



ACRE/Farm Bill Training: Wednesday, July 15, 2009 @
2:00 p.m. @ the Iona City Building!
Bonneville FSA News

USDA
Idaho, Bonneville
FSA

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

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DCP & ACRE Signup Deadline

The Bonneville County FSA will hold an informational meeting on the ACRE program Wednesday July 15, 2009 at the Iona City Building located 3548 N Main. **Please call our office if you are planning on attending!**

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program has been extended until August 14, 2009. Signup in the ACRE option is also available through August 14, 2009. 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 percent 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.

This new ACRE program is authorized by the 2008 Farm Bill that began in crop year 2009. Through ACRE, USDA offers producers an alternative to Direct and Counter-cyclical (DCP) payments. The ACRE alternative provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price. ACRE payments are made when both state- and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments, receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. A decision to elect ACRE is irrevocable and binds the producer to the program through the 2012 crop year. An online calculator and ACRE fact sheet is available to producers by going to www.fsa.usda.gov and clicking on *Direct and Counter Cyclical Program/Acre* in the subject area on the left-hand side of the page an

then following the link to the spreadsheet.

FSA COC Nomination
Deadline

County committee members play a crucial role in helping the county office staff implement the Farm Bill Programs. . Right now, producers can have an impact on the election of the county committee by nominating eligible candidates by the August 3, 2009, deadline.

To become a nominee, eligible individuals must complete and sign form FSA-669A. The form and other valuable information about FSA county committee elections are available online at: <http://www.fsa.usda.gov>; click on News & Events, then County Committee Elections. Nomination forms for the 2009 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 3, 2009.

FSA county committee members make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. Members serve three-year terms. Nationwide, there are more than 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to five members who are elected by eligible local producers.

FSA will mail ballots to producers beginning Nov. 6, 2009. The completed ballots are due back at the local county office by Dec. 7, 2009 either via mail or in person. .

The deadline for the 2009 Crop Reporting has been extended to August 14, 2009. Please call the office and schedule an appointment now!!

Payment Limitation & Eligibility – Annual Notice to Producers

Producers participating in certain FSA programs are subject to limitations on the total annual payments that can be received. Under the 2008 Farm Bill, payments are limited by direct attribution. The maximum amount persons or entities can receive per year are: Direct payments - \$40,000; Counter-Cyclical (CC)/ACRE payments - \$65,000; SURE, LFP, LIP, and ELAP - \$100,000 combined; TAP - \$100,000; NAP - \$100,000; CRP and CREP rental/incentive payments - \$50,000; GRP - \$50,000; LDP and market loan gains - unlimited. With ACRE participation, the direct payment limitation will reflect a 20% direct payment reduction. The DCP CC/ACRE payment limitation will then be increased by the direct payment reduction amount.

The following provisions apply to certain programs: actively engaged in farming, cash rent tenant, foreign person, and average adjusted gross income (AGI). No program benefits will be provided until all required forms are filed and determinations are complete. Producers determined not actively engaged in farming are ineligible for any payment which requires such a determination. Determinations may be initiated by COC or requested by a producer.

All payment eligibility forms are subject to spot check through the end-of-year review process. Producers selected for spot check must provide adequate documentation to support that: inputs used to determine contributions to the farming operation were significant; contributions were at risk and were commensurate with claimed shares of the farming operation; applicable “common attribution” determinations were correct; land ownership was accurately reported when the landowner rule was used; the producer was in compliance with applicable AGI limits; and any other factors pertinent to the original determinations are substantiated.

Statute requires that entities earning program benefits that are subject to limitation provide members’ names, addresses, and tax identification numbers to COC. After 2009, a farm operating plan is not required to be filed annually, if the farming operation continues to be conducted as reflected on the operating plan and supporting documents are on file in the County Office. If any changes occur that could affect the determinations, producers must timely notify the County Office by filing revised forms and applicable supporting documentation.

AGI noncompliance, either by exceeding applicable limitations or failure to submit a certification statement, will result in ineligibility for all program benefits subject to AGI provisions. Program benefits to legal entities shall be reduced by an amount that is commensurate with the direct and indirect interest held by ineligible members.

