

# Farm Service Agency

*New London County FSA Office*

*January 2009*

JOHN GADBOIS RE-ELECTED  
FOR 3<sup>RD</sup> TERM TO COC

**Sign-Up NOW for 2009 MILC & 2009 DCP!**

## COUNTY COMMITTEE ELECTION RESULTS

Congratulations to John Gadbois! John was re-elected to represent farmers from Salem, Bozrah, Montville, Ledyard, Lyme, Old Lyme, East Lyme, Waterford, New London, Groton and Stonington on the county committee. John was elected to his third consecutive term. The election results for Local Administrative Area #2 are:

### JOHN GADBOIS

Elected to the county committee (COC)

### PAUL MAUGLE

1<sup>st</sup> alternate to 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 in January to determine who will serve as the county committee chairman and vice-chairman.

## 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.

## BANK ACCOUNT CHANGES

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.

## MILC SIGN-UP UNDERWAY

Sign-up for the new program actually began December 22. A few changes to be noted:

- The new **annual production limit is 2.985 million lb. of milk**, at least through August 31, 2012. The MILC payment will be paid on 45% of the difference between the Class I price in Boston and \$16.94.
- Also new is a **National Average Dairy Feed Ration Adjustment (NADFR)**, which will be calculated using corn, soybean and alfalfa to make up a 16% protein dairy feed. The prices used in the calculation will be posted each month by USDA's National Agricultural Statistics Service.
- And a new **Adjusted Gross Income limitation of \$500,000**. If your non-farm income exceeds \$500,000, you are not eligible for the MILC payment.
- Producers have until **January 21 to sign up for payments starting this January**, or for later months, until the 14th of the month before the selected MILC production start month.

This hypothetical example assumes the NADFR is \$10.05/cwt for a month falling from Oct. 1, 2008 through Aug. 31, 2012:

$$\begin{aligned} \$10.05 \text{ (NADFR)} - \$7.35 &= \$2.70 \\ \$2.70 / \$7.35 &= .3673 \\ .3673 \times 45\% &= .1653 \\ .1653 \times \$16.94 &= \$2.80 \\ \$16.94 + \$2.80 &= \$19.74 \end{aligned}$$

If the Boston Class I price is \$18.00/cwt, the payment rate will be calculated as follows:

$$\begin{aligned} \$19.74 - \$18.00 &= \$1.74/\text{cwt} \\ \$1.74/\text{cwt} \times 45\% &= \$.7830/\text{cwt} \end{aligned}$$

## DCP SIGN-UP UNDERWAY

Sign-up has started for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres. You can sign up online or at local USDA service centers. Sign up 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 direct payments based on 22% 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.

### County Information

**Address:**

238 West Town Street  
Norwich, CT 06360

**Phone Number:**

(860) 887-9941

**Office Hours:**

Monday – Friday  
8:00 am to 4:30 pm

**Staff:**

Marsha B. Jettè, CED  
Pat Smith, PT  
Barbara Pagano, PT  
Claudia Fryer, TEMP  
Ronald Clark, FLM

**County Committee:**

John Gadbois, Chairman  
Art Spielman III, V-Chm  
Ray Manning, Member  
Suzanne Sankow,  
**Minority Advisor**

## USDA ENACTS CHANGES TO PAYMENT LIMITATIONS, INCOME QUALIFICATIONS, & IMPLEMENTS DIRECT ATTRIBUTION

USDA recently published an interim final regulation in the Federal Register announcing changes to both Adjusted Gross Income qualifications, program payment limitations, and direct attribution for FSA and Natural Resources Conservation Service (NRCS) programs, which became effective in accordance with the 2008 Farm Bill.

For commodity and disaster programs, the AGI limitation was reduced from \$2.5 million AGI 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.

The definition of income derived from farming, ranching and forestry operations was expanded to include, among other items, such items as the packing, storing and transporting of agricultural commodities; production of livestock products; farm-based production of renewable bio-energy; and in some instances, the providing of operational inputs to farmers, ranchers and foresters.

For conservation programs, the average nonfarm AGI limitation is \$1 million or less for eligibility with allowances for certain exceptions.

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*This office will be closed  
January 19, 2009 in observance  
of Martin Luther King, Jr. Day.*



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