

Cochise County Newsletter

Cochise County USDA Service Center

Cochise County FSA
658 N Bisbee Ave
Willcox, AZ 85643
PH: (520) 384-3588
FAX: (520) 384-2735
www.fsa.usda.gov

Hours of Operation
Monday – Friday
8:00 am – 4:30 pm

County Committee

Mark Cook, Chair
Lance Owen, Vice Chair
Edward Curry, Member
Twila Shelton, Minority
Advisor

Staff

Carol Case, CED
Rebecca Burreight, PT
Shari Binger, PT
Tonya Ayala, PT
Carrie LaCombe, PT

Farm Loan Staff

Jonna Darnell, FLM
Cissi Graves, FLO
Dee Haupt, PT

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AGI AND ACTIVELY ENGAGED CHANGES

USDA has finalized 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 will be required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to USDA.

This agreement will ensure 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 annually certify their eligibility to receive benefits** by either submitting a statement from a certified public accountant or an attorney, or by completing form CCC-926.

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) or Average Crop Revenue Election (ACRE) program administered by the Farm Service Agency (FSA).

Every stockholder or member of a legal entity, such as a corporation, does not have to contribute labor or management if 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 that altogether qualifies as a significant contribution to the farming operation;
- the total direct payments received, both directly and indirectly, by the legal entity and each of the members does not exceed \$40,000.

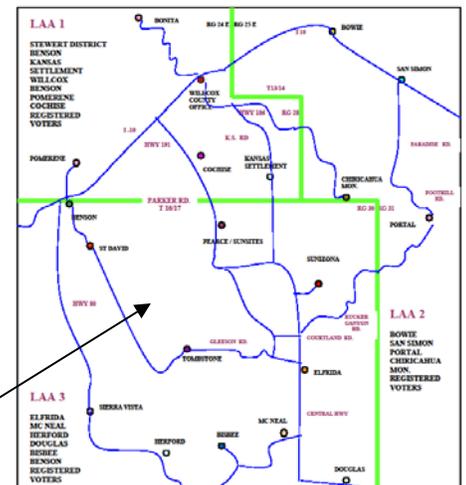
COUNTY COMMITTEE ELECTION RESULTS

Congratulations to Edward Curry! Mr. Curry was elected to represent the farmers and ranchers from Local Administrative Area 3 on the county committee (COC). The elected will serve a three year consecutive term beginning January 1, 2010. The results for Local Administrative Area 3 were:

- Edward Curry—Elected to the COC
- Alan Seitz—1st Alternate to the COC
- April Alvarez—2nd Alternate to the COC

LAA-3 had been previously represented by Alan Seitz. The Cochise County FSA Office and county committee would like to thank Mr. Seitz for his 4½ years of dedicated service to the farmers and ranchers of Cochise County.

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.



LAA 3 Boundaries

FARM STORAGE FACILITY LOAN PROGRAM

Structures for hay are now available for producers through the Farm Storage Facility Loan Program. Some of the qualifications are:

- A satisfactory credit rating
- No delinquent Federal debt
- Ability to repay the loan
- Show a need for a storage facility
- Annually provide multi-peril crop insurance or NAP coverage

The structures allowed for hay structures must have a useful life of at least 15 years. The structure must be covered by insurance along with the crop. CCC will have a security interest in the facility. Additional security requirements can be required. Concrete pads without walls are eligible for the FSFL as are hoop structures and dirt flooring. All structures must be secured by a promissory note and security agreement. Severance agreements from all lien holders on the real estate where the facility will be located or from the owners of real estate will be required and CCC will hold the first lien.

The maximum loan amount is \$500,000 per loan. Loan terms available are 7, 10 or 12 years depending on the amount of the loan. The interest rate is fixed for the term of the loan with payments in equal installments. Loans will not be disbursed until the facility has been erected and inspected. The application fee is \$100 and is not refundable. CCC will pay all collateral lien searches, recording fees, and credit report fees. Applicants pay all other fees. For loans over \$50,000, applicants will be required to pay the cost of obtaining a title search/opinion or title insurance.

