USDA FSA NEWSLETTER

August 2012

Bannock County
FSA Service Center
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Hours:
Monday - Friday
8:00 am – 4:30 pm

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Tom Williams, PT
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In this Issue:

Drought Disaster Assistance

USDA has streamlined the disaster designation process, lowered emergency loan rates and created greater CRP flexibility to help farmers and ranchers in drought-stricken areas across the country.

FSA's low-interest emergency loans will help producers recover from losses due to drought, and other natural disasters. The interest rate has been reduced to 2.25 percent, providing a much-needed resource for producers hoping to recover from production and physical losses associated with natural disasters.

New guidelines were announced for emergency haying and grazing on Conservation Reserve Program (CRP) land. Annual rental payments for farmers enrolled in the CRP, who use those lands for emergency grazing and hay production, will be reduced by 10 percent instead of 25 percent. Also, because of the current severe drought, all counties with a drought level of D 0 or higher, as measured by the US Drought Monitor, are approved for emergency haying and grazing outside of the primary nesting season (PNS).

USDA encourages all farmers and ranchers to contact their crop insurance companies and local USDA Farm Service Agency Service Centers, as applicable, to report damages to crops or livestock loss. In addition, USDA reminds livestock producers to keep thorough records of losses, including additional expenses for such things as food purchased due to lost supplies. More information about federal crop insurance may be found at www.rma.usda.gov. Additional resources to help farmers and ranchers deal with disaster losses may be found at www.usda.gov/disaster.

Idaho CRP acres eligible for Emergency Haying and Grazing

New flexibility in the Farm Service Agency's Conservation Reserve Program (CRP) rules will allow more counties to authorize emergency having and grazing on CRP lands.

Emergency haying and grazing is authorized to provide relief to livestock producers in areas affected by a severe drought or similar natural disaster. 33 Idaho counties qualify under these new provisions, CRP participants can sell or donate hay to any livestock producer.

Before CRP acreage is declared eligible for haying or grazing farmers must modify their current conservation plan. The modified conservation plan must be site specific, include the authorized duration, and reflect local wildlife needs and concerns. The primary purpose must be to maintain vegetative cover, minimize soil erosion, and protect water quality and wildlife habitat quality.

The CRP-authorizing legislation requires a payment reduction to be assessed. Generally, CRP participants are assessed a haying or grazing payment reduction of 25 percent. For 2012 only, the 25 percent haying and grazing payment reduction has been reduced to 10 percent.

Highly Erodible Land Sign-Up

The Highly Erodible Land Initiative sign-up under the Conservation Reserve Program (CRP) began on July 23, 2012. The purpose of this initiative is to protect up to 750,000 acres of the nation's most highly erodible croplands. Producers may enroll at their local Farm Service Agency (FSA) county office. Enrollment will continue until the 750,000 acre limit has been met.

CRP is a voluntary program designed to help farmers, ranchers and other agricultural producers protect their environmentally sensitive lands.

Through this Highly Erodible Land Initiative, eligible landowners receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible cropland and maintain it for a period of 10 years. Croplands with an erodibility index of 20 or greater are eligible for enrollment.

For more information producers are encouraged to contact their local FSA office or visit FSA's website at: www.fsa.usda.gov/crp

NAP Losses and Deadlines

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 filing 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, Notice of Loss, 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.

See NAP 2013 crop year deadlines on page 4 in this issue.

Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This process ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are $500,000 nonfarm average AGI for commodity and disaster programs; $750,000 farm average AGI for direct payments and; $1 million nonfarm average AGI for conservation programs.

Actively Engaged

FSA wants to remind producers about the eligibility rules that require program applicants to be 'actively engaged' in farming. These eligibility rules apply to payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

To be eligible for payments and benefits under specified programs, all program participants, either individuals or legal entities, must provide significant contributions to the farming operation to be considered as "actively engaged in farming." Contributions can consist of capital, land, and/or equipment, as well as active personal labor and/or active personal management. The management contribution must be critical to the profitability of the farming operation and the contributions must be at risk.

Landowners may be considered "actively engaged in farming" if they contribute the owned land to the farming operation and in return, receive rent or income for the use of the land. The landowner's share of the profits or losses from the farming operation must also be commensurate with the landowner's contributions to the farming operation and the contributions must be at risk.

Spouses may both be considered "actively engaged in farming" if one spouse makes all of the requisite and at-risk contributions.

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

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, contact your nearest FSA office for details about direct and guaranteed loans.

Ask your current lender about an FSA loan guarantee if you've had a setback and your current 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.

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 to schedule an appointment.

