



## **Drought Disaster Assistance**

USDA has streamlined the disaster designation process, lowered emergency loan rates and created greater CRP flexibility to help farmers and ranchers in drought-stricken areas across the country.

FSA's low-interest emergency loans will help producers recover from losses due to drought, and other natural disasters. The interest rate has been reduced to 2.25 percent, providing a much-needed resource for producers hoping to recover from production and physical losses associated with natural disasters.

New guidelines were announced for emergency haying and grazing on Conservation Reserve Program (CRP) land. Annual rental payments for farmers enrolled in the CRP, who use those lands for emergency grazing and hay production, will be reduced by 10 percent instead of 25 percent. Also, because of the current severe drought, all counties with a drought level of D 0 or higher, as measured by the US Drought Monitor, are approved for emergency haying and grazing outside of the primary nesting season (PNS).

USDA encourages all farmers and ranchers to contact their crop insurance companies and local USDA Farm Service Agency Service Centers, as applicable, to report damages to crops or livestock loss. In addition, USDA reminds livestock producers to keep thorough records of losses, including additional expenses for such things as food purchased due to lost supplies. More information about federal crop insurance may be found at [www.rma.usda.gov](http://www.rma.usda.gov). Additional resources to help farmers and ranchers deal with disaster losses may be found at [www.usda.gov/disaster](http://www.usda.gov/disaster).

## **Highly Erodible Land Sign-Up**

The Highly Erodible Land Initiative sign-up under the Conservation Reserve Program (CRP) began on July 23, 2012. The purpose of this initiative is to protect up to 750,000 acres of the nation's most highly erodible croplands. Producers may enroll at their local Farm Service Agency (FSA) county office. Enrollment will continue until the 750,000 acre limit has been met.

CRP is a voluntary program designed to help farmers, ranchers and other agricultural producers protect their environmentally sensitive land. Through this Highly Erodible Land Initiative, eligible landowners receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible cropland and maintain it for a period of 10 years. Croplands with an erodibility index of 20 or greater are eligible for enrollment.

For more information producers are encouraged to contact their local FSA office or visit FSA's website at: [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp)

## NAP Losses and Deadlines

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing of a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within **15 calendar days** of the final planting date for the crop.

**NAP 2013 crop year deadlines:**

**Grazing- December 1,2012**

**Hay- October 31,2012**

## Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This process ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments and; \$1 million nonfarm average AGI for conservation programs.

## Preventing Fraud

The Farm Service Agency supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA.

Producers can report suspected cases to the FSA office, RMA, or the Office of the Inspector General

## FSA Farm Loans

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, contact your nearest FSA office for details about direct and guaranteed loans.

Ask your current lender about an FSA loan guarantee if you've had a setback and your current lender is reluctant to extend or renew your loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan.

To find out more about FSA loan programs, contact the county office staff to schedule an appointment.

## **Electronic Services Available**

With Internet access, program participants can access many services from home 24 hours a day, seven days a week, and receive both approvals and direct deposit payments within 48 hours.

To participate in these electronic services, you must meet all program eligibility requirements. Online services have stringent security measures to protect your private information.

To utilize electronic services a producer needs an active USDA eAuthentication Level 2 account, which requires an e-mail address and filling out an online registration form at [www.eauth.usda.gov/](http://www.eauth.usda.gov/) followed by a visit to the county office for identity verification.

If you have more questions, or would like assistance establishing your account, just contact your local USDA Service Center and talk with our trained FSA personnel.

## **CREP & Continuous CRP Available**

The Conservation Reserve Enhancement Program (CREP) allows farmers and ranchers to voluntarily enroll environmentally sensitive land into a program that decreases erosion, restores wildlife habitat and safeguards ground and surface water. CREP is a partnership with federal and state government and is limited to specific areas with critical environmental factors.

Environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP) or Continuous CRP may be eligible for both annual rental payments and cost-share payments of up to 50 percent on approved practices. These programs will remain funded, and continue to provide heightened environmental protection on select areas.

## **Beginning and Limited Resource Loans**

FSA has a program to assist beginning farmers and members of socially disadvantaged groups to finance agricultural enterprises. Under these programs, FSA can provide financing through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for 10 years or less
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA

Does Not own a farm in excess of 30% of the county's median size

Each member of an entity must meet the eligibility requirements and loan approval is not guaranteed.

Additional program information and loan applications are available at local FSA offices or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **Marketing Assistance Loans**

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the date the loan is repaid or CCC takes title to the commodity, whichever is earlier. Beneficial interest means a) retaining the ability to make decisions about the commodity, b) being responsible for loss or damage to the commodity and c) possessing title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility also stipulates compliance with the following requirements: conservation and wetland protection; beneficial interest; acreage reporting and minimum grade and quality standards set by the Commodity Credit Corporation (CCC). For commodities to be eligible they must have been produced by an eligible producer, exist in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may trigger administrative actions such as assessing liquidated damages, calling in the loan and denial of future commodity and farm-stored loans.

The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

## **Sign Up for FSA *Fence Post* for Daily Updates**

The Farm Service Agency *Fence Post* is an online newsletter that is updated on an almost daily basis. It contains articles of interest on the agency's programs and departments, as well as success stories from the field. To access *Fence Post* visit <http://fsa.blogs.govdelivery.com/>. On this website, producers can sign up for *Fence Post* updates by putting an email address in box that says "Get Email Updates" and then navigating to the publication's sign up check box.

### **August 2012 CCC lending rates are:**

- > **CCC borrowing rate-base interest charge: 0.250 % per annum.**
- > **Crop year commodity loans: 1.250 % per annum.**
- > **7 year loan term for Farm Storage Facility Loans: 1.000 % per annum.**
- > **10 year loan term for Farm Storage Facility Loans: 1.625 % per annum.**

> 12 year loan term for Farm Storage Facility Loans: 1.875 % per annum.

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### **Dates To Remember:**

**NAP Deadline:**

**October 31-Hay**

**December 1-Grazing**

**September 3-Office Closed Holiday**

### **Emergency Conservation Program (ECP) for Water Hauling Announced by Farm Service Agency (FSA)**

**Elko, NV July 16, 2012**—Farms and ranches experiencing severe drought conditions may be eligible for cost-share assistance under ECP. Administered by the U.S. Department of Agriculture, Farm Service Agency (FSA), the program applies if water for livestock has been reduced below normal to the extent that livestock cannot survive without additional water.

The program allows for water conservation and enhancement measures to permit grazing of range, pasture or forage by livestock in times of severe drought. The practice is to be used for livestock on grazing land that does not have access to water because of an extended period of severe drought conditions. It is required that no other means of obtaining water for livestock is available. The practice can be used in areas where there is adequate range or pasture residue for livestock to be served by the water hauled to that area and can be used to contribute to better grazing distribution. The land must have had adequate livestock water prior to the drought.

Producers experiencing severe drought conditions that has requiring outside assistance to provide supplemental emergency livestock water have until Sept. 14 to contact the Elko/Eureka FSA Office to request assistance. Call the Office for an appointment at: 775) 738-6445.

A producer qualifying for ECP assistance may receive cost shares not to exceed 75% of the cost of hauling water and providing livestock watering facilities.

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