

USDA



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Hours:
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In This Issue:

- >ACRE Yield Deadline
- >CRP Sign-up
- >Message from the State Committee
- >CREP & Continuous CRP
- >Preventing Fraud
- >Commodity Loans
- >Farm Storage Facility Loan Program
- >Actively Engaged
- >Electronic Services Available
- >Dates to Remember



Jefferson Clark FSA News

August 2010

ACRE Yield Data Deadline Extended to Sept. 1st

Participants in the 2009 ACRE program must certify their yields by September 1, 2010 to remain eligible for ACRE benefits. This extension is for completing both the farm benchmark yield (2004 through 2008) and the actual farm yield (2009).

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 be from August 2nd to August 27th, 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 (water, wildlife, 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 Jefferson/Clark County Office at (208) 745-6664 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. Remember, 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*

CREP & Continuous CRP Available

The Conservation Reserve Enhancement Program (CREP) allows farmers and ranchers to voluntarily enroll environmentally sensitive land into a program that decreases erosion, restores wildlife habitat and safeguards ground and surface water. CREP is a partnership with federal and state government and is limited to specific geographic areas.

Environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP) or Continuous CRP will be eligible for annual rental payments and cost-share of up to 50 percent on approved practices.

These programs will remain funded, and continue to provide heightened environmental benefits on select areas.

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.

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.

Farm Storage Facility Loan Program

The Farm Service Agency (FSA) Farm Storage Facility Loan Program (FSFL) provides low-interest financing for producers to build or upgrade farm storage and handling facilities.

The following are some of the commodities eligible for farm storage facility loans: wheat, barley, corn, oats, grain sorghum, minor oilseeds, lentils, chickpeas and dry peas, hay, renewable biomass, or fruits (includes nuts) and vegetables (cold storage facilities).

An FSA farm storage facility loan must be approved by the local FSA county committee before any site preparation and/or construction can be started.

The following types of facilities and upgrades are eligible for farm storage facility loans:

- New conventional bins designed and engineered for whole grain storage having a useful life of at least 15 years.
- New oxygen-limiting structures and remanufactured oxygen-limiting structures built to original manufacturer's specifications and other upright silo-type structures designed for whole grain wet storage having a useful life of at least 15 years.
- New flat-type storage structures, with permanent floors and bulkheads, designed and primarily used to store whole grain for the loan term.
- New electrical equipment integral to the proper operation of the grain storage and handling equipment, excluding the installation of electrical service to the electrical meter.
- New safety equipment, as required by CCC and meeting the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) requirements, such as interior and exterior ladders and lighting.
- New equipment to improve, maintain or monitor the quality of stored grain, such as cleaners, moisture testers, and heat detectors, installed in conjunction with a proposed storage facility.
- New concrete foundations, aprons, pits, and pads, including site preparation, labor and material, essential to the proper operation of the grain storage and handling equipment.
- Renovation of existing farm storage facilities, under certain circumstances, if the renovation is for maintaining or replacing items that have a useful life of at least 15 years.
- New permanently affixed grain handling and grain drying equipment determined by CCC to be needed and essential to the proper operation of a grain storage system (with or without a loan for the storage facility).
- New structures that are bunker-type, horizontal or open silo structures, with at least 2 concrete walls and a

concrete floor, designed for whole grain storage or other-than-whole-grain storage and having a useful life of at least 15 years.

- New structures suitable for storing hay built according to acceptable design guidelines and having a useful life of at least 15 years.
- New structures suitable for storing renewable biomass built according to acceptable industry guidelines and having a useful life of at least 15 years.
- New cold storage buildings, including prefabricated buildings, suitable for storing fruits and vegetables having a useful life of at least 15 years. Also may include permanently affixed cooling, circulating, and monitoring equipment and electrical equipment including labor and materials for installation of lights, motors and wiring integral to the proper operation of a cold storage facility.

The following are some of the terms for farm storage facility loans:

- A 15 percent cash down payment is required
- Loan terms available are seven (7) years, ten (10) years or twelve (12) years depending on the amount of the loan.

The maximum loan amount through the Farm Storage Facility Loan Program is \$500,000 per loan.

Please contact FSA for complete information on terms, regulations, costs to applicant, eligibility, and interest rates.

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.

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.

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

2009 - 2010 Dates to Remember!

- Ongoing** : Continuous CRP signup
- August 1st** : Deadline to Request Recons for farms not enrolled in DCP
- August 2nd** : Deadline to file Nomination for COC
- August 10th** : Jefferson/Clark County Committee Meeting at 10:00 a.m.
- September 1st** : Proven Production for ACRE Deadline (2004-2008) and 2009

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