Online Services

Producers, if you have Internet access you can electronically log on, fill out and print a variety of FSA paper forms in the comfort of your home as your schedule allows. You can also register for secure electronic access that will allow you to electronically sign and transmit some forms directly to the county office staff. If you are new to the website, first you will want to obtain a Level 2 USDA Service Center Customer ID and password at: <http://www.eauth.egov.usda.gov/> and then click on "Create an Account Page" link.

USDA eAuthentication is the system used by USDA agencies to enable customers to obtain accounts that will allow them to access USDA Web applications and services via the Internet. This includes things such as submitting forms electronically, filing eLDPs, completing DCP contracts, filling out surveys online, and checking the status of your USDA accounts.

Changes in Payment Limitations

The payment limitation provisions over the last 39 years have been expanded to more programs. Some of the changes in this area are listed below.

New forms for 2009 and subsequent years

Anyone that plans to participate in 2009 programs is required to submit a completed CCC-902, CCC-926, and CCC-901, if applicable, for payment eligibility and payment limitation purposes. The form used prior to 2009 was named CCC-502.

Another change for 2009, all must make a contribution in an entity

All partners, stockholders, or members with an ownership interest in the legal entity must make a contribution, whether compensated or **not** compensated, for active--*

- personal labor,
- active personal management,
- or a combination of active personal labor and active

personal management to the farming operation;

- *Note: there are exceptions for spouses.

Person or Legal Entity Payment Limitations	Limitation (in Dollars)
Program Payment Type	2009/ 2010/ 2011/20012
Commodity Programs	
Counter-cyclical and Average Crop Revenue Election (ACRE), except peanuts	65,000 <u>1/</u>
Counter-cyclical and Average ACRE payments on peanuts	65,000 <u>1/</u>
Direct payments on covered commodities except peanuts	40,000 <u>2/</u>
Direct payments on peanuts	40,000 <u>2/</u>
Conservation Programs	
Conservation Reserve Program (CRP) annual rental payment.	50,000
Cost Conservation Stewardship Program (CSTP) for FY 2009-2012	200,000
Environmental Quality Incentives Program (EQIP) FY 2009-2012	300,000
Grassland Reserve Program (GRP)	50,000
Wildlife Habitat Incentives Program (WHIP)	50,000
Wetlands Reserve Program (WRP)	50,000
Disaster Assistance Programs	
Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP); Livestock Forage Disaster Program (LFP); Livestock Indemnity Program (LIP); Supplemental Revenue Assistance Program (SURE)	100,000
Noninsured Crop Disaster Assistance Program (NAP)	100,000
Tree Assistance Program (TAP)	100,000
Loan Deficiency Payments (LDP); Marketing Assistance Loans; Marketing loan gain (MLG)	No limits

1/ Under ACRE, this amount will be a combined limitation for counter-cyclical and ACRE payments. If a person or legal entity has a direct or indirect interest in payments earned on a farm participating in ACRE, this limitation will reflect an increase for the amount that direct payments are reduced.

2/ If the person or legal entity has a direct or indirect interest in payments earned on a farm that is in ACRE, this limitation will reflect a 20 percent reduction in direct payments on each far that is participating in ACRE.

Additional information on payment limitations is available at FSA county offices or on line at: www.fsa.usda.gov

Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by **August 1** for farms enrolled in specific programs.

The following are the different methods used when doing a farm recon:

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

FSA Farm Loans

The Farm Service Agency (FSA) offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit elsewhere. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers may have suffered setbacks from natural disasters or may have limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum in-



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debtedness of \$1,094,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration.

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 type loans and/or 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 members of 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 the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. Applicants must fully qualify and be unable to obtain credit from another source.

Crop Reporting Deadline Extended to Aug. 14, 2009.

Dates to Remember	
July 15, 2009	ACRE/Farm Bill Training 2 PM @ Iona City Building 3548 N Main Iona, ID 83427
Aug. 3, 2009	Deadline to file COC Nomination
Aug. 14, 2009	DCP / ACRE Signup Deadline
Continuous	Continuous Conservation Reserve Program

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