December 2010

Benewah/Kootenai FSA Office
PO Box 263
Plummer, ID 83851
208-686-1260 (phone)
208-686-1703(fax)
www.fsa.usda.gov/id

Hours
Monday - Friday
8:00 a.m. – 4:30 p.m.

County Committee
Dale Johnson
Herb Millhorn
Tom Rhode
Larry Hansen
Fred Muhs
Marcy Morris

Staff
Micki Linehan, CED
Nichole Swallows, PT
Tami Gauthier, PT
Angela Middleton, PT

Farm Loan Programs
Bardell Faux
208-746-9621

DCP and ACRE Signup, Advance Payments

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) and also the 2011 ACRE Program has begun and will continue through June 1, 2011.

Advance payments of 22% on the 2011 DCP program will be available starting December 1, 2010. The remaining 78% of your DCP payment will be issued after October 1, 2011. ACRE is a revenue based payment alternative to the price-based counter-cyclical (CC) payments.

In DCP, eligible producers receive direct payments at rates established by statute regardless of market prices. DCP or ACRE contract signatures for enrollment are due by the signup deadline of June 1, 2011. For more information producers can contact their local FSA office.

BCAP Update

Instructions for Biomass Conversion Facilities (BCFs) to become approved BCAP-certified facilities are anticipated in the next few weeks. The actual Memorandum Of Understanding (MOU) or agreement will be similar to the first pilot phase program but will contain new language that will address requirements of the new regulation. Biomass Conversion Facilities may wish to contact the FSA State Office to make sure they are notified when this information is received. BCFs and interested producers can also watch the national website for further BCAP information at www.fsa.usda.gov under Energy Programs.

All BCFs must complete and submit the MOU, along with any other documents or permits required by the notice. This is the first step in the BCAP process. Additional notices dealing with project area proposals and new procedure on the collection, harvest, storage and transportation cost portion are also scheduled to be released shortly. The new BCAP regulation has significant changes in required conservation plans, fair market value and eligible material that will be explained in future notices.

IRS Form 1099-G

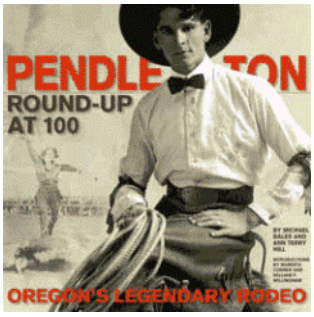
Each year producers receive 1099-G forms from the Commodity Credit Corporation (CCC) detailing payments producers have received from the CCC. CCC's annual report of program payments on the 1099-Gs help our customers report taxable income. It is not intended to replace the producer's own responsibility to report income to the IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

Commodity Loans

Commodity loans, also referred to as Marketing Assistance Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. During the term of the loan, loss of beneficial interest is a violation of loan provisions.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.



Maintaining the Quality of Loaned Grain

This year's large grain crop has its obvious up side, but there is a downside too. Many producers are hard pressed to find adequate storage for every bushel harvested. Overfilled grain storage bins can lead to grain quality problems.

Bins are ideally designed to hold a maximum volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

LDP Deadline on Unshorn Lamb Pelts

Eligible producers have until January 31, 2011, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2010 crop year.

To be eligible, producers must a) have beneficial interest in the pelts, b) own the lamb for at least 30 calendar days before the date of slaughter and c) sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have interest in.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States. The deadline is also for wool, mohair and unshorn pelts – loans or LDPs.

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 regularly borrow from FSA, direct and guaranteed loans are currently available.

If you've had a setback and your lender is reluctant to extend or renew your loan, ask your lender about an FSA loan guarantee.

Direct farm ownership loans or farm operating loans may be obtained from FSA for a maximum of up to $300,000. Guaranteed loans can reach a maximum of $1,119,000. Producers are encouraged to apply early so that the application and loan can be processed and funded in a timely manner.

To find out more about FSA loan programs, contact the county office staff.

Conservation Loan Program

The Conservation Loan (CL) Program provides farmers with the funds to implement conservation measures on their land. The available limit for a direct CL is $300,000, and the limit for a guaranteed CL is $1,119,000.

The Natural Resources Conservation Service (NRCS) will work with applicants to develop a conservation plan containing approved conservation practices. Examples of some conservation practices are: water conservation structures, forest cover, permanent pastures, manure digesters and other installations.

For more information on a potential Conservation Loan, call the local FSA office and make an appointment with a loan officer.

Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is $5,000.

Many farm and even city families have found the Youth Loan program an excellent means to introduce the next generation to the business of agriculture. Is there someone in your family who may qualify?

Beginning and Limited Resource Farmers

FSA sets aside targeted funding to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more that 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 % of the county's average size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

Loans for the Socially Disadvantaged

While all qualified producers are eligible to apply for Farm Service Agency loan programs, the FSA has provided priority funding for socially disadvantaged applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of a group.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Both operating loans and loans for the purchase or improvement of farms or ranches are available under this category.

Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

For more clarification on spousal signature authority, feel free to contact your local FSA office.

Continuous CRP

The Continuous Conservation Reserve Program allows participants to enroll acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

Continuous CRP program participation is voluntary. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental payments, incentive payments for certain activities, and cost share for establishment.

For more information on Continuous CRP enrollments or local Conservation Reserve Enhancement Program (CREP) availability, please contact your local FSA office or visit the website http://www.fsa.usda.gov/pas/publications/facts/html/crpcont03.htm.

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United States Department of Agriculture
Farm Service Agency

Paper Check Conversion (PCC)

Over the next year, the Farm Service Agency (FSA) and the Commodity Credit Corporation (CCC) are moving to an electronic method for processing checks from producers. This will allow FSA/CCC to process collections faster.

When producers present checks, either in person or through the mail, the checks will be converted into an Electronic Funds Transfer (EFT) and debited from the producer's account, usually within 24 hours of receipt.

Please see the U.S. Department of Treasury legal notices posted in the USDA Service Center office or visit the following U.S. Department of Treasury Internet site for detailed information:
https://www.pccotc.gov/pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm

Selected Interest Rates - December 2010	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.750%
Farm Ownership - Direct	4.125%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Conservation Loan	4.125%
Emergency	3.750%

Dates to Remember	
Dec. 6,	County Committee ballots due back to County Office
Dec. 24	Christmas Holiday-Offices Closed
Dec. 31	New Years Eve – Offices Closed
June 1, 2011	DCP / ACRE Filing Deadline

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