



Ohio FSA State Office

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Hours

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

December 2010

State Office Staff
Steve Maurer,
State Executive
Director

Visit our Website at:
www.fsa.usda.gov/oh

IRS Form 1099-G

Producers annually receive CCC-1099-Gs detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on CCC-1099-Gs is a service intended to help our customers report taxable income. It is not intended to replace the producers' responsibilities to report income to IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

Crop Assistance Program Deadline Approaches

Sign-up for the Crop Assistance Program (CAP) **ends December 9, 2010**. Disaster assistance will be issued to producers of rice, upland cotton, soybeans and sweet potatoes that suffered losses because of excessive moisture or related conditions in 2009. Ohio producers with land physically located in **Ashtabula, Athens, Brown, Gallia, Jefferson, Lake, Lawrence, Morgan, Muskingum, and Washington** counties that suffered losses in 2009 because of excessive moisture or related conditions are eligible.

CAP provides financial assistance to producers in the qualifying Ohio counties who felt the effects of the quality and quantity losses to soybean and sweet potatoes caused by excess moisture and related conditions in 2009.

Producers of eligible crops in disaster counties who certify to a five percent or greater crop loss in 2009 due to excessive moisture or related conditions will receive a payment based on a predetermined payment rate times the planted acres of the crop. FSA will not consider acres in late-filed acreage reports on or after Monday Oct. 25, 2010 to be eligible acres for CAP. Per acre payment rates will be prorated by FSA in order to keep payments within available funds for the program. Producers will initially receive 75 percent of their CAP payment and once sign-up is complete they may receive up to an additional 25 percent.

The predetermined payment rates for the eligible crops in Ohio are:

- Soybeans – \$15.62 per acre
- Sweet potatoes – \$155.41 per acre

For more information about the CAP or any other disaster assistance programs, visit your local FSA county office or to view the CAP factsheet go to:

http://www.fsa.usda.gov/Internet/FSA_File/cap_10pfs.pdf.

DCP Sign-up & Advance Payments

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. Advance payments of 22% on the 2011 DCP program will be available starting December 1, 2010. The remaining 78% of your DCP payment will be issued after October 1, 2011.

Eligible producers receive direct payments at rates established by statute regardless of market prices. DCP contract signatures for enrollment are due by the **sign-up deadline of June 1, 2011**.

For more information producers can contact their local FSA office.

USDA Announces Support for Restoration of Nonindustrial Private Forest Land Damaged by Natural Disasters

Assistance is available to help nonindustrial private forest (NIPF) landowners restore lands damaged by natural disasters. The funds are provided through USDA's Emergency Forest

Restoration Program (EFRP). Through this new program, USDA will continue to assist landowners in their efforts to improve the health of privately held forest lands.

EFRP participants will use the money to implement emergency forest restoration practices, including emergency measures necessary to address damage caused by a natural disaster to natural resources on NIPF land and restore forest health and forest related resources on the land. The damage from the natural disaster must have occurred on or after January 1, 2010.



The program is administered by the Farm Service Agency (FSA). To be eligible for EFRP, land must:

- Have existing tree cover (or had tree cover immediately before the natural disaster and is suitable for growing trees); and,
- Be owned by any nonindustrial private individual, group, association, corporation, or other private legal entity that has definitive decision-making authority over the land.
- In addition, the natural disaster must create damage that, if untreated, would:
- Impair or endanger the natural resources on the land; and,
- Materially affect future use of the land.

All of the above conditions must be met for EFRP eligibility. FSA county committees determine land eligibility based on on-site damage inspections, taking into account the type and extent of damage. Sign-up will begin Dec. 6, 2010 at your local FSA county office.

For further information on how to apply and eligibility requirements for EFRP, NIPF landowners may visit their local county office where their farm records are maintained. To read more about the EFRP, view the factsheet at: <http://go.usa.gov/CLI>.

Commodity Loans

Producers considering a loan on their stored grain before the end of the year will need to allow enough time before December 31st, to get the loan processed. Last second transactions that run into delays can be problematic.

Commodity loans, also referred to as Marketing Assistance Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

Commodity loan eligibility also requires you comply with conservation and wetland protection requirements; beneficial interest requirements, report how you use cropland acreage on the farm and ensure that the commodity meets CCC minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical Program to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans.

