



**U.S. Department
of Agriculture**

**Warren-Sussex-Morris
County FSA**

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Hours

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

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IMPORTANT DATES:

- May 18 - Disaster Buy-in deadline
- May 31 - Small grain acreage reporting deadline
- May 31 - Last day to request corn, soybeans, sorghum loan or LDP
- July 15 - Acreage reporting deadline
- Aug 14 - DCP signup ends
- Aug 14 - ACRE election and enrollment ends

FSA NEWSLETTER

DAIRY PRICES TRIGGER MILC PAYMENTS



Due to low milk prices the Farm Service Agency (FSA) will be making payments in April to producers through FSA's Milk Income Loss Contract (MILC) program. The 2008 Farm Bill made changes to the MILC program, notably the addition of a dairy feed ration cost adjustment in addition to changes to the payment rate and modifications to the per-operation poundage limit, depending on when the milk is produced.

FSA issues payments not later than 60 calendar days after FSA receives production evidence for the applicable month or the entire month's National Average Dairy Feed Ration Cost is posted for the applicable month, whichever is later. FSA makes payments on up to the maximum eligible pounds of milk produced and marketed by each operation per fiscal year. The annual maximum eligible pound limit per dairy operation is 2,985,000 pounds per fiscal year. The amount drops to 2.4 million pounds per fiscal year on September, 1, 2012.

MILC participants must select a month for which FSA will begin issuing payments for each fiscal year. Starting with the dairy operation's selected month, FSA will issue MILC payments based on that month's milk production and the milk production for each consecutive month thereafter with the effective payment rate until the operation reaches the production cap or the fiscal year ends.

The 2008 Farm Bill also excludes producers whose non-farm average adjusted gross income (AGI) exceeds \$500,000 from receiving MILC payments. Producers will have to sign an AGI statement when signing up for the program. More information about the MILC program can be found on the FSA website <http://www.fsa.usda.gov>.

DISASTER BUY-IN WAIVER EXTENSION

Producers who did not obtain crop insurance or Non-insured Crop Disaster Assistance Program (NAP) coverage for 2008 can pay a buy-in fee through **May 18, 2009**, to become eligible for 2008 disaster assistance programs authorized by the Food, Conservation, and Energy Act of 2008.

Farmers have an additional opportunity to become eligible for several programs if they suffered 2008 agricultural losses due to natural disaster. If you have not already taken the necessary steps to become eligible for the Supplemental Revenue Assistance Program (SURE), Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP), you are required to complete the following steps by **May 18, 2009**:

- Pay a \$100 "buy-in" fee per crop. The maximum fee is \$300 per county, per producer, not to exceed \$900 for multi-county producers.
- For each insurable crop, excluding grazing land, agree to obtain a policy or plan of insurance for the next insurance year for which crop insurance is available; coverage level should equal 70 percent or more of the yield at 100 percent of the price.
- In the case of each noninsurable crop, agree to file the required paperwork and pay the applicable administrative NAP coverage fee by the applicable state application closing date for the next available year.

Those who choose to "buy in" under this provision will be considered, for insured crops, to have obtained a policy or plan of insurance for the 2008 crop year at a level of coverage not to exceed 70 percent of the yield at 100 percent of the price. For noninsurable crops, producers will be considered to have a level of coverage equal to 70 percent of the yield. These levels of coverage will be used to calculate the 2008 SURE guarantee. Producers who meet the definition of "Socially Disadvantaged, Limited Resource," or "Beginning Farmer or Rancher," are not required to pay the buy-in fee.

ACRE PROGRAM

The Average Crop Revenue Election (ACRE) is a new program authorized by the 2008 Farm Bill that begins in crop year 2009. Through ACRE, USDA's Farm Service Agency offers producers an alternative to Direct and Counter-cyclical (DCP) payments. The ACRE alternative provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price.

ACRE payments are made when both state- and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments. Producers also elect to receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. ACRE sign-up will begin **April 27, 2009** and will continue to **August 14, 2009**, which should allow enough time for producers to choose to participate in ACRE, or stay with DCP.

A decision to elect ACRE binds the producer to the program through the 2012 crop year, the last crop year covered by the 2008 Farm Bill. For more details, contact the office.

