



U.S. Department of Agriculture

Hunterdon Somerset County FSA

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Hours

Monday - Friday
8:00 a.m. - 4:30 p.m.

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IMPORTANT DATES:

- 9/30—NAP sales closing date for grass, mixed forage, barley, clover, and rye
- Continuous—SAFE, CREP, and CRP continuous signup

The Hunterdon Somerset County Committee meets the third (3rd) Thursday of the month at 8:30 AM.

The official newspapers are the Hunterdon Democrat and the Courier.

FSA NEWSLETTER

NAP COVERAGE



The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agriculture commodity, except livestock, for which CAT is not available.

The application deadline for 2010 NAP coverage is: September 30, 2009 for barley, clover, all grasses, mixed forage, and rye; November 20, 2009 for Blueberries, Cane Berries, cherries, grapes, honey, onions, pears, plums, scallions, and shallots; December 31, 2009 for turnips, rhubarb, radishes, potatoes, peas, parsnips, kohlrabi, horseradish, leeks, lettuce, greens, herbs, asparagus, beets, broccoli, carrots, and cauliflower; March 15, 2010 for beans, cabbage, cantaloupe, cauliflower, cucumbers, eggplant, honeydew, okra, oats, peppers, sorghum (for Somerset County), squash, sunflowers, sweet potatoes, tomatillos, tomatoes, watermelons, and yams.

Producers who already have coverage on 2009 NAP crops may choose to continue coverage on the same crop or crops for 2010, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage, is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add a new crop(s) or delete a crop(s) from the previous year's coverage or will change crop shares must file a new CCC-471 with signatures and pay the applicable service fee.

Producers with NAP coverage must remember to complete the following to qualify for benefits: 1) Timely file acreage reports; 2) keep track of harvested production using applicable methods. For example, bale weights or other means of determining quantities of hay are required; 3) File a "Notice of Loss" within fifteen (15) calendar days of when a loss is apparent, due to drought, hail, etc.

For more information on NAP coverage please contact the FSA office.

SUCCESSION IN INTEREST

If you have made any changes that affect your interest in base acres since you signed your Direct and Counter Cyclical Program (DCP) contract, you must report these *successions in interest* to the office by September 30, 2009. A final determination will need to be made on who is eligible for the DCP payments for the farm.

Changes that qualify as a succession in interest include:

- A sale of land
- A change of operator or producer, including an increase or decrease in the number of partners
- A foreclosure, bankruptcy, or involuntary loss of the farm

FARM RECONSTITUTIONS

In program terminology, farms are constituted to group all tracts having the same owner and the same operator under one (1) farm serial number (FSN). When changes in ownership or operator take place, a farm reconstitution may be necessary. The reconstitution (recon) is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are different methods used when completing a farm recon:

***Estate Method**—the division of bases for a parent farm among the heirs settling an estate

***Designation by Landowner Method**—divides base in a manner agreed to by the parent farm owner and the purchaser or transferee. The Landowner Method can be used when: part of the farm is sold or ownership is transferred; an entire farm is sold to two (2) or more persons; farm ownership is transferred to two (2) or more persons; a tract is sold to two (2) or more persons; tract ownership is transferred to two (2) or more persons. The land sold or transferred must have been owned for at least three (3) years, unless a waiver is granted and the owner of the parent farm and the purchaser or transferee shall file a signed memorandum of understanding designating based before the farm is reconstituted and any subsequent transfer of ownership.

***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.

FCIC PROGRAM INTEGRITY

FSA assists Risk Management Agency (RMA) and approved insurance providers (AIP's) with monitoring crop conditions throughout the growing season. FSA refers all suspected cases of fraud, waste, and abuse about the Federal Crop Insurance Program to RMA. Producers may report suspected cases of fraud, waste, and abuse to FSA. FSA will provide producer information to RMA and AIP's to assist in claim audits, inspections, and quality control reviews.

