



U.S. Department of Agriculture

Warren-Sussex-Morris County FSA

101 Bilby Road, BLDG 1H
Hackettstown, NJ 07840

Phone: (908) 852-2576
Fax: (908) 852-4666
www.fsa.usda.gov/nj

Hours

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

Staff

Lindsay Spagnoli, CED
John Snearowski, PT
Diandra Brunstetter, PT
Debbie Crisman, PT
Virginia Brophy, FLM

County Committee

Scott Ashley
Carl Sigler
Holly Sytsema
Robert De Block
James Smith

County Committee meets
the last Monday of month
at 9:30am

IMPORTANT DATES:

- Jan 1 – newly appointed COC members take office
- Jan 18 – Martin Luther King Day, USDA office closed
- Jan 25 – COC meeting
- Mar 15 – NAP closing for beans, Brussel sprouts, cantaloupes, celery, corn, cucumbers, eggplant, honeydew, oats, okra, peppers, pumpkins, sorghum, soybeans, squash, sunflowers, sweet potatoes, yams, tomatillos, tomatoes, & watermelon
- May 31 – small grains reporting deadline



FSA NEWSLETTER

Congratulations!

Congratulations to **Robert DeBlock** and **James Smith** who were elected to represent LAA#2 and LAA#3, respectively, on the FSA County Committee. In the LAA#2 elections, Robert DeBlock received fifty-nine (59) votes. In the LAA#3 election James Smith received forty-seven (47) votes and Peter Santini III received one (1) write-in vote. FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation. The committee members will hold their organizational meeting on January 25, 2010 to determine who will serve as the County Committee Chairman and Vice-Chairman.

Changes to Farm Records



Now is the time to begin thinking about potential changes to your farming operation. Please contact the office as soon as possible if you have added or dropped land, or if you would like to request a reconstitution. In order to ensure that you receive your 2010 DCP program benefits, you should stop by the office by **May 1st** to report any changes in your farming operation. Waiting until acreage reporting to report these changes may result in ineligibility for 2010 DCP.

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.

Requests for reconstitutions must be filed by **June 1, 2010**. For more details, please contact the office.

2010 DCP Signup Continues

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through **June 1, 2010**. Producers are urged to signup via the eDCP website or schedule an appointment at the office.

DCP payments are computed 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 to receive advance direct payments based on 22 percent of the direct payment. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the covered commodity.

ACRE Signup

The Average Crop Revenue Election Program (ACRE) signup has begun. The signup deadline is **June 1, 2010**. ACRE provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-yr national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent in 2012) of the farm's planted acres times the difference between the State ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

The decision to enroll in ACRE is irrevocable. The owner of the farm and all producers on the farm must agree to enroll. Once enrolled, the farm shall be enrolled for that initial crop year and remains in ACRE through the 2012 crop year.

SURE

The Supplemental Revenue Assistance Payments (SURE) program provides benefits for farm revenue losses due to natural disaster that incurred in the crop years 2008 through Sept. 30, 2011.

To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. However, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10 percent of the value of the coverage. The following are the conditions that trigger SURE payments:

- at least 1 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)
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop producer 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.

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.

Sussex, Bergen, and Passaic Counties were contiguous to declared disaster counties in 2008. Signup will begin **January 4, 2010** for producers that suffered crop production losses during the 2008 crop year.

Emergency Loans

FSA Emergency Loans are now available for losses caused by severe storms, with high winds, heavy rainfall, hail, and associated plant diseases that occurred from April 15 and continuing. Sussex, Morris, Warren & Passaic counties are included in the eligible area. Please contact Ginny Brophy at (908) 852-2576, ext. 110 for more information. The application deadline is **May 25, 2010**.

Acreage Reports Needed For SURE

Because of the delay in announcing the provisions of the Food, Conservation, and Energy Act of 2008, producers enrolling in the Supplemental Revenue Assistance Program (SURE) are reminded that 2008 crop reports are required for participation. This includes crops planted on cropland and/or non-cropland, including native pasture or improved grass that will be hayed.

Physical evidence of the crop in the field is not required for Farm Service Agency (FSA) to accept late-filed 2008 acreage reports. However, evidence of existence or disposition, is required.

The following requirements for 2008 SURE include:

- producers **must** report all crops, in all counties, in which they have an interest
- late filed fees shall be waived for late-filed 2008 acreage reports and physical evidence in the field is not required
- if the actual use of a crop is different from the intended use reported, the producer may report the final use to the County Office; however, the intended use shall **not** be changed.

The provisions noted are for 2008 only. For 2009 and 2010, normal acreage reporting requirements will be applied.

Commodity Loans

Commodity loans, also referred to as Marketing Assistance Loans, are available to producers who share in the risk of producing the crop. Commodity loan eligibility requires you to 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.

Violating provisions of the 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 (loan collateral) without prior authorization and providing an incorrect quantity certification.



Annual Notice to Producers

Payments and benefits under certain 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 and necessary payment eligibility and payment limitation determinations are made. Payment eligibility and payment limitation determinations may be initiated by COC or requested by the producer. 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 office.

If any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average AGI determination, producers **must** timely **notify** the office by filing revised farm operating plans and/or supporting documentation, as applicable. Failure to timely notify the office may adversely affect payment eligibility.

There are statutory provisions that require entities, earning program benefits that are subject to limitation, to provide the names, addresses, and TIN's of the entities' members to COC. All applicable payment eligibility and payment limitation forms submitted by producers are subject to spot check through an end-of-year review.

A determination of **not** actively engaged in farming results in the producer being ineligible for any payment or benefit requiring a determination of actively engaged in farming. Noncompliance with AGI provisions, either by exceeding the applicable limitations or by failure to submit a certification statement, will result in the determination of ineligibility for **all** program benefits subject to AGI provisions; program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible person or legal entity in any legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.

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Selected Interest Rates for January 2010	
Farm Operating - Direct	2.875 %
Farm Ownership - Direct	4.75 %
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 %
Marketing Assistance Loans	1.375 %
Farm Storage Facility	
7-year loan term	2.875 %
10-year loan term	3.375 %
12-year loan term	3.750 %

IRS Form 1099-G

Producers annually receive CCC-1099Gs detailing payments producers have received from FSA. This year, the 2009 Advance payments producers received from the Direct and Counter-Cyclical Payment (DCP) Program were processed as overpayments and offset from the 2009 Final payments. The 2009 Advance payments will not be reflected on the CCC-1099Gs producers receive. The CCC-1099G's will reflect only the 2009 DCP direct entitlement.

Producers who have repaid a market gain on a Commodity Credit Corporation (CCC) loan with cash or commodity certificates in exchange for outstanding loan collateral will have their market gains reported to the IRS on Form 1099-G. FSA is required to report to the IRS all market gains associated with repayment of a CCC loan.

A market gain is the difference between the repayment rate, determined by the CCC, and the original loan rate. If the repayment rate drops below the original loan rate then the difference is considered a market gain. Producers will receive, by mail, the amount reported by FSA to the IRS on Form 1099-G.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age disability and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

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.