

MARION COUNTY FARM SERVICE AGENCY NEWS BITS

January 2010

Marion County FSA Committee:

Lori Pavlicek, Chairperson

John Beitel, Vice-Chairperson

Gary Butler, Regular Member

Martin Nguyen – CED (martin.nguyen@or.usda.gov)

REGULAR MEETING DATE – 2nd Thursday of the Month, most months



Marion County FSA Office

650 Hawthorne Avenue SE, Suite 130

Salem, Oregon 97301-5894

Phone: (503)399-5741

FAX (503)399-5799

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, sexual orientation, and parental, marital or familial status, religion, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance programs. (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 the USDA's TARGET Center at (202) 720-2600 (voice and TDD).

OR FSA - <http://www.fsa.usda.gov/or/or.htm>

USDA - <http://www.usda.gov>

FSA - <http://www.fsa.usda.gov/pas/default.asp>

NRCS - <http://www.nrcs.usda.gov/>

FCIC - <http://www.act.fcic.usda.gov/>

To file a complaint of discrimination write USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

Dates to Note:

Jan 18, 2010 - Office Closed, Martin Luther King Jr. Day

Jan 19, 2010 - Deadline for DELAP applications

Jan 21, 2010 - County Committee Meeting, 8:30AM

Month of Feb - Black History Month

Feb 15, 2010 - Office Closed, President's Day

Feb 17, 2010 - Beg. Farmer/Rancher Workshop

Mar 15 & 31, 2010 - **NAP Application Deadlines (see article for the crops affected by this deadline)**

2010 Direct and Counter-Cyclical Program (DCP) Sign Up

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 Marion County FSA Office 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. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the covered commodity.

Beginning Dec. 1, 2009, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. Please contact the Marion County FSA Office for more information about eligibility or to sign up for the advance direct payments.

USDA ENHANCES INTEGRITY AND DEFENSIBILITY OF FARM PROGRAMS WITH NEW ADJUSTED GROSS INCOME (AGI) REPORTING PROCESS

USDA is partnering with the Internal Revenue Service (IRS) to reduce fraud in farm programs and streamline payment limits for family farmers. The actions are intended to strengthen the integrity and defensibility of USDA farm safety net programs and help the agricultural industry to meet requirements included in the 2008 Farm Bill.

USDA has finalized a Memorandum of Understanding with the IRS to establish an electronic information exchange process for verifying compliance with the adjusted gross income provisions for programs administered by USDA's FSA and Natural Resources Conservation Service. This agreement will ensure that payments are not issued to producers whose adjusted gross income (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 non-farm average AGI for conservation programs.

The electronic process that USDA developed with IRS reviews data from tax returns, performs a series of calculations, and compares these values to the AGI limitations from the 2008 Farm Bill. FSA and NRCS will receive a record that indicates whether or not the program participant appears to meet the income limits. Written consent (CCC-927 or CCC-928) will be required from each producer or payment recipient for AGI-applicable programs starting in the 2009 program year. Consent forms (CCC-927 and CCC-928) can be obtained at the Marion County FSA Office but must be filed directly to the IRS. **No actual tax data will be included in the report that IRS sends to USDA.** As part of the review and evaluation process, participants whose AGI may exceed the limits will be offered an opportunity to provide third party verification or other information to validate their income.

Dairy Economic Loss Assistance Program (DELAP)

The Dairy Economic Loss Assistance Program (DELAP) provides a one-time payment to assist dairy producers who have recently experienced low milk prices and high production costs.

No application to receive DELAP program benefits is required if a dairy operation or producer's records are currently available in a Farm Service Agency (FSA) county office from previous participation in a fiscal year 2009 dairy program administered by the agency. FSA will use existing production data maintained by the FSA county office for the months of February through July 2009 to calculate and issue payments.

Dairy producers who do not have production records at the FSA county office, and who have not been contacted to obtain such data for the months of February through July 2009, may apply to receive DELAP benefits during the 30-day application period beginning Dec. 17, 2009. The deadline to submit requests for DELAP program benefits was January 19, 2010.

FSA will calculate payments based on each qualifying dairy operation's total pounds of production commercially marketed during the months of February 2009 through July 2009, multiplied by two, up to six million pounds per dairy operation. A national per hundredweight payment rate will be calculated by dividing the available funding of \$290 million, less a reserve established by FSA, by the total pounds of eligible production approved for payment. Payments to eligible dairy producers will be calculated by multiplying the established payment rate by the dairy producer's share of the dairy operation's eligible production payment quantity.

DELAP eligibility requirements are available at the county office or on line at:
http://www.fsa.usda.gov/Internet/FSA_File/delap09.pdf.

Supplemental Revenue Assistance Program (SURE) Signup

Signup for the 2008 Supplemental Revenue Assistance Payments program (SURE) began on January 4, 2010. SURE 2008 is for those who suffered crop production losses during crop year 2008.

SURE provides crop disaster assistance payments to eligible producers on farms that have incurred crop production or crop quality losses. The program takes into consideration crop losses on all crops grown by a producer nationwide. SURE provides assistance in an amount equal to 60 percent of the difference between the SURE farm guarantee and total farm revenue. The farm guarantee is based on the amount of crop insurance and Non-insured Crop Disaster Assistance Program (NAP) coverage on the farm. Total farm revenue takes into account the actual value of production on the farm as well as insurance indemnities and certain farm program payments.

