



# NEWSLETTER



June 2013

Tennessee  
FSA Office

Gene Davidson  
State Executive  
Director

579 Federal Building  
Nashville, TN 37203

615-277-2600 phone  
615-277-2659 fax  
www.fsa.usda.gov/tn

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

#### State Staff

Frank Rodgers  
Chief, Farm Loans

David Sweany  
Chief, Farm Programs

Tyeisha Samples  
Administrative Office

## COC Election Nominations

The election of agricultural producers to Farm Service Agency (FSA) county committees is important to ALL farmers and ranchers. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture (USDA).

County committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers.

FSA county committees operate within official regulations designed to carry out federal laws. Members apply their judgment and knowledge to make local decisions.

The COC nomination period runs from June 17, 2013 through August 1, 2013. The nomination form is available at USDA Service Centers and [online](#).

Contact the local FSA office for details.

## DCP/ACRE Deadlines Approach

The sign-up period for DCP and ACRE is still open. Producers are encouraged to sign up for DCP before the Aug. 2, 2013, deadline. The deadline for ACRE was June 3, 2013.

The 2013 DCP and ACRE program provisions are unchanged from 2012, except that all eligible participants in 2013 may choose to enroll in either DCP or ACRE for the 2013 crop year. This means that eligible producers who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013 or may re-enroll in ACRE in 2013. Likewise producers who were enrolled in DCP may opt for ACRE enrollment.

[Read more about DCP and ACRE](#) or contact the FSA county office for more information, or an appointment to enroll.

## CRP Sign-Up Ends June 14th

Enrollment for the Conservation Reserve Program (CRP) ends June 14, 2013. CRP protects the nation's natural resources through voluntary participation, while providing significant economic and environmental benefits to rural communities across the United States.

Currently, about 27 million acres are enrolled in CRP. Producers that are accepted in the program can receive cost-share assistance to plant long-term, resource-conserving covers and receive an annual rental payment for the length of the contract which is 10-15 years.

Contracts on 3.3 million acres of CRP are set to expire on Sept. 30, 2013. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

For more information on CRP and other FSA programs, visit a local FSA service center or [www.fsa.usda.gov](http://www.fsa.usda.gov).

## 2011 Supplemental Revenue Assistance Program Application Deadline

The last day to submit SURE applications for 2011 crop losses is June 7, 2013. The SURE Program provides payments to producers when crop revenues are less than the crop guarantee. The SURE Program payment is equal to 60 percent of the difference between the crop guarantee and revenue.

Continued on Page 2 2011 SURE

Continued from Page 1 2011 SURE

To determine the guarantee and revenue for the SURE Program, all crops on all farms for a producer are included in the calculation. Payments under the SURE Program are limited to \$100,000.

To be eligible for the 2011 SURE Program, producers must have crop insurance on all insurable crops. For crops that are not covered by crop insurance such as pumpkins and cucumbers, producers must have purchased Non Insured Crop Disaster Assistance Program (NAP) coverage.

There are exceptions to meeting insurance requirements for De Minimis crops, Socially Disadvantaged, Limited Resource, and Beginning Farmers – contact your local FSA office for more information concerning the 2011 SURE program and other Farm Service Agency programs, or visit the FSA website at [www.fsa.usda.gov/pas/](http://www.fsa.usda.gov/pas/).

## Tennessee Small Farm Expo

The 2013 Small Farm Expo and Small Farmer of the Year Awards will be held on July 18, 2013 at the Tennessee State University Agricultural Research and Education Center (AREC) on the main campus of Tennessee State University in Nashville from 8:15 am until 3:00 pm.

USDA Farm Service Agency partners with Tennessee State University and other state and federal agriculture agencies to recognize Tennessee's exemplary small farmers and provide educational programs at this annual expo. The day's events feature trolley tours of all on-going research plots at TSU's AREC as well as field demonstrations. The event also includes lunch and the Small Farmer Recognition Program.

