



# NEWSLETTER



January 2012

## Clearwater County USDA Service Center

Clearwater County FSA  
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Orofino ID 83544

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(208) 476-7365 fax  
[www.fsa.usda.gov/ID](http://www.fsa.usda.gov/ID)

### Hours

Monday - Friday  
8:00 am - 4:30 pm

### County Committee

Cory Brown  
Earl Lawrence  
Ross Triplett  
Jean White

### Staff:

Karel Wemhoff, CED  
Kathy Gruell, PT  
Mildred Lansing, PT

## PUBLIC MEETING - February 1<sup>st</sup>

To learn more about the proposal to consolidate the Clearwater County FSA office and for the opportunity to express your thoughts, please plan to attend the FSA public meeting at the Orofino USDA Service Center, located in the Clearwater National Forest Supervisor's Office:

**February 1, 2012—2:30 P.M.**

This meeting is hosted by the Idaho FSA Management Team, and will be the only public meeting held to take public comment on USDA's proposed plan to consolidate the Clearwater County office.

## County Committee Election Results

Congratulations to Leroy Praest who was elected to represent farmers from LAA2 (Local Administrative Area 2) on the county committee. LAA2 is the central portion of Clearwater County and includes Gilbert Grade, Grangemont and Lower Fords Creek areas.

The committee members held their organizational meeting in January. Cory Brown was elected to serve as the county committee chairman, and Earl Lawrence was elected vice-chairman.

## 2012 DCP/ACRE Sign-up

2012 Direct and Counter-Cyclical Program (DCP) enrollment will begin Jan. 23, 2012 and will end June 1, 2012. **IMPORTANT REMINDERS:**

- 1) 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.
- 2) Changes on the farm after enrolling June 1<sup>st</sup> in DCP/ACRE **must** be reported to your local FSA office. This includes: Ownership changes; Producer changes (Individuals and Entities); Change in crop shares arrangements.

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

## Get GovDelivery – Instant News, Updates

Farm Service Agency offices are adopting an instant delivery, electronic option. Producers can now enroll in the new GovDelivery system which will provide notices, newsletters and reminders via email, rather than costly paper copies delivered through the mail.

FSA, like many other organizations, is working smarter and more efficiently. Conversion to electronic notifications via email helps conserve resources and save taxpayer dollars.

If you received this newsletter via GovDelivery, we already have an email address for you. If you want to change this address, please contact our office.

County Committee ballots will continue to be mailed to all eligible producers. Subscribe now to receive your free e-mail updates

## Supplemental Revenue Assistance Program (SURE)

The sign-up for recovery payment for 2010 losses under the Supplemental Revenue Assistance Program (SURE) runs through **June 1, 2012.**

SURE provides benefits for farm revenue losses due to natural disasters and 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.

## Noninsured Crop Disaster Assistance Program (NAP)

The noninsured crop disaster assistance program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date.

Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop for the following year. FSA requires that any production reported in a loss year be verifiable according to Agency specifications. NAP Losses must be reported within 15 days of disaster event or when loss becomes apparent.

## Commodity Loans

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

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling for full payment of 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.

## Farming Operation Changes

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when

changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

## Payment Limitations

Several FSA programs are subject to payment limitation provisions. Violation of any of these provisions may subject the producer to loss of payment and possible prosecution.

The following are current FSA program payment limitations:

| PROGRAM              | LIMIT     |
|----------------------|-----------|
| DCP Program          | \$40,000  |
| DCP CC / ACRE        | \$65,000  |
| CRP                  | \$50,000  |
| SURE, LIP, LFP, ELAP | \$100,000 |
| NAP                  | \$100,000 |
| LDP, Market Gain     | No Limit  |

## Payment Eligibility

Note that specific eligibility criteria exist for the DCP and ACRE programs. Contact the nearest county FSA Office for further information regarding these and other provisions: 1) actively engaged, 2) cash-rent tenant rule and 3) foreign persons.

### IMPORTANT NOTICE

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. FSA 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 with 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.

## IRS Form 1099-G

Producers annually receive their CCC-1099-G forms detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on the CCC-1099-G form is a service intended to help our customers report taxable income. It is not intended to replace the producers' responsibilities to report income to IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

## Appeal Process

After an FSA official makes a decision on your request for USDA services or application, you will be sent a letter informing you of the decision and options you can pursue if you disagree.

Generally, program participants 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.

## Blueprint for Stronger Service

For the long-term vitality of rural America, USDA is taking a close look at the way it does business. We must tighten our belt, just as many Americans are doing the same with their household budgets.

Due to many factors, including lower funding and staffing levels reflected in recent budgets passed by Congress, USDA must address its administrative costs, including its facility, office and lab operations.

Due mostly to attrition, staffing levels in Idaho have fallen significantly and it is not possible to keep every office open and still maintain the level of customer service our producers expect and deserve.

