



Laramie County FSA News

Office Hours: 8:00 – 4:30

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<http://www.fsa.usda.gov>

April, 2010

Farm Program Information

Adjusted Gross Income (AGI) 2009 & 2010

Producers will be required to send a signed CCC-927 (Individual) or CCC-928 (Legal Entity) form to the Internal Revenue Service. This form gives consent to disclose your tax information to the USDA. USDA will receive the results of the AGI with indicators that show whether the producer has or has not exceeded the limits. No actual tax data will be included or dollar amounts. USDA county office personnel will not view tax return information at any time during this process. The information will be used to determine if producers are eligible according to the AGI limits.

Producers are required to complete the forms and mail the completed forms to IRS. (Please make sure forms are filed correctly.) The forms are required to be mailed within 60 days of the signature date. FSA will not accept the forms and keep a copy for you. **The deadline to have the forms submitted to IRS is June 15, 2010.**

Forms not received by the deadline will result in all payments received through USDA to be considered ineligible and payments will have to be refunded.

Forms will be provided to you on request. The forms can also be obtained online at www.fsa.usda.gov/FSA and select Forms then select Browse Forms, put the form number in and fill out on line, print, sign and send to IRS.

Signup for 2010 Direct & Counter-cyclical Program (DCP)

Producers have from now through June 1, 2010, to timely file CCC-509. Enrollment is not permitted after June 1, 2010. Producers on a farm are solely responsible for ensuring that timely enrollment occurs. Please call for an appointment.

ACRE Program

Through ACRE, USDA's Farm Service Agency (FSA) offers producers an alternative to Direct and Counter-cyclical (DCP) payments.

ACRE payments are made when both state and farm revenues are below historic levels. By participating in ACRE, producers elect to forgo counter-cyclical payments. Producers also elect to receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. A decision to elect ACRE binds the producer to the program from the program year elected by the producer through the 2012 crop year. All producers on the farm must agree to the ACRE Program election. Producers must annually report acreage and production to FSA. Failure to do so may result in ineligibility.

ACRE payments are revenue-based payments and are tied to crop production and the National Average Market Price for planted, and considered planted, covered commodity crops on the farm. ACRE payment acreage is limited to the total amount of base acres on the farm, and can only be issued for a crop if two triggers are met for the covered commodity crop.

- State Trigger: The Actual State Revenue for the program year must be less than the State ACRE Guarantee.
- Farm Trigger: The participating farm's Actual Farm Revenue for the program year must be less than the Farm ACRE Guarantee.

An ACRE factsheet and ACRE background information detailing the State and farm revenue calculations are posted at www.fsa.usda.gov/dcp.

Acreage Reports (Deadline – July 1- Crop Reporting is Required)

The FSA Office will take all crop reports after the crop is planted. This includes DCP crop acreage, NAP insured crops and CRP acreage. Please have the date your crop was planted along with the acreage in each field.

Farm Reconstitutions

In program terminology, 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.

The following are the different methods used when doing a farm recon.

- Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;
- Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;
- DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;
- Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

If payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded. Request for recons should be filed by June 1.

DCP Counter-cyclical (CC) Payments

The 2009 crop year partial CC payments will not be issued for barley, chickpeas, corn, dry peas, grain sorghum, lentils, oats, rice, soybeans, and wheat because their effective price exceed their respective target price.

Payment Eligibility Change for 2010

USDA has amended the rules that require producers to be 'actively engaged' in farming. A member of a legal entity must make contributions of active personal labor and/or active personal management to the farming operation and these contributions must be on a regular basis, be identifiable, and be separate contributions from other members of the entity.

The new rule allows an exception for the members if both the following are met:

- At least 50 percent of the of the interest is held by members that are providing active personal labor or active personal management and
- The total direct payments received both directly and indirectly by all members does not exceed the amount of 1 limitation.

Disaster Programs

Supplemental Revenue Assistance Payments (SURE) Program

Signup for the SURE Program for 2008 crop losses began January 4, 2010. Please call for an appointment. A signup deadline has not been announced.

SURE is available to eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties that have incurred crop production losses and/or crop quality losses during the crop year. (Laramie County is eligible for the 2008 crop year as Weld County, CO received a Disaster Designation.)
- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than the normal production of the farm.

At a minimum, to be eligible for the SURE Program, the producer must have purchased or be enrolled in the following for the 2008 crop year:

- A plan of crop insurance of at least catastrophic (CAT) level for all insurable crops on all farms.
- And/or Non-insured Crop Disaster Assistance Program (NAP) coverage for all non-insurable crops on all farms.

