



March 2009

## 2009 DCP Program Signup Deadline is June 1

Producers have until June 1, 2009, to enroll into and provide owners signatures for the 2009 Direct and Counter-cyclical Payment Program (DCP). There is no late filed enrollment period for DCP in 2009 and subsequent years.

FSA computes DCP 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 2009, advance payments are available at 22% of the applicable direct payment rates. The final direct payments will be issued after Oct. 1, 2009. Farms with base acres of 10.0 acres or less will not receive DCP payments, unless the farm is wholly owned by socially disadvantaged or limited resource farmers or ranchers.

Note: The provisions and signup for the ACRE portion of the DCP program will be announced shortly.

## 2008 Crop Commodity Loan and LDP Deadline

Producers planning to use the commodity loan program for their 2008 crops are reminded that March 31, 2008 is the deadline for filing applications for the following 2008 crops: wheat, barley, oats, canola, crambe, flaxseed, rapeseed and honey. March 31 is also the deadline for requesting a loan deficiency payment (LDP) for the crops earning an LDP. To be eligible for a loan or LDP, a producer must have complied with the annual program requirements for the farm that produced the crop, maintain beneficial interest in the commodity, and not have a delinquent federal nontax debt.

Producers interested in a commodity loan or LDP on the above listed commodities should contact their local county FSA office staff prior to the March 31 deadline.

## Payment Limitation Interim Rule

The comment period for the regulation defining actively engaged participation in a farming operation has been extended for an additional 60 days through April 6, 2009. FSA is seeking a diverse range of comments from different areas of the United States and farming communities. A copy of the interim rule is available through the Farm Service Agency home page at <http://www.fsa.usda.gov/>.

In your comment, include the volume, date, and page number of the issue of the Federal Register. You may submit comments by any of the following methods:

- E-Mail: [Dan.McGlynn@wdc.usda.gov](mailto:Dan.McGlynn@wdc.usda.gov)
- FAX: 202-690-2130
- Mail: Dan McGlynn, Director, Production, Emergencies and Compliance Division, FSA, U.S. Department of Agriculture (USDA), Stop 0517, Room 4752, 1400 Independence Ave. SW, Washington, DC 20250-0517.
- Hand Delivery or Courier: Deliver comments to the above address.
- Federal eRulemaking Portal: Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.

Comments may be inspected at the mail address listed above between 8:00 a.m. and 4:30 p.m., Monday through Friday, except holidays.

## 2009 NAP

The Noninsured Assistance Program (NAP) provides financial assistance to eligible producers affected by a natural disaster. The program covers crops for which Federal Crop Insurance is not available through RMA. NAP covers losses greater than 50% of your expected production, based upon your approved yield and reported acreage. To apply for 2009 crop coverage, producers must complete a CCC-471 application for coverage and pay the service fee. The application and service fee must be filed by the applicable sales closing date. The 2009 NAP service fees are \$250 per crop per county or \$750 per producer per county, not to exceed \$1875 per producer in all counties.

Producers with NAP coverage must complete the following to qualify for benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.
- File a "Notice of Loss" within 15 days of when a loss is apparent, due to drought, hail, etc.

For the 2009 crop year, the final date to purchase NAP policies for crops not offered insurance by RMA, including forage crops is March 16, 2009.

Note: To be eligible for the 2009 SURE Program, all crops on cropland and noncropland, including forage for hay, must be covered by either crop insurance or NAP policies. For the 2009 LFP eligibility, acreage intended to be grazed must be covered by either crop insurance or NAP policies.

## **Payment Limits and Direct Attribution**

For commodity and disaster programs under the new farm bill, the Adjusted Gross Income (AGI) limitation was reduced from \$2.5 million from all sources to a three-year average non-farm AGI of \$500,000 such that a person or entity shall not be eligible for such programs if the non-farm AGI exceeds \$500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program.

For conservation programs, the average nonfarm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. The ownership interest in a legal entity as of June 1 of the respective year will be the interest used for direct attribution purposes for the entire program year.

Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination. For more info contact your local FSA office.

## **Reporting 2009 Prevented Planted Acreage**

Producers will again have the opportunity to report prevented planting acreage to FSA for the 2009 crop year. FSA will accept and act on prevented planting requests for purposes of administering NAP, DCP/ACRE, and Disaster Programs (including SURE). County Committees are required to review each request to determine eligibility for prevented planting acreage credit.

In prior years, County Committees were required to review planting history for the crop for the previous 4 years to establish a maximum number of acres that could be approved. For 2009 and subsequent crop years, the

prevented planted acreage credit will no longer be limited to the maximum number of acres of the specific crop planted or prevented from being planted. All remaining requirements for reviewing prevented planting requests will continue to apply. For further information, please contact your local FSA office.

## **2009 Permanent Disaster Program--Linkage**

March 16, 2009 is the deadline for producers to purchase policies under the NAP or RMA programs to be eligible for the 2009 SURE disaster program. The program eligibility requires producers to insure, through the RMA or NAP programs, all annual and perennial crop acreage; they have an interest for the applicable year, including cropland and noncropland acreage that is intended to be hayed. Failure to meet the RMA or NAP application deadline for any of the applicable crops will make the producer ineligible for permanent disaster program assistance. In addition, under the SURE program, producers receive higher levels of revenue coverage, up to 90% of expected revenue, if they "buy-up" coverage under RMA programs. Producers with CAT levels of coverage are only guaranteed 32% of revenue coverage.

It is important to check with your crop insurance agent to determine which crops you need to purchase insurance on for the 2009 crop year. The 2009 sales closing dates for the remaining RMA crop insurance and NAP crops close on March 16, 2009. Contact your local FSA office for purchasing NAP coverage.

Additional information concerning the SURE program for the 2008 crop year and applicable deadlines is forthcoming.

## **Livestock Indemnity Program**

The 2008 Farm Bill provided for the Livestock Indemnity Program to pay for livestock deaths due to adverse weather in calendar years 2008 through 2011. Deaths must be in excess of normal annual mortality for the type of livestock on which a claim is filed.

Applications for program benefits are not currently being accepted because the federal regulations and procedures have not been issued. However, if you are experiencing livestock deaths because of adverse weather, documentation of those deaths should be maintained.

Documentation of deaths may include rendering truck receipts, veterinary records, or private insurance documents. The documentation must provide sufficient data that identifies the kind, type, size and number of livestock.

If verifiable proof of death is not available, other records such as accounting and bank records, dairy herd improvement records, vaccination records or brand inspection records may be provided.

In some cases a certification from an unaffiliated and unrelated third party may be accepted.

## USDA Farm Loan Programs “The Lender of First Opportunity”



We specialize in:

Loans for beginning farmers, disaster recovery, operational financing, and farm ownership

- Farm planning and counseling
- Supervised credit and assistance through the life of your loan
- Sustained financial planning services

The farming industry has undergone many changes in recent years, resulting in new types of small farming and ranching enterprises. These include value-added farming operations, organic farming, immigrant farming, and growing crops for local retailers or direct sale to consumers.

New federal programs have been enacted to stimulate beginning and younger farmers to establish new, or retain ownership of existing, small family farms. These exciting new trends in rural America present the USDA's Farm Service Agency (FSA) Farm Loan Programs (FLP) with opportunities for increased lending activity in the farming community.

So, why should USDA's Farm Loan Programs (FLP) be your lender of first opportunity?

We are your advocates.

Farm Loan Programs staff are predisposed to award loans, therefore putting the staff on the customer's side. FLP staff wants to see you succeed. This is evident in our consultative approach, offering low rates and identifying other resources to our clients in an advisory fashion throughout the life of the loan.

We think outside the box.

FLP staff keeps up with the industry trends and constantly look for emerging and non-traditional farm business models. Our commitment to doing things better in the industry provides you with fresh perspectives, alternatives, and creative ways of growing your business.

