



Colorado FSA Today

October 2011

An Online Monthly Newsletter Covering the Hottest Topics in Federal Farm Programs

2011 DCP FINAL PAYMENTS

DCP payments for 2011 participants will be issued after Oct. 1, 2011. These payments will be deposited directly into participating producers' personal bank accounts (if applicable).

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

2012 DCP SIGN-UP

Enrollment for the 2012 Direct and Counter-Cyclical Program (DCP) will begin January 23, 2012 and will continue through June 1, 2012. Producers can make use of the eDCP automated website to sign up, or they can visit the FSA office to complete their 2012 DCP contract.

Eligible producers receive direct payments at rates established by statute regardless of market prices.

LIVESTOCK FORAGE DISASTER PROGRAM

The Livestock Forage Disaster Program (LFP) provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought conditions or fire on federally managed land.

Eligible livestock producers may receive assistance for eligible livestock grazing losses that occur due to drought or fire on or after Jan. 1, 2008, and before Oct. 1, 2011, during the calendar year in which the loss occurs.

Important: To be eligible for LFP, producers must obtain a policy or plan of insurance for the grazed forage crop under the Federal Crop Insurance Act (FCIA) or; file the required paperwork and pay the administrative fee by the applicable state application closing date for the Noninsured Crop Disaster

Assistance Program (NAP).

Producers are only required to obtain a policy or plan of insurance or have NAP coverage on the grazing land or pastureland acres for which benefits are being requested under LFP. Livestock producers are not required to purchase pilot program insurance to be eligible for LFP.

Applications for LFP can only be accepted after the national office has sent notice of a qualifying drought, or if USDA prohibits producers from grazing normal-permitted livestock on federally managed land due to a qualifying fire.

For 2011, sign-up applications must be filed no later than 30 calendar days after the end of the calendar year in which the grazing losses occurred. Losses must occur in the calendar year the application is being filed.

Producers are only required to obtain a policy or plan of insurance or have NAP coverage on the grazing land or pastureland acres for which benefits are being requested under LFP. Livestock producers are not required to purchase pilot program insurance to be eligible for LFP.

Additional Information about LFP including eligible livestock and fire criteria is available at county FSA offices or online at www.fsa.usda.gov.

EMERGENCY LIVESTOCK ASSISTANCE PROGRAM (ELAP)

ELAP provides compensation to eligible producers of livestock, honey bees and farm-raised fish for losses due to disease, adverse weather, or other loss conditions, including losses caused by blizzards and wildfires. ELAP is for losses that are not covered by Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), or Supplemental Revenue Assistance Program (SURE).

Eligible producers under ELAP may receive assistance for losses that occur on or after Jan. 1, 2008, and before Oct. 1, 2011, during the calendar year in which the loss occurs. Eligible losses include feed losses, physical losses and additional costs incurred in providing feed to eligible livestock.

Important: To be eligible for ELAP, producers must obtain a policy or plan of insurance for the grazed forage crop under the Federal Crop Insurance Act (FCIA) or; file the required paperwork and pay the administrative fee by the applicable state application closing date for the Noninsured Crop Disaster Assistance Program (NAP).

Additional ELAP information is available at FSA county offices or on line at www.fsa.usda.gov.

CRP PAYMENTS

Conservation Reserve Program (CRP) annual rental payments and Transition Incentive Payment processing began October 3, 2011. Payments will be reduced by 25 percent for contracts that took advantage of the CRP haying or grazing provisions unless the reduction was paid in advance. Approximately 97 percent of the payments have been issued nationwide.

NEW AGI FORM FOR 2012

On September 28, 2011, FSA started using CCC-931 "Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information" for all 2009, 2010, 2011 and 2012 programs that are subject to AGI compliance. FSA will no longer accept CCC-926, CCC-927, or CCC-928 for any program. The new form is a combination of the Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information forms previously used by FSA.

Form CCC-931 is available at your local FSA office or online at <http://intranet.fsa.usda.gov>. Producers can print and mail the form to their local FSA office.

FSA employees will review the form for accuracy before forwarding it to the IRS. If CCC-931 is incomplete, the producer will be notified and corrections will be completed prior to FSA forwarding it to the IRS. Producers with FSA-211, "Power of Attorneys" will not be allowed to use the FSA-211 to complete the CCC-931.

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 <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.

HISPANIC AND WOMEN FARMERS

A process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans has been established.

If you believe that the United States Department of Agriculture (USDA) improperly

denied farm loan benefits to you between 1981 and 2000 because you are Hispanic,

or because you are female, you may be eligible to apply for compensation.

For additional information on this and other settlement issues contact:

- Hispanic and Women Farmer Claims Process, please visit:

www.farmerclaims.gov or call 1-888-508-4429

- Pigford – The Black Farmers Discrimination Litigation, please visit:

www.blackfarmercase.com or call 1-866-950-5547

- Keepseagle - The Native American Farmers Class Action Settlement please visit: www.IndianFarmClass.com or call 1-888-233-5506

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 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 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 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

COUNTY COMMITTEE ELECTIONS

Watch your mailbox for the official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters starting Nov. 4, 2011. If for some reason you don't receive a ballot, feel free to notify the county FSA office.

Completed and signed ballots are due back in the county office by the close of business on Dec. 5, 2011.

ACREAGE SPOT CHECK DETERMINATIONS AND NOTIFICATION

Each year the Farm Service Agency completes spot checks of acreage reports. Acreage reports are an integral part of farm program participation. Acreage spot checks are completed to ensure accurate acreage reports are used in farm program computations.

FSA will conduct spot checks on a selected number of farms in each state. All acreage determinations will be completed using the FSA Geographic Information System official acreages.

After farms are spot checked, a Notice of Determined Acreage will be sent to the farm operator. Producer notifications will be issued by FSA as spot checks are completed. Questions concerning determined acres should be directed to your local FSA office for further explanation.

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.

Section 1291 of the Department of Defense and Full-Year Continuing Appropriations Act of 2011 does not authorize funding to provide nonrecourse MALs for the remainder of FY 2011. Effective April 14, 2011, County Offices are no longer authorized to accept requests for mohair marketing assistance loans and loan deficiency payments.

FARM LOAN PROGRAM LIMITS

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, or regularly borrow from FSA, 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 \$1,214,000 starting on Oct. 1, 2011.

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.

RURAL 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 \$5,000.

BEGINNING AND LIMITED RESOURCE FARMER & RANCHERS

FSA assists beginning farmers and ranchers 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 any loan assessment and borrower training program in production and/or financial management required by the Agency
- Does not own farm acreage greater than 30 % of the median size farm in the county.

LOANS FOR THE SOCIALLY DISADVANTAGED

FSA has 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 targeted 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 a group.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

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.

Important Dates to Remember:

- Oct. 1 Transition Incentive Program Signup Begins (runs through 9/30/12)
- Nov. County Committee Ballots mailed to Voters
- Nov. 11 Veterans Day Holiday
- Nov. 14 2010 SURE Signup Begins
- Nov. 24 Thanksgiving Day Holiday
- Mar. 31 Deadline for Marketing Assistance Loans (MALs) & Loan Deficiency Payments (LDPs)

Selected Interest Rates for October 2011

90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.75%
Farm Ownership - Direct	4.25%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	3.75%
Farm Storage Facility (7 years)	1.50%
Sugar Storage Facility	2.625%
Commodity Loans 1996-Present	1.125%

Readers are advised that dates for FSA programs in Colorado are often county-specific. Please contact your local FSA office for detailed information pertaining to your operation.