



NEWSLETTER



Sept. 2012

**Lewis/Clearwater
FSA Office**

**521 Oak Street,
Room 9
Nezperce ID 83543**

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

County Office Staff

Karel Wemhoff, CED
Jennifer Lux, PT
Kaci Ralstin, PT
Jeannette Dreadfulwater,
PT

County Committee:
Nathan Riggers, Chair
Cory Brown, Vice-Chair
Dennis Behler
Earl Lawrence
Justin McLeod
Leroy Praest
Steve Meek, Advisor
Jean White, Advisor

REMINDER: CONSERVATION COMPLIANCE REQUIREMENTS

The Food Security Act of 1985, as amended, requires producers participating in most programs administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) to abide by certain conditions on any land owned or farmed that is highly erodible or that is considered a wetland. Producers participating in these programs and any person or entity considered to be an “affiliated person” of the producer, are subject to these conditions.

Highly erodible land is cropland, hayland or pasture that can erode at excessive rates. It would contain soils that have an erodibility index of eight or more. If a producer has a field identified as highly erodible land, that producer is required to maintain a conservation system of practices that keeps erosion rates at a substantial reduction of soil loss. That system of practices may include such things as crop rotation and approved tillage systems. Producers are required to maintain a minimum level of residue throughout the growing season and practices such as burning may be limited.

Fields that are determined not to be highly erodible land are not required to maintain a conservation system to reduce erosion.

To be in compliance with the highly erodible land conservation and wetland conservation provisions, producers must agree, by certifying on Form AD-1026, that they will not:

- Produce an agricultural commodity on highly erodible land without a conservation system;
- Plant an agricultural commodity on a converted wetland;
- Convert a wetland to make possible the production of an agricultural commodity.

Producers planning to remove fence rows, convert new land to cropland, combine crop fields, divide a crop field into two or more fields, install new drainage, or improve or modify existing drainage, must notify the FSA and update Form AD-1026. FSA will notify NRCS, and NRCS will then provide highly erodible land or wetland technical determinations.

Producers participating in FSA and NRCS programs who are not in compliance with highly erodible land or wetland conservation compliance provisions are not eligible to receive benefits for most programs administered by FSA and NRCS. If a producer has received program benefits and is later found to be non-complaint, he/she would be required to refund all payments received and may be assessed liquidated damages.

County Committee Re-Organized

The County Committees from Clearwater and Lewis Counties met on September 25th and re-organized into one Committee for the combined counties. Nathan Riggers was elected Chairperson, and Cory Brown was elected Vice-Chair. Steve Meek and Jean White will both continue to serve as advisors to the COC.

Nathan Riggers and Earl Lawrence are both currently running unopposed to represent their areas for the 2013 year. During this next year, the Committee will determine boundaries for five new Local Administrative Areas (LAA) for the combined counties. In 2014, elections will be held for all five new LAAs.

Emergency Farm Loans

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters or quarantine.

Emergency loan funds may be used to:

- Restore or replace essential property
- Pay all or part of production costs associated with the disaster year
- Pay essential family living expense
- Reorganize the farming operation
- Refinance certain debts

Farm Service Agency (FSA) has changed the emergency loan program for this year so that farmers and ranchers are eligible to apply earlier in the disaster recovery process. As a result, producers are no longer required to wait until the end of the production cycle to obtain a loan.

Further information and applications for the loan programs described are available at local FSA county offices. Contact your nearest office for an appointment.

NAP Loss Filing

The CCC-576, Notice of Loss, is used to report low yield, failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely submission 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), you must file a CCC-576 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.

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 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 and permanent drying and handling equipment. 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.

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:

- Oats, wheat, barley or minor oilseeds harvested as whole grain

- Wheat, oats or barley harvested as other than whole grain
- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass

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

Hispanic and Women Discrimination Claims

The process to resolve claims of discrimination by USDA asserted by some Hispanic and women farmers is nearing the phase when a claims packet will be made available for potential claimants. A court supervised third-party administrative process is available for claimants to submit claims for independent adjudication and potentially receive compensation for losses they may have incurred as a result of discrimination in loan making and loan services. If you believe you have been discriminated against by USDA between 1981 and 2000 because you are Hispanic or female, call the toll-free number or visit the website to receive a claims packet or get further information. You can call **1- 888-508-4429** or visit www.farmerclaims.gov. Once the claims period is announced claimants will have 180 days (6 months) to complete the claim form and submit the claims.

Succession in Interest

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program/ACRE contract, you must report these *successions-in-interest* to the county committee by Sept. 30, so that 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
- Changes in the producer's share of the crop(s) that were originally approved on the contract.

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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 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, 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. 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.

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 geographic areas.

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

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 the following: 1) conservation and wetland protection requirements, 2) beneficial interest requirements, 3) acreage reporting requirements and 4) 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.

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 \$5000.

Stop by the county office for details and help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.

REMEMBER TO VOTE!

Ballots will be mailed in November to eligible voters for the 2012 COC election. They must be completed and returned to the County Office no later than December 3, 2012.

IRS - Reporting Changes in IRS Form 1099-G and 1099-Misc

Beginning with calendar year 2012 IRS reporting, Kansas City will not generate and mail IRS Form 1099-G and/or IRS Form 1099-MISC to producers if the total of reportable payments for each tax identification number is less than \$600.

However, if voluntary withholding or backup (involuntary) withholding was withheld from a payment and total payments are less than \$600, then the appropriate IRS 1099 form will be issued.

Beginning with calendar year 2012 IRS reporting, Kansas City will also be issuing one IRS Form 1099-G and/or one IRS Form 1099-MISC to each multi-county producer whose total reportable payments for each tax identification number are equal to or greater than \$600.

Multi-county producer IRS forms will use the producer's mailing address associated with the lowest State number and then the lowest county number within that State identified as receiving payments for the reportable calendar year. The Kansas City address will be used as the return address on the IRS forms.

Note: Producers receiving less than \$600.00 in combined payments need to consult a tax advisor to determine if these payments must be reported on their tax return.

Selected Interest Rates for September 2012	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.125%
Farm Ownership - Direct	3.00%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency - Operating	1.125%
Farm Storage Facility – 7 year	1.125%

Dates to Remember	
Sept. 30	NAP deadline for all Fall seeded crops and grass seed crops in the Northern District
Oct. 8	County Office will be closed to observe Columbus Day.
Nov. 15	Crop reporting deadline for pasture, rangeland and all other forage crops
Dec. 1	NAP deadline for perennial grass seed crop in East, South & West Districts.
Dec. 1	All other perennials and honey
Dec. 15	Crop reporting deadline for Fall alfalfa seed, Fall barley, Fall canola, dry peas, Fall Mint, Fall wheat and all other Fall seeded small grains

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