



# Farm Service Agency

January 2009

## Cochise County Newsletter

### Cochise County USDA Service Center

Cochise County FSA  
658 N Bisbee Ave  
Willcox, AZ 85643  
PH: (520) 384-3588  
FAX: (520) 384-2735  
www.fsa.usda.gov

Hours of Operation  
Monday – Friday  
8:00 am – 4:30 pm

#### County Committee

Mark Cook  
Lance Owen  
Alan Seitz

#### Staff

Carol Case, CED  
Rebecca Burreight, PT  
Shari Binger, PT  
Tonya Ayala, PT  
Maggie Rorbach, PT

#### Farm Loan Staff

Jonna Darnell, FLM  
Cissi Graves, FLO  
Dee Haupt, PT

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## Attention Farmers and Ranchers! Producer Farm Bill Meeting Dates Set

The Cochise County FSA Office has set two dates to hold a Producer Farm Bill Meeting. The content of the presentations will be consistent on both days. Topics to be covered include: Farm Loan Programs, Payment Limitation, Direct & Counter-cyclical Payment (DCP) Program, Average Crop Revenue Election (ACRE) Program, and Price Support. It is highly recommended for all active producer's to attend one of the scheduled meetings to become informed of the new procedures involved with their programs. Crucial information will be given out regarding new forms which will need to be completed prior to signing up for program benefits. No RSVP is required.

**Wednesday, January 28, 2009**

5:30pm — 8:00pm

Willcox High School Cafeteria  
360 North Bisbee Avenue

**Thursday, January 29, 2009**

9:30pm — 12:00pm

Willcox Elk's Lodge  
247 East Stewart Street

## County Committee Election Results

Congratulations to Lance Owen! Mr. Owen was elected to represent the farmers and ranchers from Willcox, Bonita, Stewart District, Kansas Settlement, Cochise, Pomerene, and Benson on the county committee. The elected will serve a three year consecutive term beginning January 1, 2009. The results for Local Administrative Area 1 are:

Lance Owen—Elected to the county committee (COC)

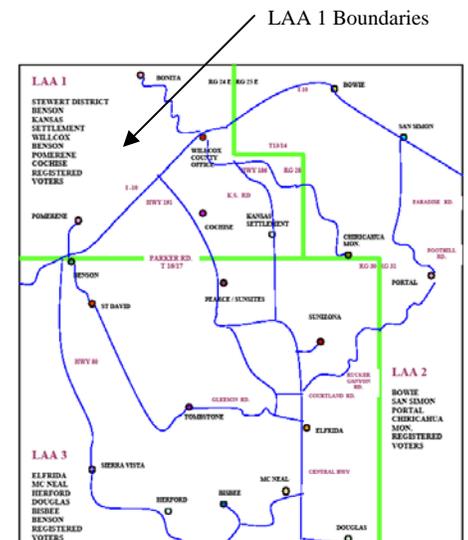
Michael Thompson—1st Alternate to the COC

Twila Shelton—2nd 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 22, 2009 to determine who will serve as the county committee chairman and vice chairman.

For more information on local county committees, please visit: <http://www.fsa.usda.gov/FSA/>.





# Important Farm Bill Changes



## Payment Limits & Direct Attribution

To qualify for commodity and disaster programs under the new farm bill, applicants now must adhere to new **Adjusted Gross Income (AGI)** restrictions. The AGI ceiling limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$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 & Counter-cyclical Program (DCP).

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.

Another change in eligibility is that program payments are limited by direct attribution of payment totals directly to individuals or indirectly to individuals through 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 entity and also the individual, both directly and indirectly as an officer, partner or shareholder in an entity. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Also, 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.

## FSA 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:

- 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 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.
- 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 transmissions 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
  - ⇒ Financing statements (including UCC)
- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless notification denying a spouse this authority has been 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
- 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

For more information on proper signatures when filling out new forms and documents, please contact your local FSA office.

## DCP Signup Underway

Signup started for the 2009 Direct & Counter-cyclical Payment (DCP) Program for farms with base acres. Signup will continue until June 1, 2009. The June 1, 2009 deadline is mandatory for all participants. FSA will not accept any late-filed applications.

