



USDA



Colusa County News

Colusa County Farm Service Agency

February 2009

Direct and Counter-Cyclical Payment (DCP)

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program continues until June 1, 2009. The June 1, 2009 deadline is mandatory for all participants. FSA will not accept any late-filed applications.

The electronic DCP (or eDCP) service is available to save you time, reduce paperwork and speed up contract processing at FSA offices. To find out more, visit <http://www.eauth.egov.usda.gov> for on-line registration. You will also need to visit a local USDA Service Center to complete registration and identity verification.

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 direct 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.

Eligible producers for the DCP Program are also eligible to enroll in the Average Crop Revenue Election (ACRE) Program or the Counter-cyclical Program. The enrollment period for the ACRE Program will begin in the spring. You may first enroll in the DCP Program, receive advance direct payments and then later modify your enrollment to the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

Kansas City Mails 1099-G

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 you 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 that 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 IDs 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 local FSA office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

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Important Dates:

- **February 27, 2009** – Last day to participate in Lamb Referendum.
- **April 30, 2009** – Last Day to certify fall seeded crops.
- **June 1, 2009** - 2009 DCP sign-up ends.
- **July 15, 2009** - Last day to certify spring seeded crops.
- **September 30, 2009** - Last day to submit 2009 Payment Limitation Forms.

Payment Limits and Direct Attribution

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.

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) active personal labor or active personal management, or a combination. For more detailed information contact your local FSA office.

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 been 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.

USDA Sets Date for Lamb Referendum

The U.S. Department of Agriculture announced on December 12, 2008 that it will offer lamb producers, feeders, and first handlers the opportunity to vote in a nationwide referendum on whether to continue or terminate the Lamb Promotion, Research, and Information Order, authorized under the Commodity Promotion, Research, and Information Act of 1996. The referendum will be held Feb. 2-27, 2009.

The referendum will be conducted at USDA's Farm Service Agency (FSA) county offices. To be eligible to vote, persons must certify and provide documentation, such as a sales receipt or remittance form, which shows they have been engaged in the production, feeding, or slaughtering of lambs during the period, Jan. 1, 2008, through Dec. 31, 2008.

Beginning Feb. 2, 2009, and continuing through Feb. 27, 2009, persons eligible to vote should obtain form LS-86 from a county FSA office either in person, by mail, fax, or via the Internet at: <http://www.ams.usda.gov/lsmarketingprograms>. Persons must vote in the referendum at the County FSA office where their administrative farm records are maintained. For those persons not participating in FSA programs, the opportunity to vote will be provided at the County FSA office where the person owns or rents land.

Form LS-86 and supporting documentation must be returned in person, by mail, or by fax to the appropriate county FSA office. The form and documentation returned in person or by fax must be received in the appropriate county office prior to the close of business on Feb. 27, 2009. The form and documentation returned by mail must be postmarked no later than midnight on Feb. 27, 2009, and received in the county FSA office by March 6, 2009.

USDA monitors activities of the American Lamb Board. The mandatory program is financed by producers, seed-stock producers (breeders), feeders, and exporters who are assessed one-half cent (\$.005) per pound when live ovine animals are sold. The first handler, primarily packers, pays an additional 30 cents per head on ovine animals purchased for slaughter.



Noninsured Crop Disaster Assistance Program (NAP)

NAP Production Reporting

Production records for individual crops need to be filed with our office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable and verifiable. Records need to show crop disposition. It is recommended producers submit 2008 production records as soon as possible after harvest. *All production records must be submitted by the subsequent crop year's final acreage reporting date.*

NAP Coverage Deadlines

Noninsured Crop Disaster applications are due at different times according to the crop being insured. Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee **MUST** be filed by the crop deadline date. Contact your local FSA office for the filing dates for your crops.

The service fee is \$250 per crop per county or \$750 per producer per county. The fee cannot exceed a total of \$1875 per producer for individuals with farming interests in multiple counties. Limited resource producers may request a waiver for service fees. To qualify, a producer must be a landowner, tenant or sharecropper who shares in the risk of producing an eligible crop.

Acreage Certification

Timely and accurate annual reporting of acres for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, marketing assistance loans and Load Deficiency Payments.

Conservation Reserve Program acreage must be reported to receive annual rental payments. And, crop acreage for Non-insured Crop Disaster Assistance Program (NP) must also be reported. Crop reports, form **FSA-578**, Report of Acreage, must account for all cropland on a farm, whether idle or planted. Producers need to file their acreage reports by April 30, 2009 for Fall planted crops and July 15, 2009 for Spring planted crops.

Prevented Planting: Prevented planting needs be reported no later than 15 calendar days after the final planting date.

Failed Acreage: Reports of failed acreage must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

Foreign Buyers Notification

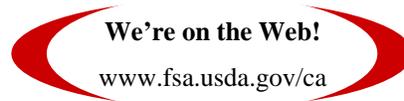
The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency (FSA) administers this program for the USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report their 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 governments offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of reporting requirement.

County Committee Election Results

Congratulations to Francis Hickel who was re-elected to the County Committee. This will be Francis' 3rd consecutive term on the County Committee. Christine Huffman will become the first alternate. 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.

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