



February 2007

Klamath County News

**Klamath County
USDA Service Center**

Klamath County FSA
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Klamath Falls OR 97601
541-883-6924 (phone)
541-882-9044 (fax)

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

Hours

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

County Committee

Lester Strum, Chair
Ron Stewart, Vice
Garry Freitag, Member

County Executive

Director Jennifer Simon,
ext 107

Farm Loan Officer

Dorothy Scull ext. 104

Farm Loan Manager

Jim Jutson

Staff

Rowena Chase PT ext 108
Joe Hess, PT ext. 102
Mary Hope, PT ext. 105
Dawn Rose, PT ext. 109



County Committee Election Results

Congratulations to Garry Freitag! Garry was elected to represent farmers from Bonanza, Bly, Chiloquin and Sprague River, on the county committee. Garry was elected to his first consecutive term. The election results for Local Administrative Area 3 are:

Garry Freitag — Elected to the county committee (COC),

Gerda Hyde — 1st alternate to COC,

Rod Hadley — 2nd alternate to COC

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

The committee members held their organizational meeting January 18th to determine who will serve as the county committee chairman and vice-chairman.

Les Sturm--- Chariman

Ron Stewart --- Vice-chairman

Spring Producer Meetings to be held in February

- ❖ February 13th @ the Poe Valley Grange, 10 am
- ❖ February 21st @ the Merrill Civic Center, 10 am
- ❖ February 27th @ the OSU Extension Office, 6 pm.

Topics to be discussed include, but are not limited to, loan programs, Loan Deficiency Payments, Direct and Counter-Cyclical Payments, Conservation Programs, County Committee

elections and eGov.

The Merrill meeting will be held in conjunction with the Siskiyou and Modoc County FSA office and a NRCS representative will be available at all three meetings.

2007 DCP Sign-up Continues

The 2007 Direct and Counter-cyclical Payment Program (DCP) began October 1, 2006, and continues until June 1, 2007.

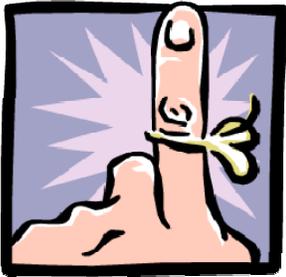
Farmers are encouraged to sign up for the DCP program online. The online service is an example of the technological innovation USDA is using to make its programs more accessible.

Following the June 1, 2007, deadline, USDA will accept late applications through Sept. 30, 2007, with a \$100 late fee. While DCP participants must sign DCP contracts annually, producers can choose not to participate in the program in any given year.

The electronic DCP (or eDCP) service saves producers time, reduces paperwork and speeds up contract processing at USDA Farm Service Agency (FSA) offices. It is available to all producers who are eligible to participate in DCP and who establish an eAuthentication account. The service has strict security measures to protect participants' private information. Only authorized federal employees have access to information producers submit electronically.

USDA computes DCP payments using base acres and payment yields established for each farm. Producers receive direct payments at rates established by statute regardless of market prices. For 2007, eligible producers may request to receive direct

advance payments based on **22 percent** of the direct payment rate for each commodity associated with the farm. USDA will issue DCP advance direct payments beginning Dec. 1, 2006. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price (which takes into account the direct payment rate, market price and loan rate) for a commodity is below its target price.



Program Reminders

eLDP Service Available

Producers who are connected to the Internet can now apply from the comfort of their own home for an Electronic Loan Deficiency Payment, or eLDP, on stored grain 24 hours a day, seven days a week. The producers will receive approval and payment by direct deposit normally within 48 hours.

To participate in the new service, you must meet all eligibility requirements for marketing assistance loans and LDPs for the commodity. You must also establish a customer profile at the county FSA office.

You will need an active USDA eAuthentication level 2 account which requires filling out an online registration form at <http://www.eauth.egov.usda.gov/>, followed by a visit to the county office for identity verification.

During your visit to the FSA county office you can create your own unique customer profile in the computer system. A CCC-633EZ (page 1) also needs to be on file at the county office.

E-file participants must have an e-mail address, direct deposit and set up a customer profile to enable their online capability. The voluntary eLDP service has stringent security measures to protect your private information.

