

## Coos/Curry FSA News

<http://www.fsa.usda.gov/or/cooscurry.html>

376 N Central Blvd.  
Coquille, OR 97423



### January 2010

#### Coos/Curry FSA

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#### OFFICE STAFF

Bret A. Harris, CED  
Dawn Weekly, PT

#### OFFICE HOURS

Monday - Friday  
8:00 a.m. to 4:30 p.m.

#### Loan Staff Available

*Call for an appointment!*  
(541) 673-6071, ext. 2  
Jim Jutson, FLM  
Dana Mahlberg, PT

#### 2010 COOS/CURRY FSA COMMITTEE

##### Chairman:

Rick McKenzie – LAA-3

##### Vice Chairman:

Sharon Waterman – LAA-1

##### Member:

Beau Allen – LAA-2

### County Committee Election Results

**Congratulations to Beau Allen!** Beau was elected to represent farmers from the Coquille, Myrtle Point, Fairview, Dora, Sitkum, Bridge, and Powers areas of Coos County on the Coos/Curry FSA Committee. The election results for Local Administrative Area 2 (LAA-2) are:

**Beau Allen** — elected to the County Committee (COC) with 93 votes

**Mike Miranda** — elected 1<sup>st</sup> alternate to COC with 26 votes.

FSA appreciates all voters for taking time to complete the ballot. The county committee system works only because of your participation.

The committee members will hold their organizational meeting at the regularly scheduled meeting, 10:00 a.m. January 19<sup>th</sup>, 2010.

### Cash-rent Tenant

A cash-rent tenant rule applies to any producer that rents land from another producer for cash or a crop share guaranteed as the amount of the commodity to be paid in rent. The rule also applies to any producer who rents land for zero dollars or who farms the land in exchange for compensation other than cash, such as controlling weeds on land not owned, or barter arrangements. Any cash-rent tenant shall be ineligible to receive payment unless the cash-rent tenant makes a significant contribution of active personal labor to the farming operation; or a significant contribution of active personal management **and** a significant contribution of equipment. A cash-rent tenant must also meet all applicable requirements to be considered "actively engaged in farming."

### FSA Spousal Signature Policy

Spouses may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made by either spouse.

*Exception* - spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

### Biomass Crop Assistance Program

This program provides **financial assistance to producers who deliver eligible material to biomass conversion facilities.** FSA will provide financial assistance to collect, harvest, store and transport eligible materials.

**Owners of eligible material** can receive financial assistance for delivering qualified biomass to conversion facilities that use biomass for heat, power, bio-based products or advanced biofuels."

**Biomass conversion facilities** and material owners or producers should contact their local FSA offices or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) for more information.

**Once an agreement is signed between FSA and a facility AND funding through the program is provided,** the facilities can begin accepting materials. **Producers who sell these materials can apply for matching payments** under the collection, harvest, storage and transportation (CHST) component of BCAP.

The **matching CHST payments** are paid at a rate of **\$1 for \$1 per dry-ton equivalent** received from a qualified biomass conversion facility, **not to exceed \$45 per dry-ton equivalent.** A biomass owner is eligible to receive payments for two years.

**Eligible material owners or producers,** who market eligible material to a qualified biomass conversion facility, may **apply for the matching CHST payment at their FSA county office.** An application must be submitted **before the eligible material is sold and delivered** to a qualified biomass conversion facility. **After the product is delivered,** a producer must **provide FSA with documentation of product quantity, quality and payment rate.** FSA will validate payment requests with information in the county office and information provided under the terms of MOUs with the qualified biomass conversion facilities. CHST payments will not be authorized until after an appropriate environmental analysis has been conducted.



## **Power of Attorney**

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any Farm Service Agency office near you for more information.

## **Special Accommodations**

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

## **Controlled Substance Rule**

Any person who is convicted under federal or state law of a controlled substance may be ineligible for USDA payments or benefits.

Violations include planting, harvesting, possessing or growing a prohibited plant. Prohibited plants include marijuana, opium poppies and other drug producing plants.

## **Proper Signature Authorization**

The Improper Payments Information Act of 2002 required every federal agency to identify programs and activities susceptible to possible improper payments. As a result, FSA has been reviewing producer eligibility files to determine who is authorized to sign FSA program documents in representative capacities and if the signature format is proper. You may be asked to provide copies of signed legal documents specific to your organization. Some of the documents that may be requested to verify ownership interest as well as signature authority for the organization are identified as follows:

**Corporation:** Articles of Incorporation, By-Laws, Corporate Resolutions, Corporate Meeting Minutes, Share Certificates, Share Registers, Share Receipts, Annual Report Filed with the Secretary of State's Office.

**Limited Liability Company:** Articles of Organization, Operating Agreement, Annual Report Filed with the Secretary of State's Office.

**Limited Liability Partnership:** Partnership Agreement.

**Limited Partnership:** Partnership Agreement.

**General Partnership:** Partnership Agreement, IRS Form 1065 and applicable Schedule K-1.

**Trust:** Trust Agreement.

**Estate:** Last Will and Testament, Court Orders of Appointment containing the signature of an officer of the court, Court-approved certificate of letter of administration containing the signature of an officer of and issuing court, Certification by an officer of the issuing court that the evidence of authority is in full force and effect.

