



NEWSLETTER



March 2011

DCP Signup by June 1

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) will continue through June 1, 2011. FSA staff 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.

DCP Program payments are calculated 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.

Livestock Programs Available

FSA administers several programs that may be available to assist livestock producers dealing with problems caused by winter weather. To apply for assistance, producers need to document the number and kind of livestock that have died as a direct result of these winter storms. In situations where additional transport costs are being incurred to feed livestock, producers should document these additional costs. Among the key programs are the Livestock Indemnity Program (LIP) and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP). For livestock death losses to be eligible under LIP, producers must file a notice of loss with their local FSA office within 30 calendar days from when the loss is apparent to the producer.

Contact your nearest FSA office for additional information.

Notice to Hispanic or Women Farmers and Ranchers: Compensation for Claims of Discrimination

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation. You may be eligible if:

1. You sought a farm loan or farm-loan servicing from USDA during that period and
2. The loan was denied, provided late, approved for a lesser amount than requested, approved with restrictive conditions, or USDA failed to provide an appropriate loan service and
3. You believe these actions occurred because you are Hispanic or female. If you want to register your name to receive a claims package, you can call the Farmer and Rancher Call Center at 1-888-508-4429 or access the following Website:

www.farmerclaims.gov

In 2011, a Claims Administrator will begin mailing claims packages to those who have requested one through the Call Center or web-site. The claims package will have detailed information about the eligibility and claims process. In order to participate you must submit a claim to the Claims Administrator by the end of the claims period. If you are currently represented by counsel regarding allegations of discrimination against USDA or in a lawsuit claiming discrimination by USDA, you should contact your counsel regarding this claims process. USDA cannot provide legal advice to You. You are not required to hire an attorney to file a

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Hours
Monday - Friday
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claim, but you may contact a lawyer or other legal services provider in your community for additional guidance.

Nap Enrollment

To maintain eligibility for several FSA disaster assistance programs, producers must obtain crop insurance or NAP coverage before a disaster strikes. Noninsured Crop Disaster Assistance Program (NAP) applications for coverage must be filed using Form CCC-471 and applicable service fees must be paid by the closing date. Application closing dates vary by crop. Yuma/La Paz County producers can contact the FSA Office for specific crop application sales closing dates at: 928-782-0860 ext. 2

Producers must obtain NAP or crop insurance coverage on all crops in order to remain eligible for the agency's Disaster Assistance Programs such as SURE, TAP, and ELAP. Producers must purchase at least catastrophic (CAT) level of insurance for all insurable crops. LFP requires coverage only on grazed acres.

NAP provides coverage to producers for non-insurable crops when low yields, loss of inventory or prevented planting occur due to natural disasters. Crops eligible for NAP coverage are those for which crop insurance is not available, including fruits and vegetables, aquaculture, pecans, turf grass and forage crops just to name a few.

More information about NAP may be found on the FSA web site located at www.fsa.usda.gov



FSA Payment Record

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend you check the amounts shown with those in your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be

available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with eAuthentication user ID's and passwords can 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 nearest FSA office for assistance in locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

Honey Loans

Honey loans are a type of marketing assistance loan. They are currently available until March 31, 2011. The national loan rate for honey is 69 cents per pound. Market prices currently exceed the loan rate, so LDPs are not available at this time.

To be eligible, the producer must produce honey in the United States during the calendar year for which the loan is requested, and extract the honey on or before Dec. 31 of the applicable crop year. Producers must also maintain continuous beneficial interest in the honey through date of repayment of the loan, and be responsible for the financial risk of the operation. Producers are responsible for maintaining the quality of farm-stored honey.

The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed.

Actively Engaged

USDA has amended the requirements of being '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).

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 and the Internal Revenue Service have 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.

This to ensure 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 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 FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainse rvlet>

Changing Bank Account

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

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.

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.

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.

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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 20250-941 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.