



DECEMBER 2009

CROOK COUNTY FSA NEWS



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

2010 DCP SIGNUP CONTINUES

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through **June 1, 2010**. USDA 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, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment beginning Dec. 1, 2009. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the covered commodity.

ACRE: The Average Crop Revenue Election 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. 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 percent (85 percent 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 farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

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. The June 1, 2010, deadline is mandatory for all participants. Late-filed ACRE applications will not be accepted.

SURE PROGRAM

The 2008 Farm Bill amended the Trade Act of 1974 to create the Supplemental Revenue Assistance Payments Program (SURE). SURE provides benefits for farm revenue losses due to natural disaster that occurred in the crop years 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all "insurable" crops in all counties and purchase a NAP policy for "non-insurable" crops in all counties; exception: crops intended to be grazed. However, crop insurance or NAP coverage is not required for crops that are not of economic significance.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from this 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. (A crop of economic significance is 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.)

- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of a loss of at least 50% for the farm are eligible to receive SURE payments for crop production or crop quality losses. Losses are measured based on 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.

BIOMASS CROP ASSISTANCE

FSA is still accepting applications for certification from biomass facilities interested in participating in the Biomass Crop Assistance Program (BCAP). Currently, there is one facility, Western Biomass Energy, LLC in Upton, Wyoming, that has been approved as a “biomass” facility.

BCAP provides financial assistance for producers or collectors who own and deliver eligible biomass material to certified biomass conversion facilities for use as heat, power, bio-based products or bio-fuels.

Producers or collectors who deliver and sell these materials to qualified biomass conversion facilities can apply for matching payments under the collection, harvest, storage and transportation (CHST) component of BCAP. Matching payment can not exceed \$45 per dry ton. Biomass material collectors are eligible to receive payments for two years.

Eligible material owners or producers, who market eligible material to a qualified biomass conversion facility, should contact their FSA county office regarding application. Note that some areas may announce sign-up periods.

An application must be submitted before the eligible material is sold and delivered to a qualified biomass conversion facility. Once an agreement is signed between FSA and a conversion facility, the facilities can begin accepting materials. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office and information provided under the terms of MOUs with the qualified biomass conversion facilities.

IRS FORM 1099-G – NEW PROCEDURES

Producers annually receive CCC-1099-Gs detailing payments producers have received from FSA. This year, the 2009 Advance payments producers received from the Direct and Counter-Cyclical Payment (DCP) Program were processed as overpayments and offset from the 2009 Final payments. The 2009 Advance payments will not be reflected on the CCC-1099Gs producers receive. The CCC-1099Gs will reflect only the 2009 DCP direct entitlement.

Producers who have repaid a market gain on a Commodity Credit Corporation (CCC) loan with cash or commodity certificates in exchange for outstanding loan collateral will have their market gains reported to the IRS on Form 1099-G. FSA is required to report to the IRS all market gains associated with repayment of a CCC loan. A market gain is the difference between the repayment rate, determined by the CCC, and the original loan rate. If the repayment rate drops below the original loan rate then the difference is considered a market gain. Producers will receive, by mail, the amount reported by FSA to the IRS on Form 1099-G.

COMMODITY LOANS

Commodity loans, also referred to as Marketing Assistance Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss or damage to the commodity, and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements, beneficial interest requirements, reporting how you use cropland acreage on the farm and ensuring that the commodity meets CCC minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical Program to be eligible for commodity loans. Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

MAINTAINING LOANED GRAIN QUALITY: This year’s large grain crop has its obvious up side, but there is a

downside too. Many producers are hard pressed to find adequate storage for every bushel harvested. Over-filled grain storage bins can lead to grain quality problems.

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, air-flow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

LDP DEADLINE ON UNSHORN PELTS

Eligible producers have until **Jan. 29, 2010**, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2009 crop year. Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have interest in.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

ELAP – LIVESTOCK, HONEY BEES & FARM RAISED FISH

Producers of livestock, honey bees and farm-raised fish can now apply for benefits under the Emergency Livestock Assistance Program (ELAP.) ELAP is designed to cover livestock feed losses (purchased and grown feed) that are not covered by LIP, LFP or SURE. Also covered are grazing losses to causes (events) that are typically not eligible under the NAP program. Losses can be due to disease, adverse weather, insects and wildfires. Losses from January 1 to September 10 had to be filed by December 10th and an application for payment must be filed by January 29, 2010. Losses from September 14 to December 31 must be filed no later than 30 days after the loss is apparent and the application for payment must be filed no later than January 29, 2010. More information to come.

CONTINUOUS CRP

The Continuous Conservation Reserve Program is an environmental improvement program that allows participants the opportunity to enroll acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide habitat and food sources for wildlife.

Continuous CRP program participation is voluntary. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost share for establishment.

To be eligible for enrollment in the Continuous CRP, participants and acreage must meet certain requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollments of acreage into Continuous CRP. Landowners may enroll in the program at any time during the year.

COC ELECTION RESULTS

Mervin Peterson was re-elected to a three year term on the county committee. He will continue to represent the producers of LAA3 (Local Administrative Area). We appreciate Mervin's commitment and we thank all those who took the time to vote.

LIVESTOCK INDEMNITY PROGRAM (LIP)

This program (as discussed in detail in past newsletters) provides compensation for livestock death losses from years 2008 to 2011. Currently, livestock losses from July 13 to December 31, 2009, resulting from an eligible adverse weather event can be filed with our office. The loss application process is two fold. The first step is to file a Notice of Loss which must be filed the earlier of 30 calendar days of when the loss of livestock was apparent; or 30 calendar days after the end of the calendar year in which the loss occurred. (Notices of Loss may be filed in person, by phone, fax, or email). The second step is to file an Application for Payment which must be filed by January 30th of the next year – (in this case, for 2009 losses, January 29, 2010, since the 30th is on Saturday).



NON-INSURED ASSISTANCE PROGRAM (NAP) – Purchase Deadline has changed

Prior program procedure set December 1, 2009 as the deadline to purchase a policy for 2010 crops of perennial forage, honey, pasture and winter/spring wheat. The policy purchase deadline for these crops has been changed to April 1, 2010. So, if you think you missed the December 1st deadline to buy coverage you have a second chance. April 1st is now the deadline to purchase a 2010 NAP policy for any non-insurable crop.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance programs. (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 USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202)-720-6382 (TDD). USDA is an equal opportunity provider and employer." Special Accommodations will be made for the physically handicapped, vision or hearing impaired person upon request. If accommodations are required, please call Mike Idler, CED at (307) 283-2870.

IMPORTANT DATES TO REMEMBER

DECEMBER 25, 2009	OFFICE CLOSED FOR CHRISTMAS DAY
JANUARY 1, 2010	OFFICE CLOSED FOR NEW YEAR'S DAY
JANUARY 1, 2010	NEW COMMITTEE MEMBERS TAKE OFFICE
JANUARY 29, 2010	LDP on Unshorn Lamb Pelts Closes
JANUARY 29, 2010	DEADLINE TO FILE APPLICATION FOR PAYMENT ON LIP PROGRAM 2009 LIVESTOCK DEATH LOSSES
APRIL 1, 2010	DEADLINE TO PURCHASE A 2010 NAP POLICY FOR ALL NON-INSURABLE CROPS