Hancock FSA News

July 2009

FARM SERVICE AGENCY

Hancock County USDA Service Center

Hancock County FSA
7868 County Rd. 140
Findlay, Ohio 45840
419-422-5438 (phone)
419-422-5105 (fax)
www.fsa.usda.gov/oh

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

County Committee
Richard Colman
Richard Cupples
Michael Conley
Karen Conine (Advisor)

Co. Committee meets 2nd Wednesday of each month @ 9:00 a.m.

Staff
Sue Doolittle
Sue Stahl
Casey Gunder
Diane Parke
Janis Wittenmyer
John Deeds, Field
Amber Johns, Temp
Steve Inbody

USDA

FSA COC Nomination Deadline

County committees play a crucial role in helping the county office staff implement the Farm Bill. Due to the important services that COC members provide, producers are encouraged to participate in the FSA county committee election process by nominating an eligible candidate by the August 3, 2009 deadline.

To become a nominee, eligible individuals must sign form FSA-669A. The nomination form for County FSA Committee Election (FSA-669A) is available at your local FSA office. You may also go on-line and download the form from our Ohio FSA website at: www.fsa.usda.gov/oh. The document is located under the "I Want To" section on the right side of the screen. Or visit the County Committee Elections website to learn more about the County Committee Election process and read over the fact sheets at: http://www.fsa.usda.gov/elections. Nomination forms for the 2009 election must be postmarked or received in the local USDA Service Center by close of business **on August 3, 2009.**

FSA county committee members make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. Members serve three-year terms. Nationwide, there are more than 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to five members who are elected by eligible local producers. FSA will mail ballots to producers beginning November 6, 2009. The voted ballots are due back at the local county office either via mail or in person by December 7, 2009.

DCP Sign-up Deadline

The sign-up deadline for the 2009 Direct and Counter-cyclical Payment (DCP) Program is **August 14, 2009**. FSA will not accept any late-filed applications.

FSA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

Producers can also use the electronic DCP (eDCP) service, which will save you time, reduce paperwork and speed up contract processing at FSA offices. It is available to anyone eligible to participate in the DCP Program. To access this online service, you must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at: http://www.eauth.egov.usda.gov followed by a visit to the local USDA Service Center for identity verification.

Producers that have completed these steps and have an active USDA eAuthentication Level 2 account can access the eDCP service online at: http://www.fsa.usda.gov/dcp and then click on the link "Access eDCP/eACRE Online Services" which is located under the "I Want to…" section. Lastly, click on the "Access eDCP/ACRE Service" link.

ACRE Sign-up Deadline

The ACRE program is a new option for farmers who may have previously participated in FSA's Direct and Counter-Cyclical Program (DCP). The ACRE program is an alternative to the counter-cyclical program. ACRE payments are based on what the producer actually plants, with payments calculated using recent market prices. ACRE payments are triggered when the farm revenue and state revenue - price multiplied by yield - fall below a calculated guarantee for a crop.

Congress created ACRE in the 2008 Farm Bill to give landowners and operators an additional option to help manage the risks associated with farming. "The ACRE Program is an innovative risk management tool and I encourage producers to seriously consider whether to adopt this option," stated Steve Inbody, Hancock County Executive Director for the FSA.

Ohio has developed an ACRE Calculator for farmers who still have questions about ACRE. "I encourage all landowners and operators in Hancock County to visit the FSA office and set down with our staff and use the ACRE Calculator," stated Inbody. The calculator is a practical user-friendly tool that will help landowners and operators better understand the potential impact of ACRE participation on their farming operation. Remember the deadline for producers to sign-up **is Aug. 14, 2009**, so don't wait until the last minute, stop by our office today.

New Crop Certification Deadline

For 2009, the final crop reporting dates have been **extended to August 14, 2009**. Late fees will not be applied if acreage reports are filed by August 14 and all other reporting requirements are met.

Filing an accurate and timely report for all crops and land uses, including prevented planted and failed acreage can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, marketing assistance loans and Loan Deficiency Payments.

Report of acreage must account for all cropland on a farm, whether idle or planted.

CRP & NAP Certification
Conservation Reserve Program acreage must be reported to receive annual rental payments. And, crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported.

Farm Reconstitutions

In FSA program terminology, farms are constituted to group all tracts having the same owner and the same operator under one farm serial number. When changes in 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.
The following are the different methods used when doing a farm recon:

- **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.

Remember, to be effective for the current year, recons must be requested **by August 1** for farms enrolled in specific programs.

Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is $5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien;
- Be 10 years to 20 years of age;
- Live in a rural area or in a town of 50,000 people or fewer;
- Must obtain a written recommendation and consent from a parent or guardian if the applicant has not reached the age of majority under state law;
- Comply with FSA's general eligibility requirements;
- Be unable to get a loan from other sources;
- Conduct a modest income-producing project in a supervised program of work as outlined above;
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

To find out more about the FSA Rural Youth loan program, contact your local FSA county office to setup an appointment with a Loan Approval Official.

Selected Interest Rates for July 2009	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	2.500%
Farm Ownership Loans — Direct	4.625%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans	3.250%
Sugar Storage Facility Loans	4.500%
Commodity Loans 1996-Present	1.500%

Maintaining Stored Grain Quality

With the summer heat, producers are reminded to keep an eye on the condition and quality of the stored grain. Remember to contact your local FSA office if you notice changes in the condition and quality of the stored grain.

