April 2010

Lost River FSA News

USDA
Butte/South Custer
FSA

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Hours
Monday - Friday
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The ACRE Program

The Average Crop Revenue Election (ACRE) began in crop year 2009. Through ACRE, the Farm Service Agency (FSA) 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.

The enrollment deadline for 2010 ACRE is June 1, 2010.

ACRE payments are made when both state- and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments. When electing ACRE, producers also agree to a 20-percent reduction in direct payments and a 30-percent reduction in loan rates.

A decision to elect ACRE binds the producer to the program through the 2012 crop year, the last crop year covered by the 2008 Farm Bill. For more details contact your local FSA office

Acreage Reporting

The acreage reporting deadline is fast approaching. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many FSA programs. For crops other than NAP (Noninsured Crop Disaster Assistance Program) crops, acreage reports are to be certified by the June 30, 2010 deadline.

Acreage reports on crops for which NAP assistance may be paid are due in the county office by the earliest of these two options: 1) June 30, 2010, or 2) 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

2010 DCP Signup

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) will continue through June 1, 2010. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2010 DCP contract.

USDA 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 2010, eligible producers may request advance direct payments based on 22 percent of the direct payment.

For more information on this or other programs, simply contact the nearest FSA office.

Census Counts Rural America

The USDA Farm Service Agency and the U.S. Census Bureau encourage all farmers and ranchers to complete the 2010 census. Census forms mailed in March to all residents in the U.S. and Puerto Rico contain only 10 questions. The census takes only 10 minutes to complete and mail back, postage-paid.

Counting everyone is critical to the security of rural communities. It ensures that more than $400 billion in yearly federal funding is allocated to communities for schools, broadband initiatives, hospitals, emergency services and public works. The census also determines the state's number of seats in the House of Representatives and will affect a state's gain or loss in house seats.

Completing the census is not only the law, but a tool to improve your voice on rural issues. Make sure you are counted.

NAP Loss Filing

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. The timely filing of a Notice of Loss is required for ALL CROPS INCLUDING GRASSES. For losses on crops covered by the Non-insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576 (notice of loss) in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Cold Storage Facility Loans

The Farm Storage Facility Loan program has been amended to allow producers to build cold storage facilities to store their fresh fruits and vegetables. To be eligible, cold storage facilities must have a useful life of 15 years and include:

- New structures suitable for a cold storage facility;
- New walk-in prefabricated permanently installed coolers suitable for storing fresh fruits and vegetables;
- New permanently affixed cooling, circulating and monitoring equipment;
- Electrical equipment integral to the proper operation of a cold storage facility;
- An addition or modification to an existing storage facility.

USDA will not make cold storage facility loans for portable structures, portable handling and cooling equipment, used, or pre-owned structures or cooling equipment or structures deemed unsuitable.

The maximum loan amount for a Farm Storage Facility loan is $500,000 per loan, which require a down payment of at least 15 percent. Applications must be approved before construction can begin. Loan terms of 7, 10 or 12 years are available depending on the amount of the loan.

Loans applications should be submitted to the administrative FSA county office that maintains the records of the farm or farms to which the application applies. If the commodities are produced on land that does not have farm records established, the application must be submitted to the FSA county office that services the county where the facility will be located.

For more information on this program or other FSA farm programs please contact your local FSA county office or www.fsa.usda.gov.

Direct and Guaranteed Loans

FSA 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.

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

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 indebtedness of $1,112,000. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it or who to contact to get it. To find out more about FSA loan programs, contact the county office staff.

Farm Reconstitutions

In program terminology, farms are *constituted* to group all tracts having the same owner and the same operator 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.

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.

If payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded. Request for recons should be filed by June 1.

NAP Records

Production records for individual crops need to be filed with your FSA office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable or verifiable and need to show crop disposition. We recommend producers submit 2009 production records as soon as harvest is complete. **All production records must be submitted by the subsequent crop year's final acreage reporting date.**

SURE

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the crop years 2008 through September 30, 2011. To be eligible for SURE payments, producers are required to obtain crop insurance on all crops in all counties or, for crops for which insurance is not available, producers must participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. However, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition

- crop of economic significance is a crop that has contributed or would have contributed at lease 5% or more of the total expected revenue from all crops on the farm

- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop producer or crop quality losses. Note also that losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

A SURE calculator is available at: **www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls**. The calculator is not official, but is intended for educational use. A fact sheet and backgrounder are also avail-

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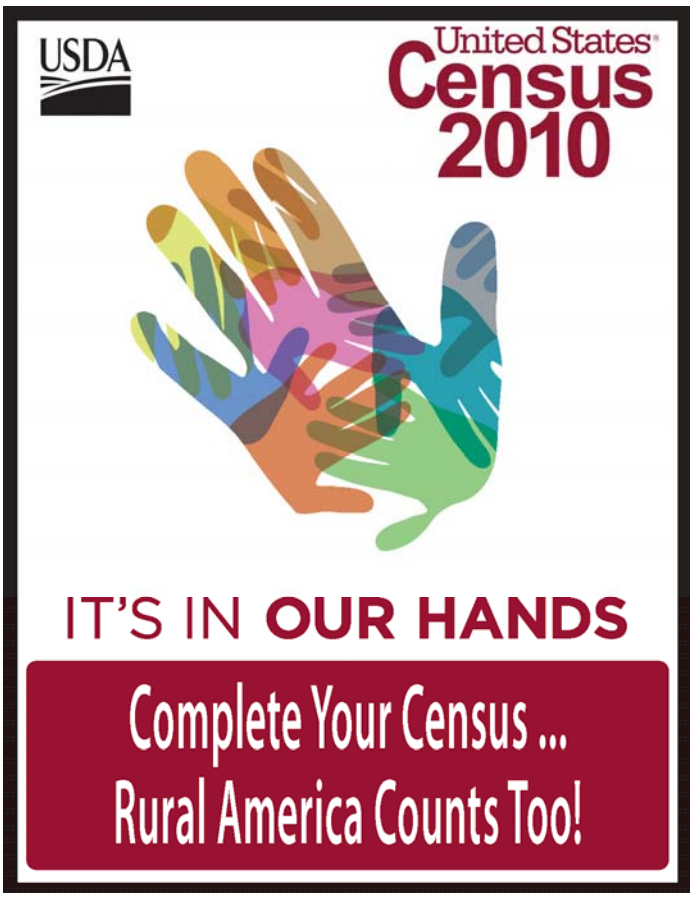
United States Department of Agriculture
Farm Service Agency



Dates to Remember	
June 1	DCP / ACRE Sign-ups Closes
June 1	Recons Should be filed
June 30	Acreage Report deadline
June 30	Last day to provide production for ACRE
June 30	Last day to provide production for NAP

Selected Interest Rates for April 2010	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	2.875%
Farm Ownership - Direct	5.00%
Farm Ownership - Direct Down Payment	1.50%
Emergency	3.75%
Farm Storage Facility	4.250%

Farm Safety

Flowing grain in a storage bin or gravity-flow wagon is like quicksand; it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical aspects of grain handling equipment, also presents a real danger. Augers, power take offs, and other moving parts can grab you or the clothing you might be wearing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Insure everyone is visibly clear and accounted for before machinery is engaged.

Your friends at FSA want all farmers to have a productive crop year, and that begins with putting safety first.

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