



# NEWSLETTER



**October 2012**

## **Virginia State FSA Office**

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**Hours**  
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7:30 a.m. - 4:30 p.m.

### **State Staff**

Pete Adamson, Chief  
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**Virginia FSA Internet**  
More Information about Virginia FSA  
programs, activities and news can be  
found on the VA FSA Internet at  
<http://www.fsa.usda.gov/va>

## **County Committee Elections**

Watch your mailbox for your official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters on Nov. 5, 2012. If for some reason you don't receive a ballot, feel free to notify the county FSA office.

Completed and signed ballots must be returned to the county office by close of business on Dec. 3, 2012.

## **Increased Guaranteed Loan Limit**

The Farm Service Agency has announced that the loan limit for the Guaranteed Loan Program will increase to \$1,302,000 on Oct. 1, 2012. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness will also increase to \$1,602,000.

As a reminder, the one-time loan origination fee charged on FSA guaranteed Farm Ownership and Operating Loans is 1.5 percent of the guaranteed portion of the loan.

Producers should contact their local FSA County Offices with questions about farm loans.

## **IRS 1099 Changes**

Calendar year 2012 has brought changes to the way FSA reports farm program payments to the producer and to the IRS.

would be issued to show all program payments received from the Farm Service Agency, regardless of the amount.

Starting with calendar year 2012, producers whose total reportable payments from FSA are less than \$600 will not receive IRS Form 1099-G. Also, producers who receive payments from more than one county will only receive one Form 1099-G if the total of all payments from all counties is \$600 or more.

The same changes will apply to producers and vendors who normally receive IRS Form 1099-MISC from FSA.

## **2012 DCP Final Payments**

DCP payments for 2012 will be issued after Oct. 1, 2012. These payments will be deposited directly into participating producers' bank accounts.

If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the October Direct and Counter-Cyclical Program payments.

## **USDA Announces Hispanic and Women Farmer and Rancher Claims Period Now**

Agriculture Secretary Tom Vilsack announced that Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades can file claims between September 24, 2012 and March 25, 2013.

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

applications 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.

The Department will continue reaching out to potential Hispanic and female claimants, around the country to get the word out to individuals who may be eligible for this program so they have the opportunity to participate.

Call center representatives can be reached at 1-888-508-4429. Claimants must register for a claims package (by calling the number or visiting the website) and the claims package will be mailed to claimants. All those interested in learning more or receiving information about the claims process and claims packages are encouraged to attend meetings in your communities about the claims process and contact the website or claims telephone number.

Website: [www.farmerclaims.gov](http://www.farmerclaims.gov)

Phone: 1-888-508-4429

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

Independent legal services companies 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.

To read Secretary Tom Vilsack's entire news release issued today (9/24/12) click on the following link: <http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/09/0309.xml&contentidonly=true>

## 2013 Reporting of Fall Seeded Crops

All producers are reminded that the acreage reporting date for hay, pasture & forage, and for fall seeded crops has changed. The new acreage reporting date for hay, pasture, & forage is Nov. 15, 2012.

Fall seeded small grains should be reported not later than Tuesday, January 15, 2013. Also, January 15th is the last day in Virginia to report apples and peaches. Although appointments to report your crops are not necessary, call today and avoid lines and wasted trips.

## Farm Safety

Flowing grain in a storage bin or gravity-flow wagon is like quicksand — it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical aspects of grain handling equipment also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and accounted for before machinery is engaged.

FSA wants all farmers to have a productive crop year and that begins with putting safety first.

## Farm Storage Facility Loan Program

The Farm Storage Facility Loan (FSFL) program 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.

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.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
  - Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
  - Pulse crops - lentils, small chickpeas and dry peas
  - Hay
  - Renewable biomass
  - Fruits (including nuts) and vegetables - cold storage facilities.
- For more information about FSFL visit your FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who

share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. 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 and/or ACRE Programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may result in liquidated damages, calling the loan and denial of future farm-stored loans.

## 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.

### Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements

- Reside in a rural area, city or town with a population of 50,000 or fewer people

- Be unable to get a loan from other sources

- Conduct a modest income-producing 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 county office for help preparing and processing the application forms.

## Beginning and Limited Resource Farmers

FSA assists beginning farmers and or 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](http://www.fsa.usda.gov)

## 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 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, 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.

## Electronic Services Available

If a producer has Internet access, program participants can access many services from home 24 hours a day, seven days a week, and receive approval and payment by direct deposit within 48 hours.

To participate in these services, you must meet all program eligibility requirements. Online services have stringent security measures to protect your private information.

To utilize electronic services a producer needs an active USDA eAuthentication Level 2 account, which requires an e-mail address and filling out an online registration form at [www.eauth.egov.usda.gov/](http://www.eauth.egov.usda.gov/) followed by a visit to the county office for identity verification.

If you would like assistance establishing your account, just contact your local USDA Service Center.

**Selected Interest Rates for  
September 2012**

90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.125%
Farm Ownership - Direct	3.0%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.5%
Emergency	2.125%
Farm Storage Facility – 7 year	1.125%
Farm Storage Facility – 10 year	1.750%
Farm Storage Facility – 12 year	2.0%
Commodity Loans 1996-Present	1.125%

**Dates to Remember**

Oct. 22	Sign up begins for 2011 SURE
Nov. 15	Last day to report 2013 forage (hay) and grazed (pasture) crops
Nov. 15	Last day to file 2012 NAP forage (hay) and grazed (pasture) crops production documentation, Notice of Losses and Application for Payments
Nov. 20	Last day to file 2013 Application for Coverage – apples, blackberries (caneberries), blueberries, cherries, grapes, peaches and pears
Dec. 1	Last day to file a 2013 Application for Coverage and pay the administrative fee for honey and maple sap
January 2	Last day to submit acreage reports with the number of colonies present in all counties for honey and maple tree acreage