



# Delaware County News

September 2009

## Farm Storage Facility Loan Program Changes

Delaware County  
USDA Service Center

Delaware County FSA  
557 Sunbury Rd, Suite C  
Delaware OH 43015  
740-363-3671 (phone)  
740-363-6520 (fax)

[www.fsa.usda.gov/oh](http://www.fsa.usda.gov/oh)

Hours  
Monday – Friday  
8:00 am – 4:30 pm

County Committee  
Ed R Reely, Chair  
Dwight Piper, Vice Chair  
Scott Bauder, Member  
Carolyn Skinner, Advisor

County Committee meets  
2<sup>nd</sup> Tuesday, 8:30 am

Staff  
Don Henry, CED  
Margaret Webster, PT  
Patty Hope, PT  
Julie Faurote, PT  
Hal Clase, Field Reporter

Changes to the Farm Storage Facility Loan (FSFL) program have been implemented in accordance with the 2008 Farm Bill. This will allow producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities. The FSA administers FSFL on behalf of the USDA Commodity Credit Corporation (CCC).

The maximum principal amount of a loan through FSFL 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. 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 50 percent of the projected and approved total loan amount, not to exceed \$250,000.

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. The following commodities in Ohio are eligible for FSFL:

- 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;
- Pulse crops - lentils, small chickpeas and dry peas;
- Hay;
- Renewable biomass; and
- Fruits (including nuts) and vegetables - cold storage facilities.

For more information about FSFL please contact your local FSA office or visit the FSA Price Support website at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Biomass Crop Assistance Program

FSA is currently accepting applications from biomass facilities interested in participating in the Biomass Crop Assistance Program (BCAP), which will help increase production of renewable energy. The program, authorized in the 2008 Farm Bill, provides financial assistance to producers who deliver eligible material to biomass conversion facilities. Owners of eligible material can receive financial assistance for delivering qualified biomass to conversion facilities that use biomass for heat, power, bio-based products or advanced biofuels.

Biomass conversion facilities in Ohio may become "qualified" by submitting an agreement form and other documents to the FSA State office. These documents can be found on the National FSA website. Once an agreement is signed between FSA and a facility and funding through the program is provided, then the facility can begin to accept materials under BCAP.

Producers who sell biomass materials including certain wood products, grasses and corn stover 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 years.

Eligible material owners or producers, who market eligible material to a qualified biomass conversion facility, may apply for the matching CHST payment at their FSA county office. An application must be submitted before the eligible material is sold and delivered to a qualified biomass conversion facility. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate.

Biomass conversion facilities and material owners or producers should contact the Ohio FSA State office at 614-255-2428 or visit the FSA website at: <http://www.fsa.usda.gov> and then located in the "Browse by Subject" category, select the "Energy Programs" link for more information and facility application forms.



## 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 FCIC catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT insurance is not available.

The application and service fee deadline for the 2010 NAP coverage on Winter Wheat, Rye, Barley and Speltz **is Sept. 30, 2009** in Ohio.

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 Sept. 30, 2009. 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 previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable service fee. The service fee is \$250 per crop per county or \$750 per producer per county. The fee cannot exceed a total of \$1875 per producer with farming interest in multiple counties.

Producers with NAP coverage must remember to complete the following to remain eligible for NAP benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.
- File a "Notice of Loss" within 15 days of when a loss is apparent, so the loss can be appraised and production counted before the crop is put to another use, abandoned or destroyed.

For more information on NAP coverage, please contact your local FSA office.

Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

## CRP Annual Payments

The Farm Service Agency Staff wants to be certain CRP annual payments are correctly and timely made. Please notify your local FSA office if: your mailing address has changed; payee ID numbers have changed; or participant shares have changed. If you have established a trust agreement as a result of an estate planning process, or recently formed an entity (partnership, corporation, LLC, etc.) and you are enrolled in CRP, please report these changes as soon as possible to ensure proper payments are made. The easiest way to tell if the correct person(s) are being paid is to review the names and payment shares on the CRP-1 contract.

## July MILC Payments for Dairy Producers

Producers participating in USDA's Milk Income Loss Contract (MILC) program will receive payments for the month of July. USDA makes MILC payments on a monthly basis when the Boston Class I milk price falls below \$16.94 per hundredweight as adjusted for feed costs.

USDA determines the per hundredweight payment rate for the applicable month by subtracting the Boston Class I price for that month from the \$16.94 MILC payment trigger price, established in the 2008 Farm Bill, as adjusted for feed costs, and multiplying the difference by 45 percent. The monthly Boston Class I price along with final MILC payment rates are posted online at: <http://www.fsa.usda.gov/FSA>.

The MILC payment trigger price of \$16.94 is adjusted upward when the National Average Dairy Feed Ration Cost for a month is greater than \$7.35 per cwt. USDA's National Agricultural Statistics Service recently released the data for determining the Average Dairy Feed Ration Cost for the month of July on August 31, 2009. Using this information and the formula contained in the 2008 Act, the MILC payment trigger for the month of July has been adjusted to \$16.94, for a final MILC payment rate of \$ 1.5435.

