Madison County FSA Office

November 2010

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

Madison County Staff

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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 Payments (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 were mailed, November 5th, to eligible voters in Local Administrative Area 2, which is that part of the county north of Highway 33 and west of Sugar City. 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 the candidates for the Madison County FSA Committee are Tami Ball, Doug Kauer, and Michele Rigby.

Eligible voters in a local administrative area 2 who have not received a ballot should contact the FSA county office staff.

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*

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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 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 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 IRS regardless of whether they received program benefits directly or as a member of a joint operation or entity. These forms must be submitted to 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. Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees 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 and note that for some disaster assistance programs, crop insurance or NAP coverage is required for 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.

Operating Loan Applications

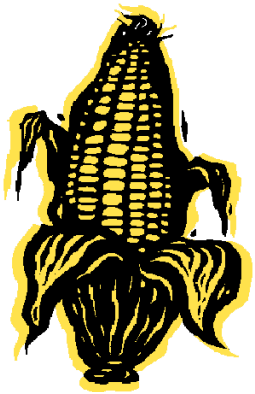
Farmers that plan to apply for annual operating loan assistance are encouraged to apply as soon as possible. Farmers should contact their local FSA office for information.

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: Website use requires level 2 e-Authentication access. Follow the steps below to obtain level 2 access…

1. Go to 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 operation take place, a farm *reconstitution* is 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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United States Department of Agriculture
Farm Service Agency

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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, either 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 a Market Assistance Loan.

Selected Interest Rates for November 2010	
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%

Dates to Remember	
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.	

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