



# GRAHAM/GREENLEE COUNTY Farm Service News

## Farm Service Agency Graham/Greenlee

**County / State Office**  
305 E Fourth ST  
Safford AZ 85546  
928-428-5560 Ex 2  
Fax (928) 428-4248  
[www.fsa.usda.gov](http://www.fsa.usda.gov)

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

**County Executive Director**  
Ruth Veit  
[ruth.veit@az.usda.gov](mailto:ruth.veit@az.usda.gov)

For further details and to discuss your own operation's eligibility for any program, contact your nearest FSA local office.

For a list of local offices, visit [www.fsa.usda.gov/az](http://www.fsa.usda.gov/az)



### ELECTION RESULTS FOR THE 2011 COUNTY COMMITTEE

Ballots were cast and counted. Representing producers in LAA2 will be Bret J Whitmer as county committee member and 1<sup>st</sup> alternate will be Jane Wyatt. Representing LAA4 will be Aaron Palmer as county committee member, 1st alternate will be Jeff Homack, and 2<sup>nd</sup> Alternate will be Jacquelin Hoisington.

### Conservation Loan Program

The Farm Service Agency makes and guarantees conservation loans on farms and ranches to help conserve our natural resources. The Conservation Loan (CL) Program provides farmers with the credit necessary to implement conservation measures on their land.

The direct CLs loan limit is up to \$300,000 and guaranteed CLs up to \$1,112,000 (amount adjusted for inflation), may be available by applying with lenders working with FSA to obtain a guarantee.

Conservation practices must be approved by NRCS before FSA can provide financing. Producers who do not currently have an existing conservation plan should visit NRCS to develop one prior to requesting Conservation Loan Program assistance. Examples of conservation practices include installation of conservation structures; establishment of forest cover; installation of water conservation measures; establishment or improvement of permanent pastures; transitioning to organic production; manure management, including manure digestion systems; etc.

### DCP SIGNUP & ADVANCE PAYMENTS

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. Advance payments of 22% on the 2011 DCP program will be available starting December 1, 2010. The remaining 78% of your DCP payment will be issued after October 1, 2011.

Eligible producers receive direct payments at rates established by statute regardless of market prices. DCP contract signatures for enrollment are due by the signup deadline of June 1, 2011. For more information producers can contact their local FSA office.

### IRS FORM 1099-G

Producers annually receive CCC-1099-Gs detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on CCC-1099-Gs is a service intended to help our customers report taxable income. It is not intended to replace the producers' responsibilities to report income to IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

### COMMODITY LOANS

Commodity loans, also referred to as Marketing Assistance Loans, are 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. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

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.

### **LDP DEADLINE ON UNSHORN LAMB PELTS**

Eligible producers have until Jan. 31, 2011, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2010 crop year.

Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have interest in.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

### **MAINTAINING THE QUALITY OF LOANED GRAIN**

This year's large grain crop has its obvious upside, but there is a downside too. Many producers are hard pressed to find adequate storage for every bushel harvested. Overfilled grain storage bins can lead to grain quality problems.

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

### **FARM STORAGE FACILITY LOAN PROGRAM CHANGES**

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 required to provide a minimum 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. If a participant provides 20% or greater down payment, then the requirement for a severance agreement for loans under \$50,000 will be waived. 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

borrowed 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 not to exceed \$250,000.

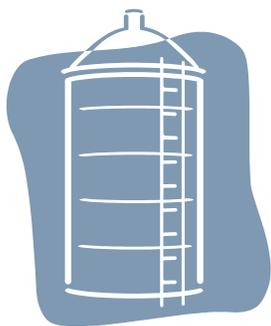
Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

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

### **GRAZE-OUT Payments**

Graze-Out payments are payments made to eligible producers who, although eligible to obtain a CCC loan or LDP, elect to use acreage planted with barley, oats, triticale, or wheat for livestock grazing. In addition producers agree to forgo any mechanical harvesting of the commodity on this acreage during the applicable crop year. The application period for graze-out begins on the first day of mechanical harvest as determined by the County Committee and ends on March 31 of the calendar year following the year the crop is normally harvested.