Using guidelines established in the 2008 Farm Bill a proposal to consolidate Owyhee, Lincoln, Payette and Clearwater offices has been brought forward. Their employees will transfer to nearby offices and USDA will hold public meetings in the next 30 days to discuss the proposal. Affected producers will be able to choose where they prefer to conduct business.

In the past few decades, American agriculture has become the second most productive sector of

## Blueprint *continued*

our economy, thanks to farmers, ranchers and growers adopting technology, reducing their debt, and effectively managing risk.

USDA is adopting these same lessons from the farm as a Blueprint for Stronger Service.

This Blueprint aims to build a modern and efficient service organization that is closely timed with technological innovations - and better suited to respond to 21st century agricultural challenges.

## Average Adjusted Gross Income (AGI) Provisions

For 2012, there are now four qualifying levels for AGI provisions as follows:

1) \$500,000 Nonfarm Income – if a person or legal entity has AGI nonfarm income that exceeds, \$500,000, the person or legal entity is ineligible for all commodity program payments and benefits.

2) \$750,000 Farm Income – if a person or legal entity has AGI farm income that exceeds \$750,000, the person or legal entity is ineligible for DCP direct payments only.

3) \$1,000,000 Nonfarm Income – if a person or legal entity has AGI nonfarm income that exceeds \$1,000,000, the person or legal entity is ineligible for all conservation program benefits unless at least 66.66% of total AGI is average adjusted gross farm income.

4) \$1,000,000 Total Farm and Nonfarm Income – if a person or legal entity has AGI farm and nonfarm income that exceeds \$1,000,000, the person or legal entity is ineligible for 2012 direct payments under DCP.

The new one-page form CCC 931 must be completed to authorize the AGI certification process in conjunction with the IRS. The new form combines CCC-926, CCC-927 and CCC-928. The average AGI is based on average adjusted gross income for the three taxable years preceding the most immediately preceding complete taxable year. For the 2012 program year, the 3 taxable years for AGI would include 2008, 2009 and 2010.

## Direct Attribution

For 2009 and subsequent crop years, payments will be limited by direct attribution rather than by "person." Under direct attribution, payments made to individuals remain unchanged. However, payments to legal entities such as corporations, limited partnerships, limited liability corporations and other similar entities are limited by attributing the payment to an individual based on his or her direct and indirect interest in the entity.



## FSA Signature Policy

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule: a spouse may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities. Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

For more clarification on spousal signature authority, feel free to contact your local FSA office.

## How to Sign Up for GovDelivery – Free Service / Quicker Information

Producers, owners and others interested in keeping up to date with important FSA program deadlines and information are strongly encouraged to sign up for GovDelivery. This new instant communication system allows newsletters, deadline reminders and bulletins to be sent right to your email address. Here are the simple steps to sign up.

- 1) To subscribe to updates, go to [www.fsa.usda.gov](http://www.fsa.usda.gov)
- 2) On the right side of the page under STAY CONNECTED, enter your email address in the box SIGN UP FOR UPDATES.
- 3) Click GO.
- 4) Under SUBSCRIPTION TOPICS, click the plus symbol (+) next to UPDATES BY STATE AND COUNTY.
- 5) Click the plus symbol (+) next to Idaho.
- 6) Click the check box next to “IDAHO STATE OFFICE NEWSLETTER AND UPDATES.”
- 7) Click the check box next to the COUNTY OR COUNTIES you wish to subscribe to; only subscribe to one county.
- 8) Scroll to the bottom of the page and click SUBMIT. A subscription notification will be sent to your email address.
- 9) If you do not receive an email notification, check your junk mail folder and mark the email as “not junk” to ensure proper delivery of future emails.

### ***Special Accommodations***

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

| <b>Selected Interest Rates for<br/>JANUARY 2012</b>                  |        |
|--|--------|
| Farm Operating - Direct  | 1.50%  |
| Farm Ownership - Direct  | 3.50%  |
| Farm Ownership - Direct Down Payment,<br>Beginning Farmer or Rancher | 1.50%  |
| Emergency  | 1.50%  |
| Farm Storage Facility (7-year)                                       | 1.375% |
| Commodity Loans  | 1.125% |

| <b>DATES to Remember</b> |   |
|--------------------------|---|
| Jan. 23-June 1           | 2012 DCP/ACRE sign up                               |
| Jan. 30                  | Sign-up ends Jan. 30, 2012, for LFP, LIP, and ELAP. |
| Jan 31                   | 2011 LDP Unshorn Lamb Pelts deadline                |
| Mar 15                   | NAP sales closing date for Spring planted crops     |
| June 1                   | 2010 SURE sign up ends                              |

USDA is an equal opportunity provider, lender and employer.