



Republic County Farm Service Agency

January 2011

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

Staff

Cheryl Hiatt, PT
Linda Trecek, PT
Kerri Garman, PT
Cindy Kopsa, PT
Darcie Breuer, PT

County Committee

Esther Stafford, Chairperson
Don Rizek, Vice-Chairperson
Brad Hobelmann, Member

Committee Meeting Date

Monthly-First Wednesday at
9:00 am.

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COUNTY COMMITTEE ELECTION

The County Committee election was held this fall in LAA-1, the northwest portion of the county. Bradley Hobelmann, Belleville, was elected to a 3-year term. The alternate is Nolan Sandell.

2011 FARM PROGRAM SIGNUP

Signup for the 2011 Direct and Counter-Cyclical Program (DCP) and Average Crop Revenue Election (ACRE) has started and ends June 1, 2011. Call the County office for an appointment to enable us to serve you better. By doing so, we can have all the maps printed for marking the wheat fields, plus contracts and required forms ready for your signature. Please notify us of any share changes in advance.

*Direct and Counter-Cyclical Program

For 2011-crop year, USDA computes direct payments using 83.3 percent of the farm's base acres times the farm's payment yield times the direct payment rate. Direct payments provide no incentive to increase production of any certain crop, because the payments are not based on producers' current production choices. Producers receive direct payments at rates established by statute regardless of market prices. Advanced direct payments based on 22 percent may be requested.

Counter-cyclical payments provide support counter to the cycle of market prices as part of a "safety net" in the event of low crop prices. These payments are only issued if the effective price for a commodity is below its target price.

Farms with base acres of 10 acres or less will not receive direct or counter-cyclical payments, unless the farm is wholly owned by socially disadvantaged or limited resource farmers or ranchers. Producers are subject to certain restrictions on the planting of wild rice, fruits and vegetables, must control erosion and weeds on base acreage, and file a complete acreage report.

*Average Crop Revenue Election

Producers eligible for DCP will also be eligible to enroll in the Average Crop Revenue Election Program (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. 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 payment is based on 83.3 percent of the farm's planted acres times the difference between the State ACRE guarantee and the State revenue times the ratio of the farm's yield divided by the State expected yield. For participating in ACRE, a farm's direct payment is reduced by 20 percent and the marketing assistance loan rates are reduced by 30 percent.

2011 ACREAGE REPORTS

Producers must report acreages by applicable deadlines to maintain eligibility for most FSA programs. All cropland on the farm must be certified on FSA-578 to remain eligible. All farmland, including hay and grazing land must be certified to remain eligible for disaster programs.

FOREIGN LANDOWNERS

Foreign investors who buy, sell or hold a direct or indirect interest in agricultural lands in the U.S. are required under the Agricultural Foreign Investment Disclosure Act to report their holdings and transactions to the U.S. Secretary of Agriculture through the Farm Service Agency. Transactions must be reported within 90 days of the date of the sale. Failure to file an accurate or timely report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land.

2009 Supplemental Revenue Assistance Payments (SURE)

Signup began on Jan. 10, 2011 for losses incurred during the 2009 crop year. SURE is one of five disaster programs included in the Food, Conservation, and Energy Act of 2008 that provides assistance to farmers and ranchers who have suffered losses due to natural disasters.

To be eligible for SURE a farm must have: 1) Been physically located in a county that was declared a primary disaster county or contiguous county by the Agriculture Secretary under a Secretarial Disaster Designation (*Republic Co. does not fall into this category*) and have at least a 10 percent production loss on a crop of economic significance; 2) A policy or plan of insurance under the Federal Crop Insurance Act or the Noninsured Crop Disaster Assistance Program (NAP) for all economically significant crops; 3) Without a Secretarial Disaster Designation (*Republic Co. in 2009*), individual producers may be eligible 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 the SURE Program, the "farm" definition is all crops a producer have an interest.

Farm Storage Facility Loans

Now is the time for producers to apply for a Farm Storage Facility Loan if you would like to use the storage structure for wheat harvest this summer. These 7, 10 or 12 year loans for up to \$500,000 are available for 85% of the cost of eligible structures and equipment. For loans or aggregate outstanding loan balances exceeding \$50,000 the loan(s) will be secured with a real estate mortgage. Grain bins with eligible equipment and barns for the purpose of hay storage are eligible for loan. There is a \$100 application fee to begin the application process. Contact the FSA if you are interested in additional information about any of the details of the Farm Storage Facility Loan Program.

