

## **JANUARY/FEBRUARY/MARCH**

Louisiana FSA Public Website

address: <http://www.fsa.usda.gov/FSA/stateoffapp?mystate=la&area=home&subject=landing&topic=landing>

### **USDA FINALIZES NEW MICROLOAN PROGRAM**

Agriculture Secretary Tom Vilsack unveiled a new microloan program that will expand access to credit for small farmers and ranchers and beginning and socially disadvantaged producers.

The microloan application process is simpler and requires less paperwork than traditional operating loans. Additionally, the requirement for managerial experience and loan security has been modified to ensure that small family operations and beginning farmers and ranchers can obtain the credit needed to start and continue an agricultural operation. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation, delivery vehicles, and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular or standard operating loan up to the maximum amount of \$300,000 to obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Small farmers often rely on credit cards or personal loans, which carry high interest rates and have less flexible payment schedules, to finance their operations. The microloan program will expand access to credit and provide a simple and flexible loan process for small operators.

The current interest rate for Microloans is 1.25 percent.

In addition to microloans, FSA offers several farm loan programs that provide funding to purchase land, livestock, equipment, feed, seed, and supplies, or can be used to construct buildings or make farm improvements.

Producers interested in applying for a microloan or other FSA farm loan program should contact their [local Farm Service Agency office](#).

### **MILK INCOME LOSS CONTRACT (MILC) PROGRAM**

Farm Service Agency (FSA) recently announced that beginning February 5, FSA will issue payments to dairy farmers enrolled in the Milk Income Loss Contract (MILC) Program for the September 2012 marketings.

MILC payments are triggered when the Boston Class I milk price falls below \$16.94 per hundredweight, after adjustment for the cost of dairy feed rations. MILC payments are calculated each month using the latest milk price and feed cost.

As announced by FSA on January 22, all dairy producers' MILC contracts are automatically extended to September 30, 2013. Eligible producers therefore do not need to re-enroll in MILC. MILC operations with approved contracts will continue to receive monthly payments, if available.

The payment rate for September 2012 is approximately \$0.59 per hundredweight. The payment rate for October 2012 marketings is approximately \$0.02 per hundredweight. The payment rate for November 2012 marketings is zero.

Before the October 2012 MILC payment can be issued, dairy farmers must complete a Form CCC-933, Adjusted Gross Income (AGI) form for 2013. Producers may obtain a CCC-933 at their local USDA Service Center or online at [www.fsa.usda.gov/cc933](http://www.fsa.usda.gov/cc933).

For Fiscal Year 2013 dairy operations may select a production start month other than October 2012. Producers who want to select a production start month other than October 2012 must visit their local FSA office between February 1 and February 28, 2013, also known as a relief period.

For more information on MILC, contact [your local FSA Parish Office](#) or visit the FSA website at [www.fsa.usda.gov](http://www.fsa.usda.gov).

### **2011 SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM APPLICATIONS**

The Farm Service Agency (FSA) will continue to accept SURE applications for 2011 crop losses through June 7, 2013. The SURE Program provides payments to producers when crop revenues are less than the crop guarantee. The SURE Program payment is equal to 60 percent of the difference between the crop guarantee and calculated farm revenue.

To determine the guarantee and revenue for the SURE Program, all crops on all farms for a producer are included in the calculation. Payments under the SURE Program are limited to \$100,000, in combination with other disaster programs.

To be eligible for the 2011 SURE Program, producers must have crop insurance on all insurable crops. For crops that are not covered by crop insurance, such as pumpkins and cucumbers, producers must have purchased NonInsured Crop Disaster Assistance Program (NAP) coverage from FSA. To be eligible, the producer must have at least one crop with a 10 percent production loss.

For more information concerning the 2011 SURE program or other Farm Service Agency programs, contact [your local FSA office](#) or visit the Farm Service Agency website at [www.fsa.usda.gov](http://www.fsa.usda.gov).