DCP SIGNUP CONTINUES

Signup has started for the 2009 Direct and Counter-cyclical Payment (DCP) Program and continues until **August 14, 2009**. This deadline was extended from June 1st to allow more time for producers to choose to participate in ACRE or DCP. This date is mandatory for all participants.

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 2009, you may be eligible to request and 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 (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 on-line 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.

For more information, contact the office.

ACREAGE REPORTING

Acres reporting time will soon be here. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acres reports are due in the office by the earlier of **May 31, 2009** for small grains and **July 15, 2009** for all other crops. If those deadlines are not met, for NAP (Noninsured Crop Disaster Assistance Program) crops **ONLY**, acres reports are due 15 calendar days before the onset of harvest or grazing of the specific crop acres being reported.

NAP PRODUCTION REPORTING

Production records for individual crops need to be filed with our office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acres information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acres on a yearly basis to keep your yield up-to-date. Records submitted must be reliable or verifiable. Records need to show crop disposition. We recommend producers submit 2009 production records as soon as harvest is complete. **All production records** must be submitted by the subsequent crop year's final acres reporting date.

TIMELY FILING OF LOSS

The CCC-576, Notice of Loss, is used to report failed acres and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops **INCLUDING GRASSES**. For losses on crops covered by NAP and crop insurance, you must file a notice of loss in the office within 15 days of the occurrence of the disaster or when losses become apparent. If filing for prevented planting, an acres report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

FARM RECORDS CHANGES

Please contact the office as soon as possible if you have ownership/operator changes, if you acquire or drop land, or if you change operator type (example: if you used to operate as an individual, but you now operate as an LLC).



FARM LOAN PROGRAMS

The Farm Service Agency (FSA) offers loans for 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. Currently guaranteed loans can reach a maximum indebtedness of \$1,094,000. 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 through FSA. For detailed information, contact the office for an appointment with Virginia Brophy, the Farm Loan Manager.

CREP, SAFE and CONTINUOUS CREP AVAILABLE

At this time USDA has no general signups scheduled for the Conservation Reserve Program (CRP) in 2009. However, environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP), Conservation Reserve Program State Acres For wildlife Enhancement (SAFE) Practice, and Continuous CRP will still be eligible for enrollment. These targeted programs remain funded, and continue to provide a heightened environmental benefit on select areas.

BANK ACCOUNT CHANGES

It is the USDA's intent that all FSA payments be electronically transferred into your bank account. In order for us to make timely payments, you need to notify the office if you decide to change or close your bank account, or if your bank is purchased by another financial institution. **Please let us know as soon as possible of any changes to your account routing number or bank name. Otherwise, your payments may be delayed.**



COMMODITY LOANS

Commodity loans, also referred to as Marketing Assistance Loans (MAL), 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 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. For commodity loans disbursed in April, the interest rate is 1.625%.

Producers do not have to participate in the Direct and Counter-Cyclical Program (DCP) 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/disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

CARBON TRADING WORKSHOP

North Jersey Resource Conservation & Development is hosting a carbon trading workshop for all interested individuals on April 30, 2009 for \$15, sandwiches to be served. For more information or to register, please contact Michelle Rollman at (908) 735-0733 x 101.

CONGRATULATIONS

In January, the Warren-Sussex-Morris County Executive Director Kenneth Bingham accepted a promotion to the FSA in Colorado. The Warren-Sussex-Morris County FSA has accepted Lindsay Spagnoli as Acting County Executive Director.

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**Selected Interest Rates
for April 2009**

Farm Operating - Direct	2.25 %
Farm Ownership - Direct	4.125 %
Limited Resource - Farm Operating	5.00 %
Limited Resource - Farm Ownership	5.00 %
Farm Ownership - Direct Down Payment Beginning Farmer or Rancher	1.50 %
Emergency	3.75%
Farm Storage Facility	2.50 %

Farm Reconstitutions

In program terminology, 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. The following are the different methods used

Estate Method — the division of bases, allotments & 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. There are additional requirements;

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.

If payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded. Request for recons should be filed by **June 1**. For more details, contact the office.

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