

Lincoln County Newsletter

March 2010



2010 NAP Coverage

**Lincoln County
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Office Hours:
7:30 a.m. – 4:30 p.m.

County Committee:
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Blair Hillstead
Trudi Julian
– Minority Advisor

COC Meeting:
2nd Tuesday of the month

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The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

April 1, 2010 is the application deadline for all 2010 NAP crops, fall seeded grain crops, grazing land, spring-seeded small grain hay and non-irrigated oats intended for grain. The application service fee for NAP is \$250.00 per crop per county, with a county maximum of \$750.00. The fee cannot exceed a total of \$1,875.00 per producer with farming interests in multiple counties.

Producers must cover all crops of economic significance in all counties where they have an interest to qualify for the new disaster programs. For the Supplemental Revenue Assistance (SURE) program that was enacted by the Food, Conservation and Energy Act of 2008, there are specific requirements for the 2010 crop year. To participate in the SURE program, producers must purchase insurance under the Federal Crop Insurance Act for all insurable crops planted on all farms they have an interest in. In addition, if insurance is not available on a crop, producers must have NAP coverage for all uninsured crops of economic significance planted on all farms they have an interest to be eligible for SURE. For the Livestock Forage Program (LFP) it is necessary to have grazing land covered by NAP or RMA's PRF-VI insurance to be eligible for grazing losses.

Producers who already had coverage on 2009 NAP crops may choose to continue coverage on the same crop or crops for 2010, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops. Producers who choose to add a new crop(s) or delete a crop(s) from previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable

service fee. Producers with NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.
- File a "Notice of Loss" within 15 days of when a loss is apparent, due to drought, hail, etc.

Youth Loans Help Start Ups

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.

Livestock Indemnity Program

The Livestock Indemnity Program (LIP) provides assistance to producers for livestock deaths that result from an adverse weather event. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality. Eligible losses must have occurred on or after Jan. 1, 2008, and before Oct. 1, 2011. The losses must be a direct result of an adverse weather condition, including but not limited to hurricanes, floods, blizzards, disease, wildfires, extreme heat and extreme cold, & lightning. Note that drought is not a qualifying event. Eligible livestock are adult/non-adult cattle, buffalo and beefalo, equine, sheep, alpacas, emus, swine, goats, llamas, poultry and domestic elk, deer and reindeer. Ineligible livestock include animals that died as a result of disease not related to adverse weather, malnutrition or poor handling practices. Payment rates are per head by livestock kind/type and weight range.

Final Date to File a Notice of Loss: 30 Days after death is apparent.

Final Date to File Application: 30 Days after the end of the calendar year that the loss occurred, January 30, 2011 is the deadline for 2010 losses.

Supplemental Revenue Assistance Payments Program

The Supplemental Revenue Assistance Payments Program (SURE) provides benefits for 2008 through 2011 crop year farm revenue losses due to natural disasters. SURE is available to eligible producers when either:

- a portion of the farm is located in a county covered by a qualifying natural disaster declaration (USDA Secretarial Declarations only) or a contiguous county; or,
- the actual production is less than 50% of the normal production for the entire farm.

Note: A "farm" refers to all crop acreage in all counties that a producer planted or intended to be planted for harvest for normal commercial sale or farm livestock feeding.

For producers to be eligible for SURE, they must have obtained a policy or plan of insurance for all crops through either the Federal Crop Insurance Act or FSA's Noninsured Crop Disaster Assistance Program (NAP). There are limited exceptions to this rule, and SURE does not require coverage for forage crops intended for grazing. Producers must also comply with average adjusted gross income, conservation, and actively engaged provisions.

Producers must suffer a 10% production loss to at least one crop of economic significance on their farm in order to be eligible for SURE. A crop of economic significance is one that contributes at least 5% of the expected revenue for a producer's farm.

Signup began January 2010 and no deadline has been announced. Producers will need acreage and production records to complete sign up as well as any pertinent information to establish a farm (deeds, leases).

Payments are calculated based on 60% of the difference between the SURE Disaster Program Guarantee and the Total Farm Revenue. The SURE 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. For NAP crops, the guarantee is based on a formula that includes the yield, acreage, and price factors. The farm's SURE guarantee cannot exceed 90% of the expected revenue for the farm. The Total Farm Revenue includes the crop value, crop insurance indemnities, NAP payments, Market Assistance Loan proceeds, other disaster payments and DCP (15% of direct payments, plus the entire counter-cyclical payment and ACRE payments.). A SURE calculator is available at: www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls. The calculator is not official, but is intended for educational use.

A limit of \$100,000 applies to the combination of payments from SURE and the livestock disaster programs (LFP, LIP and ELAP).

