



Texas FSA Today

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

USDA URGES PRODUCERS TO COMPLETE AND RETURN THE 2012 CENSUS OF AGRICULTURE

The USDA National Agricultural Statistics Service (NASS) mailed the 2012 Census of Agriculture during the last week of December and is asking for the help of farmers and ranchers in collecting accurate data.

The Census of Agriculture is only conducted once every five years and captures a count of all U.S. farms, ranches and those who operate them. Everyone who receives a Census form is required to return the Census form, even if they no longer farm or have never been involved in agriculture. Retired operators who own land enrolled in the Conservation Reserve Program (CRP) or Wetland Reserve Program (WRP) are counted as farms and should complete the Census form.

Results of the Census are used by USDA, university research and extension, state and local officials, agribusinesses, farm organizations and commodity groups to make important policy and business decisions that impact people across the nation.

Please return the Census by February 4, 2013. Producers can also complete the Census online at www.agcensus.usda.gov after receiving the Census form through the mail. Information reported by producers is confidential. The results of the Census show the strength and diversity of U.S. agriculture.

Your answers to the Census can help grow your farm future, shape farm programs and boost services for you, your community and your industry.

For help completing the Census, contact NASS at (888) 424-7828.

CRP EMERGENCY GRAZING AUTHORIZED FOR 52 COUNTIES

In Texas, 52 counties received an authorization for emergency grazing use of Conservation Reserve Program (CRP) acres for fiscal year (FY) 2013.

The CRP emergency grazing authorization for fiscal year 2013 begins immediately for a 90 day period, not to exceed February 28, 2013.

The following Texas counties are approved for emergency grazing: Andrews, Armstrong, Bailey, Baylor, Borden, Briscoe, Carson, Castro, Childress, Cochran, Coleman, Cottle, Crosby, Dallam, Dawson, Deaf Smith, Dickens, Donley, Fisher, Floyd, Foard, Gaines, Garza, Gray, Hale, Hall, Hansford, Hardeman, Hartley, Hemphill, Hockley, Hutchinson, Kent, King, Lamb, Lipscomb, Lubbock, Lynn, Moore, Nolan, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Scurry, Sherman, Swisher, Terry, Wheeler, Yoakum.

Based on a decision made by the Texas FSA State Committee, CRP emergency grazing approval will only be available for those CRP lands that were not utilized for haying or grazing during fiscal year 2011 or 2012, including authorized extensions. FSA's fiscal year runs from October 1 to September 30.

Producers must request approval before grazing eligible acreage and obtain a modified conservation plan from the Natural Resources Conservation Service (NRCS) that includes grazing provisions. Current provisions allow grazing on 100 percent of a field, up to the 75 percent stocking rate.

Additionally, there will be a 25 percent CRP payment reduction for CRP acres used for grazing under these

emergency provisions.

For more information and to request approval for emergency grazing use of CRP acres contact your local FSA Office.

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. Under the 2008 Farm Bill, SURE authorizes assistance to farmers and ranchers who suffered crop losses caused by natural disasters occurring through Sept. 30, 2011.

During 2011, all Texas counties received a Secretarial Disaster Designation, whether primary or contiguous, and producers are eligible to apply for SURE benefits if they experienced at least a 10 percent production loss that affects one crop of economic significance.

To meet program eligibility requirements, producers must have obtained a policy or plan of insurance through the Federal Crop Insurance Corporation or obtained Noninsured Crop Disaster Assistance Program (NAP) coverage for all economically significant crops. Eligible farmers and ranchers who meet the definition of a socially disadvantaged, limited resource or beginning farmer or rancher do not have to meet this requirement. Forage crops intended for grazing are not eligible for SURE benefits.

For more information on SURE program eligibility requirements contact your local FSA office or visit the website at <http://www.fsa.usda.gov/sure>.

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.

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 the date the loss became apparent.

The following crops have a NAP application closing date of March 15, 2013: beans, corn, cucumbers, eggplant, guar, melons (cantaloupe, honeydew, watermelon, etc.), millet, okra, peanuts, peas, pecans, peppers, potatoes, pumpkins, sesame, sorghum, sorghum forage, soybeans, squash, sunflowers and tomatoes.

FSA CONSERVATION LOANS AVAILABLE

FSA Guaranteed Conservation Loan funds are now available. Conservation loans allow farmers and ranchers to implement conservation practices on their land that will help protect natural resources.

Guaranteed Conservation Loans are a useful alternative to help operators implement any Natural Resources Conservation Service (NRCS) approved conservation practice including, but not limited to, waste management systems, conservation structures or water conservation measures.

Unlike other FSA guaranteed loan programs, Conservation Loans are not limited to family size farms.

The Guaranteed Conservation Loan limit is \$1,302,000 and interest rates and terms will vary. The maximum guarantee FSA can issue is 75 percent.

A streamlined application process is available for applicants with a strong

financial position.

