

June 2012



Kansas FSA Updates

DEAR PRODUCERS: Welcome to the new GovDelivery bulletins and updates service from the Kansas FSA State Office. Note that you are welcome to request to receive bulletins from more than one county and can add or remove individual subscriptions at any time.

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ACREAGE REPORTING DATES

July 15, 2012 – Deadline to Report Spring Seeded Crops and CRP

November 15, 2012 - Deadline to Report Perennial Rangeland Forage (grass, alfalfa, clover, etc). **NEW DEADLINE!**

December 15, 2012 – Deadline to Report 2013 Small Grain Crops (planted in fall 2012) **NEW DEADLINE!**

Contact your local FSA county office as soon as possible to make an appointment to report your spring seeded acreage. Producers are reminded to also report acreages to their crop insurance agent.

MILK INCOME LOSS CONTRACT (MILC) PAYMENTS

MILC payments are available for commercial milk marketing's for certain months in 2012. The production limitation for fiscal year 2012 is 2.985 million pounds.

- February 2012 Payment Rate is \$0.3895043 per cwt.
- March 2012 Payment Rate is \$0.82622432 per cwt.
- April 2012 Payment Rate is \$1.2109586 per cwt

AGI CERTIFICATION AND CONSENT TO DISCLOSURE OF TAX INFORMATION

Form CCC-931, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information, is required for producers to remain eligible for most FSA programs. The form authorizes Commodity Credit Corporation/FSA to obtain tax data from the IRS for AGI compliance verification purposes.

- If average adjusted gross nonfarm income exceeds \$500,000, then the person or legal entity is ineligible for commodity (DCP and ACRE), price support, and

disaster assistance program benefits. Note: A person or legal entity with average adjusted gross nonfarm income that exceeds \$500,000 is not eligible for marketing loan gains and loan deficiency payments. However, the person or legal entity is eligible for marketing assistance loans, but the loans must be repaid at principal plus interest.

- If average adjusted gross farm income exceeds \$750,000, then the person or legal entity is ineligible for 2009 through 2012 DCP direct payments.
- If average adjusted gross income (both farm and nonfarm) exceeds \$1 million, then the person or legal entity is ineligible for 2012 direct payments.
- If average adjusted gross nonfarm income exceeds \$1 million, then the person or legal entity is ineligible for conservation program benefits, unless 66.66 percent or more of the average AGI was derived from activities related to farming, ranching, and forestry operations.

For 2012, the 3-year period for calculation of the average AGI will be tax years 2010, 2009 and 2008.

For 2011, the 3-year period for calculation of the average AGI will be tax years 2009, 2008 and 2007.

For 2010, the 3-year period for calculation of the average AGI will be tax years 2008, 2007 and 2006.

For 2009, the 3-year period for calculation of the average AGI will be tax years 2007, 2006 and 2005.

CUSTOMER CHECK PAYMENTS CONVERTED TO ELECTRONIC FUNDS TRANSFER

FSA/CCC is moving toward Over the Counter Channel (OTCnet), an electronic method for processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury. Internet site for detailed information:

<http://fms.treas.gov/otcnet/legal.html>

OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It presents many benefits, such as reducing lost/misplaced checks and paper handling. This improves customer relations, speeds the check clearing process, and reduces the potential for human error. The check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check. The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do **not** have sufficient funds, we may initiate the transaction again. The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions". You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect. If funds are found to be insufficient, there is a \$25 dishonored check fee.

CRP INITIATIVES

Practice CP42, Pollinator Habitat, is now eligible through both the General CRP and Continuous CRP sign-up.

Stewardship Incentive Payments (SIP's) will increase to \$150 per acre effective on contracts approved on or after June 12, for practices:

- CP23, Wetland Restoration
- CP23A.Wetland Restoration, Non-Floodplain
- CP33, Habitat Buffer for Upland Birds
- CP42, Pollinator Habitat (for continuous signup only).

