

Phillips County FSA News

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Anticipating Changes? “Let Us Know”

SELLING LAND

If you're planning to sell farmland, there may be some program consequences you should be aware of. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program (CRP), the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date. Review of program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

CHANGING FINANCIAL INSTITUTIONS

Almost all Farm Service Agency payments are made electronically using Direct Deposit. This method has cut down on the number of missing and late payments and reduced the time required to move funds. It has been determined that the chance of having a problem with a payment is 20 times greater with checks than with Direct Deposit. Another benefit is that Direct Deposit to your account can be made within 48 hours. To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions. If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

Are You Moving Grain Under Loan?

UNAUTHORIZED DISPOSITION OF GRAIN UNDER LOAN

If grain under loan has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the FSA County Office it is considered a shortage. Any shortage discovered is considered UNAUTHORIZED DISPOSITION and the case has to be sent to the State Office for referral to the Office of Investigative General for determination of investigation. The financial penalties are severe and the producers name will be placed on a loan violation list for a two-year period. **Always** call the office before grain under loan is fed, sold, or moved.

What Makes Up a Farm?

FARM RECONSTITUTIONS

In Farm Service Agency lingo, farms are “**constituted**” *grouping* 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 required. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are various methods used when processing 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.

The final date to request a 2007 reconstitution is Aug. 1, 2007. If 2007 DCP direct payments have already been issued on the farm, the reconstitution will be effective for 2008, unless the payments are refunded.

Want to Conduct FSA Business Online? “Here Is How You Start.”

EGOVERNMENT

Do you or someone in your household or business have internet access? Are you already conducting business online? Farmers and ranchers now have the ability to do some FSA business online. For example: LDP forms can be filed online now! If you are interested in doing business with FSA via the internet, please contact your local office or visit the FSA website at www.fsa.usda.gov. “Individuals” can register online for “Level 2 Access”. After registration, you will need to visit an FSA Office for Identity Proofing and have your account linked with FSA. This new system is just in the beginning stages and will be expanding to cover many more FSA programs in the very near future. Now is the time to get on board. This system will save you time and trips to the office as you can conduct business 24 hours a day, 7 days a week.

Information About Your Operation Online?

USDA CUSTOMER STATEMENT

Farmers and Ranchers now have the opportunity to view their personal FSA information online through the new "USDA Customer Statement". This new system combines a wide range of information regarding individual USDA services and program activity. Participants can access the secure, confidential report online, any place, anytime, through the Internet. The Customer Statement lists the following printable information by program or service:

- **Conservation Program Contracts Summary** – shows your contracts or conservation program participation information. Such as EQIP and CRP contracts. This includes payment amounts broken down by fiscal year.
- **Benefits Summary** – Reports year-to-date payments that you have received from various USDA programs. Includes DCP and LDP payments which, are broken down by program type, fiscal year, and farm number. It also provides totals.
- **Conservation Plan Summary** – Shows plan and practice information. This data is still being updated.
- **Farm Loan Program (Direct Loan Status)** – Shows your Direct Loan Status information.
- **Local USDA Office Contacts** – Shows USDA Service Center contacts in all counties in which you have agricultural interests.

To protect your identity, the Customer Statement does not show your Social Security Number or Taxpayer ID. Instead, your information is linked to your USDA ID. In order to access your Customer Statement you will need to obtain a USDA-eAuthentication "Level 2 account". This includes a User ID and password. This new Customer Statement is a very helpful tool that will allow you to access your USDA records 24 hours a day, 7 days a week. You can review your FSA payment history to determine which farms you have and/or have not received DCP payments on. You can view and print 1099's. You can view your land and download map data. We encourage all farmers and ranchers with internet access to register for a Level 2 account now. More and more FSA programs will be offered online in the very near future. Currently, 2006 LDP filing is available, as well as 2007 DCP Sign-up. Your Level 2 Account allows access to these online services.

Please call the FSA Office for information regarding registration for a Level 2 account or log onto: www.eauth.egov.usda.gov/eauthCreateAccount.html, and follow the instructions. Now is a very good time to get familiar with these new eGovernment Services.

Measurement Service Rates Going Up – To What?

FSA MEASUREMENT SERVICE RATES CHANGE

The National Farm Service Agency (FSA) office has updated a major amendment to the measurement service rate recently. This mandatory state-wide measurement service rate increase was set by the National Office to recover the county office cost to perform the service.

The statewide measurement service rate increase was effective on Oct. 11, 2006. The following table is a summary of the new mandatory measurement rates.

