



JULY 2011

## *Columbus Service Center News*

*Serving Burlington, Camden & Ocean Counties in NJ*

**USDA**  
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**Ocean Counties in NJ**

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**Hours**  
Monday - Friday  
7:30 a.m. - 4:30 p.m.

**County Committee**  
George H. Adams Sr  
Marilyn L. Russo  
Louis Parzanese  
John H. Hunter  
Ralph W. Wainwright

**County Committee meets**  
2<sup>nd</sup> Tuesday of Month

**County Staff**  
Nick Morolda CED  
Robert Maxwell FLM  
Jim Mellor, PT  
Craig Christo, PT  
Julia Coriaty, PT



### **COC Nomination Deadline**

County committees (COC) play a crucial role in helping the county office staff implement the Farm Bill. Due to the important services that COC members provide, producers are encouraged to participate in the FSA county committee election process by nominating an eligible candidate by Aug 1<sup>st</sup>.

To become a nominee, eligible individuals must sign form FSA-669A. The form and other valuable information about FSA county committee elections are available online at:

[http://www.fsa.usda.gov/Internet/FSA\\_File/fsa0669a\\_committeeselectform/pdf](http://www.fsa.usda.gov/Internet/FSA_File/fsa0669a_committeeselectform/pdf).

Nomination forms for the 2011 election must be postmarked or received in the county office by close of business on August 1, 2011.

FSA county committee members make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. Members serve three-year terms. Committees consist of three to five members who are elected by eligible local producers.

Elections will be conducted in LAA 1 and LAA 2 this year.

### **Disaster Assistance**

The Farm Service Agency would like to remind crop and livestock producers throughout states that have recently experienced severe damage from flooding, wild-fires and tornadoes that FSA programs are available to assist with recovery.

FSA administers several important programs that help producers recover from disaster damage and livestock deaths. Among the key programs available to address impacts from disasters are the Emergency Conservation Program (ECP), the Livestock Indemnity Program (LIP), Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), the Noninsured Disaster Assistance Program (NAP) and the Supplemental Revenue Assistance Payments (SURE) Program.

Fact sheets for all of these programs can be found at [www.fsa.usda.gov](http://www.fsa.usda.gov); click on News-room, then Fact Sheets.

We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit their local FSA county office so they get a quick start in the recovery process.

### **Foreign Landowner Notification**

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property.

County government offices, real estate agents, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

### **Application for Payment**

During any year that a CCC-576, Notice of Loss, is filed, producers of hand harvested crops are required to notify the County Office within 5 calendar days after the completion of harvest, and prior to the destruction of the crop. This is necessary so an appraisal of remaining production may be completed.



## Compliance Spot Checks

Compliance spot checks will be conducted on 2010 crops. Instead of locally selecting farms, contracts, deficiency loans, etc. for review, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc.

For more information about the spot check selection procedure, contact your local Farm Service Agency office.

## Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

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 **August 1** for farms enrolled in specific programs.

The following are the different methods used when doing a farm recon:

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

## Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

## 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 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 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 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.

## Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFL) provides low-interest financing for producers to build or upgrade farm storage and handling facilities.

*The following commodities are eligible for farm storage facility loans:*

- Corn, grain sorghum, oats, peanuts, wheat, barley, or minor oilseeds harvested as whole grains
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops – lentils, chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (includes nuts) and vegetables – cold storage facilities

*The following are some types of facilities and upgrades that are eligible for*

### ***farm storage facility loans:***

- New conventional cribs or bins designed and engineered for whole grain storage having a useful life of at least 15 years
- New Oxygen-limiting structures and other upright silo-type structures designed for whole grain wet storage
- New flat-type structures designed for whole grain storage
- New equipment to improve, maintain or monitor the quality of stored grain
- Renovation of existing farm facilities
- New permanently affixed grain drying equipment
- New structures suitable for storing hay
- New cold storage buildings suitable for storing fruits and vegetables.

### **Please contact the local office for a complete list of eligible storage facilities**

***An eligible borrower is any person who is a landowner, landlord, leaseholder, tenant or sharecropper who:***

- Produces and eligible facility loan commodity
- Has satisfactory credit rating as determined by CCC
- Demonstrates repayment ability
- Possesses no delinquent non-tax federal debt
- Demonstrates a storage need based on three-year average acreage
- Provides proof of crop insurance for life of the loan
- Demonstrates compliance with highly erodible land and wetland provisions
- Demonstrates compliance with NEPA
- Demonstrates compliance with local zoning, land use and building codes
- Has not been convicted of a controlled substance violation.

### ***The following are some of the terms for farm storage facility loans:***

- A 15 percent cash down payment is required; thus, the CCC loan is limited to 85 percent of the net cost.
- Loan terms of 7, 10 and 12 years are available, depending on the amount of the loan.
- The interest rate is based on the rate in effect during the month the loan is approved
- The maximum loan amount through FSFL is \$500,000
- Loan will not be disbursed until the facility has been erected and inspected, with the possible exception of one partial disbursement for large loan amounts.

**For more information please contact your local FSA office.**

### **Non-Insured Assistance Program (NAP)**

To be eligible for NAP assistance, crops must be noninsurable crops and agricultural commodities for which the catastrophic risk protection level of crop insurance is not

available. For further information on whether a crop is eligible for NAP coverage, please contact your local FSA office.

### ***Applying for Coverage***

Eligible producers must apply for coverage of noninsurable crops using Form CCC-471, "Application for Coverage," and pay the applicable service fees at their local FSA office. The application and service fees must be filed by the application closing date as established by the producer's FSA state committee. The service fee is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 per producer with farming interests in multiple counties.

### ***Information Required to Remain Eligible for NAP***

To remain eligible for NAP assistance crop acreage information must be reported annually. It benefits producers to report crop acreage shortly after planting (early in the risk period) to ensure reporting deadlines are not missed and coverage is not lost. Failure to timely report acreage and production information may result in reduced or zero NAP assistance. Be aware that acreage reporting and final planting dates vary by crop and by region. Contact your local FSA office for your local dates.

### ***Applying for NAP Assistance When a Natural Disaster Strikes***

When a crop or planting is affected by a natural disaster, you must notify your local FSA office and complete Part B, (the Notice of Loss portion) of the application, which is Form CCC-576, the Notice of Loss and Application for Payment. This must be completed within **15 calendar days** of the natural disaster occurrence; final planting date if your planting was prevented by a natural disaster or date damage to the crop or loss of production becomes apparent to you.

### ***Amount of Production Loss to Receive a NAP Payment***

The natural disaster must have either reduced the expected unit production of the crop by more than 50 percent or prevented the producer from planting more than 35 percent of the intended crop acreage. NAP covers the amount of loss greater than 50 percent of the expected production based on the approved yield and reported acreage

### ***Actual Production History (APH)***

Producers should report production each year for NAP covered crops. Maintaining your APH each year will provide the greatest NAP benefit. Production can be reported either with production receipts or by certifying your production before the final crop reporting date of the following year.

### 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.

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 your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov)

Selected Interest Rates for July 2010		Dates to Remember	
90-Day Treasury Bill	0.125%	1 Aug	COC Nominations Due in County Office
Farm Operating - Direct	2.375%		
Farm Ownership - Direct	4.75%	1 Aug	Reconstitutions Request Deadline
Limited Resource	5.00%		
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%	1 Aug	NAP Strawberry Deadline
Emergency	3.75%		
Farm Storage Facility (FSFL) 7-year	2.375%		
FSFL 10-year is 3.00%; FSFL 12-year is	3.250%	1 Sept	2010 ACRE Certification Deadline
Commodity Loans 1996-Present	1.125%		

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