Producers with a farming interest physically located in a county that was declared a primary disaster county or contiguous county by the Agriculture Secretary must have suffered at least a 10 percent production loss on a crop of economic significance. The 10 percent production loss must be caused by a natural disaster. Producers must meet the risk management purchase requirement by either obtaining a policy or plan of insurance, under the Federal Crop Insurance Act or NAP coverage, for all economically significant crops. For 2008 crops, producers had the opportunity to obtain a waiver of the risk management purchase requirement through a buy-in provision. 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.

If there is no Secretarial Disaster Designation, individual producers may also be eligible for SURE if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster. For SURE, a farm is defined as all crops in which a producer had an interest nationwide.

For more information on the new SURE program, please visit the county office or <http://www.fsa.usda.gov>.

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. The Farm Service Agency 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.

Farm Purchase and Operating Loans Targeting Socially Disadvantaged Groups

The USDA Farm Service Agency (FSA) offers farm loans. The loan programs are designed to help farmers purchase and operate family farms.

FSA reserves a portion of its loan guarantee funds each year to assist in this goal. USDA defines socially disadvantaged applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For purposes of this program, the groups are women, African Americans, American Indians and Alaskan Natives, Hispanics, and Asians and Pacific Islanders.

Direct loans are made to applicants by FSA and include both farm operating and farm ownership loans. Repayment terms for direct operating loans depend on the collateral securing the loan and usually run from 1 to 7 years. Repayment terms for direct ownership loans can be as long as 40 years.

Guaranteed loans also may be made for farm ownership or operating purposes, and may be made by any lending institution subject to Federal or State supervision (banks, savings and loans, credit unions, and units of the Farm Credit System including the Bank for Cooperatives) and guaranteed by FSA. Typically, FSA guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails. Guaranteed loan terms are set by the lender. Interest rates for direct loans are set periodically according to the Government's cost of borrowing. Interest rates for guaranteed loans are established by the lender.

Farm ownership loan funds may be used to purchase or enlarge a farm or ranch, purchase easements or rights of way needed in the farm's operation, build or improve buildings such as a dwelling or barn, promote soil and water conservation and development, and pay closing costs.

Farm operating loan funds may be used to purchase livestock, poultry, farm equipment, fertilizer, and other materials necessary to operate a successful farm. Operating Loan funds can also be used for family living expenses, refinancing debts under certain conditions, paying salaries for hired farm laborers, installing or improving water systems for home, livestock, or irrigation use, and other similar improvements.

Applications for all FSA direct loan programs are made through FSA's Marion County Office. The county office is located at 650 Hawthorne Avenue SE, Suite #130, Salem, Oregon 97301. The phone number is (503) 399-5741, ext. #2.

NEW Payment Limitation Changes for 2010

Beginning with the 2010 program year, 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 USDA Farm Service Agency (FSA).

USDA has implemented the following change to permit certain operations, most often family-run operations, to meet 'actively engaged' in farming requirements under less restrictive rules.

Every stockholder or member of a legal entity, such as a corporation, does not have to contribute labor or management 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 that altogether qualifies as a significant contribution to the farming operation;
- The total direct payments received both directly and indirectly, by the legal entity and each of the members does not exceed \$40,000.

Non-Insured Assistance Program (NAP) Coverage Deadlines

Listed below are the 2010 crop year application deadlines for those crops listed. Producers are encouraged to stop by the Marion County FSA office to turn in an application for coverage. A non-refundable service fee is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 per producer with farming interests in multiple counties.

Sign-Up Deadline Date	2010 Crops
March 15, 2010	Broccoli, Cantaloupe, Cauliflower, Cucumber, Lentils, Mustard, Pumpkin, Safflower, Sunflower, Squash, Tomato, and Watermelon
March 31, 2010	Buckwheat

Beginning Farmer / Rancher Informational Workshop

An informational workshop is being held here at the Marion County FSA Office (Conference Room) on February 17, 2010 at 8:00 AM. Topics this workshop will cover are:

- **FSA** - Farm Programs and Loans
- **NRCS** - 2010 Conservation Programs
- **Marion Co. SWCD** - 2010 Programs & Grants
- **Risk Management Agency (RMA)** – Risk Management & Crop Insurance Coverage
- **Mid-Columbia Producers** - Grain Futures & Marketing Strategies
- **OSU Extension** - Regional Cropping Constraints and Cropping Options

Although this workshop is geared towards Beginning Farmers / Ranchers, ALL ARE WELCOME TO ATTEND. To assist us in facilitating this event, we are asking all individuals who are planning to attend to RSVP by contacting the FSA Office.

Payments Eligibility - Controlled Substances

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

2009 County Committee Election Results

Congratulations to John Beitel. John was re-elected to a second term to represent farmers from Local Administrative Area (LAA) 2 on the county committee. The election results for LAA 2 are:

John Beitel — Re-Elected to the county committee (COC),
 Robert F. Desantis — Elected as 1st alternate to the COC

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

The committee members will hold their organizational meeting on January 21st 2010 to determine who will serve as the county committee chairman and vice-chairman.

Interest Rates for January 2009 Crops	
Farm Operating – Direct	2.875%
Farm Ownership – Direct	4.75%
Farm Ownership – Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency – Actual Loss	3.750%
Farm Storage Facility	2.875-3.750%
Commodity Loans	1.375%