July 2008

North Jersey News

Warren, Morris, Sussex County FSA
101 Bilby Road, Bldg. 1-H
Hackettstown, NJ 07840
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908-852-4666 (fax)
www.fsa.usda.gov/nj

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

County Committee
Nancy Bilyk
H William Sytsema
Carl Sigler
Eugene Makarevich
Scott Ashley

County Committee meets on the last Monday of each month at 9:30 AM.
No August Meeting

Staff
Ken Bingham, CED
Ginny Brophy, Farm Loan Manager
John Snearowski, Program Technician
Diandra Rodriguez, Program Technician
Debbie Crisman, Program Technician

Sign Up Underway for the 2008 DCP

Producers have until September 30, 2008 to sign up for the 2008 Direct and Counter-cyclical Payment Program (DCP). Producers can fill out their 2008 DCP contract at any USDA Service Center or Farm Service Agency County Office. If you have already completed acreage reporting, your contract and supporting documentation will be mailed to you. You can choose payment options, assign crop shares and sign and submit contracts from any computer with Internet access. You can also view and print submitted contract options.

FSA computes DCP 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 2008, eligible producers may request to receive an advance payment of 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments as soon as practical after enrollment. Final direct payments will be issued after Oct. 1, 2008. Counter-cyclical payments vary depending on market prices, and are issued only when the effective price for a commodity is below its target price (which takes into account the direct payment rate, market price and loan rate).

For all eligibility requirements or addition information, contact your local office.

Quality Loss Crop Disaster Signup

Signup for quality losses under the Crop Disaster Program (CDP) began on June 23, 2008. Producers can apply for crop quality losses at their local Farm Service Agency (FSA) office.

The CDP provides benefits to farmers who suffered losses to their 2005-2007 crops from natural disasters and related conditions. Producers who incurred qualifying quantity or quality losses in 2005, 2006 or 2007 may receive benefits for only one of these years. However, producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year.

Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits. Producers must have suffered quality losses of at least 25 percent to be eligible for CDP Quality Loss. The payment rate is set at 65 percent of the amount of the affected crop multiplied by 42 percent of the per-unit average market value in the year in which the loss occurred. Producers may receive assistance for both quantity and quality losses. However, the total quantity and quality assistance, together with any crop insurance or NAP payment received for the same crop and the value of the crop production not lost, must not exceed 95 percent of the total value of the crop absent the disaster.

Disaster Buy-in

USDA's Farm Service Agency (FSA) will allow producers who would otherwise be ineligible for the new disaster assistance programs to become eligible by paying a fee as required by the Food, Conservation and Energy Act of 2008 (the 2008 Act).

The 2008 Act requires producers who wish to participate in the new disaster programs to have crop insurance or non-insured crop disaster assistance (NAP) coverage for the land for which assistance is being requested, and for all farms in all counties in which they have an interest. Since the 2008 Act was enacted after the application periods had closed for those programs, producers who did not have such coverage could not comply with this requirement in order to be eligible for the new disaster programs. However, the 2008 Act authorizes a waiver that allows producers to pay a fee, called a "buy-in" fee, to be eligible for this new disaster assistance.

Every producer whose crops, including grazing lands, are not fully covered by crop insurance or NAP may take advantage of this one-time opportunity. The buy-in fee is due no later than Sept. 16, 2008, 90 days after the date of enactment, as required by the 2008 Act. Those who miss this opportunity will not be eligible for disaster assistance. Producers are also reminded that the payment of the applicable buy-in fee does not afford the producer crop insurance or NAP coverage; it only affords eligibility for the 2008 disaster programs.

The crop insurance and NAP coverage requirements will be waived in 2008 for producers who did not obtain crop insurance or NAP coverage by the applicable sales closing date, if the producer files an application for waiver and pays a buy-in fee in an amount equal to the 2008 applicable NAP coverage or catastrophic risk protection plan fee for the crop or grazing lands.

Producers who meet the definition of “Socially Disadvantaged, Limited Resource," or "Beginning Farmer or Rancher," do not have to meet the Risk Management Purchase Requirement, and, therefore, are not required to pay the buy-in fee.

The buy-in fee for 2008 eligibility only for either the catastrophic risk protection insurance (CAT) or NAP is $100 per crop, but not more than $300 per producer per administrative county, or $900 total per producer for all counties less any previously paid fees for CAT and/or NAP. Producers can contact their local administrative FSA County Office to file the application for waiver and pay the applicable fees.

The applicable buy-in form must be completed and applicable fees paid by Sept. 16, 2008. Payment of the applicable fees will allow the producer to be eligible for benefits for losses under Supplemental Revenue Assistance Payments (SURE) Program, Livestock Forage Disaster Program (LFP), Tree Assistance Program (TAP), and Emergency Assistance Livestock, Honeybees and Farm-Raised Fish Program (ELAP).

The 2008 Act authorizes funds to be used to make payments to farmers and ranchers incurring eligible crop production/quality losses under the SURE Program, grazing losses under LFP, livestock death losses under LIP, and losses suffered by producers of livestock, honeybees, and farm-raised fish under ELAP. The 2008 Act also authorizes TAP.

