



NEWSLETTER



Marshall County Farm Service Agency

April 2011

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Hours

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

Office Staff

Keith E. Tilley,
County Executive Director
Kay McCoy,
Farm Loan Manager
Ray Mueting,
Farm Loan Officer
Marsha Schell,
Program Technician
Jean Merrill,
Program Technician
Kelly Schotte,
Program Technician
Sarah Lee,
Program Technician
Virginia Ratliff,
Program Technician

County Committee

Beverly Hedke,
Chairperson
Duane Polson,
Vice-Chairperson
Patricia Sue Grauer,
Regular Member

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DCP SIGNUP

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. Advance payments of 22% are available. Eligible producers receive direct payments at rates established by statute regardless of market prices. DCP contract signatures for enrollment are due by the signup deadline of June 1, 2011.

THE ACRE OPTION

The Average Crop Revenue Election (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. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. In exchange for participating in ACRE, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent. The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

The June 1, 2011, deadline is statutory for all participants.

COUNTY COMMITTEE ELECTIONS

County committees play a vital role in helping to ensure that FSA agricultural programs adequately serve the needs of county producers. Each farmers and ranchers elect a member or members to the county committee. Producers who serve on the committee help with the decisions necessary to administer agency programs. We want to congratulate Patricia Sue Grauer who was elected for her 2nd 3-year committee position. Her three year term began on January 1, 2011. Mike Gee was elected the alternate as a write-in.

In addition, producers who are interested in the county committee election process are encouraged to attend the election informational meeting in their county. All meetings are held at the USDA Service Center. For 2012, Local Administrative Area 3 (LAA-3) will be up for election. It consists of the townships of Walnut, Elm Creek, Center, Waterville, Blue Rapids City, Wells, Cottage Hill, Blue Rapids, Bigelow.

FARMING OPERATION CHANGES

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property.

Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

FOREIGN INVESTORS MUST REPORT U.S. AGRICULTURAL LAND HOLDINGS

Any foreign person who acquires or transfers any interest, other than a security interest, in agricultural land in the United States is required by law to report the transaction to the U.S. Secretary of Agriculture no later than 90 days after the date of the acquisition or transfer.

Foreign investors must file Agricultural Foreign Investment Disclosure Act (AFIDA) reports with the Farm Service Agency county office that maintain reports for the county where the land is located. Failure to file a report, filing a late report or filing an inaccurate report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land.

For AFIDA purpose, agricultural land is defined as any land used for farming, ranching or timber production, if the tracts total 10 acres or more. Disclosure reports are also required when there are changes in land use.

When the Agricultural Foreign Investment Disclosure Act was signed into law in 1978, the reporting requirement was adopted as part of the same legislation. Data gained from these disclosures is used in the preparation of periodic reports to the President and Congress concerning the effect of such holdings upon family farms and rural communities in the United States. Foreign investors must also file a report when there is a change in the status of ownership such as owner changes from foreign to non-foreign, from non-foreign to foreign or from foreign to foreign.

INTEREST RATES FOR APRIL 2011
Farm Storage Facility Loans- 7 YR
2.750%, 10 YR 3.375%, 12 YR 3.625%
Commodity Loans 1996-Present- 1.25%

OR CURRENT RESIDENT

TRANSITION INCENTIVES PROGRAM (TIP) HELPS RETIRING AND BEGINNING FARMERS

Transition Incentives Program encourages retired or retiring owners or operators to transition their land to beginning or socially disadvantaged farmers or ranchers.

If all program requirements are met, TIP provides annual rental payments to the retiring farmers for up to two additional years after the date of the expiration of a Conservation Reserve Program (CRP) contract, provided the transition is not to a family member. To be eligible TIP requires that the retired or retiring farmers or rancher:

- Have land enrolled in CRP that is in the last year of the contract.
- Agree to allow the beginning or socially disadvantaged farmer or rancher make conservation and land improvements.
- Agree to sell, or have a contract to sell, or agree to long-term lease (a minimum of 5 years) the land under CRP contract to a beginning or socially disadvantaged farmer or rancher by Oct. 1 of the year the CRP contract expires.

IRS FORM 1099-G

Producers annually receive CCC-1099-Gs detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on CCC-1099-Gs is a service intended to help our customers report taxable income. It is not intended to replace the producers' responsibilities to report income to IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

BEGINNING AND LIMITED RESOURCE FARMERS

FSA assists 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 than 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.
- Does not own a farm in excess of 30% of the county's average size.

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 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. If a participant provides 20% or greater down payment, then the requirement of a severance agreement for loans under \$50,000 will be waived. 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 not to exceed \$250,000.

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, rice, soybeans, oats, peanuts, 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.



Dates to Remember	
05/31/11	Deadline to report small grains and last day to request loan on feed grains.
06/01/11	Final sign up date for DCP and ACRE
08/01/11	Deadline to report spring seeded crops, CRP & Grass