



March 2010
Columbus Service Center News
Serving Burlington, Camden & Ocean Counties in New Jersey

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Office Hours
Monday-Friady
7:30 a.m - 4:30 p.m.

County Committee
George H. Adams Sr
Louis Parzanese
Marilyn L. Russo
John H. Hunter
Ralph Wainwright

County Committee Meets
2nd Tuesday of Month

Staff
Nick Morolda CED
Robert Maxwell FLM
Ellen Schmidt FLO
Julia Coriaty PT
Jim Mellor PT
Craig Christo PT



DCP Signup Continues

Signup for the 2010 Direct and Counter-cyclical Payment (DCP) Program continues until June 1, 2010. FSA will not accept late-filed applications.

FSA 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, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

The electronic DCP (or eDCP) service will save you time, reduce paperwork and speed up contract processing at FSA offices. It is available to anyone eligible to participate in the DCP Program. To access this online service, you must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at <http://www.eauth.egov.usda.gov> followed by a visit to the local USDA Service Center for identity verification.

SURE

Currently applications for the Supplemental Revenue Assistance Program (SURE) are being taken for the 2008 Crop Year. SURE provides benefits for farm revenue losses due to natural disaster that were 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 eco-

nomie 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
- crop of economic significance is 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.

A SURE calculator is available at: http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls. The calculator is not official, but is intended for educational use. A fact sheet and background are also available online.

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 tax 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. These forms may be obtained from local FSA and NRCS offices or online at:

<http://forms.sc.egov.usda.gov/eforms/mainservlet>.

Emergency Loans Available

Burlington, Camden, Ocean and Gloucester County farmers who suffered significant damage due to severe storms with high winds, heavy rainfall, hail and associated plant diseases from 4/15/09 may be eligible for low-interest emergency loans from the Farm Service Agency if they are unable to get financing from any other source. These loans carry an interest rate of 3.75 percent. Loan applications for this incidence(*S-2908*) may be **received through May 25, 2010**.

Also farmers may be eligible for low interest emergency loans for severe storms and flooding from Tropical Depression Ida and a NorthEaster from 11/11/09 through 11/15/09. Applications for this incidence must be **received by August 23, 2010** in your FSA county office (*M1867*).

Also farmers may be eligible for low interest emergency loans for losses caused by the Snowstorm from 12/19/09 through 12/20/09. **Applications for this incidence must be received by October 5, 2010 (M1873).** Production Losses. For production loss loans, applicants must demonstrate a 30% loss in a single farming enterprise. Funds can be used for operating and some real estate purposes.

Physical Losses. Eligible farmers can use emergency loan funds to repair or rebuild essential farm buildings, clean debris or prepare land for replanting, and to replace livestock, supplies and harvested crops on hand or in storage that were lost.

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 FSA.

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs 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; and
- The total direct payments received, both directly and indirectly, by the legal entity and each of the members can not exceed \$40,000.

FSA Payment Record 1099-G

Producers who have received payments 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.

Marketing Assistance Loans

Marketing Assistance Loans for crop years 2009 through 2012 are 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 that the commodity meets Commodity Credit Corporation (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.

2010 CENSUS

The Farm Service Agency wants to remind producers of the importance of completing and returning Census forms promptly.

FSA Guarantee Loans

FSA guaranteed loans provide lenders (e.g., banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria.

FSA guaranteed loans are for both Farm Ownership and Operating purposes. Like the [Direct Loan Program](#), a percentage of Guaranteed Loan funds are targeted to beginning farmers and ranchers and mi-

nority applicants.

Guarantee Farm Ownership Loans (FO) may be made to purchase farmland, construct or repair buildings and other fixtures, develop farmland to promote soil and water conservation, or to refinance debt.

Guarantee Operating Loans (OL) may be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance, and other operating expenses. Operating loans can also be used to pay for minor improvements to buildings, costs associated with land and water development, family living expenses, and to refinance debts under certain conditions.

FSA can guarantee OLs and FO loans up to \$1,112,000 (amount adjusted annually based on inflation).

To qualify for an FSA Guarantee, a loan applicant must: * Be a citizen of the USA (or legal resident alien) * Have an acceptable credit history as determined by the lender * Have the legal capacity to incur the obligations of the loan * Be unable to obtain a loan without a guarantee * Not have caused FSA a loss by receiving debt forgiveness on more than 3 occasions * Be the owner or tenant operator of a family farm after the loan is closed. For an OL, the producer must be the operator of a family farm after the loan is closed. For an FO Loan, the producer needs to also own the farm * Not be delinquent on any Federal debt * Entities (corporations, cooperatives, joint operations, partnerships, trust and limited liability companies) and their members/stockholders must meet these same eligibility requirements. The entity must also be authorized to operate a farm or ranch in the State where the land is located * Must have a satisfactory credit history, demonstrate repayment ability and provide sufficient security for the loan.

Repayment terms vary according to the type of loan made, the collateral securing the loan, and the producer's ability to repay. OLs are normally repaid within 7 years and FO loans cannot exceed 40 years. The Guaranteed loan interest rate and payment terms are negotiated between the lender and the borrower. Interest rates on these loans may not exceed the rate charged the lender's average farm customer. In addition, under the Interest Assistance Program, FSA will subsidize 4 percent of the interest rate on loans to qualifying borrowers.

Guaranteed loans are the property and responsibility of the lender. The lender makes the loan and services it to conclusion. If successful, the borrower is able to repay the loan and no taxpayer money will be used except for administrative expenses. If the loan fails, and the lender suffers a loss, FSA will reimburse the lender with Federal funds according to the terms and conditions specified in the guarantee. **Please call the FSA County Office for more information.**

USDA-Farm Service Agency
 1971 Jacksonville-Jobstown Rd
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CREP, SAFE & Continuous CRP Available

Environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP), Conservation Reserve Program State Acres for Wildlife Enhancement (SAFE) Practice, and Continuous CRP are eligible for enrollment. These targeted programs remain funded, and continue to provide a heightened environmental benefit on select areas.

Selected Interest Rates for March 2010		Dates to Remember	
90-Day Treasury Bill	0.125%	31 May	Small Grain Signup Ends
Farm Operating - Direct	3.00%	31 March	Honey Loans Close
Farm Ownership - Direct	5.125%	1 June	DCP Sign-up Closes
Limited Resource	5.00%	15 July	Crop Reporting Ends
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%		
Emergency	3.75%		
Farm Storage Facility (FSFL) 7 Year	3.125%		
FSFL 10-Year is 3.625% and 12-Year	4.00%		
Commodity Loans 1996-Present	1.375%		

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To file a complaint of discrimination, write USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202)-720-6382 (TDD). USDA is an equal opportunity provider and employer."