

# Anderson County News

County Committee meets 1<sup>st</sup> Wednesday of the Month  
Members - Keith Hirt, Sandra Kueser, and Jason Beckmon

Farm Loan Programs – By Appointment

Phone (785)448-3128 Fax (785)448-5559



Jolene Alexander, County Executive Director

November 2010



OFFICE STAFF

Michelle Rockers, Brenda Hubler, and Denise King

FIELD ASSISTANT – Ryan Tastove

## 2011 DIRECT AND COUNTER-CYCLICAL PROGRAM (DCP) SIGNUP

Signup for the 2011 Direct and Counter-Cyclical Program (DCP) and Average Crop Revenue Election Program (ACRE) is underway and ends on June 1, 2011. Advance DCP and ACRE payments can be requested for any month from December 2010 to September 2011, and are 22% of the total payment. All producers on the farm must sign the contract agreeing to the shares, and new eligibility papers will need to be completed for those earning shares on the contract. Complete acreage reports are required to be eligible for payment, including any hay or pasture you have an interest in. Please call ahead for an appointment and we will have the paperwork ready to sign at your scheduled time. Be sure to let us know if you have any changes to your operation from the prior year.

The ACRE option provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price. ACRE payments are made when both state and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments, receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. The decision to elect ACRE binds the farm to the program through the 2012 crop year. Planted crops considered eligible for ACRE payments include: wheat, barley, oats, grain sorghum, corn, upland cotton, peanuts, pulse crops (dry peas, lentils, chickpeas or garbanzo beans), rice, soybeans, and other oilseeds (canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed).

## VOTING FOR COUNTY COMMITTEE BEGINS

Ballots for this year's county committee election were mailed to eligible voters in the Northern 1/3 of the county on November 5, 2010. Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on December 6, 2010. If mailed, ballots must be postmarked by midnight December 6, 2010.

The candidate in this year's election is Sandra Kueser, who was nominated in LAA 1, Anderson County, to serve as a committee member. Eligible voters in a local administrative area 1 who have not received a ballot should contact the FSA county office staff.

**Voter Requirements** Persons meeting requirements in **1 or 2, plus 3**, below, is eligible to vote:

1. Be of legal voting age and have an interest in a farm or ranch as either of the following:  
an owner, operator, tenant or sharecropper, *or*  
a partner in a general partnership or member of a joint venture that has an interest in a farm as an owner, operator, tenant or sharecropper; *or*
2. Not of legal voting age, but supervises and conducts the farming operations on an entire farm; *and*
3. Eligible to participate in any FSA program that is provided by law, regardless of the status of funding.

**Discrimination Prohibited** No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

## TRANSITION INCENTIVE PROGRAM (TIP)

The 2008 Farm Bill as amended provides \$25 million for the voluntary transition of land enrolled under an expiring CRP contract from a retired or retiring owner or operator to a beginning or socially disadvantaged farmer or rancher to return the land to production for sustainable grazing or crop production. Retired or retiring owners and operators who qualify under TIP may be eligible to receive annual rental payments for up to 2 additional years after the CRP-1 expiration date provided the transition is NOT to a family member. Family members of the retired or retiring owners or operators may participate in TIP; however, the additional 2 years of annual rental payments will NOT be paid. The retired or retiring owner or operator must agree to sell, have a contract to sell, or lease the land for a minimum of 5 years to a beginning or socially disadvantaged farmer or rancher before the CRP contract revision begins. The enrollment period for TIP is the year prior to the expiration of the CRP contract, which would be October 1 to September 30th.

## PAYMENT ELIGIBILITY REQUIREMENTS

Program payments that require eligibility determinations prior to payment include the Direct and Counter Cyclical Program, Conservation Reserve Program, Loan Deficiency Payments, Marketing Loan Gains, Milk Income Loss Contract (MILC) Program, and Disaster Assistance Programs. Certain eligibility requirements apply to some programs and not others.

