

FSA Louisiana State Office  
For Immediate Release

Contact: Willie F. Cooper, SED  
ph# 318-473-7721

**2012 Commodity Loan/LDP Provisions -  
Louisiana Fact Sheet**

Marketing assistance loans and loan deficiency payments (LDPs) are authorized for the 2012 crop year. Commodities eligible for loan or LDP, whether or not they are produced on a participating or nonparticipating farm are:

WHEAT, OATS, PEANUTS, SMALL CHICKPEAS, RICE,  
CORN, HONEY, BARLEY, SOYBEANS, GRAIN SORGHUM,  
DRY PEAS, COTTON, WOOL, LENTILS, SUNFLOWERS AND  
OTHER OILSEEDS

Hay and silage derived from the above commodities and unshorn pelts are eligible for LDP, but not for marketing assistance loan. Sugar is eligible for a regular loan, but is not for market gain or LDP. In addition, producers who graze wheat, oats, barley, and triticale are eligible for an LDP-like Graze-Out payment, if the crop is grazed out by livestock and not mechanically harvested. Graze-Out payments only apply at times when an LDP is available on the applicable commodity. As of the date of this fact sheet, there are no LDP rates in effect for any commodities.

To be eligible for loans and LDPs, producers must:

- Certify planted acreage for all crops and account for all cropland
- Have beneficial interest in the commodity
- Comply with Highly Erodible Land Conservation/Wetland Conservation Provisions (HELC/WC)
- Comply with Adjusted Gross Income Provisions
- Not owe a delinquent nontax federal debt – Once the debt is resolved, the producer is eligible to participate

- Not violate controlled substance provisions

States, local government, political subdivisions, and agencies thereof, are not eligible to receive loans or LDPs. (For example, school boards, levee boards, universities and prisons are not eligible.)

### **Beneficial Interest Requirement**

For a commodity to be eligible for a loan or LDP, the producer must have beneficial interest in the commodity. Beneficial interest means the producer has complete control and title to the commodity. Once beneficial interest is lost, the commodity is ineligible for loan and LDP, even if beneficial interest is regained. For loans, producers must maintain beneficial interest either through the date the commodity is redeemed from loan or Commodity Credit Corporation (CCC) takes title to the commodity. For LDPs, beneficial interest must be maintained through the date the CCC-633 EZ, Page 1 is signed or the date LDP is requested.

All producers and landowners who share in the proceeds of the crop are encouraged to sign Form CCC-633 EZ, Page 1 prior to harvest. Signing of this form prior to harvest protects a producer or landowner if loan deficiency payment (LDP) benefits are not requested prior to loss of beneficial interest. Signing of the form does not take away any option that is available to request a commodity loan or an LDP.

### **Loans**

All commodities pledged for CCC loan must be free and clear of all liens, judgments, and other encumbrances. If not, lien waivers must be provided. Commodities pledged for CCC loan must be stored in approved on-farm storage or in State or Federally approved warehouses willing to store the commodity for the loan period and issue a warehouse receipt.

Producers are responsible for maintaining the storability and quality of commodities stored on the farm. Additionally, producers **MUST** request an authorization from FSA **PRIOR** to **MOVING**,

delivering to buyers, selling, or feeding commodities mortgaged to CCC. Severe penalties apply for non-compliance with this requirement.

Loan rates and interest rates are available upon request at any Parish FSA Office or on the internet at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=lor>. The loan and LDP rate for commodities grown on farms enrolled in the ACRE program will be reduced by 30%.

### **Payment Limitation**

There is no payment limitation for market gains or LDPs for 2012.

### **Locking In Repayment Rates**

Producers with outstanding Commodity Credit Corporation (CCC) loans, whether farm-stored or warehouse-stored, may "lock-in" the repayment rate by completing Form CCC-697. The locking-in of the repayment rate is allowed for all commodities except cotton. Also, for warehouse stored loans, the request to lock-in the repayment rate must cover entire warehouse receipt quantities.

