



# SHERIDAN – JOHNSON COUNTY FARM SERVICE AGENCY NEWS

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## **Attention Producers!**

### **DISASTER PROGRAMS ANNOUNCED IN THE 2008 FARM BILL**

On June 18, 2008, the Food, Conservation, and Energy Act of 2008 was enacted into Public Law. This act amended the Trade Act of 1974 to create five new disaster programs. Those programs include:

- **Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP)**, which will provide emergency relief to producers of livestock (including horses) because of losses from adverse weather conditions as determined by the Secretary of Agriculture. To be eligible for ELAP, producers must obtain a crop insurance policy for each insurable commodity and NAP for each non-insurable commodity on the farm.
- **Livestock Forage Disaster Program (LFP)**, which will be available to eligible livestock producers who suffered grazing losses for eligible livestock due to various natural disaster events. Eligibility requirements require a producer to have purchased or obtained either a policy or plan of insurance under Federal Crop Insurance or purchased a NAP policy from their local FSA office on the applicable grazing crops (including pasture).
- **Livestock Indemnity Program (LIP)** will be available for livestock death losses in excess of normal mortality due to adverse weather, as determined by the Secretary of Agriculture. Payments will be based on 75 percent of a fair market value and on individual producer's eligible losses. The Livestock Indemnity Program is exempt from the risk management purchase requirement.
- **Tree Assistance Program (TAP)** is reauthorized for assistance to orchardists and nursery tree growers for losses associated with a natural disaster. To be eligible for assistance, producers must obtain a crop insurance policy for each insurable commodity and NAP for each non-insurable commodity on the farm.
- **Supplemental Revenue Assistance Payments Program (SURE)** provides benefits for farms in disaster counties, including contiguous counties, that have incurred crop production losses and/or quality losses during the crop year, and those farms in which the total loss of production of the farm because of an eligible condition is greater than 50 percent of the total farm revenue of the farm. To be eligible, producers must purchase crop insurance at the catastrophic risk protection (CAT) level of crop insurance for all insurable crops and/or Noninsured Crop Disaster Assistance Program (NAP) coverage from FSA for crops where crop insurance is not available. Crop insurance or NAP must be purchased for the entire farm which includes all crops planted, pasture for hay and pasture for grazing. This will be an annual requirement to remain eligible each year.

**For the 2009 crop year, the fees and limits will be:**

- ✓ \$300 per crop for CAT coverage from your crop insurance agent
- ✓ **September 30, 2008** is the closing date to purchase crop insurance for 2009 fall seeded crops
- ✓ \$250 per crop for NAP coverage from your FSA office
- ✓ **December 1, 2008** is the closing date to purchase NAP coverage for non-insured 2009 fall seeded crops

**For the 2008 crop year only:**

Producers who were eligible to obtain at least CAT level crop insurance or NAP, but did not, can “buy in” to be eligible to participate in the applicable programs by paying the administrative fee that would have been applicable if the producer had timely applied for CAT or NAP. The “buy in fees” do not provide any CAT crop insurance coverage or NAP coverage, but do allow producers to gain eligibility to participate in the applicable Supplemental Agriculture Disaster Assistance programs. This is a one time waiver authorized in the 2008 Farm Bill. Fees and limits will be:

- ✓ \$100 per crop, but not more than \$300 per producer per county, or \$900 total per producer, for all counties, less any previously paid fees for CAT and/or NAP.
- ✓ **September 16, 2008** is the closing date to pay administrative fees for both CAT and NAP
- ✓ Farm Service Agency, FSA, will collect both fees.

These fees and limits apply separately to both CAT and NAP covered crops. Producers may be required to pay buy-in fees under both CAT and NAP to meet whole farm eligibility requirements for the new disaster programs of SURE, ELAP and TAP.

*For more information on any Farm Service Agency program, visit or call our office, or visit the FSA Homepage at [www.fsa.usda.gov](http://www.fsa.usda.gov)*

## **2008 DCP Program Sign-up Is Underway**

Producers have until **September 30, 2008** to sign-up for the 2008 Direct and Counter-cyclical Payment Program (DCP). Producers can fill out their 2008 DCP contract at any USDA Farm Service Agency County Office. Sign-up can also be completed online by going to <http://www.fsa.usda.gov/FSA/edcp> and clicking on "Access eDCP Service." You can choose payment options, assign crop shares and sign and submit contracts from any computer with Internet access. You can also view and print submitted contract options.