General CRP Signup 43 resulted in 376,913 acres on 4,125 offers accepted in Kansas.

COMMODITY LOANS

Nine-month marketing assistance loans are available for warehouse or farm-stored production to producers who shared in the risk of producing the crop. Producer must retain beneficial interest in the commodity before and during the loan term.

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.

RECEIPT FOR SERVICE

USDA representatives must provide you with a receipt upon request, for any approved, denied, or requested services. JUST ASK!

CIVIL RIGHTS SETTLEMENTS

Hispanic and Women Farmer and Rancher Claims Process: www.farmerclaims.gov or call 1-888-508-4429.

Pigford - Black Farmers Discrimination Litigation: www.blackfarmercase.com or call 1-888-950-5547.

Keepseagle - Native American Farmers Class Action Settlement: www.IndianFarmClass.com or call 1-888-233-5506.

Direct and Guaranteed 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, or regularly borrow from 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 have a maximum limit of \$1,214,000.

FSA has a program to assist beginning farmers and/or members of socially disadvantaged groups 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 that 10 years
- 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
- Except for operating loan assistance, does not own farm acreage in excess of 30 percent of the county's median size.

LAND CONTRACT GUARANTEE PROGRAM

The Land Contract Guarantee Program is designed to help beginning farmers and ranchers who find landowners willing to sell and finance a land purchase to a beginning or socially disadvantaged farmer. FSA offers two options: 1) guarantees up to three annual installment payments on the contract, or 2) guarantees 90% of the unpaid principal of the contract. Guarantees can be used in the purchase of the land for up to \$500,000.

FARM STORED FACILITY LOANS

Farm Stored Facility Loans (FSFL) allow producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities. Maximum principal amount is \$500,000. Loan terms of 7, 10, or 12 years are available depending on the amount of the loan. An FSFL application must be approved before any site preparation or construction can begin. Loans are available for farm storage on eligible grain, silage, hay, biomass, and fruits and vegetables.

COUNTY COMMITTEE ELECTION

Local FSA County Committees will hold elections this year for the Local Administrative Area (LAA) up for election. The election of responsible agricultural producers to FSA county committees is important to ALL farmers and ranchers with large or small operations. It is crucial that every eligible producer take part in this election because county committees are a direct link between the farm community and the U.S. Department of Agriculture. Committee members are a critical component of the day-to-day operations of FSA. They help deliver FSA farm programs at the local level. Farmers who serve on committees help decide the kind of programs their counties will offer. They work to make FSA agricultural programs serve the needs of local producers. Producers and grassroots organizations are encouraged to submit nominations for the election on Form FSA-669A's between **June 15 and August 1**. Obtain form FSA-669A on the web at:

<http://www.fsa.usda.gov/FSA/webapp?area=newsroom&subject=landing&topic=cce>

Emergency Conservation Program (ECP)

ECP is approved in Edwards, Ellsworth, Rice and Stafford counties for eligible damage caused by tornadoes and high winds occurring on April 14 and 15, 2012. Producers can file an application for cost-share assistance under ECP by **June 22, 2012**. Form FSA-848 must be filed prior to starting the practice. Conservation problems existing prior to the applicable disaster are ineligible.

NEWS RELEASES

View Kansas FSA News Releases on the web at:

<http://www.fsa.usda.gov/FSA/stateoffapp?mystate=ks&area=home&subject=landing&topic=landing>

View National FSA News Releases on the web at:

<http://www.fsa.usda.gov/FSA/webapp?area=newsroom&subject=landing&topic=landing>

HOLIDAY OFFICE CLOSURE

USDA offices will be closed on Wednesday, July 4, 2012 in observance of Independence Day. We will resume regular hours on Thursday, July 5, 2012.

For more information on bulletin subjects or details regarding your GovDelivery subscription with the Kansas State FSA Office, contact Rachel Nincehelser at

rachel.nincehelser@ks.usda.gov or phone 785-539-3531.

USDA is an equal opportunity provider and employer. 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).