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## A Message from Ben Brancel, State Executive Director

After months of delay, six short-term extensions, two vetoes and two overrides, we finally have a farm bill. Now the focus shifts to USDA as we implement the 2008 Food, Conservation and Energy Act passed by Congress.



Many of you want to know when you can

sign up for the new farm bill. While many farm bill details are still unclear, I can definitely tell you that it will take more than one visit to your local FSA office to sign up for the new programs.

That's because Congress authorized the use of fast-track rulemaking for some programs, but not for others, and also provided different effective dates for various programs.

For instance, sign-up began for the 2008 Direct and Counter Cyclical Payment program (DCP) in late June, and we are already making 2008 advance payments.

On the other hand, details on the new Average Crop Revenue Election program (ACRE) will not be available until 2009.

All this means that Wisconsin farmers must continue to watch closely for sign-up announcements as these new farm bill programs are rolled out. It's very important that you do so, because your eligibility for these programs depends on your timely enrollment.

The employees in your local FSA office are ready to take your applications and answer your questions. It's always a good idea to call ahead for an appointment. That way, we can be ready to help you.

Ben Brancel

# NAP Coverage and Reminders

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

The application deadline date for the 2009 NAP coverage for "value loss" crops such as ginseng, turf grass sod, Christmas trees, aquaculture and ornamental nursery is September 1, 2008. The deadline date for forage crops not covered by federal crop insurance, including pasture land forages, is September 30, 2008. Perennial crop deadlines on fruit and other crops such as apples, pears, blueberries, strawberries, grapes, honey, maple sap and other perennial fruits is November 20, 2008.

USDA has extended the fall application deadline dates for 2009 NAP coverage to December 1, 2008. However, producers should be aware that if they apply after the normal deadline date, coverage will not attach to the crop until 30 days after the application is submitted. The final crop reporting dates have not been extended. For example, producers will still have to file a crop report by September 30, 2008, for crops with a normal application deadline date of September.

Producers who already have coverage on 2008 NAP crops may choose to continue coverage on the same crop or crops for 2009, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops.

If producers choose to add a new crop(s) or delete a crop(s) from the previous year's coverage or change crop shares, they must file a new CCC-471 with signatures and pay the applicable service fee.

The NAP fees have changed for 2009. The fees are now \$250 per crop with a limit of \$750 per county. The national limit is \$1875 per producer if they farm in more the than 2 counties.

Producers with 2008 NAP coverage must remember to complete the following to qualify for benefits:

Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.
File a "Notice of Loss" within 15 days of when a loss is apparent, due to drought, hail, etc.

For more information on NAP coverage please contact your nearest Farm Service Agency office.

### **Power of Attorney**

For those who find it difficult to personally visit the county office due to work schedules, distance, health, etc., Farm Service Agency (FSA) has a power of attorney form available that enables you to designate another person to conduct your business at the office.

Producers and landowners who previously executed an FSA-211 (Power of Attorney) will need to fill out a new FSA-211 form to be able to sign 2008 documents. For more information, please contact your local FSA office.



# FSA Program Fact Sheets on the Web

The Farm Service Agency (FSA) website provides printable one or

two page fact sheets about all available programs on the web.

These fact sheets can be accessed by going to http://www.fsa.usda.gov/FSA and clicking on Find FSA Fact Sheets on the left hand side of the screen.

Please call your local FSA office for more information or any questions you may have about individual programs.

## Buy-In Waiver for Supplemental Disaster Assistance

Producers can establish 2008 eligibility for the new disaster assistance programs by paying a fee as required by the Food, Conservation and Energy Act of 2008 (the 2008 Act).

Ordinarily producers who wish to participate in the new disaster programs would need crop insurance or non-insured crop disaster assistance (NAP) coverage on all farms in all counties in which they have an interest. Since the 2008 Act was enacted after the application periods had closed for those programs, producers who did not have insurance coverage could not comply with this requirement in order to be eligible. However, the 2008 Act authorizes a waiver that allows producers to pay a fee, called a "buy-in" fee, to be eligible for the new disaster assistance programs.