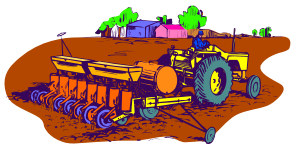
To be eligible for SURE, TAP, and ELAP, producers must meet the Risk Management Purchase Requirement by purchasing at least the CAT level of crop insurance for all insurable crops and/or NAP coverage for non-insurable crops. To be eligible for LFP, producers must meet the Risk Management Purchase Requirement by purchasing or obtaining for the grazing land incurring the losses where assistance is being requested, a policy or plan of insurance under the Federal Crop Insurance Act, including pilot programs such as the Pasture, Rangeland, Forage Program (PRF) or NAP coverage by filing the required paperwork and paying the administrative fee by the applicable State filing deadline. The Risk Management Purchase Requirement does not apply to LIP.

The SURE program will be available to eligible producers on farms in disaster counties, designated by the Secretary, including contiguous counties that have incurred crop production losses and/or crop quality losses during the crop year. However, Congress determined that payments would not occur until the calculation at the end of the marketing year. It also will be available to any farm where, during the calendar year, the total loss of production on the farm, because of weather, is greater than 50 percent of the normal production of the farm.

The LFP program will be available to eligible livestock producers who suffered grazing losses for eligible livestock, because of drought on land that is either native or improved pastureland with permanent vegetative cover or planted to a crop specifically for providing grazing. The LFP program will also be available to eligible livestock producers who suffered grazing losses for eligible livestock, because of fire on rangeland managed by a Federal agency, if the eligible livestock producer is prohibited from grazing the normal permitted livestock on the managed rangeland.

The LIP program will be available to eligible livestock producers on farms that have in-

curred livestock death losses in excess of normal mortality, because of adverse weather, as determined by the Secretary during the calendar year, including losses because of hurricanes, floods, blizzards, disease, wildfires, extreme heat and extreme cold.



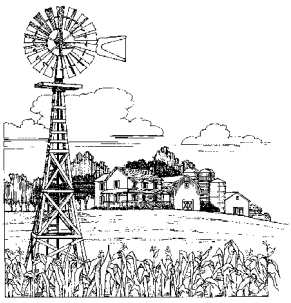
The TAP program provides assistance to orchardists and eligible nursery tree growers who produce nursery, ornamental, fruit, nut or Christmas trees for commercial sale that lost trees, bushes, or vines, because of a natural disaster, as determined by the Secretary.

The ELAP program will provide emergency relief to producers of livestock, honey bees and farm-raised fish, because of losses from adverse weather or other conditions, such as blizzards and wildfires, as determined by the Secretary.

Because Congress did not provide a rule-making exception for these programs, FSA must first publish a proposed rule seeking public comment, followed by a final rule. FSA is working to develop detailed regulations and software for these programs. Sign up for these programs is not expected to be held until this winter.

Farm Reconstitutions

In Farm Service Agency terms, farms are **constituted** to group all tracts having the same owner and the same operator 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. To be effective for the current year, recons must be requested by **August 1** for farms enrolled in the Direct and Counter-cyclical Payment Program. If 2008 DCP direct payments have already been issued on the farm, the reconstitution will be effective for 2009 unless the payments are refunded.

Beginning and Limited Resource Farmers

FSA assists beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more that 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

Sodbuster Regulations

The term "sodbusting" is used to identify the plowing up of erosion-prone grasslands for use as cropland. Sodbuster violations are unauthorized tillage practices on highly erodible lands that converted native vegetation such as rangeland or woodland, to crop production after Dec. 23, 1985.

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in Farm Service Agency programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If Natural Resources Conservation Service indicates an area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage, before bringing land into production. In addition, producers and the producer's affiliates have to file an AD-1026 with the staff in the administrative or control county office before any farm program payments can be made. The AD-1026 is the producer's signed certification that HELC, as well as wetland conservation, provisions will not be violated.

Warren/Sussex/Morris
County FSA Office
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USDA United States Department of Agriculture

Return Service Requested

Selected Interest Rates for June 2008	
Farm Operating - Direct	3.625 %
Farm Ownership - Direct	5.00 %
Limited Resource - Farm Operating	5.00 %
Limited Resource - Farm Ownership	5.00 %
Farm Ownership - Direct Down Payment Beginning Farmer or Rancher	1.5 %
Emergency	3.75%
Farm Storage Facility	3.625 %

Visit our Web site at
http://www.fsa.usda.gov/nj

Dates to Remember	
July 4	4th of July – Office Closed
July 18	Last day to apply for Livestock Indemnity Program and Livestock Compensation Program
August 1	NAP sales closing date – strawberries
August 1	Nomination Deadline – COC
August 15	Acreage reporting deadline
September 1	NAP sales closing date – Christmas Trees, Fin Fish, Flowers, Grass (SOD), Nursery
September 30	DCP Signup Ends
Continues	Continuous Conservation Reserve program
Continues	Conservation Reserve Enhancement Program
Continues	Signup for Crop Disaster Program

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