2010 DCP/ACRE Signup

The Direct and Counter-Cyclical Program (DCP) Signup for 2010 DCP contracts is now available and will run until **June 1, 2010**. All producers on the farm must sign the application (CCC-509) by June 1, 2010 for the farm to be enrolled for the 2010 payment. Each eligible producer on a farm will be given the opportunity to annually enroll in a DCP or Average Crop Revenue Election (ACRE) program contract.

The Average Crop Revenue Election (ACRE) is a program that offers producers an alternative to Direct and Counter-cyclical (DCP) payments. The optional ACRE 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 the 2010 crop, the 2-year price average will be based on the 2008 and 2009 crop years. ACRE signup continues until **June 1, 2010**.

Emergency Livestock Assistance Program

Producers of livestock, honey bees and farm-raised fish can now apply for benefits under the Emergency Livestock Assistance Program (ELAP.) ELAP benefits are available for losses that are not covered under other Supplemental Agricultural Disaster Assistance Programs, such as LFP, LIP and SURE. Eligible loss causes include, but are not limited to, disease, adverse weather and wildfires.

Examples of Covered Losses (includes, but not limited to):

- Loss of forage/feedstuffs
- Grazing losses
- Additional cost for purchase of additional feed & transportation
- Physical loss of livestock
- Honeybees

File a notice of loss within 30 days of when the loss is apparent and file application for payment no later than 30 days after the end of the calendar year for which benefits are being requested. There are **no** late file provisions for ELAP. All acres on all farms throughout the US must be covered by crop insurance and/or NAP to be eligible to participate in ELAP. Please contact the county office for more information if you believe you may qualify for ELAP benefits.

Commodity Loans Available for 2009 Commodities in Storage

Marketing Assistance Loans (MAL) provide financing and marketing assistance for wheat, feed grains (barley, corn, oats), honey, wool and mohair. This assistance is available to eligible producers beginning with harvest season and extending through the program year.

The 2009 Lincoln County loan rate for each commodity is as follows: HRS Wheat \$3.36/bu, HRW Wheat \$2.58/bu, Barley \$1.95/bu, Oats \$1.35/bu.

Farm Stored Loan: An applicant can request either a paid for measured loan or certify the quantity. In either case, a loan for up to 100% production can be made. The commodity must be stored in a structure that can be safely measured and inspected, and be structurally sound. It is the borrower's responsibility to assure the commodity is in good condition and continues to remain so.

Warehouse Loan: A warehouse grain loan can be obtained through a CCC approved warehouse. The elevator will issue warehouse receipts to the producer, who in turn, gives them over to CCC (FSA) for keeping as security through the life of the loan. The information on the warehouse receipts will be the basis for the loan quantity and loan rate. FSA required the warehouse to provide documentation that the producer has provided for storage charges through the loan maturity date.

Loan Maturity Date: Loans will mature on the last day of the 9th month following application.

Loan Service Fees: Fees are the smaller of ½ of 1% times the gross loan amount, or \$45/loan plus \$3.00 for each bin.

Interest Rates: Commodity loans will carry the interest rate of the month in which the loan is disbursed through December 31st, of each year, at which time the rate will change to the January rate.

Liens: If any liens on the commodity exist, we require that the lien holder complete a lien waiver form before the loan is issued. CCC requires first lien on any commodity put under loan.

Repayments: Repayments can be made any time after the loan is disbursed. On farm-stored loans, any quantity can be paid off; however, on warehouse loans, a whole warehouse receipt must be paid off. At the time of repayment, the borrower will pay the lesser of (1) principal plus accrued interest, or (2) the applicable day's Posted County Price (PCP) times the loan quantity. The PCP will be the lower of the average market price of the last 30-days, or the average market price of the last 5-days. If the PCP is used for repayment, it is referred to as a Market Loan Repayment (MLR) and is only available through the maturity date of the loan.

The final date to request a commodity loan for barley, oats, and wheat is March 31, 2010. If you plan on holding your crop for awhile and need some operating money until the commodity is sold, a MAL might just be a good option to look at.

2010 Wool, Mohair and Unshorn Pelt LDP's

Wool, Mohair and Unshorn Lamb pelt producers are reminded of the availability of 2010 Loan Deficiency Payments (LDP's). Producers need to remember that they must sign the applicable form (CCC-633EZ) *prior to losing beneficial interest* in the wool or unshorn pelt. The "final" date to request these LDP's is January 31, 2011.

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IMPORTANT DATES TO REMEMBER

Within 15 days of noticing a loss file CCC - 576 NAP Notice of Loss

Within 30 days of noticing a livestock loss file FSA-914 LIP Notice of Loss

March 31 -----Deadline for requesting MAL for grain

April 1 -----Deadline for 2010 NAP coverage

May 31 -----Office closed for Memorial Day Holiday

Any Time -----Continuous CRP

Any Time -----Farm storage facility loan program

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited based apply to all programs.) Persons with disabilities who require alternative means of communication or program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (Voice and TDD).

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