2001 Crop Disaster Linkage Requirement for Potatoes

The signup deadline for crop insurance on potatoes is 3/15/07. If producers received 2001 CDP benefits for this crop and they did not have insurance in 2001, they are required to purchase coverage for 2007 at the multi-peril level on all potato acreage in Klamath County. If producers received benefits for uninsured potatoes under 2001 CDP and are no longer growing potatoes, they need to contact the county

office.

Mult-peril crop insurance is available. Producers should talk to their insurance agent.

If coverage is not acquired and benefits were paid, producers are required to return the 2001 payment. Producers can call the office if they have questions about 2001 CDP linkage requirements

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 government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

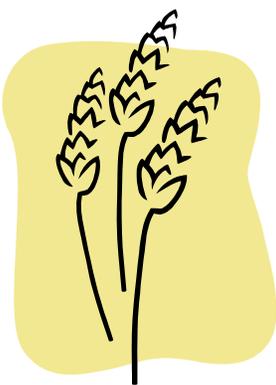
Farm Reconstitutions

In program terminology, 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 — or recon — 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 recon. Remember, to be effective for the current year, recons 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.

Payment Limitation/Eligibility

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. Documents and forms to determine eligibility and limitation once completed are reviewed on an annual basis. It is the producer's responsibility to report changes in the farming operation which may affect payment eligibility and payment limitation.

The following payments apply to DCP for each contract year under the new Farm bill comes through both direct and counter-cyclical payments. For all covered commodities, except peanuts: \$40,000 for direct payments and \$65,000 for counter-cyclical payments. For peanuts: \$40,000 for direct payments and \$65,000 for counter-cyclical payments. The Environmental Quality Incentive Program has a \$450,000 payment limitation. The Conservation Reserve Programs annual limit is \$50,000 per person.

Entities such as corporations, limited partnerships, trusts and estates are required to provide names, addresses, and ID numbers of their members. These entities should also inform every payment under more than one entity.

Beginning Farmer & Rancher Land Contract Guarantee Pilot Program

Farmers in Oregon may be eligible to partici-

pate in a pilot program that may help you, or producers you know, acquire farm land.

The program provides the seller of land a 10-year "prompt payment" guarantee of the sale to the beginning farmer or rancher (buyer). If the buyer does not pay an annual installment due on the contract, or pays only part of an installment, FSA provides the scheduled payment or the unpaid portion to the seller through an escrow agent. The guarantee is limited to the total of two annual installments and also covers the amount of unpaid taxes and insurance for a period of two years.

You can find out more about this program by calling Dorothy Scull at 883-6924 ext 104.

Applications for FSA Loans

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 application is processed and a decision made as soon 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.

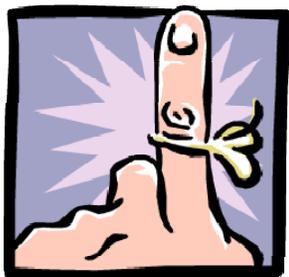
Faxed Signatures

Certain FSA program applications may be accepted by facsimile (fax) machine if Form FSA-237, Facsimile Signature Authorization and Verification, is on file. This authorization form should be completed, signed and witnessed by the FSA office staff, or notarized.

Spousal Signatures

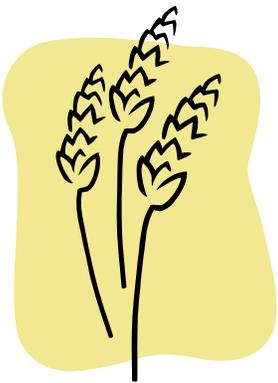
Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

Power of Attorney



*Program
Reminders*





For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., we have 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.

Dates to Remember	
Feb. 13	Producer Meeting, Poe Valley Grange, 10:00 A.M.
Feb. 19	George Washington's Birthday Holiday
Feb. 21	Producer Meeting, Merrill Civic Center, 10:00 A.M.
Feb. 27	Producer Meeting, OSU Extension Center, 6:00 P.M.
March 15	Signup Deadline for Crop Insurance on Potatoes
Continues	Continuous CRP
Continues	Farm Storage Facility Loans

Visit our Web site
<http://www.fsa.usda.gov/CA>

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