There is no cost for attendance, but registration is required. Pesticide points will be available. To register for the Expo or to nominate a small farmer for the award, visit [www.tnstate.edu/extension/smallfarmexpo.aspx](http://www.tnstate.edu/extension/smallfarmexpo.aspx) or call Chris Robbins at 615-792-5744 or Roy Bullock at 615-963-5449.

## Payment Limitations

All payment eligibility and payment limitation provisions, including AGI

limitations, are extended for the 2013 crop year, program year, and fiscal year.

All rules and requirements effective for 2012 program payments and benefits are applicable to eligible recipients of 2013 program payment and benefits. This includes the requirements of actively engaged in farming, cash-rent tenant, substantive change, minor child, and spousal provisions. Payments will continue to be limited by direct attribution to person and legal entity.

### Contributions\*

All partners, stockholders or members with an ownership interest in the legal entity must make a contribution, whether compensated or **not** compensated, for:

- Active personal labor,
- Active personal management,
- A combination of active personal labor and active personal management to the farming operation

\*Note: There are exceptions for spouses.

Additional information on payment limitations is available at FSA county offices or online at: [www.fsa.usda.gov](http://www.fsa.usda.gov)

## Acreage Certification

After spring planting, producers should certify their 2013 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.

Acreage reports are required for many Farm Service Agency programs. For crops enrolled in programs other than NAP (Noninsured Crop Disaster Assistance Program), acreage reports are to be certified by the July 15th deadline for spring planted crops with the exception of August 15<sup>th</sup> for Processing Beans.

Acreage reports on crops covered by NAP are dictated by the specific covered crop, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported. Check with your local FSA office.

## 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.

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.

Guaranteed loans have a maximum limit of \$1,302,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,602,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan.

To find out more about FSA loan programs, contact the county office staff

## Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by **Aug. 1** for farms enrolled in specific programs.

The following are the different methods used when doing a farm recon:

**Estate Method** — The division of bases, allotments and quotas for a parent farm among heirs in settling an estate

**Designation of Landowner Method** — May be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding

**DCP Cropland Method** — The division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract

**Default Method** — The division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

## Banking Changes?

If you changed banks and did not notified FSA, your payment could be delayed. Payments are electronically transferred into your bank account, if we are not aware of changes to your account and routing numbers, there could be problems. In order to make timely payments, you need to notify the office if you close your account or if another financial institution purchases your bank. It is important that any changes in a producer's account such as type account, bank mergers, routing number or account numbers, be provided to the county office promptly to avoid possible payment delay.

## Sodbusting

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in Farm Service Agency programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If Natural Resources Conservation Service indicates that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage before bringing land into production.

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



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

## Loans for the Socially Disadvantaged

FSA has farm operating loans as well as loans to purchase or improve farms or ranches to assist applicants to begin or continue in agriculture production. While all qualified producers are eligible to apply for these loan programs, FSA has priority funding for socially disadvantaged applicants.

A socially disadvantaged applicant is a person who is a member of a group that has been subjected to racial, ethnic or gender prejudice without regard to the members' individual qualities. For purposes of this program, socially disadvantaged groups are women, African-Americans, American Indians, Alaskan Natives, Hispanics, Asian-Americans and Pacific Islanders. FSA loans are available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Selected Interest Rates for June 2013	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.250%
Farm Ownership - Direct	3.375%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency	2.250%
Farm Storage Facility – 7 year	1.250%
Farm Storage Facility – 10 year	1.750%
Farm Storage Facility – 12 year	2.000%
Sugar Storage Facility	2.250%
Commodity Loans 1996-Present	1.125%

Dates to Remember	
June 7	SURE Applications accepted for 2011 losses
June 17	COC Nominations Open
Aug. 1	Last Day to File COC Nominations
Aug. 2	DCP Sign-up Ends
Nov. 4	COC Ballots Mailed to Eligible Voters
Dec. 2	Last Day to Return COC Ballots