We offer solutions.

Our loan staff can refer customers to other public and commercial financial aid sources that can serve as a blend with the Farm Loan Programs loan. This results in structuring more comprehensive resources and a tailored financial solution that works for unique lending situations.

Our Farm Loan Programs staff is committed to our customers, their goals, and our communities. Our service extends beyond the typical loan, offering our customers ongoing consultation, advice, and creative ways to make their farm businesses thrive. At the Farm Service Agency, we are the lender of first opportunity because we provide agriculture producers who need assistance with an entry into agriculture production.

## Our Services

**Loan Choices** - USDA Farm Loan Programs provides a variety of loan types for every need. These include operating, ownership, disaster, youth, and loans for beginning farmers.

**Farm Planning** - Whether it's a new, young, socially disadvantaged, or an emerging farm business, Farm Loan Programs can help customers get on the right track with its farm planning services. The success of our customers is the cornerstone of our business.

**Financial Counseling** - Loan staff is well-trained in both lending and farm operations, giving customers a sounding board and source of counsel.

**Sustained Service** - Farm Loan Programs staff provide supervised credit throughout the life of the loan, staying with the customer long after the loan is awarded.

## Our Standards

**Guaranteed Loans** - Commercial and Farm Credit lenders' portfolios are strengthened by Farm Loan Programs guaranteed loans.

**Rewards for a Job Well Done** - With our supervised credit program, the government's interest in repayment is balanced with the benefit of taking measured risk with customers. Thriving business performance will pay off—literally.

**Your Success is Our Success** - We want to see customers succeed, as their success feeds our success.

**Providing Customers with Low Rates** - Farm Loan Programs offers low rates for Direct Loan customers, and we can assist customers in buying down a guaranteed loan rate.

**Further Information** - For further information on FSA Farm Loan Programs contact your local FSA Office or look at FSA loan information via the internet using the following website:

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=landing>

## Farm Changes

To ensure accuracy of farm records, it is very important that you notify the FSA office of all land ownership and address changes as soon as they occur. A copy of the applicable recorded deed should be provided to complete land ownership changes. Failure to notify FSA of farm changes may result in refunds of program payments.

Farm changes may include items such as: address changes; change in bank accounts; land purchases or sales; land leases; additional members added to an operation; changing from an individual to an entity; name changes; deaths of landowners; deaths of members in an operation.

### NASS Surveys

The National Agricultural Statistics Service will be conducting the Agricultural Resource Management Survey through mid April. Producers will have the option of responding by mail, internet or personal interviews. Information provided is confidential by law. For more information, contact NASS at 800-727-9540.

### Food/Toy Drive Thank You

The first annual statewide FSA Food/Toy Drive was a huge success. FSA employees would like to thank everyone who took the time and effort to donate food, toys or cash for the event. The donations were distributed to a variety of non-profit organizations within the community of each county FSA office. The generosity of North Dakota producers helped make Christmas special for those in need.

#### Selected Interest Rates for March 2009

90-Day Treasury Bill	0.125%
Farm Operating - Direct	2.000%
Farm Ownership - Direct	3.500%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency	3.750%
Farm Storage Facility	2.250%
Sugar Storage Facility	3.750%
Commodity Loans	1.500%

#### Dates to Remember

March 16	Deadline for 2009 NAP coverage
March 31	Deadline for 2008 crop wheat, barley, oats, canola, crambe, flax, rapeseed, sesame and honey loan applications
June 1	2009 DCP signup deadline
August 31	Secretarial S2834 EM Loan deadline

### Farm Rescue Applications

Farm Rescue is a nonprofit organization which plans and harvests crops free of charge for farm families that have experienced a major injury, illness or natural disaster. Priority consideration is given to applications received by March 15. For further information contact Farm Rescue at (701) 252-2017 or [www.farmrescue.org](http://www.farmrescue.org)

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