



**Northwest Ohio FSA
News
April 2009**

Newsletter Distribution

This newsletter is distributed to all producers served by Northwest Ohio District Farm Service Agency offices. While the return address for this mailing on the reverse of this newsletter is that of the Wood County Farm Service Agency, producers should contact their servicing county Farm Service Agency office for additional information and program details.

2009 Direct and Counter-Cyclical Program (DCP) Signup and Average Crop Revenue Election (ACRE) Election and Signup Extended to August 14, 2009

To ensure that producers have enough time and information to determine whether to participate in the ACRE Program or remain in DCP, USDA has extended the deadline for enrolling in the 2009 DCP and deadline for electing and enrolling in the ACRE Program for 2009 from June 1, 2009 to August 14, 2009. The election and signup period for ACRE is expected to start on April 27, 2009. USDA will not approve any applications filed after the August 14, 2009 program deadline.

Average Crop Revenue Election (ACRE)

As authorized by the 2008 Farm Bill (Food, Conservation, and Energy Act of 2008), producers on eligible farms may elect to participate in the Average Crop Revenue Election (ACRE) Program. Under the ACRE Program, producers may receive revenue-based payments as an alternative to receiving price-based counter-cyclical (CC) payments. NOTE: Neither Counter-Cyclical nor ACRE payments are guaranteed. Counter-Cyclical payments are contingent on national average market prices and ACRE payments are contingent on a farm's revenue, both of which are not known at the time of signup. Therefore, it is not possible to predetermine which program is the most beneficial.

- Producer must first elect ACRE to be the default program for the farm serial number.
- The election can be made in any year 2009 through 2012.
- The election is irrevocable from the year of election through 2012.
- The election is made on a farm-by-farm basis. ACRE does not have to be elected for all farm numbers.
- All producers on the farm must agree to the ACRE election.
- The farm must currently have base acres to be eligible for election.
- Once the election is made to participate in ACRE producers must annually enroll the farm under a contract to participate to be eligible for payments.

DCP/ACRE COMPARISON CHART

Payments		DCP	ACRE
Direct	Payment Rate	100% of the DCP Direct payment rate	80% of the DCP direct payment rate
	Payment Formula	Uses farm's base acreage	Uses farm's base acreage
	Advance Payment	Available through 2011	Available through 2011
CC	Payment Formula	Uses Farm's base acres	
	Trigger	Low National Market Prices	
	Advance Payment	40% of projected through 2010	
ACRE	Payment Formula		Uses actual planted & considered planted acres
	Triggers		Revenue must be below the historical state average and the farm average.
	Advance Payment		Not available
Loan rate		100% of the Market Assistance Loan rate	70% of the market assistance loan rate

REPORTING REQUIREMENTS: Producers on participating ACRE Program farms must annually report acreage and production to FSA.

PAYMENTS: Producers on participating ACRE Program farms can receive direct and ACRE payments. Payments will be reduced if base acres are enrolled in a Federal program which prohibits the production or harvesting of crops, such as the Conservation Reserve Program, Grassland Reserve Program and the Wetlands Reserve Program.

Direct Payments: Direct payments are based on the farm's base acres and program yields for covered commodity crops. The payment rates for direct payments are 20 percent less than the DCP direct payment rates. Similar to DCP, payment amounts are reduced if fruits or vegetables are planted on base acres, or the acres are used for nonagricultural purposes.

ACRE Payments: ACRE payments are revenue-based payments and are tied to crop production and the National Average Market Price for planted, and considered planted, covered commodity crops on the farm. ACRE payment acreage is limited to the total amount of base acres on the farm and can only be issued for a crop if the following two triggers are met for the covered commodity crop.

State Trigger: The Actual State Revenue for the program year must be less than the State ACRE Guarantee.

