March 2012

Benewah/Kootenai Co 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
Tom Rohde
Larry Hansen
Dale Johnson
Herb Millhorn
Fred Muhs
Marcy Morris

The County Committee meets quarterly on the 1st Tuesday of the first full week of the month at 1:00 p.m.

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

Farm Loan Manager
Bardell Faux
208-746-9621 (phone)

County Committee Advisors

The Benewah/Kootenai County FSA Committee (COC) has named Marcy Morris of Kootenai County as COC Advisor. As the COC Advisor she will be a voice for under-represented groups and socially disadvantaged farmers and ranchers in the community. County committee members and their county executive directors, reach out to producer groups who are under-represented on county committees to find the right person to serve as Advisor. This will be Morris' third term and she will join the Benewah/Kootenai COC at their next meeting.

Advisors serve for a 12 month period not to exceed nine consecutive years. They attend each COC meeting, including executive sessions and they participate. One of their primary responsibilities is to increase awareness of and participation in FSA activities, including elections. They help develop interest and incentives for socially disadvantaged group members to consider FSA work as a career. Advisors also solicit candidates from socially disadvantaged groups for nomination during the election process.

CRP General Sign-Up

There will be a four-week Conservation Reserve Program (CRP) general signup which will begin on March 12, 2012 and end on April 6, 2012.

CRP is a voluntary program available to agricultural producers to help them use environmentally sensitive land for conservation benefits. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion and develop wildlife habitat. In return participants receive rental payments and cost-share assistance. Contract duration is between 10 and 15 years. Producers with expiring contracts and under CRP. Producers also are encouraged to look into CRP's other enrollment opportunities offered on a continuous, non-competitive, signup basis.

For more information on CRP and other FSA programs, visit a local FSA service center or go online at www.fsa.usda.gov.

New Continuous CRP Initiative

FSA has announced a new conservation initiative to protect up to 750,000 acres of the nation's most highly erodible croplands. This initiative will assist producers with targeting their most highly erodible cropland (land with an erodibility index of 20 or greater) by enabling them to plant wildlife-friendly, long-term cover through the Conservation Reserve Program (CRP).

Producers can enroll land on a continuous basis beginning this summer at their local Farm Service Agency (FSA) county office. With the use of soil survey and geographic information system data, local FSA staff can quickly determine a producer's eligibility for the initiative.

Producers are encouraged to contact the local FSA office or visit FSA's website at www.fsa.usda.gov/crp for additional information regarding CRP.

Loans: Land Contract Guarantee Program

The new FSA Land Contract Guarantee Program provides help to beginning farmers by offering guaranteed payments to landowners willing to sell and finance a land purchase to a beginning or socially disadvantaged farmer. The national program has two options. One guarantees up to three annual installment payments on the contract and the other guarantees 90% of the unpaid principal of the contract. This program can be used in the purchase of land for up to $500,000. Contact your local FSA office for further details.

DCP/ACRE Sign-Up

2012 Direct and Counter-Cyclical Program (DCP) enrollment runs from Jan. 23, 2012 through June 1, 2012. Here are some IMPORTANT REMINDERS:

- All producers planting on **DCP base** acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.
- Changes on the farm after enrolling June 1in DCP/ACRE **must** be reported to your local FSA office. Changes may include:
  - Ownership changes
  - Producer changes (Individuals and Entities)
  - Change in crop shares arrangements

Note: Changes cannot be made after Sept. 30, 2012.

Supplemental Revenue Assistance Program (SURE)

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the crop year 2010.

Sign-up for 2010 SURE losses continue through **June 1, 2012.** SURE is available to eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.
- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

Actively Engaged

USDA has amended the rules that govern the requirements to be '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) program administered by FSA.

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;
- The total direct payments received by the legal entity and each of the members can't exceed $40,000.

NAP Enrollment

Producers must apply for coverage before a disaster strikes. Noninsured Crop Disaster Assistance Program (NAP) applications for coverage must be filed using Form CCC-471 and the applicable service fees by the closing date. Application closing dates vary by crop. Benewah/Kootenai County producers can contact the FSA Office for specific crop application sales closing dates at: 208-686-1260.

