FSA FARM SERVICE AGENCY

JAN/FEB/MAR 2010

CACHE COUNTY NEWS

AGI and Actively Engaged

USDA has finalized a Memorandum of Understanding with the IRS to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report the IRS sends to USDA.

This agreement will ensure payments are not issued to producers whose AGI exceeds certain limits. Limits set in the 2008 Farm Bill are $500,000 nonfarm average AGI for commodity and disaster programs; $750,000 farm average AGI for direct payments; and $1 million nonfarm average AGI for conservation programs. Participants in CCC programs subject to average AGI rules **must annually certify their eligibility to receive benefits** by submitting a statement from a certified public accountant or an attorney, or by completing form CCC-926.

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program. Every stockholder or member of a legal entity does not have to contribute labor or management if both of the following apply:

- at least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management that qualifies as a significant contribution to the operation;
- the total direct payments received, both directly and indirectly, by the legal entity and each of the members does not exceed $40,000.

SURE Signup for Crop Production Loss

Signup for the 2008 Supplemental Revenue Assistance Payments (SURE) Program began on January 4, 2010, for those who suffered crop production or crop quality losses during crop year 2008.

SURE takes into consideration crop losses on all crops grown by a producer nationwide and provides assistance in an amount equal to 60% of the difference between the SURE farm guarantee and total farm revenue. The farm guarantee is based on the amount of crop insurance and Non-insured Crop Disaster Assistance Program (NAP) coverage on the farm. Total farm revenue takes into account the actual value of production on the farm as well as insurance indemnities and certain farm program payments.

Producers with a farming interest physically located in a county declared a primary disaster county or contiguous county by the Agriculture Secretary must have suffered at least a 10% production loss on a crop of economic significance. Producers must meet risk management requirements by obtaining a policy or plan of insurance under the Federal Crop Insurance Act or NAP coverage, for all economically significant crops. Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage.

If there is no Secretarial Disaster Designation, individual producers may also be eligible for SURE if actual production on the farm is less than 50% of normal production on the farm due to a natural disaster.

Dairy Economic Loss Assistance Program

The Dairy Economic Loss Assistance Program (DELAP) provides a one-time payment to assist dairy producers who have recently experienced low milk prices and high production costs.

No application to receive DELAP program benefits is required if records are currently available in our office from previous participation in a fiscal year 2009 dairy program administered by FSA. FSA will use existing production data maintained by the FSA county office for the months of February through July 2009 to calculate and issue payments.

Dairy producers who do not have production records at the FSA county office, and who have not been contacted to obtain such data for the months of February through July 2009, may apply to receive DELAP benefits during the 30-day application period beginning Dec. 17, 2009. The deadline to submit requests for DELAP program benefits is January 19, 2010.

County Committee (COC) Election Results

Congratulations to Mervin Thompson! Mervin was re-elected to represent farmers from Clarkston, Trenton, Cornish, Amalga, Benson, Newton and Mendon on the COC. Mervin was elected to his second consecutive term. The election results for Local Administrative Area 1 are:
Mervin Thompson — Elected to the COC,
Jason B Godfrey — 1st alternate to COC,
FSA appreciates voters for taking time to complete the election ballot. The county committee system works only because of your participation. COC members will hold their organizational meeting in January to determine who will serve as the COC chairman and vice-chairman.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. FSA administers this program for USDA.

Individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties up to 25% of the fair market value of the property.

Controlled Substance

Any person convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

Special Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

Power of Attorney

For those who find it difficult to visit the county office due to work schedules, distance, health, etc., FSA has a power of attorney form available, enabling you to designate another person to conduct your business at the office.

Bank Account Changes

Current policy mandates FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify FSA county offices if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

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 your 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.

FSA Signature Policy

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities. Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

Customer Statement

January signals the beginning of a new year, and a time to starting thinking about filing taxes. Producers who have signed up for a USDA eAuthentication Level 2 account will be able to access their farm data via their Customer Statement.

The Customer Statement puts a range of USDA services and programs into a single report that's at your fingertips and available online, 24 hours a day, seven days a week. It allows USDA customers to view their participation, application and payment status in various commodity and conservation programs; information on farm loans; and conservation plan and land unit information.

Marketing Assistance Loans

Marketing Assistance Loans for crop years 2009 through 2012 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 Commodity Credit Corporation (CCC) minimum grade and quality standards. 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 or 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 providing an incorrect quantity certification.

LO-DOC Loans

What is a Lo-Doc loan? Simply put, it is a loan that requires less paperwork than the standard FSA loan. To qualify for a Lo-Doc loan, you must meet the following requirements:

- Be current on all payments to ALL creditors;
- Have not received primary loan servicing on any FSA debt within the past 5 years;
- Request a loan of $50,000 or less, and total outstanding FSA operating loan (OL) debt at the time of loan closing will be less than $100,000; **OR** the loan requested is to pay annual operating expenses and the applicant is an existing FSA borrower who has received, and timely repaid, at least two previous annual OL loans from FSA.

FSA is the Lender of First Opportunity. Please see your local county FSA office if you are in need of financial assistance for your farming/ranching operation.

Utah Wool Growers Perpetual Sheep Program

Five flocks will be awarded this fall. Get your applications in ASAP so you don't miss out. Questions?? Call Holly Christley 435-833-9841.

Cache County News

We believe there will be a CRP sign-up this Spring, watch our newsletters and/or the local newspaper for sign-up dates and information.

DCP sign-up for the 2010 crop year is underway, stop by our office to sign your contract. Reviewing your farm operation and updating your eligibility paperwork can also be completed at the same time. We can also review maps of your farm while you're in the office, if you'd like copies we'll be glad to print them or send you a copy via email.

Please feel free to call me anytime you have questions on our farm programs. Contact me by phone at (435) 753-5480 Ext 17 or by email at bruce.lundquist@ut.usda.gov. For information on the internet visit this web page, www.fsa.usda.gov.

CACHE COUNTY FSA
1860 NORTH 100 EAST
NORTH LOGAN, UT 84341

PRESORTED STANDARD
U.S. POSTAGE PAID
Des Moines, IA
PERMIT #5709

HOURS: Monday - Friday 8:00 a.m. - 4:30 p.m.
(435) 753-5480 (phone)
(435) 755-2117 (fax)

COUNTY COMMITTEE

D. Kent Buttars, Chairperson

Mervin Thompson, Vice Chairperson

Jay Rinderknecht, Member

STAFF

Bruce K. Lundquist, CED	Scott B. Bown, FLM
Marc K. Henrie, FLO	Clifford Russell, FLOT
Kristi Cravalho, PT	Marcene Bennett, PT
Patti Wiser, PT	Jackie Clark, PT

DATES TO REMEMBER	
February 1	County Committee Meeting
February 15	Office Closed—Washington's Birthday
March 1	County Committee Meeting
March 15	Deadline to purchase **NAP** coverage for spring planted crops
March 15	Deadline to purchase **crop insurance** coverage for spring planted crops
April 5	County Committee Meeting

Visit us on the internet at:
www.fsa.usda.gov

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance programs. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue SW, Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

Persons with disabilities who require accommodations to attend or participate in Cache County FSA meetings/events/functions should contact Bruce Lundquist, CED, at (435) 753-5480, Ext 17 (Federal Relay Service at 1-800-877-8339), or at bruce.lundquist@ut.usda.gov.