



Ely FSA Office News



February 2010

**Ely USDA – FSA
Service Center
Ely FSA Office**

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Hours
Monday – Friday
7:30 am – 4:30 pm

County Committee

Max Reid, Jr.	Chairman
Lee Mathews	Vice-Chair
Kelly Miller	Member
Annette Harris	Member
Hank Vogler	Member

Staff

Clayre Moiola, CED Ext 100
Elko 738-6445 Ext 108
Vi Braden, PT Ext 101
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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.

Early partial disbursement will be available after a portion of the construction has been completed. 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 (Alfalfa &/or Grass)
- Renewable biomass

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

SURE Signup

SURE Program sign ups are being taken for the 2008 Crop Year. The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster that incurred starting in the crop year 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops of economic significance in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition
- the crop of economic significance must be a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm
- the farm experiencing the loss must be in a county declared a disaster county by the Secretary of Agriculture, or in contiguous counties. Those who show proof of an individual loss of at least 50% are also eligible to receive SURE payments for production losses or crop quality losses.

Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.



2010 DCP Signup

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2010. 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 2010 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 2010, eligible producers may request advance direct payments based on 22 percent of the direct payment.

Adjusted Gross Income



USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the IRS review process. No actual tax data will be included in the report that IRS sends to USDA.

The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15 to avoid interruption of program benefits. Forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>.

Actively Engaged



USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by the FSA.

Every stockholder or member of a legal entity, such as a corporation, does not have to contribute labor or management if both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management that altogether qualifies as a significant contribution to the farming operation;
- The total direct payments received, both directly and indirectly, by the legal entity and each of the members can not exceed \$40,000.

BCAP

The Biomass Crop Assistance Program (BCAP) provides financial assistance to producers or entities that sell and deliver eligible biomass material to qualified biomass conversion facilities (BCF) for use as heat, power, bio-based products or bio-fuels. Initial assistance will be for the collection, harvest, storage and transportation (CHST) costs associated with the delivery of eligible materials. Producers or entities who sell and deliver these materials can apply for FSA matching payments up to \$45 per dry ton.

An application must be submitted before the eligible material is sold and delivered to a BCF. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office. For more information, find the BCAP page of details at www.fsa.usda.gov.

Selected Interest Rates for February 2010	
Farm Operating - Direct	2.625%
Farm Ownership - Direct	4.875%
Limited Resource	5.000%
Farm Ownership - Down Pmt	1.500%
Emergency	3.750%
Farm Storage Facility - 7 year	3.250%
Commodity Loans	1.375%
90-Day Treasury Bill	0.125%

1099-G – Note Changes

Producers who have received payments in



2009 from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have questions concerning the 1099-G refund information, contact your local FSA office for assistance locating the correct payment data.

Farm Loan Programs

The FSA offers loans for eligible farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

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 \$1,112,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available.

For details please contact the county office staff for an appointment with a farm loan officer.



Centennial Awards Program

If your farm or ranch has been in your family for 100 years or more, the Agricultural Council of Nevada would like to hear from you. The Ag Council is the lead sponsor of Nevada's Centennial Ranch and Farm Awards Program. Liz Warner, program coordinator, says thirty-five long-time, family owned agriculture operations have been recognized since 2004.

Six families were formally inducted into the program last year. They were the Kallenbach-Ormachea-Sherman Ranch, Churchill County (1908); Bradshaw "End of the Rainbow" Ranch, Lincoln County (1873); Bailey Ranch, Eureka County (1875); Testolin Ranch, Churchill County (1907); Ranch No. 1 (Trimmer/Giovacchini), Douglas County (1909); and the Perfecta Vista Ranches-Mathewson Ranch, Churchill County (1909).

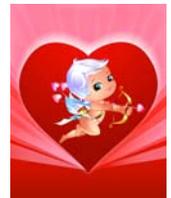
There are other long-time, continuously operating family ranches and farms dating back to the nineteenth century that have not yet applied for Centennial status. Liz Warner would like to add them to this prestigious list of Nevada's pioneering families.

As Nevada becomes more urban, and the demands for water in the sprawling metropolitan areas lead to the further decline of farms and ranches, the Centennial Ranch and Farm Program is a wonderful means to recognize the long-time family-owned businesses dedicated to agriculture in our nation's most arid state. Ranchers and farmers are the best stewards of the land. They wouldn't be in operation for 100 years or more if they hadn't taken care of their natural resources.

Applications are due by June 1, 2010. Application forms and more information can be found on the Web at http://www.nv.nrcs.usda.gov/centennial_awards.html. For more information contact Liz Warner at the NRCS State Office, 775 857 8500 ext 105.

Rural Youth Loans

The USDA'S Farm Service Agency (FSA) makes operating loans to individual rural youths age 10 through 20 to establish and operate income producing projects. The projects must be of modest size and be initiated, developed, carried out by rural youths participating in 4-H Clubs, FFA, or a similar organization or with a vocational teacher or county extension agent. If interested, contact your local FSA office for more details.



Dates to Remember	
Feb 15	Holiday – President’s Day – Office closed
Feb 17	Tentative COC Committee meeting
Mar 17	Tentative COC Committee meeting
June 1	Deadline for 2010 DCP sign up
June 15	Deadline for all grain producers to complete an acreage report
July 15	Deadline for all other producers to complete an acreage report this includes grazing land

Visit our Web site at
www.fsa.usda.gov/nv

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