



U.S. Department of Agriculture

Warren-Sussex-Morris County FSA

101 Bilby Road, BLDG 1H
Hackettstown, NJ 07840

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Hours

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

Staff

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

County Committee

Scott Ashley
Carl Sigler
Holly Sytsema
Robert De Block
James Smith

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

IMPORTANT DATES:

- Oct - DCP 2010
payments go out
- Oct - CRP Annual Rental
Payments go out
- Oct 11 - Office Closed
Columbus Day
- Nov 20 - apples,
apricots, blueberries,
caneberries, cherries,
cranberries, grapes,
honey, nectarines,
onions & scallions,
peaches pears, plums



FSA NEWSLETTER

County Committee Elections

Reminder: Be watching your mailbox for your official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters in Local Administrative Area (LAA) #5 starting on November 5, 2010. If, for some reason, you don't receive a ballot, feel free to notify the county FSA office. Completed and signed ballots will be due back in the county office by the close of business on December 6, 2010. Ballots will be counted on December 9, 2010 at 9:30 AM at the Hackettstown Farm Service Agency Office. The following individual has met the eligibility requirements to run for the County Committee this election period. One individual has been nominated the LAA#5 election.

Scott Ashley has been nominated in Local Administrative Area #5, Morris County to serve as COC member for a three-year term to begin January 1, 2011. Mr. Ashley currently produces vegetables and field corn, raises turkeys and assists in operating a retail store where farm fresh crops are sold. Mr. Ashley is an active member on the Morris County Board of Agriculture and is willing to serve on the County Committee if elected.

2010 DCP Final Payments

Final DCP payments for 2010 participants will be issued sometime after October 1, 2010. Producers who received an advance payment will be paid the balance they are due. Those who did not take an advance will be receiving their full payment amount. These payments will be deposited directly into personal bank accounts. If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the final Direct and Counter-cyclical Program payments you are about to receive.

Conservation Loan Program

The USDA has announced the launch of the Conservation Loan (CL) program that will provide farm owners and farm-related business operators access to credit to implement conservation techniques that will conserve natural resources. CL funds can be used to implement a conservation practice approved by the Natural Resources and Conservation Service (NRCS), such as to reducing soil erosion, improving water quality & promoting sustainable & organic agricultural practices. Interested applicants who do not already have NRCS-approved conservation plans should work with the local NRCS to develop a conservation plan, including all applicable conservation practices. New or existing conservation plans must be NRCS approved before FSA can provide financing.

Unlike FSA's traditional farm ownership and operating loan programs that are targeted toward smaller and less financially established farmers, eligibility requirements are expanded to permit the agency to provide assistance to some applicants who may be large and financially strong. Those interested may apply for direct CLs with loan limits up to \$300,000 at local FSA offices. In addition, guaranteed CLs up to \$1,112,000 (amount adjusted for inflation), may be available by applying with lenders working with FSA to obtain a guarantee.

Paper Check Conversion – Over the Counter (PCC –OTC)

Over the next year, FSA/CCC is moving toward an electronic method for processing producers' checks. This will allow FSA/CCC to process collections faster. When producers present checks, either in person or through the mail, the checks will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information:

<https://www.pccotc.gov/pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm>

Note: FSA/CCC will begin this process in the coming months.

What is PCC - OTC?

PCC – OTC is a process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It presents many benefits, such as reducing lost/misplaced checks and paper handling. This improves customer relations, speeds the check clearing process, and reduces the potential for human error.

How will my checks be handled?

If the check is presented in person, the check will be scanned into the system, voided, and stamped with the words, "Electronically Processed" or "Electronically Presented" and the voided check will be returned to the customer. If the check is mailed to FSA, the check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check.

How quickly will funds be transferred from my account?

The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do **not** have sufficient funds, we may initiate the transaction again.

How will this transaction appear on my account statement?

The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions".

What are my rights if there is a problem with the transaction?

You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing a crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or Commodity Credit Corporation (CCC) takes title to the commodity. 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 is lost, the commodity is ineligible for a loan — even if the producer regains beneficial interest.

Commodity loan eligibility requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets CCC minimum grade and quality standards. Eligible commodities are those 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 farm stored commodity must be maintained throughout the loan.

Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans.

Violating provisions of a MAL may trigger procedures, 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 being used as 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.

2011 ACRE Signup

The enrollment period for the 2011 Average Crop Revenue Election Program (ACRE) runs from Oct. 1, 2010 – June 11, 2011.

The ACRE program 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, receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. The decision to elect ACRE binds the farm to the program through the 2012 crop year.

Planted crops considered eligible for ACRE payments include: wheat, barley, oats, grain sorghum, corn, upland cotton, peanuts, pulse crops (dry peas, lentils, chickpeas or garbanzo beans), rice, soybeans, and other oilseeds (canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed).

Selling Land

If you're planning to sell farmland, there may be some program consequences you should be aware of. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you may have to refund all the payments you've received to date. Reviewing program implications with FSA staff before completing a sale of farmland is always a prudent precaution.

Electronic Services

If a producer has Internet access, program participants can access many services from home 24 hours a day, 7 days a week, and receive approval and payment by direct deposit within 48 hours. To participate in these services, you must meet all program eligibility requirements. Online services have stringent security measures to protect your private information. To utilize electronic services a producer needs an active USDA eAuthentication Level 2 account, which requires an e-mail address and filling out an online registration form at <http://www.eauth.egov.usda.gov/> followed by a visit to the county office for identity verification. If you have questions, please contact the office.

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Selected Interest Rates for October 2010	
Farm Operating - Direct	2.125 %
Farm Ownership & Conservation Loans	4.375 %
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	1.250%
Farm Storage Facility	
7-year loan term	2.125 %
10-year loan term	2.625 %
12-year loan term	2.875 %

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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To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.