

**Lorain County
USDA Service Center**

Lorain County FSA
42110 Russia RD
Elyria, OH 44035
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www.fsa.usda.gov/oh

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

County Committee
Neil Breyley
Kathy Duplaga
Allen Grobe

*County Committee
meets 2nd Thursday each month*

Staff
Theresa Johnson, CED
Becky McDonnell, PT
Jessika Fye, PT
Kathy Frombaugh, PT

New Dairy Economic Loss Assistance Payment program (DELAP)

The DELAP program authorizes eligible dairy producers to receive economic assistance due to the substantial decline in milk prices in 2009. Producers are eligible to receive a one time direct payment based on the amount of milk produced and commercially marketed by their operation during the months of February through July 2009.

Producers that participated in MILCX program do not have to apply for the DELAP program. If production was not provided for the applicable months or producers were not enrolled in the MILCX program, they have until January 19, 2010 to apply and/or provide the production.

The authorized \$290 million will be divided by the nationwide total pounds of eligible milk production approved for payment. The expected payment rate is \$.32 per cwt. There is a limit of 6 million pounds per dairy operation.

For more information and eligibility requirements call or visit www.fsa.usda.gov.

Beginning Farmers and Ranchers

FSA has funding to assist 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 than 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 median farm size; and
- Also, the applicant must meet the loan eligibility requirements of the program to which he/she is applying.

Note: All applicants for direct farm ownership loans must have participated in business operation of a farm for at least three years.

LDP Deadline on Unshorn Wool, Mohair and Lamb Pelts

Eligible producers have until Feb. 1, 2010, to apply for LDPs for wool, mohair and unshorn pelts produced during the 2009 crop year.

Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have interest in.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

Ohio FSA State Committee Members Announced

The following Ohioans were selected to serve on the Ohio FSA State Committee: Jim Rex (Chairperson), who has more than 40 years experience in southeast Ohio livestock and grain operations. In addition, he has 30 years experience with the Farm Service Agency (FSA) at all levels, including county executive director and district director.

John Bresler, a fourth generation family farmer from Bloomdale, Wood County, Ohio and long-time member of the Ohio Farmers Union. He participated and volunteered for the Farm Service Agency Wood County committee.

John Lavelle, owner of a family livestock farm in addition to the law firm, Lavelle & Associates located in Athens, Ohio. He served as special counsel to five Ohio attorney generals.

Bruce Long, owner and operator of Long Farms in South Charleston, Clarke County, Ohio. Last year, he received the Ohio Environmental Stewardship Award. Long serves on the boards of the Ohio Livestock Coalition, the U.S. Grains Council, and the Ohio Corn Marketing Program.

Jim Zumbrink, a self-employed farmer for more than 40 years in Rossburg, Darke County, Ohio, is the current president of the Darke County Agricultural Society and the vice president of the Darke County Farmers Union. In addition, Zumbrink has served the Ohio Farm Service Agency as both a county committeeman and as a community committeeman.

2010 DCP Sign-up

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) will continue through June 1, 2010. USDA urges producers to make use of the eDCP automated website to sign-up, or producers can visit any USDA Service Center to complete their 2010 DCP contract.

The electronic DCP (or eDCP) service saves producers time, reduces paperwork and speeds up contract processing at USDA Farm Service Agency (FSA) offices. It is available to all producers who are eligible to participate in the DCP Program and can be accessed at: www.fsa.usda.gov/dcp and then click on the "Access eDCP Services" link, under the "I Want to Section". To access the service, producers must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at: <http://www.eauth.egov.usda.gov> and then click on the "Create an Account Page" link, and lastly followed by a visit to the local FSA Service Center for identity verification.

USDA 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 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. USDA will issue advance direct payments beginning Dec. 1, 2009. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments 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.

