



## November 2010

### Clearwater County USDA Service Center

**Clearwater County FSA**  
12730 Hwy 12, Suite C  
Orofino ID 83544

(208) 476-4612 phone  
(208) 4767365 fax  
www.fsa.usda.gov/ID

**Hours**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.

**County Committee**  
Cory Brown  
Earl Lawrence  
Ross Triplett  
Jean White

**Staff:**  
Karel Wemhoff, CED  
Kathy Gruell, PT  
Mildred Lansing, PT  
Justin Allen, PT

FSA Committee meetings are open to the public. Regular COC meetings are held the third Wednesday of each month at the Orofino USDA Service Center, beginning at 8:30 a.m.

## 2011 DCP/ACRE Enrollment Begins

The enrollment period for the 2011 Direct and Counter-Cyclical Program (DCP) or Average Crop Revenue Election Program (ACRE) is now open. Advance payments equal to 22% of the final direct payment can be requested for any month beginning with December. Advance payments will be issued to eligible participants as soon as all necessary signatures are obtained, the contract is approved, and all eligibility forms are filed.

Please contact the County Office if your farming operation has changed from last year, including ownership and leases. These changes must be updated prior to enrollment in DCP/ACRE.

## The ACRE Option

The Average Crop Revenue Election Program (ACRE) 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. 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.

The June 1, 2011, deadline is mandatory for all ACRE participants. FSA will not accept late-filed applications.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. In exchange for participating in ACRE, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

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.

## Disaster Assistance Programs / Risk Management

FSA disaster assistance programs include:

- Supplemental Revenue Assistance (SURE) Program
- Livestock Forage Disaster Program (LFP)
- Livestock Indemnity Program (LIP)
- Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)
- Tree Assistance Program (TAP)

To be eligible for SURE, TAP, and ELAP, producers must purchase catastrophic risk protection insurance for all insurable crops, and NAP coverage for non-insurable crops.

Farm-Raised Fish means all fish being produced for sale by an eligible producer. In the case of honey, the term "farm" means all bees and beehives in all counties that are intended to be harvested for a honey crop by the eligible producer.

Producers who meet the definition of Socially Disadvantaged, Limited Resource Producer, or Beginning Farmer or Rancher, do not have to meet this risk management purchase requirement.

## Voting for County Committee Begins

Ballots for this year's county committee election will be mailed to eligible voters on November 5, 2010. Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on December 6, 2010. If mailed, ballots must be postmarked by midnight December 6, 2010.

This year Cory Brown is nominated to serve as a committee member in Local Administrative Area 3 (LAA3), which is the Fraser/Weippe area of Clearwater County. Cory lives in the Fraser area and is

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actively involved in the family farm. He has served as chairman of the County Committee for two terms.

Eligible voters in LAA3 who have not received a ballot should contact the Clearwater County FSA office.

**Voter Requirements** Persons meeting requirements in **1** *or* **2**, *plus* **3**, below, are eligible to vote:

**1.** Be of legal voting age and have an interest in a farm or ranch as either a) or b):

a) An owner, operator, tenant or sharecropper, *or*

b) A partner in a general partnership or member of a joint venture that has an interest in a farm as an owner, operator, tenant or sharecropper;

**2.** Not of legal voting age, but supervises and conducts the farming operations on an entire farm; *and*

**3.** Eligible to participate in any applicable FSA program that is provided by law, regardless of funding status.

**Discrimination Is Prohibited** - No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

## **CCC-927 or -928 Disclosure Form Needed by IRS**

Producers who participated in 2009 or 2010 programs subject to adjusted gross income limitations (AGI) had to certify compliance with AGI rules. The average AGI verification process for 2009 and 2010 payment eligibility requires all program participants to provide written consent to the IRS for the disclosure of certain information to FSA.

On October 6, 2010, a letter was mailed to producers who have not submitted either:

CCC-927: "Consent to Disclosure of Tax Information-Individual Form", or

CCC-928: "Consent to Disclosure of Tax Information-Legal Entity"

Individuals and legal entities, including members of legal entities, that certified to average AGI compliance for 2009 and/or 2010 payment eligibility must submit a completed CCC-927 or CCC-928 to the IRS in order to avoid a demand for refund of program payments and benefits received.

