



**WILSON/WOODSON COUNTY FARM SERVICE AGENCY**

**\*\*\*\*\*RETIREMENT\*\*\*\*\***

*After 28 years of serving the producers of Wilson and Woodson counties Suann Bolton is retiring. Please join us on December 16, 2010 from 2 p.m. to 4 p.m. for a retirement party in her honor at the Wilson/Woodson County FSA Office, 930 N. 2nd St., Fredonia, Kansas.*

**Wilson/Woodson County FSA Office**  
 930 N 2<sup>nd</sup> St.  
 Fredonia, KS 66736  
 620-378-2128  
 FAX: 620-378-2420  
 www.fsa.usda.gov/ks

**Hours**  
 Monday - Friday  
 8:00 a.m. - 4:30 p.m.

**County Committee**  
 Greg Carter  
 Henry Eggers  
 Mark Huser  
 Gyla McVey

County Committee meets  
 2<sup>nd</sup> Thursday of each month  
 at 8 a.m.

**Staff**  
 Suann Bolton, PT  
 Sandra Gorton, PT  
 Debbie Morrison, PT  
 Valerie Worrell, PT

**Executive Director**  
 Leon E. Stauffer

**2011 DCP Signup**

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2011 DCP contract. USDA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2011, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. USDA will issue advance direct payments beginning Dec. 1, 2010. Counter-cyclical payment rates vary depending on market prices.

**Disaster Assistance Programs**

- \*Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)
- \*Livestock Forage Disaster Program (LFP)
- \*Livestock Indemnity Program (LIP)----- (NAP not required for LIP program)
- \*Supplemental Revenue Assistance Payments (SURE)
- \*Program Tree Assistance Program (TAP)

To be eligible for these programs, producers must purchase at least catastrophic risk protection (CAT) level of crop insurance for all insurable crops and/or Noninsured Crop Disaster Assistance Program (NAP) coverage for non-insurable crops under SURE, TAP, and ELAP and LFP. In the 2008 Farm Bill; in general, the term "farm" means the sum of all crop acreage in all counties that is planted or intended to be planted for harvest by the eligible producer. In the case of aquaculture, the term "farm" means all fish being produced in all counties that are intended to be harvested for sale by the eligible producer. In the case of honey, the term "farm" means all bees and beehives in all counties that are intended to be harvested for a honey crop by the eligible producer. Producers who meet the definition of a Socially Disadvantaged, Limited Resource Producer, or Beginning Farmer or Rancher, do not have to meet this risk management purchase requirement.

**Livestock Deaths**

Livestock Indemnity Program (LIP) provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather. A list of normal mortality rates for Kansas can be obtained at your local FSA county office. Applicants must provide adequate documentation to prove their eligible livestock deaths occurred as a direct result of an eligible adverse weather event in the calendar year for which benefits are being requested. LIP payments are calculated by multiplying the national payment rate for each livestock category by the number of eligible livestock in each category. National payment rates are found on the LIP Fact Sheet at [www.fsa.usda.gov](http://www.fsa.usda.gov). **A Notice of Loss must be filed within 30 days after the death is apparent.** The final date to submit an Application for Payment is Jan. 30 of the following year.

**Changing Banks**

Almost all Farm Service Agency payments are made electronically using Direct Deposit. This innovation has cut down on the number of missing and late payments and reduced the time required to move funds. It has been calculated that having a problem with a payment is 20 times greater with checks than with Direct Deposit. Another benefit is that Direct Deposit to your account can be made within 48 hours. To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions. If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

**Record Changes**

If you have bought, sold, or are renting different land, make sure you report the changes to our office, so farm records may be updated, For farm ownership changes you need to provide a recorded deed or recorded land contract. Operator changes must be verified by the landowner.

**Crop Reporting**

Producers are required to file form FSA-578 Certification (crop report), for the farm by the applicable final reporting date. Filing an accurate and timely acreage report for **ALL CROPS and LAND USES, including land hayed or grazed**, failed and prevented planted acres, is essential. If no FSA-578 is filed, it could cause loss of program benefits in DCP, ACRE, SURE, Marketing Assistance Loans, LDP's and CRP.

**Wheat, Oats and Barley May 31, 2011**

**Corn, soybeans, grain sorghum, land hayed or grazed and sunflowers, August 2, 2011**

**Foreign Investors**

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

**Farm Reconstitutions**

When changes in farm ownership or operation take place, a farm reconstitution is necessary. The reconstitution –or recon- is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by August 1 for farms enrolled in the DCP program. If DCP direct payment have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.

**CCC-927 – CCC-928 Must Be Sent to IRS**

Producers who participated in 2010 programs subject to adjusted gross income limitations (AGI) had to certify compliance with AGI rules. The average AGI verification process for 2010 payment eligibility requires all program participants to provide written consent to IRS for the disclosure of certain information to FSA. Individuals and legal entities, including members of legal entities that certified to average AGI compliance for 2010 payment eligibility must submit a completed CCC-927 or CCC-928 to IRS regardless of whether they received program benefits directly or as a member of a joint operation or entity. These forms must be submitted to IRS in order to avoid a demand for refund of program payments and benefits received.



**OFFICE CLOSURES**  
 December 24 for Christmas  
 December 31 for New Years

**LOAN RATES/WILSON**

WHEAT	\$2.74
OATS	1.37
CORN	2.08
SORGHUM	3.44
SOYBEANS	4.99
SUNFLOWERS	9.45

**LOANS RATES/WOODSON**

WHEAT	\$2.74
OATS	1.37
CORN	2.04
SORGHUM	3.36
SOYBEANS	4.95
SUNFLOWERS	9.41

### **Marketing Assistance Loans**

Marketing Assistance loans are commodity loans available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. 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 you regain beneficial interest. Commodity loan eligibility also requires you comply with conservation and wetland protection requirements; beneficial interest requirements, report how you use cropland acreage on the farm and ensure the commodity meets CCC 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 Program 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. If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producers name will be placed on a loan violation list for a two-year period. Always call the office before any grain under loan is fed or sold.

### **Farm Storage Facility Loans**

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 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 and permanent drying and handling equipment. 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. Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction is complete. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount. Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin. The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, 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
- Renewable biomass



### **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 (HELC) 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. Either Payment limitation or 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, 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.

#### **Nondiscrimination Statement**

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 Spanish Federal-relay). USDA is an equal opportunity provider and employer."