

UNION COUNTY FARM SERVICE AGENCY

County Committee Members: Todd Arnoldus Shawn Bingaman Lisa Eisiminger Jim Murchison	 E-Mail jennifer.isley@or.usda.gov	Union County FSA Office 1901 Adams Avenue, Suite 5 La Grande, OR 97850
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OFFICE STAFF: Jennifer Isley CED, Tim Hines PT, Tara Hett PT, Erin McClure SCEP, Kyle Mills COT
OFFICE HOURS: Monday through Friday 7:30 am to 4:30 pm

County Committee Election Results



Congratulations to Jim Murchison. Jim has been re-elected to represent producers from the Cove, Union and Telocaset areas (LAA #3) on the County Committee.

Other Committee members are: Shawn Bingaman (Imbler, Summerville and Elgin areas (LAA #2)), Todd Arnoldus (La Grande, Starkey and North Powder (LAA #1)) and Lisa Eisiminger, Advisor. Committee members are elected for a 3 year term and can serve a maximum of 3 terms.

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.

Crop Disaster Program (CDP) Deadline

Sign-up period for the 2005-2007 Crop Disaster Program (CDP) will end **February 27, 2009**. The ending date of February 27 applies to the receipt of a signed and completed FSA-840 application along with all supporting documentation and required forms at the local county FSA office. CDP quality claims as well as quantity claims are still being accepted for review until this deadline. Late filed applications will not be approved.

DCP Signup Underway

Signup has started for the 2009 Direct and Counter-Cyclical Payment (DCP) Program for farms with base acres. Signup will continue until June 1, 2009. The **June 1, 2009** deadline is mandatory for all participants. FSA will not accept any late-filed applications. For 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm.

There are many new requirements this year to determine eligibility and payment limitation. With all new forms, signup will take longer than in years past. Please contact your local FSA office to set up an appointment.

SPECIAL ACCOMODATIONS

USDA-Farm Service Agency (FSA) programs are available to all eligible interested persons, including those with disabilities. Special accommodations will be made, upon request, for those individuals with disabilities, vision or hearing impairment. If special accommodations are required, please contact Jennifer Isley at (541)963-4178 ext. 105.

ACTIVELY ENGAGED IN FARMING

Some programs require an "actively engaged in farming" determination. To meet this determination a producer must provide both "left" and "right" hand contributions:

- Left hand requirements are a significant contribution of: land, capital, equipment or a combination thereof.
- Right hand requirements are a significant contribution of: active personal labor, active personal management or a combination thereof.

Please read the section on New Eligibility Requirements for changes that affect entities farming rented ground.

Don't Forget



February 16th, 2009: Office closed-Washington's Birthday

February 27th, 2009: Last day to sign-up for CDP & last day to vote on Lamb Referendum

June 1st, 2009: Final day to sign-up for DCP

PAYMENT LIMITATIONS

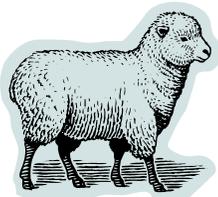
Most USDA program payments and benefits are subject to some or all of the following:

- Payment limitation by direct attribution
- Cash-rent tenant rule
- Foreign person rule
- Actively engaged in farming
- Average adjusted gross income limitations

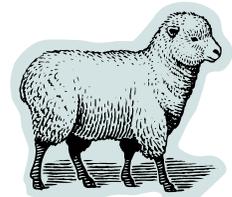
Applicable programs and payment limitations are:

<u>Payment Type</u>	<u>Limitation (In Dollars)</u>
Direct Payments (DCP)	\$ 40,000
Counter-Cyclical Payments (DCP)	\$ 65,000
CRP Annual Rental Payments	\$ 50,000
Marketing loan gains/LDP's	\$ 75,000
Wool, mohair, honey	\$ 75,000
Non-Insurable Assistance Program (NAP)	\$100,000
SURE (Supplemental Revenue Assistance Program)	\$100,000

- No program benefits, subject to limitation, will be provided until:
 - All required forms for the specific situation are provided
 - Necessary payment limitations and eligibility determinations are made
- There are statutory provisions that require entities earning program payments that are subject to limitation to:
 - Provide the names, addresses, and Tax Id Numbers of the members of the entity to the County Committee
 - All applicable payment limitation forms submitted by producers are subject to spot check through the end of year review process.
- After 2009, a farm operating plan is not required to be filed annually if the farming operation continues to be conducted as reflected on the farm operation plan and supporting documents on file in the county office.
- If any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average AGI determination producers must timely notify the County FSA Office by filing revised farm operating plans and/or supporting documentation as applicable.
- A determination of "not actively engaged in farming" results in a producer being ineligible for any payment or benefit requiring a determination of "actively engaged in farming".
- Non-compliance with the adjusted gross income provisions, either by exceeding the applicable limitations or by failure to submit a certification statement, will result in the determination of ineligibility for all program benefits subject to AGI provisions; program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible person or legal entity in any legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.



Lamb Referendum



The USDA will offer lamb producers, feeders, and first handlers the opportunity to vote in a nationwide referendum on whether to continue or terminate the Lamb Promotion, Research, and Information Order, authorized under the Commodity Promotion, Research, and Information Act of 1996. The referendum will be held Feb. 2-27, 2009.

