



U.S. Department  
of Agriculture

**Warren-Sussex-Morris  
County FSA**

101 Bilby Road, BLDG 1H  
Hackettstown, NJ 07840

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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:**

- April 30 - GRP signup deadline
- May 25 - Emergency loan appl. deadline
- May 31 - small grains reporting deadline
- May 31 - Last day to request corn, soybeans, sorghum loan or LDP
- June 1 - DCP/ACRE signup deadline
- June 1 - last day to request a recon
- June 15 - New forms must be returned to IRS
- July 15 - Acreage reporting deadline



# FSA NEWSLETTER

## Acreage Reporting

The annual, timely and accurate reporting of acres for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of FSA programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, Marketing Assistance Loans and Loan Deficiency Payments.

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. Acreage reports are due in the office by the earlier of **May 31, 2010** for small grains and **July 15, 2010** for all other crops. If those deadlines are not met, for Noninsured Crop Disaster Assistance Program crops **ONLY**, acreage reports are due 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

The office is currently scheduling appointments for acreage reporting for producers that have reported acreage in the past. You will be notified via postcard of the appointment date and time that has been set up for you. Please notify the office as soon as possible if you will be unable to make your established appointment. Producers who have not previously reported acreage to the office may not receive a postcard, but can call to schedule an appointment to report.

## 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 as soon as possible to report any changes in your farming operation. Waiting until acreage reporting to report these changes may result in ineligibility for 2010 DCP.

## 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.

## Adjusted Gross Income

The USDA has a Memorandum of Understanding with the Internal Revenue Service (IRS) 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. Forms are **NOT** to be mailed to the FSA County Office. The forms may be obtained from FSA or NRCS offices, or online at: <http://forms.sc.egov.usda.gov/eforms/mainse.rvlet>.

## Grassland Reserve Program

Signup is currently underway for the Grassland Reserve Program (GRP). GRP is jointly administered by the Natural Resources Conservation Service (NRCS) and FSA. The program purpose is to assist owners and operators of private land in protecting grazing uses and the related grassland values. Please contact the office for details. Applications for 2010 will be accepted through **April 30<sup>th</sup>**.

## NAP Production Reporting

Non-Insured Crop Disaster Assistance Program (NAP) participants must file production records with the office for individual crops to establish an approved NAP yield. NAP participants must certify to their production and report acreage on a yearly basis to keep yield up-to-date. If records are required to be submitted, they must be reliable or verifiable and show crop disposition. Production certification and/or records for 2009 must be submitted by **July 15, 2010**. Prior year's production may also be submitted by this deadline.

## ACRE Signup

The Average Crop Revenue Election (ACRE) began in crop year 2009. Through ACRE, the Farm Service Agency (FSA) 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.

The enrollment date for 2010 ACRE is **June 1, 2010**.

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.

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 your local FSA office

## Be Counted!

FSA wants to encourage all producers to complete the census. We realize as more of our population moves to urban areas, rural communities feel the impact. There are fewer people to work the farms and ranches, fewer students in our schools, and fewer customers in local businesses.

The census is used to determine the amount of funds a community receives to rebuild after a natural disaster. It is used to determine the number of seats a state has in the House of Representatives. It determines how over \$400 billion in federal funds is allocated to states and communities. The census is important; make sure your community is counted.

## 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**.



## Emergency Disaster Designation and Declaration Process

Agricultural-related disasters are quite common. One-half to two-thirds of the counties in the United States have been designated as disaster areas in the past several years. Producers may apply for low-interest emergency (EM) loans in counties named as primary or contiguous under disaster designation. Four types of disaster designations are made: 1) Presidential major disaster declaration; 2) USDA Secretarial disaster designation; 3) Farm Service Agency (FSA) Administrator's Physical Loss Notification and, 4) Quarantine designation. The Secretarial disaster designation is the most widely used and its process is the most complicated of the four. Following, this disaster designation is explained in greater detail.

### Secretarial Disaster Process

Damages and losses prompting disaster designations must be due to a natural disaster; and a minimum 30-percent (30%) production loss of at least one crop in the County must have occurred.

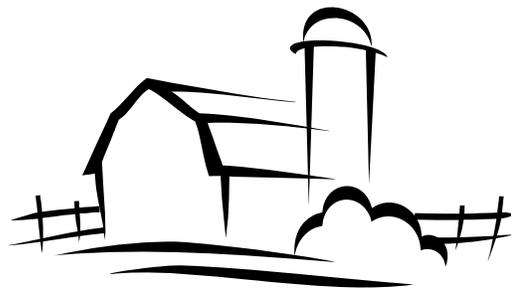
- Step 1* The governor or Indian Tribe Council leader makes a request in writing to the Secretary of Agriculture within three months of the ending date of the disaster.
- Step 2* FSA county offices assemble required agricultural loss information for the Loss Assessment Report (LAR).
- Step 3* FSA's National Headquarters notifies the SED of the request. The SED instructs county offices named in the request to complete the LAR, conduct County Emergency Board (CEB) meetings, and approve or disapprove the LAR.
- Step 4* The LAR is submitted to the State Emergency Board (SEB) for review and processing.
- Step 5* The SED prepares comments and recommendations. The SEB reviews the LAR. Upon approval, the LAR is submitted to FSA's National Headquarters (NHQ) through the Systematic Tracking for Optimal Risk Management (STORM) tool. STORM is a web-based application that allows the County Office to enter the LAR in an automated environment.

- Step 6* FSA's Disaster Assistance Branch, Emergencies Section (DAB/ES) reviews the loss information on the LAR, determines eligibility, and prepares a package, including the letter of approval or disapproval, to be signed by the Secretary.

All four types of designations, (Secretarial disaster designations, Presidential disaster declarations, APLNs, and quarantine designations) immediately trigger the availability of low-interest FSA Emergency loans to eligible producers in all primary and contiguous counties. Other programs use Secretarial designations as an eligibility requirement trigger; these programs include the Supplemental Revenue Assistance Payments (SURE) Program.

FSA borrowers located in designated disaster areas or contiguous counties, who are unable to make their scheduled payments on any debt, may be authorized to have certain set asides. Under Section 331A of the Consolidated Farm & Rural Development Act, FSA is authorized to consider setting aside certain payments owed by FSA borrowers to allow the operation to continue.

Please assist the county office in determining the need for disaster declarations by notifying the county office immediately after being affected by a natural disaster. Natural disaster conditions include: a blizzard, cyclone, earthquake, hurricane, tornado, severe hail, excessive rain, heavy snow, ice and/or high wind, an electrical storm, several weather patterns sustained over a period of time, including low or high temperatures, and related pests, epidemics or fires. Providing the office with accurate, detailed information can expedite the declaration process and hopefully get loan funds available to eligible borrowers faster. If you have any questions, please contact the office.



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<b>Selected Interest Rates for April 2010</b>	
Farm Operating - Direct	2.875 %
Farm Ownership - Direct	5.000 %
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 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.

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