



Texas FSA Today

November 2011

An Online Monthly Newsletter Covering the Hottest Topics in Federal Farm Programs

COUNTY COMMITTEE VOTING BEGINS

Ballots for this year's county committee election will be mailed to eligible voters on Nov. 4, 2011. Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on Dec. 5, 2011. If mailed, ballots must be postmarked by midnight Dec. 5, 2011.

If your operation is located in a local administrative area (LAA) that is having an election this year and you did not receive a ballot, contact your local FSA office.

Voter Requirements: Persons meeting requirements in 1 or 2, plus 3, below, is eligible to vote:

1. Be of legal voting age and have an interest in a farm or ranch as any of the following:

- An individual
- The authorized representative of an entity
- Both spouses when property is owned jointly
- Spouses in community property states.

2. Is not of legal voting age, but supervises and conducts the farming operations on an entire farm.

3. Participates or cooperates in any FSA program that is provided by law.

Discrimination Prohibited: No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

FSA MOVING TO ELECTRONIC INFORMATION

The USDA Farm Service Agency offices are moving toward a paperless operation.

Producers are asked to enroll in the new GovDelivery system which will provide 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 will help conserve resources and save taxpayer dollars.

County Committee ballots will continue to be mailed to all eligible producers.

Producers can now subscribe to receive free e-mail updates by going to <http://www.fsa.usda.gov/subscribe>.

CHANGE TO TEXAS AGRICULTURE TAX EXEMPTION LAWS

Beginning January 1, 2012, those who claim an exemption from sales tax on the purchase of certain items used in the production of agricultural and timber products are required to have a Texas Agriculture and Timber Exemption Registration Number (Ag/Timber Number).

To apply for an Ag/Timber Number online visit: <https://mycpa.cpa.state.tx.us/securitymp1portal/start.do>.

If you prefer to apply using a paper application, you can download and print the application from <https://mycpa.cpa.state.tx.us/securitymp1portal/start.do>, call the Comptroller's Fax on Demand service at 1-800-531-1441 to have the paper application faxed to

you or call 1-800-252-5555 to request a copy by mail. Mail your completed application to the address provided on the form. Mailed applications may take three to four weeks to process, and you will not receive your number instantly (as you will through the on-line application).

2012 DCP/ACRE SIGNUP

2012 Direct and Counter-Cyclical Program (DCP) enrollment will begin Jan. 23, 2012, and will end June 1, 2012. 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 June 1st in DCP/ACRE must be reported to your local FSA office such as:

- Ownership changes
- Producer changes (Individuals and Entities)
- Change in crop shares arrangements

Note: Changes cannot be made after Sept. 30, 2012.

SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM (SURE)

The sign-up for 2010 losses begins Nov. 14, 2011, and will end June 1, 2012.

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that occurred in the crop year 2010. SURE is available to

eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.
- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

HISPANIC AND WOMEN FARMERS

A process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans has been established.

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic or because you are female, you may be eligible to apply for compensation.

For additional information on this and other settlement issues contact:

- Hispanic and Women Farmer Claims Process: www.farmer-claims.gov or call 1-888-508-4429
- Pigford – The Black Farmers Discrimination Litigation: www.blackfarmercase.com or call 1-866-950-5547
- Keepseagle - The Native American Farmers Class Action Settlement: www.IndianFarmClass.com or call 1-888-233-5506

USDA AUTHORIZES EMERGENCY GRAZING OF CRP ACRES FOR 94 TEXAS COUNTIES

Emergency grazing use of Conservation Reserve Program (CRP) acres for fiscal year (FY) 2012 has been authorized for 94 Texas counties including: Armstrong, Bailey, Baylor, Bee, Borden, Bosque, Briscoe, Brown, Burnet, Callahan, Carson, Castro, Childress, Cochran, Coke, Coleman, Collingsworth, Concho, Cottle, Crosby, Dallam, Dawson, Deaf Smith, Delta, Dickens, Donley, Duval, Fannin, Fisher, Floyd, Foard, Frio, Gaines, Garza, Gray, Hale, Hall, Hansford, Hardeman,

Hartley, Haskell, Hemphill, Hidalgo, Hill, Hockley, Howard, Hutchinson, Jones, Kenedy, Kent, King, Kinney, Kleberg, Knox, Lamar, Lamb, LaSalle, Lipscomb, Live Oak, Lubbock, Lynn, Martin, Maverick, Medina, Menard, Mitchell, Montague, Moore, Motley, Nolan, Ochiltree, Oldham, Parmer, Pecos, Potter, Randall, Red River, Roberts, Runnels, Scurry, Shackelford, Sherman, Starr, Stonewall, Swisher, Taylor, Terrell, Terry, Throckmorton, Tom Green, Uvalde, Wheeler, Wilbarger and Yoakum.