The buy-in fee is due no later than Sept. 16, 2008, 90 days after the date of enactment, as required by the 2008 Act. Payment of the applicable fees will allow the producer to be eligible for financial assistance under the Supplemental Revenue Assistance Program (SURE), Livestock Forage Disaster Program (LFP), Emergency Assistance for Livestock, Honeybees and Farm Raised Fish Program (ELAP), and other disaster assistance programs. Those who miss this opportunity will **not** be eligible for 2008 disaster assistance. Producers are also reminded that the payment of the applicable buy-in fee does **not** provide the producer crop insurance or NAP coverage; it only affords eligibility for the 2008 disaster programs.

The buy-in fee for 2008 eligibility is \$100 per crop, but not more than \$300 per producer per administrative county, or \$900 total per producer for all counties less any previously paid fees for CAT and/ or NAP. Producers can contact their local administrative FSA County Office to get more information or pay applicable fees.

Please visit FSA's website at <u>www.usda.fsa.gov</u> for more information on the newly enacted disaster programs.

# 2008 DCP Program Sign-Up Is Underway

The Direct and Counter-cyclical Payment Program (DCP) 2008 sign-up deadline for producers is September 30, 2008. The 2008 DCP contract can be completed at any USDA Farm Service Agency (FSA) county office; however, producers with level 2 credentials can sign-up for DCP online by going to <u>http://www.fsa.usda.gov/FSA/edcp</u> and clicking on "Access eDCP Service." Producers can choose payment options, assign crop shares and sign and submit contracts from any computer with Internet access. You can also view and print submitted contract options.

FSA computes DCP payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2008, eligible producers may request an advance payment of 22 percent of the direct payment for each commodity associated with the farm if requested after enrollment in DCP. Final direct payments will be issued after October 1, 2008. Counter-cyclical payments vary depending on market prices, and are issued only when the effective price for a commodity is below its target price (which takes into account the direct payment rate, market price and loan rate).

For all eligibility requirements, or to set up an appointment contact your local FSA office.

## **Emergency Conservation Program**

The Emergency Conservation Program's (ECP), a Farm Service Agency (FSA) program, objective is to provide cost-share assistance to agricultural producers who have suffered severe damage to their farmland as a result of a natural disaster, including wind, water erosion, and flooding. This assistance aids producers in rehabilitating farmland from damages suffered during such disasters. Several types of covered damage include removing debris from farmland, grading, shaping and leveling land that has been damaged, restoring certain permanent fences, and restoring conservation structures such as grassed waterways, diversions and terraces.

To maintain eligibility for future assistance, producers with damage to farmland must file an application for assistance with their local FSA office and damage must be physically documented by a FSA employee before they take any action to begin repairs. Submitting an application at this time does not guarantee future assistance, but allows a producer to maintain eligibility if future assistance becomes available.

However, any conservation structures or practices originally installed by the Natural Resources Conservation Service's (NRCS) Environmental Quality Incentives Program (EQIP) that received damage by heavy rain and/ or flooding will not be eligible for ECP assistance. Producers need to contact their local NRCS office for this type of damage.

If Conservation Reserve Program (CRP) land suffered damages, producers need to contact their local FSA office.

Producers who think they may be eligible for ECP assistance for damaged farmland should contact their appropriate county FSA office.

# Crop Reporting Deadline Extension

The Farm Service Agency (FSA) extended the deadline for reporting crop acreage at local offices to August 15, 2008. For 2008 Disaster Program purposes, all crops including pastures and other non-cropland, harvested or grazed, must be reported.

Acreage reports are required to participate in Direct and Countercyclical Program (DCP), Conservation Reserve Program, Non-insured Assistance Program (NAP), permanent Disaster Programs and to receive loan deficiency payments (LDPs) or Marketing Assistance Loans.

After the August 15 reporting deadline, producers will be charged a minimum late-filing fee of \$46 per farm; however, acreage reports may be revised at any time without a late-filing charge as long as the crop may be verified in the field. Producers filing crop reports after August 15 can have the late-filing fees waived for Disaster Program purposes only.



Contact your local FSA office for an appointment if you will be participating in the permanent Disaster Programs for 2008 and have not reported all your pastureland and other harvested or grazed non-cropland.

For crop losses covered by NAP, producers must contact their local FSA office within 15 days of the occurrence of the disaster or when losses become apparent to file a Notice of Loss. Producers with crop insurance should contact their local agent when losses occur and before destroying the crop.

# Conservation Compliance Regulations

The term "sodbusting" is used to identify the plowing up of erosionprone grasslands for use as cropland. Sodbuster violations are unauthorized tillage practices on highly erodible lands that converted native vegetation such as rangeland or woodland, to crop production after Dec. 23, 1985.

