February 2011

USDA
Elmore County FSA
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Hours
Monday - Friday
8:00 a.m. - 4:30 p.m.

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Debbie Chandler
Chris Morrison

Farm Loan Officer:
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To view the newsletter on-line, go to www.fsa.usda.gov/idaho and click the newsletter link.

New CRP General Sign-up

New sign-ups for the Conservation Reserve Program (CRP) will begin on March 14, 2011, and continue through April 15, 2011. During the signup period, producers may offer eligible land for CRP's competitive general signup.

There are many types of CRP practices. Some include efforts to improve the level of water in the Snake River Aquifer and increased coverage for the Columbian Sharp Tailed Grouse. Producers will need to determine if they have land eligible, figure out the best practice for the land and make certain they have all the proper elements so they can obtain a high EBI ranking.

Land currently not enrolled in CRP may be offered in this signup provided all eligibility requirements are met. Additionally, current CRP participants with contracts expiring this fall may make new contract offers. Contracts awarded under this signup become effective Oct. 1, 2011.

To help ensure that interested farmers and ranchers are aware of the signup period, USDA has signed partnership agreements with several conservation and wildlife organizations that will all play an active role in USDA's 2011 CRP outreach efforts. Among others, Idaho FSA collaborates with NRCS and the Idaho Fish and Game Dept. who also partners with Pheasants Forever.

As administrator of the Conservation Reserve Program, FSA will evaluate and rank eligible CRP offers using an Environmental Benefits Index (EBI) that assists in calculating the environmental benefits to be gained from the contract. The EBI consists of five environmental factors (wildlife, water, soil, air and enduring benefits). Cost factors are also entered into the equation.

For more information call or stop by your local FSA office.

CRP Expiring?

There are over 117,000 acres of CRP expiring in 2011 around Idaho. You may be wondering how you as a landowner can maintain the conservation benefits that CRP is providing, while at the same time providing income generation to your agricultural operation. CRP can be an important "working lands" tool for Idaho landowners, by providing an annual rental payment while addressing important resource needs by planting perennial vegetation.

The first and easiest option is to try to reenroll the land in the next general CRP sign-up. As you know with CRP, the higher the landowner's Environmental Benefits Index (EBI) the more likely the offer is to be accepted. The easiest way to increase your EBI score is to improve your grass/forb planting to a more wildlife friendly mix or maybe install pollinator habitat.

A second option, if you have land in the eastern and southern part of the state is to see if you qualify for Idaho's State Acres For Wildlife Enhancement (SAFE). This program is a practice within CRP that is targeted at lands within Columbian Sharp-tailed Grouse range. SAFE is nearly the same as CRP in providing an annual rental payment, while having the landowner improve their parcel to provide important habitat for sharp-tailed grouse. SAFE is a continuous sign-up so there is no need to wait for the announcement of a general sign-up.

A third option is to convert your CRP into a grass-based agricultural operation. This means instead of breaking up that important sod and putting the land back into row crop production, you keep it in grass and instead turn to haying or grazing for income.

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SURE – 2009 and Later

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters. **SURE sign up for crop year 2009 losses runs from Jan. 10 to July 29, 2011. Deadlines for 2010 and 2011 crop years will be announced later.**

To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. This requirement does not apply for crops that are not of economic significance or where the administrative fee required to buy NAP coverage exceeds 10% of the value of the crop 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 conditions are required to 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 production 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.

Note that due to the need to wait for end of year market price data to make final SURE calculations, SURE assistance payments lag the crop year's end by one full year.

If you would like additional clarification call or stop by your local FSA office.

Sorghum Check-off Referendum Scheduled

USDA will conduct a referendum on the Sorghum Check-off Program Feb. 1-28, 2011, at local Farm Service Agency (FSA) offices. Ballots may be obtained in person, by mail or facsimile at county FSA offices, or via the Internet at www.ams.usda.gov/sorghumpage.

Any eligible person engaged in the production of importation of sorghum from July 1, 2008, to December 31, 2010, is eligible to participate. Individuals are required to provide documentation such as a sales receipt or remittance form that shows they engaged in the production or importation of sorghum.

Sorghum Checkoff is a national, coordinated, self-help marketing program designed to strengthen the position of sorghum in the market place, maintain and expand existing domestic and foreign markets and uses for sorghum, and develop new markets and uses for sorghum.

1099-G is in the Mail

Producers who have received payments from FSA are also receiving a CCC-1099-G in the mail. A CCC-1099-G is a report to the Internal Revenue Service regarding FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. It is not intended to replace the program participant's responsibility to report income to the IRS.

ATTENTION: Refunds are no longer reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database.

Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data.

Conservation Loan Program

A new loan program provides farmers with the funding necessary to implement NRCS approved conservation measures on their land. Available limits for a direct Conservation Loan (CL) $300,000, and the limit for a guaranteed CL is $1,119,000.

The Natural Resources Conservation Service (NRCS) will work with applicants to develop a conservation plan containing approved conservation practices. Examples of some conservation practices are: water conservation structures, forest cover, permanent pastures, manure digesters and other installations.

For more information on a potential Conservation Loan, call the local FSA office and make an appointment with your farm loan officer.

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 FSA.

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when 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; and

- The total direct payments received by the legal entity and each of the members does not exceed $40,000.

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 to the IRS to verify AGI compliance will be required from each producer or payment recipient. 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. These forms may be obtained from local FSA and NRCS offices or online at: http://forms.sc.egov.usda.gov/eforms/mainservlet.

BCAP – Two Phases

There are two categories of assistance in the Biomass Crop Assistance Program (BCAP). The first category provides financial assistance to producers or entities that deliver eligible biomass material to approved 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 who harvest, transport and store these materials can apply for FSA matching payments under the CHST. 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. County offices will validate payment requests with information in the county office.

In the second category of BCAP, incentives are provided to producers who enter into contracts with the Commodity Credit Corporation (CCC) to produce eligible biomass crops on contract acres within BCAP project areas. For this phase, Project Area Proposals are required and must be submitted to FSA for for review and approval. For more information, visit www.fsa.usda.gov/bcap .

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United States Department of Agriculture
Farm Service Agency

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The Natural Resources Conservation Service (NRCS) has several programs that are designed to assist a landowner in making this transition; the most notable is the Environmental Quality Incentive Program (EQIP). Your best bet is making an appointment with a NRCS representative to discuss options for technical and financial assistance in installing fencing, watering facilities, and improving range seeding as well as assistance in designing a prescribed grazing system on your property.

These options will help a landowner to both retain the resource benefits provided by the original enrollment in CRP as well as reward them for this benefit with a continued revenue stream. Interested landowners should contact their local USDA Service Center for more information.

Dates to Remember	
Feb. 21	Presidents' Day – office closed
Mar 14	CRP Sign-up Begins

Selected Interest Rates for February 2011	
Farm Operating - Direct	2.250%
Farm Ownership – Direct and Conservation Loan	4.750%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency	3.750%

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