



August 2008

# Orleans County News

PLEASE READ CAREFULLY

## Buy-In Waiver for Supplemental Disaster Assistance

Producers can establish 2008 eligibility for the new disaster assistance programs by paying a fee as required by the Food, Conservation and Energy Act of 2008 (the 2008 Act).

Ordinarily producers who wish to participate in the new disaster programs would need crop insurance or non-insured crop disaster assistance (NAP) coverage on all farms in all counties in which they have an interest. Since the 2008 Act was enacted after the application periods had closed for those programs, producers who did not have insurance coverage could not comply with this requirement in order to be eligible. However, the 2008 Act authorizes a waiver that allows producers to pay a fee, called a "buy-in" fee, to be eligible for the new disaster assistance programs.

**The buy-in fee is due no later than Sept. 16, 2008**, 90 days after the date of enactment, as required by the 2008 Act. Payment of the applicable fees will allow the producer to be eligible for financial assistance under the Supplemental Revenue Assistance Program (SURE), Livestock Forage Disaster Program (LFP), and other disaster assistance programs. Those who miss this opportunity will **not** be eligible for 2008 disaster assistance.

Producers are also reminded that the payment of the applicable buy-in fee does **not** provide the producer crop insurance or NAP coverage; it only affords eligibility for the 2008 disaster programs. The buy-in fee for 2008 eligibility is \$100 per crop, but not more than \$300 per producer per administrative county, or \$900 total per producer for all counties less any previously paid fees for CAT coverage and/or NAP. Producers can contact their local administrative FSA County Office to get more information or pay applicable fees

The following questions are provided to assist a producer in making the decision whether to pay the buy-in fee:

- Do you anticipate having losses in crop production quantity or quality for 2008? If you say "no", you do not need to "buy-in". If you say "yes", see next question.
- Do you have crop insurance and/or NAP coverage for **ALL CROPS** which you produce commercially? If you say "yes", you do not need to "buy-in". If you say "no" or you are not sure, see next question.
- Do you want to have the option of applying for benefits for 2008 losses under the new disaster programs? If you say "no", you do not need to "buy-in". If you say "yes", contact your local USDA Service Center to determine what your fee will be.

The 2008 Farm Bill created new disaster programs which require that producers have crop insurance for **ALL** insurable crops and/or NAP coverage for **ALL** noninsurable crops for all farms in all counties in which they have an interest. In Vermont, this would include **ALL** commercial production of corn, hay, soybeans, maple, fruits, vegetables, tree fruits, etc., **including pastureland grazed by livestock.**

VERY IMPORTANT INFORMATION

## NAP Coverage

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

**The application deadline dates for 2009 NAP coverage for forage and perennial crops is Dec 1, 2008; for maple sap and honey is Dec 31, 2008 and for spring seeded annual crops is March 15, 2009.**

Increased fees apply to 2009 NAP. New Farm Bill rules set the application rate at \$250 per crop but not more than \$750 per producer per county or more than \$1875 total per producer for all counties.

Producers who already have coverage on 2008 NAP crops may choose to continue coverage on the same crop or crops for 2009, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add a new crop(s) or delete a crop(s) from previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable service fee. Producers with 2008 NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.
- File a "Notice of Loss" within 15 days of when a loss is apparent, due to drought, hail, etc.

For more information on NAP coverage please contact your nearest Farm Service Agency office.

## Payment Limitations

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. Documents and forms to determine eligibility and limitation are reviewed on an annual basis. It is the producer's responsibility to report changes in the farming operation that may affect payment eligibility and payment limitation.

The following limitations apply to Direct and Counter-cyclical Program payments for the 2008 contract year. For all covered commodities: \$40,000 for direct payments and \$65,000 for counter-cyclical payments. The Environmental Quality Incentive Program has a \$450,000 payment limitation. The Conservation Reserve Program annual limit is \$50,000 per person.

**Adjusted Gross Income** - Effective through 2008, an individual or entity shall **not** be eligible for certain program benefits during a crop, program or fiscal year if both of the following apply.

- The three-year average adjusted gross income for the individual or entity exceeds \$2.5 million; and
- Less than 75 percent of the average AGI is derived from farming, ranching or forestry operations.

## Farm Service Agency

59 Waterfront Plaza, Ste 11  
Newport, VT 05855-4877

334-6090-Phone  
1-866-241-2190 Toll Free Phone  
334-1365-Fax

## Hours

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

## County Committee

Scott Birch, Chair  
Brad Maxwell, Vice Chair  
Doug Lawson, Voting Member  
Donna Hammond, Minority Advisor

COC meets 2<sup>nd</sup> Wednesday of each month.

