



Wyandot FSA News

March 2010

1099-G Report to IRS

Producers who have received payments in 2009 from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers 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.

When the CCC-1099-G is received, it should be checked with 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 an eAuthentication user ID and password may 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. If you have questions concerning the 1099-G refund information, contact your local FSA office.

NAP Coverage Deadline

March 15th 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 15th**, the deadline date for 2010 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.

NAP coverage is required to be eligible for disaster programs such as Supplemental Revenue Assistance (SURE), Tree Assistance Program, and Emergency Assistance for Livestock, Honey Bees, Farm-Raised Fish (ELAP).

Honey Loans Available

Marketing assistance loans and loan deficiency payments for 2009 crop year honey are available until March 31, 2010. The national loan rate for honey is \$.60 per pound. Market prices currently exceed the loan rate; so LDPs are not available right now.

To be eligible for a loan, the producer must have: produced honey in the United States during the calendar year for which the loan is requested; extracted the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping the honey. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan.

The honey must be produced in the United States by an eligible producer, from an approved floral source, and stored in approved containers.

The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed.

Honey used as collateral may not be disposed of without approval of the county office staff.

No Dec. or Jan. MILC Payments

Producers participating in USDA's Milk Income Loss Contract (MILC) program have received payments for the month of November. USDA makes MILC payments on a monthly basis when the Boston Class I milk price falls below \$16.94 per hundredweight as adjusted for feed costs.

The MILC payment trigger price of \$16.94 is adjusted upward when the National Average Dairy Feed Ration Cost for a month is greater than \$7.35 per cwt. USDA's National Agricultural Statistics Service recently released the data for determining the Average Dairy Feed Ration Cost for the month of Dec. in early Jan. and for Jan. in early Feb. 2010. Using this information, the MILC payment trigger for Dec. and Jan. have been adjusted to \$16.94, for final MILC payment rates of \$0.00.

For more information about the MILC program, please visit your local FSA office or go online to: <http://www.fsa.usda.gov/FSA>.

Wyandot County USDA Service Center

Wyandot County FSA
97 Houpt Drive, B
Upper Sandusky, OH
419-294-2127 (phone)
419-294-2474 (fax)
www.fsa.usda.gov/oh

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

County Committee
Jerry Murphy
Chuck Bigler
Henry Bills
Connie Iles

County Committee
meets monthly on
3rd Wednesday, 8 am

Staff
Vicki Orians, CED
Brenda Blair
Rinda Kraus
Deb Mullholand
Brent Gottfried
Susan Sampson
Deb Rickle
Joel Castanien
Dave Demler
Kelby Weaver



County Committee Meetings

The four-member Wyandot County Farm Service Agency committee meets once a month. The committee has established 8:00 a.m. on the third Wednesday of each month as its regular meeting time with Wyandot County FSA office as its meeting place.

We will post a notice on the county office bulletin board if the committee must reschedule the time or place of its next meeting.

County committee members are:

Chairman Jerry Murphy, representing Richland, Salem, Crane and Eden townships; Chuck Bigler, representing Ridge, Crawford, Tymochtee and Sycamore townships; Henry Bills, representing Jackson, Marseilles, Pitt and Antrim townships. Connie Iles serves as County Committee advisor.

Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service 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 average AGI verification and data comparison processes begin with participants providing consent to IRS for the use and disclosure of tax information to FSA for AGI compliance purposes. By completing the CCC-927 and CCC-928 forms, it authorizes CCC/FSA to share program participant information with IRS. This also allows IRS to use and disclose certain tax information to CCC/FSA for AGI compliance verification.

To safeguard privacy of all program participants and confidentiality of the information, program participants are required to:

- complete CCC-927 or CCC-928
- mail the completed forms:
 - directly to IRS at the address specified on the forms
 - within 60 calendar days of the signature date.

Completed CCC-927's and CCC-928's **will not to be accepted or retained** in any FSA office.

Participants that choose **not to submit** a completed CCC-927, or CCC-928, as applicable, will be determined noncompliant with AGI limitations for the 2009 and 2010 crop, and program.