**MARKETING ASSISTANCE LOANS**

A Marketing Assistance Loan (MAL) is available to producers who share in the risk of producing a 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 conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and 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.

**FINAL AVAILABILITY DATES FOR MARKETING ASSISTANCE LOANS & LOAN DEFICIENCY PAYMENTS**

- January 31-Mohair, Peanuts, Unshorn Pelts, Wool
- March 31-Honey, Oats, Wheat
- May 31-Corn, Cotton, Grain Sorghum, Rice, Soybeans

**DISASTER ASSISTANCE PROGRAMS**

FSA disaster assistance programs include:

- Emergency Assistance for Livestock,

Honey Bees, and Farm-Raised Fish (ELAP)

- Livestock Forage Disaster Program (LFP)
- Livestock Indemnity Program (LIP)
- Supplemental Revenue Assistance Payments (SURE) Program
- Tree Assistance Program (TAP)

To be eligible for these programs, producers must obtain a policy or plan of insurance under the Federal Crop Insurance Act (FCIA) at a minimum CAT level for all insurable crops, and NAP coverage for non-insurable crops under SURE, TAP, and ELAP.

Farm-Raised Fish means all fish being produced for sale by an eligible producer. In the case of honey, the term "farm" means all bees and beehives in all counties that are intended to be harvested for a honey crop by the eligible producer.

Producers who do not purchase the required coverage will not be eligible for benefits unless an exception applies. The exception allows certain waivers for “Socially Disadvantaged Farmers and Ranchers”, as well as “Limited Resource Farmers and Ranchers” and “Beginning Farmers and Ranchers”.

It is highly recommended that even producers, who qualify under one of the waiver provisions, purchase the required insurance or NAP coverage. Doing so will increase the farm guarantee utilized in the calculation of the SURE payment.

**NAP DEADLINES**

January 31, 2011	Alfalfa Mix, Cucumbers, grapes, Bermuda and Sudan Grass Basil Herbs, Jojoba, Pecans, and Chili Peppers
February 28, 2011	Pinto Beans, Corn, Upland Cotton, ELS Cotton, Okra, Sweet Potatoes, Pumpkin, Sorghum, Forage Sorghum, Grain Sorghum, and Squash
May 31, 2011	Nursery Crops

**NEW FINANCIAL MANAGEMENT WEB PAGE**

Producers who have level 2 e-authentication access can use the new Public Financial Management Information web page. The website allows producers to generate reports that show both current and historical financial information. This resource will allow users to view details on payments, collections and outstanding debt. The website is a great tool for producers to conveniently access financial information at any time. To view the Financial Management Information web page, visit <http://www.fsa.usda.gov/fmi>. Please contact your county office if you have any questions regarding the web page.

**Note: Website use requires level 2 e-authentication access. Follow the steps below to obtain level 2 access...**

1. Go to [www.eauth.egov.usda.gov](http://www.eauth.egov.usda.gov), complete a customer profile and submit it online
2. After submitting your customer profile, you will receive a confirmation email, and you must respond to it within 7 days to activate your account
3. Then you must complete the “Identity Proofing” process by visiting a local USDA Service Center and presenting a photo ID, such as your driver’s license

<b>Dates to Remember</b>	
Dec 1, 2010	First day pay 2011 DCP advance
Dec 24, 2010	Closed for Christmas
Dec 31 2010	Closed for New Year
Jan31, 2011	Alfalfa Mix, Cucumbers, grapes, Bermuda and Sudan Grass Basil Herbs, Jojoba, Pecans, and Chili Peppers
Jan 31, 2011	2010 Mohair, Peanuts, Unshorn Pelts, Wool Marketing Loan Deadline
Feb 28, 2011	Pinto Beans, Corn, Upland Cotton, ELS Cotton, Okra, Sweet Potatoes, Pumpkin, Sorghum, Forage Sorghum, Grain Sorghum, and Squash
March 31, 2011	2010 Honey, Oats, Wheat Marketing Loan Deadline
May 31, 2011	Nursery Crops
May 31, 2011	2010 Corn, Cotton, Grain Sorghum, Rice, Soybeans

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