## NRCS District

Stephanie Sever, Dist Mgr X18  
Dee Nault  
Paul Daniels, Chair  
Bill Lawson, Vice Chair  
Richard Delfavero, Treasurer  
Burton Strong  
William Ryan  
Darryl Mongeon

## NRCS Staff

David Blodgett, DC X25  
[David.blodgett@vt.usda.gov](mailto:David.blodgett@vt.usda.gov)  
David Gauvin, CET X23  
Brenda MacDonald-Kuper, SC X21  
Marybeth Whitten, SC X22  
Linere Silloway, PA X24

## Loan Staff

Brian Kuper, FLM X14  
[Brian.kuper@vt.usda.gov](mailto:Brian.kuper@vt.usda.gov)  
Diane Gilman, FLO X11  
Dorcas McAllister, FLO X15  
Cheryl Smith, PT X13  
Angela Goodridge, PT X12  
Meghan DuBois, FLOT X17

## Program Staff

William Putnam, CED X28  
[William.putnam@vt.usda.gov](mailto:William.putnam@vt.usda.gov)  
Laurie Locke, PT X16  
Brock Columbia, PT X26



## Reasonable Accommodations

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment or hearing impairment. If special accommodations are required, please call the Farm Service Agency county office staff, and we will be happy to make any arrangements that are necessary.

**RETURN SERVICE REQUESTED**



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program 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 program. (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

**Quality Loss Crop Disaster Signup**

Producers can apply for crop *quality* losses under the Crop Disaster Program (CDP). ***Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits.***

The CDP provides benefits to farmers who suffered losses to their 2005-2007 crops from natural disasters and related conditions. Producers who incurred qualifying quantity or quality losses in 2005, 2006 or 2007 may receive benefits for only one of these years. However, producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year.

Producers must have suffered a *quantity* loss in excess of 35% and/or a *quality* loss of at least 25 percent to be eligible for CDP. New this year, it is required that the production must have suffered a 25% loss in economic value to be eligible for a quality loss payment. Economic loss is the actual value of the crop if it had been sold.

Quality Loss applications need to have the following

- Crop measurements must be provided by a verifiable third party
- All lab tests taken on your forage crops

The payment rate is set at 65 percent of the amount of the affected crop multiplied by 42 percent of the per-unit average market value in the year in which the loss occurred. Producers may receive assistance for both quantity and quality losses. However, the total quantity and quality assistance, together with any crop insurance or NAP payment received for the same crop and the value of the crop production not lost, must not exceed 95 percent of the total value of the crop absent the disaster.

**Energy Costs, Corn, and EQIP**

With costs of fuel and fertilizer skyrocketing, the profit margin for growing corn has shrunk considerably. If you are considering cutting back on corn acreage or going to an all grass system, EQIP can help fund the transition. New seedings can be cost shared in some instances, and a range of pasture expenses can be covered to set up a grazing system. Sign up with NRCS by October 1. Call the NRCS if you'd like help with preliminary planning.

**Forest Management Now Included in EQIP**

Forest Stewardship Plans that cover the full range of resource conservation on your forest land are now cost-shareable in the Environmental Quality Incentives Program (EQIP). These plans are considerably more detailed than a current use plan and address wildlife, invasive species, and any other concerns that may apply. Practices that control soil erosion and improve water quality on forest lands are also covered. Sign up with NRCS by October 1.

**Wildlife Practices Cost Sharing**

The Wildlife Habitat Incentives Program (WHIP) helps fund a wide range of practices benefiting wildlife including controlling invasive species, restoring early successional habitat, and releasing mast trees in upland forests. As of 2008, only private landowners are eligible for WHIP. Sign up with NRCS by September 1.

**2008 DCP Signup Continues**

Producers have until September 30, 2008 to sign up for the 2008 Direct and Counter-cyclical Payment Program (DCP). Producers can fill out their 2008 DCP contract at any USDA Farm Service Agency County Office. Sign-up can also be completed online. You can choose payment options, assign crop shares and sign and submit contracts 24 hours a day, 7 days a week.

FSA computes DCP 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 2008, eligible producers may request to receive an advance payment of 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments as soon as practical after enrollment. Final direct payments will be issued after Oct. 1, 2008. Counter-cyclical payments vary depending on market prices, and are issued only when the effective price for a commodity is below its target price (which takes into account the direct payment rate, market price and loan rate).

**FSA Farm Loans**

The new Farm Bill provides increased limits on loans through FSA's Farm Loan Program. The maximum loan amount authorized for direct Farm Ownership (FO) loans and direct Operating Loans (OL) has been increased from \$200,000 to \$300,000.

In the FO program, the maximum loan term for the revised down payment program has been extended from 15 years to 20 years.

Changes in the Down Payment Program mean the required down payment amount has been reduced from 10 percent to 5 percent and interest rates have been reduced to as low as 1.5% depending on the present FO interest rate. This program allows the agency to loan up to 45% of the purchase price with another lender providing 50% of the financing and the applicant contributing 5%.

FSA makes both direct and guaranteed farm ownership and operating loans to family-size farmers and ranchers who cannot obtain commercial credit from a bank, Farm Credit System institution or other lender. FSA loans can be used to purchase land, livestock, equipment, feed, seed and supplies. The loans can also be used to construct buildings or make farm improvements.