



August 2010

# Tennessee FSA News

## CRP Sign-up Opens August 2

A general sign-up will open for the Conservation Reserve Program (CRP) on August 2, 2010, and continue through August 27, 2010. During the sign-up period, farmers and ranchers may offer eligible land for CRP's competitive general sign-up.

CRP provides conservation practices that preserve the soil, clean water, and restore wildlife habitat. Producers enrolling in CRP plant long-term, resource-conserving covers in exchange for annual rental payments, cost-share, and technical assistance. Participants voluntarily remove environmentally sensitive land from agricultural production by entering into long-term contracts for 10 to 15 years.

USDA is authorized to maintain CRP enrollment up to 32 million acres. All interested farmers and ranchers should contact the local FSA office to learn more about this program.

## Signup for Durum Wheat Quality Program

The Farm Service Agency is currently taking applications for the Durum Wheat Quality Program (DWQP). The program will partially compensate producers for the costs associated with fungicide application on 2010 durum wheat. This compensation is for durum growers that fought Fusarium Head Blight (FHB) which is commonly called wheat scab.

Durum producers have until September 15, 2010, to apply for fungicide application reimbursement under the DWQP program. The fungicide payment rate for the chemical will be established by National Office. The reimbursement rate for the cost of application will be set by the state committees in each durum producing state.

Producers can prepare for DWQP sign-up by gathering their 2010 fungicide bills that document the Fusarium fighting efforts. For more information about this program producers can contact their local FSA office.

## ACRE Yield Data Deadline Extended

The deadline for 2009 production certification to comply with ACRE was extended until September 1, 2010. The extension is for completing both the farm benchmark yield (2004 through 2008) and the actual farm yield (2009). Participants in the 2009 ACRE program must certify their yields by September 1, 2010 to remain eligible for ACRE benefits.

## Transition Incentives

Remember the Transition Incentives Program (TIP) sign-up opened May 17, 2010. Retired or retiring owners or operators are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning or socially disadvantaged farmers or ranchers.

TIP provides annual rental payments to the retiring farmer for up to two additional years after the date of the expiration of the CRP contract, provided the transition is not to a family member.

To be eligible, TIP requires that the retired or retiring farmer or rancher:

- Have land enrolled in the Conservation Reserve Program (CRP) that is in the last year of the contract.
- Agree to allow the beginning or socially disadvantaged farmer or rancher make conservation and land improvements.
- Agree to sell, or have a contract to sell, or agree to long-term lease (a minimum of 5 years) the land under CRP contract to a beginning or socially disadvantaged farmer or rancher by Oct. 1 of the year the CRP contract expires.

Generally, TIP only applies to contracts that expire on September 30, 2010, or later. However, retired or retiring owners or operators with CRP contracts that expired on September 30, 2008, and September 30, 2009, may be eligible to enroll in TIP. To learn more contact your FSA Service Center or County Office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

### USDA Tennessee FSA

Gene Davidson  
State Executive Director

579 Federal Building  
Nashville, TN 37203

615-277-2600 phone  
615-277-2659 fax  
[www.fsa.usda.gov/tn](http://www.fsa.usda.gov/tn)

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

### State Staff

Frank Rodgers  
Chief, Farm Loans

Bobby Tidwell  
Chief, Farm Programs

Pam Davis  
Administrative Officer



---

## 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.

## Actively Engaged

FSA wants to remind producers about the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs if both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- The total direct payments received, both directly and indirectly, by the legal

entity and each of the members can't exceed \$40,000.

## Electronic Services

If a producer has Internet access, program participants can access many services from home 24 hours a day, seven days a week, and receive approval and payment by direct deposit within 48 hours.

To participate in these services, you must meet all program eligibility requirements. Online services have stringent security measures to protect your private information.

To utilize electronic services a producer needs an active USDA eAuthentication Level 2 account, which requires an e-mail address and filling out an online registration form at

<http://www.eauth.egov.usda.gov/> followed by a visit to the county office for identity verification.

If you have questions, or would like assistance establishing your account, just contact your local USDA Service Center and talk with our trained FSA personnel.

## 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 wetland that was converted after December 23, 1985
- 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

*Continue on Page 3 Wetlands*

---

*Continued from Page 2 Wetlands*

- 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
- wetlands converted before December 23, 1985, can be farmed and maintained
- Additional information about wetlands is available at the USDA Service Center.

## **Marketing Assistance Loans**

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or Commodity Credit Corporation (CCC) takes title to the commodity. 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 the producer regains beneficial interest.

Commodity loan eligibility requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring 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 and/or ACRE Programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may trigger procedures, 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.

## **Farm Loan Programs**

The FSA 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 can reach a maximum indebtedness of \$1,112,000. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it or who to contact to get it. To find out more about FSA loan programs, contact the county office staff.

## **Preventing Fraud**

The FSA supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA assists RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the FSA office.

## **CREP & Continuous CRP**

The Conservation Reserve Enhancement Program (CREP) is a program to decrease erosion, restore wildlife habitat and safeguard ground and surface water. CREP is a partnership with federal and state government and for specific geographic areas.

Environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP) or Continuous CRP will be eligible for annual rental payments and cost-share of up to 50 percent on approved practices. These programs will remain funded, and continue to provide heightened environmental benefits.

[Name] County FSA Office  
 Address Line 2  
 Address Line 3



PRESORTED STANDARD  
 U.S. POSTAGE PAID  
 CITY, STATE  
 PERMIT #XXX

## 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 average 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 August 2010		Dates to Remember	
90-Day Treasury Bill	0.125%	1 August	Recons must be requested
Farm Operating - Direct	2.5%	2 August	CRP General Sign-up Opens
Farm Ownership - Direct	4.625%		
Limited Resource	5%		
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.5%		
Emergency	3.75%		
Farm Storage Facility (based on loan terms)	2.5-3.375%		
Commodity Loans 1996-Present	1.250%		

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 programs. (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 Civil Rights, 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."