

LINN COUNTY FSA NEWS

January 2010

Linn County FSA Office

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Hours: Monday – Friday
8:00 a.m. – 4:30 p.m.



www.fsa.usda.gov/ks

The committee meets the 2nd Thursday of each month 8:30 a.m.

County Committee Members

Pamela Wilson
Edward Self
Clayton Carothers

Office Staff

Brian Lueker, CED

Diana Otto, PT

Jacque Nation, PT

Sue Stainbrook, PT

Gene Mendenhall, FA

2009 COC Election Results

The Farm Service Agency (FSA) County Committee (COC) election ballots, cast from voters in Local Administrative Area (LAA) #3, were recently counted resulting in the following positions. Clayton Carothers received the most votes and was elected to serve a three-year term on the Linn County FSA Committee. This will be the start of Clayton's second three-year term on the COC. Cheri Dunlop was elected as first alternate to the COC. LAA#3 consists of the following townships: Liberty, Scott, and Lincoln. FSA appreciates the candidates for being involved in the election process and agreeing to serve their area of Linn County. FSA also commends those producers who voted in the election. FSA Committees oversee local operations, develop local policies, and resolve various issues involving federal farm programs administered by FSA.

ACREAGE REPORTS

Producers must report acreages by applicable deadlines to maintain eligibility for most FSA programs. All cropland on the farm must be certified on FSA-578 to remain eligible. All farmland, including hay and grazing land must be certified to remain eligible for disaster programs. Small grain certification deadline is **June 1, 2010**.

Supplemental Revenue Assistance Program (SURE)

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 in an amount 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 Non-insured Crop Disaster Assistance Program (NAP) coverage on the farm. Total farm revenue takes into account the actual value of production on the farm as well as insurance indemnities and certain farm program payments.

To be eligible for SURE, producers must have suffered at least a 10 percent production loss on a crop of economic significance. In addition, producers must meet the risk management purchase requirement by either obtaining a policy or plan of insurance, under the Federal Crop Insurance Act or NAP coverage, for all economically significant crops. For 2008 crops, producers had the opportunity to obtain a waiver of the risk management purchase requirement through a buy-in provision. Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage.

In addition to meeting the risk management purchase requirement, a producer must have a farming interest physically located in a county that was declared a primary disaster county or contiguous county by the Agriculture Secretary under a Secretarial Disaster Designation. Regardless of a Secretarial Disaster Designation, individual producers may also be eligible for SURE if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster. For SURE, a farm is defined as all crops in which a producer had an interest nationwide. Producers may begin applying for the SURE program at the Linn County FSA Office on Jan. 4, 2010 if they suffered crop production losses during the 2008 crop year.

LIVESTOCK INDEMNITY PROGRAM (LIP)

LIP provides assistance to producers for livestock deaths that result from disaster. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, disease, wildfires, extreme heat and extreme cold. Livestock deaths occurring Jan. 1 to July 12, 2009 must file an application for payment by Jan 30, 2010. Deaths occurring July 13 to Dec. 31, 2009 must file a notice of loss within 30 days after loss is apparent, and file an application for payment by Jan. 30, 2010.

2010 DCP SIGNUP UNDERWAY

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2010. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2010 DCP contract.

USDA computes DCP Program 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 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. 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 covered commodity.

<u>Direct Payment Rates and Target Prices for 2009-Crop Year</u>		
Crop	Direct Rate	Target Price
Barley	\$0.24 bu.	\$2.24 bu.
Corn	\$0.28 bu.	\$2.63 bu.
Grain Sorghum	\$0.35 bu.	\$2.57 bu.
Oats	\$0.024 bu.	\$1.44 bu.
Other Oilseeds	\$0.80 cwt	\$10.10 cwt
Soybeans	\$0.44 bu.	\$5.80 bu.
Upland Cotton	\$0.0667 lb.	\$0.7125 lb
Wheat	\$0.52 bu.	\$3.92 bu.

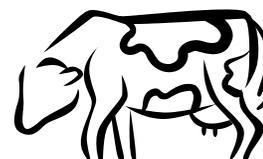
THE ACRE OPTION

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.