Farmers and ranchers should be aware that they risk losing eligibility to participate in the Farm Service Agency (FSA) programs if they use highly erodible land for crop production without proper conservation measures.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If the Natural Resources Conservation Service (NRCS) indicates an area will be highly erodible land, it is mandatory for the producer to develop and implement a conservation plan on the affected acreage, before bringing land into production.

In addition, producers and the producer's affiliates have to file an AD-1026 with the FSA staff in the administrative or control county office before any farm program payments can be made. The AD-1026 is the producer's signed certification that HELC, as well as wetland conservation, provisions will not be violated.

#### Foreign Landowner 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 (FSA) administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property.

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

# Managed Haying and Grazing of CRP Land

The 2008 Farm Bill currently allows Conservation Reserve Program (CRP) acreage to be harvested or grazed under certain, restrictive circumstances. Written approval must be received from the local Farm Service Agency (FSA) office before haying or grazing begins by the CRP participant or severe payment reductions or contract termination may result if the producer fails to obtain appropriate authorization.

Haying can begin no earlier than August 2, 2008 and must be completed by September 15, 2008. Grazing must also not begin before August 2; however, livestock must be removed no later than September 30, 2008. Haying is limited to one cutting and grazing plans will specify the stocking rate for the grazed acreage. However, the same acreage cannot be hayed and grazed.

Authorization of CRP managed haying and grazing can only be on certain cover practices such as grass or legume cover or native grasses. Some restrictions include land containing trees, windbreaks, shrubs, wildlife habi-



tat, as well as grass waterways, filter strips, riparian and established or restored wetlands.

Producers must also verify that the acreage intended for managed haying or grazing has a fully established cover. The acreage cannot be newly enrolled or previously authorized for haying or grazing in the last three years. The participant is also responsible for re-establishing any failed cover at their own expense.

CRP participants whose acreage is hayed or grazed under this provision must report the number of acres actually hayed or grazed no later than September 30 and reports are subject to spot check by USDA. Also by September 30, the participant must report tonnage harvested or the number of livestock grazed.

Contact your local FSA office for more information and details regarding the potential having or grazing of CRP acreage.

## **Emergency Loan Program**

The Emergency Loans Program assists farmers who have suffered physical or production losses in areas declared by the President as disaster areas or designated by the Secretary of Agriculture as disaster areas or quarantine areas.

Emergency loan funds may be used to:

-restore or replace essential damaged property
-pay all or part of production costs for the disaster year
-pay essential family living expenses
-reorganize the farming operation
-refinance certain debts

The Farm Service Agency (FSA) Administrator may authorize Emergency Loan assistance for physical losses only. For production loss loans, applicants must demonstrate a 30-percent loss in a single farming or ranching enterprise that is economically significant to their farming operations. Applicants may receive loans up to 100 percent of production or physical losses, after other benefits have been received. The maximum loan amount under the Emergency Loan program is \$500,000. Emergency Loans are available only as Direct Loans. The interest rate is presently 3.75%. Applicants must be unable to get credit elsewhere. Loan repayment terms depend upon the use of the loan proceeds, the life of the security offered, and the repayment ability of the applicant.

Please contact your local FSA office to determine if your county was declared a disaster area and for any questions regarding your possible eligibility for Emergency Loans. Loan applicants must be submitted within eight months following the date of the disaster declaration.

## Farm Loans

Are you looking for a way to start a farm operation? The Farm Service Agency (FSA) Direct and Guaranteed Loans can provide the first opportunity for farmers that have limited financial resources and are unable to obtain credit elsewhere. Funds are available to family-size farmers for traditional and new farm projects and can be used to purchase land, livestock, equipment, feed, seed and supplies.

All of our farm loans are available to members of socially disadvantaged groups consisting of American Indians, Alaskan Natives, Asians, Blacks, African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

The Wisconsin FSA Loan Team will provide the knowledge and guidance for all eligible applicants to obtain their requested financing. We look forward to meeting with you and assisting you in exploring our programs.

Please contact your local FSA office for more information.

# **Rural Youth Loans**

Money management and responsibility are two very important lessons for youth to learn before beginning life on their own.



