



# NEWSLETTER



## Niobrara County Service Center

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**February 2011**

### **Additional Land in SAFE Program Will Protect Endangered or Threatened Species**

USDA has approved the addition of 10,000 acres for conservation projects in northeastern Wyoming. The acreage will be added as part of the Conservation Reserve Program. State Acres for Wildlife Enhancement (SAFE) offers annual payments and signing incentives to participants who restore wildlife habitats and conserve rare species. Eligible cropland in Campbell, Converse, Crook, Johnson, Natrona, Niobrara, Sheridan and Weston counties can be bid into the program. A signup period of February 28 through March 18<sup>th</sup>, 2011 has been established and producers with interest in the program should contact the office. Offers made during the signup period will be ranked according to the amount of wildlife benefits received and the best offers will be accepted into the program.

### **Weather Related Livestock Disasters**

FSA administers several programs that help producers recover from livestock deaths that are beyond normal mortality rates, losses of purchased and/or harvested forage, and with the additional costs of providing or transporting feed. Among the key programs are the Livestock Indemnity Program (LIP) and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP). Both of these programs require producers to file a notice of loss with their local FSA office within 30 calendar days from when the loss is apparent to the producer.

Due to policy revisions on ELAP, Wyoming has extended the ELAP signup deadline for calendar year 2010 feed losses until March 1, 2011. If you incurred additional costs for providing or transporting feed due to adverse weather in 2010, please contact the office.

### **2011 DCP Signup**

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2011 DCP contract.

USDA computes DCP Program payments using base acres and payment yields established for each farm.

Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2011, eligible producers may request partial direct payments as an advance on the total amount.

## ACRE

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. The June 1, 2011 signup deadline is mandatory for all participants. USDA will not accept any late-filed applications.

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.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. 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%, and marketing loan rates are reduced by 30%.

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.

## Sorghum Checkoff Referendum Scheduled

USDA will conduct a referendum on the Sorghum Checkoff Program Feb. 1-28, 2011, at local Farm Service Agency (FSA) offices. Ballots may be obtained in person, by mail or facsimile at county FSA offices, or via the Internet at [www.ams.usda.gov/sorghumpage](http://www.ams.usda.gov/sorghumpage).

Any eligible person engaged in the production of importation of sorghum from July 1, 2008, to December 31, 2010, is eligible to

participate. Individuals are required to provide documentation such as a sales receipt or remittance form that shows they engaged in the production or importation of sorghum.

Sorghum Checkoff is a national, coordinated, self-help marketing program designed to strengthen the position of sorghum in the market place, maintain and expand existing domestic and foreign markets and uses for sorghum, and develop new markets and uses for sorghum.

## 1099-G is in the Mail

Producers who have received payments from FSA are also receiving a CCC-1099-G in the mail. A CCC-1099-G is a report to the Internal Revenue Service regarding FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. It is not intended to replace the program participant's responsibility to report income to the IRS.

**ATTENTION: Refunds are no longer reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database.**

Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data.

## Actively Engaged

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and

Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and

The total direct payments received by the legal entity and each of the members does not exceed \$40,000.

## Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent from the IRS to verify AGI compliance will be required from each producer or payment recipient. No actual tax data will be included in the report that IRS sends to USDA.

The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs;

\$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/efor.ms/mainervlet>.

## BCAP – Two Phases

There are two categories of assistance in the Biomass Crop Assistance Program (BCAP). The first category provides financial assistance to producers or entities that deliver eligible biomass material to approved biomass conversion facilities (BCF) for use as heat, power, bio-based products or bio-fuels. Initial assistance will be for the collection, harvest, storage and transportation (CHST) costs associated with the delivery of eligible materials.

Producers who harvest, transport and store these materials can apply for FSA matching payments under the CHST. An application must be submitted before the eligible material is sold and delivered to a BCF. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office.

In the second category of BCAP, incentives are provided to producers who enter into contracts with the Commodity Credit Corporation (CCC) to produce eligible biomass crops on contract acres within BCAP project areas. For this phase, Project Area Proposals are required and must be submitted to FSA for review and approval. For more information, visit [www.fsa.usda.gov/bcap](http://www.fsa.usda.gov/bcap).

## Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm or ranch, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan.

Farm Ownership loans or Farm Operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,119,000. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it or who to contact to get it. To find out more about FSA loan programs, contact the county office staff.

### Federal Crop Insurance Deadline for Spring Planted Crops

The deadline to purchase Federal Crop Insurance on insurable spring planted crops/small grains is March 15, 2011.

### NAP Closing Date for Spring Seeded Crops

April 1<sup>st</sup> is the final day to purchase Noninsured Assistance Program coverage on spring seeded crops.

### 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>.

### Conservation Loan Program

The Conservation Loan (CL) Program provides farmers with the funding necessary to implement NRCS approved conservation measures on their land. The available limit for a direct CL is \$300,000, and the limit for a guaranteed CL is \$1,119,000. The Natural Resources Conservation Service (NRCS) will work with applicants to develop a conservation plan containing approved conservation practices. For more information on a potential Conservation Loan, call the local FSA office and make an appointment with your farm loan officer.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of 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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

**TIME TO START THINKING ABOUT TREE PLANTING!  
ORDER YOUR TREES EARLY FOR BEST SELECTION!  
2011 TREE ORDER FORMS ARE AVAILABLE AT THE  
CONSERVATION DISTRICT OFFICE.**

<b>Important Dates to Remember</b>	
February 21	President's Day Holiday - Office Closed
February 28	SAFE/CRP Signup Begins
March 1	Final day to apply for 2010 ELAP
April 1	Final day to purchase NAP on Spring Seeded Crops
Continues	Continuous CRP Signup

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