Note: RMA crop Insurance or NAP coverage on grazing land does not have to be purchased in order to be eligible for SURE. SURE does not pay for losses on crops intended for grazing.

In order to receive payments, the farm must suffer at least a 10% eligible production loss on at least one crop of economic significance. Producers with qualifying losses are eligible to receive 60% of the difference between the SURE Disaster Program Guarantee and the actual farm revenue.

The Disaster Program Guarantee is determined by totaling the calculated guarantee for each crop. For insured crops, the guarantee is based on the level of coverage the producer has elected.

The Total Farm Revenue calculation includes estimated crop value, Crop Insurance Indemnities, NAP payments, Marketing Assistance Loans / LDP, other disaster payments, and DCP payments (15% of Direct Payments plus Counter-cyclical payments and ACRE payments).

Livestock Indemnity Program (LIP)

Losses of livestock due to adverse weather must be reported to the FSA Office within 30 days of when the loss is apparent by filing a Notice of Loss application. A Notice of Loss filed must be finalized by completing an Application for Payment by January 30 of the next year.

Applications for livestock losses require documentation of beginning and ending inventory, records showing the date of death for normal death loss and show death losses due to the weather event, along with records showing the number of livestock in inventory on the date of the weather event. Beginning and ending inventory require a third party verification of losses, such as, vet records, loan documents, shipping records, brand inspections, etc.

Conservation Reserve Program

In the final year of CRP, participants may destroy CRP cover on certain acreage after May 1 with a payment reduction; and after July 1 without a payment reduction, if maintaining CRP cover could inhibit normal planting of a fall-seeded crop.

This provision requires that participants:

- Submit requests on form CRP-1G Addendum (available at local FSA office) prior to May 1 / July 1 during the final year of the CRP contract.
- Meet with NRCS to obtain an approved conservation plan for:
 - The destruction of the CRP cover
 - Conservation compliance with USDA programs(if applicable)
- Shall not receive an annual rental payment for the period indicated on CRP-1G Addendum, Item 3 (applicable only on applications between May 1 and June 30)
- Shall be in violation of CRP-1 if the participants fail to plant a fall-seeded crop in a normal manner and may result in a refund of all CRP annual rental payments, plus interest and liquidated damages.
- All signatories to CRP-1 will be required to sign the CRP-1G Addendum before approval
- Participants may hay CRP acreage when needed to adequately prepare a seedbed for fall-seeded crops; however, no commercial use can be made of the forage and the participant must pay for a field visit by COC to verify destruction of the hay.

USDA / FSA
Laramie County FSA Committee
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Farm Loan Information

The Basics of Farm Loan Programs

Farm Service Agency (FSA) has loan programs that may assist farmers and ranchers experiencing financial problems in today's economy and tight profit margins. Several types of loan programs are offered through Farm Service Agency. Under the Guaranteed Loan program, FSA guarantees farm ownership, term operating loans and lines of credit used for annual operating through conventional agricultural lenders for guarantees up to 95 percent. The guarantee generally allows the conventional lender to provide the applicant with longer terms and lower rates of interest. All applicants must meet certain qualifying criteria to be eligible for guarantees. Farmers and ranchers interested in Guaranteed Loans should apply directly with a conventional lender, who arranges for the guarantee.

For those unable to qualify for a Guaranteed Loan, FSA offers Direct Loans, which are made and serviced by FSA officials. Funding is limited for Direct Loans, and applicants must sometimes wait until funds are available. To qualify for a Direct Farm Ownership or Operating Loan, the applicant must meet eligibility criteria and have sufficient repayment ability and loan collateral.

Dates to Remember

May 31	Memorial Day Holiday – Office Closed
May 31	Loans / LDP Deadline for Feed Grains
June 1	DCP Signup Deadline
July 1	Crop Reporting Deadline
July 5	Independence Day Holiday – Office Closed

County Committee: Mark Child, Mike Peterson, Dave Bowman **Advisor:** Louise Jacobsen
Office Staff: Doris Scheel, Denise Hunt, and Krista Macy. Dixie Mount – Farm Loan Officer – Laramie County office day is Tuesday of each week. Dixie may be reached by calling the Wheatland FSA Office at (307)322-4050.

/S/ Gary Gompert, CED – Email gary.gompert@wy.usda.gov

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