



Portage-Summit County News

February 2009

Portage-Summit County
USDA Service Center

Portage-Summit County
FSA
6970 State Route 88
Ravenna, OH 44266
330-297-7633 (phone)
330-297-7210 (fax)
www.fsa.usda.gov/oh

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

County Committee
Jay Goodell
Bob Luther
Peter Schanz
Elden Villers
Wayne Biltz

County Committee meets
3rd Thursday each month

Staff
Theresa Johnson, CED
Wendy Behon, PT
Christine Wise, PT
Linda Wise, PT

Jack Barthels, FLM
Teresa Goode, FLO

Lamb Checkoff Referendum Program

USDA will offer lamb producers, feeders, and first handlers the opportunity to vote in a nationwide referendum on whether to continue or terminate the Lamb Promotion, Research, and Information Order, authorized under the Commodity Promotion, Research, and Information Act of 1996. The referendum will be held Feb. 2-27, 2009 and conducted at USDA's Farm Service Agency (FSA) county offices.

To be eligible to vote, persons must certify and provide documentation, such as a sales receipt or remittance form, which shows they have been engaged in the production, feeding, or slaughtering of lambs during the period, Jan. 1, 2008, through Dec. 31, 2008. Beginning Feb. 2, 2009, and continuing through Feb. 27, 2009, persons eligible to vote should obtain Form *LS-86-1: Lamb Promotion, Research and Information Order Referendum* from a FSA county office either in person, by mail, fax, or via the Internet at:

<http://www.ams.usda.gov/ismarketingprograms> and then click on the "Lamb Referendum Information" link and then click on the Form "LS-86-1".

Persons must vote in the referendum at the FSA county office where their administrative farm records are maintained. For those persons not participating in FSA programs, the opportunity to vote will be provided at the FSA county office where the person owns or rents land. Note, Form LS-86-1 will only be available on the AMS website between the dates of Feb. 2, 2009 through Feb. 27, 2009.

Form *LS-86-1* and supporting documentation must be returned in person, by mail, or by fax to the appropriate county FSA office. The form and documentation returned in person or by fax must be received in the appropriate county office prior to the close of business on Feb. 27, 2009. The form and documentation returned by mail must be postmarked no later than midnight on Feb. 27, 2009, and received in the county FSA office by March 6, 2009.

USDA monitors activities of the American Lamb Board. The mandatory program is financed by producers, seedstock producers (breeders), feeders, and exporters who are assessed one-half cent (\$.005) per pound when live ovine animals are sold. The first handler, primarily packers, pays an additional 30 cents per head on ovine animals

purchased for slaughter. Copies of the Final Rule and Notice are available from the Marketing Programs Branch; Livestock and Seed Program, AMS, USDA; STOP 0251 - Room 2628-S; 1400 Independence Avenue, SW; Washington, D.C. 20250-0251; tel. (202) 720-1115; or via the Internet at: www.ams.usda.gov/ismarketingprograms.

Crop Disaster Program Sign-up Deadline

The Farm Service Agency's (FSA) Crop Disaster Program (CDP) sign-up period for years 2005-2007 will **end Feb. 27, 2009**.

The ending date of Feb. 27 applies to the receipt of a signed and completed FSA-840 application along with all supporting documentation and required forms at the applicable county FSA office. Sign-up information and required forms are available at each county FSA office. Late filed applications will not be approved after the Feb. 27 deadline.

For further questions about CDP and the sign-up deadline, producers may contact the county FSA office or visit FSA's website at: <http://www.fsa.usda.gov>.

Kansas City Mails 1099-G

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend that you check the amounts shown with those in your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with eAuthentication user ID's and passwords can access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.



DCP Sign-up Underway

Sign-up has started for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres. You can sign-up online or at the FSA Service Center. Sign-up will continue **until June 1, 2009** and unlike years past, participants **may not enroll** in DCP after June 1 of the applicable contract year. There are **no late-filed provisions** for contract years 2009-2012.

The electronic DCP (or eDCP) service 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.

FSA 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 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm (an owner signature on the contract or on a written cash lease is required). Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

As there are several new forms to file this year, such as Adjusted Gross Income and Payment Eligibility, appointments are requested and appreciated to allow us to serve you better. Once you know which farms you will operate this year, please phone with this information, your crop shares, and, if desired, the month to receive advance payment. We will print your DCP contracts and call when these are ready to sign.

Eligible producers for the DCP Program are also eligible to enroll in the Average Crop Revenue Election (ACRE) Program or the Counter-cyclical Program. The enrollment period for the ACRE Program will begin in the spring. You may first enroll in the DCP Program, receive advance direct payments and then later modify your enrollment to the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

A DCP factsheet is available online at:
http://www.fsa.usda.gov/Internet/FSA_File/dcp2008.pdf.



Payment Limits & Direct Attribution

For commodity and disaster programs under the new farm bill, the Adjusted Gross Income (AGI) limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000** such that a person or

entity shall not be eligible for such programs if the non-farm AGI exceeds \$500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to **\$750,000 per year from farm income** in order to qualify for direct payments issued under the Direct and Counter-cyclical Program.

