July 2012

USDA
Butte/South Custer County FSA
P.O. Box 69
125 S. Water St.
Arco, ID 83213-0069
208-527-8268 phone
208-527-3978 fax
www.fsa.usda.gov/id

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

County Committee

Herb Whitworth, Member
Dale Smith, Member
Byron Pehrson, Member
Travis McAffee, Member
Trent Smith, Member
Kayalin Mays, Advisor

Butte/South Custer County Staff

Tony Potter, CED
Marcie Williams, PT
Susan Wanstrom, PT

Dustin Carter
Farm Loan Manager
208-785-2092

FSA COC Nomination Deadline

County committees (COC) play a crucial role in helping county office staff implement Farm Bill programs. Producers can participate in the FSA county committee election process by nominating an eligible candidate by the Aug. 1, 2012, deadline.

To become a nominee, eligible individuals must sign form FSA-669A. The form and more information about FSA county committee elections is available at: http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/FSA669-A.PDF

During their three-year terms, FSA county committee members make decisions on disaster and conservation programs, emergency programs, commodity price support programs and more. Nationwide, more than 7,800 farmers and ranchers serve on FSA county committees. Committees consist of three to five members who are elected by eligible local producer voters.

Crop Certification Deadline

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting, or crop certification.

Form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. The producer certification deadline for all crops, except honey is July 15.

Filing an accurate and timely report for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-Cyclical Program, Marketing Assistance Loans and Loan Deficiency Payments.

Filing for NAP Losses

Form 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. Timely filing 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.

Over the Counter Channel (OTCnet)

FSA/CCC is implementing OTCnet, an electronic method for processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). Within 24 hours, the funds may be debited from the producer's account. Please see the U.S. Department of Treasury

Continued on Page 2: OTCnet

Continued from Page 1: OTCnet

notices posted in the Service Center or visit the following Department of Treasury site for detailed information: **http://fms.treas.gov/otcnet/legal.html**

What is OTCnet?

OTCnet is a web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's checking account. Benefits include reducing lost/misplaced checks, less paper handling, improved customer relations, more efficient check clearing process and reducing the potential for human error.

How will my check be handled?

The check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check

How quickly will funds be transferred from my account?

The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do **not** have sufficient funds, we may initiate the transaction again.

How will this transaction appear on my account statement?

The transfer of funds reflected on your account statement may be recorded in a different place on your statement. The transaction may appear under withdrawals" or "other transactions".

What are my rights if there is a problem with the transaction?

You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that a transaction reported on your account statement was not properly authorized or is otherwise incorrect.

Disaster Assistance

The Farm Service Agency would like to remind crop and livestock producers that have recently experienced severe damage from natural disasters that FSA programs are available to assist with recovery.

We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit their local FSA county office to get a quick start in the recovery process.

Fact sheets for all of these programs can be found at www.fsa.usda.gov; click on *Newsroom*, then *Fact Sheets*.

MILC Program

FSA's Milk Income Loss Contract Program (MILC) compensates dairy producers when domestic milk prices fall below a specified level. MILC payments are made when the Boston Class I milk price falls below $16.94 per hundredweight (cwt) as adjusted by the dairy feed ration adjustment. The monthly Boston price is posted online at: http://www.fmmone.com/Northeast_Order_Prices/NE_Prices_main_new.htm.

Eligible producers should have a contract on file and should check their current start month. Call the office for details. Producers new to the program are encouraged to apply before Sept. 30, 2012.

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 to purchase or improve farms or ranches.

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

Continued on Page 3: Loans

Continued from Page 2:Loans

A socially disadvantaged applicant is a member of a group that has been subjected to racial, ethnic or gender prejudice because of his or her identity as a group member 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. FSA loans are available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

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.

Foreign Landowner Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign persons who have purchased or sold agricultural land in the county to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property.

County government offices, real estate agents, attorneys and others involved in real estate transactions are advised to notify foreign investors of these reporting requirements.

Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate participant records is vital to ensuring that those payments are reported correctly.

Highly Erodible Lands and Wetland Compliance

Producers participating in most programs administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) are required to abide by certain stipulations on any land owned or farmed that is highly erodible or that is considered a wetland.

To be in compliance with the highly erodible land conservation and wetland conservation provisions, producers must agree, that they **will not**:

- Produce an agricultural commodity on highly erodible land without a conservation system;
- Plant an agricultural commodity on a converted wetland;
- Convert a wetland to make possible the production of an agricultural commodity.

Producers must notify the FSA and update Form AD-1026 if they plan to remove fence rows, convert woodlots to cropland, combine crop fields, divide a crop field into two or more fields, install new drainage, or improve or modify existing drainage. FSA will notify NRCS who will then provide highly erodible land or wetland technical determinations.

To get additional information on highly erodible land and wetland conservation compliance contact the FSA office or the NRCS office at a local USDA Service Center. Additional information about conservation programs offered by FSA can be found online at www.fsa.usda.gov/conservation, and information on NRCS programs can be found at http://www.nrcs.usda.gov.

Sign Up for FSA Fence Post Daily Updates

The Farm Service Agency Fence Post is an online newsletter that is updated on an almost daily basis. It contains articles of interest on the agency's programs and departments, as well as success stories from the field. To access Fence Post visit http://fsa.blogs.govdelivery.com/. Producers can sign up for weekly Fence Post updates by putting an email address in box that says "Get Email Updates."

Selected Interest Rates for July 2012	
Farm Operating - Direct	1.25%
Farm Ownership - Direct	3.375%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	3.375%
Farm Storage Facility – 7 year	1.125%
Farm Storage Facility – 10 year	1.625%
Farm Storage Facility – 12 year	1.875%

Dates to Remember	
July 4	Office Closed
July 15	Last Day to File Crop Report
Aug. 1	Last Day to file COC nomination form
Sept 30	NAP Signup Deadline Fall Seeded Crop
Sept 30	MILC application Deadline