

USDA - FARM SERVICE AGENCY – LANE CO

780 Bailey Hill Rd Suite 5
Eugene OR 97402-5451



Office Hours: Monday-Friday 8:00 am – 4:30 pm

Voice: 541.465.6443 Ext 2
FAX: 541.465.6483
www.fsa.usda.gov/or

COUNTY COMMITTEE

Andy Petersen, Chairperson
Darrel Spiesschaert, Vice-Chairperson
Bart Edwards, Member
Pam Detering, Advisor

OFFICE STAFF

Jean A Larkin, CED X101
Patti S Anderson, PT X100
Phillip R Morton, PT X105

jean.larkin@or.usda.gov
patti.anderson@or.usda.gov
phillip.morton@or.usda.gov

Farm Loan Staff, 541.967.5925
At the Tangent Service Center

Katie Hennessy, Farm Loan Manager, X105
Donna Sprenkle, Farm Loan Officer, X104

katie.hennessy@or.usda.gov
donna.sprenkle@or.usda.gov

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COMMITTEE ELECTION RESULTS:

THANK YOU for voting in the latest Committee Election! Ballots were tallied at the Dec 10, 2010 Committee meeting with these results:

Bart Edwards, Junction City producer elected to a three year term. **Caleb Crumrine**, Junction City farmer elected as First Alternate. **Don Pierce**, Fern Ridge area producer elected as Second Alternate.

The Organization meeting of the Lane County Committee held in January determined Committee positions:

Andy Petersen, Springfield – Chairperson
Darrel Spiesschaert, Eugene – Vice-Chairperson
Bart Edwards, Junction City – Member
Pam Detering, Junction City – Appointed as Advisor on the Committee



Thank you to **Pam Detering** for completing three consecutive terms (nine years) on the Committee; and for her continued commitment to Lane County agricultural producers by acting as Advisor.

USDA Enhances Integrity & Defensibility of Farm Programs
New Adjusted Gross Income (AGI) Reporting Process

USDA has finalized a Memorandum of Understanding with the IRS to establish an electronic information exchange process for verifying compliance with the adjusted gross income provisions for program administered by USDA's FSA and Natural Resources Conservation Service (NRCS). This agreement will ensure that payments are not issued to producers whose adjusted gross income (AGI) exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million non-farm average AGI for conservation programs.

The electronic process that USDA developed with IRS reviews data from tax returns, performs a series of calculations, and compares these values to the AGI limitations from the 2008 Farm Bill. FSA and NRCS will receive a record that indicates whether or not the program participant appears to meet the income limits. Written consent (forms CCC-927 or CCC-928) will be required from each producer or payment recipient for AGI-applicable programs starting in the 2009 program year. **Consent forms can be obtained at our office and MUST be filed directly with the IRS office by you. USDA employees are not permitted to accept or handle these completed forms.**

Any participants that do not provide the appropriate release to IRS will be out of compliance and a refund of all payments may be required. **Participants must send the required authorization prior to June 15, 2010 to avoid any delays in processing 2010 payments.** NO ACTUAL TAX DATA WILL BE INCLUDED IN THE REPORT THAT IRS SENDS TO USDA. As part of the review and evaluation process, participants whose AGI may exceed the limits will be offered an opportunity to provide third party verification to validate their income.

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.

FOREIGN INVESTORS 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. FSA 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 within 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.

Sign up for eGov, to conduct business with FSA. Go to <http://www.sc.egov.usda.gov> and use your home computer to file forms, apply for programs, check contracts and view your Customer Statement or payment history. All you need is Level 2 eAuthorization, a valid email account and your home computer. Contact us for more details.

Producers sharing in the DCP payment are required to sign the contract (form CCC-509) by June 1, 2010. No late filing exceptions. All supporting documentation (i.e. CCC-902, AD-1026, CCC-926, leases, etc) must be submitted before payments can be issued. Annual acreage reports are required to be filed by June 30, 2010.

The planting of fruits, nuts, vegetables, or wild rice on base acres on the farm is prohibited and shall result in a violation unless one of three exceptions listed here are met: Double-Cropping exception; Farm History exception; Producer History exception. Contact us for details on these exceptions.

Advance Direct payments maybe issued if all documentation has been provided; advance rate is 22% of total direct payment.

Counter-cyclical payments are authorized for a covered commodity when the effective price for the commodity is less than the target price of the commodity. The effective price for a covered commodity is equal to the sum of: The higher of the national average market price received by producers during the 12-month market year or the national average loan rate for the commodity.