**Joint Venture:** IRS Form 1065 and applicable Schedule K-1.

For a complete listing of FSA signature requirements, contact your local FSA office or logon to our website <http://www.fsa.usa.gov>.

## **Foreign Person Rule (AFIDA)**

A foreign individual is someone who is not a citizen of the United States or a lawful alien possessing a valid Alien Registration Receipt Card (Form I-551 or I-151). A foreign entity (corporation, trust, estate, limited partnership, LLC, or other similar) that has more than 10 percent of its interest held by individuals who are not citizens of the US or lawful aliens with a valid Alien Registration Receipt Card (Form I-551 or I-151). In addition to the requirements for "person" and "actively engaged in farming," the following significant contributions must be provided by an individual or entity considered to be a "foreign person.": a "foreign person" must provide a significant contribution of land, capital, and active personal labor.

## **Adjusted Gross Revenue Lite & MPCI Sales Closing Dates**

The Risk Management Agency (RMA) reminds producers of **winter and spring sales closing dates** for the **Multiple Peril Crop Insurance (MPCI)** programs the Adjusted Gross Revenue Pilot (AGR) available in select Northwest counties, and the **Adjusted Gross Revenue-Lite (AGR-Lite)** programs available throughout the Pacific Northwest which cover most farm-raised crops, animals, and animal products.

### **Upcoming regional sales closing dates:**

#### **February 1, 2010**

- Final date to obtain or change Adjusted Gross Revenue Pilot (AGR) insurance in select counties in Idaho, Oregon and Washington. Final date to submit required documents to continue or change 2010 Adjusted Gross Revenue-Lite (AGR-Lite) insurance for EXISTING POLICY HOLDERS in Alaska, Idaho, Oregon and Washington

#### **March 15, 2010**

- Final date to obtain 2010 Adjusted Gross Revenue-Lite (AGR-Lite) insurance for NEW APPLICATION/ENROLLMENT POLICIES in Alaska, Idaho, Oregon and Washington.
- Final date to obtain or change ALL OTHER Spring Seeded Crop insurance coverage (excluding wheat in counties with Fall and Spring planted types).

RMA also reminds producers of the link between Federal crop insurance and FSA Disaster Assistance programs for the 2010 crop year. To maintain eligibility for FSA's disaster programs, producers must obtain a policy or plan of insurance of at least catastrophic (CAT) level coverage if available. For those crops that are non-insurable, coverage under the Noninsured Crop Disaster Assistance Program must also be timely obtained. Producers are encouraged to visit their local FSA office to ensure compliance with linkage requirements.

A list of crop insurance agents is available at local FSA Offices and at the RMA website address: <http://www3.rma.usda.gov/tools/agents/>

## **Report changes to Farming Operation**

Be sure to notify FSA if your operation has changed either through purchase or sale of land or rent/lease of new property. Notification is essential both to maintain accurate records and to maintain program eligibility.

In order to be added to a farm on FSA records, you must provide a copy of a lease, or a statement from the land owner if renting or leasing. To report ownership changes, please provide proof of ownership.

## Appeal Process

After an FSA official makes a decision on your request for USDA services or application, you will be sent a letter informing you of the decision and options your can pursue if you disagree.

Generally, program participants have several choices — an informal review with the original agency decision-maker, an opportunity for mediation, an appeal to the next level of authority within the agency, and finally an appeal with the National Appeals Division.

## Highly Erodible Land and Wetland Conservation Compliance

Landowners and operators, and their affiliates with farming interests, are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Customers with HEL determined soils are reminded to follow tillage, crop residue and rotation requirements as specified per their conservation plan. Contact should be made with the USDA Service Center prior to conducting land clearing or drainage projects to ensure compliance.

## Loan and LDP Programs

USDA is required to annually publicize provisions of Loan and LDP Programs before the beginning of each crop year and making loans and LDP's for the current crop year. Loans and LDP's are available from the time of harvest until the loan availability date ends. Final loan availability date differs by crop.

### Crop Loan Rates

Selected commodity prices for January 6, 2010

Commodity	Loan Rate	LDP Rate
Barley \$/bu	2.15	\$0.0
Corn \$/bu	2.35	\$0.0
Oats \$/bu	1.35	\$0.0
Wool \$/lb	0.38	\$0.29

## New Adjusted Gross Income (AGI) Reporting Process

USDA is partnering with the Internal Revenue Service (IRS) to reduce fraud in farm programs and streamline payment limits for family farmers.

USDA has finalized a Memorandum of Understanding with the IRS to establish an electronic information exchange process for verifying compliance with the adjusted gross income provisions for programs administered by USDA's FSA and Natural Resources Conservation Service. This agreement will ensure that payments are not issued to producers whose adjusted gross income (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 non-farm average AGI for conservation programs.

