

CLAY COUNTY FSA NEWS

December 2010

Clay County FSA Office

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Clay Center, KS 67432
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County Committee Members

Dennis McKale, Chairperson
William Lenhart, Vice Chairperson
William Lee, Member
Mary Ann Fowles, Advisor

www.fsa.usda.gov/ks

*The Committee meets the 1st Wednesday of each month
9:00 a.m.*

Office Staff

LuAnn Callan

Jeanie Fengel

Judy Williams

Pam Knitter

Jericho Hammond

Hours: Monday - Friday, 8:00 am – 4:30 pm

Report Failed & Prevented Planting to FSA

Crop acreage that fails or is significantly damaged by adverse weather or related conditions should be reported to FSA within **15 days** of the disaster event, or when the loss is apparent. Failed acreage must not be grazed, hayed, silaged, destroyed or abandoned before the report is filed.

When weather does not permit crops from being timely planted, "prevented planting" provisions may apply. Any prevented planting acreage must be reported within **15 days** from the final planting dates set for crop insurance or NAP (for non-insurable crops). Late-filing fees must be charged for field inspections if these reporting deadlines are past.

Report 2011 Crop Year Small Grains

Some farm operators have already reported their 2011-crop planted wheat acres. We encourage timely and accurate acreage reports that match with crop insurance records. Please call (785) 632-3550 to make your appointment to file your report. **JUNE 1, 2011**, is the final date to report acreages of wheat, oats, barley, and triticale.

2011 DCP and ACRE signup

The enrollment period for the 2011 Direct and Counter-Cyclical Program (DCP) and Average Crop Revenue Election Program (ACRE) ends on **June 1, 2011**. Producers may request an advance payment of 22% of their 2011 Direct payments when they enroll.

The ACRE program option provides eligible producers a revenue guarantee, based on a 5-year Kansas Olympic average yield and the 2-year national average price. ACRE payments are made when both the state and farm actual revenue falls below the revenue guarantee. 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 commits the farm to that option through the 2012 crop year.

Name, Address, Bank changes?

Producers sometime forget to timely report changes to our office which has caused ineligibility for farm program benefits or delayed payments. Please remember to promptly report name and address changes, changes in accounts or financial institutions, and the formation or dissolution of entities such as trusts, estates, corporations, partnerships, etc.

Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan. Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,119,000.

Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner. To find out more about FSA loan programs, contact the county office staff.

Loan Program for Conservation Practices

The Conservation Loan (CL) program provides access to credit to implement conservation practices that will conserve natural resources. Interest for December CL loans is 4.125%.

CL funds can be used to implement conservation practices approved by NRCS, such as installation of conservation structures, installation of water conservation measures, establishment or improvement of pastures, implementation of manure management, and the adaption or other emerging or existing conservation practices, techniques, or technologies. For more information, contact the FSA office or your Farm Loan team in Washington, 785-325-2253.

Paper Check Conversion – Over the Counter

Over the next year, Commodity Credit Corporation (CCC) will move toward an electronic method for processing producer checks. Paper check conversion is the process of converting paper checks presented to FSA or CCC into electronic debits to the producer's bank account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notice posted in the Service Center or visit the following U.S. Dept. of Treasury website for detailed information:

www.pccotc.gov/pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm

2010-Crop Loan Deadlines

Low interest commodity loans are available for farm- or warehouse-stored grain for up to nine months following the month of loan approval. The following deadlines apply for commodity loans: **MARCH 31:** Wheat, Oats, and Barley. **MAY 31:** Corn, Milo, Soybeans, and Sunflowers. The interest rate for commodity loans disbursed in December is 1.25%.

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 leased 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.

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

Payment eligibility continued...

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.

County Committee Election Results

The Clay County FSA Committee has announced the results of the 2010 election for the committee position in Local Administrative Area (LAA) #2. Elected to this 3 year term is Todd Pfizenmaier, Committee Member and George Sanneman, First Alternate. The Committee appreciates the willingness of these individuals to serve agriculture. A special “Thank You” goes to William Lee for the past 9 years of dedicated service he has provided Clay County farmers as an FSA County Committeeman.

Foreign Investor Reporting Rule

Foreign owners of U.S. agricultural land are required by law to report their land holdings, acquisitions, lease of 10 years or more, and land use changes within 90 days to the local FSA office. Failure to report can result in a civil penalty of up to 25% of the market value of their interest in the agricultural land.

Dates to Remember	
Within 30 days after loss	Final date to file a Notice of Loss for LIP after livestock death is apparent
Dec 24	Office Closed for Holiday
Dec 31	Final day to sign conservation plan for CRP
Dec 31	Office Closed for Holiday
Jan 17	Office Closed for Holiday
Jan 30	Final date to file application for payment on 2010 livestock death losses.

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