

November 2013



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## Virginia FSA State Office Updates

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### Virginia FSA State Office **County Committee Voting Begins**

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State Executive Director

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#### Hours

Monday - Friday

Ballots for this year's county committee election will be mailed to eligible voters on November 4, 2013. Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on December 2, 2013. If mailed, ballots must be postmarked by midnight December 2, 2013.

Eligible voters who have not received a ballot should contact their local FSA county office staff.

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### **Crop Report Deadline November 15th – Pasture, Hay, & Forage Crops**

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

**State Office Staff**  
Pete Adamson, Chief  
Farm Loans

Producers participating in Farm Service Agency programs are required to report what's been planted. Last year deadline dates were changed to match crop insurance dates. In Virginia the final date for reporting pasture, hay, and forage crops intended to be harvested in crop year 2014 is now

Brent L. Whitlock, Chief  
Farm Programs

November 15, 2013. Also, fall seeded perennial forages must be reported by this date.

Connie Washburn-Marsh, Chief  
Administration Officer

Cover crops not for harvest may be reported any time up to July 15th.

Linda Cronin, Public Affairs &  
Outreach Specialist

Crop reports submitted after the deadline will be accepted, but fees will be charged. The amount is based on the number of farms involved and the time required to complete field inspections. Charges include a flat fee of \$30 for each farm and \$16 an hour for the time required to conduct the required field inspection. Hourly charges start and stop at the FSA office door. There is a one hour minimum. After the first hour, the rate is calculated in half-hour increments. The minimum charge is \$46 (\$30 flat fee plus one hour at \$16/hour).

### 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>

To learn more about FSA programs you can also visit the National website at

Q: If I seed a perennial forage crop in the fall after the November 15th deadline, or, in the spring, will I be charged a late fee?

A: No as long as you report the planting within 15 calendar days. This is true for any crop planted after the deadline.

Q: I don't know what hay ground I might be able to rent until after January st. If I report this acreage will I be charged a late fee?

A: No. You have 30 calendar days after acquiring the lease to report. You must provide appropriate documentation satisfactory to your local FSA office. The document must contain the date the lease was acquired.

Other crop reporting deadlines

January 15th - Fall Seeded Small Grains, Apples, Peaches

May 15th - Cabbage (planted 3/16-4/15), Spring Oats, Potatoes, Tomatoes (Fresh, planted 4/10-5/15)

June 15th - Beans (Planted 3/4-5/25)

July 15th - Beans (Planted 5/26-7/10), Tomatoes (Fresh, planted 5/16- 7/5), Tomatoes (all other uses, planted on or before 6/15), all other crops

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## 2013 DCP Final Payments

DCP payments for 2013 will be issued as soon as possible this fall. 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.

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## **FSA MAKES PAYMENTS**

FSA has started issuing Conservation Reserve Program (CRP) annual rental payments to participants across the country. CRP payments will be followed by 2013 Direct and Counter-cyclical Payments and 2012 Average Crop Revenue Election (ACRE) program payments beginning Oct. 24. These payments were delayed by several weeks due to the lapse in Federal funding.

ACRE payments for 2012-crop barley, corn, grain sorghum, lentils, oats, peanuts, dry peas, soybeans, and wheat are scheduled to be released beginning Oct. 24. ACRE payments are contingent upon national average market prices and yields in Virginia. Only those farms that participated in the 2012 ACRE program and met both the state and farm trigger will be eligible for payment. ACRE payments for upland cotton are scheduled to be made in early November, after the 2012/13 average market year price is published in the Agricultural Prices publication scheduled to be released on October 31.

ACRE payments for 2012 large chickpeas, small chickpeas, canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame, and sunflowers are scheduled to be made in early December and for long grain rice and medium and short grain rice in early February 2014 when the final 2012/13 market year average price data becomes available. ACRE payments are contingent upon national average market prices and yields in Virginia. Only those farms that participated in the 2012 ACRE program and met both the state and farm trigger will be eligible for ACRE payment.

The 2008 Farm Bill, extended by the American Tax Payer Relief Act of 2012, provided authority to enroll land in DCP, ACRE and CRP through Sept. 30, 2013; however, no legislation has been enacted to reauthorize or extend this authority. Effective Oct. 1, 2013, FSA does not have legislative authority to approve or process applications for these programs.

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## **NAP Coverage Deadlines**

Noninsured Crop Disaster applications are due at different times according to the crop being insured. Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee MUST be filed by the crop sales closing date. November 20 is the final date for 2014 strawberry, tree, bush and vine crops. December 2 is the final date for 2014 honey and maple sap. Contact your local FSA office for the filing dates for your specific crops. .

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## **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.

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## Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producers name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan. .

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## FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

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## Changing Banks

Almost all Farm Service Agency payments are made electronically using direct deposit.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

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## Increased Guaranteed Loan Limit

The loan limit for the Guaranteed Loan Program increased to \$1,355,000 on Oct. 1, 2013. 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 \$1,655,000.

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.

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## Microloan Program

The Farm Service Agency (FSA) developed the Microloan program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with a Loan Approval Official.

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## 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 \$5000.

### 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. <span style="mso-spacerun: yes"> </span>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.

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## 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).

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## 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 applicants.

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.

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## Selling Land

If you plan on selling farmland, you should be aware of several consequences associated with FSA programs. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

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## Farm Reconstitutions

When 2014 crop year changes in farm ownership or operation take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by August 1.

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

For additional clarification on farm constitution policy contact your local FSA office.

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## **Selected Interest Rates for November 2013**

90-Day Treasury Bill - 0.125%

Farm Operating Loans — Direct - 2.125%

Farm Ownership Loans — Direct - 4.25%

Limited Resource Loans - 5.0%

Emergency Loans - 3.125%

Farm Storage Facility Loans 7 Years - 2.000%

Farm Storage Facility Loans 10 Years - 2.625%

Farm Storage Facility Loans 12 Years - 2.875%

Commodity Loans 1996-Present - 1.125%

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## **Dates to Remember**

Nov. 11 - Veterans Day, office closed

Nov. 15 - Acreage Report Deadline for 2014 perennial forage (hay and pasture) crops and apiculture.

Nov. 20 - NAP Sales Closing Date for 2014 strawberry, tree, bush and vine crops

Nov. 28 - Thanksgiving Day, office closed

Dec. 2 - COC Ballots due to FSA Office

Dec. 2 - NAP Sales Closing Date for 2014 honey and maple sap

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For more information on bulletin subjects or details regarding your GovDelivery subscription with the Virginia FSA State Office, contact Linda Cronin, Outreach/Information Coordinator at [linda.cronin@va.usda.gov](mailto:linda.cronin@va.usda.gov) or call at 804-287-1537.

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