

# USDA



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8:00 am - 4:30 pm

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**In This Issue:**

- >1099-G Changes
- >DCP Signup
- >Direct/ACRE Signup
- >AGI/CCC-927 or 928
- >Actively Engaged
- >Appeal Process
- >Final date to request  
Loans and/or LDP's
- >CCC-633
- >Foreign Land Owners
- >SURE Program
- >NAP Deadline
- >BCAP
- >Stressed Farmers
- >Crop Report Deadline
- >Dates to Remember



# Jefferson Clark FSA News

February 2010

## 1099-G Changes

Producers who have received payments in 2009 from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

When the CCC-1099-G is received, it should be compared with your records to see if the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Participants with an e-Authentication 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 questions concerning the 1099-G refund information, contact the Jefferson/Clark County FSA office for assistance in locating the correct payment data.

## 2010 DCP Signup

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2010. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2010 DCP contract.

USDA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2010, eligible producers may request an advance which is 22% of the direct payment.

## Direct/ACRE Signup

**For producers who have already signed up for ACRE you must complete form 658, on this form you are certifying the previous 6 years of production (2004-2009). We need this information by June 30, 2010 to accurately compute your 2009 ACRE Payment.**

The optional ACRE Program provides a safety net based on revenue losses and acts in place of 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%, marketing assistance loan rates are reduced by 30%, and the farm will not receive counter cyclical payments.

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.

## ***Adjusted Gross Income***

**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. We will not be mailing out these forms in a mass mailing.**

**This is applicable to not only FSA Payments but also NRCS.** If these forms are not submitted timely then you will be required to **refund all payments** that you have received in 2009. These forms may be obtained from Jefferson/Clark County FSA offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>

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.

## ***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.

## ***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.

## ***Final Date to request Loans and LDP's***

Don't let these dates get away from you. The following 2010 crop-year final loan and LDP availability dates on listed commodities are provided for your information and action:

**March 31, 2010:** Barley, canola, crambe, flaxseed, oats, rapeseed, wheat, sesame seed, and honey.

**May 31, 2010:** Corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, small chickpeas, soybeans, and sunflower seed.

## ***Sign CCC-633***

**CCC-633 EZ for all crops, wool, mohair, and unshorn pelts: You are reminded that the CCC-633 EZ, page 1 MUST be filed before losing beneficial interest.** Page 1 may be submitted for the 2010 crop year anytime **after** January 1.

Producers should complete page 1 of the EZ form as soon as possible for their 2010 crop year wool, mohair and unshorn pelts. If you sell wool immediately after shearing, protect your eligibility for the wool LDP by having page 1 completed and on file in our office before shearing takes place.

The CCC-633 EZ page 1 must also be signed and on file before invoicing, receiving payment, or delivery for slaughter to protect your interests in unshorn pelts. Once page 1 is completed, producers can request benefits any time during the period that loans or LDPs are available, before or after losing beneficial interest by completing page four.

By signing the first page of the EZ form, producers indicate their intentions to receive LDP benefits. This one page covers all counties and all eligible harvested commodities for the entire crop year for the individual, joint operation or entity identified on the form. Producers are encouraged to submit CCC-633 EZ, page 1 each crop year whether or not you plan to request a loan or LDP. Signing page 1 does not negate your ability to obtain a marketing assistance loan (MAL). However, when page 2, 3, or 4 is received in the county office, the applicable requested quantity is no longer eligible for a MAL. Remember, page 1 of CCC-633 EZ is crop year specific and does **not** apply for subsequent crop years.

## ***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 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.

## ***SURE Program***

Currently SURE Program sign ups are being taken for the 2008 Crop Year. The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster that incurred starting 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.

The following are the conditions that trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an **eligible disaster** condition if you are in a disaster declared county
- 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
- the farm experiencing the loss **must be in a county declared a disaster county** by the Secretary of Agriculture, **or in contiguous counties.**
- those producers who show proof of an individual loss of at least **50%** in non-designated disaster counties 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 sales.

## ***NAP Coverage Deadlines***

Be sure to contact the Jefferson/Clark County FSA office for the Noninsured Crop Disaster Assistance Program (NAP) filing deadlines for your crops. NAP applications are due at different times according to the crop being insured. 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.

To qualify, a producer must share in the risk of producing an eligible crop.

## ***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. County offices will validate payment requests with information in the county office. For more information, find the BCAP page of details at [www.fsa.usda.gov](http://www.fsa.usda.gov)

## ***Stressed Farmers***

In the past year, the economy, inclement weather, drought and other factors have hurt many farming operations around the country. These events pushed some farmers to the emotional breaking point. The National Suicide Prevention Hotline is available to help. If you know a farmer or rancher who is under stress and is reluctant to ask for help, or if you just need to talk to someone, call 1-800-273-TALK (8255). Your call will be routed to the crisis center nearest you, where trained staffers are available 24/7. This nationwide service is free and confidential. For more information, go to <http://www.suicidepreventionlifeline.org/>. This service is not affiliated with the US Department of Agriculture.

***Crop/Acreage Reporting - Deadline is June 30, 2010***

Acreage reporting time will soon be here. Please remember that filing an accurate acreage report for all crops and land uses, including failed acreage, prevented planting acreage, and Conservation Reserve Program (CRP) acreage, can prevent the loss of benefits for a variety of FSA programs.

All crop acreage in CRP, pasture or orchards, winter planted crops, or fallow can be reported now. Don't forget, it is your responsibility to accurately provide a crop report by **June 30, 2010**. A report filed after this deadline carries with it a late filing fee.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date. Acreage reports on crops for which Noninsured Crop Disaster Assistance Program (NAP) has been paid are due in the county office by the **earlier of June 30<sup>th</sup>** or 15 calendar days **before the onset** of harvest or grazing of the specific crop acreage being reported.

Visit Idaho's FSA Website at: <http://www.fsa.usda.gov/id>

***2010 Dates to Remember!***

- Ongoing** : **Continuous CRP signup**
- March 15<sup>th</sup>** : **Deadline to purchase NAP Coverage on Spring Planted Crops**
- March 31<sup>st</sup>** : **Final day to request loan/LDP (if available) on 2009 barley, wheat, oats, canola, honey, rapeseed, flaxseed and sesame seed**
- May 31<sup>st</sup>** : **Final day to request loan/LDP (if available) on corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, small chickpeas, soybeans and sunflowers**
- June 1<sup>st</sup>** : **Final application date for 2010 Direct & Counter-Cyclical Program /ACRE**
- June 15<sup>th</sup>** : **Deadline to file CCC-927 or CCC-928 with the IRS**
- June 30<sup>th</sup>** : **Crop Report Deadline**

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