



March 2009

Goshen County News

Goshen County FSA Office
1441 East M St. Suite C
Torrington WY 82240-3521

Phone: (307) 532-4880
FAX: (307) 532-5783

Office Hours:
8:00 a.m. – 4:30 p.m.

County Committee:
Stan Speckner
Larry Mullock
Linda Nichol

County Executive Director:
Darrell Jones
darrell.jones@wy.usda.gov

Farm Loan Manager:
Duane Wisroth
duane.wisroth@wy.usda.gov

Office Staff
Doris Hyatt
Brian McKenna
Todd Smith
Susan Thomas
Erin Sturdivant
Marty Yorges
Jennifer Dutton

FSA Home Page
www.fsa.usda.gov

USDA Home Page
www.usda.gov

DCP Signup Continues

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program continues until June 1, 2009. The June 1, 2009 deadline is mandatory for all participants. 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. FSA will issue advance direct payments later this month. 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 at FSA offices. It is available to anyone eligible to participate in the DCP Program. To access this on-line 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 eligible for the DCP Program are also able to enroll in the Average Crop Revenue Election (ACRE) Program or the Counter-cyclical Program. The enrollment period for the ACRE Program will begin at a later date. You may first enroll in the DCP Program, receive advance direct payments and then later modify your enrollment to the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

NAP Application Deadline

The deadline to signup for Noninsured Crop Disaster Assistance Program on spring seeded crops is **April 1, 2009**. Producers are reminded about the need for insurance coverage on crops in order to remain eligible for the agency's Disaster Assistance Programs such as SURE, LFP, TAP, and ELAP. Producers must purchase at least catastrophic (CAT) level of insurance for all insurable crops.

NAP is a federally funded program that provides coverage to producers for non-insurable crops when low yields, loss of inventory or prevented planting occurs due to natural disasters. Crops eligible for NAP coverage are those for which crop insurance is not available, including fruits and vegetables, aquaculture, pecans, turf grass and forage crops just to name a few.

Producers must apply for coverage before a disaster strikes. NAP applications for coverage must be filed using Form CCC-471 and pay the applicable service fees by the closing date. Application closing dates vary by crop. Goshen County producers can contact the FSA Office for specific crop application sales closing dates at (307) 532-4880.

More information about NAP may be found on the FSA web site located at <http://www.fsa.usda.gov>

Continuous CRP Available

At this time USDA has no general signups scheduled for the Conservation Reserve Program (CRP) in 2009. However, Continuous CRP will still be eligible for enrollment. These targeted programs remain funded, and continue to provide a heightened environmental benefit on select areas.

Payment Limitation-Annual Notification

Program participants are notified of the following Payment Limitation provisions.

Payments and benefits under certain programs are subject to some or all of the following:

- payment limitation by direct attribution
- payment limitation amounts for the applicable programs
- actively engaged in farming requirements
- cash-rent tenant rule
- foreign person rule
- average AGI limitations

No program benefits subject to limitation will be provided until:

- all required forms for the specific situation are provided
- necessary payment eligibility and payment limitation determinations are made

Payment eligibility and payment limitation determinations may be initiated by COC or requested by the producer.

After 2009, a farm operating plan is **not** required to be filed annually, if the farming operation continues to be conducted as reflected on the farm operating plan and supporting documents are on file in the County Office.

If any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average AGI determination, producers must timely notify the County Office by filing revised farm operating plans and/or supporting documentation, as applicable. **Note:** Failure to timely notify the County Office may adversely affect payment eligibility.

There are statutory provisions that require entities, earning program benefits that are subject to limitation, to provide the names, addresses, and TIN's of the entities' members to COC.

All applicable payment eligibility and payment limitation forms submitted by producers are subject to spot check through the end-of-year review process.

A determination of **not** actively engaged in farming results in the producer being ineligible for any payment or benefit requiring a determination of actively engaged in farming.

Noncompliance with AGI provisions, either by exceeding the applicable limitations or by failure to submit a certification statement, will result in the determination of ineligibility for **all** program benefits subject to AGI provisions; program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible person or legal entity in any legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.

Applicable annual limitations for person or legal entity, years 2009-2012:

Commodity Programs:	Counter Cyclical and ACRE payments	\$65,000
	Direct payments	\$40,000
Conservation Programs:	CRP annual rental	\$50,000
	EQIP (all years 2009-2012)	\$300,000
	GRP	\$50,000
	WHIP	\$50,000
	WRP	\$50,000
Disaster Assistance Programs:	ELAP/LFP/LIP/SURE	\$100,000
	NAP	\$100,000
LDP/MAL		No Limits

Sodbuster, Swampbuster

Most Farm Service Agency programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service. Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system. Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before starting to work in the fields.

New Adjusted Gross Income (AGI) Rules

Beginning with 2009 benefits, AGI limitations are as follows:

IF average adjusted gross...

THEN the person or legal entity is INELIGIBLE for...

nonfarm income exceeds \$500,000

all commodity, price support, and disaster assistance program benefits.

Note: A person or legal entity with average adjusted gross nonfarm income that exceeds \$500,000 is **not** eligible for marketing loan gains and LDP payments. However, the person or entity is eligible for marketing assistance loans, but the loans **must** be repaid at principal plus interest, or commodity certificates may be exchanged for the loan collateral.

farm income exceeds \$750,000

direct payments under DCP.

nonfarm income exceeds \$1 million

all conservation program benefits, **unless** 66.66 percent or more of the average AGI was derived from activities related to farming, ranching, and forestry operations.

Note: AGI provisions in effect before October 1, 2008, continue to apply to existing CRP contracts, ECP agreements, and GRP contracts and easements that were in effect on October 1, 2008.

All applicants of FSA/NRCS benefits will be required to complete AGI forms each year benefits are applied for. This includes individual members of entities (corporations, LLC's, limited partnerships, trusts, estates, etc.).

Payment Limits and Direct Attribution

For commodity and disaster programs under the new farm bill, the AGI limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000** such that a person or entity shall not be eligible for such programs if the non-farm AGI exceeds \$500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program.

For conservation programs, the average non-farm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination. For more detailed information contact your local FSA office.

Fruit/Vegetable Plantings

The 2008 Farm Bill continues to have the same limitations on Fruit & Vegetable (FAV) plantings as the last few farm bills did. Applicable FAV's include dry beans, potatoes, onions, and grapes. We suggest that if you are planning on planting any FAV's on a farm that will be enrolled in DCP for 2009, to address your intentions with this office and we can estimate if and how this would affect your payments.

U.S. DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 GOSHEN COUNTY FSA COMMITTEE
 1441 EAST M. ST. SUITE C
 TORRINGTON WY 82240

Dates to Remember	
Continuous	Continuous Conservation Reserve Program
Continuous	Farm Storage Facility Loans
April 1, 2009	Final date to apply for NAP coverage on 2009 spring seeded crops
Mar. 31, 2009	Final date to apply for a loan on 2008 wheat/barley/oats
May 31, 2009	Final date to apply for a loan on 2008 corn/sunflowers
June 1, 2009	Final date to apply for 2009 DCP benefits

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