The CCC-697 (lock-in) expires the earlier of 60 days after it is executed, or 14 days before the loan matures. Specific quantities of a commodity can be "locked-in" only once. For specific quantities locked-in and not repaid during the lock-in period, the repayment rate for that specific quantity cannot be locked-in again. The repayment rate will be based on the date funds are received to repay the loan.

### **Final Availability Dates**

The final date to request a commodity loan or LDP for 2012 crop commodities commonly produced in Louisiana is as follows:

- Cotton, Rice, Soybeans, Corn, Grain Sorghum, Sunflowers - May 31, 2013
- Sugar (loan only) - September 30, 2013
- Wheat, Oats, Honey - April 1, 2013
- Peanuts, Wool, Unshorn Pelts (LDP only) - January 31, 2013

## **2012 LOAN RATES AND INTEREST RATE**

The National loan rates are \$1.95 per bushel for corn, \$3.48 per hundredweight for grain sorghum, \$5.00 per bushel for soybeans, \$2.49 per bushel for wheat and \$1.39 for oats. Loan rates will vary by parish. Contact your local FSA Office for parish loan rates.

The 2012 base loan rate for cotton is 52 cents per pound, no matter where stored in the US. The loan rate for each bale will be adjusted for premiums and discounts.

The 2012 rice farm stored loan rates on a rough basis, per hundredweight (cwt.) for Louisiana, are \$6.42 for long grain and \$6.43 for medium and short grain. For rice stored in commercial warehouses, the whole kernel milled rice loan rates are \$10.13 per cwt. for long grain and \$9.72 per cwt. for medium and short grain. The broken kernel loan rate for all classes is \$6.03 per cwt.

The 2012 loan rates for peanuts are \$338.91 per ton for Spanish-type, \$354.65 per ton for Runner type, and \$358.17 per ton for Valencia and Virginia types.

The interest rate for loans disbursed in October, 2012 is 1.125%.

## **BENEFITS AVAILABLE TO HONEY PRODUCERS**

Marketing assistance loans and loan deficiency payments (LDPs), if in effect, are available for producers of 2012 crop honey. A nonrecourse loan provides producers who harvest their own honey with financing until they are ready to sell their honey. The loan rate for 2012 crop honey is 69 cents per pound. At this time, there is no LDP in effect because the current alternative repayment rate of \$1.53 per pound for October, 2012 is higher than the loan rate.

Producers must have beneficial interest in the honey. Beneficial interest is having control of and title to the honey. Loans and LDPs, if in effect, on

2012 crop honey will be available through April 1, 2013.

### **MILC PAYMENT RATE**

Dairy operations, who previously signed up under the Milk Income Loss Contract (MILC) Program may submit their February through August, 2012 milk marketing records to their FSA Office to receive a payment. Dairy operations who signed Part C of the contract and authorized a handler to provide their records directly to FSA may arrange with the handler to provide their records for them. However, producers will have to visit the FSA Office if they have not signed a new form that is now in effect for certification of their Adjusted Gross Income, Form CCC-931. The February payment rate is \$0.3895043 per hundredweight (cwt) of milk production, the March payment rate is \$0.8262432 per cwt of milk production, the April payment rate is \$1.2109586 per cwt of milk production, the May payment rate is \$1.2164177 per cwt of milk production, the June payment rate is \$1.3677491 per cwt, the July payment rate is \$1.6381734 per cwt of milk production and the August payment rate is \$1.4760653 per cwt of milk production.

### **LOANS AVAILABLE TO BUILD STORAGE STRUCTURES**

The Farm Storage Facility Loan (FSFL) program provides eligible producers of eligible commodities with low-interest financing to build or upgrade farm storage and handling facilities.

The maximum principal amount of a FSFL loan is \$500,000. Participants are required to provide a 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. Final disbursement of the loan will be made when all construction is completed. Applications for FSFL must be submitted to the FSA Parish Office that maintains the farm's records. An FSFL must be approved before any construction can begin.

