



NEWSLETTER



April 2011

TENNESSEE FSA Office

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CRP Signup Ends April 15

Farmers and ranchers have until April 15 to enroll eligible land into the Conservation Reserve Program (CRP) during the general sign-up period, which opened earlier this month.

Contracts awarded under this sign-up are scheduled to become effective Oct. 1, 2011. 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.

In addition to the general sign-up, CRP's continuous sign-up program will be ongoing. Continuous acres represent the most environmentally desirable and sensitive land. More information can be found online at: <http://www.fsa.usda.gov/crp>

ACRE

The optional ACRE program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. The June 1, 2011, signup deadline is mandatory for all participants. USDA will not accept any late-filed applications.

A farm's payment is based on a revenue guarantee calculated using a five year average state yield and the most recent two year national price for each eligible commodity.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. For participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing loan rates are reduced by 30 percent.

The decision to enroll in the ACRE program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm will remain in ACRE through the 2012 crop year.

2011 DCP Signup

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) will continue through June 1, 2011. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2011 DCP contract.

USDA computes DCP payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2011, eligible producers may request advanced direct payments based on 22 percent of the direct payment.

For more information on this or other FSA programs, contact the nearest FSA office.

Acres Certification

Time is nearing for producers to certify their 2011 acreage. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acres reports are required for many Farm Service Agency programs. For crops enrolled in programs other than NAP (Noninsured Crop Disaster Assistance Program), acres reports are to be certified by May 15 deadline on small grains and by July 15 deadline on all other crops.

Acres reports on crops covered by NAP are due in the county office by May 15 for spring seeded crops and September 30 for fall seeded crops.

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-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at:

<http://forms.sc.egov.usda.gov/eforms/mainserver/vlet>.

Farm Record Changes

June 1, 2011 is the deadline to provide changes to your farm records at the local FSA office for the 2011 crop year. If you are changing your operation entity type, adding or dropping cropland or farms, or adding entities to your operation, contact the FSA county office by June 1.

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, such as water conservation structures, forest cover, permanent pastures, manure digesters and other installations.

For more information on a potential Conservation Loan, call the local FSA office and make an appointment with a loan officer.

Cold Storage Facility Loans

The Farm Storage Facility Loan program allows producers to build cold storage facilities to store their fresh fruits and vegetables. To be eligible, cold storage facilities must have a useful life of 15 years and include:

- New structures suitable for a cold storage facility;
- New walk-in, prefabricated, permanently-installed coolers suitable for storing fresh fruits and vegetables;
- New permanently affixed cooling, circulating and monitoring equipment;
- Electrical equipment integral to the proper operation of a cold storage facility;
- An addition or modification to an existing storage facility.

USDA will not make cold storage facility loans for portable structures, portable handling and cooling equipment, used or pre-owned structures, cooling equipment or structures deemed unsuitable.

The maximum loan amount for a Farm Storage Facility loan is \$500,000 per loan, which requires a down payment of at least 15 percent. Applications must be approved before construction can begin. Loan terms of seven, 10 or 12 years are available depending on the amount of the loan.

For more information on this program or other FSA farm programs please contact the local FSA county office or visit <http://www.fsa.usda.gov>.

Direct and Guaranteed Loans

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.

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 \$1,119,000. Producers are encouraged to apply early so a loan can be processed 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.

Beginning and Limited Resource Loans

FSA has a program 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 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 median size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Additional program information is available at the local USDA Service Center or visit www.fsa.usda.gov and www.nrcs.usda.gov .

Farm Safety

Flowing grain in a storage bin or gravity-flow wagon is like quicksand, it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical aspects of grain handling equipment, also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and accounted for before machinery is engaged. FSA wants all farmers to have a productive crop year that begins with putting safety first.

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Hispanic and Women Farmers

A process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans is being established.

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation.

For additional information on this and other settlement issues contact:

- **Hispanic and Women Farmer Claims Process, please visit:** www.farmerclaims.gov or call 1-888-508-4429;
- **Pigford – The Black Farmers Discrimination Litigation, please visit:** www.blackfarmercase.com or call 1-866-950-5547;
- **Keepseagle - The Native American Farmers Class Action Settlement please visit:** www.IndianFarmClass.com or call 1-888-233-5506.

Join USDA and FSA in celebrating Earth Day 2011

April 22 marks Earth Day 2011. In recognition of the power of millions of individual actions, Earth Day 2011 will be organized around A Billion Acts of Green®: Personal, organizational and corporate pledges to live and act sustainably. The first Earth Day was celebrated on April 22, 1970. The passage of the landmark Clean Air Act, Clean Water Act, Endangered Species Act and many other groundbreaking environmental laws soon followed. The Earth Day Network (EDN) works with over 22,000 partners in 192 countries and more than 1 billion people now participate in Earth Day activities each year, making it the largest civic observance in the world.

For more information about Earth Day, visit www.earthday.org

SURE

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster through Sept. 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance or NAP coverage on all crops in all counties. Crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10 percent of the value of the coverage. See the local FSA office for details.

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Selected Interest Rates for April 2011	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	2.75%
Farm Ownership - Direct	5.00%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	3.75%
Farm Storage Facility (based on terms)	2.75-3.625%
Sugar Storage Facility	4.00%
Commodity Loans 1996-Present	1.250%

Dates to Remember	
Check NCT for Applicable date(s)	NAP Signup Ends
April 8	Asparagus Signup Ends
April 15	CRP General Signup Ends
June 1	Deadline for Farm Record Changes
June 1	ACRE Signup Ends
June 1	2011 DCP Enrollment Ends