For more information about the MILC program, please visit your local FSA office or go online to: <http://www.fsa.usda.gov/FSA>.

Selected Interest Rates for September 2009	
90-Day Treasury Bill	0.250%
Farm Operating Loans — Direct	3.000%
Farm Ownership Loans — Direct	4.875%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans	4.000%
Sugar Storage Facility Loans	4.375%
Commodity Loans 1996-Present	1.500%

## Maintaining Stored Grain Quality

Throughout the summer, producers are reminded to keep an eye on the condition and quality of the stored grain. Remember to contact your local FSA office if you notice changes in the condition and quality of the stored grain.

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## Beginning Farmers and Ranchers

FSA has funding 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 farm size; and
- Also, the applicant must meet the loan eligibility requirements of the program to which he/she is applying.

**Note:** All applicants for direct farm ownership loans must have participated in business operation of a farm for at least three years.

To find out more about loans for Beginning Farmer and Ranchers and more basic qualifications required, contact your local FSA county office to setup an appointment with a loan approval official.

## Rural Youth Loans

The Farm Service Agency 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;
- Live in a rural area or in a town of 50,000 people or fewer;
- Must obtain a written recommendation and consent from a parent or guardian if the applicant has not reached the age of majority under state law;
- Comply with FSA's general eligibility requirements;
- 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.

To find out more about the FSA Rural Youth loan program, contact your local FSA office to setup an appointment with a Loan Approval Official.

## CRP Participants – Think Twice before Mowing

A few years ago, mowing of CRP grass cover was a widely accepted practice by many participants, if for no other purpose than aesthetics. Today with more research and understanding, it has been shown that undisturbed grass cover will reduce soil erosion, improve water quality, and is more beneficial to wildlife than annually mowed grass covers. Undisturbed CRP covers could appear unattractive to those that do not understand its value. Wildlife, especially grassland birds including pheasants and quail, and pollinators, such as bees and butterflies, view undisturbed CRP cover as a source of food and habitat suitable to raise their young. Wildlife will not utilize CRP cover if plants are not allowed to mature. Game birds and bees are disappearing because of habitat loss.

Undisturbed grass cover does not include noxious weeds such as thistle and teasel or woody species like trees and multiflora rose. These noxious weeds must be controlled by spot mowing affected areas or spot spraying of an approved herbicide. These treatments will have a minimal effect on the CRP practice cover's ability to meet the purposes of erosion control, water quality, and wildlife habitat. Spot mowing is less expensive than mowing the whole practice. Aesthetic beauty should not replace good land stewardship and economics.

Unnecessary disturbance of CRP cover is considered a violation of the terms and conditions of the CRP contract and conservation plan. Violations could potentially result in hefty penalties including contract termination and refund of all contract related payments.

Properly maintained CRP cover can be very attractive if noxious weeds and invasive species are controlled and grasses and wildflowers are allowed to mature. Please scout your CRP fields before weeds go to seed. Contact your local FSA office for permission to spot treat your CRP grass cover during Ohio's primary nesting season (March 1<sup>st</sup> – July 15<sup>th</sup>). Plan to have your CRP cover assessed for the need of mid-contract management activities that are designed to enhance your CRP cover for wildlife. Mid-contract management is a contractual obligation that is outlined your CRP-1 Appendix and conservation plan.

Contact your local FSA office for more information on proper maintenance and management of CRP practice cover. Remember, beauty is in the eye of the conservationist.

Delaware County FSA Office  
 557 Sunbury Rd, Suite C  
 Delaware OH 43015



## Removing CCC Loan Collateral

Producers are reminded, if you have grain under Commodity Credit Corporation loan it cannot be removed or disposed of without prior county office staff authorization or repayment. The county office staff may issue release authorizations based on a telephone or in person request when you are ready to move the grain. A loan violation is subject to monetary and administrative penalties, such as repaying the loan at principal plus interest, liquidated damages, calling the loan and denial of future farm-stored loans and loan deficiency payments.

All commodity loans are subject to spot check. Locking in a market loan repayment rate is not a marketing authorization. If you are planning to move CCC loan grain, call the county office staff, before you HAUL!

Dates to Remember	
Sept. 7	Labor Day Holiday. <b>FSA Offices Closed.</b>
Sept. 14	<b>Final Date to File</b> a Notice of Loss and <b>submit</b> an Application for Payment for the LIP in Calendar Year 2008.
Sept. 14	<b>Final Date to File</b> a Notice of Loss from Jan. 1, 2009 through July 12, 2009 for LIP.
Sept. 15	Final Date to Request Re-Enrollment of 2009 Expiring CRP Contracts that expire Sept. 30, 2009.
Sept. 30	Deadline to obtain 2010 NAP coverage for Winter Wheat, Rye, Barley and Speltz.
Oct. 12	Columbus Day Holiday. <b>FSA Offices Closed.</b>
Continues	Farm Storage Facility Loan Program.
Continues	Continuous Conservation Reserve program.
Continues	Grassland Reserve Program (GRP).

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