Basic Farm Fee	\$30.00
Plus Hourly Rate (Minimum of 1 hour).	\$16.00
Minimum total	\$46.00
Every 30 minutes after the first hour.	\$8.00

Note: The mileage is included in the basic farm rate. There is no charge for mileage. The hourly rate charges begin when the employee leaves the county office or duty station and ends when the employee returns. The hourly rate is rounded to the nearest 30 minute increment after the first hour when computing costs. The measurement service rates will apply to, but not limited to the following services: measuring crops after planting; staking and referencing acreages to be planted; measuring acreage that has been adjusted; verifying crops, disaster acreage and late-filed fees; re-measuring any acreage that had been measured previously; measuring or sampling farm-stored commodities. Also, Price Support Loans and LDP's will be charged on a per farm basis. For more information on the statewide measurement service rate change, contact your local FSA county office.

What Are The Payment Limitation Amounts and How Do You Remain Eligible?

PAYMENT ELIGIBILITY AND LIMITATION

For most programs administrated by FSA, an individual, entity, or entity member is not eligible to receive program benefits if their average adjusted gross income exceeds \$2.5 million and less than 75% of the adjusted gross income is derived from farming, ranching or forestry operations. Other eligibility requirements USDA payments and benefits are subject to include "actively engaged in farming" requirements; case rent tenant rule; permitted entity restriction; foreign person rule; and payment limitation provisions. Although annual filings are not required if no changes occurred in your operation, documents used to determine eligibility are currently being reviewed thoroughly and may require you to file new forms prior to payments being issued to you. It is each participant's responsibility to timely notify the county office by filing revised farm operating plans and/or supporting documentation, as changes occur. Failure to do so may adversely affect eligibility and /or limitations. In addition, entities such as corporations, limited liability companies, trusts and estates are required to provide names, addresses, and ID numbers of members and notify FSA of interests as of April 1 (status date for your operation) and/or whenever member interests change.

Following are programs requiring payment eligibility determinations and the limitation amounts of those programs:

<u>PROGRAM / PROGRAM TYPE</u>	<u>PROGRAM YEAR LIMITATION</u>
Direct and Counter Cyclical Program (DCP), Direct Payment	\$40,000
Counter Cyclical Payment	\$65,000
Loan Deficiency and Market Gains	\$75,000
Wool, Mohair, Honey	\$75,000
Conservation Reserve Program (CRP) (Including Signing Incentive Payments (SIP) and Practice Incentive Payments (PIP))	\$50,000
Noninsured Crop Disaster Assistance Program (NAP)	\$100,000
Environmental Quality Incentives Program (EQIP)	\$450,000 in aggregate for all contracts for FY 2002-2007

What Signature Authority Do You Have?

SIGNATURE AUTHORITY REQUIREMENTS

County offices are required to verify that a signature authority is on file in the county office before accepting a signature on any program or related documents on behalf of another.

Producers can present evidence of signature authority such as presentation of the original document, corporate charter, bylaws, court orders of appointment, trust agreement, last will and testament, or articles of partnership. The FSA-211, Power of Attorney form can also be completed to grant signature authority to another individual or entity.

Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office. This procedure does not apply to the commodity loan program or where a promissory note is involved. Spouses must have an FSA-211 on file to sign commodity loan documents on behalf of each other. Spouses may not sign the FSA-211 on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities.

Producers need to contact their local county office for specific signature authority documents needed.

Direct and Counter-Cyclical Program...Have You Signed Up?

DIRECT AND COUNTER-CYCLICAL PROGRAM

The Direct and Counter-Cyclical Program (DCP) provides payments to eligible producers on farms enrolled for the 2002 through 2007 crop years. There are two types of DCP payments – direct payments and counter-cyclical payments. Both are computed using the base acres and payment yields established for the farm. DCP was authorized by the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) and is administrated by the U.S. Department of Agriculture's Farm Service Agency (FSA).

ELIGIBLE PRODUCERS

To be eligible for payments under DCP, owners, operators, landlords, tenants, or sharecroppers must; share in the risk of producing a crop on base acres on a farm enrolled in DCP, and be entitled to share in the crop available for marketing from the base acres or would have shared, had a crop been produced; annually report the use of all cropland on the farm; comply with conservation and wetland protection requirements on all of their land; comply with planting flexibility requirements; use the base acres for agricultural or related activities; and protect all base acres from erosion, including providing sufficient cover as determined necessary by the county FSA committee, and **control weeds-see section on weed control below.**

Producers **must enroll each year to be eligible for benefits. To receive your advance of 22% of your direct payment and to avoid an administrative fee of \$100 per farm you must sign-up before June 1, 2007.** Call for an appointment to complete this action.