No program benefits can be afforded any producer until form CCC-902, Farm Operating Plan for Payment Eligibility Review, and supporting documentation have been provided and County Committee determinations made. The Farm Operating Plan does not need to be filed annually. However, producers are required to notify the County Office of any changes in the farming operation which would affect an actively engaged in farming, cash-rent tenant, or foreign person determination. Changes that may affect a determination include, but are not limited to the following:

- Contract shares that may reflect a change of land lease from cash rent to share rent or a change from share rent to cash rent, modification of a variable/fixed bushel rent arrangement.
- The size of a producer's farming operation by the addition or deletion of a farm that may affect the application of a cropland factor.
- The structure of a farming operation, including any change in the member's share.
- Contributions of farm inputs of capital, equipment, active personal labor, or active personal management.
- The acquisition of farming interests not previously disclosed on CCC-902 or update, including the farming interests of a spouse or minor child.
- An increase in income that may affect the 3-year average for the determination of average adjusted gross income or other change that affects eligibility under the average adjusted income limitation.

By statute, entities earning program benefits subject to a payment limitation must provide to the county committee the names, addresses, and ID numbers of the entities' members. Signature authority is required for all entities.

Form AD-1026, Highly Erodible Land Conservation (HELIC) and Wetland Certification (WC), must also be on file and a County Committee determination made prior to receiving benefits for most programs. In addition certain programs require compliance with cash rent tenant rules, actively engaged in farming requirements, and foreign person rules.

A person or entity can earn \$40,000 per year in Direct payments, \$65,000 in Counter Cyclical payments, \$50,000 under the Conservation Reserve Program, and \$100,000 under the Noninsured Crop Disaster Assistance Program. An individual or entity cannot be eligible to receive certain payments and benefits if the average adjusted gross income (AGI) exceeds \$500,000 in non-farm income. In addition, to be eligible for direct payments the AGI farm income cannot exceed \$750,000. For conservation programs the AGI threshold is \$1 million of non-farm income unless 66.66% of the AGI is derived from farming, ranching, or forestry.

Payment limitation and payment eligibility determinations may be initiated by the County Committee or requested by the producer. All payment limitations and eligibility determinations, as well as AGI certifications, are subject to spot check. A "not actively engaged in farming" determination may result in the loss or denial of all program benefits and request for repayment of USDA payments or loans.

Noncompliance with the adjusted gross income provisions, either by exceeding the applicable limits or by failure to submit the applicable certification statement, will result in the determination of ineligibility for all program benefits subject to the adjusted gross income provisions. Program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible individual or entity in any entity, general partnership, or joint operation that receives benefits subject to the average adjusted gross income limitation.

## **NEW FINANCIAL MANAGEMENT WEB PAGE**

Producers who have level 2 e-authentication access can use the new Public Financial Management Information web page. The website allows producers to generate reports that show both current and historical financial information. This resource will allow users to view details on payments, collections and outstanding debt. The website is a great tool for producers to conveniently access financial information at any time. To view the Financial Management Information web page, visit <http://www.fsa.usda.gov/fmi>. Please contact your county office if you have any questions regarding the web page.

## **LIVESTOCK INDEMNITY PROGRAM (LIP)**

Remember to report normal mortality livestock losses to remain eligible for the Livestock Indemnity Program. LIP paid \$631.41 per head for adult beef cows, \$820.84 for adult bulls, \$654.60 for calves 800 pounds or more, \$432.59 for calves between 400 and 799 pounds, and \$302.58 for calves less than 400 pounds for losses in 2010. 2011 rates have not yet been announced. Alpacas, dairy, beefalo/buffalo, swine, sheep, goats, chickens, turkeys, ducks, geese, deer, elk, emus, equine, llamas, and reindeer are also eligible for LIP if all eligibility criteria are met.

