



NEWSLETTER



May 2012

Pennsylvania Farm Service Agency

SED

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Hours

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

State Committee

- Chairwoman
Sheryl Vanco

Member
Greg Hostetter

Member
Larry Kehl

Member
Janet Lewis

Member
Dr. Robert Mikesell

County Committee Nominations

The election of agricultural producers to Farm Service Agency (FSA) county committees is important to ALL farmers and ranchers. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture (USDA). County committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers.

FSA county committees operate within official regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

The COC nomination period runs from June 15, 2012 through August 1, 2012. For more information just contact your local FSA office.

DCP Sign-Up Deadline

Enrollment for the 2012 Direct and Counter-Cyclical Program (DCP) will continue through June 1, 2012. USDA urges producers to make use of the eDCP automated website to sign-up or visit any USDA Service Center to complete the 2012 DCP contract.

USDA computes DCP Program 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 more information on this or other programs, contact the nearest FSA office.

Crop Reporting

The annual, timely, and accurate reporting of acres for all crops and land uses, including

prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-Cyclical Program (DCP), marketing assistance loans (MAL) and Loan Deficiency Payments (LDP).

Conservation Reserve Program (CRP) and Conservation Reserve Enhancement Program (CREP) acreage must be reported to receive annual rental payments. Crop acreage for Non-Insured Crop Disaster Assistance Program (NAP) also must be reported. Additionally, all crops on cropland and non-cropland must be reported to be eligible for the Supplemental Revenue Assistance Payment Program (SURE).

Crop reports (Form FSA-578, Report of Acreage) must account for all cropland on a farm, whether idle or planted. Producers need to file their acreage reports by June 15 for all small grains, July 15 for all other crops except cabbage and processing beans, and August 15 for cabbage and processing beans.

In addition, producers are reminded that new acreage reporting dates will be implemented for 2013. Producers should contact their local FSA office for more information.

Prevented Planting:

Prevented planting needs to be reported no later than 15 calendar days after the final planting date.

Failed Acreage:

Reports of failed acreage must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

ACRE Program

The Average Crop Revenue Election (ACRE) offers producers an alternative to Direct and Counter-Cyclical (DCP) payments. The ACRE alternative provides eligible

producers a state-level revenue guarantee, based on the five-year state Olympic average yield and the two-year national average price.

ACRE payments are made when both state- and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments.

Producers also agree to receive a 20 percent reduction in direct payments and a 30 percent reduction in loan rates.

A decision to elect ACRE binds the producer to the program through the 2012 crop year, the last crop year covered by the 2008 Farm Bill. For more details contact the local FSA office.

2010 SURE Sign-Up Deadline

Sign-up for the Supplemental Revenue Assistance Payment (SURE) program for the 2010 crop year began Nov. 14, 2011, and will end on June 1, 2012. SURE provides benefits for farm revenue losses due to natural disasters. A farm is eligible when either:

- A portion of the farm is located in a

contiguous county, covered by a qualifying Secretarial disaster declaration. Paulding County received a 2010 Secretarial disaster declaration.

- An overall loss greater than 50 percent of the actual production on the farm compared to expected production for the farm for that year.

For producers to be eligible for SURE, they must have obtained a policy or plan of insurance for all crops through either the Federal Crop Insurance Act or FSA's Noninsured Crop Disaster Assistance Program (NAP). Producers must suffer a 10 percent production loss due to a natural disaster to at least one crop of economic significance on their farm in order to be eligible for SURE.

MILC Program

FSA's Milk Income Loss Contract Program (MILC) compensates dairy producers when domestic milk prices fall below a specified level. MILC payments are made when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt) as adjusted by the dairy feed ration adjustment. The monthly Boston price is posted online at:

http://www.fmmone.com/Northeast_Order_Prices/NE_Prices_main_new.htm.

Eligible producers should submit the current MILC (Milk Income Loss Contract) statements for payment. Eligibility for 2012 must be completed before payments can be disbursed. Please contact the office to check the status of your eligibility. New producers are encouraged to apply for the program any time before Sept. 30, 2012.

NAP Records

Production records for individual crops need to be filed at the FSA office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable or verifiable. Records need to show crop disposition. We recommend producers submit production records as soon as harvest is complete. **All production records must be submitted by the subsequent crop year's final acreage reporting date.**

NAP Loss Filing

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments and; \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-931 to their local FSA County Office by June 15 to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices.

Farm Reconstitutions

At FSA, farms are "constituted" to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary. If an owner or operator cannot agree about program participation, producers should inquire about a reconstitution of the farm at the local FSA office.

The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year,

recons must be requested by Aug. 1, 2012, for farms enrolled in specific programs.

Farm Storage Facility Loan Program

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 Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final

disbursement. The 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.

Banking Changes?

If you changed banks and did not notified FSA, your payment could be delayed. Payments are electronically transferred into your bank account, if we are not aware of changes to your account and routing numbers, there could be problems. In order to make timely payments, you need to notify the office if you close your account or if another financial institution purchases your bank. It is important that any changes in a producer's account such as type account, bank mergers, routing number or account numbers, be provided to the county office promptly to avoid possible payment delay.

Conservation Compliance (HEL & Wetland)

Producers intending to remove fence rows, convert woodlots to cropland, install new drainage, or improve or modify existing drainage, must notify the FSA and update Form AD-1026. FSA will notify NRCS and NRCS will make HEL and wetland technical determinations. Farmers with HEL determined soils are reminded of tillage, crop residue and rotation requirements per their conservation plan. Failure to obtain ADVANCE approval for any of these situations can result in the loss of eligibility and all federal payments.

Measurement Service

Farmers who would like a guarantee on their crop plantings and land use acreages can make it official by using the FSA measurement service. Producers must file a request with the county office staff and pay the cost of a field visit to have stake and referencing done on the

farm. Measurement service is also available using digital imagery. If an on-site visit is not required producers are charged a reduced rate.

Incorrect acreage self-certification can result in reduced program payments, penalty or loss of eligibility.

Producers can request ortho-imagery and CLU covering their land (commonly referred to as a clip) at no charge. This would provide the acreage of an entire field.

Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. Those producers who are having trouble getting credit for their farm or who regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask a lender about an FSA loan guarantee to help with a setback or if a lender has been reluctant to extend or renew a loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans has increased from 1 percent to 1.5 percent of the guaranteed portion of the loan, for loans obligated after Oct. 1, 2011.

To find out more about FSA loan programs, contact the county office staff.

2012 Commodity Loan Rates

County Loan rates have been determined for the 2012 crop year. The 2012 county loan rate for:

- Corn remains unchanged from 2011 crop year
- Soybeans remains unchanged from 2011 crop year
- Soft red winter wheat increased 58 cents to \$2.82 per bushel
- Barley was reduced 3 cents to \$1.67 per bushel
- Oats remains unchanged from 2011 crop year.