



SWEETWATER/SUBLETTE FSA OFFICE

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2009 NAP (Non-Insured Assistance Program)

December 1, 2008 is the application deadline for the Non-Insurable Assistance Program (NAP) for forage crops, fall seeded grain crops, and grazing land. 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 in all counties where they have an interest to qualify for the new disaster programs.

2008 FARM BILL DISASTER PROGRAMS

The Food, Conservation, and Energy Act of 2008 (2008 Act). Pub. L. 110-246, was enacted June 18, 2008. The 2008 Act created several new disaster programs under the title, "Supplemental Agricultural Disaster Assistance".

To be eligible for the SURE crop disaster program, producers **must** purchase at least CAT level of crop insurance for **all** insurable crops and Nap coverage for **all** non-insurable crops. Honey and crops intended to be harvested as grain, silage, seed or hay must be covered by crop insurance or NAP – this includes all interest in crops in all counties nationwide. *Another change announced is a crop, determined and certified by the applicant in writing: to not be of "economic significance" (which means the crop does not contribute at least 10 percent to the total farm revenue) is exempted from the crop insurance or NAP purchase requirements.

LFP livestock forage program: eligible acres of crops intended for grazing, i.e. pasture grass, are those covered by either: 1/ Crop insurance under the PRF-VI policy – which coverage is obtained by the "grid" method, or 2/ By purchasing a NAP policy with FSA which covers all of the acreage for the crop in the applicants "unit" – which is basically all of the acres of the crop in the county for all farms.

***Change in policy** – If a producer's pasture grass is located in three crop insurance "grids" and they purchase a PRF policy on one grid only, they cannot obtain a NAP policy to cover the land in the other two grids. Thus, eligible acres for the LFP program will be the acres located in the PRF grid. Likewise, if they purchase NAP they cannot purchase crop insurance PRF. Thus, eligible acres for the LFP program will be all of the acres in the producers NAP unit. Bottom line – if a producer has a crop insurance grazing policy, regardless of number of acres insured they cannot purchase a NAP grazing crop policy and vice-versa.

The above changes for the SURE and LFP programs are important because of the confusion related to the crop insurance or NAP purchase requirements as originally announced by FSA and by crop insurance agents. With the fast approaching crop insurance and NAP policy purchase deadlines producers should keep the above changes in mind when buying a policy. Remember crop insurance and NAP, for all grain

and all forage (hay) crops, are only required if a producer wants to be eligible to participate in the SURE

crop disaster program. Keep in mind that if the “eligibility to participate” clause is met it does not guarantee a crop loss payment. There are additional loss requirements that must be met before a payment is triggered. Also, if a producer wants to be eligible to participate in the LFP program they must purchase either crop insurance by grids, or purchase NAP. Eligible LFP acres with crop insurance are those “grid” acres. Eligible LFP acres with a NAP policy are those included in the NAP unit. Again, a payment is triggered when certain loss thresholds have been met.

Watch for more detailed information about these and other farm bill disaster programs in future newsletters.

ADJUSTED GROSS INCOME LIMITATIONS

New adjusted Gross income limitations will be in place for 2009 and future years. There are three limitations to consider now, one that affects all commodity programs, one that affects DCP only, and one that applies to Conservation Programs only. These certifications will be based on the average income in the three years preceding the most recent complete tax year (so, for the 2009 program year, the years in consideration will be 2005, 2006, and 2007). The table below summarizes these limits:

\$500,000 Average Adjusted Gross Non-farm Income	Exceed this – ineligible for any commodity, price support or disaster program benefits
\$750,000 Average Adjusted Gross Farm Income	Exceed this – ineligible for DCP Direct Payments
\$1,000,000 Average Adjusted Gross Non-farm Income	Exceed this – ineligible for conservation programs, unless 66,66% or more of AGI is average adjusted gross farm income

Direct and indirect program participants will be required to certify to the new income limitations for the 2009 crop year on form CCC-926 or through an accountant’s or attorney’s certification. The Adjusted Gross Income Certification form is no longer a continuous certification and must now be filed at least once every 3 years. The new form and procedures are not yet available, additional information, including specifics on what is considered farm income and what is considered non-farm income will be made available at a future date.

ANNUAL NOTICE OF PAYMENT ELIGIBILITY TO PRODUCERS

FSA program benefits may not be provided to any producer until the applicable payment eligibility determinations are made. A producer will remain ineligible until all required forms for the specific situation are provided.

New forms (CCC-902) and regulations are in the process of being implemented. All participants will be required to complete the new eligibility forms for the 2009 year. These new forms and associated procedures are not yet available, please be patient as we work to implement the new farm bill. Previous rules on permitted entity designation will no longer apply for the 2009 and future years. All payments including those made for the individual’s pro-rata share in an entity, will now be attributed to a single payment limitation for the applicable individual, through they will be issued as usual to the payment-earning entity. In addition, payment entities with the exception of joint operations will be limited to a single payment limitation overall.

Payment Limitation/Eligibility determinations may be initiated by the FSA County Committee or requested by the producer. Statutory provisions require that entities earning program benefits provide FSA with the names, addresses, and tax ID numbers for the members of the entity.

All Payment Eligibility forms (CCC-902) submitted by a producer are subject to spot check through the End-of Year Review process. Farming operations selected for and End-of-Year Review will be required to submit additional documents to verify their contributions of capital, land, equipment, labor, and management.

Individuals joint operations, or entities which are determined to be “not actively engaged in farming,” will be ineligible for Direct and Counter Cyclical (DCP) Payment, Average Crop Revenue Election (ACRE) Payments, Loan Deficiency Payments (LDP’s), Marketing Loan Gains and Conservation Reserve Program (CRP) payments.

SIGNATURE AUTHORITY

Many of you conduct your farm operation as an entity such as a corporation, trust, LLC, LLP, etc... In order for you to conduct business with Farm Service Agency, we are required to have documentation from you that shows who has authority to sign on the entity’s behalf such as a Corporate Resolution, Power of Attorney, or other acceptable Delegation of Authority. This is a reminder for newly formed entities that we need a copy of the minutes of your annual meeting or other documentation that shows the selection of the officers or the positions of the members and who has authority to sign FSA program documents.

For signature authority for FSA and CCC programs, husbands and wives can sign 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 this office. Spouses may not grant Power of Attorney for each other and may not sign claim settlements for each other.

And, producers and landlords who previously executed a FSA-211 Power of Attorney form authorizing an attorney-in-fact to act on their behalf for programs need to check with this office to be sure this form is still current with the new farm programs. If you executed a FSA-211, please contact this office.

DATES TO REMEMBER:

- November 11-----Veterans Day Office Closed
- November 27 -----Thanksgiving Day Office Closed
- December 1-----NAP application deadline
- December 1-----Deadline for returning Election Ballots
- December 25-----Christmas Day Office Closed

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