

## **USDA - FARM SERVICE AGENCY – KLAMATH CO**

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### **COUNTY COMMITTEE**

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[www.fsa.usda.gov/or](http://www.fsa.usda.gov/or)

**Hours: Mon-Fri, 8:00 am – 4:30 pm**

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## **Acreage Reporting-DCP Deadline SOON**

The acreage reporting deadline for Klamath County is August 15, 2009. Acreage reports must be filed in order to maintain eligibility for some programs such as the Direct and Counter Cyclical Program (DCP). No final DCP payments will be issued if acreage is not reported and a refund of advance payments would be required. If you miss the August 15 deadline you will still be eligible to file an acreage report, however a late filing fee will be charged and FSA will have to conduct an on site visit to each farm to verify crops. The farm visit fee is a minimum of \$46 per farm. The deadline for signing up for the Direct and Counter Cyclical Program has been extended to August 14, 2009. There is no option to sign up for this program late.

### **\*NEW\* Livestock Indemnity Program (LIP)**

We are now accepting applications for the Livestock Indemnity Program (LIP). LIP provides monetary assistance to eligible livestock owners and livestock contract growers, for eligible livestock deaths in excess of normal mortality that occurred in the calendar year for which benefits are being requested as a direct result of an eligible adverse weather event, including losses because of hurricanes, floods, blizzards, disease, wildfires, extreme heat, and extreme cold. Eligible livestock deaths must have occurred on or after January 1, 2008, and before October 1, 2011.

Eligible livestock include: Adult or non-adult beef, dairy, beefalo or buffalo as well as elk, alpacas, deer, emus, equine animals, goats, llamas, poultry, reindeer, and sheep. Livestock must be part of a commercial operation. Those raised for show, personal consumption, roping or for pleasure are not eligible. Documentation to support livestock losses will be required. For losses that occurred in 2008 an application for payment must be filed prior to September 13, 2009. For 2009 losses that occurred prior to July 13 a notice of loss must be on file prior to September 13. Losses after July 13, 2009 must be reported within 30 days of the livestock loss. Contact your local FSA office for an application.

### **Farm Reconstitutions**

For FSA program purposes, tracts having the same owner and the same operator are grouped 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. Remember, to be effective for the current year, recons must be requested by **August 1** for farms enrolled in specific programs.

The following are the different methods used when doing a farm recon:

**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.

## **Disaster Programs and Crop Insurance Reminders**

We would like to take this opportunity to remind producers of the availability of FSA programs that compensate producers for revenue losses due to weather related conditions. In the past producers were provided compensation for crop losses caused by eligible weather related conditions. Compensation under the Crop Disaster Programs was calculated based upon losses of each specific commodity based upon historical production for that producer. A producer could theoretically suffer a quality loss on potatoes and receive a payment even though all other crops on the farm had not suffered a specific loss. Under the 2008 Farm Bill a new Disaster Trust Fund was created which created new disaster related programs, discontinuing the old disaster type of programs. It is important that you as a producer are aware of how these programs work so that you will not lose your eligibility.

First is the Supplemental Revenue Assurance Program (SURE). The SURE program compensates producers for Revenue losses on their entire farm for a given year. In order to be eligible for payment, all crops on the entire farm must be insured either under FSA's Noninsured Crop Disaster Assistance Program or through private insurance agents. For this program a farm is defined as all land in the farming operation in every county that the producer participates. In order to qualify for a payment one of two triggers must be met. Either the entire farm must suffer a 50% loss in revenue for the year or one of the counties that the producer participates in must have a Secretarial Disaster Declaration for the year. Payment is calculated based upon the level of coverage or buy up that the producer has purchased. The higher the level of protection the higher the payment.

For livestock producers the Livestock Forage Program (LFP) compensates producers for forage loss on grazing land due to drought or eligible fire losses. In order to qualify for LFP producers must have NAP coverage for the year of the loss in the county of the loss. Eligibility is based upon the severity of a drought based upon the US Drought Monitor. Once a county is identified as a D-2 (Severe) drought for 8 consecutive weeks, producers are compensated based upon the lesser of the monthly feed cost for the livestock or the drought monthly payment. Producers would also qualify if the Drought Monitor designates a county as a D-3 for four weeks or a D-4.

This is just two of the new programs created under the new farm bill. Most programs under the new Farm Bill require you to purchase insurance for your crops or grazing land. It's not too late for next year; however some deadlines are rapidly approaching. The deadlines are:

November 30, 2009 Pasture, alfalfa, grass, mixed forage, barley, rye, triticale and wheat hay

March 15, 2010- Oat Hay and some spring planted crops.

## **FSA Farm Loans**

The Farm Service Agency (FSA) offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit elsewhere. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers may have suffered setbacks from natural disasters or may have limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,094,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers, and loans for socially disadvantaged applicants are also available through FSA.

For details on loan eligibility or available loan programs, contact the county office staff for an appointment with a farm loan officer.

## **Help Available to Stressed Farmers**

In the past year, the economy, inclement weather, drought and other factors have hurt many farming operations around the country. These events pushed some farmers to the emotional breaking point. Watching their livelihood being threatened is difficult for farmers and ranchers and especially for those who care about them.