FOREIGN LANDOWNERS

Foreign investors who buy, sell or hold a direct or indirect interest in agricultural lands in the U.S. are required under the Agricultural Foreign Investment Disclosure Act to report their holdings and transactions to the U.S. Secretary of Agriculture through the Farm Service Agency. Transactions must be reported within 90 days of the date of the sale. Failure to file an accurate or timely report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land.

2009-Crop COMMODITY LOANS

The deadline to request commodity loans or LDPs (if applicable) for 2009 small grains, including wheat, oats, barley, and also honey, is **March 31, 2010**. The deadline to request loans or LDPs (if applicable) for 2009 feed grains and oilseeds, including grain sorghum (milo), corn, soybeans, and sunflowers, is **May 31, 2010**. If loans are disbursed jointly, a check will be issued from Kansas City.

Linn County loan rates are:

Wheat	\$2.63	Corn	\$1.97
Oats	\$1.37	Gr. Sorghum	\$3.35/cwt
Barley	\$1.70	Soybeans	\$4.93

PAYMENT ELIGIBILITY REQUIREMENTS

Program payments that require eligibility determinations prior to payment include the Direct and Counter Cyclical Program, Conservation Reserve Program, Loan Deficiency Payments, Marketing Loan Gains, Milk Income Loss Contract (MILC) Program, and Disaster Assistance Programs. Certain eligibility requirements apply to some programs and not others. No program benefits can be afforded any producer until form CCC-902, Farm Operating Plan for Payment Eligibility Review and supporting documentation have been provided and County Committee determinations made. The Farm Operating Plan does not need to be filed annually. However, producers are required to notify the County Office of any changes in the farming operation which would affect an actively engaged in farming, cash-rent tenant, or foreign person determination. Changes that may affect a determination include, but are not limited to the following:

- Contract shares that may reflect a change of land leased from cash rent to share rent or a change from share rent to cash rent, modification of a variable/fixed bushel rent arrangement.
- The size of a producer's farming operation by the addition or deletion of a farm that may affect the application of a cropland factor.
- The structure of a farming operation, including any change in the member's share.
- Contributions of farm inputs of capital, equipment, active personal labor, or active personal management.
- The acquisition of farming interests not previously disclosed on CCC-902 or update, including the farming interests of a spouse or minor child.
- An increase in income that may affect the 3-year average for the determination of average adjusted gross income or other change that affects eligibility under the average adjusted income limitation.

By statute, entities earning program benefits subject to a payment limitation must provide to the county committee the names, addresses, and ID numbers of the entities' members. Signature authority is required for all entities. Form AD-1026, Highly Erodible Land Conservation (HELIC) and Wetland Certification (WC), must also be on file and a County Committee determination made prior to receiving benefits for most programs.

A person or entity can earn \$40,000 per year in Direct payments, \$65,000 in Counter Cyclical payments, \$50,000 under the Conservation Reserve Program, and a limit of \$100,000 applies to the combination of payments from SURE and the livestock disaster programs - Livestock Forage Program (LFP), Livestock Indemnity Program, (LIP) and Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish (ELAP). An individual or entity cannot be eligible to receive certain payments and benefits if the average adjusted gross income (AGI) exceeds \$500,000 in non-farm income. In addition, to be eligible for direct payments the AGI farm income can not exceed \$750,000. For conservation programs the AGI threshold is \$1 million of non-farm income unless 66.66% of the AGI is derived from farming, ranching, or forestry.

Payment limitation and payment eligibility determinations may be initiated by the County Committee or requested by the producer. All payment limitations and eligibility determinations, as well as AGI certifications, are subject to spot check. A "not actively engaged in farming" determination may result in the loss or denial of all program benefits and request for repayment of USDA payments or loans. Noncompliance with the adjusted gross income provisions, either by exceeding the applicable limits or by failure to submit the applicable certification statement, will result in the determination of ineligibility for all program benefits subject to the adjusted gross income 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 average adjusted gross income limitation.

Selling Land?

If you're planning to sell farmland, there may be some program consequences you should be aware of. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date. Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

