August 2010

Idaho County FSA News

USDA FARM SERVICE AGENCY

Idaho County USDA Service Center

Idaho County FSA
102 South Hall Street
Grangeville ID 83530
208-983-1050 (phone)
208-983-0519 (fax)
www.fsa.usda.gov

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

County Committee
Joe Chicane
Chris Arnzen
William Kinzer
Karen Lustig

Staff
Julie Fowler, Acting CED
Susan Kennedy, PT
Amy Hall, PT

New CRP Sign-up Begins August 2, 2010

Agriculture Secretary Tom Vilsack announced that a general sign-up for the Conservation Reserve Program (CRP) would begin on August 2, 2010 and continue through August 27, 2010.

Land currently not enrolled in CRP may be offered in this sign-up provided all eligibility requirements are met. Additionally, current CRP participants with contracts expiring this fall covering about 4.5 million acres may make new contract offers. Contracts awarded under this sign-up are scheduled to become effective Oct. 1, 2010.

FSA will evaluate and rank eligible CRP offers using an Environmental Benefits Index (EBI) for environmental benefits to be gained from enrolling the land in CRP. The EBI consists of five environmental factors (wildlife, water, soil, air and enduring benefits) and cost. Decisions on the EBI cutoff will be made after the sign-up ends and after analyzing the EBI data of all the offers.

Those who would have met previous sign-up EBI thresholds are not guaranteed a contract under this sign-up. In addition to the general sign-up, CRP's continuous sign-up program will be ongoing. Continuous acres represent the most environmentally desirable and sensitive land. Contact your local County Office at 208-983-1050 to make an appointment. It will take several hours to process a bid so please make an appointment so we have time to fully service your bid.

Note: To see a list of CRP practices available in Idaho and their requirements go to the Idaho website at www.fsa.usda.gov/id and click on the Conservation Reserve Program Practice Sheets.

From the Idaho FSA State Committee:

Scott McLeod, Chair

Amy Woodworth-Wynn, Roberta Bodine and Matt Gellings, members.

Dear Idaho Farmers and Ranchers:

This is the first chance for the Idaho State Committee to tell all Idaho farmers and ranchers how honored we are to serve you. We are all producers and have worked with FSA programs for many years. We understand the importance of farm programs to your success and we will do everything possible to make sure Idaho producers get the best service from our many outstanding employees throughout the State.

Our emphasis for the month of August is the General sign-up for the Conservation Reserve Program. CRP is the largest conservation program in America and has produced untold benefits for American agriculture, wildlife and water quality.

When farmers sign a CRP contract we agree to many very important requirements in managing CRP land and maintaining conservation practices for the full term of the contract, even if we sell the land! Following are some important items to remember when you sign-up for CRP.

- If CRP land is sold you must make certain the new owner assumes the CRP contract. If not, you will be held responsible to refund all the payments received from the beginning of the contract, plus interest.
- In addition to returning all payments, CRP contact holders who sell land without a successor are subject to a penalty of 25% of the annual payment. The total refund you might have to make could easily exceed $100,000.
- There are instances when developers offer a large payment for CRP land. Re-

member, many of those buyers may not be eligible for CRP because of their high incomes. Be sure to talk to the buyer about succeeding to the contract or make arrangements on who repays if the contract term is violated. Make these agreements, in writing, before you make the sale.

- You are responsible to control weeds on CRP ground. You cannot plant and then walk away for 10 years. The penalties for not controlling weeds can be as severe as terminating the contract. You could be required to refund all the payments.
- The CRP agreement you sign is a serious contract. Make sure you understand all the details.

The State Committee has already heard appeals from producers who sold their land without a successor or did not control weeds. Except in very unusual situations, federal rules do not allow us to forgive repayment and penalties.

CRP is a great program and we look forward to working with all Idaho producers in the years to come.

Sincerely,
Scott McLeod, Amy Woodworth-Wynn, Roberta Bodine and Matt Gellings

ACRE Yield Data Deadline Extended

The deadline for 2009 production certification to comply with ACRE was extended until September 1, 2010. The extension is for completing both the farm benchmark yield (2004 through 2008) and the actual farm yield (2009). Participants in the 2009 ACRE program must certify their yields by September 1, 2010 to remain eligible for ACRE benefits.

Actively Engaged

FSA wants to remind producers about 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 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; and
- The total direct payments received, both directly and indirectly, by the legal entity and each of the members can't exceed $40,000.

Wetland Compliance

Producers renting or purchasing land that may have a converted wetland status need to check with the county office to learn if there are restrictions.

Farm Bill regulations provide that, unless exempt, persons are ineligible for benefits under certain programs administered by USDA if they:

- plant an agricultural commodity on wetland that was converted after December 23, 1985
- convert a wetland after November 28, 1990
- FSA may not approve any loan or loan guarantee to drain, dredge, fill, level or otherwise manipulate a wetland, or to engage in any activity that results in impairing or reducing the flow, circulation or reach of water except in the case of activity related to the maintenance of previously converted wetlands.

The following provides permitted uses and restrictions of certain wetlands for compliance with Wetland compliance provisions:

- wetlands can be farmed under natural conditions, but not converted
- wetlands converted before November 28, 1990, cannot be planted to an agricultural commodity and retain eligibility for benefits

- wetlands converted after Nov. 28, 1990, must either be restored to wetland status or mitigated to regain eligibility for program benefits.
- wetlands that can be farmed under natural conditions cannot be manipulated in any way, unless the Natural Resources Conservation Service determines the work would have a minimal effect on the wetland values
- wetlands converted before December 23, 1985, can be farmed and maintained

Additional information about wetlands is available at the USDA Service Center.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continuous beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. 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 the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation 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 and/or ACRE Programs 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 removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Preventing Fraud

The Farm Service Agency supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA.
Producers can report suspected cases to the FSA office, RMA, or the Office of the Inspector General.

Beginning and Limited Resource Farmers

FSA assists beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- has operated a farm for not more that 10 years
- will materially and substantially participate in the operation of the farm
- agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- does not own a farm in excess of 30 percent of the county's average size

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov .

Idaho Co FSA Office
102 South Hall
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United States Department of Agriculture
Farm Service Agency

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Electronic Services Available

If a producer has Internet access, program participants can access many services from home 24 hours a day, seven days a week, and receive approval and payment by direct deposit within 48 hours. To participate in these services, you must meet all program eligibility requirements. Online services have stringent security measures to protect your private information.

To utilize electronic services a producer needs an active USDA eAuthentication Level 2 account, which requires an e-mail address and filling out an online registration form at http://www.eauth.egov.usda.gov/ followed by a visit to the county office for identity verification.

Contact your local USDA Service Center for more information.

Selected Interest Rates for August 2010	
Farm Operating - Direct	**2. 5%**
Farm Ownership - Direct	**4.6%**
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	**1.500%**
Emergency	**3.750%**

Dates to Remember	
August 2	Deadline to submit COC election nominations
August 2	CRP Sign-up begins
Sept 1	Deadline for ACRE benchmark (2004-2008) actual 2009 yield
Sept 6	Office closed for Labor Day
Sept 30	NAP sign-up deadline for fall seeded and perennial grass seed for the Northern District.

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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."