



July 2010

# Clearwater Co FSA News

## Clearwater County USDA Service Center

**Clearwater County FSA**  
12730 Highway 12, Ste C  
Orofino, ID 83544  
208-476-4612 (phone)  
208-476-7365 (fax)  
[www.fsa.usda.gov/](http://www.fsa.usda.gov/)

**Hours**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.

**County Committee**  
Cory Brown  
Earl Lawrence  
Ross Triplett  
Jean White

**Staff**  
Karel Wemhoff, CED  
Kathy Gruell, PT  
Millie Lansing, PT  
Justin Allen, PT

FSA Committee meetings are open to the public. Regular COC meetings are held the third Wednesday of each month at the Orofino USDA Service Center, beginning at 8:30 a.m.



## COC Nominations Open

FSA's County Committee (COC) plays a crucial role in helping the county office staff implement Farm Bill programs. Producers are encouraged to participate in the FSA COC election process by nominating an eligible candidate by Aug. 2.

To become a nominee, eligible individuals must sign form FSA-669A. The form and further information about FSA COC elections are available online at:

[www.fsa.usda.gov](http://www.fsa.usda.gov); select *News & Events* then *County Committee Elections*. Nomination forms for the 2010 COC elections must be postmarked or received in the county office by close of business on August 2, 2010.

FSA county committee members serve three-year terms and make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. Committees consist of three to five members elected by eligible local producers.

Ballots will be mailed to producers beginning November 5, 2010. Completed ballots must be dropped off or received via mail at the county office by December 6, 2010.

## FSA Farm Loans

FSA 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, 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 can reach a maximum indebtedness of \$1,112,000. Producers are encouraged not to wait until the last minute to apply.

FSA staff will help you complete the application forms and help you understand what information is required and where to find it. Call your county office staff today.

## Thank You

As we move into July we would like to thank all those who were able to file crop reports by the June 30 deadline. We realize the late spring made crop reporting a little uncertain this year and your willingness to make those decisions with our FSA staff has been exemplary. Clearwater County staff would like to say thanks for the prompt, patient 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 FSA 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 and CRP.

Anytime we can assist Idaho producers to be effective in their business practices we are ready and willing to help. Feel free to call the office or drop by with any questions.

## Transition Incentives

The Transition Incentives Program (TIP) encourages retired or retiring owners or operators to transition their Conservation Reserve Program (CRP) acres to beginning or socially disadvantaged farmers or ranchers.

TIP sign-up opened May 17, 2010. If all program requirements are met, TIP provides annual rental payments to the retiring farmer for up to two additional years after the expiration of the CRP contract, provided the transition is not to a family member.

For eligibility requirements producers should visit the FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Compliance Spot Checks

Compliance spot checks will be conducted on 2010 crops. Instead of locally selecting farms, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in FSA programs.

For more information about the spot check selection procedure, contact your local Farm Service Agency office.

## Farm Storage Facility Loans

USDA Farm Service Agency Farm Storage Facility Loan Program provides low-interest financing for producers to build or upgrade farm storage and handling facilities. The following commodities are eligible for farm storage facility loans:

- Corn, soybeans, oats, wheat, barley or minor oilseeds harvested as whole grain
- Pulse crops: lentils, chickpeas, dry peas
- Hay
- Renewable biomass

An FSA farm storage facility loan must be approved by the local FSA county committee before any site preparation and/or construction can be started. Following are a few of the types of facilities and upgrades that are eligible for farm storage facility loans:

- New conventional cribs or bins designed and engineered for whole grain storage having a useful life of at least 15 years.
- New electrical equipment integral to the proper operation of the grain storage and handling equipment
- New safety equipment, such as interior and exterior ladders and lighting.
- New concrete foundations, aprons, pits, and pads, including site preparation, labor and material
- Renovation of existing farm storage facilities, under certain circumstances, if the renovation is for maintaining or replacing items that have a useful life of at least 15 years.
- New permanently affixed grain handling and grain drying equipment determined by CCC to be needed and essential to the proper operation of a grain storage system (with or without a loan for the storage facility).
- New structures suitable for storing hay built according to acceptable design guidelines and having a useful life of at least 15 years.
- New structures suitable for storing renewable biomass built according to acceptable industry guidelines and having a useful life of at least 15 years.

Please Note:

1. Scales, portable equipment, used bins, and used equipment are not eligible for financing.
2. Facilities built for commercial purposes and not for the sole use of the borrower(s) are not eligible for financing.

Other eligibility requirements must be met:

- Produce eligible facility loan commodity.
- Have a satisfactory credit rating as de-

termined by CCC.

- Demonstrate the ability to repay the debt for the facility loan.
- Has no delinquent non-tax federal debt.
- Demonstrate a storage need based on the borrower's three-year-average acreage and share of production, minus any current storage available.
- Provide proof of multi-peril crop insurance for the life of the loan.
- Provide proof of all peril insurance and, if applicable, flood insurance with CCC as a loss payee.
- Demonstrate compliance with USDA provisions for highly erodible land and wetlands.
- Demonstrate compliance with the National Environmental Policy Act.
- Demonstrate compliance with any applicable local zoning, land use, and building codes.
- Has no convictions of a controlled substance violation.

Call your local FSA office for more information.

## Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation occur, 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:

**Estate Method** — division of bases for a parent farm among heirs in 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;

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**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.

## Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

## Foreign Landowner Notification

The Agricultural 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 with 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 others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## 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.

## Youth Loan Eligibility Requirements:

- United States citizenship (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- 10 years to 20 years of age
- Compliance with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Inability 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 Farm Loan 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 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.

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.

Watch for an announcement regarding a general CRP signup – coming soon!

<b>Selected Interest Rates for July 2010</b>	
Farm Operating - Direct	<b>2.875%</b>
Farm Ownership - Direct	<b>4.875%</b>
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	<b>1.500%</b>
Emergency	<b>3.750%</b>
Farm Storage Facility	<b>2.750%</b>

<b>Dates to Remember</b>	
May 17	Transition Incentive Program Signup Opened
August 2	Deadline to submit COC election nominations
Sept 1	Deadline for production records for ACRE
Sept 6	Office closed in observance of Labor Day
Sept 30	NAP sign-up deadline for fall seeded and perennial grass seed for the Northern District.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance programs. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202)-720-6382 (TDD). USDA is an equal opportunity provider and employer."