



NEWSLETTER



STATE OF THE FARM UPDATE

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SUMMER 2012



From the FSA Farm Fields

Summer is upon us and so are the intense dry weather conditions across the state of Indiana. While some producers have received the necessary rainfall to grow their crops, countless others are struggling with maintaining the crop in the field due to inadequate levels of moisture in the Hoosier State.

The Farm Service Agency (FSA) is moving forward on seeking disaster assistance for the 2012 crop year. However, it is important to remember that the Supplemental Revenue Assistance Payments Program (SURE) ended on September 30, 2011. In order to be eligible for disaster assistance from FSA in crop year 2012, the United States Congress will need to either extend the current Farm Bill or include disaster assistance in a newly authorized 2012 Farm Bill later this year. However, be assured your FSA employees are aggressively collecting information from farmers at the local level to enter into our disaster reporting system, so if disaster assistance is authorized by Congress, FSA will have the facts and data to quickly move forward with providing assistance to farmers.

As the Farm Bill is debated in both Chambers of Congress in Washington DC, be assured that FSA stands ready to implement and administer the new legislation. We know producers are anxious to know what programs will be voluntarily available to them. We will keep you posted as we learn FSA's role with the next Farm Bill.

Lastly, as you embark on the County Fair show season, I wish all farm families the best in the exhibit halls and show arenas across this great state. Savor the experiences for they will become memories that last a lifetime. Hope to see many of you in August at the Great Indiana State Fair in Indianapolis!

Sincerely Yours In Agriculture,

Julia A. Wickard, State Executive Director
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Crop Reporting – July 15 Deadline

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting, or crop certification. Filing an accurate and timely report for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of FSA programs. All cropland on the farm must be reported to receive benefits under programs such as the Direct and Counter-Cyclical Program (DCP), Marketing Assistance Loans (MAL) and Loan Deficiency Payments (LDP).

Conservation Reserve Program (CRP) acreage must be reported to receive annual rental payments. Crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported for program eligibility.

While 2012 activity is not expected, prevented planting is to be reported no later than 15 calendar days after the final planting date. In addition, reports of failed acreage must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the County Committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

The certification form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. Producers need to file their acreage reports by **July 15** for all crops and CRP. (**Note: Since July 15th falls on a Sunday, producers will have until COB Monday, July 16th to file their reports.**) Final acreage reporting dates for fall seeded small grains in some Southern Indiana counties as well as some NAP crops has passed, but local offices can work with producers to determine if there are any provisions available for late-filed acreage reports. A copy will be provided to customers who need to use this acreage report for crop insurance purposes.

Producers and landowners are encouraged to contact their local FSA office as soon as possible to schedule an appointment to report their acres. This can be beneficial for current programs and build history for future farm programs or disasters.

2012 FSA County Committee Elections

The election of agricultural producers to the Farm Service Agency (FSA) County Committees is important to all farmers, whether beginning or long-established, large or small operations. It is crucial that every eligible producer participate in these elections because FSA County Committees are a vital link between the agricultural community and the U.S. Department of Agriculture (USDA).

County Committee (COC) members are a critical component of FSA operations. The intent is to have the COC reflect the makeup of the producers and to represent all constituents. This means wherever possible, minorities, women or lower income producers need to be on the committee to speak for these underrepresented groups.

County Committees provide local input on:

- Commodity price support loans and payments
- Conservation programs
- Incentive, indemnity and disaster payments for some commodities
- Emergency programs
- Payment eligibility

FSA County Committees operate within official regulations designed to carry out federal laws. County Committee members apply their judgment and knowledge to make local decisions.

Election Period

June 15, 2012 - The nomination period began.

Aug. 1, 2012 - Last day to file nomination forms (FSA-669A) at the local USDA Service Center.

Nov. 5, 2012 - Ballots mailed to eligible voters.

Dec. 3, 2012 - Last day to return voted ballots to the USDA Service Center.

Jan. 1, 2013 - Newly elected County Committee members take office.

Who Can Hold Office

To hold office as a County Committee member, a person must meet the basic eligibility criteria:

- Participate or cooperate in a program administered by FSA
- Be eligible to vote in a County Committee election
- Reside in the local administrative area (LAA) in which the person is a candidate

Not have been:

- Removed or disqualified from the office of County Committee member, alternate or employee
- Removed for cause from any public office or have been convicted of fraud, larceny, embezzlement or any other felony
- Dishonorably discharged from any branch of the armed services

Nominations

To become a nominee, eligible individuals must sign nomination form FSA-669A. The form includes a statement that the nominee agrees to serve if elected. This form is available at USDA Service Centers and online at http://www.fsa.usda.gov/Internet/FSA_File/fsa0669a_commit_eelectform.pdf

Nomination forms for the 2012 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 1, 2012.

Agricultural producers who participate or cooperate in an FSA program may be nominated for candidacy for the County Committee. Individuals may nominate themselves or others as a candidate. Additionally, organizations representing minority and women farmers may nominate candidates. Nomination forms are filed for the County Committee of the office that administers a producer's farm records.

Who Can Vote

Agricultural producers of legal voting age may be eligible to vote if they participate or cooperate in any FSA program. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm also may be eligible to vote. More information about voting eligibility requirements can be found in the FSA fact sheet titled "FSA County Committee Election - Eligibility to Vote and Hold Office as a County Committee Member." Producers should contact their local USDA Service Center for more information.

Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFL) 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 the 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. Department of Treasury.

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.

For more information about FSFL please visit your FSA County Office or www.fsa.usda.gov.

