

Farm Service Agency

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August 2008

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FSA COMMITTEE

John Stoll – Chairman
Charles Murray – Vice-Chairman
Bryan Hamilton – Member

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COUNTY COMMITTEE NOMINATIONS



John Paul Stoll was nominated for reelection in this year's 2009 LLA2 County Committee election. Ballots will be mailed to eligible voters by Nov. 3. The last day to return voted ballots to the county office is Dec. 4. Newly elected county committee member take office Jan. 1, 2009. For detailed information about FSA county committees visit the county office or go online at: <http://www.fsa.usda.gov/pas/publications/elections/Default.asp>.

REMOVING CCC LOAN COLLATERAL

Producers are reminded, if you have grain under Commodity Credit Corporation loan it cannot be removed or disposed of without prior county office staff authorization or repayment. The county office staff may issue release authorizations based on a telephone or in person request when you are ready to move the grain. A loan violation is subject to monetary and administrative penalties, such as repaying the loan at principal plus interest, liquidated damages, calling the loan and denial of future farm-stored loans and loan deficiency payments.

All commodity loans are subject to spot check. Locking in a market loan repayment rate is not a marketing authorization. If you are planning to move CCC loan grain, call the county office staff, before you HAUL!

FORT WASHAKIE OFFICE DAYS

Farm Service will be holding office hours at the NRCS building in Fort Washakie the first Wednesday of every month from 1pm to 3pm. Stop in and see us!

QUALITY LOSS CROP DISASTER SIGN-UP

Sign-up for quality losses under the Crop Disaster Program (CDP) **began on June 23, 2008**. For Quality losses, producers **must have applied** for quantity loss to be eligible to apply for a quality loss. However, producers do not need to qualify for a quantity loss. Producers must have suffered quality losses of at least 25 percent to be eligible for CDP quality loss. In addition, the requirement for Crop Insurance or NAP coverage still applies.

Quality loss participants **will be required** to provide actual production evidence. The actual production evidence will need to show the total quantity, price and quality factors to receive a payment. This includes evidence showing quality grading factors of the affected production, such as university or other commercial lab test results. For instance, documentation showing only that a crop graded as "feed" **will not** be considered verifiable evidence to substantiate the quality of the crop. 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.

2008 WOOL, MOHAIR, UNSHORN PELT LDP'S



The Food, Conservation, and Energy Act of 2008 authorizes 2008 crop marketing assistance loans (MALs) and loan deficiency payments (LDPs). A beneficial interest exception for 2008 crop wool, mohair and unshorn pelt producers who lost beneficial interest in 2008 crop before June 5, 2008 may apply for a LDP until July 11, 2008.

2008 COMPLIANCE PROCESS

Compliance spot checks will be conducted on 2008 crops. However, instead of locally selecting farms, contracts, deficiency loans, etc. for review, a nationwide selection of producers is employed as the current sampling method. Spot check selections are to be conducted based on a producer's participation in Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc. If an entity is selected from the national database that is no longer farming or participating in the 2008 crop year, a notation shall be made on the spot check list.

FSA appreciates the cooperation of its customers as the agency continues to enhance its operations. For more information about the spot check selection procedure, feel free to contact your local Farm Service Agency office for additional clarification.

DIRECT AND COUNTER-CYCLICAL PROGRAM



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 by going to <http://www.fsa.usda.gov/FSA/edcp> and clicking on "Access eDCP Service." You can choose payment options, assign crop shares and sign and submit contracts from any computer with Internet access. You can also view and print submitted contract options.

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).

The Food, Conservation, and Energy Act of 2008, Section 1101(d) states that a producer on a farm may **not** receive direct payments, counter-cyclical payment, or average crop revenue election payments if the sum of the base acres are covered commodities on the farm is 10.0 acres or less. This provision does **not** apply to socially disadvantaged farmers or rancher or limited resource farmers or ranchers.

Remember to control weeds on DCP acres. Weed control on DCP base acres shall be controlled to prevent the propagation of weeds. Control practices may include mechanical and/or chemical measures. Control measures must be implemented timely to achieve the most effective control of weed growth.

Many farms and ranches in Fremont County are changing owners. FSA regulations allow division of these operations that have active Crop Acreage Bases under the "designation by Landowner Method". This means that the crop acreage base can be divided in a manner agreed to by the parent farm owner and the purchaser.

NEW CROP CERTIFICATION DEADLINE

For 2008, the final crop reporting dates will be **extended to August 15, 2008**. Late fees will not be applied if acreage reports are filed by August 15 and all other reporting requirements are met. Filing an accurate and timely report for all crops and land uses, including prevented planted and failed acreage can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, marketing assistance loans and Loan Deficiency Payments.

