September 2009

Twin Falls FSA

"Tater Talk"

USDA
Twin Falls County FSA

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Twin Falls, ID 83301

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Hours
Monday - Friday
8:00 a.m. – 5:00 p.m.

County Staff

Lance Phillips – CED
Candy Hansing – PT
Susan Kime – PT
Jenae Prescott – PT
Angela Sandoval – PT

County Committee
Carol Wells–Chair LAA 1
Kent Lierman – LAA 2
FT Freestone – LAA 3

Dairy Program Update

Milk Income Loss Contract Program – (MILC)

FSA's MILC program is coming to the end of the 2009 Fiscal Year as of September 30th. The 2009 program has been a great success helping support low milk prices by providing monthly payments to milk producers for up to 2.985 million lbs of milk production. Payments have varied based on the month of production (See Table)

MONTH	FINAL RATE / CWT.
February 2009	$1.5135236
March 2009	$2.0056091
April 2009	$1.5862812
May 2009	$1.4672530
June 2009	$1.8411388
July 2009	$1.5435000

MONTH	UNADJUSTED RATE / CWT.
August 2009	$1.6425
September 2009	$1.242

As Fiscal Year 2010 begins October 1st , the milk MILC program production counter is reset, and milk prices are expected to continue to be low, dairy producers are reminded that if a different start month is desired for the new fiscal year, producers need to select their 2010 start month by the 14th of the preceding month in order to continue to receive MILC program payments.

If a new start month for 2010 is not selected, the same month that was selected in 2009 will automatically be selected again. The deadline for selecting October as a new start month is **September 14, 2009**.

Dairy Indemnity Payment Program – (DIPP)

DIPP indemnifies dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because it has been contaminated by 1 of the following:

- Pesticides
- Nuclear radiation or fallout
- Toxic substances and chemical residues other than pesticides.

Dairy producers who lost milk due to eligible criteria should file an application with the Twin Falls FSA office to receive program benefits.

Farm Storage Facility Loan Program Changes

The Farm Storage Facility Loan (FSFL) program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is $500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, soybeans, oats, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Fruits (including nuts) and vegetables
- cold storage facilities

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

NAP Coverage - Deadlines & Details

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

See page 4 for 2010 NAP coverage application deadlines for Idaho.

Producers who already have coverage on 2009 NAP crops may choose to continue coverage on the same crop or crops for 2010, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops.

For more information on NAP coverage please contact your nearest Farm Service Agency office.

Conservation Programs

Continuous Conservation Reserve Program (CCRP)

The Continuous Conservation Reserve Program is a private lands environmental improvement program that allows participants the opportunity to enroll <u>environmentally sensitive acreages</u> in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

The Continuous CRP program is a voluntary enrollment program. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost share for establishment.

For more information on Continuous CRP enrollments, please contact your local FSA office.

Conservation Reserve Enhancement Program (CREP)

With ground water curtailments enacted in the Magic Valley this year, FSA's CREP program may be a viable option for producers who may be affected by future curtailments.

Idaho's CREP program focuses on setting aside land that draws well water from the Eastern Snake Plain Aquifer. CREP participants voluntarily enroll in 14 to 15 year Conservation Reserve Program (CRP) contracts with USDA's Commodity Credit Corporation (CCC) through FSA.

The goal of the program state wide is to enroll 100,000 acres of eligible irrigated cropland to reduce irrigation water use, increase water quality, reduce soil erosion and sedimentation and increase wildlife populations. Cropland must be eligible for CRP under normal CRP rules. In this CREP project area, irrigated cropland must be located within a State CRP Conservation Priority Area, or meet CRP's highly erodible land eligibility requirements.

In addition, cropland must:

- Have been irrigated by ground or surface water sources other than the main stem of the Snake River, at a rate no less than ½-acre-foot per acre for 4 out of the 6 years, 1996-2001;
- Have been irrigated or included in an IDWR mitigation plan within 24 months prior to offer submission; and
- Be physically and legally capable of being irrigated in a normal manner at the time offers are submitted.

(Note: Non-irrigated center pivot corners will not be eligible for enrollment in this project.)

Before CCC can approve a CREP contract, the producer must enter into a water use contract with the State of Idaho. The contract, "Agreement Not to Divert Water from the Eastern Snake Plain Aquifer," covers all irrigated cropland to be enrolled in CREP.

If enrolled a producers water right to the land is not lost and will be restored at the end of the contract. Property under a curtailment will not be eligible for the CREP program. Rates for yearly rental average around $130 / acre not including yearly maintenance payments and cost share for installing practices.

More information on the Idaho Eastern Snake Plain Aquifer CREP is available at local Farm Service Agency (FSA) offices.

DCP Succession in Interest

If you have made changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these ***successions-in-interest*** to the county committee by Sept. 30, so a final determination can be made on who is eligible for the program on the farm.

Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including a an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm.
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the "predecessor," are required to refund any advance

DCP payments you received for the affected base acres before a payment can be made to the "successor." Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

Crop Residue Burning

The Idaho Department of Environmental Quality (DEQ) manages crop residue burning in the Magic Valley. DEQ would like to remind growers who have registered their fields to contact DEQ When they are ready to burn their fields. DEQ wants to remind growers that burn days are limited to daylight hours generally between 11:00 a.m. – 4:00 p.m. and that burning on weekends and after sunset are prohibited by the Idaho legislature. For questions please contact Bobby Dye or J.R. Wolters at (208) 736-2190.

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 continual 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, 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.

Loan Deficiency Payments (LDP)

Loan Deficiency Payments (LDP's) are payments made to producers who, although eligible to obtain a CCC loan, agree to forgo the loan in return for a payment on the eligible commodity. For Twin Falls County **Barley** became an eligible LDP on 8/26/09.

For an LDP, the producer must retain beneficial interest in the commodity from the time of planting through at least the date the producer files Form CCC-633EZ (page 1) in the FSA county office. A producer controls the commodity when he/she retains the ability to make all decisions affecting the commodity, including movement, sale and the request for and repayment of a loan or LDP.

The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the alternative loan repayment rate (30 day posted county price or the daily posted county price) for the respective commodity. The LDP equals the LDP rate times the quantity of the commodity for which the LDP is requested.

Rural Youth Loans

The Farm Service Agency makes loans to eligible rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is $5,000.
Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor.The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.

Twin Falls County FSA Office
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Dates to Remember	
09/14/2009	Last date to select October for MILC program start month for FY 2010.
12/01/2009	NAP sales closing date for honey and all 2010 perennials, including alfalfa and grass
Continuous	Continuous Conservation Reserve Program / Conservation Reserve Enhancement Program
8/26/09	Barley LDP rate start date

Selected Interest Rates for September 2009	
Farm Operating Loans — Direct	3%
Farm Ownership Loans — Direct	4.875%
Farm Storage Facility Loans	3.125%

Beginning and Limited Resource Farmers

FSA assists eligible 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

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