

# Farm Service Agency

*New London County FSA Office  
March 2009*

LOW MILK PRICES - FSA  
WILL BE MAKING PAYMENTS !

**NAP APPLICATION DEADLINE: March 16, 2009**

## DAIRY PRICES TRIGGER MILC PAYMENTS

Due to low milk prices FSA will be making payments sometime in April to producers through the FSA's Milk Income Loss Contract, or MILC, program. The 2008 Farm Bill made changes to the MILC program, notably the addition of a dairy feed ration cost adjustment in addition to changes to the payment rate and modifications to the per-operation poundage limit, depending on when the milk is produced.

FSA issues payment not later than 60 calendar days after FSA receives production evidence for the applicable month or the entire month's National Average Dairy Feed Ration Cost is posted for the applicable month, whichever is later.

FSA makes payment on up to the maximum eligible pounds of milk produced and marketed by each operation per fiscal year. The annual maximum eligible pound limit per dairy operation is 2,985,000 pounds per fiscal year. The amount drops to 2.4 million pounds per fiscal year on September 1, 2012

MILC participants must select a month for which FSA will begin issuing payments for each fiscal year. Starting with the dairy operation's selected month, FSA will issue MILC payments based on that month's milk production and the milk production for each consecutive month thereafter with the effective payment rate until the operation reaches the production cap or the fiscal year ends.

The 2008 Farm Bill also excludes producers whose non-farm average adjusted gross income (AGI) exceeds \$500,000 from receiving MILC payments. Producers will have to sign an AGI statement when signing up for the program.

## NEW PAYMENT ELIGIBILITY FORMS REQUIRED FOR BENEFITS

The 2008 Farm Bill made some changes in the payment limitation and eligibility requirements for 2009 and future years. As a result, **new eligibility paperwork must be filed and determinations are required to be made for most FSA programs before program benefits may be provided.** The producer will remain ineligible until all required forms for the specific farming operation are provided to the FSA County office. Determinations are based on the facts as submitted by the producer.

As a program participant, you are responsible for promptly notifying the FSA County office of any change in the farming operation that would affect a "person", "**actively engaged in farming**", cash rent tenant, foreign person, or adjusted gross income (AGI) determination. **Program payments are now limited by direct attribution to individuals or entities.**

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 contribution to the farming operation of (1) capital, equipment, land, or a combination there of; and (2) personal labor and active personal management, or a combination there of.

***Producers farming with their social security number will need to complete a CCC-902I. Producers farming with an employer ID number will need to complete a CCC-902E. To assist farm producers in completing the forms, FSA has instruction sheets for each form.***

**DCP SIGN-UP CONTINUES**

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.

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 price. For 2009, you may request to receive advance direct payments based on 22% of the direct payment for each commodity associated with the farm. 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*

<p><b>Address:</b> 238 West Town Street Norwich, CT 06360</p>	<p><b>Phone Number:</b> (860) 887-9941 <b>Office Hours:</b> Monday – Friday 8:00 am to 4:30 pm</p>
<p><b>Staff:</b> Marsha B. Jettè, CED Pat Smith, PT Barbara Pagano, PT Claudia Fryer, Temp PT Ronald Clark, FLM</p>	<p><b>County Committee:</b> John Gadbois, Chairman Art Spielman III, V-Chm Ray Manning, Member Suzanne Sankow, <b>Minority Advisor</b></p>

**STIMULUS FUNDING FOR FLP LOANS**

As part of the recently approved economic stimulus package, FSA's Farm Loan Programs (FLP) is scheduled to receive an extra \$173 million in funding for the direct operating loan (OL) program. Many states have a current backlog of approved OL loans waiting for funding. As of February 23, the backlog stood at 1,039 loans valued at more than \$72 million. Producers' financial needs have increased significantly with the elevated costs of production inputs and the downturn in the agricultural economy. This growing need, coupled with FLP's successful marketing efforts, has generated increased demand for FSA OL loans as well as farm ownership loans.

Contact Farm Loan Manager Ronald Clark for more information.

**BANK ACCOUNT CHANGES**

**Current policy mandates that FSA payments be electronically transferred into your bank account. In order for 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 number.**

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.



USDA - Farm Service Agency  
New London County FSA Office  
238 West Town Street  
Norwich, CT 06360



PRSRRT STD  
US POSTAGE PAID  
YANTIC, CT 06389  
PERMIT #8