The National Suicide Prevention Hotline is available to help. If you know a farmer or rancher who is under stress and is reluctant to ask for help, or if you just need to talk to someone, call 1-800-273-TALK (8255). Your call will be routed to the crisis center nearest you, where trained staffers are available 24/7. This nationwide service is free and confidential. Help is just a phone call away.

For more information, go to <http://www.suicidepreventionlifeline.org/>. **This service is not affiliated with the US Department of Agriculture.**

## NAP Deadlines and Program Changes for 2010

The Noninsured Crop Disaster Assistance Program (NAP) deadlines for various crops are coming up as early as August 31, 2009. Contact your local office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) for deadlines and details for your crops. When low yields, loss of inventory or prevented planting occurs due to natural disaster, NAP can provide financial assistance.

For nursery producers, the 2010 crop NAP application closing date is September 1, 2009 and NAP only covers loss of inventory. The NAP coverage period for 2010 nursery crops has been changed to June 1, 2009, through May 31, 2010. For those producers who obtained 2009 NAP coverage for nursery, and choose not to obtain 2010 continuous coverage, the 2009 NAP coverage for nursery will continue until September 30, 2009.

NAP coverage may be continued for each subsequent year for the same crop or crops, if the producer pays the applicable service fee by the next year's application closing date.

Eligible producers must apply for coverage of noninsurable crops and pay the applicable service fees at their local FSA office. The service fee is \$250 per crop or up to \$750 per producer per administrative county, not to exceed a total of \$1,875 per producer with farming interests in multiple counties. Limited resource producers are not subject to annual fees.

*PLEASE NOTE: This insurance covers losses for eligible disaster conditions including Drought. Losses because of water curtailment to protect endangered species may not qualify for payment. The determination would be made at the time of loss based upon available weather data.*

## Rural Development- More than Housing Loans

Did you know that USDA's Rural Development branch offers a variety of programs designed to help businesses? Rural Development (RD) provides grants, loans and cost share to assist with renewable energy and energy efficiency projects. As part of the 2008 Farm Bill new programs have been created involving bio-fuels. Rural Development also works closely with rural towns for essential community facilities for public use. Klamath County is served by the Rural Development Office in Redmond Oregon. For more information on RD programs contact 541-923-4358, ext. 4.

## ARRA, Stimulus Money in Action

Rodney Cheyne is using Farm Loan Stimulus funds for annual operating expense on his farm in the Spring Lake area. The stimulus money arrived in March, perfect timing for this crop year. At 21, Mr. Cheyne is an experienced farmer getting his start in high school FFA. He currently is growing hay and grain and raising cattle. He also does custom haying. In 2007 he started working with FSA farm loans to purchase equipment and for annual operating expenses. He also received an annual operating loan in 2008. The loans enabled him to expand his operation to 195 acres of hay and grain.

## Payment Limitation

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. Documents and forms to determine eligibility and limitation are reviewed on an annual basis.

It is the producer's responsibility to report changes in the farming operation that may affect payment eligibility and payment limitation.

The following limitations apply to Direct and Counter-cyclical Program payments for the 2008 contract year. For all covered commodities: \$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 Program 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 identify every payment under more than one entity.

**Adjusted Gross Income** - Effective through 2008, an individual or entity shall **not** be eligible for certain program benefits during a crop, program or fiscal year if both of the following apply:

- The three-year average adjusted gross income for the individual or entity exceeds \$2.5 million; and
- Less than 75 percent of the average AGI is derived from farming, ranching or forestry operations.

## COC Election Nomination Deadline August 3, 2009

There is still time to nominate someone to serve on the County Committee (COC). The County Committee is comprised of representatives from three Local Administrative Areas (LAA's). The COC provides oversight to the County Office and makes decisions concerning contracts and producer eligibility. COC members are reimbursed for mileage and paid an hourly rate when performing COC duties. This year's election is the area serving Bonanza and Chiloquin areas. In order to serve you must be a participant in FSA programs. Please contact the FSA office to obtain a nomination form.

## Prevented Planting and/or Failed Acreage

For 2008, County Committee may accept requests for prevented planting and/or failed acreage, if timely filed by August 15. Farm visits will not be required if claims can be verified, and all other requirements are met. **Important: If you live in an area of Klamath County which has had its irrigation water shut off it is important that you report your acreage to get the appropriate planting credit.** Failure to do so may make you ineligible for future programs.

## New Payment Method

Producers will now receive all payment statements from the National Finance Center (NFC). The County FSA Office provides the direct deposit and program payment information to NFC. NFC will mail disbursement statements directly to you.

The U. S. 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 a part of an individual's income is derived from any public assistance program. (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, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

**USDA – FARM SERVICE AGENCY  
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Important Dates	
August 3, 2009	Last day to submit COC Nomination Form
August 14, 2009	DCP Deadline, no late filing provisions
August 15, 2009	Acreage Reporting Deadline for Klamath County
November 30, 2009	Deadline to Purchase NAP Coverage for Pasture and Most Forage Crops
July Interest Rates	
Operation Loans 2.50%	Commodity Loans 1.5 %
Farm Ownership Loans 4.625%	Farm Storage Facility Loans 3.250%