

Lincoln County Newsletter

October 2010



2010 County Committee Election

This year's County Committee Election is being held for the Upper Valley Administrative Area, where Blair Hillstead is currently serving as the representative to the county committee.

Ballots will be mailed to eligible voters on November 5th. Instructions for voting will be included. Completed ballots must be returned to the county office or postmarked by December 6th. Ballots will be counted on December 9th. Please take time to vote and select your representative on the County Committee. Newly elected committee members and alternates take office January 1, 2011.

Loan Deficiency Payments (LDP)

Loan deficiency payments are available if the posted county price goes below the loan rate for a given location. The website for viewing daily LDP rates is <http://www.fsa.usda.gov>. To apply for benefits, file an LDP Agreement and Request (CCC-633EZ page 1 form) before losing beneficial interest (selling, feeding or contracting the commodity). Payments are made based on the date you lose beneficial interest in a commodity or any time that you want to lock in the rate after harvesting, but before losing beneficial interest.

Each crop year LDP's may be available for eligible Lincoln County commodities: barley, oats, wheat, wool, mohair, and honey. Hay, silage and unshorn pelts derived from these commodities are also eligible for an LDP.

Reporting Crop Losses for NAP

For those of you with a NAP crop policy – you are reminded that if you suffer a crop loss, you must complete a Notice of Loss form (CCC-576) with this office no later than 15 calendar days after the disaster occurrence or from the date that damage to the specific crop acreage is apparent. A Notice of Loss must be provided for each weather related event or adverse natural occurrence that causes damage to or loss of the specific crop or commodity. A timely filed Notice of Loss is required on all crops, including grasses. When a loss is sustained an appraisal should be completed by FSA personnel. This appraisal should be done before grazing occurs or before the land is put to another use.

FSA Conservation Loan Program

The Farm Service Agency makes and guarantees conservation loans on farms and ranches to help conserve our natural resources. The Conservation Loan (CL) Program provides farmers with the credit necessary to implement conservation measures on their land. The direct CL limit is \$300,000 and the guaranteed CL limit is \$1,119,000. Guaranteed loans are available through lenders working with FSA.

Applicants will work with Natural Resources and Conservation Service (NRCS) staff to develop a conservation plan. Conservation practices must be approved by NRCS before FSA can provide financing. Examples of conservation practices include installation of conservation structures; establishment of forest cover; installation of water conservation measures; establishment or improvement of permanent pastures; transitioning to organic production; manure management, including manure digestion systems; and more.

For more information on the Conservation Loan Program, contact Brian Harrell at 307- 856-7524.

2010 NAP Production Records

All 2010 NAP producers, now is the time to submit production evidence for your 2010 crops. Submitting production evidence for harvested crops, such as bale counts and weights are necessary to maintain accurate yields for coverage. Accurate yields are essential in calculating payments for losses.

**Lincoln County
FSA Office
625 S Washington
PO Box 369
Afton, WY 83110**

Phone: (307) 886-9001
FAX: (307) 886-3744

www.fsa.usda.gov

Office Hours:
8:00 a.m. – 4:30 p.m.

County Committee:
Jason Thornock
Chad Dana
Blair Hillstead
Trudi Julian
– Minority Advisor

COC Meeting:
2nd Tuesday of the month

Office Staff
Dee Harbach
Suellen Bagley
Kresta Hedges

Farm Loan Manager
Brian Harrell
307-856-7524

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:

- **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 payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded. Request for recons should be filed by June 1.

2011 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.

December 1, 2010 is the application deadline for fall seeded grain crops and perennial crops (grazing land and grass hay) for 2011 NAP coverage. The application service fee for NAP is \$250.00 per crop per county, with a county maximum of \$750.00. The fee cannot exceed a total of \$1,875.00 per producer with farming interests in multiple counties.

Producers must cover all crops of economic significance in all counties where they have an interest to qualify for several disaster programs. For the Supplemental Revenue Assistance (SURE) program that was enacted by the Food, Conservation and Energy Act of 2008, there are specific requirements for the 2011 crop year. To participate in the SURE program, producers must purchase insurance under the Federal Crop Insurance Act for all insurable crops planted on all farms they have an interest in. In addition, if insurance is not available on a crop, producers must have NAP coverage for all uninsured crops of economic significance planted on all farms they have an interest to be eligible for SURE. For the Livestock Forage Program (LFP) it is necessary to have grazing land covered by NAP or RMA's PRF-VI insurance to be eligible for grazing losses. The Honey Bees and Farm-Raised Fish Program (ELAP) requires producers to purchase insurance under the Federal Crop Insurance Act for all insurable crops planted on all farms they have an interest in as well as NAP coverage for all uninsured crops except forage on grazing land. ELAP provides emergency assistance to producers of livestock, honey bees, and farm-raised fish when losses occur because of disease, adverse weather, or other conditions as determined by the Secretary.