Report of acreage must account for all cropland on a farm, whether idle or planted.

Conservation Reserve Program acreage must be reported to receive annual rental payments. And, crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported.

SUCCESSOR IN INTEREST

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest. In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

2008 CROP YEAR LOANS AND LDP'S

The Food, Conservation, and Energy Act of 2008 authorizes marketing assistance loans (MAL's) and Loan Deficiency Payments (LDP's) for crop years 2008 through 2012. General provision in effect for the 2007 crop year will remain in effect for the 2008 crop year.

REAPING THE HARVEST



The Popo Agie Conservation District, Cooperative Extension Service, and Sinks Canyon Center are hosting a workshop called "Reaping the Harvest", **Saturday, September 6, 2008**. The program includes pressure canning, drying food, water bath canning, cold storage/freezing, wine making, making jerky, apples: cider to pies, and extending your season. Registration begins at 8:15 AM. There will be sessions from 8:30 to 12:30. Contact the Popo Agie Conservation District for more information.

PRIVACY ACT STATEMENT

USDA is authorized to obtain certain information under Section 515 of the Treasury and General Government Appropriations Act for Fiscal Year 2001 (Public Law No. 106-554, codified at 44 U.S.C. 3516, note). Information is needed by USDA to process the request for correction and allow USDA to reply accordingly. This information is needed by USDA to respond to the requestor and initiate follow-up contact with the requestor if required. Requestors should not send USDA their Social Security Number. Requestors are advised that they do not have to furnish the information but failure to do so may prevent their request from being processed. The information requestors furnish is almost never used for any purpose other than to process and respond to their request. However, USDA may disclose information to a congressional office in response to an inquiry made on behalf of the requestor, to the Department of Justice, a court, other tribunal when the information is relevant and necessary to litigation, or to a contractor or another Federal agency to help accomplish a function related to this process.

LOW INTEREST GRAIN BIN LOAN PROGRAM

Basic provisions of this loan program are: Loans may be made for grain storage structures, grain handling equipment and drying equipment. Loans will be for new storage or expansion or upgrades of existing storage. The term of approved loans is 7 years. The interest rate is equivalent to the rate of interest charged on Treasury Securities of comparable maturity. The July 2008 interest rate is 3.625%. Producers with approved loans will be required to have crop insurance, either multi-peril crop insurance or federal crop insurance until the loan is paid in full.

USDA ANNOUNCES SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE PROGRAMS

USDA enacted into law on May 22, 2008, the Food, Conservation and Energy Act of 2008, which has amended the Trade Act of 1974 to create an agricultural disaster relief trust fund and a supplemental agricultural disaster assistance program. The trust fund provides five new disaster assistance programs that may be used to make payments to farmers and producers. The new disaster assistance programs are the: Supplemental Revenue Assistance Payments (SURE) Program, Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), Tree Assistance Program (TAP), and Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish (EALHF) Program.

The **SURE program** will be available to eligible producers on farms in disaster counties, including contiguous counties that have incurred crop production losses and/or crop quality losses during the crop year. Or any farm in which, during the calendar year, the total loss of production on the farm because of weather is greater than 50 percent of the normal production of the farm. The **LFP program** will be available to eligible livestock producers who suffered grazing losses for eligible livestock because of drought on land that is either native or improved pastureland with permanent vegetative cover or planted to a crop specifically for providing grazing. The LFP program will also be available to eligible livestock producers who suffered grazing losses for eligible livestock because of fire on rangeland managed by a Federal agency if the eligible livestock producer is prohibited from grazing the normal permitted livestock on the managed rangeland. The **LIP program** will be available to eligible livestock producers on farms that have incurred livestock death losses in excess of normal mortality because of adverse weather, as determined by the Secretary during the calendar year, including losses because of hurricanes, floods, blizzards, disease, wildfires, extreme heat and extreme cold. The **TAP program** is reauthorized, to provide assistance to orchardists and eligible nursery tree growers who produce nursery, ornamental, fruit, nut or Christmas trees for commercial sale that lost trees because of a natural disaster as determined by the Secretary. The **EALHF program** will provide emergency relief to producers of livestock including horses, honey bees and farm-raised fish because of losses from adverse weather or other conditions, such as blizzards and wildfires, as determined by the Secretary.