FSA 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 2009, you may request to receive advance payments based on 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments later this month. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

Producers who are eligible for the DCP Program will also be eligible to enroll in the Average Crop Revenue Election (ACRE) Program. The enrollment period for the ACRE Program will begin in the spring.

To schedule an appointment to signup or for more information, contact Rebecca at (520) 384-3588.

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## Farm Loan Limitations

Are you interested in purchasing your own farm or ranch? Do you need operating money too? If so, the Farm Loan Staff is here to help!

In today's economy, financing has been hard to come by. Through several available Farm Loan Programs, producers are making it happen.



Below is a current listing of available farm loans with limitations and rates. For more information on how to apply and qualifications, please contact Jonna, Cissi or Dee at (520) 384-3588.

Loan Type	Maximum	Term	Rate as of 01/01/2009
<b>Farm Ownership Loan (FO)</b>	\$ 300,000	Up to 40 years	Now 4.875%
<b>Operating Loan (OL)</b>	\$ 300,000	1 to 7 years	Now 3.000%
<b>Emergency Loan</b>	\$ 500,000	1 to 40 years	Now 3.750%
<b>Guaranteed Loans (FO &amp; OL)</b>	\$ 1,094,000	By Lender	By Lender, Commercial Rates

## MILC Signup Underway

Signup for the Milk Income Loss Contract (MILC) Program is underway and will continue through the program's expiration date, September 30, 2012.



The 2008 Farm Bill reauthorizes the MILC Program, which operates similarly to the Counter-cyclical payment program for crops, and makes three key changes in program operation. Under the Farm Bill, the MILC payment rate and the per-operation poundage limit are modified, depending on when the milk is produced. In addition, a "feed cost adjuster," is introduced over the life of the 2008 Act, which adjusts the \$16.94 per hundredweight (cwt.) benchmark price upward depending on the cost of feed rations. When available, MILC payments are based on a payment rate percentage that is multiplied by the difference between a now-flexible target (16.94 per cwt. or higher) and the specified month's Boston Class I price of milk.

The 2008 Farm Bill made changes to the provisions for payment eligibility and adjusted gross income (AGI). If the individual or entity has non-farm AGI greater than \$500,000, the individual or entity is not eligible for MILC benefits.

For more information on the MILC program, contact Tonya at (520) 384-3588.

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## Payment Deposits — NEW

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your account has changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

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## Reminder: Lease Agreement Requirements

Under the provisions of the Farm Bill, all leases must contain pertinent information in order to be accepted at local FSA offices to determine eligibility. Such information includes, but is not limited to:

- Term of the lease with an actual start and end date
- Legal description of the land
- Actual terms of the agreement
- Signatures from the lessor/lessee



For more information, please contact your local FSA office.

## IMPORTANT DATES TO REMEMBER

### January

- 12 SURE Buy-In Deadline [2009 insurable only: Citrus, Avocado, Nursery Crops]
- 19 Office Closed in Observance of Martin Luther King, Jr.'s Birthday
- 22 Cochise County Committee Meeting—Willcox Service Center @ 9:00am
- 28 Producer Farm Bill Meeting—Willcox High School Cafeteria @ 5:30pm
- 29 Producer Farm Bill Meeting—Willcox Elk's Lodge @ 9:30am
- 28-30 National Cattlemen's Beef Association Trade Show—Phoenix, AZ
- 31 Crop Insurance Deadline [2009 crops: Grapes, Grass, Chili Peppers]

### February

- 4 Ag Day & Trade Show—Willcox Community Center
- 16 Office Closed in Observance of George Washington's Birthday
- 28 Crop Insurance Deadline [2009 crops: Squash, Pumpkins]



*Due to the heavy workload in the county office, it is recommended that appointments be set to avoid lengthy waits. To schedule an appointment, please call (520) 384-3588.*

**NONDISCRIMINATION STATEMENT:** As a participant in or applicant for programs, activities operated or sponsored by USDA, you have the right to be treated fairly. If you believe you have been discriminated against because of your race, 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, 1400 Independence Avenue, SW, Room 326-S.W., Whitten Building, Stop 9410 Washington DC 20250-9410 Washington DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.