



NEWSLETTER



March 2011

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FSA State Director's Column

Putting Longstanding Claims of Discrimination Behind Us

As part of continued efforts to close the chapter on allegations that discrimination occurred at USDA in past decades, Agriculture Secretary Tom Vilsack recently announced the establishment of a process to resolve the claims of Hispanic and women farmers and ranchers who assert that they were discriminated against when seeking USDA farm loans.

“The Obama Administration has made it a priority to resolve all claims of past discrimination at USDA, and we are committed to closing this sad chapter in USDA’s history,” said Vilsack. “Hispanic and women farmers and ranchers who allege past discrimination can now come forward to participate in a claims process in which they have the opportunity to receive compensation.”

The claims process offers a streamlined alternative to litigation and provides at least \$1.33 billion in compensation, plus up to \$160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. This announcement follows the Obama Administration’s settlement of longstanding litigation brought by African American farmers and Native American farmers.

In conjunction with this announcement, USDA is launching an outreach effort to potential claimants that will include a call center for farmers and ranchers, a website, public service announcements, and in-person meetings in Alaska and around the country. Individuals interested in participating in the claims process may register to receive a claims package, or may obtain more information, by visiting www.farmerclaims.gov. Beginning February 25, 2011, individuals can register to receive a claims package by calling the

Farmer and Rancher Call Center at 1-888-508-4429. USDA cannot provide legal advice to potential claimants. Persons seeking legal advice may contact a lawyer or other legal services provider.

Under Secretary Vilsack’s leadership, USDA is addressing civil rights complaints that go back decades, and this announcement is another major step towards achieving that goal. USDA is committed to resolving allegations of past discrimination and ushering in “a new era of civil rights” for the Department.

New Barley and Wheat Revenue Crop Protection Available for Alaskan Producers

For the 2011 crop year, Alaskan producers will be able to purchase insurance policies for barley through USDA’s Risk Management Agency. The improved barley insurance policies offer producers a choice of a Revenue Protection Plan, which provides protection against production loss, price decline or increase, or a combination of both, or a Yield Protection Plan, which provides protection against production loss for which revenue protection is available but not elected.

Alaska producers also have the option of obtaining a whole-farm revenue protection package, Adjusted Gross revenue-Lite (AGR-Lite), which provides protection against low revenue due to unavoidable natural disasters and market fluctuations that affect income during the insurance year. Most farm-raised crops, animals, and animal products are eligible for protection, including coverage for organic and specialty commodities. For more information, visit your Farm Service Agency offices in Palmer or Delta.

**NOTICE
TO HISPANIC
AND/OR
WOMEN
FARMERS OR
RANCHERS
COMPENSATION
FOR CLAIMS OF
DISCRIMINATION**

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.

To register your name to receive a claims packet, call the Farmer and Rancher Call Center at 1-888-508-4429 or visit: www.farmerclaims.gov

The claims package will have detailed information about the eligibility and claims process.



USDA is an equal opportunity provider and employer.

DCP Signup by June 1

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) will continue through June 1, 2011. FSA staff urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2011 DCP contract.

DCP Program payments are calculated 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 2011, eligible producers may request partial direct payments as an advance on the total amount.

Livestock Programs Available

FSA administers several programs that may be available to assist livestock producers dealing with problems caused by winter weather. To apply for assistance, producers need to document the number and kind of livestock that have died as a direct result of these winter storms. In situations where additional transport costs are being incurred to feed livestock, producers should document these additional costs.

Among the key programs are the Livestock Indemnity Program (LIP) and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP). For livestock death losses to be eligible under LIP, producers must file a notice of loss with their local FSA office within 30 calendar days from when the loss is apparent to the producer.

Contact your nearest FSA office for additional information.

ACRE Signup by June 1

The ACRE Program provides a safety net based on state revenue losses and acts as an option in place of the price-based safety net of counter-cyclical payments under DCP. The June 1, 2011, signup deadline is mandatory for all participants. USDA will not accept any late-filed applications.

A farm's payment is based on a revenue guarantee calculated using a 5-year average

state yield and the most recent 2-year national price for each eligible commodity.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss.