Producers must substantiate creditworthiness, the ability to repay, and eligibility for the desired storage capacity based on their share of the planted acreage of the commodities to be stored. The producer must provide security for the loan. FSFL's are considered to be adequately secured when the value of real estate security, before installing the requested FSFL structure, is at least equal to the FSFL amount. For loans over \$50,000, unless another form of security is received, producers are required to pay for an appraisal, as arranged by FSA, for the real estate and any improvements such as existing bins, with no guarantee that the loan will be approved. Loans are also available to build cold storage facilities and barns for eligible commodities.

Interest Rates for Loans Approved in October, 2012	
Farm Storage Facility Loans -- 7 Year	1.125%
Farm Storage Facility Loans -- 10 Year	1.750%
Farm Storage Facility Loans -- 12 Year	2.000%
Sugar Storage Facility Loans	2.125%

**EMERGENCY FARM LOANS**

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine.

**Loan Uses** - Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

Further information and applications for the loan programs described are available at local FSA offices.

## **FSA FARM 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 \$1,302,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,602,000.

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 your local FSA office.

## **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 parish'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](http://www.fsa.usda.gov) and [www.nrcs.usda.gov](http://www.nrcs.usda.gov) .

### **LOANS FOR 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 type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the 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 are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

### **YOUTH LOANS**

FSA makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

## **YOUTH LOAN ELIGIBILITY REQUIREMENTS:**

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision

Stop by your local FSA office for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular 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 Non-insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576 (Notice of Loss) in the FSA Parish 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.

## **SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM (SURE)**

The sign-up for 2011 SURE begins October 22, 2012 and will end June 7, 2013. The 2011 SURE program provides benefits for 2011 farm revenue losses due to natural disasters that occurred through September 30, 2011. To be eligible for SURE, considering all the producer's crops nationwide, a producer must have at least one crop of economic significance with a 10 percent production loss caused by a natural disaster and have a portion of the overall nationwide "farm" located in a parish (or county) declared a disaster by the Secretary of Agriculture, including contiguous counties. All parishes in Louisiana received a Secretarial Disaster Declaration for 2011. "Normal production" and "production loss" are determined based on a value calculated for each crop. The producer also had to have all crops of economic significance covered by crop insurance or FSA's Noninsured Crop Disaster Assistance Program (NAP). This requirement does not apply to limited resource, socially disadvantaged, or beginning farmers or ranchers.

## **NONINSURED CROP ASSISTANCE PROGRAM (NAP) APPLICATION CLOSING DATES**

Producers are reminded that November 20, 2012 is the final date to apply for NAP coverage on the 2013 crop year fruit and nut crops which include blueberries, cane berries, grapefruit, grapes, mayhaws, nectarines, peaches, pears, pecans (Native and Improved), persimmons and plums. Interested producers should contact their local FSA office for eligibility and application details before the application closing date.

Producers are also reminded that February 28, 2013 is the final date to apply for NAP coverage on grass for grazing and hay, and summer seeded vegetables such as peas, watermelons, tomatoes and okra. The NAP program provides protection from catastrophic natural disasters up to 50 percent of an established yield and 55 percent of an established price. Application fees are paid in each parish that a producer has an

interest in a crop at a cost of \$250 per crop not to exceed \$750 per producer and \$1875 per producer for all parishes.

There are no provisions for late filed applications.

Interested producers should contact their local FSA Office for eligibility and application details before the application closing date.

Dates to Remember	
Oct 22, 2012	2011 SURE Signup Begins
Nov 20, 2012	NAP deadline for nut and some fruit crops
Dec. 15, 2012	Final date to report wheat and oats
Feb 28, 2013	NAP deadline for coverage on grass for grazing and hay, and summer seeded vegetables.

### **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 Agricultural Foreign Investment Disclosure Act (AFIDA) reports with the FSA parish office that maintains reports for the parish 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 your local FSA office or visit the USDA Web site at <http://www.usda.gov>.

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