



October 2008

Yuma/La Paz County News

Yuma County USDA Service Center

Yuma County FSA
2197 S. 4th AVE # 104
928-782-0860 (phone)
928-782-0930 (fax)
www.fsa.usda.gov

Hours
Monday - Friday
7:00 a.m. - 4:30 p.m.

County Committee

Jesus Tovar
Ray Alcaida
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Mike Blohm
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Staff

James Reinertson CED
Barb Erlemann
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Final Payments for 2008 DCP

Enrolled producers can expect their final direct payment to be deposited directly into personal bank accounts sometime during the first few weeks of October.

Producers who did not elect to receive an advance direct payment will receive their entire direct payment for the year in one lump sum after the end of the fiscal year (Sept. 30).

The direct payment for a crop equals 85 percent of the farm's base acreage times (x) the farm's direct payment yield times (x) the direct payment rate.

If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the final Direct and Counter-cyclical Program payments you are about to receive.

National Training

State specialists and other select agency personnel will be traveling to Texas for national training on the 2008 Farm Bill Programs. Hurricane Ike forced Washington officials to reschedule national training in Dallas for October 6 – 10.

Yuma/La Paz County office staff will receive their training October 27-31. This means that October will predominately be used by agency personnel to learn about how FSA will administer the programs authorized by the 2008 Farm Bill.

County Committee Elections

Just a reminder: Be watching your mailbox for your official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters starting on November 3, 2008. If, for some reason, you don't receive a ballot, feel free to notify the county FSA office. Completed and signed ballots are due back in the county office by the close of business on December 1, 2008.

Acreage Spot Check Determinations and Notification

Each year the Farm Service Agency completes spot checks of acreage reports. Acreage reports are an integral part of farm program participation. Acreage spot checks are completed to ensure accurate acreage reports are used in farm program computations.

FSA will conduct spot checks on a selected number of farms in each state. Color imagery flown in summer 2008 will be used to verify all crops. All acreage determinations will be completed using the FSA Geographic Information System official acreages.

After farms are spot checked, a Notice of Determined Acreage will be sent to the farm operator. Producer notifications will be issued by FSA as spot checks are completed. Questions concerning determined acres should be directed to your local FSA office for further explanation.

Marketing Assistance Loans

Marketing Assistance loans are commodity loans 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. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

Commodity loan eligibility also requires you comply with conservation and wetland protection requirements; beneficial interest requirements, report how you use cropland acreage on the farm and ensure that the commodity meets CCC minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained



throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical Program to be eligible for commodity loans.

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.

Farm Loan Programs

The Farm Service Agency (FSA) offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans, as of October 1, 2008, can reach a maximum indebtedness of \$1,094,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA.

For detailed information, just contact your county office staff for a farm loan appointment.

Farm Ownership Loans For Beginning Farmers or Rancher

Beginning farmers or ranchers can get a "direct farm ownership loan by using funds set aside especially for them by the Farm Service Agency. These loans can be finance up to the \$300,000 loan limit, and the term of the loan can be up to 40 years.

The FO interest rate is set the first of each month, and for October is 5.125%. The rate for "limited resource producers" is 5.0%.

The regular farm ownership loan funds may also be used in joint financing where FSA lends up to 50 percent of the amount financed and another lender provides 50 percent or more. FSA may charge an interest rate of not less than 4 percent with terms up to 40 years.

Beginning Farmer Down Payment Ownership Program

Purpose: Obtain help financing the purchase of a farm with a loan of up to 45% of the purchase price or appraised value, with a loan cap of \$500,000. The applicant must put down 5%. The Farm Service Agency finances up to 45% of the purchase price. The remaining 55% of the purchase price can be financed on contract with the seller or through a conventional lender. The lender can obtain a guarantee from FSA if the customer is eligible.

Rates: The FSA loan rate will be locked in for the full 20 years, and the rate is the direct farm ownership rate minus 4.0% (which currently equals a loan rate of 1.125%) or 1.5%, whichever is greater.

Qualification: Minorities, females and beginning farmer applicants must have been farming for at least three years and not more than ten. Applicants cannot own real estate that exceeds 30 percent of the median farm size for the county.

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.

Youth Loan Eligibility Requirements:

- U.S. Citizenship (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands), legal resident alien or U.S. National
- 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Live in rural area, city or town with a population less than 50,000
- Unable to get a loan from other source
- Conducting a modest income-producing ag project in a supervised program of work as outlined above



- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the Service Center for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.

Loans for the Socially Disadvantaged

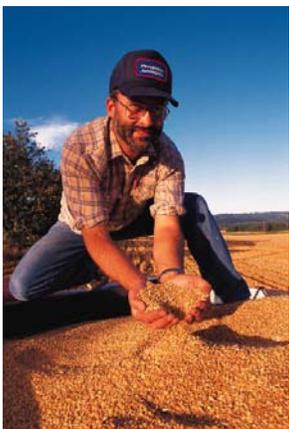
FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for FO / OL loan programs, the FSA has provided priority funding for members of Socially Disadvantaged groups.

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 the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asians, and native Hawaiians or other Pacific Islanders.

Applicants who believe they would qualify as socially disadvantaged should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and have a reasonable chance of success.



GIS Mapping

As part of a decade long program to digitally map the nation's farms and fields, the United States Department of Agriculture (USDA) has established the Common Land Unit (CLU) as a standardized GIS (Geographic Information Systems) data layer that has allowed mapping to be integrated easily on a nationwide basis. The Farm Service Agency manages this CLU data layer through a distributed database environment for all field service centers through out the country.

Transitioning to the GIS environment has made good business sense for FSA for a variety of reasons. For one, CLU certification has improved communication between Service Centers and FSA customers through the use of current ortho-photography or NAIP (National Agricultural Imagery Program). For years, FSA had been using hard copy maps that were 10 years old or more. During that time span, it was difficult to keep information accurate due to urban development and other land use changes. USDA Service Centers use NAIP in order to maintain the Common Land Unit (CLU) boundaries and assist with a multitude of other farm programs.

Second, using GIS and GPS (Global Positioning System) provides for more consistent and more accurate land measurements, such as field acreage and acreage boundaries of conservation practices, such as riparian buffers. In conjunction with yearly updated high quality digital imagery, new land use changes (farm transfers and land subdivisions) can be easily updated. Maps can be created in either paper or digital format for FSA customers or the public.

Lastly, the GIS environment provides for the incorporation of data from outside sources for business decision making or environmental planning. Some examples outside data sources include demographic data, satellite imagery, GPS data, elevation data and soil types.

Are you a GIS user at home? If you are a FSA program participant and would like a fully attributed CLU clip of your property, make arrangements for this product delivery with your local County Office Service Center. For more information about the Common Land Unit and NAIP can be found by visiting on-line, APFO (Aerial Photography Field Office) at www.apfo.usda.gov.

Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office staff if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

[Name] County FSA Office
Address Line 2
Address Line 3



PRESORTED STANDARD
U.S. POSTAGE PAID
CITY, STATE
PERMIT #XXX

Selected Interest Rates for October 2008	
Farm Operating - Direct	3.75%
Farm Ownership - Direct	5.125%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment Beginning Farmer or Rancher	1.50%
Emergency	3.75%

Dates to Remember	
Oct 13	Office Closed for Columbus Day
Nov. 3	County committee ballots mailed to voters
Dec. 1	2009 NAP Applications deadline
Nov. 11	Veterans Day Holiday
Nov. 27	Thanksgiving Day Holiday
Continues	Continuous Conservation Re- serve program

Visit our Web site at
www.fsa.usda.gov/xx

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