STATE OF THE FARM UPDATE

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State Executive Director

From the FSA Farm Fields

As we embark upon the winter months, we are prepared to endure a cold winter. But the cold (and moisture) prepares the Hoosier landscape for the next growing season. The corn and soybean harvests have all but come to an end after a very difficult growing season. The hay and silage is in storage in anticipation of when it will be needed most this winter.

We all await Congressional action on a new Farm Bill to provide you – our farmers certainty for your operations. We also need new farm policy so training can be conducted with our FSA staff. It is important to note that the 2012 crop year will not be affected; it is the 2013 crop year where the unknown exists with the lack of a Farm Bill. The 2008 Farm Bill officially ended on September 30, 2012 so FSA's portfolio is limited, but continue to check in with your county office for updates.

During the winter of 2012-2013, FSA employees will be trained on a new computer system that modernizes the delivery of farm programs to American agriculture. This process – called MIDAS – invests in our county offices across the country and will help our incredible field staff improve customer service to farmers. The full integration of MIDAS at the county level should be realized by the end of calendar year 2013.

Due to budgets - or lack thereof - the communication we send will be from electronic newsletters and news releases, and information will be published by our good friends in the media and commodity and agricultural organizations. In order to help communicate FSA news and updates, I ask for you to help us by asking your friends and neighbors if they are receiving this electronic newsletter. You can check with your county office for more information about GovDelivery.

I wish you all a Wonderful Holiday Season and Happy New Year!

Sincerely Yours In Agriculture,

Julia

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County Committee Voting Begins

Ballots for this year's county committee election were mailed to eligible voters on Nov. 5, 2012. If for some reason you haven't received a ballot, feel free to contact your local FSA office. Voters must complete their ballots and return them to the local FSA county office by the close of business on Dec. 3, 2012. If mailed, ballots must be postmarked by midnight Dec. 3, 2012.

Voter Requirements Persons meeting requirements in **1** *or* **2**, *plus* **3**, below, is eligible to vote:

1. Be of legal voting age and have an interest in a farm or ranch as any of the following:
   - An individual
   - The authorized representative of an entity
   - Both spouses when property is owned jointly
   - Spouses in community property states.
2. Is not of legal voting age, but supervises and conducts the farming operations on an entire farm.
3. Participates or cooperates in any FSA program that is provided by law.

Discrimination Prohibited - No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

2012 Direct and Counter-Cyclical Program (DCP) Final Payments & 2011 Average Crop Revenue Program (ACRE) Payments

Final DCP and ACRE Direct Payments for 2012 were issued after Oct. 1, 2012. There were no 2011 ACRE payments earned as state triggers were not met for eligible covered commodities.

Please contact your local FSA county office if you have any questions concerning final direct payments for 2012.

Hispanic and Women Farmer and Rancher Claims Period Now Open

USDA has announced that Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades can file claims between September 24, 2012 and March 25, 2013.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied their applications for loan or loan servicing assistance for discriminatory reasons for certain time periods between 1981 and 2000.

As announced in February 2011, the voluntary claims process will make available at least $1.33 billion for cash awards and tax relief payments, plus up to $160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. There are no filing fees to participate in the program.

USDA continues to reach out to potential Hispanic and female claimants, around the country to get the word out to individuals who may be eligible for this program so they have the opportunity to participate.

Claimants must register for a claims package by calling the number or visiting the website and the claims package will be mailed to claimants. All those interested in learning more or receiving information about the claims process and claims packages are encouraged to attend meetings in your communities about the claims process and contact the website or claims telephone number.

Website: www.farmerclaims.gov
Phone: 1-888-508-4429
Claims Period: September 24, 2012 - March 25, 2013.

Independent legal services companies will administer the claims process and adjudicate the claims. Although there are no filing fees to participate and a lawyer is not required to participate in the claims process, persons seeking legal advice may contact a lawyer or other legal services provider.

To read USDA Secretary Tom Vilsack's news release click on the following link:
http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/09/0309.xml&contentidonly=true

2012 Average Crop Revenue Program (ACRE) Program Production Reporting

Producers participating in the ACRE program must file a FSA-658 by July 15 in the year immediately following the year in which the crop acreage was reported on FSA-578. The final date to report production for 2012 ACRE crops is July 15, 2013. At this point, a new farm bill has not been enacted. In the event that a farm bill is enacted in upcoming months, County Offices will be faced with the task of implementing a new farm bill while completing the collection of information required under the 2008 Farm Bill. ACRE participants are encouraged to report 2012 production as soon as possible after harvest to alleviate possible delays in implementing a new farm bill.

