



# JUAB 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.

We have the CCC-927 (for an Individual) and CCC-928 (for a Legal Entity) here at the office, or you can go online and print them at [www.fsa.usda.gov](http://www.fsa.usda.gov). Click on FORMS on the top of the page, on the left hand side of the screen click on BROWSE FORMS, then fill in the applicable form number (927 or 928). **It is your responsibility to get the correct form mailed in to the IRS by June 15**, or you will have to pay back all the money that was received in 2009 & 2010 from FSA & NRCS on programs subject to Adjusted Gross Income provisions.

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 Don V. Anderson! Don was elected to represent farmers from Mona & Callao on the COC. Don was elected to his first consecutive term. The election results for Local Administrative Area 1 are:

Don V. Anderson — Elected to the COC,  
James Doran Kay— 1<sup>st</sup> alternate to COC,  
FSA appreciates voters for taking time to complete the election ballot. Gordon Young completed 9 consecutive years on the committee and was not eligible to run in the election. We extend a special thanks to Gordon for his years of service on the committee.

### **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.

### **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 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.

### **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.

### **Grasshopper Control Meeting**

On Wednesday, February 3rd, 7:00 p.m. at the Juab County Courthouse cultural hall, 160 North Main in Nephi. USU Extension will be sponsoring an Ag producer's grasshopper control meeting. Greg Abbott USDA Aphis Specialist and Clint Burfitt, USDA Entomologist will cover 2009 control results, 2010 outlook and cost share programs. Anyone interested in learning more about grasshopper control is invited to attend. For more information call 435-623-3450.

JUAB COUNTY FSA  
635 NORTH MAIN STREET  
NEPHI, UTAH 84648



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**HOURS:** Monday - Friday 8:00 a.m. - 5:00 p.m.  
(435) 623-0342 (phone)  
(435) 623-2368 (fax)

**COUNTY COMMITTEE**

Reid Jarrett  
Gordon Kenison  
Don V. Anderson

**STAFF**

Kevin L. Stanley, CED  
Steven Bartholomew, FLS  
Lois Shepherd, PT

<b>DATES TO REMEMBER</b>	
January 18	Office Closed - Martin Luther King, Jr. Day
January 19	Deadline for DELAP
January 26	County Committee Meeting
February 15	Office Closed - Washington's Birthday

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Persons with disabilities who require accommodations to attend or participate in Juab County FSA meetings/events/functions should contact Kevin L. Stanley CED, at (435) 623-0342 (Federal Relay Service at 1-800-877-8339), or at [kevin.stanley@ut.usda.gov](mailto:kevin.stanley@ut.usda.gov).

