



Colorado FSA Today

December 2011

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

Dates to Remember	
Jan. 23	2012 DCP Enrollment begins
Jan. 30	Sign-up ends for LFP, LIP and ELAP
Jan. 31	Deadline to apply for Unshorn Lamb Pelts Loan Deficiency Payment
Feb. 1	NAP Closing Date for Onions & Scallions
March 15	NAP Closing Date for Spring Crops

FSA MOVING TO ELECTRONIC INFORMATION

The USDA Farm Service Agency offices are moving toward a paperless operation.

Producers are asked to enroll in the new GovDelivery system which will provide electronic notices, newsletters and reminders.

FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email will help conserve resources and save taxpayer dollars.

County Committee ballots and farm or producer specific correspondence will continue to be mailed to all eligible producers.

Producers can now subscribe to receive free e-mail updates by going to <http://www.fsa.usda.gov/subscribe>.

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 have purchased catastrophic risk protection insurance for all insurable crops, and coverage for non-insurable crops under SURE, TAP, LFP and ELAP.

Sign-up ends Jan. 30, 2012, for LFP, LIP and ELAP. Producers have 90 days from the time a loss is apparent to file an application for TAP.

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 meet the definition of Socially Disadvantaged, Limited Resource Producer, or Beginning Farmer or Rancher, are not required to purchase the catastrophic insurance.

2012 DCP/ACRE SIGNUP

2012 Direct and Counter-Cyclical Program (DCP) enrollment will begin Jan. 23, 2012, and will end June 1, 2012. Here are some IMPORTANT REMINDERS:

- All producers planting on DCP base acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm
- Changes on the farm after enrolling June 1st in DCP/ACRE must be reported to your local FSA office such as:
 - Ownership changes

- Producer changes (Individuals and Entities)

- Change in crop shares arrangements

Note: Changes cannot be made after Sept. 30, 2012.

SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM (SURE)

The sign-up for 2010 losses begins Nov. 14, 2011, and will end June 1, 2012.

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the crop year 2010. SURE is available to eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.
- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

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: www.farmer-claims.gov or call 1-888-508-4429

- Pigford – The Black Farmers Discrimination Litigation: www.blackfarmercase.com or call 1-866-950-5547

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

USDA AUTHORIZES EMERGENCY 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 non-recourse MALs for mohair 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.

CRP TRANSITION INCENTIVES PROGRAM (TIP)

Retired or retiring land owners or operators are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning or socially disadvantaged farmers or ranchers through the Transition Incentives Program (TIP) which provides annual rental payments to the retiring farmer for up to two additional years after the date of the expiration of the CRP contract, provided the transition is not to a family member.

Enrollment in CRP-TIP is on a continuous basis. Beginning or socially disadvantaged farmers and ranchers and retiring CRP participants may enroll in CRP-TIP beginning one year before the expiration date of a CRP contract. For example, if a CRP contract is scheduled to expire on Sept. 30, 2012, the expiring CRP land may be enrolled and approved subject to funds available for CRP-TIP beginning Oct. 1, 2011, through Sept. 30, 2012. The CRP-TIP application must be submitted prior to implementing the qualifying long term lease agreement or sale of the effected lands. The CRP-TIP application may not be approved after the CRP contract has expired (September 30 of the last year of the CRP contract).

To be eligible, CRP-TIP requires that the retired or retiring farmer or rancher:

- Have land enrolled in the Conservation Reserve Program (CRP) that is in the last year of the contract.
- Agree to sell, or have a contract to sell, or agree to long-term lease (a minimum of 5 years) the land under CRP contract to a beginning or socially disadvantaged farmer or rancher by Oct. 1 of the year the CRP contract expires.
- Agree to allow the beginning or socially disadvantaged farmer or rancher make conservation and land improvements in accordance with a conservation plan of operation.

Please contact the local administering FSA office for more information.

USDA STREAMLINES COMMON ACREAGE REPORTING DATES

USDA recently established 15 common acreage reporting dates (ARDs) for farmers and ranchers who participate in Farm Service Agency (FSA) and Risk Management Agency (RMA) programs. The common reporting dates will simplify the reporting process for producers and reduce USDA operating costs by sharing similar data with participating agencies. Before the streamlining, FSA had 17 ARDs for 273 crops and RMA had 54 ARDs for 122 crops.

FSA and RMA will implement the July 15, 2012, and August 15, 2012, ARDs for certain commodities during the 2012 crop/program year. The remaining common ARDs will be implemented during the 2013 crop/program year. Stay tuned for crop-specific information.

LDPS FOR UNSHORN LAMB PELTS

Eligible producers have until Jan. 31, 2012, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2011 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 in which they have an interest.

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

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.

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

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

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.

MAINTAINING THE QUALITY OF LOANED GRAIN

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.

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.

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.

Without these forms on file, eligible producers will not receive USDA program payments. For more information please contact your local FSA office.

FARM LOAN PROGRAMS

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. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

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 October 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 educa-

tional 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 that 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.

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.

Selected Interest Rates for December 2011	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	1.50%
Farm Ownership Loans — Direct	3.375%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans (7 years)	1.50%
Sugar Storage Facility Loans	2.625%
Commodity Loans 1996-Present	1.125%