### **NONINSURED CROP DISASTER ASSISTANCE PROGRAM (NAP)**

The noninsured crop disaster assistance program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date of February 28, 2013.

The service fee for NAP is \$250 per crop not to exceed \$750 per producer per parish and \$1875 per producer for all crops in all parishes.

The final date for reporting any specific crop acreage for NAP eligibility is the earlier of the following: The established reporting date for the crop; 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop for the following year. FSA requires that any production reported in a loss year be verifiable according to agency specifications. *NAP losses must be reported within 15 days of loss.*

### **DCP AND ACRE SIGN-UP**

The American Taxpayer Relief Act of 2012 provides for a one-year extension of the Direct and Counter-Cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) program. All producers may choose to enroll in either DCP or ACRE for 2013. This means that producers who had elected ACRE under the original 2008 Farm Bill may elect to enroll in DCP or ACRE for 2013. DCP enrollment begins February 19, 2013 and ends on August 2, 2013. ACRE election and enrollment begins February 19, 2013 and ends on June 3, 2013.

Here are some **IMPORTANT REMINDERS**:

- All producers planting on DCP base acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.
- Changes on the farm after enrolling in DCP/ACRE must be reported to your local FSA office. Changes may include:
  - Ownership changes
  - Producer changes (Individuals and Entities)
  - Change in crop shares arrangements

**Note:** Changes cannot be made after September 30, 2013.

### **FARM STORAGE FACILITY LOANS**

The Farm Storage Facility Loan Program (FSFL) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The maximum principal amount of a FSFL loan is \$500,000. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the U. S. Treasury Department.

Funds will be disbursed when all construction is completed.

Applications for FSFL must be submitted to the FSA Parish Office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

Producers must substantiate creditworthiness, the ability to repay, and eligibility for the desired storage capacity based on their share of the planted acreage of the commodities to be stored. The producer must provide security for the loan. FSFL's are considered to be adequately secured when the value of real estate security is at least equal to the FSFL amount. For loans over \$50,000, unless another form of security is received, producers are required to pay for an appraisal, as arranged by FSA, for the real estate and any improvements such as existing bins, with no guarantee that the loan will be approved. Loans are also available to build cold storage facility and barns for eligible commodities.

### **INTEREST RATES FOR LOANS APPROVED IN FEBRUARY 2013:**

Farm Storage Facility Loans - 7 year -----	1.250
Farm Storage Facility Loans - 10 year-----	1.875
Farm Storage Facility Loans - 12 year -----	2.125
Sugar Storage Facility Loan -----	2.375

For more information about FSFL, please visit your local FSA office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

### **FARMING OPERATION CHANGES**

Producers who have bought or sold land, or added or dropped rented land from their operation must report those changes to the FSA office as soon as possible. A copy of the deed or recorded land contract for purchased property is needed to maintain accurate records with FSA. Failure to do so can lead to possible program ineligibility and penalties. While making record updates, be sure to update signature authorizations.

### **HIGHLY ERODIBLE LAND AND WETLAND COMPLIANCE**

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions is required. Farmers

with HEL determined soils must apply tillage, crop residue, and rotation requirements as specified in their conservation plan.

Producers should notify FSA or NRCS prior to conducting land clearing or drainage projects to insure compliance. If you intend to clear any trees to create new cropland, these areas will need to be reviewed to ensure any work will not jeopardize your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

For more information on Highly Erodible Land and Wetland Conservation provisions, contact a [FSA Parish Office](#) or visit the FSA website at <http://www.fsa.usda.gov>.

### **HISPANIC AND WOMEN FARMER AND RANCHER CLAIMS**

USDA has announced that Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades can file claims between Sept. 24, 2012 and March 25, 2013.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied their applications for loan or loan servicing assistance for discriminatory reasons for certain time periods between 1981 and 2000.

As announced in February 2011, the voluntary claims process will make available at least \$1.33 billion for cash awards and tax relief payments, plus up to \$160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. There are no filing fees to participate in the program.

