



February 2010

Clearwater County FSA News

**Clearwater County
USDA
Service Center**

Clearwater County FSA
12730 Highway 12, Ste C
Orofino, ID 83544
208-476-4612 (phone)
208-476-7365 (fax)
www.fsa.usda.gov/

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

County Committee
Cory Brown
Earl Lawrence
Ross Triplett
Jean White

Staff
Karel Wemhoff, CED
Kathy Gruell, PT
Millie Lansing, PT
Justin Allen, PT

FSA Committee meetings are open to the public. Regular COC meetings are held the third Wednesday of each month at the Orofino USDA Service Center, beginning at 8:30 a.m.



County Committee Election Results

Congratulations to Earl Lawrence! Earl was re-elected to a second term to represent farmers from the Cavendish area on the county committee.

FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation.

The organizational meeting for the COC was held in January. Cory Brown will serve as the county committee chairman for 2010, and Earl will serve as vice-chairman.

Appeal Process

After an FSA official makes a decision on your request for USDA services or applications, you will be sent a letter informing you of the decision and options you can pursue if you disagree. Generally, program participants who disagree with the decision of the Agency Official have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All individuals who are not U.S. citizens, and who have purchased or sold agricultural land in the county, are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Marketing Assistance Loans

Marketing Assistance Loans for crop years 2009 through 2012 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 length of the nine month loan.

Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan even if you regain beneficial interest.

Commodity loan eligibility includes all the following:

- conservation and wetland protection
- beneficial interest rules
- crop reporting regulations
- care of the crop to ensure that the commodity meets and maintains Commodity Credit Corporation (CCC) minimum grade and quality standards.

For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical Program to be eligible for commodity loans.

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 removal or disposition of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

SURE

Signup is underway for the SURE Program for the 2008 crop year. The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster(s) that occurred in the crop

year 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops of economic significance in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage.

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.

Following are the conditions that trigger SURE eligibility:

- The farm experiencing the loss must be in a county declared a disaster county by the Secretary of Agriculture, or in contiguous counties.
- At least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition
- The crop of economic significance must be a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm
- Producers not residing in a county with a disaster declaration who show proof of an individual loss of at least 50% are also eligible to receive SURE payments for production losses or crop quality losses.

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: http://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 Q & A are also available online at www.fsa.usda.gov.

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 the FSA.

Every stockholder or member of a legal entity,

such as a corporation, does not have to contribute labor or management if 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 that altogether qualifies as a significant contribution to the farming operation;
- The total direct payments received, both directly and indirectly, by the legal entity and each of the members can not exceed \$40,000.

NAP Coverage Deadlines

NAP applications are due at different times according to the crop being insured. March 15th is the deadline to apply for coverage on spring crops. Producers should apply for NAP coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee MUST be filed by the crop sales closing date.

The current service fee is \$250 per crop per county with a maximum of \$750 per producer per county. The fee cannot exceed a total of \$1875 per producer for individuals with farming interests in multiple counties. Limited resource producers may request a waiver for service fees. Check with your local FSA office for more information on sales closing dates.

BCAP

The Biomass Crop Assistance Program (BCAP) provides financial assistance to producers or entities that sell and deliver eligible biomass material to qualified biomass conversion facilities (BCF) for use as heat, power, bio-based products or bio-fuels. Initial assistance will be for the collection, harvest, storage and transportation (CHST) costs associated with the delivery of eligible materials. Producers or entities who sell and deliver these materials can apply for FSA matching payments up to \$45 per dry ton.

An application must be submitted before the eligible material is sold and delivered to a BCF. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate. For more information, find the BCAP page of details at www.fsa.usda.gov.

Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the IRS review process. No actual tax data will be included in the report that IRS sends to USDA.

The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov>.

Farm Loan Programs

The FSA offers loans for eligible 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. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with 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 indebtedness of \$1,112,000. 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. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available.

For details please contact the county office staff for an appointment with a farm loan officer.

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

ACRE

The optional ACRE Program provides a safety net based on revenue losses, and replaces the price-based safety net of counter-cyclical payments under DCP. The June 1, 2010, signup deadline is mandatory for all participants - USDA will not accept any late-filed applications.

A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

Payments are based on planted or prevented planted acres of commodity crops. In order to receive a payment for the crop, there must be both a state and farm revenue loss. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, a farm's direct payment is reduced by 20%, and marketing assistance loan rates are reduced by 30%. Counter-cyclical payments are not earned under the ACRE program.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

Water Co FSA Office
 12730 Highway 12, Suite C
 Orofino ID 83544



PRESORTED STANDARD
 U.S. POSTAGE PAID
 Kansas City, MO
 PERMIT #BM-2175

Selected Interest Rates for February 2010	
Farm Operating - Direct	2.625%
Farm Ownership - Direct	4.875%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Evergency	3.75%
Dates to Remember	
Feb. 15	Presidents' Day - USDA Office Closed
Check with local office	Noninsured Crop Disaster Assistance Program Deadlines
March 31, 2010	Last day to obtain a 2009 Marketing Assistance Loan/LDP for grains & oilseeds except mustard
May 31, 2010	Last day to obtain a 2009 Marketing Assistance Loan/LDP for pulse crops & mustard
June 1, 2010	2010 DCP Sign up Deadline
June 1, 2010	2010 ACRE Sign up Deadline

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202)-720-6382 (TDD). USDA is an equal opportunity provider and employer."