



**Morris County
Farm Service Agency**

April 2011

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Hours
Monday - Friday
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County Committee

Glenn Carlson,
Chairperson
Leo Hultgren,
Vice Chairperson
Leland Zerbe, Member
Martha Ann Mark, Advisor

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ELECTION RESULTS

The FSA County Committee election was held in LAA 1, the Northwest portion of Morris County, this winter. Congratulations to Leo Hultgren, who was elected to a 3-year term.

2011 FARM PROGRAM SIGNUP

Signup is underway for the 2011 Direct and Counter Cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) program. Signup began in October with a June 1, 2011 deadline. If you wish to schedule an appointment please call the office so that we can have maps and paperwork prepared, enabling us to serve you more efficiently.

DCP – 2011 DCP direct payments are calculated using 83.3% of the farm's base acres times the farm's payment yield, times the direct payment rate. DCP payments are not based on a producer's current production choices. Producers receive direct payments at rates established by statute regardless of market prices. Advance direct payments of 22% may be requested any month from December 2010 to September 2011. Final payments are issued in October.

ACRE – Producers eligible for DCP may choose to enroll in the ACRE program. The optional ACRE program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. Payments are 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. An ACRE payment is issued when both the state and the farm incur a revenue loss. Farms enrolled in ACRE have a 20% reduction in direct payments and the marketing assistance loan rates are reduced by 30%.

ACREAGE REPORTS

Farm producers must report all cropland acreage annually with FSA to remain in compliance with FSA programs. In addition, all farmland, INCLUDING HAY AND GRAZING LAND, must be certified to remain eligible for disaster programs. Acreage reports are being taken as producers sign up for DCP and ACRE. Small grains must be reported by May 31st, this includes wheat, barley and OATS! CRP and spring seeded crops must be certified by August 1st.

FOREIGN INVESTOR REPORTING

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.

2009 SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM (SURE)

Signup began on Jan. 10, 2011 for losses incurred during the 2009 crop year. SURE is one of five disaster programs included in the Food, Conservation, and Energy Act of 2008 that provides assistance to farmers and ranchers who have suffered losses due to natural disasters.

To be eligible for SURE a farm must have: 1) Been physically located in a county that was declared a primary disaster county or contiguous county by the Agriculture Secretary under a Secretarial Disaster Designation (*Morris County does not fall into this category*) and have at least a 10 percent production loss on a crop of economic significance; 2) A policy or plan of insurance under the Federal Crop Insurance Act or the Noninsured Crop Disaster Assistance Program (NAP) for all economically significant crops; 3) Without a Secretarial Disaster Designation (*Morris Co. in 2009*), individual producers may be eligible if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster.

For the SURE program a "farm" is defined as all crops in which a producer has an interest, in all counties.

CRP COMPLIANCE

CRP maintenance reminder letters are being sent to program participants. Remember that CRP grass CANNOT be hayed unless it is written into your conservation plan! If you are unsure of a CRP boundary, call the office and we can perform a paid for measurement service to stake the field border. Haying or farming into CRP is a violation of contract provisions and can result in contract termination. When a contract is terminated, ALL payments must be repaid. This includes all annual rental payments received over the life of the contract, cost share payments, incentive payments, 25% liquidated damages, plus interest.

We are reviewing new aerial imagery at this time and will be making compliance field visits very soon. Windrows, hay bales, and worked ground are very evident on our aerial imagery. If you know of an issue on your CRP, it would be in your best interest to contact us before we contact you! It is your responsibility to ensure EVERYONE operating machinery on your farm knows the boundaries of CRP fields.

MADE CHANGES?

If you have bought or sold ground, leased new ground, or have a new tenant operating your ground, please let our office know ASAP!

Also, if you are operating your farm as a trust, partnership, LLC, or other entity and have previously signed up for our programs as an individual, contact us to update this information.

Have you changed banks? Remember to update your direct deposit form at our office.

OR CURRENT RESIDENT

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 gross 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 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

Payment eligibility continued...

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.

MARKETING ASSISTANCE LOANS

A Marketing Assistance Loan (MAL) is available to producers who share in the risk of producing a 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; 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.

The final loan availability date for 2010 corn, grain sorghum and soybeans is May 31.

FARM STORAGE FACILITY LOANS

Need more grain or hay storage on your farm? Contact us about the facility loan program. You can borrow up to \$50,000 with only the structure as collateral, up to \$500,000 with a real estate mortgage. The current interest rate is 2.75% on a 7 year note. FSA can loan up to 85% of the total cost of the project.

Dates to Remember	
May 30	Memorial Day – Office closed.
May 31	Final date to certify small grains, including oats.
June 1	Final signup date for 2011 DCP & ACRE programs
July 4	Independence Day – Office closed.
July 29	Final signup date for 2009 SURE.
August 1	Final date to certify CRP and spring seeded crops.