

## FSA COUNTY COMMITTEE NOMINATION PERIOD IS UNDERWAY

Agriculture Secretary Tom Vilsack announced that the nomination period for local Farm Service Agency (FSA) county committees is under way.

"I urge all farmers and ranchers to participate in this year's county committee elections by nominating candidates by the August 1 deadline," said Vilsack. "County committees are a vital link between the farm community and the U.S. Department of Agriculture and provide a voice to landowners, farmers and ranchers so that they have an opportunity for their opinions and ideas to be heard."

To be eligible to serve on an FSA county committee, a person must participate or cooperate in a program administered by FSA, be eligible to vote in a county committee election and reside in the local administrative area in which the person is a candidate.

Farmers and ranchers may nominate themselves or others, and organizations representing minorities and women also may nominate candidates. To become a candidate, an eligible individual must sign the nomination form, FSA-669A. The form and other information about FSA county committee elections are available online at <http://www.fsa.usda.gov/elections>. 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. Elections will take place this fall.

While FSA county committees do not approve or deny farm operating loans, they make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other agricultural issues. Members serve three-year terms. Nationwide, there are about 7,700 farmers and ranchers serving on FSA county committees. Committees consist of three to 11 members that are elected by eligible producers.

FSA will mail ballots to eligible voters beginning Nov. 5. The voted ballots are due back to the local county office either via mail or in person by Dec. 3. Newly elected committee members and alternates take office on Jan. 1, 2013.

On June 4, Secretary Vilsack announced his intention to strengthen the FSA county committee system by appointing voting members from the socially disadvantaged (SDA) community in county jurisdictions that lack fair representation. The goal is to ensure locally elected representatives reflect the diverse interests of their communities.

NOTE: FSA news releases and media advisories are available on the Web at <http://www.fsa.usda.gov/>.

## PROCESSING CUSTOMER CHECK PAYMENTS

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>

**What is OTCnet?** 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.

**How will my check be handled?** 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.

**How quickly will funds be transferred from my account?** 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.

**How will this transaction appear on my account statement?** 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".

**What are my rights if there is a problem with the transaction?** 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.

## COMPLIANCE SPOT CHECKS

Compliance spot checks will be utilized during the 2012 crop year. Instead of locally selecting farms, contracts, deficiency loans, etc. for spot check and review, a nationwide selection of producers is used to achieve a statistical sampling of participating producers. Spot check selections are to be conducted based on a producer's participation in the Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc.

State and county offices shall view and print their producer spot check lists when posted on the designated website. If an entity is selected from the national database that is no longer farming or participating in the 2012 crop year, a notation shall be made on the spot check list. For more information about the new spot check selection procedure, feel free to contact your local office for additional clarification.

## ACREAGE CERTIFICATION

Time is nearing for producers to certify their 2012 acreage. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planted acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage shall be filed before the disposition of the crop. Prevented planted acreage must be filed no later than 15 calendar days after the final planting date for the applicable crop.

Acreage reports are required for many Farm Service Agency programs. For crops enrolled in programs other than NAP (Noninsured Crop Disaster Assistance Program), acreage reports are to be certified by the July 16, 2012 deadline.

Producers with NAP coverage should report their crop acreage the earlier of 1) July 16, 2012 for spring and summer planted crops, or 2) 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

## SWAMPBUSTER PROVISION STILL IN EFFECT

All agricultural landowners in Louisiana are reminded that the "Swampbuster" provision of the 1985 Farm Bill is still in effect. Any farmer or farm owner who converts or drains wetland areas for agricultural or other purposes stands to lose all USDA benefits which could mean thousands of dollars. If you convert a wetland area and make possible the production of a crop, you lose eligibility for USDA program benefits; not just on the converted wetland areas, but on all the land you farm. Producers are encouraged to contact the Parish FSA Office before making landscape changes to make sure violations do not occur.

## CRP NON-DISTURBANCE PERIOD

The three-month non-disturbance period for acreage enrolled in USDA's Conservation Reserve Program (CRP) began April 15 and continues through July 15. During this period of time, no maintenance activities of any kind, such as mowing or clipping, are authorized on the CRP contract acreage.

## 2012 LOAN RATES

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.

## BENEFICIAL INTEREST

To be eligible for CCC loans or Loan Deficiency Payments (LDPs), if available, a producer must maintain 100% beneficial interest in the commodity through repayment in the case of loans and through the date of request, for LDPs. Beneficial Interest is defined as full control and title in the commodity. It is important that you know when FSA has to consider that you lose beneficial interest and that you obtain loan or LDP benefits prior to that time.

## 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.

## 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 \$1.51 per pound 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, March, April, and May, 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 of milk production, the March payment rate is \$0.8262432 per hundredweight of milk production, the April payment rate is \$1.2109586 per hundredweight of milk production and the May payment rate is \$1.2164177 per hundredweight of milk production.

Dairy operations that are not currently under a MILC contract may sign up for the program, but will not qualify for payments on past production. The earliest month that they can select to begin the program is the month that they are signing up.