For conservation programs, the average nonfarm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination.

Under rules in effect since 1988, not every member of an entity had to contribute active personal labor or management. The interim final rule requires each partner, stockholder, or member with an ownership interest to make a contribution of active personal labor or active personal management. The contribution must be regular and substantial, and documented as well as separate and distinct from any other member's contribution. The rule limits the ability of passive stockholders to continue to realize benefits from the entity.

County Committee Election Results

Congratulations to Robert Luther! Bob was re-elected to represent farmers from Northfield, Twinsburg, Richfield, Boston, Hudson, Bath, Northampton, Stow, Copley, Portage, and Tallmadge Townships, in Summit County on the county committee. The election results for Local Administrative Area #2 are:

Robert Luther — Elected to the county committee (COC),
Lucinda Davis — 1st alternate to COC,
FSA appreciates all of the voters for taking the time to
complete the election ballot. The county committee sys-
tem works only because of your participation.



NAP Coverage Deadline

March 16th is the last day for producers to apply for Non-Insured Crop Disaster Assistance Program (NAP) coverage using Form CCC-471, Application for Coverage, and pay the service fee at the county office. To download the electronic "*NAP Basic Provisions Document*", form CCC-471 NAP BP, go to:

http://www.fsa.usda.gov/Internet/FSA_File/ccc_471_nap_bp.pdf. The application and service fee must be filed **by March 16th**, the deadline date for 2009 spring planted crops which include: forage sorghum, oats, potatoes, soybeans, sunflowers and all spring planted specialty crops grown for food.

The service fee is \$250 per crop per county or \$750 per producer per county. The fee cannot exceed a total of \$1875 per producer with farming interest in multiple counties. Limited resource producers may request a waiver of service fees. To qualify, a producer must be a landowner, tenant or sharecropper who shares in the risk of producing an eligible crop.

MILC Sign-Up Underway

Sign-up for the Milk Income Loss Contract Program (MILC) is underway and will be conducted in two phases. The initial sign-up phase began on Dec. 22, 2008 and ended on Jan. 21, 2009.

The extended sign-up phase began on Jan. 22, 2009 and will continue throughout the duration of the MILC program, ending on September 30, 2012. Producers that submit CCC-580's during the extended sign-up can select as the MILC production start month for their dairy operation either:

- The month the CCC-580 is submitted or
- From the remaining months in FY in which CCC-580 is submitted for which the payment rate is not known and according to MILC production start month selection provisions.

The 2008 Farm Bill reauthorizes the MILC Program, and makes three key changes in program operations. Under the Farm Bill, the MILC payment rate and the per-operation poundage limit are modified, depending on when the milk is produced. In addition, a "feed cost adjuster," is introduced over the life of the 2008 Act, which adjusts the \$16.94 per hundredweight (cwt.) benchmark price upward depending on the cost of feed rations. When available, MILC payments are based on a payment rate percentage that is multiplied by the difference between a now-flexible target (\$16.94 per cwt. or higher) and the

specific month's Boston Class I price of milk.

The 2008 Farm Bill made changes to the provisions for payment eligibility and Adjusted Gross Income (AGI). If the individual or entity has non-farm AGI greater than \$500,000, the individual or entity is not eligible for MILC benefits.

Youth Loans

FSA makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Live in a rural area or in a town of 50,000 people or fewer
- Must obtain a written recommendation and consent from a parent or guardian if the applicant has not reached the age of majority under state law
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

To find out more about the FSA Rural Youth loan program, contact your local FSA county office to setup an appointment with a Loan Approval Official.



Reasonable Accommodations

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by FSA. If you require special accommodations to attend or participate in one of our events, please contact Theresa Johnson, CED, and we will be happy to make any needed arrangements.

Appeal Process

After an FSA official makes a decision on your request for USDA services or application, you will be sent a letter informing you of the decision and options you can pursue if you disagree.

Generally, program participants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

Power of Attorney

FSA has a required power of attorney form available for those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., that enables the participant to designate another person to conduct his or her business at the office. This can be done by completing an FSA-211, Power of Attorney. The form is available at your local USDA Service Center or online at:

http://forms.sc.egov.usda.gov/efcommon/eFileServices/Forms/FSA0211-0211A_081217V02.pdf.

Selected Interest Rates for February 2009

90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	2.125%
Farm Ownership Loans — Direct	3.750%
Farm Ownership Loans — Beginning Farmer Down Payment	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans	1.875%
Commodity Loans 1996-Present	1.375%

Dates to Remember

Feb. 27	Lamb Checkoff Referendum Program finishes today.
Mar. 16	Deadline to obtain 2009 NAP coverage on spring planted crops.
Mar. 31	Final Availability for 2008 crop wheat, barley, oats, honey, loans and LDPs.
Continues	Farm Storage Facility Loan Program.
Continues	Continuous Conservation Reserve Program.

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