



February 2011

Goshen County News

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February 2011 Edition

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FSA Home Page
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Fruit/Vegetable Plantings

We remind growers of Fruit & Vegetables (FAV) of possible DCP payment impacts. Applicable FAV's include dry beans, potatoes, onions, and grapes. We suggest that if you are planning on planting any FAV's on a farm that will be enrolled in DCP for 2011, to address your intentions with this office and how this would affect your payments.

DCP and ACRE Signup, Advance Payments

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) and also the 2011 ACRE Program has begun and will continue through June 1, 2011. (Please note: We recently received information that permits DCP/ACRE contract enrollment through August 1, 2011.)

Advance payments of 22% on the 2011 DCP program will be available starting December 1, 2010. The remaining 78% of your DCP payment will be issued after October 1, 2011. ACRE is a revenue based payment alternative to the price-based counter-cyclical (CC) payments.

In DCP, eligible producers receive direct payments at rates established by statute regardless of market prices. DCP or ACRE contract signatures for enrollment are due by the signup deadline of June 1, 2011. For more information producers can contact their local FSA office.

Livestock Indemnity Program (LIP)

LIP provides financial assistance to producers that have sustained livestock deaths due to the result of a natural disaster. LIP compensates livestock owners and contract growers for death losses in excess of normal mortality. This program runs through calendar year 2011. Losses must be from the direct result of an adverse weather event, such as a hurricane, flood, blizzard, wildfire, extreme heat or cold, tornado, lightning, or earthquake. (Drought is not an eligible event.)

Payment rates are per head by livestock kind/type and weight range. Owners are paid at 75% of fair market value as determined by FSA.

Livestock losses must be reported to FSA within 30 days of when the loss becomes apparent. Applicants have until January 30 of the year following the loss(es) to provide herd/flock numbers to FSA. For more information, contact your local FSA office.

Farm Reconstitutions

When changes in farm 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. 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. Farm Recon methods are:

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.

Signup for SURE Program

Signup for the 2009 Supplemental Revenue Assistance Payments program (SURE) began on January 10, 2011. SURE 2009 covers producers who suffered crop production losses during crop year 2009.

SURE provides crop disaster assistance payments to eligible producers on farms that have incurred crop production or crop quality losses. The program takes into consideration crop losses on all crops grown by a producer nationwide. SURE provides assistance in an amount equal to 60 percent 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 that was declared a primary disaster county or contiguous county by the Agriculture Secretary must have suffered at least a 10 percent production loss on a crop of economic significance. Producers must meet the risk management purchase requirement by either obtaining a policy or plan of insurance, under the Federal Crop Insurance Act or NAP coverage, for all economically significant crops.

If there is no Secretarial Disaster Designation, individual producers may also be eligible for SURE if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster. For SURE, a farm is defined as all crops in which a producer had an interest nationwide.

The deadline for 2009 SURE applications has been set as July 29, 2011.

For more information on the new SURE program, please visit the county office or <http://www.fsa.usda.gov>.

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 date for the 2011 NAP coverage biennial and perennial forage crops is December 1st, 2010. The deadline for all other crops is April 1, 2011.

Producers who already have coverage on 2010 NAP crops may choose to continue coverage on the same crop or crops for 2011, 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 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.

We remind those with current NAP coverage that in the event of a crop failure caused by natural disaster, the producer needs to notify the local FSA office by completing a "Notice of Loss" (form CCC-576). The notice of loss must be executed within 15 days of the date the damage became apparent. Failure to timely report the loss could result in loss of benefits.

Adjusted Gross Income (AGI) Rules

Beginning with 2009 benefits, AGI limitations are as follows:

IF average adjusted gross...

THEN the person or legal entity is INELIGIBLE for...

nonfarm income exceeds \$500,000

all commodity, price support, and disaster assistance program benefits.

