March 2011

Union County FSA Office

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Hours
Monday - Friday
7:00 a.m. - 4:30 p.m.

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SURE – 2009 and Later

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters. **SURE sign up for crop year 2009 losses runs from Jan. 10 to July 29, 2011. Deadlines for 2010 and 2011 crop years will be announced later.**

To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP), except for grazed acreage. This requirement does not apply for crops that are not of economic significance or where the administrative fee required to buy NAP coverage exceeds 10% of the value of the crop coverage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following conditions are required to trigger SURE payments:

• at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition. (A crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm.)

• producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop production or crop quality losses.

Payments are calculated considering whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more once for the same loss.

Note that due to the need to wait for end of year market price data to make SURE final calculations, SURE assistance payments lag the crop year's end by one full year.

If you would like additional clarification call or stop by your local FSA office.

2011 DCP Signup

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2011 DCP contract.

USDA computes DCP Program 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 2011, eligible producers may request partial direct payments as an advance on the total amount.

CRP Signup 41 Announced

The next general signup for the Conservation Reserve Program (CRP) will begin on March 14, 2011, and continue through April 15, 2011.

Through CRP, eligible landowners receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible farmland. Land can be enrolled for a period of up to 15 years. Farmers and ranchers may offer eligible land at their FSA County Office. Land currently not enrolled in CRP may be offered in this signup provided all eligibility requirements are met. Additionally, current CRP participants with contracts expiring this fall may make new contract offers.

FSA will evaluate and rank eligible CRP offers using an Environmental Benefits Index

[Continued on Page 2]

[Continued from Page 1 – CRP Signup 41]

(EBI) that shows the environmental benefits to be gained from enrolling the land in CRP. Decisions on the EBI cutoff will be made after the sign-up ends and after analyzing the EBI data of all the offers. Contracts awarded are scheduled to become effective Oct. 1, 2011. Contact your local FSA County Office for more information.

ACRE

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. The June 1, 2011, signup deadline is mandatory for all participants. USDA will not accept any late-filed applications.

A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss.

The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20%, and marketing loan rates are reduced by 30%.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

1099-G is in the Mail

Producers who have received payments from FSA are also receiving a CCC-1099-G in the mail. A CCC-1099-G is a report to the Internal Revenue Service regarding FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. It is not intended to replace the program participant's responsibility to report income to the IRS.

ATTENTION: Refunds are no longer reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database.

Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data.

Conservation Loan Program

The Conservation Loan (CL) Program provides farmers with funding to implement NRCS approved conservation measures on their land. The loan limit for a direct CL is $300,000, and $1,119,000 for a guaranteed CL.

The Natural Resources Conservation Service (NRCS) will work with applicants to develop a conservation plan containing approved conservation practices. Examples of some conservation practices are: water conservation structures, forest cover, permanent pastures, manure digesters and other installations.

For more information on a potential Conservation Loan, call your local FSA office and make an appointment with your farm loan officer.

Actively Engaged

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), Average Crop Revenue Election (ACRE) program, and Farm Storage Facility Loan (FSFL) program administered by FSA.

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The

[continued on page 3]

[continued from page 2]

contributions are to be performed on a regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- The total direct payments received by the legal entity and each of the members does not exceed $40,000.

Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent from the IRS to verify AGI compliance will be required from each producer or payment recipient. No actual tax data will be included in the report that IRS sends to USDA.

The agreement ensures that payments are not issued to producers whose 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 nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15. These forms may be obtained from local FSA and NRCS offices or online at: http://forms.sc.egov.usda.gov/eforms/mainservlet.

BCAP – Two Phases

There are two categories of assistance in the Biomass Crop Assistance Program (BCAP). The first category provides financial assistance to producers or entities that deliver eligible biomass material to approved biomass conversion facilities (BCF) for use as heat, power, bio-based products or bio-fuels. Initial assistance will be for the collection, harvest, storage and transportation (CHST) costs associated with the delivery of eligible materials.

Producers who harvest, transport and store these materials can apply for FSA matching payments under the CHST. An application must be submitted before the eligible material is sold and delivered to a BCF. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office.

In the second category of BCAP, incentives are provided to producers who enter into contracts with the Commodity Credit Corporation (CCC) to produce eligible biomass crops on contract acres within BCAP project areas. For this phase, Project Area Proposals are required and must be submitted to FSA for review and approval. For more information, visit www.fsa.usda.gov/bcap .

Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm or ranch, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan.

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 $1,119,000. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it or who to contact to get it. To find out more about FSA loan programs, contact your county office staff.

NOTICE TO HISPANIC AND/OR WOMEN FARMERS OR RANCHERS

COMPENSATION FOR CLAIMS OF DISCRIMINATION

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation.

To register your name to receive a claims packet, call the Farmer and Rancher Call Center at 1-888-508-4429 or visit: www.farmerclaims.gov

The claims package will have detailed information about the eligibility and claims process.

USDA United States Department of Agriculture

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RETURN SERVICE REQUESTED

USDA United States Department of Agriculture

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PERMIT NO. 71

Dates to Remember	
Mar. 14	CRP Sign up starts
Apr. 15	CRP Sign up ends
June 1	DCP Sign up deadline
July 15	Deadline to report acres

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