The referendum will be conducted at USDA's Farm Service Agency (FSA) county offices. To be eligible to vote, persons must certify and provide documentation, such as a sales receipt or remittance form, which shows they have been engaged in the production, feeding, or slaughtering of lambs during the period, Jan. 1, 2008 through Dec. 31, 2008.

Beginning Feb. 2, 2009, and continuing through Feb. 27, 2009, persons eligible to vote should obtain form LS-86 from a county FSA office either in person, by mail, fax, or via the Internet at: <http://www.ams.usda.gov/lsmarketingprograms>. Persons must vote in the referendum at the County FSA office where their administrative farm records are maintained. For those persons not participating in FSA programs, the opportunity to vote will be provided at the County FSA office where the person owns or rents land. The form and documentation returned in person or by fax must be received in the appropriate county office prior to the close of business on Feb. 27, 2009. The form and documentation returned by mail must be postmarked no later than midnight on Feb. 27, 2009, and received in the county FSA office by March 6, 2009.

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.

FOREIGN INVESTORS MUST REPORT LAND HOLDINGS

"Any foreign person who acquires or transfers any interest, other than a security interest, in agricultural land in the United States is required by law to report the transaction no later than 90 days after the date of the transactions."

Foreign investors must file AFIDA (Agricultural Foreign Investment Disclosure Act) reports with the Farm Service Agency County office that maintains reports for where the land is located.

For AFIDA purposes, agricultural land is defined as any land used for farming, ranching or timber production, if the tracts total 10 acres or more. Disclosure reports are also required when there are changes in land use.

"Failure to file a report, filing a late report or filing an inaccurate report can result in a penalty with fines up to 25% of the fair market value of the agricultural land."

NEW ELIGIBILITY REQUIREMENTS



For the 2009 crop year, and subsequent years, program payments will be limited by direct attribution of payment totals directly to individuals or indirectly to individuals through entities. This means that if you are a stockholder, partner, member, etc. of an entity the payments will be attributed directly to the members or stockholders of the entity. For example: Best Farming Inc. is owned by Joe Farmer, 30% interest, Jim Farmer 20% interest and Bill Farmer 50% interest. If Best Farming Inc. earns a DCP payment of \$40,000.00 the payments will be attributed as follows: Joe Farmer \$12,000, Jim Farmer \$8,000 and Bill Farmer \$20,000. This becomes especially important if the stockholders or members have other farming interests.

For example: Joe Farmer has his own farm which earns a DCP payment of \$30,000. Jim Farmer has his own farm which earns \$15,000 in DCP payments and Bill Farmer has his own farm that earns a DCP payment of \$10,000. Because of their interests in Best Farming Inc. payments will be directly attributed for all farms:

Joe Farmer has \$12,000 attributed to him as a stockholder in Best Farming Inc. and he has \$30,000 attributed to him from his own farming operation. Joe Farmer will leave \$2,000 on the table as he will exceed the \$40,000 payment limitation for DCP. Jim Farmer has \$8,000 attributed to him as a stock holder in Best Farming Inc. and he has \$15,000 attributed to him from his own farming operation. All of Jim's payments will be paid as he is under the \$40,000 payment limitation for DCP. Bill Farmer has \$20,000 attributed to him as a stockholder in Best Farming Inc. and he has \$10,000 attributed to him from his own farming operation. All of Bill's payments will be made as he is under the \$40,000 payment limitation for DCP.

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 entity and also the individual, both directly and indirectly as an officer, partner or shareholder in an entity. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Also, 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.

There are major changes in the "actively engaged in farming" rules for entities that rent ground. If the entity rents ground to stockholders, members or partners must provide active personal labor and/or personal management that is identifiable and documentable from any other stockholder, partner or a members personal labor or management.

For example: Poor Farm Inc. has 6 stockholders. Stockholder 1 has 20% share and can document that he provides 10% of the active personal labor and provides 40% of the management. He can further document that his management duties include day to day supervision of labor and planting and cultivating decisions. Stockholder 2 has a 20% share of the corporation and provides personal labor. Stockholder 2 can document that she is responsible for all marketing decisions. Stockholder 3 has a 20% share of the corporation but does not provide any active personal labor or active personal management. Stockholder 4 has a 20% share of the corporation and can document that he provides active personal labor as he is responsible for payroll, accounts payable and accounts receivable. He is also responsible for filing all documents and preparing tax returns for the corporation. Stockholder 5 has a 10% share and spends the summer operating the combine for harvest for grass seed and grain. Stockholder 6 has a 10% share and is responsible for equipment maintenance and deciding when equipment will be replaced or upgraded.

If Poor Farm Inc. was eligible for a DCP payment of \$40,000, 20% would not be paid ($.2 \times \$40,000 = \$8,000$) as Stockholder 3 does not provide active personal labor or active personal management.

For more information on how these provisions apply to your own situation, please contact your local FSA office.

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 part of an individual's income is derived from any public assistance programs. (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 Ave, SW, Washington, D.C. 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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