**Ohio FSA State Office**

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Columbus, OH 43215

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

**April 2012**

**Ohio FSA State Executive Director,** Steve Maurer

**Farm Loan Chief**, David Drake

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

## CRP Signup Extended Until April 13, 2012

The deadline has been extended to enroll eligible land into the Conservation Reserve Program (CRP) signup because of increased interest. Farmers and landowners now have until April 13, 2012 to enroll in the CRP.

Contracts awarded under this sign-up are scheduled to become effective Oct. 1, 2012. Additionally, current CRP participants with contracts expiring this fall may make new contract offers.

FSA will evaluate and rank eligible CRP offers using an Environmental Benefits Index (EBI) that shows the wildlife, water, soil, and air benefits of enrolling the land in CRP. Decisions on the EBI cutoff will be made after the sign-up ends and after analyzing the EBI data of all the offers.

Producers are encouraged to contact their local FSA office for more information on CRP or visit FSA's website at http://www.fsa.usda.gov/crp for additional information regarding CRP.

## BCAP Project Area Signup

Applications are being accepted for the USDA Farm Service Agency's next round of Biomass Crop Assistance Program (BCAP) Project Areas. Proposals will be accepted until April 23, 2012.

BCAP provides incentives to farmers and forest landowners to grow non-food crops to be processed into biofuels. Because most energy crops are perennial and take time to mature before harvest, BCAP is designed so sufficient quantities of feedstock will be available to meet future demand. Since these crops can grow where other crops cannot, it provides farmers new opportunities to diversify into more markets.

The BCAP Project Areas where these crops are grown will be selected from proposals producers or biomass facilities submit to FSA. The Request for Proposal and additional information can be found at http://www.fsa.usda.gov/bcap. You may contact the local FSA office for more details.

## Maintaining Stored Grain Quality

With the unusually warm spring temperatures, 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.

## February MILC Payments for Dairy Producers

Producers participating in USDA's Milk Income Loss Contract (MILC) program will receive payments for the month of February. USDA makes MILC payments on a monthly basis when the Boston Class I milk price falls below $16.94 per hundredweight after adjustment for the cost of dairy feed rations.

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 releases the data for determining the Average Dairy Feed Ration Cost monthly. Using this information, the MILC payment trigger for the month of February has been adjusted to $16.94, for a final MILC payment rate of $0.3895043 per hundredweight.

For more information about the MILC program, please visit your local FSA office or go online to: http://www.fsa.usda.gov/Internet/FSA_File/milc2011.pdf.

## Final Loan and LDP Availability Date

Producers are reminded that the final commodity loan and LDP availability date for 2011 Crop Year Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Safflower Seed, Small Chickpeas, Soybeans and Sunflower seed **will be May 31, 2012**.

## NAP Production Reporting

Production records for individual crops need to be filed with our local FSA office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable or verifiable. Records need to show crop disposition. We recommend producers submit 2012 production records as soon as harvest is complete. **All production records must be submitted by the subsequent crop year's final acreage reporting date.**

## DCP/ACRE Sign-Up

The Farm Service Agency would like to remind producers that enrollment for the 2012 Direct and Counter-cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) program continues through June 1, 2012. This is the final year of the Food, Conservation, and Energy Act of 2008 (Farm Bill).

USDA computes DCP and ACRE direct payments using base acres and payment yields established for each farm. Payments will be issued in October to eligible producers at rates established by statute regardless of market prices.

Annual contracts are required to be signed to receive program benefits. Producers are advised to contact their local FSA office to set up an appointment as soon as possible before the June 1, 2012, deadline.

All signatures must be obtained by the deadline for both the DCP and ACRE programs. In all cases, it is the responsibility of the operator and owners of a farm to obtain and submit all necessary signatures on election and enrollment forms by the June 1, 2012, deadline.

For more information or to schedule an appointment to enroll in the DCP/ACRE programs, please contact your local FSA office.

## Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call the county office before you haul any grain under loan.

## Report Failed Crop Acreage Prior to Destruction

With spring planting here, the Farm Service Agency (FSA) encourages farmers to report failed crop acreage that will not be brought to harvest to their FSA office. Failed acreage must be reported to FSA before destroying and replanting to allow time for a field check.

"It is very important that farmers report failed acreage that will not be brought to harvest to the FSA office prior to destruction," said State Executive Director, Steve Maurer. "This simple act of insuring that failed acres are documented could be the determining factor in whether or not a farmer is eligible for future crop disaster program payments."

Form CCC-576, Notice of Loss, is used to report failed acreage and may be completed by any producer with an interest in the crop. For crop losses covered by the Non-insured Assistance Program (NAP), producers must contact their local FSA office within 15 days of the occurrence of the disaster or when losses become apparent. Producers with crop insurance should also contact their local agent when losses occur and before destroying the crop.