## **NAP Deadline**

Noninsured Crop Disaster applications are due at different times according to the crop being insured. In Clearwater County, 2011 coverage on forage and pasture must be purchased by **December 1, 2010**.

Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees (\$250/crop/producer not to exceed \$750 total per producer) are due when the application is filed. The application and service fee **MUST** be filed by the crop sales closing date. Contact your local FSA office for the filing dates for your crops.

**Important Note:** Some disaster assistance programs such as SURE require crop insurance or NAP coverage on all crops on the farm.

## **Farm Loan Year End Reviews**

Producers that have a farm loan with FSA are reminded they must provide data for their Year-End Analysis to their loan officer each year. Borrowers are urged to provide this information timely so that their files can be maintained.

## **Applications for FSA Farm Loan Assistance**

Farmers and ranchers that intend to apply to the Farm Service Agency for loan assistance for the upcoming crop year are encouraged to file their applications as early as possible. Failure to apply early may result in a delay in processing loans due to the volume of applications. Contact your local FSA Farm Loan representative for more details and assistance in applying.

## **FSA Signature Policy**

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- 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.
- Spouses shall not sign on behalf of each other as an authorized signatory for

partnerships, joint ventures, corporations, or other similar entities.

For additional clarification on proper signatures contact your local FSA office.

## New Financial Management Web Page Available for Producers

Producers who have level 2 e-Authentication access can use the new Public Financial Management Information web page. The website allows producers to generate reports that show both current and historical financial information. This resource will allow users to view details on payments, collections and outstanding debt. The website is a great tool for producers to conveniently access financial information at any time. To view the Financial Management Information web page, visit <http://www.fsa.usda.gov/fmi>. Please contact your county office if you have any questions regarding the web page.

**Note: Follow the steps below to obtain Level 2 e-Authentication access...**

1. Go to [www.eauth.egov.usda.gov](http://www.eauth.egov.usda.gov), complete a customer profile and submit it online
2. After submitting your customer profile, you will receive a confirmation email, and you must respond to it within 7 days to activate your account
3. Then you must complete the "Identity Proofing" process by visiting a local USDA Service Center and presenting a photo ID, such as your driver's license

## Changing Banks

Almost all Farm Service Agency payments are made electronically using Direct Deposit. 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.

## 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, 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.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

## Farm Reconstitutions

When changes in farm ownership or leasing take place, a farm *reconstitution* may be necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

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. Methods used for farm reconstitution are:

**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.

If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.



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### Unauthorized Disposition of “Grain under FSA Loan”

Producers will not remove any loan collateral without prior approval from CCC and then only with instructions issued by CCC. Producers wanting to move loan collateral must notify their respective FSA Office before any removal of loan collateral. Any removal of loan collateral without prior approval is a violation. If such movement is not completed as instructed by CCC or the collateral is disposed of, CCC may at its discretion accelerate the loan maturity date, assess

liquidated damages as specified in 6c of the CCC-601, CCC Note and Security Agreement Terms and Conditions” and take other administrative actions, as determined appropriate by CCC, including denial of future loans.

The financial penalties for unauthorized dispositions are severe and a producers name will be placed on a loan violation list for a two-year period. Always call before you haul or otherwise use any grain under MAL or LDP encumbrances.

| <b>Selected Interest Rates for November 2010</b>                  |        |
|---|--------|
| 90-Day Treasury Bill  | 0.125% |
| Farm Operating - Direct   | 2.000% |
| Farm Ownership and Conservation Loan - Direct                     | 4.125% |
| Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher | 1.500% |
| Emergency   | 3.750% |

| <b>Dates to Remember</b>   |  |
|--|--|
| Nov. 5   | County Committee ballots mailed to voters          |
| Nov. 11  | Veterans Day Holiday                               |
| Nov. 25  | Thanksgiving Day Holiday                           |
| Dec. 6   | County Committee ballots due back to County Office |
| June 1, 2011*  | DCP / ACRE Filing Deadline                         |
| *This date was incorrectly shown in the October newsletter as June 11, 2011. June 1, 2011 is the correct date. |  |