The eligible livestock must have been owned by an eligible livestock owner on the day the livestock died, been maintained for commercial use as part of a farming operation on the day the livestock died, and died as a direct result of an eligible adverse weather event between January 1, 2008 and October 1, 2011. They must also have died no later than 60 days after the end of the adverse weather event and died in the calendar year for which benefits are being requested, and before dying, not have been produced or maintained for reasons other than commercial use as part of a farming operation, such as but not limited to recreational purposes, pleasure, hunting, roping, pets, or for show.

Eligible losses will be paid after normal mortality has been met, and acceptable proof of death must be

provided which identifies the quantity and the livestock kind/type and weight range.

Documentation may include rendering truck receipts, vet records, tax records, private insurance documents, written contracts, bank or other loan documents, purchase records, production records, property tax records, or grower contracts. The following records may be used in conjunction with beginning and ending inventory: contemporaneous producer records existing at the time of the event, pictures with a date, brand inspection records, dairy herd improvement records, or other similar reliable documents.

If a participant is unable to provide verifiable or reliable records as proof of death, the producer may use a third party certification as proof of death. The third party must be an independent source who is not affiliated with the farming operation such as a hired hand and is not a family member defined as a person whom a member in the farming operation or their spouse is related as lineal ancestor, lineal descendant, sibling, or spouse.

Notice of loss must be reported within 30 days. If you do not have acceptable proof of death, FSA may document the loss through a paid measurement if it is requested within 7 days. Application for payment must be filed no later than 30 days following the end of the calendar year.

## **RAINFALL INDEX AND PASTURE, RANGELAND, AND FORAGE (RI-PRF) AND VEGETATIVE INDEX PASTURE, RANGELAND, AND FORAGE (VI-PRF)**

Between 2008 and 2010, RMA offered RI-PRF pilot policy to producers in certain states including Kansas. This policy was limited to drought. As a result, NAP coverage was not available for drought since this would be a duplication of coverage for the same loss under two different programs. Further analysis has been conducted to determine whether the RI-PRF and VI-PRF pilot policies cover the same crop loss as is covered under NAP. RI-PRF losses are determined based on a lack of rainfall, measured by a reduction in moisture from the norm. VI-PRF losses are a measure of vegetation greenness against the norm used to estimate plant condition and not a direct measure of production. NAP covers production losses; therefore, RI-PRF and VI-PRF pilot policies and NAP do not cover the same crop losses on the same acres for the same intended use, so producers with coverage under both programs may be eligible for payment from both programs.

## FARM LOAN PROGRAMS

Conservation Loans - The Farm Service Agency makes and guarantees conservation loans on farms and ranches to help conserve our natural resources. The Conservation Loan (CL) Program provides farmers with the credit necessary to implement conservation measures on their land.

CL funds can be used to implement conservation practices approved by the Natural Resources Conservation Service (NRCS), such as the installation of conservation structures; establishment of forest cover; installation of water conservation measures; establishment or improvement of permanent pastures; implementation of manure management; and the adaptation of other emerging or existing conservation practices, techniques or technologies.

Direct CLs can be obtained through FSA offices with loan limits up to \$300,000. Guaranteed CLs up to \$1,112,000 are available from lenders working with FSA.

## **IMPORTANT DATES**

**December 6 – Last Day to return County Committee Election Ballots**

**December 24 – Office Closed for Christmas**

**December 31 – Office Closed for New Year's Day**

**March 31 – Last Day to Request Wheat, Barley, or Oats Marketing Loan**

**May 31 - Last Day to Request Corn, Milo, or Soybean Marketing Loan**

**May 31 – Last Day to Report 2011 Wheat, Oats, and Barley**

**Notice of Loss for Livestock Deaths Must be Filed Within 30 Days of the Loss**

**Ongoing – Milk Income Loss Contract (MILC) Signup, Farm Storage Facility Loans, Continuous Conservation Reserve Program (CRP) Signup**

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