Producers are encouraged to keep good production records on acreage with a low crop yield to document crop losses. To be eligible for crop disaster programs in the future, production records may help support crop loss claims.

Additional information in regard to failed crop acreage or crop losses covered by the Non-Insured Assistance Program (NAP) can be obtained by contacting your local FSA office. FSA program information is also available online at: http://www/fsa/usda/gov.

| Selected Interest Rates for April 2012 | |
|---|---|
| 90-Day Treasury Bill | 0.125% |
| Farm Operating Loans — Direct | 1.25% |
| Farm Ownership Loans — Direct | 3.375% |
| Farm Ownership Loans — Down Payment | 1.500% |
| Emergency Loans | 3.750% |
| Farm Storage Facility Loan -- 7 year | 2.750% |
| Farm Storage Facility Loan -- 10 year | 3.375% |
| Farm Storage Facility Loan -- 12 year | 3.625% |
| Sugar Storage Facility Loans | 2.625% |
| Commodity Loans 1996-Present | 1.125% |

## Controlled Substance

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

## Wetland Compliance

Producers renting or purchasing land that may have a converted wetland status need to check with the county office to learn if there are restrictions.

Farm Bill regulations provide that, unless exempt, persons are ineligible for benefits under certain programs administered by USDA if they:

- plant an agricultural commodity on a wetland that was converted after December 23, 1985; or
- convert a wetland after November 28, 1990.

FSA may not approve any loan or loan guarantee to drain, dredge, fill, level or otherwise manipulate a wetland, or to engage in any activity that results in impairing or reducing the flow, circulation or reach of water except in the case of activity related to the maintenance of previously converted wetlands.

The following provides permitted uses and restrictions of certain wetlands for compliance with Wetland compliance provisions:

- wetlands can be farmed under natural conditions, but not converted;
- wetlands converted before November 28, 1990, cannot be planted to an agricultural commodity and retain eligibility for benefits;
- wetlands converted after Nov. 28, 1990, must either be restored to wetland status or mitigated to
- regain eligibility for program benefits;
- wetlands that can be farmed under natural conditions cannot be manipulated in any way, unless the Natural Resources Conservation Service determines the work would have a minimal effect on the wetland values; and
- wetlands converted before December 23, 1985, can be farmed and maintained.

Additional information about wetlands is available at the USDA Service Center.

## Farm Loan Programs

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.

For detailed information, contact your local FSA county office to setup an appointment with a Loan Approval Official.

## Land Contract (LC) Guarantee Program

The Farm Service Agency (FSA) makes loans through the Land Contract (LC) Guarantee Program. The LC Guaranteed Loans will be offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning farmer or a farmer who is a member of a socially disadvantaged group.

A land contract is an installment contract between a buyer and a seller for the sale of real property, in which complete ownership of the property is not transferred until all payments under the contract have been made.

Guarantees can be used for financing the purchase of a farm with a purchase price up to $500,000 on a new land contract. FSA offers two types of guarantees under this program. The seller may request either of the following:

- Prompt Payment Guarantee: A guarantee of up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance; or
- Standard Guarantee: A guarantee of 90 percent of the outstanding principal balance under the land contract.

To find out if you qualify contact your local FSA office to setup an appointment with a loan approval official.

## Appeal Process

After an FSA official makes an adverse decision on your application/contract for USDA benefits, you will be sent a letter informing you of the decision and options your can pursue if you disagree.

Generally, program participants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

## Farm Record Changes

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Update signature authorization when changes in the operation occur. Producers are reminded to contact their FSA count office of a change in operations on a farm so that records can be kept current and accurate.

USDA United States Department of Agriculture

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## Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are $500,000 nonfarm average AGI for commodity and disaster programs; $750,000 farm average AGI for direct payments; and $1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-931 to their local FSA County Office to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices or online at: http://www.fsa.usda.gov/ccc931.

| Dates to Remember | |
|---|---|
| April 2 | Final Availability for 2011 crop wheat, barley, oats, honey loans and LDPs. |
| April 13 | CRP General Sign-up Ends. |
| April 23 | BCAP Project Area Signup Ends. |
| May 28 | Memorial Day Holiday. **FSA Offices Closed.** |
| May 31 | Deadline to apply for 2011 commodity loans and LDP's on feed grains, soybeans, pulse crops. |
| June 1 | **Deadline** to sign-up for 2012 ACRE and Direct and Counter-cyclical Payment Program. |
| June 1 | Deadline to sign-up for the 2010 SURE program. |
| June 15 | County Committee Nomination period begins. |

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

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