



Lincoln County Newsletter

January 2009



2009 DCP Sign-up

**Lincoln County
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8:00 a.m. – 4:30 p.m.

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FSA Home Page
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USDA Home Page

The Food, Conservation, and Energy Act of 2008 (2008 Act) was enacted on June 18, 2008. The 2008 Act, Section 1101(d) provides for the continuation of DCP for 2008 through 2012. Signup for the 2009 DCP started on **December 22, 2008** and will run until **June 1, 2009**. The 2008 Act doesn't provide for any provisions for late-filed applications, so all producers on the farm must sign the application (CCC-509) by June 1, 2009 for the farm to be enrolled for the 2009 payment. Each eligible producer on a farm will be given the opportunity to annually enroll in a DCP or Average Crop Revenue Election (ACRE) program contract.

Advance payments may be made any month throughout the year prior to October 1, 2009, at 22 percent of the total payment. Counter-cyclical payments are only authorized when the effective price for the commodity is less than the target price of the commodity. All farmers who produce a crop on base acres are entitled to share in the DCP payment. Landowners who do not have an interest in the crop are not eligible to receive a share of the DCP Payment.

It is very important that when the DCP signup is completed that you are sure of your 2009 farming interests. If advance payments are made and then a change to your operation occurs you will be required to refund the advance payment plus interest from the date of dispersal. Some of those changes may include ownership changes, producer changes or changes in shares on the farm.

Farms that were previously enrolled in the DCP program with 10.0 base acres or less will not be eligible for 2009-2012 enrollment. However, the prohibition does not apply to a farm that is wholly owned by a socially disadvantaged or limited resource farmer or rancher.

If you have any questions concerning this program or would like to make an appointment to complete your contract please call us at (307) 886-9001 ext. 2.

2009 Wool, Mohair and Unshorn Pelt LDP's

Wool, Mohair and Unshorn Lamb pelt producers are reminded of the availability of Loan Deficiency Payments (LDP's). The "final" date to request these LDP's, on page 4 of the CCC-633 EZ, is January 31 of the year following the crop year the wool was produced.

LDP's for the **2009 crop** began on January 1, 2009 and will continue through January 31, 2010. All producers are reminded that you must sign page 1 of the applicable form (CCC-633EZ) before losing beneficial interest in the wool or unshorn pelt.

Farm Record Changes

In order for us to accurately administer farm programs it is very important that we have current records of all owners and operators. If you have bought, sold or are renting different land, make sure you report those changes to this office, as soon as possible after they occur. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and fines.

Milk Income Loss Contract (MILC) Signup

Section 1502 of the Food, Conservation, and Energy Act of 2008 (2008 Act) reauthorizes the MILC Program for the period beginning October 1, 2007, and ending on September 30, 2012, with some minor changes to the program's provisions. The initial signup for the MILC program started on **December 22, 2008** and will run until **January 21, 2009**. Extended signup begins on **January 22, 2009** and ends on **September 30, 2012**. The extended signup limits the producer's start month to the current month or remaining months of the fiscal year. Signing up before January 21, 2009 allows the producer to choose prior months as the start month.

This program allows financial assistance on a monthly basis to dairy operations, in connection with production sold in the commercial market, when Boston Class I milk prices fall below \$16.94 per hundredweight. ***Producers are reminded of the requirement that you must notify this office if there are any changes in your dairy operation.***

County Committee Election Results

This year's County Committee Election for the Lower Star Valley Administrative Area has just been completed. Eligible voters elected Chad Dana to represent them for another three year term. John Wolfley was elected as First Alternate. We appreciate these producers and their willingness to serve.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) 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 within 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.

1099-G Mailed from Kansas City

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you in calendar year 2008. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS. If you received a CCC-1099-G, we recommend that you check the amounts shown with those in your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G.

NRCS Offers Signup for 2009 Conservation Programs

Agricultural producers may submit applications for fiscal year 2009 conservation programs to Natural Resources Conservation Service (NRCS) offices through Feb. 6, 2009. These programs are available on a continuous signup basis; however, applications received after Feb. 6, 2009 will be deferred and held for consideration at a future date as funding becomes available. Private landowners are encouraged to signup for the Environmental Quality Incentives Program (EQIP), the Wildlife Habitat Incentives Program (WHIP), the Wetlands Reserve Program (WRP) and the Agricultural Management Assistance (AMA) program.

Spousal Signatures

Husbands and wives can sign FSA and CCC program documents on behalf of each other for programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the County Office. Spouses may not grant Power of Attorney or sign claim settlements for each other. Spouses may not sign on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities.

Payment Limitation and Eligibility Changes

The Food, Conservation, and Energy Act of 2008 made changes to payment eligibility and payment limitation provisions to be implemented for the 2009 and subsequent program years. All producers interested in participating in 2009 and future programs will be required to update their eligibility files. Each individual and entity must complete a Farm Operating Plan and an Adjusted Gross Income (AGI) Statement.

For commodity and disaster programs, the AGI limitation was reduced from \$2.5 million AGI from all sources of income to \$500,000 of non-farm adjusted gross income. Therefore, a person with a non-farm adjusted gross income greater than \$500,000 will not be eligible for commodity and disaster programs. Under the new regulations, an individual or entity with farm adjusted gross income greater than \$750,000 will not be eligible for direct payments issued from the Direct and Counter-Cyclical Program (DCP).

Individuals or entities with non-farm adjusted gross income greater than \$1 million will not be eligible for payments from conservation programs unless 66.66 percent or more of their income 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.

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.

Program payments are limited by direct attribution to individuals or entities. 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. To be “actively engaged in farming”, the individual or entity must make significant contributions to the farming operation of: 1) capital, equipment or land; and 2) personal labor or active personal management. The new rule requires each partner, stockholder, or member with an ownership interest to make a contribution of active personal labor or active personal management for the entity to receive full benefits. The rule limits the ability of passive stockholders to continue to realize benefits from the entity.

Farm Storage Facility Loans Available

Low cost loans for storage facilities are available to build or remodel farm storage facilities for a variety of commodities, including barley, oats and wheat.

The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying and handling equipment or the remodeling of existing facilities. Eligible facilities include: new conventional-type cribs or bins and new or remanufactured oxygen-limiting and other upright silo-type structures.

All Farm Storage Facility Loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment is also required and multi-peril crop insurance coverage for all crops. The interest rate changes monthly so please contact our office.

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IMPORTANT DATES TO REMEMBER

Within 15 days of noticing a loss file CCC - 576 NAP Notice of Loss

February 6 ----- NRCS 2009 Signup deadline

February 16 ----- Presidents Day (Office Closed)

**March 31 ----- Last Day for Commodity Loan on Barley,
Oats and Wheat**

Any Time ----- Continuous CRP

Any Time ----- Farm Storage Facility Loan Program

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited based apply to all programs.) Persons with disabilities who require alternative means of communication or 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 USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.