December 15, 2012 Deadline for 2013 Reporting of Fall Seeded Crops

All producers are reminded that the acreage reporting date for fall seeded crops has changed, beginning with the crop planted for 2013 harvest. The new acreage reporting date is December 15, 2012. This applies to all fall seeded crops including winter wheat. Please call your local FSA county office for an appointment to certify your wheat crop.

2011 Supplemental Revenue Assistance Program (SURE)

Enrollment for 2011 crop losses under the SURE Program began on October 22, 2012 and will end June 7, 2013.

The SURE Program provides benefits for crop losses due to natural disasters that occurred in the 2011 crop year. This program is revenue based which accounts for losses in production quantity and quality, as well as price.

A producer's SURE operation includes all acres of all crops in all counties (and states). To be eligible, a producer must have at least part of his or her "farm" located within a Secretarial declared county, a contiguous county, or must have suffered at least a 50% loss of actual production on the farm. To be eligible for payment, a producer must have suffered at least a 10% loss of production on at least one crop of economic significance in a declared or contiguous county.

SURE provides assistance in an amount equal to 60 percent of the difference between the SURE guarantee and a producer's total revenue. The producer's guarantee fluctuates depending on the amount and level of crop insurance and NAP coverage a producer carries. For additional information about the SURE guarantee and revenue calculations, visit the website www.fsa.usda.gov and click on "Disaster Assistance Programs."

Report When Changing Banks

FSA payments are made electronically using Direct Deposit. To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

Internal Revenue Service (IRS) 1099 Changes

Calendar year 2012 has brought changes to the way FSA reports farm program payments to the producer and to the IRS.

In past years, IRS Forms 1099-G would be issued to show all program payments received from FSA, regardless of the amount.

Starting with calendar year 2012, producers whose total reportable payments from FSA are less than $600 will not receive IRS Form 1099-G. Also, producers who receive payments from more than one county will only receive one Form 1099-G if the total of all payments from all counties is $600 or more.

The same changes will apply to producers and vendors who normally receive IRS Form 1099-MISC from FSA.

Farm Storage Facility Loan Program (FSFL)

The 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 Commodity Credit Corporation (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 U.S. 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:

- 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.

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

Marketing Assistance Loans (MAL)

A 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. 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 conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets CCC minimum grade and quality standards. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in DCP and/or ACRE Programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may result in liquidated damages, calling the loan and denial of future farm-stored loans.

Farm Operator and Owner Changes

If you are operating a new farm or are no longer farming a farm, please notify the FSA county office. In order to put you in our system as the operator, FSA will need either a copy of the 2011 lease, a statement from the landowner or a phone call from the landowner. Remember to check for highly erodible on any new land leased! Also remember to get approval from FSA/NRCS before clearing any new land.

Agricultural Foreign Investment Disclosure Act (AFIDA)

Any foreign person who acquires, transfers or holds any interest, other than a security interest, in agricultural land in the United States is required by law to report the transaction no later than 90 days after the date of the transaction. They must file AFIDA reports with the FSA county office that maintains reports for the county where the land is located. For AFIDA purposes, agricultural land is defined as any land used for farming, ranching or timber production, if the tracts total 10 acres or more.

For more information regarding AFIDA and FSA programs, contact the FSA office near you or visit the website at www.fsa.usda.gov.

Increased Guaranteed Loan Limit

FSA has announced that the loan limit for the Guaranteed Loan Program has increased to $1,302,000. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness has increased to $1,602,000.

As a reminder, the one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is typically 1.5 percent of the guaranteed portion of the loan.

Producers should contact their local FSA county office with questions about farm loans.

Loans for Socially Disadvantaged Participants

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.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority 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 members of the group without regard to his or her individual qualities.
For purposes of this program, socially disadvantaged groups include women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

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 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
- Does not own a farm in excess of 30 percent of the county's median size

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov.

