

# Farm Service Agency

*New London County FSA Office*

*August – September 2008*

2008 DCP DEADLINE  
SEPTEMBER 30TH

**2008 Crop Acreage Reports Due by August 15<sup>th</sup>!**

## 2008 DIRECT & COUNTER CYCLICAL PAYMENT PROGRAM CONTINUES

Producers have until **September 30, 2008** to sign up for the 2008 DCP Program. Producers can fill out their 2008 DCP contract at the USDA Farm Service Agency County Office. Sign-up can also be completed online. You can choose payment options, assign crop shares and sign and submit contracts 24 hours a day, 7 days a week.

FSA computes DCP payments using base acres and payment yields established for each farm. Eligible producers receive direct payment at rates established by statute regardless of market prices. The following is an example for 2008 corn:

### Base Acres Planted to Corn – 100 acres

100 acres  
x 85%  
85 payment acres  
x 110 bushels/ac. (Yield)  
x 28¢ per bushel

**\$2,618.00 DIRECT PAYMENT**

For 2008, eligible producers may request to receive an advance payment of 22% of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments as soon as practical after enrollment. Final direct payment will be issued after October 1, 2008.

The Counter-Cyclical payment rate is the amount by which the target price of each commodity exceeds its effective price. The effective price for each commodity equals the direct payment rate plus the higher of:

- The national average market price received by producers during the marketing year; or
- The national loan rate for the commodity.

The 2008 Farm Bill provides that producers on farms with DCP base acres that total 10.0 acres or less will not receive a direct or counter-cyclical program payment unless the farm is wholly owned by a socially disadvantaged or limited resource farmer

## BUY-IN WAIVER FOR SUPPLEMENTAL DISASTER ASSISTANCE

Producers can establish 2008 eligibility for the new disaster assistance programs by paying a fee as required by the Food, Conservation and Energy Act of 2008 (the 2008 Act).

Ordinarily producers who wish to participate in the new disaster programs would need crop insurance or non-insured crop disaster assistance (NAP) coverage on all farms in all counties in which they have an interest. Since the 2008 Act was enacted after the application periods had closed for those programs, producers who did not have insurance coverage could not comply with this requirement in order to be eligible. However, the 2008 Act authorizes a waiver that allows producers to pay a fee, called a "buy-in" fee to be eligible for the new disaster assistance programs.

The buy-in fee is due no later than September 16, 2008, 90 days after the date of enactment, as required by the 2008 Act. Payment of the applicable fees will allow the producer to be eligible for financial assistance under the Supplemental Revenue Assistance Program (SURE), Livestock Forage Disaster Program (LFP), and other disaster assistance programs. Those who miss this opportunity will **not** be eligible for 2008 disaster assistance. Producers are also reminded that the payment of the applicable buy-in fee does **not** provide the producer crop insurance or NAP coverage; it only affords eligibility for the 2008 disaster programs.

The buy-in fee for 2008 eligibility is \$100 per crop, but not more than \$300 per producer per administrative county, or \$900 total per producer for all counties less any previously paid fees for CAT and/or NAP.

Please contact the county office to get more information or pay applicable fees.

**BUY-IN FEE DUE SEPTEMBER 16<sup>TH</sup>**

## FARM LOAN PROGRAMS

The Farm Service Agency (FSA) offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$200,000. Guaranteed loans can reach a maximum indebtedness of \$949,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans to socially disadvantaged applicants are also available through FSA.

## County Information

<b>Address:</b> 238 West Town Street Norwich, CT 06360	<b>Phone Number:</b> (860) 887-9941 <b>Office Hours:</b> Monday – Friday 8:00 am to 4:30 pm
<b>Staff:</b> Marsha B. Jettè, CED Pat Smith, PT Barbara Pagano, PT Ronald Clark, FLM	<b>County Committee:</b> John Gadbois, Chairman Art Spielman III, V-Chm Ray Manning, Member Suzanne Sankow, <b>Minority Advisor</b>

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## PRODUCER ELIGIBILITY AND PAYMENT LIMITATION PROVISIONS

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. Documents and forms to determine eligibility and limitation are reviewed on an annual basis;

It is the producer's responsibility to report changes in the farming operation that may affect payment eligibility and payment limitation.

The following limitations apply to Direct and Counter-Cyclical Program (DCP) payments for the 2008 contract year. For all covered commodities:

**\$40,000 for Direct Payments**  
**\$65,000 for Counter-Cyclical Payments**

The Environmental Quality Incentive Program (EQIP) has a **\$450,000 payment limitation**. The Conservation Reserve Program (CRP) annual limit is **\$50,000 per person**.

Entities such as corporations, limited partnerships, trusts and estates are required to provide names, addresses, and ID numbers of their members. These entities should also identify every payment under more than one entity.

**Adjusted Gross Income** – Effective through 2008, an individual or entity shall **not** be eligible for certain program benefits during a crop, program or fiscal year if both of the following apply:

- The 3-year average adjusted gross income for the individual or entity exceeds \$2.5 million; and
- Less than 75% of the average AGI is derived from farming, ranching or forestry operations.



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 New London County FSA Office  
 238 West Town Street  
 Norwich, CT 06360



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