



## FSA UPDATES

# Addison Agriculture



**Addison County FSA**  
68 Catamount Park  
Middlebury, VT 05753

Phone: (802) 388-6748  
1-888-408-3783

Fax: (802) 388-3709  
[www.fsa.usda.gov](http://www.fsa.usda.gov)

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

**County Committee**  
Phyllis Bowdish  
Thomas Audet  
Eric Clifford  
COC meets 2<sup>nd</sup> Tuesday  
of each month

**County Executive Director**  
Craig Miner (EXT15)  
[Craig.Minor@vt.usda.gov](mailto:Craig.Minor@vt.usda.gov)

**Program Staff**  
Lisa Gaboriault, PT (X11)  
Billie Jo Forgues, PT (X10)

**Farm Loan Manager**  
Gary Braman, FLM (x18)  
[Gary.Braman@vt.usda.gov](mailto:Gary.Braman@vt.usda.gov)

**Farm Loan Staff**  
David Girard, FLO (x20)  
Jill Thomas, FLO (x17)  
Mari Quesnel, PT (x28)  
Kevin Blier, FLOT (x12)

### DCP Signup Continues

Signup for the 2010 Direct and Counter-cyclical Payment (DCP) Program continues until June 1, 2010. FSA will not accept 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 2010, 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.

The electronic DCP (or eDCP) service will save you time, reduce paperwork and speed up contract processing.

### SURE

Currently applications for the Supplemental Revenue Assistance Program (SURE) are being taken for the 2008 Crop Year. SURE provides benefits for farm revenue losses due to natural disaster that were incurred starting in the crop year 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops of economic significance in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition
- the crop of economic significance must be a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm
- the farm experiencing the loss must be in a county declared a disaster county by the Secretary of Agriculture, or in contiguous counties. Those who show proof of an individual loss of at least 50% are also eligible to receive SURE payments for production losses or crop quality losses.

Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

A SURE calculator is available at: [http://www.fsa.usda.gov/Internet/FSA\\_File/sure\\_calculator\\_2008.xls](http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls). The calculator is not official, but is intended for educational use. A fact sheet and Q & A are also available online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

### Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the tax

review process. No actual tax data will be included in the report that IRS sends to FSA.

The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at:

<http://forms.sc.egov.usda.gov/eforms/mainservlet>.

### NAP Production Reporting

Producers enrolled in the Non-insured Assistance Program (NAP) **are required to provide production records for individual crops each year to establish an approved NAP yield.** We have missed establishing these yields in Addison County in the last couple years for producers with HAY NAP coverage and on a one time basis are now encouraging producers to provide 2008 and 2009 production data to this office. Records submitted must be reliable and verifiable. Records need to show crop disposition. It is recommended producers submit production records as soon as possible after harvest. All production records must be submitted by the subsequent crop year's final acreage reporting date.

### NAP Coverage Deadline

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance.

The application deadline for the 2010 coverage on **soybeans and vegetable crops is March 15, 2010.** In order to be eligible for disaster assistance programs, including Supplemental Revenue Assistance Payments Program (SURE), producers are required to timely purchase, at a minimum, CAT coverage for all insurable crops and/or NAP coverage for all non-insurable crops on their entire farm.

NAP coverage for 2010 costs \$250 per crop, but not more than \$750 per producer per county. These fees may be waived if you qualify as a Limited Resource Producer.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

## **ACRE**

The 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. The June 1, 2010, signup deadline applies to all participants. FSA will not accept any late-filed applications.

A 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. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3% (85% in 2012) 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. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. Participants in ACRE will forego counter-cyclical payments. Also a farm's direct payment is reduced by 20% and marketing assistance loan rates are reduced by 30%.

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.

## **ARC Loan Program**

Section 506 of the Recovery Act authorized the Small Business Administration (SBA) to help viable small businesses make payments on existing debt. The ARC loan program is designed to give viable small businesses facing immediate financial hardship some temporary financial relief so that they can keep operating and get their cash flow back on track. The SBA is now reaching out to farmers in Vermont with this loan program which is available until September 30, 2010, or until the appropriate funds run out, whichever comes first.

- An ARC loan is up to \$35,000
- ARC loans will be disbursed during the first six months followed by a 12 month period of no repayment by the borrower, followed by a repayment period of five (5) years
- 100% guaranteed backed by the SBA
- Proceeds may be used to repay mortgages, secured and unsecured loans, lines of credit, credit cards and other accounts payables
- No collateral required

This is another source of credit for borrowers, farmers that may be near the FSA limits.

Further information can be found at <http://www.sba.gov/recovery>.  
reached at 1-802-828-4422.

The local SBA office in Montpelier can be