Crop Reporting Changes

This annual requirement to report to the FSA office can be referred to as "crop reporting", "acreage reporting" or "crop certification." Filing an accurate and timely report for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-Cyclical Program, marketing assistance loans and Loan Deficiency Payments programs.

The certification form **FSA-578, Report of Acreage**, must account for all cropland on a farm, whether idle or planted. The reporting deadline for **2013** crops is as follows:

Nov. 15 - Apiculture, PRF

****Dec. 15 - Fall Alfalfa Seed**, **Fall Barley**, Fall Canola, Dry Peas, Fall Mint, **Fall Wheat** and all other Fall seeded small grains.

Jan. 15 - Apples, Cherries, Fresh Apricots, Fresh Freestone Peaches, Fresh Nectarines, Grapes, Plums

July 15 - Spring Alfalfa Seed, Spring Barley, Spring Canola, Corn, Dry Beans, Dry Peas, Flax, Green Peas, Spring Mint, Mustard, Oats, Onions, Potatoes, Processing Beans, Safflower, Sugar Beets, Sweet Corn, Spring Wheat, and all other crops.

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 (PTOs), and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous and lethal for both adults and children. It is always advisable to keep children a safe distance from farm equipment in operation. 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 and safe crop year, and that begins with putting safety first.

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 areas with critical environmental factors.

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

Beginning and Limited Resource Loans

FSA has a program to assist beginning farmers and members of socially disadvantaged groups to finance agricultural enterprises. Under these programs, FSA can provide financing through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for10 years or less
- 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.

Each member of an entity must meet the eligibility requirements and loan approval is not guaranteed.

Additional program information and loan applications are available at local FSA offices or visit www.fsa.usda.gov.

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 date the loan is repaid or CCC takes title to the commodity, whichever is earlier. Beneficial interest means a) retaining the ability to make decisions about the commodity, b) being responsible for loss or damage to the commodity and c) possessing 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 stipulates compliance with the following requirements: conservation and wetland protection; beneficial interest; acreage reporting and minimum grade and quality standards set by the Commodity Credit Corporation (CCC). For commodities to be eligible they must have been produced by an eligible producer, exist 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 in the loan and denial of future commodity and 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.

Sign Up for FSA *Fence Post* for Daily Updates

The Farm Service Agency *Fence Post* is an online newsletter that is updated on an almost daily basis. It contains articles of interest on the agency's programs and departments, as well as success stories from the field. To access *Fence Post* visit http://fsa.blogs.govdelivery.com/. On this website, producers can sign up for *Fence Post* updates by putting an email address in box that says "Get Email Updates" and then navigating to the publication's sign up check box.

Soil Health Workshop

USDA Farm Service Agency and Natural Resource Conservation are teaming up to partner with University of Idaho Extension for a Healthy Soils workshop. Healthy soils have increased fertility, structure and biological diversity. They resist wind and water erosion and improve water infiltration rates as well as reduce fuel, fertilizer and pesticide costs.

Learn how to farm in "nature's image" by applying agro-ecology principles to your land. Workshops run 9:00 am to 3:00 pm and are free of charge.

- August 28, Idaho Falls - Bonneville County Extension Office 2925 Rollandet Street. Contact Joyce at 208-522-5137 x101
- August 29, Pocatello - Farm Bureau Office, 275 Tierra Vista Drive, Contact Andrea at 208-237-4628 x101
- August 30, Magic Valley, Con Paulos Chevrolet, 251 East Frontage Road, South, Jerome. Contact 208-733-5380 x3.

Speakers include Ray Archuleta, Soil Health Specialist/Agronomist, NRCS National Tech Center, Dr. Rich Haney, Soil Scientist, USDA Agricultural Research Service and Marlon Winger State Agronomist Idaho NRCS

Selected Interest Rates for August 2012	
Farm Operating - Direct	1.25%
Farm Ownership - Direct	3.00%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans -Amount of Actual Loss	2.25%
Farm Storage Facility – 7 year	1.00%
Farm Storage Facility – 10 year	1.625%
Farm Storage Facility – 12 year	1.875%

Dates to Remember	
Sept. 3	Office Closed for Labor Day Holiday
Sept. 30	NAP Signup Deadline Fall Seeded Crop
Sept. 30	MILC application Deadline
Sept. 30	Deadline to purchase Crop Insurance on all varieties of Wheat
Dec. 1	NAP Signup Deadline for perennial grass seed crops in West, South and East. All other perennial crops and Honey
Dec. 15	**Crop Reporting deadline with FSA for Fall Wheat, Fall Seeded Alfalfa, Fall Barley, and other Fall seeded Small Grains