The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20%, and marketing loan rates are reduced by 30%.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

NAP Enrollment

To maintain eligibility for several FSA disaster assistance programs, producers must obtain crop insurance or NAP coverage before a disaster strikes. Noninsured Crop Disaster Assistance Program (NAP) applications for coverage must be filed using Form CCC-471 and applicable service fees must be paid by the closing date. Application closing dates vary by crop. The producers can contact the FSA Office for specific crop application sales closing dates.

Producers must obtain NAP or crop insurance coverage on all crops in order to remain eligible for the agency's Disaster Assistance Programs such as SURE, TAP, and ELAP. Producers must purchase at least catastrophic (CAT) level of insurance for all insurable crops. LFP requires coverage only on grazed acres.

NAP provides coverage to producers for non-insurable crops when low yields, loss of inventory or prevented planting occur due to natural disasters. Crops eligible for NAP coverage are those for which crop insurance is not available, including fruits and vegetables, aquaculture, pecans, turf grass and forage crops just to name a few.

More information about NAP may be found on the FSA web site located at www.fsa.usda.gov

FSA Payment Record

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend you check the amounts shown with those in your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with eAuthentication user ID's and passwords can access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your nearest FSA office for assistance in locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.



Honey Loans

Honey loans are a type of marketing assistance loan. They are currently available until March 31, 2011. The national loan rate for honey is \$0.69 per pound. Market prices currently exceed the loan rate, so LDPs are not available at this time.

To be eligible, the producer must produce 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. Producers must also maintain continuous beneficial interest in the honey through date of repayment of the loan, and be responsible for the financial risk of the operation. Producers are responsible for maintaining the quality of farm-stored honey.

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.

CRP Signup Opens

The Conservation Reserve Program (CRP) general signup is set to begin on March 14, 2011, and continue through April 15, 2011. During the signup period, farmers and ranchers may offer eligible land for CRP's competitive general signup at their nearest FSA office.

Land currently not enrolled in CRP may be offered in this signup provided all eligibility requirements are met. Additionally, current CRP participants with contracts expiring this fall may make new contract offers. Contracts awarded under this signup are scheduled to become effective Oct. 1, 2011.

FSA will evaluate and rank eligible CRP offers using an Environmental Benefits Index (EBI) and cost factors. The EBI consists of the five specific environmental factors of 1) wildlife, 2) water, 3) soil, 4) air and 5) enduring benefits. Decisions on the EBI cutoff will be made after the sign-up ends and after analyzing the EBI data of all the offers.

In addition to the general sign-up, CRP's continuous sign-up program will be ongoing. Continuous acres represent the most environmentally desirable and sensitive land. More information can be found online at: www.fsa.usda.gov/crp

Loans for the Socially Disadvantaged

While all qualified producers are eligible to apply for Farm Service Agency loan programs, the FSA has provided priority funding for socially disadvantaged and beginning farmer applicants.

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.

Both operating loans and loans for the purchase or improvement of farms or ranches are available under this category.

**RETURN
 SERVICE
 REQUESTED**

Hay Net – Your No-Cost Online Buying and Selling Market

Hay Net is a free, online hay locator service on the FSA website at <http://www.fsa.usda.gov/haynet>. Producers who want to buy or sell hay can post their ads at no charge to make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need, such as the one caused by the current extreme winter conditions. Individual ads can be posted by producers after completing a simple online registration form.

Selected Interest Rates for March 2011	
Farm Operating - Direct	2.500%
Farm Ownership - Direct and Conservation Loan - Direct	4.875%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.875%
Farm Storage Facility Loan	
7 year	2.875%
10 year	3.500%
12 year	3.875%
Commodity Loans 1996-Present	1.250%

Dates to Remember	
Varies	NAP Signup Ends
March 31	Honey Loans Close
April 15	CRP General Signup Ends
June 1	ACRE Signup Ends
June 1	2011 DCP Enrollment Ends

Rural Youth Loans

The Farm Service Agency 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.

Many farm and even city families have found the Youth Loan program an excellent means to introduce the next generation to the business of agriculture. Is there someone in your family who may qualify?

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