Producers are reminded about the need for insurance coverage on crops in order to remain eligible for the agency's Disaster Assistance Programs such as SURE, Livestock Forage Program, Tree Assistance Program, and Emergency Livestock Assistance Program. Producers must purchase at least catastrophic (CAT) level of insurance for all insurable crops.

NAP provides coverage to producers for non-insurable crops when low yields, loss of inventory, or prevented planting occurs 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 **http://www.fsa.usda.gov**

1099-G - Advisory

Producers who have received payments from FSA should have received a CCC-1099-G. This is a report to the Internal Revenue Service about FSA payments to producers during the previous calendar year. The CCC-1099-G helps producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. Refunds will no

Continued on Page 3 CCC 1099-G

NOTICE TO HISPANIC AND/OR WOMEN FARMERS OR 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.

To register your name to receive a claims packet, call the Farmer and Rancher Call Center at 1-888-508-4429 or visit: www.farmerclaims.gov

The claims package will have detailed information about the eligibility and claims process.

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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 an eAuthentication user ID and password may 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.

Contact your local FSA office for assistance with the 1099-G refund and in locating the correct payment data.

MILC Requirements Reminder

Dairy producers must meet program requirements to maintain program eligibility. MILC participants must notify their local FSA office of any operation changes, such as a change in producer, shares, address or bank routing number.

Dairy producers applying for MILC payment must meet adjusted gross income (AGI) requirements by completing, "*CCC-931 - AGI Certification and Consent to Disclosure of Tax Information."*

For MILC enrollment, dairy producers must fill out, "CCC-580 - Milk Income Loss Contract" and select a start-month for payments. Current dairies in MILC can make changes to their start-month with certain restrictions.

Any start-month changes must be made on or before the 14th of the month before the selected MILC production start-month. The change must also be made before requesting payment and before the original MILC production start-month has passed.

Changes to the dairy operation start-month must be designated on "*CCC-580M - Milk Income Loss Contract (MILC) Modification."*

IMPORTANT - AGI Reconciliation Process

FSA's ***Adjusted Gross Income (AGI) Reconciliation Process*** begins when FSA is notified that the IRS has not received a valid ***"Consent to Disclosure of Tax Information"*** form. There are two distinct reasons why a producer appears on an FSA AGI Reconciliation Report: 1) IRS did not receive a consent form from the producer or 2) IRS rejected the consent form.

In these cases the IRS notifies the FSA National Office which then directs the producer's recording FSA County office to reconcile the report. The county office then contacts the producer to complete a **CCC-931** "***Average Adjusted Gross Income (AGI) and Consent to Disclosure of Tax Information".***

It is then the FSA County Office responsibility to mail the completed CCC-931 consent form to IRS. Failure to provide the required "*Consent to Disclosure of Tax Information"* forms may render a producer ineligible for FSA program benefits and require repayment of benefits received.

Marketing Assistance Loans

Marketing Assistance Loans, also referred to as Commodity 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. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

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.

Beginning and Limited Resource Farmers

FSA assists 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 percent of the county's median size.

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

GovDelivery – Your next step to save time and increase efficiency

The USDA Farm Service Agency offices are moving toward a paperless operation that saves tax payer dollars. Producers can now enroll in the new GovDelivery email system which provides electronic deadline reminders, bulletins and newsletters instead of printed paper documents through the mail.

County Committee ballots will continue to be mailed to all eligible producers. Producers can subscribe to receive free e-mail updates by visiting www.fsa.usda.gov/subscribe. Give it a try right now.

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating expenses or help purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these 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

Selected Interest Rates for March 2012	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.375%
Farm Ownership - Direct	3.375%
Limited Resource	5%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency (Actual Loss)	3.75%
Farm Storage Facility (7-Year loan term)	1.375%

Dates to Remember	
March 12	General CRP Signup Opens
March 15	Deadline for most spring-planted crop insurance purchase or change
March 15	Deadline for non-insured (NAP) spring crop coverage purchase at FSA
June 1	2012 DCP Enrollment closes
June 1	SURE Sign up closes

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