Note: A person or legal entity with average adjusted gross nonfarm income that exceeds \$500,000 is **not** eligible for marketing loan gains and LDP payments. However, the person or entity is eligible for marketing assistance loans, but the loans **must** be repaid at principal plus interest, or commodity certificates may be exchanged for the loan collateral.

farm income exceeds \$750,000

direct payments under DCP.

nonfarm income exceeds \$1 million

all conservation program benefits, **unless** 66.66 percent or more of the average AGI was derived from activities related to farming, ranching, and forestry operations.

Note: AGI provisions in effect before October 1, 2008, continue to apply to existing CRP contracts, ECP agreements, and GRP contracts and easements that were in effect on October 1, 2008. All applicants of FSA/NRCS benefits will be required to complete AGI forms each year benefits are applied for. This includes individual members of entities (corporations, LLC's, limited partnerships, trusts, estates, etc.).

Payment Limitation-Annual Notification

Program participants are notified of the following Payment Limitation provisions.

Payments and benefits under certain programs are subject to some or all of the following:

- payment limitation by direct attribution
- payment limitation amounts for the applicable programs
- actively engaged in farming requirements
- cash-rent tenant rule
- foreign person rule
- average AGI limitations

No program benefits subject to limitation will be provided until:

- all required forms for the specific situation are provided
- necessary payment eligibility and payment limitation determinations are made

Payment eligibility and payment limitation determinations may be initiated by COC or requested by the producer.

After 2009, a farm operating plan is **not** required to be filed annually, if the farming operation continues to be conducted as reflected on the farm operating plan and supporting documents that are on file in the County Office.

If any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average AGI determination, producers must timely notify the County Office by filing revised farm operating plans and/or supporting documentation, as applicable. **Note:** Failure to timely notify the County Office may adversely affect payment eligibility.

There are statutory provisions that require entities earning program benefits that are subject to limitation, to provide the names, addresses, and TIN's of the entities' members to COC.

All applicable payment eligibility and payment limitation forms submitted by producers are subject to spot check through the end-of-year review process.

A determination of **not** actively engaged in farming results in the producer being ineligible for any payment or benefit requiring a determination of actively engaged in farming.

Noncompliance with AGI provisions, either by exceeding the applicable limitations or by failure to submit a certification statement, will result in the determination of ineligibility for **all** program benefits subject to AGI provisions; program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible person or legal entity in any legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.

Applicable annual limitations for person or legal entity, years 2009-2012:

Commodity Programs:	Counter Cyclical and ACRE payments	\$65,000
	Direct payments	\$40,000
Conservation Programs:	CRP annual rental	\$50,000
	EQIP (all years 2009-2012)	\$300,000
	GRP	\$50,000
	WHIP	\$50,000
	WRP	\$50,000
Disaster Assistance Programs:	ELAP/LFP/LIP/SURE	\$100,000
	NAP	\$100,000
LDP/MAL		No Limits

CRP Signup

The next general CRP signup will be conducted from March 14, 2011 through April 15, 2011. Among those acres that will be eligible to be offered during this signup, are those existing CRP contracts that will be expiring as of October 1, 2011. This signup will again be conducted using environmental benefits index (EBI) scores. A FSA Fact Sheet for this signup is available at <http://www.fsa.usda.gov/FSA>. For additional information, contact your local FSA office.

Sorghum Referendum Announcement

Eligible persons who were engaged in the production and sale of sorghum or importation of sorghum between the dates of July 1, 2008 and December 31, 2010, are eligible to vote in the Sorghum Promotion, Research, and Information Program (Sorghum Checkoff Program) Referendum. Deadline to vote is February 28, 2011. Agricultural Marketing Service (AMS), along with FSA, will be conducting this referendum. An AMS news release covering this subject can be found at www.ams.usda.gov/sorghumpage.

For additional information, contact this office.

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
Mar. 31, 2010	Deadline to apply for 2010 crop loan for small grains
May 31, 2011	Final date to apply for 2010 corn/sunflower loan or LDP
Oct. 1, 2010 – June 1, 2011	Signup period for 2011 DCP/ACRE
Jan. 10, 2011 – July 29, 2011	Signup period for 2009 SURE
Feb. 21, 2011	President’s Day Holiday-Office closed

/s/ Darrell L. Jones

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