Payment Eligibility Requirements

Program payments that require eligibility determinations prior to payment include the Direct and Counter Cyclical Program, Conservation Reserve Program, Loan Deficiency Payments, Marketing Loan Gains, Milk Income Loss Contract (MILC) Program, and Disaster Assistance Programs. Certain eligibility requirements apply to some programs and not others.

No program benefits can be afforded any producer until form CCC-902, Farm Operating Plan for Payment Eligibility Review and supporting documentation have been provided and County Committee determinations made. The Farm Operating Plan does not need to be filed annually. However, producers are required to notify the County Office of any changes in the farming operation which would affect an actively engaged in farming, cash-rent tenant, or foreign person determination. Changes that may affect a determination include, but are not limited to the following:

- Contract shares that may reflect a change of land leased from cash rent to share rent or a change from share rent to cash rent, modification of a variable/fixed bushel rent arrangement.
- The size of a producer's farming operation by the addition or deletion of a farm that may affect the application of a cropland factor.
- The structure of a farming operation, including any change in the member's share.
- Contributions of farm inputs of capital, equipment, active personal labor, or active personal management.
- The acquisition of farming interests not previously disclosed on CCC-902 or update, including the farming interests of a spouse or minor child.
- An increase in income that may affect the 3-year average for the determination of average adjusted gross income or other change that affects eligibility under the average adjusted income limitation.

By statute, entities earning program benefits subject to a payment limitation must provide to the county committee the names, addresses, and ID numbers of the entities' members. Signature authority is required for all entities.

Form AD-1026, Highly Erodible Land Conservation (HELCS) and Wetland Certification (WC), must also be on file and a County Committee determination made prior to receiving benefits for most programs.

AVERAGE ADJUSTED GROSS INCOME

Producers must complete an Average Adjusted Gross Income Form CCC-926 **annually**. This form must be filed by all individuals, entities, & each member of an entity before receiving a direct or indirect payment. The AGI limits for 2011 (based on '07, '08, & '09 average income) are as follows:

- Those with more than \$500,000 in average adjusted NON-FARM INCOME will be ineligible for DCP & ACRE payments, LDP's, Marketing Loan Gains, & NAP.
- Those with more than \$750,000 average adjusted gross FARM INCOME will be ineligible for DCP Direct payments.
- Those with more than \$1,000,000 in adjusted gross NON-FARM INCOME are ineligible for conservation program payments *unless* more than 66.6% of their income comes from farming or ag-related activities.

Each applicant that completed a CCC-926 must also complete a CCC-927 (for individuals) or CCC-928 (for entities) authorizing the IRS to verify AGI amounts. IRS will notify FSA of producers exceeding income limits. Failure or refusal to complete this task will result in automatic disqualification for the applicable USDA benefits.

All payment limitations and eligibility determinations, as well as AGI certifications, are subject to spot check.

Noncompliance with the adjusted gross income provisions, either by exceeding the applicable limits or by failure to submit the applicable certification statement, will result in the determination of ineligibility for all program benefits subject to the adjusted gross income provisions. Program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible individual or entity in any entity, general partnership, or joint operation that receives benefits subject to the average adjusted gross income limitation.

Loan Program for Conservation Practices

The Conservation Loan (CL) program provides access to loan funds for implementing conservation practices that will conserve natural resources.

CL funds can be used to implement conservation practices approved by NRCS, such as installation of conservation structures, installation of water conservation measures, establishment or improvement of pastures, implementation of manure management, and the adaption or other emerging or existing conservation practices, techniques, or technologies. For more information, contact the FSA office or your Farm Loan team in Smith Center, 785-282-3832.

2010-Crop Loan Deadlines

Low interest commodity loans are available for farm-stored or warehouse-stored grain for up to nine months following the month of loan approval. The following deadlines apply for commodity loans: MARCH 31: Wheat, Oats, and Barley. MAY 31: Corn, Milo, Soybeans, and Sunflowers.

Conservation Compliance

If you are considering removing any trees or clearing out any drains, you need to check with NRCS before starting. This also applies to breaking out any land to bring into agricultural production. Highly erodible and/or wetland determinations need to be made to maintain eligibility for Farm Program Payments. Maintenance of existing conservation structures is also required.

Dates to Remember	
Jan. 10	2009 SURE Signup starts
Feb. 21	Service Center Closed - Holiday
Mar. 15	NAP Sales Closing Date for fruit & vegetables
Mar. 15	Feed Grain Crop Ins. Sales closing Date
Mar. 31	Final Date for 2010 Wheat Grain Loan
May 31	Final Date for 2010 Feed Grain Loan
June 1	DCP/ACRE Signup deadline
June 1	2011 Wheat reporting deadline