



**Mitchell County
Farm Service Agency**

February 2011

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Leland Ellenz, Field Reporter
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County Committee

Carolyn Finney
Jerry Oetting
Jane Wallace

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ACREAGE REPORTS

To collect program benefits including loan deficiency payments, crop loans, crop insurance, non-insured assistance program benefits, disaster or SURE benefits, CRP payments, and crop history, it is required to report all crop acres and pastures.

The Direct and Counter Cyclical Program requires all cropland on the farm to be certified before program benefits can be earned. Each farm must have all cropland acres reported, including old soil bank acres, waterways, feeding lots, feed crops and fallow. SURE, livestock programs and other disaster programs require all acres and uses including pastures to be reported

The final date to certify wheat, oats and barley is May 31. Grass, corn, milo, alfalfa, soybeans, sunflowers, feed crops and fallow acres by August 1. Crops in the Non-Insured Assistance Program (NAP) **must** be reported 15 days before any haying or grazing.

If you have not reported your wheat, do so as soon as possible. If you will plant oats, remember to also report those acres by May 31. With our tight budget, we most likely will not send reminders. Therefore, it will be the operator's responsibility to remember to timely file acreage reports.

2010 DCP/ACRE PROGRAM

Signup for the 2011 Direct and Counter Cyclical Program (DCP) and Average Crop Revenue Election (ACRE) program is underway. 83.3% of each base is eligible for direct payments. Payment shares must follow the share and risk of planted crops.

The ACRE election requires a 20% reduction of the direct guaranteed payment as well as a 30% reduction in the loan rate. The ACRE election is irrevocable through 2012 and requires annual reports of crop production for all participating crops.

Final direct payments will be issued in October, final ACRE, if earned, will be issued one year following the marketing year of each crop.

Along with signing up, producers will be completing a new CCC-633EZ for the Loan Deficiency payment, a new Adjusted Gross Income certification, and reviewing eligibility forms. If there has been a change in the farming operation, eligibility forms need to be revised. Operators are responsible for making sure all applicable forms are properly completed and timely submitted. Also, forms for IRS will be provided for you to send to IRS.

COUNTY COMMITTEE ELECTION

Jerry Oetting was elected for a 3 year term in the 2010 County Committee election. A total of 71 votes were received. The 2011 election will be for Local Administrative Area #1, the eastern third of the county.

TURNIPS – FRUITS and VEGETABLES

Planting turnips or any other crop considered a vegetable or fruit crop could violate the Direct and Counter-Cyclical Program. This applies even if the crop is in a mix and/or left for a cover or green manure crop. There is an exception if the farm has free acres.

Planting the crop creates the violation, regardless of the crop being harvested or not. Before you plant turnips, a mix with turnips, or any other vegetable or fruit crop in excess of two acres, you may need to file for a base reduction if it is to be harvested or file a \$46 inspection fee to verify it is not harvested.

SURE DISASTER PROGRAM

Supplemental Revenue Assistance Payments (SURE) Program provides benefits for losses due to natural disasters. A "farm" is eligible if located in a Secretarial Declaration county or contiguous county and has at least a 10% loss on a crop of economic significance; OR, production is less than 50% for the entire farm. A "farm" means all crops (forage included) in all counties you have interest in.

Mitchell County is not in a Secretarial Declaration county or contiguous county for the 2009 crop year. So if all your farming interest is in Mitchell County, you would need a 50% loss on all crops to qualify.

To be eligible, you must have Federal Crop Insurance or NAP coverage on all significant crops. Also, all acres of cropland and grass must have been reported to FSA for 2009. Signup for 2009 losses is underway and ends July 29, 2011.

2010 CROP LOAN RATES

The 2010 loan rates for Mitchell County are Wheat - \$2.77/bu., Corn - \$1.90/bu., Sorghum – \$3.34 /cwt, Soybeans - \$4.87/bu., and Sunflowers - \$10.34 /cwt. Final loan request date for 2010 wheat is March 31 , 2010 feed grains is May 31. The 2011 crop year loan rates have not been announced yet.

