



# NEWSLETTER



**February 2013**

## **Twin Harbors-Lewis County Farm Service Agency**

1554 Bishop Rd.  
Chehalis, WA 98532  
Phone – 360-748-0083 Ext. 2  
Fax – 360-740-9745

### **Office Hours**

Mon. - Fri. 8:00 a.m. – 4:30 p.m.

### **County Committee**

Vic Boekelman - Chair  
Christy Kriegsman – Vice Chair  
Don Taylor – Member  
Allen Devlin – Member  
Tony Schilter - Member

### **Office Staff**

Martha Dorsey – Executive Director  
Julie Moldenhauer – Program Tech.

### **Farm Loan Staff**

Jeff Peterson – Sr. Farm Loan Officer  
Ruth Wynn – FL Program Tech.

### **Next COC Meeting**

March 27, 2013

### **Dates to Remember**

February 28, 2013 – final day for  
“relief period” MILC start month  
change

### **FSA Web Sites**

State- <http://www.fsa.usda.gov/wa>  
National- <http://www.fsa.usda.gov>  
USDA- <http://www.usda.gov>

## **FSA County Committee Election Results**

County Committee ballots were counted at the December meeting and Tony Schilter was elected as our new LAA 4 representative. Mike Peroni was also elected as the LAA 4 alternate for Tony. Tony is a long-time dairy producer and Mike has also farmed for many years, growing certified organic crops. Congratulations and thanks to both Tony and Mike for serving on the committee.

## **Congress Extends Farm Bill**

The 2008 Farm Bill was extended through September 30, 2013. Most major programs were extended including Direct Payments (DCP), MILC, commodity loans, and CRP. Adjusted Gross Income (AGI) provisions will continue to apply. Some minor program changes have been made and rules to implement those are being developed now.

**Sign up for Direct Payments or DCP will begin February 19, 2013 and continue through August 1, 2013.**

## **Important Updates for the MILC Program**

Since the MILC program officially expired on September 30, 2012, it will start up again, but some aspects of the program will need to be handled retroactively. All dairy producers MILC contracts are automatically extended to September 30, 2013, so you will not need to re-enroll in the program.

The production start month previously selected by any producer is applicable for FY 2013. **However**, a relief period is authorized that will allow MILC participants to change their start month selections because producers were not able to make timely start month selections for FY 2013 according to normal provisions. **During the relief period, from February 1 – February 28, the production start month selected may be any month in FY 2013 and start month selection provisions do not apply.** After February 28, start month changes will have to be made according to normal start month selection provisions.

Payment rates have been triggered for September 2012 (rate = \$0.5944338) and October 2012 (rate of \$0.0236798). Before the October payment can be issued, producers will need to submit a new 2013 Average Adjusted Gross Income (AGI) certification.

Please contact the office to change your start month or obtain AGI forms. If you have any questions on the program, please do not hesitate to contact us.

## **New Microloan Program**

FSA now offers more flexible access to credit through the new microloan program. The program is an attractive loan alternative for smaller farming operations like specialty crop producers and operators of community supported agriculture (CSA).

Microloans can be used for all approved operating expenses as authorized by the FSA Operating Loan (OL) Program, including but not limited to:

- Initial start-up expenses
- Annual expenses such as seed, fertilizer, utilities, land rents
- Marketing and distribution expenses
- Purchase of livestock, equipment, and other materials essential to farm operations
- Minor farm improvements such as wells and coolers
- Hoop houses to extend the growing season

The application process for microloans will require less paperwork. Requirements for managerial experience and loan security have been modified to accommodate smaller farm operations, beginning farmers, and those with no farm management experience. However, applicants will need to have some farm experience. FSA will consider an applicant's small business experience as well as any experience with a self-guided apprenticeship as a means to meet the farm management requirement.

Eligible applicants may obtain a microloan for up to \$35,000. The repayment term may vary and will not exceed seven years. Annual operating loans are repaid within 12 months or when the agricultural commodities produced are sold. Interest rates are based on the regular OL rates that are in effect at the time of the microloan approval or microloan closing, whichever is less. Currently the rate is 1.25%.

## **Disaster Debt Set-Aside Program**

When Farm Service Agency (FSA) direct loan borrowers are located in a designated disaster area or contiguous county, and are unable to make their scheduled payments on any debt, FSA is authorized to consider set-aside of some payments to allow the operation to continue.

Borrowers have eight months from the date of designation to apply for the program. A complete application includes a written request from all liable parties, actual production, income and expense records for the period in which disaster occurred, and other items as required. Production, income and expense records are not required in instances where the agency already has the information.

Borrowers are eligible to receive the disaster set-aside based on the following: (1) The borrower is unable to pay all family living and farm operating expenses, payments to other creditors and payments to FS;. (2) The borrower must have operated the farm or ranch at the time of the disaster; (3) Each loan considered for disaster set-aside must have been outstanding at the time of the disaster; (4) The borrower must be current or not more than one installment behind on any FSA loan; (5) The loan considered for disaster set-aside must have at least a term of 2 years remaining on the payments; (6) After the disaster set-aside is completed, the borrower must be current with FSA payments; (7) The amount set aside cannot exceed one year's FSA payment; (8) Each loan can only receive one disaster set-aside; (9) The borrower must be able to develop a positive cash-flow projection for the coming year.

Each payment set-aside must be repaid prior to the final maturity of the note. Any principal set-aside will continue to accrue interest until it is repaid.

## **Hispanic and Women Farmer and Rancher Claims Period**

Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades can file claims until 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 within 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.

USDA will continue reaching out to potential Hispanic and female claimants around the country to inform those who may be eligible for this program.

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

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

**Deadline for Claims: March 25, 2013.**

Claimants can obtain a claims package in the mail by calling 1-888-509-4429 or by visiting the website [www.farmerclaims.gov](http://www.farmerclaims.gov). Public meetings are also being held in many areas to share further information. Contact your nearest FSA office to get a schedule of meetings in your area.

## **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 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 verified according to agency specifications. *NAP losses must be reported within 15 days of loss.*

## **Farming Operation Changes**

Producers who have bought or sold land, or added or dropped rented land from their operation must report those changes to our 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 report changes 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 when signing up for future programs.

## **Special Accommodations & Accessibility**

Persons with disabilities who require accommodations to attend or participate in any meeting, event or function should contact the county office. Special accommodations will be made upon request for individuals with disabilities, vision impairment, or hearing impairment. If accommodations are required, individuals should notify the county FSA office staff in person or by phone. FSA is committed to making programs accessible to all customers.

## **Bank Account Changes**

Current policy mandates that FSA payments be electronically transferred to your 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 bank routing numbers.

## **Direct Deposit**

Have you changed your checking account? Have you changed banks in the last year or has your bank been purchased? Please notify the Farm Service Agency of any banking changes that you have made. Remember that FSA assistance payments go to you Direct Deposit. Make sure you provide FSA with up-to-date bank records to avoid lengthy payment delays.

## **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 county office staff by either spouse.

There are exceptions to the rule. 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, contact your local office.