The CRP emergency grazing authorization for FY 2012 begins November 1, 2011, and ends on January 29, 2012. Eligible producers who are interested in emergency grazing of CRP must request approval before grazing eligible acreage and obtain a modified conservation plan from the Natural Resources Conservation Service (NRCS) that outlines the grazing requirements for eligible practices.

Additionally, there will be a 25 percent CRP payment reduction for CRP acres used for grazing under these emergency provisions. Producers can use the CRP acreage for their own livestock or may grant another livestock producer use of the CRP acreage. The eligible CRP acreage is limited to acres located within the approved county.

MARKETING ASSISTANCE LOANS

A Marketing Assistance Loan (MAL) is available to producers who share in the risk of producing a crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity.

Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and 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 requires compliance with conservation and wetland protection requirements; beneficial interest requirements; acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards.

For commodities to be eligible they must have been produced by an eligible producer, be in existence and 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 the loan and denial of future farm-stored loans.

Section 1291 of the Department of Defense and Full-Year Continuing Appropriations Act of 2011 does not authorize funding to provide non-recourse MALs for mohair for the remainder of FY 2011. Effective April 14, 2011, County Offices are no longer authorized to accept requests for mohair marketing assistance loans and loan deficiency payments.

UNAUTHORIZED DISPOSITION OF GRAIN

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

NEW AGI FORM FOR 2012

On September 28, 2011, FSA started using CCC-931 "Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information" for all 2009, 2010, 2011 and 2012 programs that are subject to AGI compliance. FSA will no longer accept CCC-926, CCC-927, or CCC-928 for any program. The new form is a combination of the Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information forms previously used by FSA.

Form CCC-931 is available at your local FSA office or online at <http://intranet.fsa.usda.gov>. Producers can print and

mail the form to their local FSA office. FSA employees will review the form for accuracy before forwarding it to the IRS. If CCC-931 is incomplete, the producer will be notified and corrections will be completed prior to FSA forwarding it to the IRS. Producers with FSA-211, "Power of Attorneys" will not be allowed to use the FSA-211 to complete the CCC-931.

Producers who failed to file these forms before Sept. 2011 will receive a notice from the National Office stating that the producer is ineligible for 2009 and/or 2010 payments.

Without these forms on file, eligible producers will not receive USDA program payments. For more information please contact your local FSA office.

NAP CLOSING DATE

The NAP application closing date for 2012 grazing and forage/hay on native and improved grass is December 1, 2011.

FSA SIGNATURE POLICY

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

ELECTRONIC SERVICES AVAILABLE

If a producer has Internet access, program participants can access many services from home 24-hours a day, seven days a week, and receive approval and payment by direct deposit within 48 hours.

To participate in these 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 <http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home> followed by a visit to the county office for identity verification.

If you would like assistance establishing your account, just contact your local USDA Service Center.

CHANGING BANKS

Almost all Farm Service Agency payments are made electronically using Direct Deposit.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

RURAL YOUTH LOANS

FSA makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

BEGINNING AND LIMITED RESOURCE FARMER & RANCHERS

FSA assists beginning farmers and ranchers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the

operation of the farm

- Agrees to participate in any loan assessment and borrower training program in production and/or financial management required by the Agency
- Does not own farm acreage greater than 30 % of the median size farm in the county

LOANS FOR THE SOCIALLY DISADVANTAGED

FSA has loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided targeted funding for members of Socially Disadvantaged groups.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of a group.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

SELLING LAND

If you're planning to sell farmland, there may be some program consequences you should be aware of. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

FARM RECONSTITUTIONS

When changes in farm ownership or operation take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-cyclical Program.

- Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;
- Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;
- DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;
- Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded.

Readers are advised that dates for FSA programs in Texas are often county-specific. Please contact your local FSA office for detailed information pertaining to your operation.

Dates to Remember	
Nov. 4	County Committee ballots mailed to voters
Nov. 11	Veterans Day Holiday
Nov. 14	SURE Sign-up Starts
Nov. 24	Thanksgiving Day Holiday
Dec. 1	NAP Closing Date for 2012 grazing & forage/hay on native & improved grass
Dec. 5	County Committee ballots due back to county office
Continues	Continuous Conservation Reserve program

Selected Interest Rates for November 2011	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	1.375%
Farm Ownership Loans — Direct	3.75%
Limited Resource Loans	5.00%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans (7 year)	1.50%
Sugar Storage Facility Loans	2.50%
Commodity Loans 1996-Present	1.125%