



# FSA UDATES

**Chittenden/Washington  
County  
USDA Service Center**

**Chittenden/Washington  
County FSA**

802 865-7895 x4  
800 910-2035 x4 (VT only)  
802 865-7947 (fax)  
www.fsa.usda.gov/VT

**Hours**

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

**County Committee**

Richard Parizo LAA-1  
Claude Lapierre LAA-2  
Sumner Farr, Jr LAA-3  
Catherine Scribner LAA-4  
Michelle Gardner LAA-5

**Upcoming County  
Committee Meeting**

**Dates**

February 11, 2009  
March 11, 2009

**Staff**

Lawrence Parker x102  
Eileen Powers x106  
Pearl Wells x100  
Bradford Parker x103

**Natural Resources  
Conservation Service**

Caroline Alves x203  
Tate Jeffrey x119  
Michel Lapointe x118  
Danny Peet x202  
Norman Smith x117

**Winooski Natural  
Resources Conservation  
District**

Ashley Lidman x104



## **Crop Disaster Program Signup Deadline**

The Farm Service Agency's (FSA) Crop Disaster Program (CDP) signup 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.

All application determinations will be made by March 27, 2009. For further questions about CDP and the sign-up deadline, producers may contact their county FSA office or visit FSA's website at <http://www.fsa.usda.gov>.

## **MILC Sign Up Underway**

Signup for the Milk Income Loss Contract Program (MILC) is underway and will continue through the program's expiration date, Sept. 30, 2012.

The 2008 Farm Bill reauthorizes the MILC Program, which operates similarly to the counter-cyclical payment program for crops, and makes three key changes in program operation. 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.

For more information on the MILC program, contact your local USDA Service Center.

## **DCP Signup Continues**

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program continues until June 1, 2009. The June 1, 2009 deadline is mandatory for all participants. FSA will not accept any late-filed applications.

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. Payments will be issued once all eligibility requirements are met.

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.

## **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. The Farm Service Agency administers this program for USDA.

Foreign persons who 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 could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

### ***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. If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

### ***Payment Limits & Direct Attribution***

For commodity and disaster programs under the new farm bill, the 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 non-farm 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. For more detailed information contact your local FSA office.

### ***NAP Production Reporting***

Production records for individual crops need to be filed with our office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable and verifiable. Records

need to show crop disposition. It is recommended producers submit 2008 production records as soon as possible after harvest. ***All production records must be submitted by the subsequent crop year's final acreage reporting date.***



## ***NAP Coverage Deadlines***

Noninsured Crop Disaster Program (NAP) applications are due at different times according to the crop being insured. Producers should apply for NAP coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee **MUST** be filed by the crop deadline date. Contact your local FSA office for the filing dates for your crops.

The service fee is \$250 per crop per county or \$750 per producer per county. The fee cannot exceed a total of \$1874 per producer for individuals with farming interests in multiple counties. Limited resource producers may request a waiver for service fees.

To qualify, a producer must be a landowner, tenant or sharecropper who shares in the risk of producing an eligible crop.

## ***Farm Loan Programs***

The Farm Service Agency (FSA) offers loans for farmers and ranchers 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, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

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 always direct loans 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 also available through FSA. For detailed information, just contact the county office staff for an appointment with a farm loan officer.

## ***FSA Farm Loans Available To Beginning Farmers or Rancher***

Beginning farmers or ranchers may obtain a farm ownership loan by using funds set aside especially for them by the Farm Service Agency. These loans can be financed up to the \$300,000 loan limit, and the term of the loan can be up to 40 years.

The interest rate is set the first of each month, and is currently 1.50 percent. The rate for "limited resource producers" is 5.00 percent.

Farm ownership loan funds may also be used in joint financing where FSA lends up to 50 percent of the amount financed and another lender provides 50 percent or more. FSA may charge an interest rate of not less than 4 percent with terms up to 40 years.

## ***Lamb Referendum***

The U.S. Department of Agriculture announced that it will offer producers, feeders, and first handlers the opportunity to vote in a nationwide referendum on whether to 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.

The referendum will be 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 from a county FSA office either in person, by mail, fax, or via the Internet at:



<http://www.ams.usda.gov/ismarketingprograms>. Persons must vote in the referendum at the County FSA 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 County FSA office where the person owns or rents land.

<b>Selected Interest Rates for February 2009</b>	
Farm Operating - Direct	2.125%
Farm Ownership - Direct	3.75%
Limited Resource - Farm Operating	5.00%
Limited Resource - Farm Ownership	5.00%
Farm Ownership - Direct Down Payment Beginning Farmer or Rancher	1.50%
Emergency	3.75%
Farm Storage Facility	1.875%

<b>Dates to Remember</b>	
2-16	Washington's Birthday – Office Closed
2-27	Crop Disaster Signup Ends
Continues	MILC-Extended Signup
Continues	DCP
Continues	Continuous Conservation Reserve program

Visit our Web site at  
<http://www.fsa.usda.gov/VT>

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