Conservation Compliance

Attention Producers and Landowners!

- ✓ Do you intend to clear timber areas to create or expand existing cropland?
- ✓ Are you converting a pasture field into a crop field?
- ✓ Are there areas on your farm(s) that you are considering cropping that have not been cropped in recent years?
- ✓ Are you planning any drainage projects such as installing new tile lines or grading wet spots in a field?
- ✓ Are you planning on clearing a fence row?

These are highly erodible and wetland provision questions that need to be considered each year by producers to assure that they may remain eligible for USDA benefits. If you have any questions or concerns that something you plan to do on your farm could jeopardize your eligibility for benefits, please contact your FSA or Natural Resources Conservation Service (NRCS) representative at your local USDA Service Center before you begin any work.

Noninsured Crop Disaster Assistance Program (NAP) Coverage Deadlines

NAP applications are due at different times according to the crop being insured. Producers should apply for NAP coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee MUST be filed by the crop sales closing date. Contact your local FSA county office for the filing dates for your crops.

Noninsured Crop Disaster Assistance Program (NAP) Loss Filing

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the NAP Program and crop insurance, you must file a CCC-576 (Notice of Loss) 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.

USDA 1862-2012 150 YEARS

USDA is celebrating its 150th birthday in 2012. Thank you for your continued work with USDA.

2012 IMPORTANT DATES	
October 22	2011 Supplemental Revenue Assistance Payments Program (SURE) signup began
November 22	Offices closed in observance of Thanksgiving Day
December 3	County Committee (COC) Election Ballots Due to local FSA County Office
December 15**	Reporting date for 2012 production (for NAP) and 2013 acreage for all forage crops and fall seeded small grains, barley, wheat and mint
December 25	Offices closed in observance of Christmas Day
2013 IMPORTANT DATES	
January 1	Offices closed in observance of New Year's Day
January 2**	Reporting date for 2012 production and 2013 colonies for honey for Noninsured Crop Disaster Assistance Program (NAP)
January 15**	Reporting date for 2012 production (for NAP) and 2013 acreage for apples
January 21	Offices closed in observance of Martin Luther King, Jr's Birthday
February 18	Offices closed in observance of George Washington's Birthday
March 31	Final date to obtain loans or Loan Deficiency Payments (LDP's) on 2012 harvested small grains
May 27	Offices closed in observance of Memorial Day
May 31	Final date to obtain loans or LDP's on 2012 harvested feed grains and soybeans
June 7	Deadline to sign up for 2011 SURE
June 20	Final date to submit a prevented planting claim for corn
July 4	Offices closed in observance of Independence Day
July 5	Final date to submit a prevented planting claim for soybeans
July 15**	Final crop certification date for all other crops not listed with an earlier date, including grazing and CRP
July 15	Deadline for reporting 2012 production for ACRE farms
July 15	Deadline to report production and disposition of the crop for farms enrolled in 2012 PTPP
July 15**	Deadline for reporting 2012 production and applying for payment for NAP crops having a July 15 acreage reporting deadline
Monthly	In addition to acreage reports, producers of value loss crops must maintain a monthly inventory
NOTE: The final acreage reporting dates, as well as the prior year NAP production reporting dates, are listed in this table. However, the final date for reporting any specific crop acreage for which NAP assistance may be paid is **earlier of the date listed above **or** 15 calendar days BEFORE the onset of harvest or grazing.	

2012 AND 2013 APPLICATION DEADLINES FOR COVERAGE FOR NAP FINAL DATES	
November 20	Perennial crops (non-forage) for the following year's crop (apples, maple sap, peaches, etc.)
December 1	Honey for the following year
March 15	All yield-based, spring planted crops (melons, tomatoes, peppers, etc.)
May 1	Nursery crops for the following year's crop
September 1	Value Loss Crops for the following year (onion sets, Christmas trees, aquaculture, etc.)
September 30	Grazing/forage crops, fall-seeded annuals crops, and mint crops for the following year's crop

Selected Interest Rates for November 2012	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	1.125%
Farm Ownership Loans — Direct	3.125%
Limited Resource Loans	5.00%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	2.125%
Farm Storage Facility (7-year)	1.125%
Farm Storage Facility (10-year)	1.750%
Farm Storage Facility (12-year)	2.000%

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