Producers who already had 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.

FSA Financial Services

A new website has been created for customers to assist them with their FSA financial reporting needs. The address for access to this website is: <http://www.fsa.usda.gov/fmi>

Commodity Loans Available for 2010 Commodities in Storage

Marketing Assistance Loans (MAL) provide financing and marketing assistance for wheat, feed grains (barley, corn, oats), honey, wool and mohair. This assistance is available to eligible producers beginning with harvest season and extending through the program year.

The 2010 Lincoln County loan rate for each commodity is as follows: HRS Wheat \$3.82/bu, HRW Wheat \$2.71/bu, Barley \$2.01/bu, Oats \$1.42/bu. The current interest rate is 1.25%

Farm Stored Loan: An applicant can request either a paid for measured loan or certify the quantity. In either case, a loan for up to 100% production can be made. The commodity must be stored in a structure that can be safely measured and inspected, and be structurally sound. It is the borrower's responsibility to assure the commodity is in good condition and continues to remain so.

Warehouse Loan: A warehouse grain loan can be obtained through a CCC approved warehouse. The elevator will issue warehouse receipts to the producer, who in turn, gives them over to CCC (FSA) for keeping as security through the life of the loan. The information on the warehouse receipts will be the basis for the loan quantity and loan rate. FSA required the warehouse to provide documentation that the producer has provided for storage charges through the loan maturity date.

Loan Maturity Date: Loans will mature on the last day of the 9th month following application.

Loan Service Fees: Fees are the smaller of ½ of 1% times the gross loan amount, or \$45/loan plus \$3.00 for each bin.

Interest Rates: Commodity loans will carry the interest rate of the month in which the loan is disbursed through December 31st, of each year, at which time the rate will change to the January rate.

Liens: If any liens on the commodity exist, we require that the lien holder complete a lien waiver form before the loan is issued. CCC requires first lien on any commodity put under loan.

Repayments: Repayments can be made any time after the loan is disbursed. On farm-stored loans, any quantity can be paid off; however, on warehouse loans, a whole warehouse receipt must be paid off. At the time of repayment, the borrower will pay the lesser of (1) principal plus accrued interest, or (2) the applicable day's Posted County Price (PCP) times the loan quantity. The PCP will be the lower of the average market price of the last 30-days, or the average market price of the last 5-days. If the PCP is used for repayment, it is referred to as a Market Loan Repayment (MLR) and is only available through the maturity date of the loan.

The final date to request a commodity loan for barley, oats, and wheat is March 31, 2011. If you plan on holding your crop for awhile and need some operating money until the commodity is sold, a MAL might just be a good option to look at.

Paper Check Conversion – Over the Counter (PCC –OTC)

Over the next year, FSA/CCC is moving toward an electronic method for processing producers' checks. This will allow FSA/CCC to process collections faster. When producers present checks, either in person or through the mail, the checks will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information: <https://www.pccotc.gov/pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm>

Note: FSA/CCC will begin this process in the coming months.

What is PCC - OTC?

PCC – OTC is a process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It presents many benefits, such as reducing lost/misplaced checks and paper handling. This improves customer relations, speeds the check clearing process, and reduces the potential for human error.

How will my checks be handled?

If the check is presented in person, the check will be scanned into the system, voided, and stamped with the words, "Electronically Processed" or "Electronically Presented" and the voided check will be returned to the customer. If the check is mailed to FSA, the check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check.

How quickly will funds be transferred from my account?

The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do **not** have sufficient funds, we may initiate the transaction again.

How will this transaction appear on my account statement?

The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions".

What are my rights if there is a problem with the transaction?

You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

FARM SERVICE AGENCY
LINCOLN COUNTY FSA
625 WASHINGTON, Suite A
PO BOX 369
AFTON, WY 83110

IMPORTANT DATES TO REMEMBER

Within 15 days of noticing a loss file CCC - 576 NAP Notice of Loss
Within 30 days of noticing a livestock loss file FSA-914 LIP Notice of Loss
November 11 ----- Veteran's Day, Office Closed
November 25 ----- Thanksgiving, Office Closed
December 1 ----- Deadline for 2011 NAP coverage
December 6 ----- Deadline for COC Election Ballots
December 24 ----- Christmas Holiday, Office Closed
December 31 ----- New Years Holiday, Office Closed
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.