

Montgomery/Chautauqua County Farm Service Agency News

January 2010

Montgomery/Chautauqua
County FSA
410 Peter Pan Rd, Suite A
Independence, KS 67301
Phone (620)331-4860
FAX (620)331-7951
lisa.hall@ks.usda.gov

Office Hours
8:00 AM—4:30 PM
Monday—Friday
Closed Legal Holidays

Farm Programs Staff
Lisa Hall, CED
Roxie Cummings, PT
Jill Dunn, PT
Karen Holloway, PT
Sara McCoy, PT
Barry Beurskens, Fieldman

Farm Loan Staff
James Dark, FLM
Michelle Cerne, FLO
Jackie Adams, FLPT
Helen McDaniel, FLPT

County FSA Committee
Robert Casey, Chairperson
Chuck Springer, Vice-Chair
Melvin Gordon, Member
Steve Clark, Member
Jerry Barnett, Member
Bonnie Oliver, Advisor

Committee meets 1st
Wednesday of each month at
USDA Service Center meeting
room.

Web Sites
www.fsa.usda.gov
www.usda.gov

Dates to Remember

January 18 – Office Closed
for Martin Luther King, Jr.
Day

February 15 – Office
Closed for President's Day

February 20 - Annual
Conservation District
Meeting/Banquet

March 14-20 – National Ag
Week

March 15 – Final date to
purchase RMA/NAP policy
for certain spring seeded
crops.

April 15 - Primary nesting
season for wildlife begins.

May 31 - Final date to
report 2010 wheat, barley
and oats

June 1 – Signup ends for
2010 DCP and ACRE. All
signatures due.

August 1 – Final date to
report 2010 feed grains.

2010 DCP/ACRE Sign-Up 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.

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, a farm's direct payment is reduced by 20 percent, no counter-cyclical payments will be earned, and marketing assistance loan rates are reduced by 30 percent.

FSA County Committee Election Results

County committee elections were recently held in Local Administrative Areas 2 and 5. Chuck Springer was re-elected to represent LAA-2, which consists of Louisburg, Sycamore, Rutland and Independence townships in Montgomery County. Steven Clark was elected to represent LAA-5, which consists of Lafayette, Salt Creek, Sedan, Washington, Belleville and Little Caney townships in Chautauqua County. Other members of the county committee are Robert Casey, Melvin Gordon and Jerry Barnett. Bonnie Oliver currently serves as the minority advisor. Together they ensure that USDA programs are delivered in a timely, fair and equitable manner to all the farmers of Montgomery and Chautauqua Counties. The committee meets on the first Wednesday of each month at 9:00 a.m. in the USDA Service Center meeting room.

Farm Loan Year End Reviews

Producers that have a farm loan with FSA are reminded they must provide data for their Year-End Analysis (YEA) to their loan officer each year. Borrowers are urged to provide this information timely so that their files can be maintained. The office will contact you for the data you will need to provide.

Applications for FSA Farm Loan Assistance

Farmers and ranchers that intend to apply to the Farm Service Agency for loan assistance for the upcoming crop year are encouraged to file their applications as early as possible. Filing early will help ensure that your loan is processed and approved as early as possible so that planting decisions can be made. Failure to apply early can result in a delay in processing loans due to the volume of applications that must be processed in date order. Contact your local FSA Farm Loan Manager or Officer for more details and assistance in applying.



SURE Sign-Up Begins

Signup for the Supplemental Revenue Assistance Program (SURE) began January 4, 2010 for crop production losses for the 2008 crop year. SURE provides crop disaster assistance payments to eligible producers on farms that have incurred crop production or crop quality losses.

To be eligible for SURE, producers must have suffered at least a 10 percent production loss on a crop. In addition, producers must meet the risk management purchase requirement by either obtaining crop insurance or NAP coverage for all crops of economic significance.

Producers must also have a farming interest physically located in a county that was declared a primary disaster county or contiguous county under a USDA Secretarial Disaster Designation or suffer a 50 percent production loss on the farm due to a natural disaster. For the 2008 crop year Montgomery and Chautauqua counties received contiguous county designations. For SURE, a farm is defined as all crops in which a producer had an interest 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 or 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.

For more information on the new SURE program, please visit the county office or the Disaster Assistance Programs link found on the USDA web site at www.fsa.usda.gov.

AGI Compliance

Compliance with the average Adjusted Gross Income (AGI) limitations is an eligibility requirement to receive payments and benefits under many of the programs administered by FSA. The review and verification of AGI compliance is required to ensure the accuracy of payments and the integrity of these programs. FSA and the IRS have finalized a data-sharing process for AGI compliance verification. The AGI verification process begins with participants providing consent to the IRS for the use and disclosure of tax information to FSA for AGI compliance purposes.

AGI Compliance (Cont'd)

To remain eligible for 2009 and/or 2010 program benefits producers must complete form CCC-927 or CCC-928, Consent to Disclosure of Tax Information, and submit directly to the IRS. For each participant that submits form CCC-927 or CCC-928, IRS will compare actual tax data for the applicable 3-year period and report the results to FSA. The results provided to FSA from the IRS will indicate only if the participant appears to meet or not meet all average AGI limitations. Actual tax data will not be provided to FSA.

Producers should submit the forms to the IRS by June 15, 2010 to remain eligible for 2009 and/or 2010 benefits. Forms may be obtained from FSA or online, however FSA will not accept the completed consent forms. Producers must mail the consent forms directly to the IRS.

Livestock Indemnity Program

The Livestock Indemnity Program (LIP) provides benefits to livestock producers for deaths in excess of normal mortality caused by adverse weather. To be eligible for LIP, a livestock producer must have legally owned the eligible livestock on the day the livestock died. The livestock must also have died as a direct result of an eligible adverse weather event no later than 60 calendar days from the adverse weather event and have been maintained for commercial use as part of a farming operation on the day they died. Applicants must provide adequate documentation to prove that the eligible livestock deaths occurred as a direct result of an eligible adverse weather event in the calendar year for which benefits are being requested. 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 January 30 of the following year. Producers with livestock deaths should take steps to obtain adequate supporting documentation of the losses and contact the county office within 30 days to file a Notice of Loss. Additional information concerning LIP can be obtained at the county FSA office or online.

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