FSA computes DCP 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 2008, eligible producers may request to receive an advance payment of 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments as soon as practical after enrollment. Final direct payments will be issued after Oct. 1, 2008. Counter-cyclical payments vary depending on market prices, and are issued only when the effective price for a commodity is below its target price (which takes into account the direct payment rate, market price and loan rate). **For all eligibility requirements or addition information, contact your local office.**

## Termination of Crop Insurance “GRP” Policy

The Group Risk Plan (GRP) for pasture grass in Wyoming offered by private sector insurance agents has been terminated for 2009 and subsequent crop years. (GRP was the “CAT” level of insurance). The Pasture, Rangeland and Forage (PRF) Vegetation Index program, which came out mid-September 2007, will continue in all Wyoming counties. Producers should contact their agent and discuss insurance needs as applicable. Deadline to cancel GRP and add other insurance is **September 30<sup>th</sup>**.

Since the PRF program does not provide any level of “CAT” protection (bare minimum insurance) producers can purchase a NAP policy from FSA to meet requirements of the new Disaster Programs enacted under the 2008 Farm Bill Legislation.

## **NAP PROGRAM**

Forage crop provisions in the NAP program have changed! Previously, if a forage hay crop, such as mixed grass hay, that was intended to be hayed but due to a disaster condition the crop was either destroyed or the yield was so low that the crop was grazed by livestock, the policy was that we would not appraise the crop and NAP payment would be based a “grazing” value instead of a “yield”.

The “grazing” value requires the committee to establish a maximum percent of loss for the area where the crop is located. The loss has to be established at greater than 50 percent in order to trigger a payment. Payments are calculated using the crops carrying capacity and Animal Unit Days (AUD's) calculations. The “yield” value allows for payment to be calculated using the producers individual Actual Production history (APH) yield from actual or assigned tonnage values.

Current procedure now in place allows for a forage crop intended for hay and affected by a disaster condition to be paid on the “yield” basis in most situations, and it allows for an appraisal to be done, even if the crop will be grazed later in the year. ***The appraisal should be done before grazing occurs. If the crop is grazed before the appraisal is performed, then representative sample areas must be established in the field(s) per instruction from FSA adjuster personnel. Failure to establish representative sample areas when the crop is grazed prior to appraisal will result in the loss payment being made using the AUD grazing method.*** In addition, losses on forage crops that were intended to be harvested for hay, but were grazed only, shall be determined based on production records. If a producer provides the office with acceptable production records for 3 out of 5 years and, the acreage can be verified as having been planted to the crop for which the loss is being claimed, for at least 3 out of 5 years before the year in which the loss occurred, then the crop is eligible for NAP loss benefits. Basically, this means that if you have reported the subject crop to our office on a FSA -578 crop report by the July 1<sup>st</sup> deadline date and provided our office with acceptable production records for harvested production by July 1<sup>st</sup>, and have done so as described above then crop existence and evidence of production can be verified.

A Notice of Loss should be filed within 15 days of the earlier: 1) date of the disaster event that caused the loss or 2) when the loss is apparent. A notice of loss must be filed for each weather-related event or adverse natural occurrence that causes damage to or loss of the specific crop. Failure to report crop damage or loss in a timely manner may result in ineligibility for NAP payments.

### Successor In Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly. **When a loss has occurred, Please contact our office prior to harvesting or grazing.**

**IMPORTANT DATES TO REMEMBER**

**IMMEDIATELY...FILE notification of NAP loss forms within 15 days of loss**

Dates to Remember	
Aug. 15	<b>Final certification date</b> for all crops. Late fees will be assessed after Aug. 15.
Sept. 1	Labor Day Holiday. <b>FSA Offices Closed.</b>
Sept. 16	Final date for the SURE, EALHF, LFP or TAP programs.
Sept. 30	Continue all CRP operations.
Sept. 30	<b>Deadline</b> to sign-up ends for 2008 Direct and Counter-cyclical Payment Program.
Continues	Continuous Conservation Reserve Program through September 30 <sup>th</sup> , under previous authorities.

**For more information on any Farm Service Agency program, visit or call our office, or visit the FSA Homepage at [www.fsa.usda.gov](http://www.fsa.usda.gov)**

/s/ Tom Byrd, CED

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