



## Kansas FSA Today

February 2012

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

***FSA county offices are taking appointments for producers to sign up and report acres. Contact your local FSA office as soon as possible to make an appointment.***

### CRP GENERAL SIGN-UP STARTS IN MARCH

The Conservation Reserve Program (CRP) is offering a general sign-up period from **March 12, 2012 through April 6, 2012**. CRP has successfully protected our natural resources while providing economic and environmental benefits to rural communities for the past 25 years.

Landowners enrolled in CRP receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on environmentally sensitive land. Land that is not currently enrolled in CRP and land expiring Sept. 30, 2012 can be offered during sign-up if all eligibility requirements are met. Offers for CRP contracts will be ranked according to the Environmental Benefits Index (EBI). Each eligible offer is ranked in comparison to all other offers and selections are made from the ranking. CRP fact sheets can be obtained online at [www.fsa.usda.gov](http://www.fsa.usda.gov) then click on Fact Sheets.

Kansas has 2.5 million acres enrolled and 517,708 acres will expire on Sept. 30, 2012.

### DCP AND ACRE SIGNUP

Enrollment for the 2012 Direct and Counter-cyclical Program (DCP) will continue through **June 1, 2012**. USDA computes DCP payments using 85 percent of the base acres times the payment yield established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. **For 2012, advance payments are not authorized.** Producers also have the option to enroll in the Average Crop Revenue Election (ACRE) Program. The optional ACRE program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP.

### SURE SIGNUP FOR 2010 LOSSES

Signup for the Supplemental Revenue Assistance Payments (SURE) Program for 2010 crop losses will end **June 1, 2012**. SURE is available to eligible producers on:

- farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred at least a 10 percent crop production or quality loss, or both, on all crops grown by a producer nationwide, **except grazed crops**
- farms 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.

### ACREAGE REPORTING DATES

**May 31, 2012** – Deadline to Report **Fall Seeded Crops**

**July 15, 2012** – Deadline to Report **Spring Seeded Crops**

**December 15, 2012** – Deadline to Report **2013 Fall Seeded Crops (planted in fall 2012)**

Contact your local FSA county office as soon as possible to make an appointment to report your fall seeded acreage. Producers are reminded to also report acreages to their crop insurance agent. **We encourage producers to report this year's acreages early to get used to the trend of the earlier reporting dates for next year's crops.**

## **NONINSURED CROP DISASTER ASSISTANCE PROGRAM (NAP)**

The Noninsured Crop Disaster Assistance Program (NAP) helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. NAP losses must be reported within 15 days of a disaster event or the date the loss becomes apparent.

**March 15** is the final date to obtain NAP coverage for coarse grains, vegetable and melon crops, Cotton, Pecans, Pumpkins, Safflower, Sesame, Squash, and Walnuts.

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## **FARM STORAGE FACILITY LOAN**

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 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. 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. The loan disbursement will be made when all construction is completed. Applications for FSFL must be submitted to FSA prior to an site preparation or construction can begin. Loans are available for grain, hay and silage storage, biomass storage, and cold storage for fruits and vegetables.

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## **HIGHLY ERODIBLE LAND (HEL) AND WETLAND CONSERVATION COMPLIANCE**

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Farmers with HEL determined soils are reminded of tillage, crop residue, and rotation requirements as specified per their conservation plan. Producers are to notify the FSA prior to conducting land clearing or drainage projects to insure compliance. Failure to obtain advance approval for any of these situations can result in the loss of eligibility and all Federal payments.

## **GRASSLAND RESERVE PROGRAM (GRP)**

Applications for GRP in FY 2012 must be submitted by April 24, 2012. Rental contracts can be for periods of 10, 15, or 20 years. Permanent easements are also available for producers interested in a long term conservation arrangement. For more information about GRP rental rates or easement payments, just contact your local county FSA office.

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## **FOREIGN BUYERS 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. 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, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

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## **COLLECTING RACE, ETHNICITY AND GENDER DATA**

Departmental Regulations established policy for collecting race, ethnicity, and gender data for conducting oversight and evaluation of civil rights compliance in programs offered by USDA. Form AD-2106 will be provided to each program participant during signup to collect this data. Even though providing the data is voluntary, FSA encourages participants to complete the form so that FSA can keep our records current.

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## **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 the Hispanic and Women Farmer Claims Process, please visit: [www.farmerclaims.gov](http://www.farmerclaims.gov) or call 888-508-4429.

## 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: <http://forms.sc.egov.usda.gov> (click on "Browse Forms" in Left menu, input "931" in the "Form Number" section.) Producers can print and mail the form to their local FSA office.

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## GUARANTEED LOANS

FSA offers guaranteed loans up to \$1,214,000. Guaranteed loans are made and serviced by a bank or Farm Credit system. Rates and terms are set by the lender. Loan guarantees are provided upwards of 95% of the credit extended, depending on the type of credit requested. There is a guaranteed loan fee charged of 1.5% of the guaranteed portion. Certain programs have this fee waived, ie: beginning farmer downpayment loans to purchase real estate. Farmers interested in guaranteed loans should apply directly with a conventional lender, who then arranges for the guarantee with FSA; however, local FSA staff can also assist the farmer or rancher in determining which loan (direct or guaranteed) will best fit the operation.

## 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. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan. 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. **March 31** is the final date to obtain loans for 2011 wheat, oats, barley and honey.

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## 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 improvement of 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 a member 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.

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## BEGINNING 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 than 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.

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## LAND CONTRACT (LC) GUARANTEE PROGRAM

The Land Contract (LC) Guarantee Program provides a valuable tool to transfer farm real estate to the next generation of farmers. Guarantees will be offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning farmer or a farmer who is a member of a socially disadvantaged group. The buyer must provide a minimum down payment of five percent of the purchase price, plan to operate the farm, and be able to project the ability to make the land contract payments.

## NEWSLETTERS NO LONGER MAILED TO PRODUCERS

FSA no longer has funding to mail newsletters. Producers are encouraged to provide their email address to the local FSA office to receive newsletters and other reminders by email. Your email will automatically be added to our electronic news system 'GovDelivery.' We encourage operators that receive FSA e-news to keep their landowners informed of program signups. Copies of newsletters can be obtained at local FSA offices.

### ACTIVELY ENGAGED

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming for entities that are not landowners. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity must make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- at least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- the total direct payments received by the legal entity and each of the members can't exceed \$40,000.

### SPOUSAL SIGNATURES

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities. Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents and form CCC-931, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information.

### 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 producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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 to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

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### 1099-G

Producers who have received payments from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.