The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Conservation Loan Program

The Conservation Loan (CL) Program provides farmers with the funding necessary to implement conservation measures on their land. The available limit for a direct CL is \$300,000, and the limit for a guaranteed CL is \$1,119,000.

The Natural Resources Conservation Service (NRCS) will work with applicants to develop a conservation plan containing approved conservation practices. Examples of some conservation practices are: water conservation structures, forest cover, permanent pastures, manure digesters, and other installations.

For more information on the Conservation Loan program, contact your local FSA office to setup an appointment with a Loan Approval Official. Or visit the Ohio FSA website at: www.fsa.usda.gov/oh and select the “County Offices” link to locate the nearest FSA office.

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
- 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.

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

Selected Interest Rates for December 2010	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	1.750%
Farm Ownership Loans — Direct	4.125%
Conservation Loans — Direct	4.125%
Limited Resource Loans	5.000%
Farm Ownership Loans — Beginning Farmer Down Payment	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loan -- 7 year	2.000%
Farm Storage Facility Loan -- 10 year	2.750%
Farm Storage Facility Loan -- 12 year	3.000%
Sugar Storage Facility Loans	3.375%
Commodity Loans 1996-Present	1.250%

Foreign Investors Who Hold Agricultural Land

Foreign investors, who buy, sell or hold a direct or indirect interest in U.S. agricultural land must report their holdings and transactions to the U.S. Secretary of Agriculture. Failure to timely file an accurate report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land. Foreign persons who are buying or selling land must report the transaction **within 90 days of the date of the transaction.**

Who Must Report:

- Individuals who are not U.S. citizens or citizens of the Northern Mariana Islands or the Trust Territory of the Pacific Islands;
- Individuals who are not lawfully admitted to the U.S. for permanent residence or who are not

paroled into the U.S. under the Immigration and Nationality Act;

- Any organization created under laws of a foreign government or which has located its principle place of business outside the U.S.;
- Any U.S. organization in which a significant interest or substantial control is directly or indirectly held by foreign individuals, organizations or governments; and
- Any foreign governments.

What to Report:

- Each tract of agricultural land in the U.S., its territories, the Northern Mariana Islands and the Trust Territories of the Pacific Islands owned by persons required to report; and
- Leaseholds of 10 years or more.

USDA designated the FSA to collect the AFIDA report forms. Individuals wanting to obtain an AFIDA report form (FSA-153) may do so from any FSA county office. The (FSA-153) is available in both English and Spanish translations. You can also go on-line and download the form at:

http://forms.sc.egov.usda.gov/efcommon/eFileServices/Fo rms/FSA0153_010524V02.pdf .

Although interested parties may obtain a report form from any FSA county office, the completed form must be returned to the FSA county office where the land or where the programs are administered.

Foreign investors should contact your local FSA if this pertains to you. To locate the FSA county office, you can look in the telephone book white pages or go on-line to: www.fsa.usda.gov/oh and then click on the "County Offices" link. Then click on the county where the land is located.

LDP Deadline on Unshorn Wool, Mohair and Lamb Pelts

Eligible producers have until Jan. 31, 2011, to apply for LDPs for wool, mohair and unshorn pelts produced during the 2010 crop year.

Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have interest in.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

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Maintaining the Quality of Loaned Grain

This year's large grain crop has its obvious up side, but there is a downside too. Many producers are hard pressed to find adequate storage for every bushel harvested. Overfilled grain storage bins can lead to grain quality problems.

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

For more clarification on spousal signature authority, feel free to contact your local FSA office.

Dates to Remember

Dec. 6	Last day to return voted Ballots in county committee election.
Dec. 24	Christmas Day Holiday. FSA Offices Closed.
Dec. 31	New Year's Day Holiday. FSA Offices Closed.
Jan. 1	Elected Committee Members and alternates take office.
Jan. 17	Martin Luther King Jr. Day Holiday. FSA Offices Closed.
Jan. 31	Deadline on 2010 LDPs for wool, mohair and unshorn lamb pelts.
Continues	Farm Storage Facility Loan Program.
Continues	Continuous Conservation Reserve program.

Visit our website at: www.fsa.usda.gov/oh

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To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer."