



February-March 2012

Goshen County News

Goshen County FSA Office
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Feb.-March 2012 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 we can estimate if and how this would affect your payments.

USDA Announces CRP General Sign-up

Acting Under Secretary for Farm and Foreign Agricultural Services (FFAS) Michael Scuse has announced that the U.S. Department of Agriculture (USDA) will conduct a four-week Conservation Reserve Program (CRP) general sign-up, beginning on March 12 and ending on April 6. CRP has a 25-year legacy of successfully protecting the nation's natural resources through voluntary participation, while providing significant economic and environmental benefits to rural communities across the United States.

"It is USDA's goal to ensure that we use CRP to address our most critical resource issues," said Scuse. "CRP is an important program for protecting our most environmentally sensitive lands from erosion and sedimentation, and for ensuring the sustainability of our groundwater, lakes, rivers, ponds and streams. As always, we expect strong competition to enroll acres into CRP, and we urge interested producers to maximize their environmental benefits and to make cost-effective offers."

CRP is a voluntary program available to agricultural producers to help them use environmentally sensitive land for conservation benefits. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion and develop wildlife habitat. In return, USDA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years. Producers with expiring contracts and producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

Currently, about 30 million acres are enrolled in CRP; and contracts on an estimated 6.5 million acres will expire on Sept. 30, 2012.

Offers for CRP contracts are ranked according to the Environmental Benefits Index (EBI). USDA's Farm Service Agency (FSA) collects data for each of the EBI factors based on the relative environmental benefits for the land offered. Each eligible offer is ranked in comparison to all other offers and selections made from that ranking. FSA uses the following EBI factors to assess the environmental benefits for the land offered:

- Wildlife habitat benefits resulting from covers on contract acreage;
- Water quality benefits from reduced erosion, runoff and leaching;
- On-farm benefits from reduced erosion;
- Benefits that will likely endure beyond the contract period;
- Air quality benefits from reduced wind erosion;
- Cost.

Over the past 25 years, farmers, ranchers, conservationists, hunters, fishermen and other outdoor enthusiasts have made CRP the largest and one of the most important in USDA's conservation portfolio. CRP continues to make major contributions to national efforts to improve water and air quality, prevent soil erosion by protecting the most sensitive areas including those prone to flash flooding and runoff. At the same time, CRP has helped increase populations of pheasants, quail, ducks, and other rare species, like the sage grouse, the lesser prairie chicken, and others.

In 2011, USDA enrolled a record number of acres of private working lands in conservation programs, working with more than 500,000 farmers and ranchers to implement conservation practices that clean the air we breathe, filter the water we drink, and prevent soil erosion.

For more information on CRP and other FSA programs, visit a local FSA service center or www.fsa.usda.gov.

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DCP/ACRE Sign-up

2012 Direct and Counter-Cyclical Program (DCP) enrollment opened on Jan. 23, 2012 and closes on June 1, 2012. Call now for an appointment at the local office. Here are some IMPORTANT REMINDERS:

- 1) All producers planting on **DCP base** acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.
- 2) Changes on the farm after enrolling June 1st in DCP/ACRE **must** be reported to your local FSA office including: ownership changes, producer changes (individuals and entities) and changes in crop shares arrangements. **Note:** All changes must be made by Sept. 30, 2012.

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 2012 NAP coverage biennial and perennial forage crops is December 1st, 2010. The deadline for all other crops is April 2, 2012.

Producers who already have coverage on 2011 NAP crops may choose to continue coverage on the same crop or crops for 2012, 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.

Supplemental Revenue Assistance Program (SURE)

The sign-up for 2010 SURE losses continues through **June 1, 2012**.

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the crop year 2010. SURE is available to eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.
- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

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.

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

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 - or -
all income exceeds \$1 million

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.).

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
Jan. 23-June 1, 2012	Signup period for 2012 DCP/ACRE
March 12-April 6, 2012	General CRP Signup
April 2, 2012	Deadline to purchase NAP coverage on annual crops
June 1, 2012	Deadline to apply for 2010 SURE benefits
April 2, 2012	Final date to apply for 2011 wheat/barley/oats loan
May 31, 2012	Final date to apply for 2011 corn/sunflower loan

/s/ Darrell L. Jones

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