For more information or to schedule an appointment to complete your loan paperwork, please contact Tonya at (520) 384-3588 extension 108.

REPORTING YOUR ACREAGE

Producers have until **May 15th** to certify small grains; which includes Barley, Oats, and Wheat. Producers have until **July 15th** to certify all other crops including Native Grass (Range Land). It is very important for Producers to report their acreage

*Who needs to certify their acreage: EVERYONE INCLUDING RANCHERS

*What needs to be certified: ALL CROPS INCLUDING NATIVE GRASS

*How often do you need to certify: ANNUALLY

SURE SIGNUP FOR CROP PRODUCTION LOSS

Signup for the 2008 Supplemental Revenue Assistance Payments program (SURE) began on January 4, 2010. SURE 2008 is for those who suffered crop production losses during crop year 2008.

SURE provides crop disaster assistance payments to eligible producers on farms that have incurred crop production or crop quality losses. The program takes into consideration crop losses on all crops grown by a producer nationwide. SURE provides assistance in an amount equal to 60 percent of the difference between the SURE farm guarantee and total farm revenue. The farm guarantee is based on the amount of crop insurance and Non-insured Crop Disaster Assistance Program (NAP) coverage on the farm. Total farm revenue takes into account the actual value of production on the farm as well as insurance indemnities and certain farm program payments.

Producers with a farming interest physically located in a county that was declared a primary disaster county or contiguous county by the Agriculture Secretary must have suffered at least a 10 percent production loss on a crop of economic significance. Producers must meet the risk management purchase requirement by either obtaining a policy or plan of insurance, under the Federal Crop Insurance Act or NAP coverage, for all economically significant crops. Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage.

If there is no Secretarial Disaster Designation, individual producers may also be eligible for SURE if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster. For SURE, a farm is defined as all crops in which a producer had an interest nationwide.

For more information on the new SURE program, please visit the county office or <http://www.fsa.usda.gov>.



2010 Sales Closing Dates

This table provides the 2010 sales closing dates for Arizona. The county where the crops are physically grown, will determine whether they are insurable and eligible for catastrophic risk protection (CAT) level or are noninsurable and eligible for noninsured crop disaster assistance program (NAP). Consult your local insurance agent to determine whether the crops you are growing are eligible for CAT or NAP. Please note: Some FSA programs require ALL crops to be insured with either CAT or NAP.

January 31, 2010	February 28, 2010	May 31, 2009	May 31, 2010	September 1, 2009	October 31, 2009	November 20, 2008	November 20, 2009	November 30, 2009
Alfalfa Mix Cucumbers Grapes Grass, Bermuda Grass, Sudan Herbs, Basil Jojoba Pecans Peppers, Chile Raisins	Beans, Pinto Corn Cotton Okra Olives Peanuts Potato, Sweet Pumpkins Sorghum Squash	Artichokes Beans, Gar Beets Broccoli Cabbage Canola Carrots Cauliflower Celery Flowers, Chrysanthemum Greens, All Herbs, Cilantro Mustard Oats Onions Peas Radish Tomatoes	Nursery	Crustaceans Flowers, Stock Garlic	Alfalfa Barley Cantaloupe Grass, Native Honeydews Lettuce Rye Wheat	Grapefruit Lemons Oranges Tangelos	Apples Apricots Cherries Honey Peaches Pears Pistachios Plums Watermelon	Potatoes

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2010 DCP Signup Underway

Producers may now enroll in crop-year 2010 DCP; you have until **June 1, 2010**. The Direct and Counter-Cyclical Payment Program (DCP) provides payments to eligible producers on farms enrolled for the 2008 through 2012 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.

Producers may contact their local USDA Service Center to enroll their farm in DCP or may file their contract electronically. Filing an electronic DCP contract is available to all producers who are eligible to participate in the DCP program to access this electronic service please visit: www.fsa.usda.gov/dcp. Producers must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at www.eauth.egov.usda.gov.

