



Sept. 2012

**Graham/Greenlee
FSA Office**

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

ECP Drought Assistance

As part of USDA's continuing effort to assist livestock producers in response to the historic drought, Secretary Vilsack has authorized the use of nearly \$16 million to immediately help crop and livestock producers in 19 states cope with the adverse impacts of this natural disaster. In addition, USDA will initiate a transfer of \$14 million in unobligated program funds into the Emergency Conservation Program (ECP.)

These ECP funds can be used to assist in moving water to livestock in need, providing emergency forage for livestock, and rehabilitating lands severely impacted by the drought. For more information about this drought assistance and other federal programs, just contact your local FSA office located at the nearest USDA Service Center.

USDA Makes Changes to Help With Drought Crisis

The Risk Management Agency (RMA) has announced another helpful change that livestock producers will appreciate. For the 2012 crop year, RMA will allow haying and grazing of cover crops without affecting the insurability of planted 2013 spring crops. This means farmers and ranchers can plant a cover crop without foregoing crop insurance coverage in 2013, thus giving producers another opportunity to grow needed forage and feed for this fall and winter. However, before making any plans to plant crop cover, producers should consult with their insurance agent.

Another change was the commitment from the Farm Service Agency (FSA) to change the emergency loan program so that farmers and ranchers are eligible to apply earlier in the disaster recovery process. With this change, producers are no longer required to wait until the end of the production cycle to obtain a loan. That means livestock producers needing assistance today to offset increased feed costs don't have to wait.

Emergency Farm Loans

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters or quarantine. Emergency loan funds may be used to:

- Restore or replace essential property
- Pay all or part of production costs associated with the disaster year
- Pay essential family living expense
- Reorganize the farming operation
- Refinance certain debts

Further information and applications for the loan programs described are available at local FSA county offices. Contact your nearest office for an appointment.

Preventing Fraud

The Farm Service Agency supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the FSA office, RMA, or the Office of the Inspector General.

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 submission of 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 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.

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 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 please visit your FSA county office or www.fsa.usda.gov.

Hispanic and Women Discrimination Claims

The process to resolve claims of discrimination by USDA asserted by some Hispanic and women farmers is nearing the phase when a claims packet will be made available for potential claimants. A court supervised third-party administrative process is available for claimants to submit claims for independent adjudication and potentially receive compensation for losses they may have incurred as a result of discrimination in loan making and loan services. If you believe you have been discriminated

against by USDA between 1981 and 200 because you are Hispanic or female, call the toll-free number or visit the website to receive a claims packet or get further information. You can call 1- 888-508-4429 or visit www.farmerclaims.gov. Once the claims period is announced claimants will have 180 days (6 months) to complete the claim form and submit the claims.

Succession in Interest

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these *successions-in-interest* to the county committee by Sept. 30, so that a final determination can be made on who is eligible for the program on the farm.

Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm
- Changes in the producer's share of the crop(s) that were originally approved on the contract.
- If a succession-in-interest has taken place, you, as the "predecessor," are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the "successor." Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

Over the Counter Channel (OTCnet)

FSA/CCC is moving toward OTCnet, an electronic method for processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information.

<http://fms.treas.gov/otcnet/legal>.

FSA Farm Loans

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, direct and guaranteed loans are currently available. Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your 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 \$1,302,000. 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. To find out more about FSA loan programs, contact the county office staff.

CREP & Continuous CRP Available

The Conservation Reserve Enhancement Program (CREP) allows farmers and ranchers to voluntarily enroll environmentally sensitive land into a program that decreases erosion, restores wildlife habitat and safeguards ground and surface water. CREP is a partnership with federal and state government and is limited to specific geographic areas.

Environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP) or Continuous CRP will be eligible for annual rental payments and cost-share of up to 50 percent on approved practices. These programs will remain funded, and continue to provide heightened environmental benefits on select areas.

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. 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 the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with the following: 1) conservation and wetland protection requirements, 2) beneficial interest requirements, 3) acreage reporting requirements and 4) ensuring that the commodity meets Commodity Credit Corporation 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 and/or ACRE programs 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.

Youth Loans

FSA 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 \$5000.

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

Changes to IRS Forms 1099-G and 1099-MISC for Calendar Year 2012

In past years, IRS Forms 1099-G were issued to show all program payments received from the Farm Service Agency, regardless of the amount. For calendar year 2012, the 1099-G reporting will change.

IRS Form 1099-G (Report of Payments to Producers) will only be issued to producers whose reportable payments total \$600 or more for the calendar year. Additionally, if the producer has at least \$600 in reportable payments received from multiple FSA offices, only one Form 1099-G will be issued. Producers subject to voluntary withholding or backup (involuntary) withholding will receive the appropriate IRS form, even if combined payments are less than \$600.

The same changes will apply to producers and vendors who normally receive IRS Form 1099-MISC from FSA. Any producer who receives less than \$600 in combined payments should consult a tax advisor to determine if these payments must be reported on their tax return.

For more information regarding IRS reporting changes, please contact the office.

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AFIDA – Foreign Investor Disclosure

Any foreign person who acquires, transfers or holds any interest, other than a security interest, in agricultural land in the United States is required by law to report the transaction no later than 90 days after the date of the transaction. They must file Agricultural Foreign Investment Disclosure Act (AFIDA) reports with the FSA county office that maintains reports for the county where the land is located.

For AFIDA purposes, agricultural land is defined as any land used for farming, ranching or timber production, if the tracts total 10 acres or more. For more information regarding AFIDA and FSA programs, contact the FSA office near you or visit the USDA Web site at <http://www.usda.gov>.

Dates to Remember	
Dec 3	Last day to return election ballot or post mark ballots.
Dec 7	COC to count election ballots
Dec 25	Office closed for Christmas
Jan 1	Office closed for News Year
Jan 31	NAP Deadline Grapes and chili peppers
15 days after disaster	Notice of loss must be filed
Oct	2012 DCP payments to be issued

Dates to Remember	
Sept 30	Native Grass NAP Deadline
Oct 1	First day of the Fiscal Year
Oct 8	Office Close for Columbus Day
Oct 31	NAP deadline Barley, Oats, Wheat
Nov 5	COC Election ballots mailed
Nov 12	Office Closed for Veterans Day
Nov 15	Last day to report 2012 Native grass acres
Nov 15	Last day to file a 2012 Notice of loss for Native grasses
Nov 20	NAP deadline Honey
Nov 22	Office closed for Thanksgiving