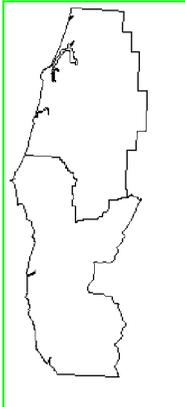


**Coos/Curry FSA News**

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

376 N Central Blvd.  
Coquille, OR 97423



**February  
2009**



**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

**COUNTY FSA  
COMMITTEE**

**Chairman:**  
Eric Wiley – LAA-2  
**Vice Chairman:**  
Rick McKenzie – LAA-3  
**Member:**  
Sharon Waterman -LAA- 1

**ANNUAL NOTICE OF PAYMENT ELIGIBILITY TO PRODUCERS**

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. 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. Payment Limitation/Eligibility determinations may be initiated by the FSA County Committee or requested by the producer. Once completed, documents and forms to determine eligibility are reviewed for the year submitted. A farm operating plan (payment eligibility and payment limitation form CCC-902) is not required to be filed annually if the farming operation continues to be conducted as reflected on the farm operating plan (CCC-902), and supporting documents are on file in the County Office. However, if any changes occur that could affect an “actively engaged in farming,” “cash-rent tenant” or “average adjusted gross income” determination, producers must timely notify the County Office by filing revised farm operating plans and/or supporting documentation. Failure to do so may adversely affect the producer’s payment eligibility. All payment eligibility forms (CCC-902) submitted by a producer are subject to spot check through the End-of-Year Review process.

Operations selected for an End-of-Year Review will be required to submit documents to verify their contributions of capital, land, equipment, labor, and management. Individuals, joint operations, or entities determined to be “not actively engaged in farming” will be ineligible for Direct and Counter Cyclical (DCP) Payments, Loan Deficiency Payments (LDP’s), Marketing Loan Gains, Conservation Reserve Program (CRP) Payments, and Disaster related program payments such as the Crop Disaster Program (CDP) payments. The limitation for the following programs is per “person” per fiscal year. Under the Direct and Counter Cyclical Program (DCP) direct payments are limited to \$40,000; and counter cyclical payments and ACRE payments are limited to \$65,000; Conservation Reserve Program (CRP) payments are limited to \$50,000; Non-Insured Assistance Program (NAP) payments are limited to \$100,000. SURE will pay up to \$100,000 annually including any benefits received from LIP, LFP and ELAP.

**Sharon Waterman Re-elected to COC**

COC member Sharon Waterman was re-elected to the Coos/Curry FSA Committee for another 3-year term to represent agricultural producers from LAA-1 (Basically the northern and western part of Coos County, including the areas of Coos Bay, North Bend, Lakeside, and Bandon). This is Sharon’s second term on the FSA Committee and we appreciate her involvement and dedication both to Agriculture and the farmers and ranchers she represents.

FSA thanks all those who voted in the COC election. The Coos/Curry FSA Committee meets the 3<sup>rd</sup> Tuesday of the month at the Coquille USDA Service Center. Regular meetings are open to the public

**Milk Income Loss Contract Program**

The MILC program was reauthorized by the 2008 Farm Bill. Program benefits are earned by milk producers if the Boston Class 1 price for milk falls below the *target price* of \$16.94/cwt. From January 2009 through August 2012, the *target price* is increased if the national base feed cost is above \$7.35/cwt.

The *extended* sign-up began January 22, 2009 and continues. Producers that submit CCC-580 and required eligibility documentation can select the MILC production start month either: the month the CCC-580 is submitted; or from the remaining months in the FY where the payment rate is not known.

**Lamb Referendum**

Lamb producers, feeders, and first handlers will have the opportunity to vote in a nationwide referendum on whether to continue or terminate the Lamb Promotion, Research, and Information Order, authorized under the Commodity Promotion, Research, and Information Act of 1996. **The referendum will be held Feb. 2-27, 2009.**

The referendum will be conducted at FSA offices. To be eligible to vote, persons must certify and provide documentation which shows they have been engaged in the production, feeding, or slaughtering of lambs during the Jan. 1, 2008, through Dec. 31, 2008.

## Special Accommodations

Accommodations will be made upon request for individuals with disabilities, vision impairment, or hearing impairment. If accommodations are required, individuals should contact Bret Harris, CED. Contact information is on the front page of this newsletter

## Spousal Signatures

Husbands and wives 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 to the county office staff by either spouse.

## Under-Represented Groups

FSA solicits and accepts nominations of under-represented groups such as females and minority (American Indian or Alaska Native, Asian, Black/African American, Hispanic/Latino, Native Hawaiian or Other Pacific Islander) producers for county committee representation. Please notify this office if you wish to be identified as a minority producer.

## Actively Engaged in Farming Rule

Another change in eligibility is that program payments are limited by *direct attribution* of payment totals directly to an individual's social security number or indirectly to the individual member's social security number through an entity's tax ID number. If a member of an entity does not qualify, the payment to the entity will be reduced by the applicable share percentage.

Also, individuals and entities must be *actively engaged in farming* with respect to their operations in order to be eligible for certain payments. To be *actively engaged in farming*, the individual or entity must make *significant contributions* to the farming operation of: 1) capital, equipment, land, or a combination of the three; and 2) active personal labor, active personal management, or a combination of the two. Each member of an entity must provide labor or management (or a combination), and (if only management) the duties must be distinct and verifiable. The combination of the management contributions of members must be significant to the operation.

## Payment Deposits

FSA policy requires that payments be made by electronic funds transfer (EFT) directly to your bank account. In order for timely payments to be made, producers need to be sure that FSA is notified of changes to your designated account. This includes notification if your bank is purchased by another institution. You payments from FSA could be delayed if we are not notified of the change to your account or bank routing numbers.

