



July 2008

Orleans County News

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

County Committee
Scott Birch, Chair
Brad Maxwell, Vice Chair
Doug Lawson, Voting Member
Donna Hammond, Minority Advisor

COC meets 2nd Wednesday of each month.

NRCS District
Stephanie Sever, Dist Mgr X18
Dee Nault
Paul Daniels, Chair
Bill Lawson, Vice Chair
Richard Delfavero, Treasurer
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William Ryan
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Brock Columbia, PT X26



Farm Storage Facility Loans

Low cost loans for storage facilities are available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, rice, soybeans and corn.

The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. Eligible facilities include new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures. All Farm Storage Facility Loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A down payment is also required, so for more info call your FSA office.

Livestock Compensation Program (LCP)

Sign-up continues for the Livestock Compensation Program (LCP). Program sign-up deadline date is July 18, 2008. The LCP program covers pasture loss and additional feed costs for crop year 2006. Additional feed (forages, additives, concentrates, extenders) must have been purchased and PAID FOR between May 15, 2006 and May 14, 2007 to be eligible. Call the office for more details.

Sign Up Underway for the 2008 DCP

Producers have until September 30, 2008 to sign up for the 2008 Direct and Counter-cyclical Payment Program (DCP). Producers can fill out their 2008 DCP contract at any USDA Service Center or Farm Service Agency County Office. Sign-up can also be completed online by going to <http://www.fsa.usda.gov/FSA/edcp> and clicking on "Access eDCP Service." You can choose payment options, assign crop shares and sign and submit contracts from any computer with Internet access. You can also view and print submitted contract options.

FSA computes DCP 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 2008, eligible producers may request to receive an advance payment of 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments as soon as practical after enrollment. Final direct payments will be issued after Oct. 1, 2008. Counter-cyclical payments vary depending on market prices, and are issued only when the effective price for a commodity is below its target price (which takes into account the direct payment rate, market price and loan rate).

For all eligibility requirements or additional information, contact your local office.

FSA Farm Loans

The new Farm Bill provides increased limits on loans through FSA's Farm Loan Program. The maximum loan amount authorized for direct Farm Ownership (FO) loans and direct Operating Loans (OL) has been increased from \$200,000 to \$300,000.

In the FO program, the maximum loan term for the revised down payment program has been extended from 15 years to 20 years. Changes in the Down Payment Program mean the required down payment amount has been reduced from 10 percent to 5 percent and interest rates have been reduced to as low as 1.5% depending on the present FO interest rate. This program allows the agency to loan up to 45% of the purchase price with another lender providing 50% of the financing and the applicant contributing 5%.

FSA makes both direct and guaranteed farm ownership and operating loans to family-size farmers and ranchers who cannot obtain commercial credit from a bank, Farm Credit System institution or other lender. FSA loans can be used to purchase land, livestock, equipment, feed, seed and supplies. The loans can also be used to construct buildings or make farm improvements. If you're having trouble getting commercial credit, check with your county office staff about a FSA loan.

Farm Reconstitutions

In Farm Service Agency terms, 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. To be effective for the current year, recons must be requested by **August 1** for farms enrolled in the Direct and Counter-cyclical Payment Program. If 2008 DCP direct payments have already been issued on the farm, the reconstitution will be effective for 2009 unless the payments are refunded.

Successor In Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

Beginning and Limited Resource Farmers & Ranchers

FSA has funding 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 than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- 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.

Loan approval is not guaranteed.

Additional program information, loan applications, and other materials are available at your local USDA Service Center.

FSA COC Nomination Deadline

County committees play a crucial role in helping county office staff implement the 2008 Farm Bill. Due to the importance of county committee members and their roles, producers are encouraged to participate in the 2008 FSA county committee election process by nominating an eligible candidate by the August 1 deadline.

To become a nominee, eligible individuals must sign form FSA-669A. The form and other valuable information about FSA county committee elections are available online at: <http://www.fsa.usda.gov>; click on News & Events, then County Committee Elections. Nomination forms for the 2008 election must be postmarked or received in the local USDA Service Center by close of business on August 1, 2008.

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 Nov. 3. The voted ballots are due back at the local county office either via mail or in person by December 1, 2008. Newly elected committee members and alternates take office January 1, 2009.

Working with Woodland Owners

The Farm bill of 2008, which was passed in late May, has much to offer the woodland landowner. There is technical and financial assistance available through the Natural Resources Conservation Service (NRCS) to improve your forest lands. NRCS works to help the landowner meet their management objectives while addressing the resource concerns on their property. There is opportunity for financial assistance through NRCS to implement various conservation practices that will improve your forest's wildlife habitat, water quality, forest health, etc.

Two of the most applicable conservation programs for woodland owners within the farm bill are the Wildlife Habitat Incentives Program (commonly known as WHIP) and the Environmental Quality Incentives Program (or EQIP). While both programs have been around for years, there are some changes that will be of interest to landowners in Vermont. The biggest changes to the EQIP program in the new farm bill are that 'forest management' has been added specifically as a purpose and cost sharing for forest stewardship plans is now authorized. For WHIP, one of the big changes is in the land that is eligible for the program. In the past farm bill, municipal and state lands were eligible on a limited basis but now, private agricultural land, non-industrial private forest land and tribal lands will be the only lands eligible for the program.