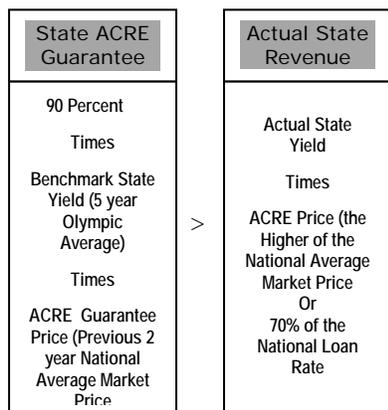
Farm Trigger: The participating farm's Actual Farm Revenue for the program year must be less than the Farm ACRE Guarantee.

Because of the tradeoffs and the irrevocable commitment to ACRE, producers are encouraged to review ACRE decision tools from State Extension and others to help evaluate the options.

ACRE State Trigger:

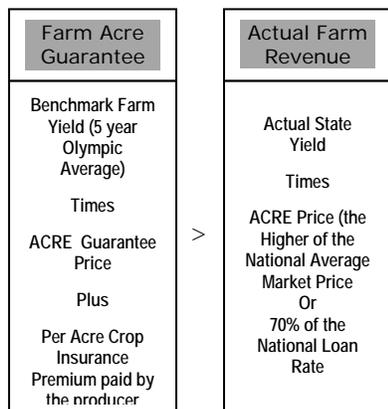
State Guarantee must exceed the Actual State Revenue

NOTE: State ACRE Guarantee cannot change by more than 10% from previous year's guarantee.



Acres Farm Trigger:

Farm ACRE Benchmark must exceed the Actual Farm Revenue.



ACRE Payment Calculation: If both triggers are met for a planted and/or considered planted commodity crop, then an ACRE payment may be calculated for the eligible crop.

ACRE Payment = P & CP Acres X 83.3% X Farm Productivity Index (Benchmark Farm Yield / Benchmark State Yield) X the lesser of:

- State ACRE Guarantee – Actual State Revenue
- State ACRE Guarantee X 25 percent.

ACRE Terminology

ACRE guarantee price means the simple average of the national average market prices of the covered commodity for the 2 most recent crop years. **Example:** In 2009, the ACRE guarantee price of a covered commodity is equal to the simple average of the national average market prices of the covered commodity in 2007 and 2008.

ACRE price means the higher of either of the following for the covered commodity:

- the average price received by producers during the 12-month marketing year of the covered commodity
- 70 percent of the marketing assistance loan rate for the covered commodity.

Actual farm yield means the amount determined by dividing the actual farm production of a covered commodity by the farm's total planted acres of the covered commodity.

Actual farm revenue means the actual farm yield times the ACRE price.

Benchmark farm yield means for a covered commodity, the Olympic average of the average yield per planted acre for the farm for the 5 most recent crop years.

Farm ACRE guarantee means for a crop year of a covered commodity, the per acre producer-paid crop insurance premium (if any) added to the result of multiplying a farm benchmark yield times the ACRE guarantee price.

Actual State yield means the total amount of actual production of the covered commodity in a crop year divided by the total planted acres of the covered commodity in the State.

Actual State revenue means for a crop year of a covered commodity, the actual State yield for the covered commodity times the ACRE price.

Benchmark State yield means for a covered commodity, a yield primarily based on data from NASS equal to the 5-year Olympic average of the average yield per State-planted acre for the most recent 5 crop year yields.

State ACRE guarantee means 90 percent times the benchmark State yield times the ACRE guarantee price.

2009 Rates	ACRE		DCP		
	Direct Rate	National Loan Rate	Direct Rate	National Loan Rate	CC Payment Trigger Price 1/
Wheat (bu)	0.416	1.93	0.52	2.75	3.40
Barley (bu)	0.192	1.30	0.24	1.85	2.00
Oats (bu)	0.0192	0.93	0.024	1.33	1.416
Corn (bu)	0.224	1.37	0.28	1.95	2.35
Soybeans (bu)	0.352	3.50	0.44	5.00	5.36

1/ A counter-cyclical payment will be issued if the National Average Market Price is less than the listed CC Payment Trigger Price. A counter-cyclical payment rate cannot exceed the listed CC Payment Trigger Price minus the DCP loan rate.

