



NEWSLETTER



February 2011

SURE – 2009 and Later

AZ/La Paz FSA Office

Yuma/La Paz County

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Hours

Monday - Friday
7:00 a.m. - 4:30 p.m.

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

SURE sign up for crop year 2009 losses runs from Jan. 10 to July 29, 2011. Deadlines for 2010 and 2011 crop years will be announced later.

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. This requirement does not apply for crops that are not of economic significance or where the administrative fee required to buy NAP coverage exceeds 10% of the value of the crop 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 conditions are required to 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.

crop year's end by one full year.

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.

Sorghum Check off Referendum Scheduled

USDA will conduct a referendum on the Sorghum Checkoff Program Feb. 1-28, 2011, at local Farm Service Agency (FSA) offices. Ballots may be obtained in person, by mail or facsimile at county FSA offices, or via the Internet at www.ams.usda.gov/sorghumpage.

Any eligible person engaged in the production or importation of sorghum from July 1, 2008, to December 31, 2010, is eligible to participate. Individuals are required to provide documentation such as a sales receipt or remittance form that shows they engaged in the production or importation of sorghum.

Sorghum Checkoff is a national, coordinated, self-help marketing program designed to strengthen the position of sorghum in the market place, maintain and expand existing domestic and foreign markets and uses for sorghum, and develop new markets and uses for sorghum.

1099-G is in the Mail

Producers who have received payments from FSA are also receiving a CCC-1099-G in the mail. A CCC1099-G is a report to the Internal Revenue Service regarding FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. It is not intended to replace the program participant's responsibility to report income to the IRS.

ATTENTION: Refunds are no longer 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.



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 does not 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 from the IRS to verify AGI compliance will be required from each producer or payment recipient. 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/mainservlet>

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 ranch, 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

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 foup 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

Highly Erodible Land (HEL) and Wetland Conservation Compliance

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Farmers with HEL determined soils are reminded of tillage, crop residue, and rotation requirements as specified per their conservation plan. Producers are to notify the USDA Farm Service Agency prior to conducting land clearing or drainage projects to insure compliance. Failure to obtain advance approval for any of these situations can result in the loss of eligibility and all Federal payments

Prevented Planting

Prevented planting is the inability to plant the intended crop acreage with proper equipment by the final planting date for the crop type because of a natural disaster. If you plant an alternative crop on those acres, those acres are not considered prevented planting. For example, if you intended to plant oats, but subsequently planted corn on the acres, FSA does not consider those acres as prevented planting. If you were unable to plant all the acres you intended, action is necessary. You may want to report those acres as prevented planted when you file your acreage report. If you have crop insurance, talk to your agent immediately to find out if prevented planted acres are covered under your policy and if restrictions apply. For more specific information on Prevented Planting, contact your local FSA Office.

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USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or

(800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.