



NEWSLETTER



Ohio FSA State Office

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Hours

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

August 2013

**Ohio FSA State
Executive Director,**
Steve Maurer

Farm Loan Chief,
David Drake

Visit our Website at:
www.fsa.usda.gov/oh

Producers Must Report Crop Losses to FSA

Producers must report crop losses resulting from a weather-related disaster event within 15 days of the disaster or when the loss first becomes apparent, this includes crops covered by crop insurance, the Noninsured Crop Disaster Assistance Program (NAP) and crops without insurance coverage. Prevented planting must be reported no later than 15 days after the final planting date.

Crop losses are acres that were timely planted with the intent to harvest, but the crop failed because of a natural disaster. It is important that producers file accurate and timely loss reports to prevent the potential loss of FSA program benefits.

Producers who have NAP coverage will be required to report crop losses on an FSA form CCC-576 - "Notice of Loss and Application for Payment Noninsured Crop Disaster Assistance Program."

Adjusted Gross Income

The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) requires the implementation of the average adjusted gross income (AGI) limitations for program eligibility for the 2009-2012 program years. The average AGI provisions are applicable to the majority of programs administered by the Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS). The American Taxpayer Relief Act of 2012 extends the required implementation of the AGI limitations for program eligibility for the 2013 program year.

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 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. All persons and legal entities requesting certain program payments, either directly or indirectly are subject to the average AGI provisions.

The **CCC-931** form authorizes the IRS to disclose to USDA 2009 through 2012 tax-related information for AGI compliance purposes. The **CCC-933** form authorizes the IRS to disclose to USDA 2013 tax-related information for AGI compliance purposes. Participants in CCC programs subject to average AGI rules must submit form **CCC-931** or **CCC-933** to the Blank County FSA office to avoid interruption of program benefits.

Producers who fail to respond to written notices of AGI non-compliance or determined non-compliant will be notified of the requirement to refund the applicable program payments. Actions required by the Debt Collection Improvement Act (DCIA) will be followed by NRCS and FSA.

The forms are available online at: [CCC-931](#) or [CCC-933](#) or from your county FSA office.

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 the county FSA office staff in person or by phone.

FSA Announces Results for 45th CRP General Sign-up

The USDA Ohio Farm Service Agency (FSA), announced that 9,992.6 acres were accepted during the 45th Conservation Reserve Program (CRP) general sign-up. Currently, Ohio has 317,340 CRP acres enrolled on 37,200 contracts.



Nationwide, USDA accepted enrollment of 1.7 million acres bringing the total program enrollment to 26.9 million acres.

For more than 27 years, CRP has protected natural resources in Ohio while providing economic and environmental benefits to rural communities throughout the state. The newly accepted CRP offers will continue the CRP legacy by improving water and air quality, increasing wildlife habitat and preventing soil erosion.

CRP is a voluntary program that allows eligible landowners to receive annual rental payments and cost-share assistance to establish long-term, resource-conserving covers on eligible farmland throughout the duration of their 10 to 15 year contracts. Accepted contracts will become effective October 1, 2013.

All CRP sign-up 45 offers were evaluated and ranked using the Environmental Benefits Index (EBI) that consists of the following five environmental factors plus cost: wildlife enhancement, water quality, soil erosion, enduring benefits and air quality.

For more information about the Conservation Reserve Program, please contact your local FSA office or visit <http://www.fsa.usda.gov/crp>.

Farming Operation Changes

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

Selected Interest Rates for August 2013

90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	1.500%
Farm Ownership Loans — Direct	3.625%
Farm Ownership Loans — Down Payment	1.500%
Emergency Loans	2.500%
Farm Storage Facility Loan -- 7 year	2.000%
Farm Storage Facility Loan -- 10 year	2.625%
Farm Storage Facility Loan -- 12 year	2.750%
Sugar Storage Facility Loans	3.000%
Commodity Loans 1996-Present	1.125%

Microloan Program

The Farm Service Agency (FSA) offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. 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 and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

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.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact your local FSA office to setup an appointment with a loan approval official. The Microloan program Fact Sheet can be [found here](#).

Maintaining Stored Grain Quality

With the summer temperatures, producers are reminded to keep an eye on the condition and quality of the stored grain. Remember to contact your local FSA office if you notice changes in the condition and quality of the stored grain.

Controlled Substance

Any person who is 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.

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.