Producers interested in the SURE, EALHF, LFP or TAP programs must have purchased or obtained a plan of insurance covered under the Federal Crop Insurance Act (FCIC) for each crop on the farm or if the commodity is noninsurable, be covered under the noninsured crop disaster assistance (NAP) program through FSA and have paid the applicable administrative fee set by the State Committee approved deadline date. However for 2008, producers who do not meet the above listed requirements may be eligible if the producer pays a fee comparable to the cost of NAP or FCIC coverage by no later than **Sept 16, 2008**. For more information about these programs, contact your local FSA office.

HAYING, GRAZING CRP ACRES

FSA has authorized certain acreage enrolled under the Conservation Reserve Program (CRP) to be available for hay and forage after the primary nesting season ends. CRP haying or grazing will provide much needed feed and forage while maintaining the conservation benefits from the nation's premier conservation program.

Some of the eligible land or forage of the land must be reserved for wildlife and any land that is used under this authority must have a conservation plan. No rental payment reduction will be assessed on contracts being utilized for this critical feed use. However, producers will be required to pay a fee of \$75 for the modification of their CRP contract before the County Committee (COC) approves the modified conservation plan. Also, before any haying or grazing of CRP acres, participants must request COC approval to hay or graze eligible acreage under a particular program(s) and receive notification of approval in writing from the COC. Any haying or grazing of CRP acres requires prior FSA county committee approval.

Sign-up for interested CRP participants have been ongoing **since June 2, 2008**, at local FSA offices. This modification for critical feed use is only for 2008. All forage use must be completed **no later than November 10, 2008**.



FSA FARM LOANS

Agriculture Secretary Ed Schafer has put into place another new farm bill provision, increasing the limits on loans to \$300,000 -- up from \$200,000 -- for direct farm ownership and operating loans. Farm Service Agency (FSA) loan limits had remained unchanged since 1984.

Direct loans are a resource for farmers to get the credit they need to build and sustain family farms and ranches. The increased loan limits are expected to help farmers whose credit requirements could not previously be met by the FSA loan limits. In addition, some existing FSA borrowers who have already reached the previous limit of \$200,000 will now be eligible to obtain additional credit from FSA.

Direct farm loans are made to family-sized farmers and ranchers who are unable to obtain the necessary credit through commercial credit sources. FSA also services these loans and provides direct loan borrowers with supervision and business planning so they have a better chance for success. Farm ownership, operating, emergency, and youth loans are the main types of loans available under the direct program. Direct loan funds are also set aside each year for loans to socially disadvantaged and beginning farmers.



Fremont County FSA Office
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NON-INSURED ASSISTANCE PROGRAM (NAP)

In the previous newsletter (June issue) I discussed the forage loss provisions regarding appraisal requirements and grazing on forage crops. That policy is effective for crop year 2008 and beyond. Some changes to the program will affect the 2009 crop year, such as the NAP policy fee went from \$100 per crop, not to exceed \$300 per producer per county with a total fee not to exceed \$900 for all interest in all counties. Current fees now are \$250 per crop, not to exceed \$750 per producer per county with a total fee not to exceed \$1,875 per producer for all counties. 2009 Continuous Coverage letters will be mailed in the near future and will address the new fee policy as well.

For the 2009 crop year NAP policies must be purchased by **December 1, 2008** for perennial grass hay crops, winter and spring wheat crops intended for hay (unless covered by crop insurance as grain), and honey. Failure to purchase a policy makes you ineligible for the NAP program and the new disaster programs as outlined below.

How to "Buy-In"

All producers who wish to become eligible in 2008 for the Supplemental Agriculture Disaster Assistance programs must visit their administrative county FSA office and fill out form CCC-752 and/or form CCC-753. The county offices will determine the appropriate buy-in fee required. **The deadline for the buy-in is Sept. 16, 2008.**

2008 Buy-in Fees for CAT and NAP Covered Crops

\$100 per crop, but not more than \$300 per producer per county, or \$900 total per producer, for all counties, less any previously paid fees for CAT and/or NAP.

These fees and limits apply separately to both CAT and NAP covered crops. Therefore, producers may be required to pay buy-in fees under both CAT and NAP to meet whole farm eligibility requirements for the new disaster programs of SURE, ELAP and TAP. Producers who meet the definition of a Socially Disadvantaged, Limited Resource Producer, or Beginning Farmer or Rancher as defined in section 2501 (e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)), do not have to meet this risk management purchase requirement and, therefore, are not required to pay the buy-in fee.

Good Luck With Harvest!



!!IMPORTANT DATES!!

- Aug. 15** Crop Reporting Deadline
- Sept. 1** Labor Day Holiday – Office Closed
- Sept. 16** NAP Buy-In Deadline
- Sept. 30** Final date for 2006 DCP contract revisions

****2008 NAP - file Notice of Loss within 15 calendar days of loss being apparent.**