Producers who wish to enroll their farm in DCP at the Service Center, please contact Rebecca to set up an appointment.

When enrolling your farm in DCP you may certify planted crops and complete the annual required Payment Limitation forms.

LIVESTOCK FORAGE PROGRAM

The deadline to apply for drought relief benefits through the Livestock Forage Program has been extended to March 1, 2010. This extension is being made due to the short time frame originally established for implementing the program. You must have purchased NAP insurance on your Native Grass in order to be eligible. This eligibility requirement can be waived if the producer is a limited resource producer and/or a beginning rancher. Contact your local FSA office for more details.

FARM LOAN LIMITATIONS

Loan Type	Maximum	Term	Rate as of 02/01/2010
Farm Ownership Loan (FO)	\$ 300,000	Up to 40 years	Now 4.875%
Operating Loan (OL)	\$ 300,000	1 to 7 years	Now 2.625%
Emergency Loan	\$ 500,000	1 to 40 years	Now 3.750%
Guaranteed Loans (FO & OL)	\$ 1,112,000	By Lender	By Lender, Commercial Rates

NONINSURED CROP DISASTER ASSISTANCE PROGRAM

USDA's Farm Service Agency's Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to producers of noninsurable crops when low yields, loss of inventory or prevented planting occurs due to natural disasters.

An eligible natural disaster is any of the following:

- Damaging weather, such as drought, freeze, hail, excessive moisture, excessive wind or hurricanes;
- An adverse natural occurrence, such as earthquake or flood; or
- A condition related to damaging weather or an adverse natural occurrence, such as excessive heat, disease or insect infestation.

The natural disaster must occur before or during harvest and must directly affect the eligible crop.

To be eligible for NAP assistance, crops must be noninsurable crops and agricultural commodities for which the catastrophic risk protection (CAT) level of crop insurance is not available. If you can purchase CAT insurance on your crop, you are not eligible to purchase NAP coverage.

To apply for coverage, producers must go to their local FSA office to complete an application for coverage form and pay the applicable service fee by the sales closing dates established for Arizona. See insert for sales closing dates. The service fee is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 per producer with farming interests in multiple counties. This fee is effective as of May 22, 2008. It replaces the previous service fee of the lesser of \$100 per crop or \$300 per producer per administrative county, not to exceed a total of \$900 per producer with farming interests in multiple counties.

In order to receive a NAP payment, the natural disaster must have either:

- Reduced the expected unit production or the crops by more than 50 percent; or
- Prevented the producer from planting more than 35 percent of the intended crop acreage.

For more information on NAP, visit www.fsa.usda.gov or visit your local FSA office.

NAP = INSURANCE

IMPORTANT DATES TO REMEMBER



February

- 3 Ag Day & Trade Show—Willcox Community Center
- 15 Office Closed in Observance of George Washington's Birthday
- 18 Cochise County Committee Meeting @ 9:00am
- 28 2010 Sales Closing Dates for: Pinto Beans, Corn, Cotton, Okra, Olives, Peanuts, Sweet Potatoes, Pumpkins, Sorghum and Squash

March

- 1 Deadline to apply for benefits under the Livestock Forage Program
- 18 Cochise County Committee Meeting @ 9:00am (Tentatively Scheduled)

Due to the heavy workload in the county office, it is recommended that appointments be set to avoid lengthy waits. To schedule an appointment, please call (520) 384-3588.

NONDISCRIMINATION STATEMENT: As a participant in or applicant for programs, activities operated or sponsored by USDA, you have the right to be treated fairly. If you believe you have been discriminated against because of your race, national origin, gender, age, religion, disability or marital or familial status, you may file a discrimination complaint. The complaint should be filed with the USDA Office of Civil Rights within 180 days of the date you became aware of the alleged discrimination. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Room 326-S.W., Whitten Building, Stop 9410 Washington DC 20250-9410 Washington DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.