WOOL LOAN DEFICIENCY PAYMENTS

BEFORE shearing wool or selling unshorn lambs for 2011, be sure you file form CCC-633EZ for 2011. Once wool or unshorn lamb leaves the farm, you lose beneficial interest and are no longer eligible for the LDP unless you have filed page 1 of the CCC-633EZ.

PAYMENT ELIGIBILITY AND IRS

To qualify for various USDA programs and benefits, producers must meet eligibility requirements of conservation compliance, adjusted gross income, and be actively engaged in farming.

Ineligibility triggers differently for various programs when the average adjusted gross NON-FARM income exceeds \$500,000, FARM income exceeds \$750,000, and NON-FARM income exceeds one million.

For 2011 benefits, the “average” is the average of tax years 2007, 2008 and 2009. All individuals requesting payment must complete an annual certification. All entities requesting payment AND EVERY MEMBER OF THAT ENTITY must complete an annual certification or that share is not paid.

The Farm Bill requires a review to be sure payments are not issued to ineligible producers. Instead of producers bringing in tax returns or financial records, producers will sign a consent form and IRS will do the review.

The consent forms are a CCC-927 for individuals and a CCC-928 for entities. These forms must be sent directly to IRS. Producers may obtain the consent forms at their FSA Office or online. FSA Offices will not accept or retain the completed consent forms or other tax-related paperwork from producers.

Make sure the correct name, tax ID number and signature is on the form. Also, check all years you received payments or will receive payments. Entities such as trusts, corporations and LLC’s must complete the 928 form and all of the members of the entity must complete the form for individuals.

Failure to submit the forms will result in having to refund any payments issued. Farm operators are responsible for getting the forms to owners for them to sign and send to IRS. FSA will provide these forms during signup. FSA Power of attorney cannot be used to sign the forms; it must be the same signature that is on the person’s tax return.

CONSERVATION RESERVE PROGRAM

A general CRP signup period has been announced for March 14 through April 15. A general signup allows larger areas to be bid into CRP on a competitive basis.

If you are interested in re-enrolling expired or expiring CRP acres or new land, make plans to begin the signup process early in the signup period. There are many options and items to consider before placing a bid. There are a limited number of acres that will be accepted, and acceptance will be on a points ranking process at the national level.

Items to consider before bidding are whether the area can be burned, what wildlife enhancements you want, if haying or grazing is desired in the future and if you want to bid less than the maximum bid

Beginning Farmer and Rancher Loans

FSA has a program to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more that 10 years
- Will materially and substantially participate in the operation of the farm
- Does not own a farm in excess of 30 percent of the county’s average size. Each member of an entity must meet the eligibility requirements.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

Real Estate Down Payment Program

FSA has a special loan program to assist beginning farmers in purchasing a farm. Retiring farmers may use this program to transfer their land to future generations.

To qualify:

- The applicant must make a cash down payment of at least 5 percent of the purchase price.
- The maximum loan amount does not exceed 45 percent of the lesser of (a) the purchase price of the farm or ranch to be acquired; (b) the appraised value of the farm or ranch to be acquired; or (c) \$500,000 (Note: This results in a maximum loan amount of \$225,000).
- The term of the loan is 20 years. The interest rate is 1.5% as of January 2011.
- The remaining balance may be obtained from a commercial lender or private party. FSA can provide up to a 95 percent guarantee if financing is obtained from a commercial lender. Eligible lenders do not have to pay a guarantee fee.
- Financing from participating lenders must have an amortization period of at least 30 years and cannot have a balloon payment due within the first 20 years of the loan.

FSA’s Farm Loan Program staff in Russell can be reached at 785-483-5618. Contact the Russell office for information or to schedule a meeting in Beloit, if desired.

Dates to Remember	
Date	What
Immediately	Report owner and operator changes
Continuous	Continuous CRP Signup
Continuous	Farm Storage Facility Loans
February 21	Office Closed for Presidents Day
February 28	Sorghum promotion fee ballots closing
March 15	NAP closing for feed, vegetables and fruits
May 31	Final date to report wheat, oats or barley