



# NEWSLETTER



December 2010

## Conservation Loan Program

### Lincoln County FSA

625 S Washington  
PO Box 369  
Afton, WY 83110  
307-886-9001 phone  
307-886-3744 fax  
www.fsa.usda.gov/wy

### Hours

Monday - Friday  
7:30 a.m. - 4:30 p.m.

### County Committee

Jason Thornock  
Chad Dana  
Blair Hillstead  
Trudi Julian

### COC Meeting

2<sup>nd</sup> Tuesday of the Month

### Office Staff

Dee Harbach, CED  
Suellen Bagley, PT  
Kresta Hedges, PT

### Farm Loan Manager

Brian Harrell  
307-856-7524

### Natural Resources Conservation Service

DeMont Grandy, DC  
Cokeville 307-279-3256  
Mary Spotten, DC  
Afton 307-886-9001

The Farm Service Agency makes and guarantees conservation loans on farms and ranches to help conserve our natural resources. The Conservation Loan (CL) Program provides farmers with the credit necessary to implement conservation measures on their land.

The direct CL limit is \$300,000 and the guaranteed CL limit is \$1,119,000. Guaranteed loans are available through lenders working with FSA.

Applicants will work with Natural Resources Conservation Service (NRCS) staff to develop a conservation plan. Conservation practices must be approved by NRCS before FSA can provide financing. Examples of conservation practices include installation of conservation structures; establishment of forest cover; installation of water conservation measures; establishment or improvement of permanent pastures; transitioning to organic production; manure management, including manure digestion systems; and more.

## Oil, Gas, Wind and Mineral Leases

Many areas in Wyoming are seeing increased interest in resource development. If you are approached and considering entering into agreements regarding your property and resources; you are strongly encouraged to contact an attorney prior to signature. Agreements are legally binding and often have lengthy duration. Make sure you protect your land, your family, and yourself.

If you participate in USDA programs, we also recommend that you contact your local offices prior to signature to assist you in assessing the impact of the lease on your program participation.

## 2011 DCP/ACRE Signup

The Direct and Counter-Cyclical Program (DCP) Signup for 2011 DCP contracts is now available and will run until June 1, 2011. All producers on the farm must sign the application (CCC-509) by June 1, 2011 for the farm to be enrolled for the 2011 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 2011 crop, the 2-year price average will be based on the 2009 and 2010 crop years. ACRE signup continues until June 1, 2011.

## **CCC-927 or CCC-928 Disclosure Form Needed by IRS**

Producers who participated in 2009 or 2010 programs subject to adjusted gross income limitations (AGI) had to certify compliance with AGI rules. The average AGI verification process for 2009 and 2010 payment eligibility requires all program participants to provide written consent to IRS for the disclosure of certain information to FSA.

On October 6, 2010, a letter was mailed to producers who have not submitted:

CCC-927 (Consent to Disclosure of Tax Information – Individual Form)

CCC-928 (Consent to Disclosure of Tax Information – Legal Entity Form)

Individuals and legal entities, that certified to average AGI compliance for 2009 and/or 2010 payment eligibility must submit a completed CCC-927 or CCC-928 to IRS regardless of whether they received program benefits directly or as a member of a joint operation or entity. These forms must be submitted to IRS in order to avoid a demand for refund of program payments and benefits received.

## **IRS Form 1099-G**

Each year producers receive 1099-G forms from the Commodity Credit Corporation (CCC) detailing payments producers have received from the CCC. CCC's annual report of program payments on the 1099-Gs help our customers report taxable income. It is not intended to replace the producer's own responsibility to report income to the IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

## **Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish Program**

The Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish Program (ELAP) provides assistance to producers of livestock, farm-raised fish and honey bees. The program is implemented when the county, or area of the county, suffers livestock, fish or honey bee losses, livestock feed losses or grazing losses from a natural disaster event not covered under the LIP, LFP or SURE. The local county committee must submit a county application. If the application is approved producers have to file a notice of loss the earlier of: 30 days when the loss is apparent, or the end of the calendar year. Then, the application for payment must be submitted, along with all loss documentation no later than 30 days after the end of the calendar year.

All crops must be covered by either crop insurance or NAP in all counties that the applicant has an interest in. Crops intended for grazing are exempt from this rule for ELAP.

## **Livestock Indemnity Program**

The Livestock Indemnity Program (LIP) provides assistance to producers for livestock deaths that result from a natural disaster. 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 deadline for 2010 losses.

## Livestock Forage Program

The Livestock Forage Program (LFP) provides compensation to eligible livestock producers that have suffered grazing losses because of qualifying drought or fire. For drought, the losses must have occurred because of a qualifying drought during the normal grazing period for the county on land that is native or improved pastureland. For fire, LFP provides payments for grazing losses on rangeland managed by a Federal agency if the eligible livestock producer is prohibited by the Federal agency from grazing the normal permitted livestock on the managed rangeland because of a qualifying fire.

Qualifying drought losses must occur on land that is:

- native or improved pastureland
- planted to crops specifically for the purpose of grazing
- physically located in a county that is rated by the US Drought Monitor as having a qualifying drought rating of D2, D3, or D4 during the normal grazing period
- covered by a policy or plan of insurance under FCIA or filed the necessary paperwork and paid the fee for NAP coverage

**Lincoln County was in a D2 drought rating for the necessary 8 consecutive weeks in 2010 during the normal grazing period. This is the trigger that qualifies eligible producers to apply for benefits.** Eligible livestock producers will be eligible to receive a payment equal to one monthly payment rate.

The monthly payment rate will be equal to 60 percent of the lesser of:

- the monthly feed cost for all covered livestock, using a feed grain equivalent (for example, the feed grain equivalent for an adult beef cow is 15.7 pounds of corn per day)
- the monthly feed cost calculated by using the normal carrying capacity for the grazing land.

The application deadline for 2010 losses is **January 30, 2011**.

## Supplemental Revenue Assistance Payments Program

The Supplemental Revenue Assistance Payments Program (SURE) provides benefits for a farm's crop year revenue losses (production/quality losses) due to natural disasters.

To be eligible a portion of the farm must be located in a county covered by a qualifying natural disaster declaration (USDA Secretarial Declarations only) or a contiguous county, and have at least one crop that has suffered at least a 10% loss; or the actual production must be less than 50% of the normal production in a county that does not have a disaster declaration. **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.

Enrollment start and end dates will be announced for each crop year. All required forms and production documentation must be submitted no later than the enrollment deadline. Crop insurance and/or NAP is required on all crops that are economically significant. A crop of economic significance is one that contributes at least 5% of the expected revenue for a producer's farm. Crops intended for grazing are exempt from the crop insurance and/or NAP requirement.

## 2010 NAP Production Records

All 2010 NAP producers, now is the time to submit production evidence for your 2010 crops. Submitting production evidence for harvested crops, such as bale counts and weights are necessary to maintain accurate yields for coverage. Accurate yields are essential in calculating payments for losses.

### Important Dates to Remember

December 6	Deadline to Return COC Election Ballots
December 24	Christmas Holiday – Office Closed
December 31	New Years Holiday – Office Closed
January 17	Martin Luther King, Jr. Holiday – Office Closed
January 30	Deadline to Apply for 2010 LFP and LIP benefits

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



# Happy Holidays!

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