

May 2013



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Mercer, Middlesex, Monmouth County FSA Updates



On April 22, 2013, Agriculture Secretary Tom Vilsack today announced an important package of disaster assistance valued at \$209 million to help farmers, land owners and communities recover from the effects of Superstorm Sandy. Funding is provided by the U.S. Department of Agriculture's (USDA) [Emergency Conservation Program \(ECP\)](#), [Emergency Forest Restoration Program \(EFRP\)](#) (as well as the [Emergency Watershed Protection Program \(EWP\)](#) administered by NRCS).

As a result the ECP program sign up has re-opened until May 31, 2013. The EFRP program is currently open for sign up in our office until June 14, 2013.

**Mercer, Middlesex,
Monmouth County FSA
Office**
Freehold Service Center

PO Box 5033

4000 Kozloski Road

2011 Supplemental Revenue Assistance Payments (SURE) Program Sign Up is Underway Until June 7, 2013

Sign-up for the 2011 SURE program is currently underway through June 7, 2013. SURE provides assistance to producers suffering crop losses due to natural disasters that occurred through Sept. 30, 2011. Eligible producer must have suffered at least a 10% loss to a crop of economic significance which must have been insured through the Federal Crop Insurance

Freehold, NJ 07728

Phone: 732-462-0075 ext 2
Fax: 732-462-5274

County Executive Director:
Gabi Grunstein

Program Technicians:
Beth Pine



Corperation or covered with the Noninsured Crop Disaster Assistance Program (NAP).

Note: Eligible farmers who meet the definition of "Socially Disadvantaged," "Limited Resource," or "Beginning Farmer or Rancher," do not have to meet this requirement.

[Click here for more information.](#)

2012 Non-insured Crop Disaster Assistance Program (NAP) Deadline July 15, 2013

While the deadline to file and application for payment for the 2012 NAP program and to provide production for the 2012 crop year is July 15, 2013, we are requesting that program participants provide their production no later than June 30, 2013 to allow time for our staff to complete the necessary to process your paper work.

Payment Limitation

For commodity and disaster programs under the new farm bill, the AGI limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000** such that a person or entity shall not be eligible for such programs if the non-farm AGI exceeds \$500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program.

For conservation programs, the average nonfarm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination. For more detailed information contact your local FSA office.

Payments and benefits under certain FSA programs are subject to some or all of the following:

- § payment limitation by direct attribution
- § payment limitation amounts for the applicable programs
- § actively engaged in farming requirements
- § cash-rent tenant rule

- § foreign person rule
- § average AGI limitations
- § no program benefits subject to limitation will be provided until:
- § **all** required forms for the specific situation are provided
- § necessary payment eligibility and payment limitation determinations are made
- § after 2009, a farm operating plan is **not** required to be filed annually, if the farming operation continues to be conducted as reflected on the farm operating plan and supporting documents are on file in the County Office
- § if any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average Adjusted Gross Income (AGI) determination, producers **must** timely **notify** the County Office by filing revised farm operating plans and/or supporting documentation, as applicable.

Failure to timely notify the County Office may adversely affect payment eligibility.

Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

Change in Farming Operation

If you have bought or sold land, or if you have picked up or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring.

Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in 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 specific programs.

The following are the different methods used when doing a farm recon:

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

Note-- Reconstitutions must be requested by August 1 of the FY for farms subject to DCP.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Power of Attorney

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any Farm Service Agency office near you for more information.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).



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If you have questions about FSA activities, please view our [Frequently Asked Questions](#) page or you may also [Search](#) our web site. These features are designed to assist you in obtaining the information you are seeking.

This service is provided to you at no charge by the [USDA Farm Service Agency](#).