

July 2008



Windsor/Orange County News

Windsor/Orange County
USDA Service Center

Windsor/Orange County
FSA
28 Farmvu Drive
White River Jct., VT 05001
802-295-7942 (phone)
1-800-789-6713
8002-296-3654 (fax)
www.fsa.usda.gov/**

Hours

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

County Committee

Richard Moore, Chair
Paul Doton, Vice-Chair
Agnes Spaulding, Member
Robert Vaughan, Member
Sandra Whitney, Member

County Committee meets
3rd Wednesday of the
month

Staff

Christine Lary, CED
Eric Winchester, PT

George Button Jr., FLM

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 addition information, contact your local office.

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. Pro-

ducers 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.

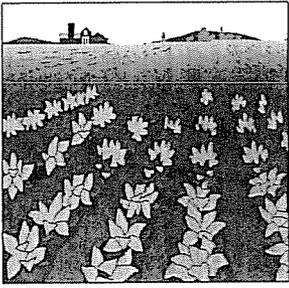
FSA COC Nomination Deadline

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.

New Crop Certification Deadline

For 2008, the final crop reporting dates are being extended to August 15, 2008. Late fees will not be applied if acreage reports are filed by August 15 and all other reporting requirements.

Filing an accurate and timely report for all crops and land uses, including 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.

Prevented Planting and/or Failed Acreage:

For 2008, County Committee may accept reports for prevented planting and/or failed acreage, if timely filed by August 15. Farm visits will not be required if claims can be verified, and all other requirements are met.

FSA Farm Loans

The Food, Conservation, and Energy Act of 2008 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.

The maximum loan term has been extended from 15 years to 20 years, and the required down payment amount has been reduced from 10 percent to 5 percent.

FSA makes both direct and guaranteed farm ownership and operating loans to family-size farms which 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 an FSA loan.

Compliance Process

Compliance spot checks will be conducted on 2008 crops. However, instead of locally selecting farms, contracts, deficiency loans, etc. for review, a nationwide selection of producers is employed as the current sampling method. Spot check selections are to be conducted based on a producer's participation in Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc.

For more information about the spot check selection procedure, feel free to contact your local Farm Service Agency office for additional clarification.

Farm Reconstitutions

By Farm Service Agency rules, 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.

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. You may also visit www.fsa.usda.gov

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 which were converted from native vegetation such as rangeland or woodland to crop production after Dec. 23, 1985.

Farmers 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 is 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 local FSA 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.

Haying, Grazing CRP Acres

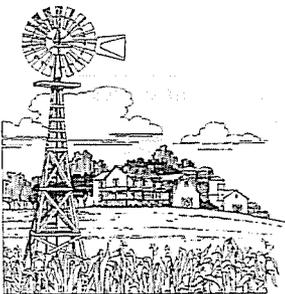
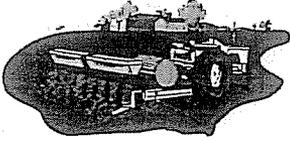
FSA has authorized certain acreage enrolled under the Conservation Reserve Program (CRP) to be available for hay and forage after the primary nesting season ends for grass-nesting birds. CRP haying and grazing will provide much needed feed and forage while maintaining the conservation benefits from the nation's premier conservation program.

Eligible land may not be hayed or grazed until after the end of the primary nesting season. Also, some of the eligible land or forage of the land must be reserved for wildlife and any land that is used under this authority must have a conservation plan. In many instances, the removal of some of the grass cover will increase the diversity of the stand and provide long-term benefits for wildlife. Further, the most environmentally-sensitive land enrolled in CRP will not be eligible. The land will be subject to a site inspection to ensure compliance with the conservation plan. No rental payment reduction will be assessed on contracts being utilized for this critical use. However, a \$75 fee will be charged to process the required contract modification.

Signup for interested CRP participants has been ongoing since June 2, 2008, at local FSA offices. This modification for critical feed use is only for 2008. All forage use must be completed no later than November 10, 2008.

Beginning and Limited Resource Farmers

FSA assists beginning farmers and/or members of socially disadvantaged groups to finance agricultural enterprises. Under these



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 FSA Office
 28 Farmvu Drive
 White River Jct., VT 05001



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Selected Interest Rates for June 2008	
Farm Operating - Direct	3.625%
Farm Ownership - Direct	5.0%
Limited Resource - Farm Operating	5.0%
Limited Resource - Farm Ownership	5.0%
Farm Ownership - Direct Down Payment	1.5%
Emergency	3.75%
Farm Storage Facility	3.625%

Dates to Remember	
7-4	4 th of July – Office Closed
8-1	County Committee nomination deadline
Continues	Continuous Conservation Reserve program

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