The electronic process that USDA developed with IRS reviews data from tax returns, performs a series of calculations, and compares these values to the AGI limitations from the 2008 Farm Bill. FSA and NRCS will receive a record that indicates whether or not the program participant appears to meet the income limits. **Written consent (CCC-927 or CCC-928) will be required from each producer or payment recipient for AGI-applicable programs starting in the 2009 program year.** Consent forms (CCC-927 and CCC-928) can be obtained at the Marion County FSA Office but must be filed directly to the IRS. **No actual tax data will be included in the report that IRS sends to USDA.** As part of the review and evaluation process, participants whose AGI may exceed the limits will be offered an opportunity to provide third party verification or other information to validate their income.

## Beginning Farmer Down Payment Ownership Program



**Purpose:** Obtain help financing the purchase

of a farm up to 45% of the purchase price or appraised value, with a loan cap of \$225,000. The applicant must put down 5%. The Farm Service Agency finances up to 45% of the purchase price. The remaining 55% of the purchase price can be financed on a seller contract or through a conventional lender. The lender can obtain a guarantee from FSA if the customer is eligible.

**Rates:** The FSA loan rate will be locked in for the full 20 years, and currently the rate is the direct Farm Ownership rate minus 4.0% (which currently equals a loan rate of 0.75%) or 1.5%, **which ever is greater.**

**Qualification:** Beginning farmer applicants must have been farming for at least three years and not more than ten, and cannot own real estate that exceeds 30 percent of the median farm size for the county. Minority and female applicants do not have the 10 year or 30% restriction.

## Reasonable Accommodations

USDA is required to provide the reasonable accommodations statement semiannually in county office newsletters and on printed announcements of all public meetings, seminars or FSA sponsored training, and farm program orientation sessions.

## Civil Rights/Discrimination Process

As a participant or applicant for programs or activities operated or sponsored by USDA, you have a right to be treated fairly. If you believe you have been discriminated against because of race, color, national origin, gender, age, religion, disability, or marital or familial status, you may file a discrimination complaint.

The complaint should be filed with the USDA Office of Adjudication and Compliance. To file a complaint of discrimination write: USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, Washington DC 20250-9410 or call 1-866-632-9992 (voice); 1-800-877-8330 (TDD); 1-866-377-8642 (relay voice users).

## DCP Sign-up Underway

Signup has started for the 2010 Direct and Counter-Cyclical Payment (DCP) program for farms with *base acres*. Contact your local FSA office for more information. Signup will continue until the June 1, 2010 deadline. There are no provisions for late-filed applications, so they will not be accepted.



Coos/Curry County FSA Office  
 376 N Central Blvd.  
 Coquille, OR 97423-1244

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**SURE Signup**

Signup for the 2008 Supplemental Revenue Assistance Payments program (SURE) began on January 4, 2010. Producers who suffered crop **production losses during crop year 2008** may be eligible.

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 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 NAP coverage on the farm. Total farm revenue takes into account the actual value of production on the farm, 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. The 10 percent production loss **must be caused by a natural disaster**. Producers **must meet the risk management purchase requirement** by either obtaining insurance, under the Federal Crop Insurance Act or NAP coverage, for all economically significant crops. Producers considered socially disadvantaged, beginning farmer or rancher, or limited resource farmer may be eligible for SURE without MPC I insurance or NAP coverage.

Dates to Remember	
January 18	Office closed – MLK Day
January 19	Regular COC Meeting
February 1	<b>Last day to purchase AGR-Lite Insurance</b>
February 15	Office closed – Presidents Day
February 16	Regular COC Meeting
March 16	Regular COC Meeting
On-going	Sign-up for CREP, GRP, LDP
Within 15 days	NAP notice of loss - report within 15 days of damage.

**Visit our Web site at  
[www.fsa.usda.gov/FSA](http://www.fsa.usda.gov/FSA)  
 ATTENTION AG GROUPS**  
*Would you like to have a presentation or more information on FSA and USDA programs? FSA and NRCS staff is available, call Bret Harris, FSA, at (541) 396-4323, ext. 25.*

**Adjusted Gross Income**

The 2008 Farm Bill states that an individual or entity shall not be eligible to receive commodity program benefits as specified in the bill if the average adjusted gross non-farm income (AGI) of the individual or entity exceeds \$500,000. An individual or entity shall not be eligible to receive direct DCP payments if their average adjusted gross farm income exceeds \$750,000. An individual or entity shall not be eligible to receive conservation program benefits if their average adjusted gross non-farm income exceeds \$1,000,000 unless more than 66.6% of their adjusted gross income was derived from farm sources. Revisions to what is considered ‘farm’ income versus ‘nonfarm’ income have been made; please contact this office for additional details.

Noncompliance with the AGI provisions, either by exceeding the applicable limitations or failure to submit the applicable certification statement, will result in the determination of ineligibility for all program benefits subject to the AGI provisions; program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible individual or entity in any entity, general partnership, or joint operation that receives benefits subject to the AGI limitation.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs 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 programs. (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 USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202)-720-6382 (TDD). USDA is an equal opportunity provider and employer.