



CRAWFORD COUNTY FSA NEWS

County Committee:

Carolyn Michael, Chairperson
Joe Murphy, Vice-Chairperson
Larry Richard, Member
*(Committee meets 2nd Thursday of each month
at 8:30 am in the USDA Service Center)*

US Department of Agriculture

Crawford County FSA Office
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Office Hours: 8:00am-4:30pm

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Judy A. Jacquinet
County Executive Director



Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2010. Producers can visit any USDA Service Center to complete their 2010 DCP contract. DCP Program payments are computed 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 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. USDA will issue advance direct payments beginning Dec. 1, 2009.

Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the commodity.

The ACRE Option

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. 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. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent in 2012) of the farm's planted acres times the difference between the State ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. 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 percent, and marketing assistance loan rates are reduced by 30 percent.

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. The June 1, 2010, deadline is mandatory for all participants. USDA will not accept any late-filed applications.

County Committee election results:
Candidate: LAA1 Carolyn Michael
Number of ballots received: 72

Livestock Losses

The Livestock Indemnity Program (LIP) provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather. *The eligible adverse weather events include losses because of floods, blizzards, wildfires, lightning, tornado, extreme heat, extreme cold, and disease exacerbated by adverse weather.* Applicants must provide verifiable and reliable documentation of the livestock deaths and inventory to prove that the eligible livestock deaths occurred as a direct result of an eligible adverse weather event. Documents providing verifiable evidence may include, but are not limited to, any or a combination of the following:

- rendering truck receipts or certificates
- FEMA records
- National Guard records
- veterinary records
- records assembled for tax purposes
- private insurance documents
- written contracts
- bank or other loan documents
- purchase records
- production records
- property tax records.

In some circumstances, producer records and independent third party certifications may be accepted. A Notice of Loss must be filed within 30 days after the death is apparent. The final date to submit an Application for Payment is Jan. 30 of the following year.

Farm Storage Facility Loans

The Food, Conservation, and Energy Act of 2008 included changes for the Farm Storage Facility Loan program:

- Loan terms of 7, 10 and 12 years.
- Increased the maximum loan amount to \$500,000 per loan.
- \$100 application fee per borrower.
- Loans for cold storage facilities for fruits and vegetables.
- Loans for hay storage facilities.
- Loans for biomass storage facilities.
- Must obtain crop insurance or Non-insured Crop Disaster Assistance Program (NAP) coverage on all crops.



Loans are also available for grain and silage farm storage facilities. A real estate mortgage is required for loans over \$50,000. Portable and used equipment are not eligible. Loan must be approved by the FSA county committee before any site preparation and/or construction can be started.

Interest Rate for Down Payment Farm Ownership Program Reduced to 1.5%



Down Payment Farm Ownership Loans are available for qualifying beginning farmer and/or socially

disadvantaged applicants to help obtain financing for the purchase of a farm or ranch. The applicant must put down 5 percent of the purchase price. The Farm Service Agency finances up to 45 percent of the purchase price. The remaining 50 percent of the purchase price can be financed through a conventional lender. The lender can obtain a guarantee from FSA if the customer is eligible. The FSA loan rate will be locked in for the full 20 years of the loan, and currently the interest rate is 1.5 percent.

For further information please contact the local USDA Service Center at 620-724-6227, Ext. 229. You may also visit www.fsa.usda.gov.

Reporting Crop Acreage



Filing an accurate and timely acreage report for all crops and land uses can prevent loss of benefits for a variety of Farm Programs. Prevented planting and failed acreage should also be reported. Acreage reports for failed acreage must be filed

before disposition of the crop. All cropland on the farm must be reported to receive benefits from FSA Farm Programs, marketing assistance loans and Loan Deficiency Payments. Conservation Reserve Program acreage must be reported to receive annual rental payments. Crop acreage for which Non-insured Crop Disaster Assistance Program (NAP) coverage is purchased must also be reported. Crop reports must account for all cropland on a farm. Producers are required to file reports by May 31 for small grains. Reports for feed grains, cotton, soybeans, sunflowers, and CRP must be reported by August 1. Producers will also need to provide planting dates. Reports taken after these deadlines are subject to a late-filed fee to cover the cost of a field inspection to verify presence of the crop.

Farm Reconstitutions

Farms are *constituted* to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution is the process of combining or dividing farms or tracts of land based on the farming operation. The following are the different methods used when doing a farm reconstitution. Remember, to be effective for the current year, reconstitutions must be requested by Aug. 1 for farms enrolled in the Direct and Counter-cyclical Program.

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.



CONSENT TO DISCLOSURE OF TAX INFORMATION

USDA Farm Service Agency programs are subject to average adjusted gross income (AGI) compliance. Written consent will be required from each producer for a national IRS data base comparison to verify adjusted gross income certified to FSA. ALL producers MUST submit form CCC-927 (for individuals) or CCC-928 (for entities) to the Internal Revenue Service (IRS) within 60 days of signature date and no later than June 15, 2010. Failure to file the required form may result in refunds of 2009 or 2010 payments.