corn and soybeans
June 1, 2011	DCP/ACRE enrollment deadline
July 4, 2011	Offices will be closed for Fourth of July.
July 15, 2011	-Deadline for NAP producers to certify 2010 crop production -Deadline to report 2011 crop acreages on spring seeded crops, forages, small grains, winter wheat and some perennial crops -Deadline to report production evidence for ACRE and PTPP 2010 crop acreage
July 29, 2011	-2009 SURE Sign up deadline
Continuous	-Conservation Reserve Program (CRP) continuous sign-up -CREP sign-up -SAFE sign-up -Farm Storage Facility Loans

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