To get additional information you can contact your local NRCS office. The timeline for application for 2009 funding has not been set but may be as early as September 1st.

NRCS website – <http://www.vt.nrcs.usda.gov/>

RETURN SERVICE REQUESTED



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Rural Youth Loans

The U.S. Department of Agriculture's Farm Service Agency (FSA) makes operating loans to individual rural youths age 10 through 20 to establish and operate income producing projects. These projects must be of modest size and be initiated, developed and carried out by rural youths participating in 4-H Clubs, FFA, or a similar organization or with a vocational teacher or county extension agent. The project must be an organized and supervised program of work. It must be planned and operated with the assistance of the organization advisor, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience. Contact your local FSA office for more details.

Conservation Compliance

All participants in USDA programs are required to have a conservation system in place on all the highly erodible land (HEL) that they operate. Several areas where problems can arise with complying with a conservation system are; renting new cropland, purchasing new land, breaking out additional cropland, planting different crops such as soybeans, and changing or removing existing conservation practices.

It is very important that you contact the FSA office before doing any of the above. Also, it is very important that you contact our office before modifying - tiling, draining, dredging, filling, or leveling - any wetland or drainage ditch. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and eligibility.

Sodbuster Regulations

The term "sodbusting" is used to identify the plowing up of erosion-prone grasslands for use as cropland. Sodbuster violations are unauthorized tillage practices on highly erodible lands that converted native vegetation such as rangeland or woodland, to crop production after Dec. 23, 1985.

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in Farm Service Agency programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If Natural Resources Conservation Service indicates an area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage, before bringing land into production.

In addition, producers and the producer's affiliates have to file an AD-1026 with the staff in the administrative or control county office before any farm program payments can be made. The AD-1026 is the producer's signed certification that HELC, as well as wetland conservation, provisions will not be violated.

Conservation District and NRCS -- Orleans County in Transition

The Orleans County Natural Resources Conservation District regrets that Karen O'Donnell, of Westfield has resigned after 8 years of service. Karen was a fabulous asset to the agricultural and conservation community. During her time with the District, she coordinated the annual Conservation Field Days, which brought hundreds of elementary school children out to local farms to learn about agriculture and conservation. She also successfully executed the District's annual tree sale each year. Most recently, Karen coordinated a large Conservation Reserve Enhancement Program (CREP) project, planting over 4500 trees with a landowner in the Missisquoi basin. Karen's farm and busy family will benefit from this change, but her presence will be missed at the Conservation District.

Stephanie Sever has been hired to be the new District Manager for the Orleans County Conservation District. She comes to OCNRC from Montana, where her work focused on rangeland and watershed management and grazing system design. Most recently, Stephanie wrapped up a 4-year research project that synthesized the past 20 years of grazing literature, in North America, into a searchable electronic database. She was originally drawn to the Northeast Kingdom because of its beauty and outdoor recreation and she is excited to have a job that plays an integral role in the future of the area's natural resources. In addition to continuing Karen's outstanding work of providing public education, Stephanie is looking forward to working with local farmers, landowners, municipalities and other organizations in conservation efforts that will ensure the long-term viability of Orleans County natural resources and agriculture heritage.

Marybeth Witten has been working out of the Orleans County NRCD for the past 3.5 years as the Land Treatment Planner for Orleans and Lamoille Counties. She worked successfully with the farmers in the area, writing 45 Land Treatment Plans and 7 Nutrient Management Plans. Recently, Marybeth accepted a Soil Conservationist position with the NRCS, where she will continue her work with local farmers promoting and implementing Farm Bill programs, such as EQIP and WHIP. Although her job has changed, Marybeth's office location remains in Newport and she continues to be a wonderful source of information for the District.

Welcome to OCNRC's newest board member, Bill Lawson! Bill filled the vacancy left by Betsy Inkel, who retired after 13 years of service to the OCNRC. Bill was on the FSA board for 10 years before being elected to the District board this past March. In addition to being partially retired, Bill owns and operates a dairy farm on the Black River, in Irasburg.

Quality Loss Crop Disaster Signup

Signup for quality losses under the Crop Disaster Program (CDP) began on June 23, 2008. Producers can apply for crop quality losses at their local Farm Service Agency (FSA) office.

The CDP provides benefits to farmers who suffered losses to their 2005-2007 crops from natural disasters and related conditions. Producers who incurred qualifying quantity or quality losses in 2005, 2006 or 2007 may receive benefits for only one of these years. However, producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year.

Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits. Producers must have suffered quality losses of at least 25 percent to be eligible for CDP Quality Loss. The payment rate is set at 65 percent of the amount of the affected crop multiplied by 42 percent of the per-unit average market value in the year in which the loss occurred. Producers may receive assistance for both quantity and quality losses. However, the total quantity and quality assistance, together with any crop insurance or NAP payment received for the same crop and the value of the crop production not lost, must not exceed 95 percent of the total value of the crop absent the disaster.

As we learn more about the program parameters and what documentation is required, we will be better able to convey to you what you will need to provide.