ACRE Participants Required to Report 2011 Production by July 15

The deadline to certify production for the 2011 Average Crop Revenue Election (ACRE) Program is quickly approaching. Participants with farms enrolled in the ACRE program for 2011 are required to report the 2011 production of covered commodities on those farms by **July 15, 2012**. (Note: Since July 15th falls on a Sunday, producers will have until COB Monday, July 16th to file their reports.) In Indiana, covered commodities include corn, soybeans, wheat, oats, barley and grain sorghum. Failure to report production by the July 15 deadline is considered a violation of the ACRE contract and will result in the participant being ineligible on the farm for direct payments and ACRE payments for the 2011 crop year. In addition, the farm will receive zero production for the current year planted crops, which will be used in calculating future benchmark yields.

Adjusted Gross Income

USDA and the Internal Revenue Service (IRS) have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments and; \$1 million nonfarm average AGI for conservation programs. For 2012 there is a new limit of \$1 million total nonfarm and farm average AGI for DCP and ACRE direct payments.

Participants in CCC programs subject to average AGI rules must submit form CCC-931 to their local FSA County Office to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices.

Local Working Group Meetings

In the 2008 Farm Bill, Local Working Groups are a subcommittee of the Natural Resources Conservation Service (NRCS) State Technical Committee. Their role is to provide recommendations on resource priorities of the local community. Local Working Groups will be meeting this summer to discuss how well Indiana's current technical information and programs address the local resource concerns. Please participate in your Local Working Group and help provide feedback on the Farm Bill Programs. For more information on meeting times, contact your local Soil and Water Conservation District or NRCS District Conservationist.

Changes to Farm Boundaries

FSA is in the process of reconciling farm boundary placement between counties and states to ensure overlaps do not exist. This is necessary to improve program and technological efficiencies. Acreages could increase or decrease as a result. New maps will be sent to those producers affected for review and comment.

Conservation Programs for Wildlife and Resource Concerns

The Farm Service Agency offers many practices to address concerns for both declining wildlife habitat as well as resource concerns such as water quality and erosion control. The Conservation Reserve Program (CRP) is a voluntary program for agricultural landowners. Through CRP, you can receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible farmland.

County FSA Offices are currently accepting applications for enrollment in several variations of the Continuous CRP.

To be eligible for placement in CRP, land must be either:

- Cropland (including field margins) that is planted or considered planted to an agricultural commodity 4 of the previous 6 crop years from 2002 to 2007, and which is physically and legally capable of being planted in a normal manner to an agricultural commodity; or
- Certain marginal pastureland that is suitable for use as a riparian buffer or for similar water quality purposes.

Practices such as grassed waterways address erosion control on cropped fields while installation of trees and or grass along streams and rivers assist in water quality concerns as well as enhancing wildlife habitat. For a complete list of available conservation practices, contact your local FSA Office or visit us online at www.fsa.usda.gov.

Farm Reconstitutions

Producers are reminded to report changes in farm owners and/or operators immediately to FSA. Farms are "constituted" to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary. If an owner or operator cannot agree about program participation, then producers should inquire about a reconstitution of the farm at the local FSA office.

The reconstitution - or "recon" - is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by Aug. 1, 2012, for farms enrolled in specific programs.

Direct and Guaranteed 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, 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. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

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.

Beginning and Limited Resource Loans

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 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 percent of the county's median size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Additional program information, loan applications and other materials are available at the local USDA Service Center or visit www.fsa.usda.gov and www.nrcs.usda.gov.

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating or helping to purchase or improve farms.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for socially disadvantaged applicants.

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 a group.

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

Over the Counter Channel (OTCnet)

FSA/CCC is moving toward 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, producers should be certain that sufficient funds are in your account to process the transaction. If you do not have sufficient funds, FSA 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.

Farm Records Changes

If you have sold or bought land, changed tenants, rented additional land, or changed bank direct deposit accounts, notify your local FSA office for records update.

Foreign Buyers and Sellers Must Report U.S. Agricultural Land Holdings

Foreign investors with an interest in agricultural lands in the United States are required to report their holdings and any transactions to the U.S. Secretary of Agriculture, through the USDA Farm Service Agency. 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 no later than 90 days after the date of the transaction.

Special Accommodations

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency. If you require special accommodations to attend or participate in one of our events, please call the FSA County Office and they will be happy to make any needed arrangements.

Receipt for Service

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

GovDelivery

FSA is moving towards a paperless operation. Producers are asked to enroll in the new GovDelivery system which will provide newsletters and electronic reminders instead of a hard copy through the mail. FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email will help conserve resources and save taxpayer dollars. County Committee ballots will continue to be mailed to all eligible producers.

Producers can subscribe to receive free e-mail updates by going to www.fsa.usda.gov/subscribe.



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

2012 IMPORTANT DATES

June 15	Nomination period began for County Committee election
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 crops, CRP and grazing lands
July 15**	Deadline for reporting 2011 production for ACRE farms
July 15**	Deadline for reporting 2011 production for certain NAP crops having a July 15 acreage reporting deadline
July 15**	Deadline to establish 2011 Farm Benchmark Yields for ACRE farms
July 15**	Deadline to report production and disposition of the crop for farms enrolled in 2011 PTPP
August 1	Last day to file nomination forms (FSA-669A) at the local USDA Service Center
September 3	Offices closed in observance of Labor Day
September 30	Deadline to sign up for the Milk Income Loss Contract Program (MILC)
Monthly	In addition to acreage reports, producers of value loss crops must maintain a monthly inventory
**NOTE: Since July 15th falls on a Sunday, producers will have until COB Monday, July 16th to file their reports.	

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