Copies of the CCC-927, CCC-928 forms are available at their local FSA office. Participants can also visit the Ohio FSA State website and download the forms at: www.fsa.usda.gov/oh under the "I Want To" section. The AGI factsheet is available at: http://www.fsa.usda.gov/Internet/FSA_File/irmsou09.pdf

Loans for the Socially Disadvantaged

Wyandot County FSA Executive Director, Vicki Orians, reminds interested applicants that FSA offers loans for farmers 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. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, applicants might have suffered setbacks from natural disasters or might be persons with limited resources.

FSA makes two different types of loans, direct and guaranteed. Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans (loans made by a commercial lender where FSA acts as guarantor) can reach a maximum indebtedness of \$1,112,000. Emergency loans are a type of direct loan for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for Socially Disadvantaged Applicants are other types of direct loans also available through FSA.

Socially Disadvantaged Applicants (SDA) are one of a group whose members have been subjected to racial, ethnic or gender prejudice because of their identity as a member of the group without regard to their individual qualities. SDA groups are Women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders. Certain FSA loan funds are targeted to beginning farmers and SDA. For detailed information on loan eligibility or the different loan programs available, contact your local FSA office to setup an appointment with a Loan Approval Official.

| Selected Interest Rates for March 2010 | |
|---|--------|
| 90-Day Treasury Bill | 0.125% |
| Farm Operating Loans — Direct | 3.000% |
| Farm Ownership Loans — Direct | 5.125% |
| Farm Ownership Loans — Down Payment | 1.500% |
| Emergency Loans | 3.750% |
| Farm Storage Facility Loan -- 7 year | 3.125% |
| Farm Storage Facility Loan -- 10 year | 3.625% |
| Farm Storage Facility Loan -- 12 year | 4.000% |
| Sugar Storage Facility Loans | 4.250% |
| Commodity Loans 1996-Present | 1.375% |

Rural Youth Loans

The Farm Service Agency 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.

- Be a citizen of the United States (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/consent from a parent or guardian if applicant has not reached the age of majority
- 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 learn more about FSA Rural Youth loans, contact FSA county office to setup an appointment with a Loan Approval Official.

SURE (New Permanent Disaster Program)

Supplemental REvenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster that occurred in the crop years 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. However, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage.

Eligible farmers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

To trigger a SURE payment, participants must have at least one crop of economic significance suffer a 10% production loss due by comparing the actual production on the SURE farm to that crop, and have either of the following:

- a portion of the SURE farm located in a natural disaster county designated by the Secretary, including contiguous counties; or
- an overall loss greater than 50 percent of actual production on a farm compared to farm expected revenue for that crop year.

For more information about SURE, visit the National FSA website at: www.fsa.usda.gov/FSA to read the fact sheet or visit the local FSA office.

2010 DCP Sign-up

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2010. USDA will not accept any late-filed applications. USDA urges producers to make use of the eDCP automated website to sign-up, or producers can visit their local FSA office to complete the 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 advance direct payments based on 22 percent of the direct payment.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing an eligible commodity. To be eligible, a producer must maintain continual beneficial interest in the eligible commodity.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting, and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards.

FSA offers MALs on honey, wool & mohair, an assortment of grains, and other approved agricultural commodities.

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 providing incorrect quantity certification.

For more details on marketing assistance loans contact your local FSA office.

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Average Crop Revenue Election-ACRE

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under Direct and Counter-cyclical Program (DCP). **The June 1, 2010, sign-up deadline is mandatory for all participants. USDA will not accept any late-filed applications.**

A farm's ACRE 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% (85% 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%, and marketing assistance loan rates are reduced by 30%.

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.

| Dates to Remember | |
|-------------------|--|
| Mar. 15 | Deadline to obtain 2010 NAP coverage on spring planted crops. |
| Mar. 31 | Final Availability for 2009 crop wheat, barley, oats, honey loans and LDPs. |
| May 31 | Memorial Day Holiday. FSA Offices Closed. |
| June 1 | Deadline to apply for 2009 commodity loans and LDP's on feed grains, soybeans, pulse crops. |
| June 1 | Deadline to sign-up for 2010 Direct and Counter-cyclical Payment Program. USDA will not accept any late-filed applications. |
| June 15 | County Committee Nomination period begins. |
| June 15 | Deadline to submit the CCC-927 and CCC-928 consent forms to the IRS. |
| June 30 | Final certification date for small grains. |
| Continues | Farm Storage Facility Loan Program. |
| Continues | Continuous Conservation Reserve program. |

<http://www.fsa.usda.gov/oh>

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