The department will continue reaching out to potential Hispanic and female claimants, around the country to get the word out to individuals who may be eligible for this program so they have the opportunity to participate.

Call center representatives can be reached at 1-888-508-4429. Claimants must register for a claims package (by calling the number or visiting the website) and the claims package will be mailed to claimants. All those interested in learning more or receiving information about the claims process and claims packages are encouraged to attend meetings in their communities about the claims process and contact the website or claims telephone number.

**Website:** [www.farmerclaims.gov](http://www.farmerclaims.gov)

**Phone:** 1-888-508-4429

**Claims Period:** Sept. 24, 2012 - March 25, 2013.

Independent legal services companies will administer the claims process and adjudicate the claims. Although there are no filing fees to participate and a lawyer is not required to participate in the claims process, people seeking legal advice may contact a lawyer or other legal services provider.

### **IRS 1099-G CHANGES**

Calendar year 2012 brought changes to the way FSA reports farm program payments to the producer and to the IRS.

In past years, IRS Forms 1099-G would be issued to show all program payments received from the Farm Service Agency, regardless of the amount.

For calendar year 2012, producers whose total reportable payments from FSA were less than \$600 will not receive IRS Form 1099-G. Also, producers who received payments from more than one parish will receive only one Form 1099-G if the total of all payments from all counties was \$600 or more.

The same changes will apply to those who normally receive IRS Form 1099-MISC from FSA.

### **FSA GOVDELIVERY**

The USDA Farm Service Agency offices have moved to a paperless news distribution system. Producers are asked to enroll in the new GovDelivery system which provides notices, newsletters and electronic reminders instead of a hard copy through the mail.

FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email helps conserve resources and save taxpayer dollars. Producers can now subscribe to receive free e-mail updates by going to [www.fsa.usda.gov.subscribe](http://www.fsa.usda.gov.subscribe).

### **MARKETING ASSISTANCE LOANS (MAL)**

Short-term financing is available by obtaining low interest commodity loans for eligible harvested production. A 9-month Marketing Assistance Loan provides financing that allows producers to store production for later marketing. The crop may be stored on the farm or in the warehouse.

Loans are available for producers who share in the risk of producing the eligible commodity and maintain beneficial interest in the crop through the duration of the loan. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss because of damage to the commodity, and title to the commodity. Once beneficial interest in a commodity is lost, it is ineligible for a loan, even if you regain beneficial interest.

The deadline to request a commodity loan is April 1, 2013, for wheat, oats, and honey, and May 31, 2013, for corn, soybeans, grain sorghum, rice, cotton and sunflowers.

### **FOREIGN BUYERS NOTIFICATION**

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the parish are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. Parish government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

### **CONTROLLED SUBSTANCE**

Any person convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

### **SPECIAL ACCOMMODATIONS**

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact their local FSA office staff directly or by phone.

### **POWER OF ATTORNEY**

For those who find it difficult to visit the parish office because of work schedules, distance, health, etc., FSA has a power of attorney form available that allows producers to designate another person to conduct business at the office. If interested, contact your local Farm Service Agency office for more information.

### **BANK ACCOUNT CHANGES**

Current policy mandates that FSA payments be electronically transferred into a bank account. In order for timely payments to be made, producers need to notify their local FSA parish Office when an account has been changed or if another financial institution purchases the bank where payments are sent. Payments can be delayed if the FSA office is not aware of updates to bank accounts and routing numbers.

**APPEAL PROCESS**

After an FSA official makes a decision on a request for USDA services or application, the producer will be sent a letter informing him/her of the decision and options that can be pursued.

Generally, program participants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

**FSA SIGNATURE POLICY**

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the parish office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

For more clarification on spousal signature authority, feel free to contact your [local FSA office](#).

**DATES TO REMEMBER:**

February 18	Washington's Birthday - Federal Offices closed
February 19	DCP & ACRE signup begins
February 28	Crop insurance & NAP purchase deadline
March 25	Hispanic and Women Farmers and Ranchers claims deadline
Continuous	Continuous Conservation Reserve Program