Weed Control on CRP and Base Acreage – What Is Policy?

WEED CONTROL ON BASE ACREAGE

Procedure states that "Planted and idle DCP base acreage (all base acreage on the farm) shall be protected from weeds going to seed and that erosion shall be controlled throughout the crop year" which runs from October 1, 2006 through September 30, 2007 for FY 2007. This means that **if your farm is selected randomly for spot check in 2007, we will check** the base acreage on your farm to see that weeds and erosion were controlled accordingly during the crop year.

WEED CONTROL ON CRP ACREAGE

The Phillips County FSA Committee will be utilizing the "CRP Mowing Guidelines for Grass Establishment" guide sheet as the standard to control weeds on CRP acreage. Basically, it states the following recommendations:

Farmers receive an annual rental payment **plus a maintenance payment** for the term of the multi-year contract. The **maintenance payment** which is received as part of the annual rental payment is provided to assist producers in applying needed pest (weeds are considered pests) management measures. Cost sharing is provided to establish the vegetative cover practices and cost share may be authorized for 1 weed and/or insect control application if the County Committee determined it is necessary and it is applied within the first 12 months after planting or seeding the cover.

WEED CONTROL ON CRP ACREAGE CONTINUED

The guide goes on to state that an important requirement in establishing and maintaining healthy CRP vegetative cover is weed control. The following are effective mowing guidelines that will be utilized by the Phillips County Committee:

1. Mowing is allowed during the nesting season (March 15 to July 15) until permanent cover is established. More than one mowing may be needed annually during the establishment period.
2. The first mowing operation should be about eight inches high, and should be done when temperatures are cooler (before July 1 or when hot temperatures arrive) to reduce competition for light, moisture, and nutrients.
3. If mowing cannot be completed early due to reasonable events like rain, mow weeds as soon as conditions allow. If weeds have gone to seed, early mowing may be needed the following year, and more than one mowing may be needed.
4. If permanent grass is apparent (greater than the 4-leaf stage) inside the weed cover, mow to about twelve to fifteen inches to avoid tender new grass getting sun scalded.
5. If permanent grass has not emerged or is less than 4-leaf stage, mow to eight inches.
6. STOP mowing operations when more than one-fourth of the height of the seeded species will be removed with the mowing operations.
7. The use of post emergence chemicals after seeding is limited to chemical label directions and grass seed mix planted.
8. Volunteer wheat and/or cereal rye are also considered weeds in a CRP seeding and should be mowed prior to seed head development.
9. Mowing for weed control after grass seeding is established may be conducted on a spot mowing basis **only with approval** of the FSA County Committee.

It is the participant's responsibility to establish and maintain their cover requirement on CRP. The NRCS and FSA Offices are here to advise.

Federal Crop Insurance Requirements for CRP Participants

POLICY REMINDER

CRP participants on land enrolled on or after October 13, 1994, must be in compliance with the Federal Crop Insurance Reform Act to remain eligible for participation. This means that if you have CRP on your farm and have other cropland where you have an insurable crop planted on the cropland you must obtain at least the catastrophic level of insurance for the crop or have a FSA-570 waiver on file in the county office that waives eligibility for emergency crop loss assistance in connection with the crop.

Important Dates to Mark on Your Calendar

Now – June 1, 2007	Sign-up in DCP Program
Now – March 15, 2007	Sign-up in NAP Program (Millet Hay, Sweet Corn, Pumpkins, Forage Sorghum)
January 1, 2007	Office Closed for New Year's Day
January 15, 2007	Office Closed for Martin Luther King's Birthday
February 19, 2007	Office Closed for George Washington's Birthday

Remember: If RE-1J schools are closed due to blizzard conditions, this office will be closed as well. Listen to KOGA, Ogallala, NE for closings.

OFFICE HOURS

8:00 A.M. TO 4:00 P.M. - MONDAY THROUGH FRIDAY

Special accommodations will be made, upon request, for any individual with disabilities, vision impairment, or hearing impairment. If special accommodations are needed, please contact County Executive Director, Ron Koberstein, at (970) 854-2812 Ext. 2.

The United States 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 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 the USDA's TARGET Center at 202-720-2600 (voice and TDD).

"To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 TDD). USDA is an equal opportunity provider and employer."

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