Selected Interest Rates for December 2009	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.875%
Farm Ownership Loans — Direct	4.625%
Farm Ownership Loans — Down Payment	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loan -- 7 year	3.000%
Farm Storage Facility Loan -- 10 year	3.500%
Farm Storage Facility Loan -- 12 year	3.750%
Sugar Storage Facility Loans	4.125%
Commodity Loans 1996-Present	1.375%

Foreign Investors Who Hold Agricultural Land

Foreign investors, who buy, sell or hold a direct or indirect interest in U.S. agricultural land must report their holdings and transactions to the U.S. Secretary of Agriculture. Failure to timely file an accurate report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land. Foreign persons who are buying or selling land must report the transaction **within 90 days of the date of the transaction.**

Who Must Report:

- Individuals who are not U.S. citizens or citizens of the Northern Mariana Islands or the Trust Territory of the Pacific Islands;
- Individuals who are not lawfully admitted to the U.S. for permanent residence or who are not paroled into the U.S. under the Immigration and Nationality Act;
- Any organization created under laws of a foreign government or which has located its principle place of business outside the U.S.;
- Any U.S. organization in which a significant interest or substantial control is directly or indirectly held by foreign individuals, organizations or governments; and
- Any foreign governments.

What to Report:

- Each tract of agricultural land in the U.S., its territories, the Northern Mariana Islands and the Trust Territories of the Pacific Islands owned by persons required to report; and
- Leaseholds of 10 years or more.

USDA designated the FSA to collect the AFIDA report forms. Individuals wanting to obtain an AFIDA report form (FSA-153) may do so from any FSA County office. The (FSA-153) is available in both English and Spanish translations. You can also go on-line and download the form at: http://forms.sc.egov.usda.gov/efcommon/eFileServices/Forms/FSA0153_010524V02.pdf.

Although interested parties may obtain a report form from any FSA County office, the completed form must be returned to the FSA County office where the land or where the programs are administered.

Foreign investors should contact your local FSA if this pertains to you. To locate the Farm Service Agency county office, you can look in the telephone book white pages or go on-line to: www.fsa.usda.gov/oh and then click on the "County Offices" link. Then click on the county where the land is located.

ACRE

The Average Crop Revenue Election Program (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-year 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 the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

The June 1, 2010, deadline is mandatory for all participants. USDA will not accept any late-filed applications.

Maintaining the Quality of Loaned Grain

This year's large grain crop has its obvious up side, but there is a downside too. Many producers are hard pressed to find adequate storage for every bushel harvested. Overfilled grain storage bins can lead to grain quality problems.

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

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-1099G's 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 the 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.

Commodity Loans

Commodity loans, also referred to as Marketing Assistance Loans, 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 standard. 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, and other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

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

Continuous CRP

The Continuous Conservation Reserve Program is a private land environmental improvement program that allows participants the opportunity to enroll acreage in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

Continuous CRP program participation is voluntary. Eligible landowners enter into contracts that range from 10-15 years in length. In return, the landowners will receive annual and maintenance payments, incentive payments for certain activities and cost share for establishments.

To be eligible for enrollment in the Continuous CRP, participants and acreage must meet certain requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollments of acreage into Continuous CRP. Landowners may enroll in the program at any time during the year.

For more information on Continuous CRP enrollments, please contact your local FSA office or to read the Continuous CRP factsheet go to: http://www.fsa.usda.gov/Internet/FSA_File/crpcont06.pdf.

Dates to Remember

Dec. 25	Christmas Day Holiday. FSA Offices Closed.
Jan. 1	New Year's Day Holiday. FSA Offices Closed.
Jan. 1	Elected Committee Members and alternates take office.
Jan. 18	Martin Luther King Jr. Day Holiday. FSA Offices Closed.
Feb. 1	Deadline on 2009 LDPs for wool, mohair and unshorn lamb pelts.
Continues	Continuous Conservation Reserve program.
Continues	Farm Storage Facility Loan Program.
Continues	Grassland Reserve Program (GRP).

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