Farm Service Agency

(FSA) Rural Youth Loans are available to young men and women ages 10-21 that are participating in 4-H, FFA or similar organizations. Loan funds may be used to finance a modest, income producing, agriculturerelated project. These loans provide an opportunity for rural youth to acquire experience and education in agriculture-related skills.

The project must be part of an organized and supervised program and must produce sufficient income to repay the loan. Youth may borrow up to \$5,000 to pay for livestock, equipment and supplies. Through the management of their project, they learn the value of working hard and the reward of realizing how they can profit from that work.

Please contact your local FSA office for more information about Rural Youth Loans.

# Farm Storage Facility Loans Available

Producers short of storage and interested in building or upgrading their commodity storage facilities may be interested in considering financing that is available to eligible applicants through the Farm Service Agency (FSA). The Farm Storage Facility Loan Program (FSFL) provides low interest financing for producers to build or upgrade farm storage and handling facilities.

The maximum loan amount for FSFL loans is 85% of the net cost not to exceed \$100,000 per borrower. Loan applicants cannot start work on the site nor have any material delivered to the site until the FSA loan approval is obtained. However, applicants will not receive the loan until the facility has been erected and inspected. The maximum term is seven years with annual installments and the interest rate is fixed for the loan term based on the rate during the month of the loan approval.

Some eligible facilities include:

- -new cribs or bins
- -new and remanufactured oxygen-limiting structures
- -horizontal, bunker-type or open silo structures
- -permanently affixed grain handling and drying equipment
- -renovated existing facilities to increase storage
- -new flat storage buildings.
- -new electrical or safety equipment

For more details on the eligibility requirements for these loans, contact your local FSA office.

# The CCC-633 EZ Page 1 Makes it Easy

The CCC-633 EZ is a two-part loan deficiency payment request that allows producers to (1) indicate their intentions to receive LDP benefits *before* losing beneficial interest in the eligible commodity, and (2) submit a request for an LDP at any time during the loan/LDP availability period before or after losing beneficial interest.

By signing the first page of the EZ form, the producer indicates his or her intentions to receive LDP benefits. This one page covers all counties and all eligible harvested commodities for the entire crop year for the individual, joint operation, or entity identified on the form.

Once the first page of the form has been signed and submitted, the producer can submit an LDP request by completing page 2 for all harvested commodities or page 4 for wool, mohair, and unshorn pelts. The LDP request can be submitted at any time during the loan availability period, before or after losing beneficial interest.

A key point to remember is that page 1 of the EZ form must be signed by the producer before beneficial interest in the commodity is lost. Once beneficial interest is lost, the commodity is ineligible for an LDP, even if beneficial interest is regained.

Currently, the only crops grown in Wisconsin that are eligible for LDP benefits are wool, mohair, and unshorn pelts.

## Commodity Credit Corporation Loan Reminders

August and September are when many Commodity Credit Corporation (CCC) loans mature on corn and soybean. This time of year also brings weather patterns of humid air and fluctuating temperatures that can damage stored grain. We encourage you to inspect the condition of your stored grain to ensure quality is maintained. It is the borrower's responsibility to maintain the quantity and quality of stored commodity grain.

Another reminder for producers is that any grain under the CCC loan cannot be removed or disposed of without prior county office staff authorization or repayment. County offices may issue marketing authorizations based on telephone or in person requests when a producer is ready to move grain. However, if grain is moved without proper authorization, significant 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, may be applied.

Contact your local Farm Service Agency (FSA) office with questions regarding the CCC loans and before moving or disposing of any grain under the CCC loan.



United States Department of Agriculture

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Dates to Remember	
September 1	-Application closing date - 2009 value loss crops -extended to December 1 -Offices closed for Labor Day Holiday
September 30	-Final date to enroll in 2008 DCP -Application closing date - 2009 forage crops, including pasture land forages -extended to December 1
October 13	Offices closed for Columbus Day
November 3	Ballots mailed to eligible voters for County Committee nomination
November 11	Offices closed for Veteran's Day Holiday
November 20	Application closing date for 2009 NAP coverage of perennial crops -honey and maple sap - extended to December 1
November 27	Offices closed for Thanksgiving Holiday
December 1	-Extended application closing date for 2009 NAP coverage -Last day to return voted ballots to the local FSA office
December 25	Offices closed for Christmas Holiday
January 1, 2009	Elected committee members take office
Continuous	-Conservation Reserve Program continuous signup -Farm Storage Facility Loans

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