NOTE: 2009 benchmark State yields, ACRE guarantee prices, and State ACRE Guarantees will be finalized after National Agricultural Statistical Service reports the final 2008/2009 average market year prices and the 2008 crop production data. Projected ACRE guarantee prices, preliminary benchmark state yields are posted at www.fsa.usda.gov/dcp and will be updated no later than the 15th of each month. A manual ACRE calculator is also available within the fact sheet posted to the web site.

Timing of ACRE Payments

ACRE payments will be made after the end of the marketing year for the respective commodity, but no sooner than October 1, as required by statute. Advance ACRE payments are not authorized under the 2008 Farm Bill. For the 2009 crop year, ACRE payments, if applicable, will be made in October 2010 for wheat, barley, oats, corn, grain sorghum, soybeans.

Risk Management Purchase Requirement

To be eligible for certain Supplemental Agricultural Disaster Assistance programs for the 2008 crop year, producers must have purchased at least catastrophic risk protection (CAT) level of crop insurance for all insurable crops and NAP coverage for non-insurable crops on the farm. Producers are not required to have coverage on acreage that is planted to a subsequent crop when double-cropping or multiple cropping is not an approved practice. Limited resource and socially disadvantaged producers and beginning farmers, as defined, are exempt from this requirement. **De Minimis Exception:** Producers may opt to waive the risk management purchase requirement on a crop that contributes less than 5 percent of the total expected value of all crops or for which the NAP service fee exceeds 10 percent of the value of the NAP coverage.

2nd Buy-In Opportunity

Because the sales closing dates and the NAP application dates have passed for 2008 crops, producers who do not currently meet the risk management purchase requirement for the 2008 crop year have a second opportunity to pay a buy-in fee of \$100 per crop not to exceed \$300 per county and \$900 per producer. The fee must be paid at your local FSA office by May 18, 2009. By paying the buy-in fee, producers have the risk management purchase requirement provision waived and become eligible for benefits under certain disaster assistance programs such as SURE. Payment of the buy-in fee does not provide RMA or NAP coverage for 2008. Producers who elect the buy-in option agree to obtain a policy or plan of insurance for the next available insurance year with coverage at or above 70 percent of the yield and 100 percent of the price. These levels will be used to calculate the 2008 SURE guarantee.

Buy-In and NAP Service Fee Refunds

Producers who previously paid the buy-in fee or NAP service fee for a 2008 crop that meets the definition of a De Minimis crop or is a subsequent crop and double cropping or multiple cropping is not approved practice can request a refund of the fees for the crop. If a refund is requested, that crop will not count in the guarantee or revenue calculations for the SURE program.

SURE Triggers

To be eligible for SURE, the farm must be in an eligible disaster county or contiguous to an eligible disaster county **or** the actual farm production on the farm must be less than 50% of the normal production due to disaster or adverse weather. A SURE farm is the sum of all planted and intended planted crop acreage in all counties nationwide in which a producer has an interest.

Prevented Planted Acreage Credit

Producers who are prevented from planting a spring crop can request acreage credit by reporting the acreage on form FSA-578 and completing a request for prevented planting credit on form CCC-576 within 15 calendar days after June 5th for corn and June 20th for soybeans. For 2009, prevented planting acreage will no longer be based on the planted and prevented planted history of the specific crop on the farm.

Failed Acreage Credit

Producers can receive credit for failed acreage if the acreage is reported on form FSA-578 and a request for acreage credit is made on form FSA-576 before disposition of the crop. The acreage must have been timely planted under normal conditions with the intent to harvest but failed as result of a disaster related condition. Failed acreage may be verified with crop insurance data or a field visit. Farm Service Agency Offices have the option to use County Committee knowledge to verify the disaster condition. (NOTE: If the acreage is planted to a different crop the subsequent crop may be considered a crop for certain FSA purposes.)

Crop Reporting Requirements

Producers must report the crops and land uses for all cropland on the farm to be eligible for program benefits under the Direct and Counter-Cyclical Program, ACRE, marketing assistance loans and loan deficiency payments. Acreage reports are also required to establish eligibility for the Conservation Reserve Program and Noninsured Crop Disaster Assistance Program payments. Filing an accurate and timely report can prevent loss of program benefits under these programs. The final reporting date for 2009 crop year small grains is June 30, 2009. The final reporting date for all other crops is July 15, 2009. If a crop has NAP coverage it must be reported within 15 calendar days of the onset of harvest.