Interested applicants who do not already have a conservation plan approved by NRCS should work with their local NRCS staff to develop a conservation plan. As with other guarantees, lenders can reduce risk, increase liquidity and offer lower rates by selling the guaranteed portion in the secondary market.

For questions regarding Guaranteed Conservation Loans, please contact your lender or your local FSA Office.

ALL TEXAS COUNTIES ELIGIBLE FOR FSA EMERGENCY LOANS

As of July 12, 2012, the entire state of Texas was declared a disaster using the new, Fast Track Secretarial Disaster Designation process.

The disaster designation was a direct result of several program improvements announced by Secretary Vilsack on July 11, 2012. The program improvements include a streamlined Secretarial Disaster Designation, known as Fast Track, which automatically qualifies a disaster county once it is categorized as a severe drought for eight weeks according to the U.S. Drought Monitor. Other improvements include a reduced interest rate for emergency loans.

All Texas counties are eligible to apply for low-interest emergency (EM) loans. Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine. The current emergency loan interest rate is 2.250 percent.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. Emergency loan applications will be accepted through March 12, 2013, for production and physical losses.

On August 22, 2012, Secretary Vilsack announced another modification to the emergency loan program allowing them to be made earlier in the season. For example, in the past emergency loan eligibility was decided after the grazing period to determine pasture losses for livestock producers. Eligible livestock producers will no longer have to wait until the end of the grazing period to obtain a loan. This change will support producers

who currently need assistance to help offset high production costs.

2009 AND 2010 AVERAGE ADJUSTED GROSS INCOME COMPLIANCE REVIEW

The AGI verification and compliance reviews for 2009 and 2010 are coming to a close. Compliance reviews were conducted on producers that the IRS indicated may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers received determinations of eligibility or ineligibility.

If the producer was determined to have exceeded the AGI limitation of \$500,000 of nonfarm income, \$750,000 of farm income or \$1 million of conservation program benefits, then receivables were established for payments earned directly or indirectly by the producer subject to the applicable limitation. These reviews and determinations were made by the Texas FSA State Office. If you have any concerns about the review or determination, please contact the Texas FSA State Office at 979-680-5191. Producers who received initial debt notification letters may only appeal the amount of the debt to their local FSA office.

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 email updates by going to www.fsa.usda.gov/subscribe.

HISPANIC AND WOMEN FARMER AND RANCHER CLAIMS PERIOD

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

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.

To read Secretary Tom Vilsack's news release click on the following link:

www.usda.gov/wps/portal/usda/usdahome?contentid=2012/09/0309.xml&contentidonly=true

LDPS FOR UNSHORN LAMB PELTS

Eligible producers have until Jan. 31, 2013, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2012 crop year.

Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have interest in.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

MARKETING ASSISTANCE LOANS (MAL)

Short-term financing is available by obtaining low interest commodity loans for eligible harvested production. A nine-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.

FINAL AVAILABILITY DATES FOR MARKETING ASSISTANCE LOANS & LOAN DEFICIENCY PAYMENTS

- January 31-Mohair, Peanuts, Unshorn Pelts, Wool
- March 31-Honey, Oats, Wheat
- May 31-Corn, Cotton, Grain Sorghum, Rice, Soybeans

Please note: Unshorn pelts are not eligible for MALs.

FARM STORAGE FACILITY LOAN PROGRAM

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

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now 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. Additional security is required for poured-cement open-bunker silos, renewable biomass facilities, cold storage facilities, hay barns and for all loans exceeding \$100,000. New 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 Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas, dry beans and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities
- Honey

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

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 county 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. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

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 purchase 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. Making record changes now will save time in the spring.

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 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 your local FSA Office or visit the FSA website at www.fsa.usda.gov/.

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 the county FSA office staff directly or by phone.

POWER OF ATTORNEY

For those who find it difficult to visit the county 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 our office or any 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 the FSA county 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

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.

IRS 1099 CHANGES

In past years, IRS Form 1099-G was issued to show all program payments received from the Farm Service Agency, regardless of the amount. For calendar year 2012, the 1099-G reporting will change.

IRS Form 1099-G (Report of Payments to Producers) will only be issued to producers whose reportable payments total \$600 or more for the calendar year. Additionally, if the producer has at least \$600 in reportable payments received from multiple FSA offices, only one Form 1099-G will be issued. Producers subject to voluntary withholding or backup (involuntary) withholding will receive the appropriate IRS form, even if combined payments are less than \$600.

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

Any producer who receives less than \$600 in combined payments should consult a tax advisor to determine if these payments must be reported on their tax return.

For more information regarding IRS reporting changes, please contact the Name County FSA office at Phone.

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	
January 21	Martin Luther King Jr. Federal Holiday – Offices Closed
February 4	Deadline to Return Census of Agriculture
February 28	CRP Emergency Grazing Ends

Selected Interest Rates for January 2013	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	1.250%
Farm Ownership Loans — Direct	3.125%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	2.25%
Farm Storage Facility Loans (7 years)	1.125%
Sugar Storage Facility Loans	2.125%
Commodity Loans 1996-Present	1.125%