New CRP Wetland Practice - CP39 "Constructed Wetland" No Cropping History Required!

Nutrient and sediment loading from agricultural runoff has created a 10,000 square mile Hypoxic Zone (Dead Zone) in the Gulf of Mexico. In the Hypoxic Zone, there is a 50% concentration of nitrogen in the water. The presence of nitrogen allows for little to no oxygen absorption, which means no aquatic life can survive. You can help to reduce nutrient and sediment loading by enrolling in the Conservation Reserve Program (CRP) under practice CP39 (Constructed Wetlands). For every acre of CP39 constructed, 100 to 200 acres of field runoff can be treated, making this the most cost effective method of treatment available. CP39 also provides essential wildlife habitat and flood protection. Unlike all other CRP practices, there is **no cropping history requirement** for land enrolled under CP39.

Practice CP39 consists of a constructed wetland, accompanied by a required buffer. The maximum size of just the wetland area(s) cannot exceed 40 acres per tract. The associated buffer may be as small as two times the acreage of the wetland or as large as four times the acreage of the wetland. The combined total acreage of the CP39 and associated buffer may exceed 40 acres per tract. At least 25% of the upstream watershed must consist of row crop agriculture drained land to qualify for CP39 enrollment.

Authorized payments include:

- Cost share to construct the CP39, and seed and fertilize the associated buffer (approximately 50% of establishment cost);
- Practice Incentive Payment (PIP) to help cover construction costs, (approximately 40% of establishment cost);
- $100 per acre Signing Incentive Payment (SIP); and
- Annual rental payment + 20% incentive for the life of the contract (10-15 years) for the CP39 and buffer acreage (CP28) enrolled.

Steps for installing a CP39 and buffer under CRP include:

1. Landowner signs up at local FSA office. Landowner must submit a copy of the land deed to FSA and complete other forms to determine program eligibility.
2. FSA and NRCS will determine eligibility and suitability of the offered land in coordination with US Fish and Wildlife Service and Army Corp of Engineers.
3. An approved conservation plan will be developed by NRCS. Once the conservation plan is completed, construction of the CP39 and buffer may begin.
4. The wetland and buffer must be completed within 24 months of contract approval.

2010 Nursery Crop Year and Application Closing Date

FSA's Noninsured Crop Disaster Assistance Program (NAP) application closing date for 2010 nursery is **September 1, 2009**. When low yields, loss of inventory or prevented planting occurs due to natural disaster, NAP can provide financial assistance.

The NAP coverage period and NAP year for 2010 nursery crops has been changed to June 1, 2009, through May 31, 2010. However, the 2010 NAP coverage will be retroactive to June 1, 2009. For those producers who obtained 2009 NAP coverage for nursery, and choose not to obtain 2010 continuous coverage, the 2009 NAP coverage for nursery will continue until September 30, 2009.

NAP coverage may be continued for each subsequent year for the same crop or crops, if the producer pays the applicable service fee by the next year's application closing date. To apply for continuous coverage, producers must pay the applicable service fee before the application closing date.

Producers considered as limited resource are not subject to annual fees. Eligible producers must apply for coverage of noninsurable crops and pay the applicable service fees at their local FSA office. The service fee is $250 per crop with a maximum of $750 per producer per administrative county, not to exceed a total of $1,875 per producer with farming interests in multiple counties.

Contact your local office for more information or read the NAP factsheet at:
http://www.fsa.usda.gov/Internet/FSA_File/nap09.pdf .

Hancock Co. FSA Office
7868 County Road 140
Findlay, Ohio 45840

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May MILC Payments on Their Way to Dairy Farmers

MILC payments continue to be distributed to dairy producers, due to the continued low dairy prices. Producers participating in USDA's Milk Income Loss Contract (MILC) program will receive payments for the month of May. USDA makes MILC payments on a monthly basis when the Boston Class I milk price falls below $16.94 per hundredweight as adjusted for feed costs. USDA determines the per hundredweight payment rate for the applicable month by subtracting the Boston Class I price for that month from the $16.94 MILC payment trigger price, established in the 2008 Farm Bill, as adjusted for feed costs, and multiplying the difference by 45 percent. The monthly Boston Class I price along with final MILC payment rates are posted online at: http://www.fsa.usda.gov/FSA.

The MILC payment trigger price of $16.94 is adjusted upward when the National Average Dairy Feed Ration Cost for a month is greater than $7.35 per cwt. USDA's National Agricultural Statistics Service recently released the data for determining the Average Dairy Feed Ration Cost for the month of May on June 29, 2009. Using this information and the formula contained in the 2008 Act, the MILC payment trigger for the month of May has been adjusted to $17.48, for a final MILC payment rate of $ 1.46725.

For more information about the MILC program, please visit your local FSA office or go online to: http://www.fsa.usda.gov/FSA.

Dates to Remember	
Aug. 1	**Final date** to request farm reconstitution for current fiscal year.
Aug. 3	**Last day** to file County Committee Nomination forms.
Aug. 14	**Sign-up Deadline** for DCP and ACRE Programs.
Aug. 14	**Final certification date** for all crops. Late fees will be assessed after Aug. 14.
Continues	Farm Storage Facility Loan Program.
Continues	Continuous Conservation Reserve program.

Visit our website at: www.fsa.usda.gov/oh

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