DCP/ACRE Fruit and Vegetable Plantings

Producers may plant any crop on Direct and Counter-Cyclical Program or Average Crop Revenue Election contract acres except fruits and vegetables. Exceptions apply to farms and/or producers with an established history of planting fruits and vegetables and home gardens of 2.0 acres or less. Producers without an established farm or producer history will be considered in violation of the terms and conditions of their DCP contract at the time of planting fruits or vegetables, unless the crop is destroyed and no harvest has occurred. Producers should contact their local FSA office regarding their individual situation to ensure they remain in compliance with this provision.

Farm Loan Programs

FSA offers loans for producers 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 including beginning farmers who have insufficient net worth to qualify for financing and borrowers who may have limited resources or have suffered setbacks from natural disasters.

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 direct loans for farmers who suffered physical or production losses in Presidential or Secretarial declared disaster areas. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA. For detailed information, contact your local FSA county office to request an appointment.

Land Uses for DCP/ACRE Contract Acres

DCP and ACRE contract acreage must be used for an agricultural or related activity and not for nonagricultural, commercial or industrial use. Agricultural uses include sod, farm ponds, wildlife habitat, pasture and trees. Nonagricultural uses include golf courses, commercial development, buildings and permanent structures. Producers must provide timely notification to their local FSA office when land will be devoted to nonagricultural uses as the farm's DCP or CRP contract acres and associated payments may be affected.

Idle DCP/ACRE Contract Acres

Idle DCP and ACRE contract acreage must be protected from erosion and weeds throughout the crop year. Maintenance payment reductions will be assessed if DCP contract acres are not properly maintained. Suggested covers include:

- Annual, biennial or perennial grasses and legumes.
- Volunteer stands other than weeds.
- Crop residue from no till or minimum till practices.

USDA Electronic Services

Producers can conduct some business with the Farm Service Agency electronically. Producers must first create an account at <http://www.eauth.egov.usda.gov>. Producers will receive an e-mail confirmation within 1 hour. Within the e-mail producers must click on a prompt to activate the account; then, within seven days, present a valid photo ID to the local FSA office to upgrade to a Level 2 account. A Level 2 account will allow access to all of USDA's available e-Gov applications including e-DCP, e-LDP, customer statement, and payment and refund queries.

Inactive Electronic Accounts

E-authentication accounts that are not used for 180 days become inactive. Producer may contact the Information Technology Services helpdesk for assistance to reactivate their account by accessing the following link: <https://app.eauth.egov.usda.gov/AccountServices/MainPages/eauthContact.aspx> or by calling 1-800-457-3642.

Changing a Farm's Administrative County

Producers may request that the administrative county of a farm be changed if the county to receive the records is both contiguous to the current administrative county and significantly more convenient for the producer to conduct business. Changing the administrative county because of convenience is a one-time option for a producer. Producers must document that the requested administrative county is significantly more convenient.

Northwest Ohio FSA Offices

Allen Co. FSA Office	419-223-0010
Defiance Co. FSA Office.....	419-782-4781
Fulton Lucas West Co. FSA Office.....	419-335-6061
Hancock Co. FSA Office.....	419-422-5438
Hardin Co. FSA Office	419-673-7238
Henry Co. FSA Office	419-592-2926
Ottawa Lucas East Co. FSA Office	419-898-2651
Paulding Co. FSA Office.....	419-399-3841
Putnam Co. FSA Office.....	419-523-4871
Seneca Farm Loan Office.....	419-447-7071
Williams Co. FSA Office	419-636-2057
Wood Co. FSA Office	419-352-5171
Van Wert Co. FSA Office	419-238-6780
NW Ohio District Director, Joel Obrecht .	419-352-5171

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Note: This newsletter provides a brief summary of program provisions and is not meant to be all-inclusive. Further information is available at local FSA offices and from FSA's Home Page at: www.fsa.usda.gov