REPORT CROP ACRES - DEADLINE IS June 30, 2010

- ❖ File an accurate and timely report for all crops and land uses, including failed acreage, to prevent loss of benefits for a variety of FSA programs.
- ❖ All cropland on farms must be reported to receive benefits from: Direct & Counter-cyclical Program (DCP), marketing assistance loans and Loan Deficiency payments, Conservation Reserve Program (CRP), and Non-insured Assistance Program (NAP).
- ❖ Crop reports on form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. Producers are required to file reports by June 30, 2010.
- ❖ Prevented Planted crops need to be reported no later than 15 calendar days after the final planting date.
- ❖ Failed Acreage reports must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

Payment Limits by Program for 2010:



DCP – Direct Payments	\$40,000	SURE, LIP, LFP, ELAP	\$100,000
DCP - Counter-Cyclical and ACRE	\$65,000	CRP Annual Payments	\$50,000
Non Insured Assistance	\$100,000	LDP and Market Gain	Unlimited

New Actively Engaged in Farming Rules for 2010

Beginning with the 2010 program year, USDA has amended the rules that govern the requirements to be “actively engaged” in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) and Average Crop Revenue Election (ACRE) program administered by the FSA. The change most often affects family-run operations to meet the actively engaged under less restrictive rules.

Every stockholder or member of a legal entity does not have to contribute labor and/or management if both of the following apply:

1. At least 50% of the interest in the legal entity is held by stockholders or members who are providing active personal labor and/or management; and
2. The total direct payments received both directly and indirectly by the legal entity and each of the members does not exceed \$40,000 (one limitation).

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 completing a farm recon. To be effective for the current year, recons must be requested by August 1 for farms enrolled in the Direct and Counter-cyclical Program. 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.

- **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.

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 were 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 Civil Rights, 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.

RECAP OF FSA FARM PROGRAMS

<u>ACRE</u> Average Crop Revenue Election	Producers on farms with covered commodity base acres may elect to participate in ACRE, authorized by the 2008 Farm Bill, instead of DCP. Under the ACRE Program, producers may receive revenue-based payments as an alternative to receiving price-based counter-cyclical (CC) payments. The following planted or considered planted crops may be eligible for ACRE payments: wheat, barley, oats, grain sorghum, corn, upland cotton, rice (medium and long grain), soybeans, other oilseeds, canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed, peanuts and pulse crops (dry peas, lentils, and small and large chickpeas (garbanzo beans)).
<u>BCAP</u> Biomass Crop Assistance Program <i>Acceptance of new applications is currently on hold; awaiting final rules to become regulation.</i>	BCAP was authorized in the 2008 Farm Bill to assist agricultural and forest land owners and eligible material owners with the collection, harvest, storage, and transportation (CHST) of eligible material for use in CHST qualified Biomass Conversion Facilities (BCF). These payments are available to eligible material owners at a dollar per dollar match per dry ton paid by the CHST-qualified BCF to the eligible material owners. Establishment and annual payments are also provided for eligible crops on eligible land for conversion to bioenergy in selected project areas.
<u>CRP</u> Conservation Reserve Program	CRP is a voluntary program available to agricultural producers to help safeguard environmentally sensitive land. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion, and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.
<u>CREP</u> Conservation Reserve Enhancement Program	CREP is a voluntary land retirement program that helps ag producers protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water. The program is a partnership among producers; tribal, state, and federal governments; and, in some cases, private groups.
<u>DCP</u> Direct and Counter-cyclical Payment	DCP payments provide income support to producers of eligible commodities and are based on historically-based acreage and yields and do not depend on the current production choices of the farmer. DCP was authorized by the 2008 Farm Bill for farms enrolled for the 2008 through 2012 crop years for barley, corn, grain sorghum (including dual-purpose varieties), oats, canola, crambe, flax, mustard, pulse crops, rapeseed, safflower, sesame and sunflower (including oil and non-oil varieties), peanuts, rice (excluding wild rice), soybeans, upland cotton, and wheat.
<u>FSFL</u> Farm Storage Facility Loan	The Commodity Credit Corporation (CCC), through FSA, may make loans to producers to build or upgrade farm storage and handling facilities for rice, soybeans, dry peas, lentils, small chickpeas, peanuts, hay, renewable biomass, sunflower seeds, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds as determined and announced by CCC. Corn, grain sorghum, oats, wheat, barley, fruits and vegetables are also eligible, subject to program requirements.
<u>MAL & LDP</u> Nonrecourse Marketing Assistance Loan & Loan Deficiency Payment	MALs provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. MALs allow producers to store production at harvest and facilitates more orderly marketing of commodities throughout the year. MALs for covered commodities are nonrecourse because the commodity is pledged as loan collateral and producers have the option of delivering the pledged collateral to the Commodity Credit Corporation as full payment for the loan at maturity. A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain an LDP. An LDP is the amount by which the applicable loan rate exceeds the alternative loan repayment rate for the respective commodity.
<u>MILC</u> Milk Income Loss Contract	The MILC Program financially compensates dairy producers when domestic milk prices fall below a specified level. Payments are made monthly when the milk price falls below the established price per hundredweight.
<u>NAP</u> Noninsured Crop Disaster Assistance Program	NAP provides financial assistance to eligible producers affected by drought, flood, hurricane, or other natural disasters. NAP covers noninsurable crop losses and planting prevented by disasters. Landowners, tenants, or sharecroppers who share in the risk of producing an eligible crop are eligible. Eligible crops include commercial crops and other agricultural commodities produced for food, including livestock feed or fiber for which the catastrophic level of crop insurance is unavailable. Also eligible for NAP coverage are controlled-environment crops (mushroom and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod).
<u>SURE</u> Supplemental Revenue Assistance Payments	SURE was authorized by the 2008 Farm Bill and covers crop revenue losses from quantity or quality deficiencies only those counties and contiguous counties declared disaster areas by the Agriculture Secretary or in cases where the overall production loss exceeds 50 percent.