2013 Compliance and Spot-Check Review

Compliance and spot-checks will once again be utilized during the 2013 crop year. Instead of locally selecting farms, contracts, deficiency loans, etc. for spot-check and review, a nationwide selection of producers is used to achieve a statistical sampling of participating producers. Spot-check selections are to be conducted based on a producer's participation in the following programs/activities: ALAP, ACRE, BCAP, CRP maintenance and practice checks, DCP, ELAP, FSA-578's, HELC/WC compliance, LDP's/MAL's, LFP, LIP, MILC, NAP, SURE and TAP.

FSA may review a producer's operations in multiple states and counties, depending on the scope of the producer's operations. FSA will review both the accuracy of the representations made by the selected producers in connection with participation in FSA programs as well as the producer's compliance with applicable program requirements. The reviews may need to be conducted at various times throughout the year depending on the FSA programs in which the producer is participating. If an entity is selected from the national database that is no longer farming or participating in the 2013 crop year, a notation shall be made on the spot-check list.

FSA appreciates the cooperation of its customers as the agency continues to enhance its operations. FSA's goal is to ensure that program dollars are delivered effectively and efficiently so America's farmers and ranchers can provide safe and abundant food, fiber and fuel for consumers at home and abroad. For more information about the new spot-check selection procedure, feel free to contact your local FSA office for additional clarification.

Power of Attorney

FSA has a required power of attorney form available for those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., that enables the participant to designate another person to conduct his or her business at the office. This can be done by completing an FSA-211, Power of Attorney. The form is available your local FSA office or online at:

http://forms.sc.egov.usda.gov/efcommon/eFileServices/Forms/FSA0211-0211A_081217V02.pdf.

Farm Loans for Socially Disadvantaged

State Executive Director, Steve Maurer, reminds interested applicants that FSA offers loans for farmers 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, applicants might have suffered setbacks from natural disasters or might be persons with limited resources.

FSA makes two different types of loans, direct and guaranteed. Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans (loans made by a commercial lender where FSA acts as guarantor) can reach a maximum indebtedness of \$1,302,000. Emergency loans are a type of direct loan 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 for Socially Disadvantaged Applicants are other types of direct loans also available through FSA.

Socially Disadvantaged Applicants (SDA) are one of a group whose members have been subjected to racial, ethnic or gender prejudice because of their identity as a member of the group without regard to their individual qualities. SDA groups are Women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders. Certain FSA loan funds are targeted to beginning farmers and SDA.

For detailed information on loan eligibility or the different loan programs available, contact your local FSA office to setup an appointment with a Loan Approval Official.

Removing CCC Loan Collateral

Producers are reminded, if you have grain under Commodity Credit Corporation loan it cannot be removed or disposed of without prior county office staff authorization or repayment. The county office staff may issue release authorizations based on a telephone or in person request when you are ready to move the grain. A loan violation is subject to monetary and administrative penalties, such as repaying the loan at principal plus interest, liquidated damages, calling the loan and denial of future farm-stored loans and loan deficiency payments.

All commodity loans are subject to spot check. Locking in a market loan repayment rate is not a marketing authorization. If you are planning to move CCC loan grain, call the county office staff, before you HAUL!



Highly Erodible Lands and Wetland Compliance

Producers participating in most programs administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) are required to abide by certain conditions on any land owned or farmed that is highly erodible or that is considered a wetland.

To be in compliance with the highly erodible land conservation and wetland conservation provisions, producers must agree, that they will not:

- Produce an agricultural commodity on highly erodible land without a conservation system;
- Plant an agricultural commodity on a converted wetland;
- Convert a wetland to make possible the production of an agricultural commodity.

Producers planning to remove fence rows, convert woodlots to cropland, combine crop fields, divide a crop field into two or more fields, install new drainage, or improve or modify existing drainage, must notify the FSA and update Form AD-1026. FSA will notify NRCS and NRCS will then provide highly erodible land or wetland technical determinations.

For additional information on highly erodible land and wetland conservation compliance contact your local FSA office or the NRCS office.

Dates to Remember

Aug. 31	Deadline to obtain 2014 NAP coverage for Aquaculture, Christmas Trees, Floriculture, Ginseng, Mushrooms, Turfgrass Sod and Watercress.
Sept. 2	Labor Day Holiday. FSA Offices Closed.
Sept. 4	Deadline to obtain 2014 NAP coverage for Nursery and Ornamental Nursery.
Oct. 1	Deadline to obtain 2014 NAP coverage for Winter Wheat, Rye, Barley and Speltz.

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To file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax at (202) 690-7442 or e-mail at program.intake@usda.gov. USDA is an equal opportunity provider and employer."