Selected Interest Rates for July 2012	
Commodity Loans	1.250 %
Farm Storage Facility Loans -- 7 Year	1.125 %
Farm Storage Facility Loans -- 10 Year	1.625 %
Farm Storage Facility Loans -- 12 Year	1.875 %
Sugar Storage Facility Loans	2.125 %

## 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 your local county office Farm Loan staff.

## VOLUNTARY REGISTER TARGETS MINORITY PRODUCERS

USDA's Farm Service Agency (FSA) continues to emphasize the fact that minority farmers and ranchers, in Louisiana and across the nation, may now join a voluntary register to receive information from USDA. This Minority Farm Register serves as an outreach tool to reach underserved farmers and ranchers who are not currently enrolled in USDA loan, farm or conservation programs. The Register will create a shared outreach list that will help USDA, community-based organizations and minority-serving educational institutions to communicate with minority farmers and ranchers. By joining the Register, minority producers may receive outreach materials, newsletters, and program announcements from USDA agencies. They may also receive information and assistance from other USDA-approved outreach partners, such as community-based organizations, faith-based organizations and minority-serving educational institutions. An official Register pamphlet, with the registration form, is available at the local USDA Service Center or from approved USDA outreach partners.

## DELINQUENT DEBTORS NOT ELIGIBLE

The Debt Collection Improvement Act of 1996 (DCIA) provides that a person owing a delinquent non-tax debt to the federal government is ineligible for federal financial assistance including direct loans (other than disaster loans) or loan insurance or guarantee. The Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 amended DCIA to exclude 2001 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs) from DCIA requirement. The 2002 Act does not exempt MALs and LDPs from the DCIA requirement and the DCIA requirement shall apply to 2003 and subsequent year MALs and LDPs.

## DELINQUENT FSA BORROWERS NOT ELIGIBLE FOR LOANS AND LDPs

Treasury regulations 31 CFR 285.13 (d) provide that for purposes of determining eligibility for federal financial assistance, a debt is in delinquent status "if the debt has not been paid within 90 days of the payment due date." According to Section 3720 B of DCIA, a person may not obtain any Federal Financial Assistance in the form of a loan (other than a disaster loan) or loan insurance or guarantee administered by the agency if the person has an outstanding debt with any Federal agency which is in delinquent status as determined under standards of the Treasury published in 31 CFR 285.

## FSA FARM LOANS

The Food, Conservation and Energy Act of 2008 (The Act) provides increased limits on loans through FSA's Farm Loan Program. The maximum loan amount authorized for direct Farm Ownership (FO) loans and direct Operating Loans (OL) has been increased from \$200,000 to \$300,000. The maximum loan term for the Beginning Farmer Down Payment Program has been extended from 15 years to 20 years, and the required down payment amount has been reduced from 10 percent to 5 percent. FSA makes both direct and guaranteed farm ownership and operating loans to family-size farmers and ranchers who cannot obtain commercial credit from a bank, Farm Credit System institution or other lender. FSA loans can be used to purchase land, livestock, equipment, feed, seed and supplies. The loans can also be used to construct buildings or make farm improvements. If you're having trouble getting commercial credit, contact your local county Farm Loan staff.

## LOANS AVAILABLE FOR SOCIALLY DISADVANTAGED FARMERS

FSA has loans available for socially disadvantaged applicants. These funds are used for operating loans (equipment, livestock purchases and annual operating costs) and farm ownership loans. If you are interested in any of these programs, please contact your local FSA office for more information.

## CONTROLLED SUBSTANCES

Program participants convicted under federal or state law of any planting, cultivating, growing, producing, harvesting or storing a controlled substance are ineligible for program payments and benefits.

If convicted of one of these offenses, the program participant shall be ineligible during that crop year and the four succeeding crop years for Direct and Counter-Cyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Noninsured Crop Disaster Assistance Program payments or disaster payments.

Program participants convicted of any federal or state offense consisting of the distribution (trafficking) of a controlled substance shall, at the discretion of the court, be ineligible for any or all program payments and benefits:

- For up to 5 years after the first conviction
- For up to 10 years after the second conviction
- Permanently for a third or subsequent conviction.

Program participants convicted of federal or state offense for the possession of a controlled substance shall be ineligible, at the discretion of the court, for any or all program benefits as follows:

- up to one year upon the first conviction
- up to five years after a second or subsequent conviction.

## NONINSURED CROP DISASTER ASSISTANCE PROGRAM (NAP)

Producers who are currently participating in the NAP program are reminded to submit their previous crop year's production data to the local FSA Office by the current year acreage reporting date. For spring and summer crops this date is July 16, 2012. This is used to compute your individual coverage yield. Failure to submit the production data will result in a lowered coverage yield. Production records must be complete and account for all production, contain the date harvested, amount, and be summarized and in a manner easily understood by the County Committee.

Dates to Remember	
July 16	Final date to report spring seeded crops
Aug. 1	Farm Record Changes Needed
Aug. 1	Last Day for COC Nominations