## Adjusted Gross Income

The 2008 Farm Bill states that an individual or entity shall not be eligible to receive program benefits 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 the ineligible individual or entity.

## 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 every producer's eligibility file to determine who is authorized to sign FSA program documents in representative capacities and if the signature format is proper.

If you are contacted by your local FSA Office, you will be asked to provide copies of signed legal documents specific to your organization. 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 issuing 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 the Oregon FSA website at <http://www.fsa.usda.gov/or/> and click on the Signature Authority Pamphlet link under "In the News." check selection procedure, feel free to contact your local Farm Service Agency office for additional clarification.

## 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, a statement from the land owner if renting or leasing. To report ownership changes, please provide proof of ownership.

## **Complaint Process**

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

**Generally, program participants have three choices – an informal review with the original decision-maker, an opportunity for mediation and appeal to USDA National Appeal Division (NAD).**

## **Maintenance of CRP Cover**

CRP & CREP participants cover are responsible for maintenance according to the conservation plan. All CRP maintenance activity **must be conducted outside the primary nesting season for wildlife** and in accordance with the conservation plan. For **Coos & Curry, the primary nesting season is March 15<sup>th</sup> through July 15<sup>th</sup>**. Spot treatment of the acreage may be allowed during the primary nesting season if certain criteria are met.

## **Foreign Buyers Notification**

The Agricultural Foreign Investment Disclosure Act requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## **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.”

## **DCP Sign-up Underway**

Signup has started for the 2009 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, 2009 deadline. There are no provisions for late-filed applications, so they will not be accepted.

FSA computes DCP program payments using *base acres* and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute, and may receive *counter-cyclical payments* if the effective price of commodity is statutorily set below its target price.

## **Crop Loan Rates**

Selected commodity prices for February 10, 2009

Commodity	Loan Rate	LDP Rate
Barley \$/bu	2.21	\$0.0
Corn \$/bu	2.41	\$0.0
Oats \$/bu	1.31	\$0.0
Wool \$/lb	0.38	\$0.29

## **Farm Loan Servicing Corner**

### **Sale of Timber, Minerals, and Partial Real Estate Sales on FSA Mortgaged Property:**

FSA borrowers who have mortgaged their real estate to FSA for a farm loan need to be aware of the limitations of our mortgage/deed of trust puts on the sale and use of proceeds from partial real estate sales, timber harvests and mineral sales including gravel. FSA regulations require that written consent be obtained from FSA prior to any removal of timber or minerals or partial sale of the FSA mortgaged property.

Use of the sale proceeds are limited to paying secured real estate lenders in order of the priority of their liens including FSA; paying customary costs associated with the transaction; and with limitations, development or enlargement of farm real estate or applying the funds as a regular payment on FSA loans. Funds may not be used to pay capital gains taxes, refinance debts, purchase equipment/livestock or pay family living expenses. Borrower use of small amounts of timber or minerals for household use is acceptable.

If you have any questions, please contact Jim Jutson at 541-673-6071, ext. 108.

## **RMA Insurance - AGR-Lite**

**Adjusted Gross Revenue-Lite (AGR-Lite)** is a streamlined whole-farm revenue protection package. The plan provides protection against low revenue due to unavoidable natural disasters and market fluctuations that affect income during the insurance year. Most farm-raised crops, animals, and animal products are eligible for protection.

AGR-Lite can stand alone or be combined with other Federal crop insurance plans. The AGR-Lite concept:

- Uses a producer’s 5-year historical IRS farm income and an annual farm report as a base to provide a level of guaranteed revenue for the insurance period.
- Provides insurance coverage for multiple agricultural commodities in one product.
- Establishes revenue as a common denominator for the insurance of all agricultural commodities.

**Sales Closing Date:** **March 16** is the enrollment date for new applicants.

**Year of Insurance:** For the year of application, you will not be covered for any losses that occur earlier than 10 days after the completed application is received by a re-insured agent.

### **For more information:**

Contact USDA/RMA at (509) 228-6320 or email [warso@rma.usda.gov](mailto:warso@rma.usda.gov).  
The web site is [www.rma.usda.gov](http://www.rma.usda.gov)

**Special Information for Beginning Farmers  
 And Small Acreage Farmers**

**Farm Bill Information & Disaster "Linkage" for Everyone**

**Attention  
 Farmers & Ranchers**

- o **Wednesday, February 25 in Gold Beach** at the OSU Extension conference Room – 6:00 pm
- o **Wednesday, March 4 in Bandon** at the Bandon Library , Sprague Room – 6:00 pm
- o **Thursday, March 5 in Myrtle Point** at the OSU Extension conference Room – 6:00 pm

Information will be presented and available on a variety of FSA and USDA assistance programs; from **FSA** farm loan programs, conservation programs, and disaster assistance programs to **NRCS** technical and financial assistance programs and farm planning assistance.

Dates to Remember	
Feb 27, 2008	Last Day to apply for 2005-2007 CDP
Feb 27, 2009	Last Day to vote in the 2009 Lamb Promotion Referendum
Mar 15, 2009	Last Day to purchase AGR-Lite for 2009 disaster linkage
Mar 15, 2009	Last Day to apply for NAP on spring planted crops
Mar 16, 2009	Last Day to purchase AGR-Lite for disaster linkage
Mar 17, 2009	Regular COC Meeting
Mar 31, 2009	Last Day to apply for LDP on 2008 crops (except wool)
Apr 21, 2009	Regular COC Meeting
On-going	Sign-up for CREP, GRP, 2009 LDP
Within 15 days	NAP notice of loss. Must report damage within 15 days of damage or when damage is apparent.

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.