



September 2009

# Caribou County FSA News

**USDA**  
**Caribou County FSA**  
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**Hours**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.

#### Caribou County Staff

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## 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 now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility. 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.

Early 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.

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, soybeans, oats, 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](http://www.fsa.usda.gov).

## FSA Announces New Provisions for Loans and LDPs

The 2008 Farm Bill included several changes to the marketing loan and LDP (loan deficiency payment) provisions.

Beginning with the 2009 crop year, loans and LDPs will no longer be subject to a payment limitation. However, farmers with average adjusted gross nonfarm income in excess of \$500,000 are not eligible for marketing loan gains or LDPs. These farmers will be eligible for the loan program; however, the loan must be repaid at principal plus interest, or by commodity certificate (for 2009). Effective with the 2010 crop year, commodity certificate exchange will no longer be available.

Another major change, beginning with the 2009 crop, is that the Commodity Credit Corporation (CCC) will no longer apply premiums and discounts to warehouse-stored loans at the time of loan making. Loan rates will be adjusted for premiums and discounts if the loan is delivered or forfeited to CCC in settlement of the outstanding loan.

In addition, beginning with the 2009 crop year, CCC will no longer require federally or state-licensed grain warehouses to enter into a separate storage agreement contract with CCC in order to be eligible to store grain pledged as loan collateral for a CCC loan. CCC may require a storage agreement on a case-by-case basis as deemed appropriate.

Commodities stored in unlicensed warehouses (neither Federal nor State licensed) are ineligible for loan. In prior years, commodities could be stored in unlicensed facilities and a loan made if they were immediately redeemed from loan with commodity certificates.

Producers with questions regarding changes to marketing loans and LDP provisions may contact their local FSA office.

## NAP Coverage - Deadlines & Details

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

### **See page 4 for 2010 NAP coverage application deadlines for various crops in Idaho.**

Producers who already have coverage on 2009 NAP crops may choose to continue coverage on the same crop or crops for 2010, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add a new crop(s) or delete a crop(s) from previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable service fee.

Producers with NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.
- File a "Notice of Loss" within 15 days of when a loss is apparent, due to drought, hail, etc.

For more information on NAP coverage please contact your nearest Farm Service Agency office.

## Foreign Landowner Notification

The Agriculture Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property.

County government offices, real estate agents, attorneys and other involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## DCP Succession in Interest

If you have made changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these *successions-in-interest* to the county committee by Sept. 30, so a final determination can be made on who is eligible for the program on the farm.

Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm.
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the "predecessor," are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the "successor." Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

## FSA Loans for Family Sized Farms

The Farm Service Agency (FSA) offers loans for eligible farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,094,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA.

For detailed information on loan eligibility or the available loan programs, contact the county office staff for an appointment with a farm loan officer.

## 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. 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, 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. 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.

## Rural Youth Loans

The Farm Service Agency makes loans to eligible 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.

### 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. 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. The FSA staff can help you with questions you may have about a particular program.

## 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 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 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.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.



### COC Elections

The current local administrative area (LAA) up for election in Caribou County is LAA #3 serving the Grace area. The deadline for FSA county committee nominations passed on August 3, 2009.

David Miles is nominated to serve as COC member for a 3-year term beginning January 1, 2010. David resides in Niter, and has produced barley, wheat and potatoes for a little over 30 years. He is married and has four children and three grandchildren. David has served 10 years as President of the Bench Canal, and is currently serving as Director for the Last Chance Canal and Bench Canal. David has also served 6 years on the Potato Advisory Committee Board. David is willing to serve if elected.

The county committee election is held by mail. Ballots will be mailed to eligible voters beginning Nov. 6, and must be returned to our office by the close of business on Dec. 1, or postmarked by midnight Dec. 1, 2009.

For more information about county committee elections, contact the county office staff.

<b>Dates to Remember</b>	
09/30/2009	NAP sales closing date for fall seed crops
09/30/2009	NAP sales closing date for grass seed, Northern Idaho only
12/01/2009	NAP sales closing date for honey and all 2010 perennials, including alfalfa and grass
Continuous	Continuous Conservation Reserve Program
<b>Selected Interest Rates for September 2009</b>	
Farm Operating Loans — Direct	3%
Farm Ownership Loans — Direct	4.875%
Farm Ownership Loans — Down Payment	1.50%
Emergency Loans	4.75%

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