



January 2009

Goshen County News

2009 DCP Signup

County FSA Offices have begun signups for the 2009 Direct & Counter Cyclical Program (DCP). How does the 2009 program differ from the 2008 program? Well, basically there are no changes:

- Crop bases are the same as they were in 2008
- Payment yields are the same
- Direct payment rates are the same, including:

Barley	\$0.24/bu.
Corn	\$0.28/bu.
Oats	\$0.024/bu.
Sunflowers	\$0.80/cwt.
Wheat	\$0.52/bu.
- Advance payments of 22% are available starting immediately. Final 2009 payments will be issued in October 2009.

One change from the previous Farm Bill-Farms with 10.0 or less base acres will not be eligible for DCP benefits, with two exceptions:

1. The farm is owned by a member of an identified Socially Disadvantaged group.
2. The farm is owned by a limited resource farmer/rancher.

2009 DCP signup will run through June 1, 2009. By law, applications received after this date will not be valid. For more information, contact your local FSA Office. Otherwise, stop in and get your signup completed.

Average Crop Revenue Election (ACRE) Program

Producers who are eligible for the DCP Program will also be eligible to enroll in the Average Crop Revenue Election (ACRE) Program. The enrollment period for the ACRE Program will begin in the spring. Producers may first enroll in the DCP Program, elect to receive advance direct payments and then later modify their enrollment to include the ACRE program or they may wait and elect to enroll in DCP and ACRE at the same time in Spring 2009.

The optional ACRE Program provides a safety net based on State revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For the 2009 crop, the 2-year price average will be based on the 2007 and 2008 crop years.

An ACRE payment is issued when both the State and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent in 2012) of the farm's planted acres times the difference between the State ACRE guarantee and the State revenue times the ratio of the farm's yield divided by the State expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

Goshen County FSA Office
1441 East M St. Suite C
Torrington WY 82240-3521

Phone: (307) 532-4880
FAX: (307) 532-5783

Office Hours:
8:00 a.m. – 4:30 p.m.

County Committee:
Stan Speckner
Larry Mullock
Linda Nichol

County Executive Director:
Darrell Jones
darrell.jones@wy.usda.gov

Farm Loan Manager:
Duane Wisroth
duane.wisroth@wy.usda.gov

Office Staff
Doris Hyatt
Brian McKenna
Todd Smith
Susan Thomas
Erin Sturdivant
Marty Yorges
Jennifer Dutton

FSA Home Page
www.fsa.usda.gov

USDA Home Page
www.usda.gov

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.

Spousal Signatures

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.

Farm Reconstitutions

In program terminology, farms are *constituted* to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-cyclical Program.

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act 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 with 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.

Controlled Substance

Any person who is 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.

Sodbuster, Swampbuster

Most FSA programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service (NRCS).

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before starting to work in the fields.

2009 Wool

Wool, mohair, and unshorn pelt producers are reminded that the 2008 crop year began as of January 1, 2009. Producers should complete and submit Page 1 of Form 633 EZ to cover themselves for LDP purposes on these commodities. If you have any questions regarding this subject, please contact this office.

USDA ENACTS CHANGES TO PAYMENT LIMITATIONS, INCOME QUALIFICATIONS, AND IMPLEMENTS DIRECT ATTRIBUTION PROGRAMS

With the publication of an interim final regulation in the Federal Register next week, the United States Department of Agriculture announced changes to both Adjusted Gross Income (AGI) qualifications, program payment limitations, and direct attribution for Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) programs, which became effective in accordance with the 2008 Farm Bill.

"Changes to program participation rules and qualifying income requirements will make farm program payments more defensible to America's taxpayers," Agriculture Secretary Ed Schafer said. "This is a step in the right direction to ensuring that program benefits are targeted to active qualifying farmers and ranchers."

For commodity and disaster programs, the AGI limitation was reduced from \$2.5 million AGI 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.

The definition of income derived from farming, ranching and forestry operations was expanded to include, among other items, such items as the packing, storing and transporting of agricultural commodities; production of livestock products; farm-based production of renewable bio-energy; and in some instances, the providing of operational inputs to farmers, ranchers and foresters.

For conservation programs, the average nonfarm 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.

Under rules in effect since 1988, not every member of an entity had to contribute active personal labor or management. The interim final rule requires each partner, stockholder, or member with an ownership interest to make a contribution of active personal labor or active personal management. The contribution must be regular and substantial, and documented as well as separate and distinct from any other member's contribution. The rule limits the ability of passive stockholders to continue to realize benefits from the entity.

Under the interim final rule, the addition of individuals or entities to an existing operation to qualify for additional payments is more restrictive than under previous regulations. The prior rule in effect since 1988 said the acquisition of new cropland to the farming operation of at least 20 percent qualifies for the increase of an unlimited number of new persons and/or legal entities as eligible for payment. The rule changes the 20-percent increase requirement from cropland to base acres and only allows for the addition of one new person to the operation. However, based on the magnitude and complexity of the change in the farming operation, the State FSA Office may approve additional persons or legal entities for payment in the farming operation. The change eliminates the loophole that previously allowed an unlimited increase in the number of limitations that could accompany a 20 percent increase in eligible land area that meets the definition of cropland.

All producers that apply for 2009 program benefits will be required to complete new Payment Limitation forms and Adjusted Gross Income forms. Additionally, AGI certifications will be completed annually. Due to these requirements, signup times will take longer than in past years.

U.S. DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 GOSHEN COUNTY FSA COMMITTEE
 1441 EAST M. ST. SUITE C
 TORRINGTON WY 82240

Dates to Remember	
Continuous	Continuous Conservation Reserve Program
Continuous	Farm Storage Facility Loans
Feb. 16, 2009	President's Day holiday, office closed
Mar. 31, 2009	Final date to apply for a loan on 2008 wheat/barley/oats
May 31, 2009	Final date to apply for a loan on 2008 corn/sunflowers
June 1, 2009	Final date to apply for 2009 DCP benefits

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