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 within ninety (90) days of closing. Failure to submit the AFIDA form could result in civil penalties of up to twenty five (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.

FSA FARM LOANS



FSA offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,094,000. Emergency loans are direct loans for farmers who have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers, and loans for Socially Disadvantaged applicants are also available.

For more information, please contact Virginia Brophy at (908) 852-2576 extension 110.

FARM STORAGE FACILITY LOAN PROGRAM CHANGES

The Farm Storage Facility Loan (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 fifteen (15) percent, with Commodity Credit Corporation (CCC) providing a loan for the remaining eighty five (85) percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of seven (7), ten (10), or twelve (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 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 fifty (50) percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA 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, soybeans, oats, wheat, barley, or minor oilseeds harvested as whole grain; corn, grain sorghum, wheat, oats, or barley harvested as other than whole grain; hay; renewable biomass; fruits (including nuts) and vegetables—cold storage facilities.

For more information, please contact the office.



BIOMASS CROP ASSISTANCE PROGRAM

FSA is currently accepting applications from biomass facilities interested in participating in the Biomass Crop Assistance Program (BCAP).

Once an agreement is signed between FSA and a facility and funding through the program is provided, the facilities can begin accepting materials. Producers who sell these materials can apply for matching payments under the collection, harvest, storage, and transportation (CHST) component of BCAP.

The matching CHST payments are paid at a rate of \$1 for \$1 per dry ton equivalent received from a qualified biomass conversion facility, not to exceed \$45 per dry ton equivalent. A biomass owner is eligible to receive payments for two (2) years. The purpose of the matching payments is to assist biomass producers with the CHST cost of delivering biomass to a qualified biomass conversion facility. Once a facility becomes qualified, eligible material owners or producers who deliver biomass to that facility may be eligible to receive CHST payments.

Eligible material owners or producers, who market eligible material to a qualified biomass conversion facility, may apply for the matching CHST payment at the FSA office. An application must be submitted before the eligible material is sold and delivered to a qualified biomass conversion facility. After the eligible material is delivered, a producer must provide FSA with documentation of quantity, quality, and payment rate. FSA will validate payment requests with information in the office and information provided under the terms of Memorandums of Understanding (MOUs) with the qualified biomass conversion facilities. CHST payments will not be authorized until after an appropriate environmental analysis has been conducted.

Biomass conversion facilities and material owners or producers should contact the office or visit www.fsa.usda.gov for more information.

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“S” STANDS FOR STEWARDSHIP!!

USDA’s Natural Resources Conservation Service (NRCS) began continuous sign-up for the new Conservation Stewardship Program (CSP) on August 10, 2009. The first cutoff for ranking purposes is scheduled for September 30, 2009. CSP is a new program authorized in the 2008 Farm Bill, replacing the Conservation Security Program from the 2002 Farm Bill, which was only offered on a watershed-specific basis. The new CSP is available to landowners statewide. Likely only the best land stewards will be awarded contracts.

Initial analysis indicates that participants completing contract requirements might receive estimated annual payments in the range of \$12 to \$22 per acre for cropland; \$6 to \$12 per acre for non-industrial private forestland; \$7 to \$14 per acre for pastureland.

Applicants must have FSA records established prior to application, documented control of the land for the next five (5) years, current compliance with highly erodible land (HEL) requirements and adjusted gross income provisions. In addition, the entire agricultural operation acreage (land for which you are the operator in FSA farm records management system...NO TRACTS OR FIELDS EXCLUDED) must be included in the stewardship review.

NRCS field staff will conduct an on-site field verification of the applicants’ information. Once the potential participant has been field verified and if the application is approved for funding, a Conservation Stewardship Plan and contract will be developed.

For more information visit www.nrcs.usda.gov/new_csp and review the 2009 Conservation Stewardship Self Screening Checklist. Then, contact the USDA-NRCS field office at (908) 782-4614 extension 3 to apply.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age disability and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc) should contact USDA’s TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.