



NEWSLETTER



March 2013

ALASKA FSA Offices

Northern County Office
PO Box 585
Delta Junction, AK 99737

**County Executive Director
Lloyd Wilhelm**
907-895-4242
Fax: 907-895-5003
Email: lloyd.wilhelm@
ak.usda.gov

Southern County Office
800 W Evergreen, Ste 216
Palmer, AK 99645

**County Executive Director
Vacant**
907-761-7754
Fax: 907-761-7788

Hours Monday-Friday
8:00 a.m. – 4:30 p.m.

**State Executive
Director**
Danny Consenstein
907-761-7738
Fax: 907-761-7795
Email: danny.consenstein
@ak.usda.gov

State Committee

Arthur Keyes, Chair
Mike Schultz, Member

FSA State Director's Column

Spring Planting? Time for Spring Planning!

There are clear signs that consumer demand for locally grown food is increasing rapidly. New farmer's markets are opening around the state. School districts have new funding to purchase local food for next year's school season. More restaurants and retailers are looking for local sources of vegetables and meats. Farmers are forming co-ops to market larger quantities to larger institutional buyers.

Will you be ready to meet this new demand?

Are you thinking of expanding or changing your operation this year to meet increased consumer demand or fill a market niche?

Are you considering producing a new crop?

Now is a good time to contact Alaska FSA. Check out our new Microloan Program. We can help you develop a business plan, evaluate options, or consider financing a new venture. For more information, contact our offices in Palmer or Delta, or check us out on our website, www.fsa.usda.gov/ak

Happy Spring!

Microloan Programs

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

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.

Individuals interested in applying for a microloan or who would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with a loan approval official.

HWFRCP Claims Deadline

March 25

Agriculture Secretary Tom Vilsack reminds Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades that the filing period will close March 25, 2013. USDA urges potential claimants to contact the Claims Administrator for information and mail their claim packages on or before the deadline.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied his or her application 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.

Claimants may register for a claims package by calling the telephone number below Monday through Friday 9 a.m. to 8 p.m. Eastern Time or by downloading the forms from the website.

Website: www.farmerclaims.gov

Phone: 1-888-508-4429

Claims Period: September 24, 2012 - March 25, 2013.

An independent adjudicator 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, persons seeking legal advice may contact a lawyer or other legal services provider. Legal resources ready to assist nationwide can be found at www.nationalaglawcenter.org

Hay Net

Producers are encouraged to use Hay Net on the FSA website (www.fsa.usda.gov/haynet). This online service allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

Loans for the Socially Disadvantaged

FSA has a number of 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 priority funding for members of socially disadvantaged groups.

A socially disadvantaged applicant is a member of a group whose members have been subjected to racial, ethnic or gender prejudice without regard to their individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

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

45th CRP General Sign-Up

USDA will conduct a four-week general sign-up for the Conservation Reserve Program (CRP), beginning May 20 and ending on June 14. CRP protects the nation's natural resources through voluntary participation, while providing significant economic and environmental benefits to rural communities across the United States.

Currently, about 27 million acres are enrolled in CRP. Producers that are accepted in the sign-up can receive cost-share assistance to plant long-term, resource-conserving covers and receive an annual rental payment for the length of the contract (10-15 years).

Contracts on 3.3 million acres of CRP are set to expire on Sept. 30, 2013. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

For more information on CRP and other FSA programs, visit a local FSA service center or www.fsa.usda.gov.

DCP and ACRE Sign-up

DCP and ACRE signups for the 2013 crops are on-going. The DCP sign-up period will end on Aug. 2, 2013; and the ACRE sign-up period will end on June 3, 2013.

The 2013 DCP and ACRE program provisions are unchanged from 2012, except that all eligible participants in 2013 may choose to enroll in either DCP or ACRE for the 2013 crop year. This means that eligible producers who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013 or may re-enroll in ACRE in 2013. Likewise producers who were enrolled in DCP may opt for ACRE enrollment.

[Read more about DCP and ACRE](#) or contact the FSA county office for more information, or an appointment to enroll.

Farm Storage Facility Loans

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. 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 U.S. Treasury Department.

The initial 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.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

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

IRS 1099-G

Changes Calendar year 2012 brought changes to the way FSA reports farm program payments to the producer and to the IRS. In past years, IRS Forms 1099-G would be issued to show all program payments received from the Farm Service Agency, regardless of the amount.

For calendar year 2012, producers whose total reportable payments from FSA were less than \$600 will not receive IRS Form 1099-G. Also, producers who received payments from more than one county will only receive one Form 1099-G if the total of all payments from all counties was \$600 or more. The same changes will apply to those who normally receive IRS Form 1099-MISC from FSA.

MILC Program Extended

Dairy producers enrolled in the Milk Income Loss Contract program (MILC) will have their contracts automatically extended through Sept. 30, 2013. There is no need to re-enroll in the program. The MILC program was one of several programs continued with the extension of the 2008 Farm Bill.

The production start month previously selected by an operation is applicable for FY 2013. Starting March 1, 2013, all production start month changes must be made according to normal start month selection provisions.

Normal start month provisions: Changes must be made on or before the 14th day of the month before the selected MILC production start month, except as otherwise provided during the applicable sign-up phase. A dairy operation cannot select a MILC production start month for any month that has already begun, except as otherwise provided; has already ended or; milk was not produced by the dairy operation.

Please call the FSA office and make an appointment if you decide to make changes.

GovDelivery

The USDA Farm Service Agency offices are now communicating electronically to save time and taxpayer dollars. Producers can now enroll in the new GovDelivery email system that provides notices, newsletters and electronic reminders instead of a hard copy through the postal mail.

FSA, like many organizations is working smarter and more efficiently. County Committee ballots and all program or loan-related documents will continue to be mailed to all eligible producers. Producers can subscribe to receive free e-mail updates by going to <http://www.fsa.usda.gov/subscribe>.

Honey Loans

Honey marketing assistance loans are available until April 1, 2013. The national loan rate for honey is \$.69 per pound. Market prices currently exceed the loan rate, so LDPs are not available at this time.

To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extract the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan.

The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed. Honey used as collateral may not be disposed of without approval of the county office staff.

Beginning and Limited Resource Farmers

FSA assists beginning farmers and members of socially disadvantaged groups 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 a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's median size.

Additional program information, loan applications and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

Marketing Assistance Loans

Marketing Assistance Loans, also referred to as Commodity Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan even if you regain beneficial interest.

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. 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.

Maintaining the Quality of Loaned Grain - Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

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.

Selected Interest Rates for March 2013	
Farm Operating - Direct	1.250%
Farm Ownership - Direct	3.250%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Farm Storage Facility Loan	
7 year	1.375%
10 year	2.000%
12 year	2.250%
Commodity Loans	
1996-Present	1.125%

Dates to Remember	
June 7	SURE applications deadline for 2011 losses