APPEAL PROCESS After an FSA official makes a decision on your request or application for USDA services, you will be sent a letter informing you of the decision and options you can pursue if you disagree. Generally, appellants have four choices: 1) an informal review with the original agency decision-maker, 2) mediation, 3) appeal to State Committee, 4) an appeal to the USDA National Appeal Division (NAD).

CIVIL RIGHTS COMPLAINT PROCESS Any person, class or group of persons may file a discrimination complaint within 180 days of an alleged discriminatory action. Complaints may be filed in writing or orally with the agency head, any designated agency official or the Secretary of Agriculture, U.S. Dept of Agriculture, Washington D.C. 20250. Assistance in filing a complaint can be obtained by calling or visiting the FSA office.

LANE COUNTY OSU EXTENSION SERVICE NOTES:



The Oregon State University Extension Service provides research-based knowledge and education that strengthens Lane County's economy, sustains natural resources, and promotes healthy communities, families, and individuals.

Our network of more than 650 trained volunteers help the OSU Extension Service in Lane County serve urban, suburban, and rural residents through programs such as 4-H Youth Development, Master Gardeners, Master Food Preservers, Compost Specialists, Climate Masters, Extension Study Groups, and the Food Pantry Project. The Nutrition Education Program partners with four school districts and more than 20 community agencies to help Lane County families prepare and enjoy healthy meals.

Extension has served Lane County since 1914, but the loss of county government funding in 2008 has placed most of our local programs at risk. To learn more, visit or subscribe to [Extension Connections](http://extension.oregonstate.edu/lane/) (<http://extension.oregonstate.edu/lane/>) Get involved with Extension as we move forward and promote the local Extension Service. Call 541 682-7313.

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LANE COUNTY OFFICE
780 BAILEY HILL RD STE 5
EUGENE OR 97402-5451

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RETURN SERVICE REQUESTED

CONSERVATION COMPLIANCE All participants in USDA programs are required to have a conservation system in place on all the highly erodible land (HEL) that they operate. Problems can arise with complying with a conservation system when: renting new cropland, purchasing new land, breaking out additional cropland, planting different crops, and changing or removing existing conservation practices.

Also, it is very important that you contact our office before modifying - tiling, draining, dredging, filling, or leveling - any wetland (WL) or drainage ditch. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and eligibility.

CONTROLLED SUBSTANCES Any person who is convicted under federal law of planting, producing, cultivating, harvesting, growing, or storing a controlled substance will be ineligible to participate and receive payments under USDA programs. Marijuana, opium poppies, and other drug producing plants are controlled substances. Code of Federal Regulations (7 CFR part 718.6)

PROOF OF OWNERSHIP REQUIRED FOR LAND OWNERSHIP CHANGES An owner is an individual or entity who has legal ownership of farmland, including individuals or entities that are any of the following: 1) buying farmland under a contract for deed; 2) retaining a life estate; 3) purchasing a farm in foreclosure; 4) spouses owning property jointly.

Proof of ownership must be provided when land ownership is transferred. Proof of ownership may include the following: a) copy of deed, if recorded; b) land contract; c) real estate tax assessment or bill.

LAND RENTAL CHANGES In order to be added to a farm on FSA records for program purposes, you **MUST** provide a copy of a lease or a signed statement from the land owner.

POWER OF ATTORNEY Our office has a Power of Attorney form (FSA-211) that can be completed allowing someone to sign on your behalf when you're unable to visit the office to complete paperwork. The form is available in our office or online at <http://forms.sc.egov.usda.gov> ***the form must be witnessed by an FSA employee or be notarized.*** FSA and Natural Resources and Conservation Service (NRCS) utilize the same power of attorney form.

UPCOMING DATES TO REMEMBER

March

9:00 am 2nd Thursday each month
May 31, 2010
June 1, 2010
June 30, 2010
Ongoing
Within 15 days of apparent loss

Celebrate Women's History Month

County Committee meeting, call to confirm meeting is being held
Office closed, observance of Memorial Day
DCP & ACRE enrollment
Crop Acreage Reports
Conservation Reserve Program (CRP) & Loan Deficiency Payment (LDP) enrollments
Reporting crop loss under the Non-insured Assistance Program (NAP)



SPECIAL ACCOMMODATIONS: Special accommodations will be made upon request for those with disabilities, vision, or hearing impairments. If such accommodations are needed, please contact Jean Larkin at 541.465.6443 Ext 101 or jean.larkin@or.usda.gov.