



# NEWSLETTER



July 2013

Tennessee  
FSA Office

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Director

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

State Staff

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## COC Nomination Deadline

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

The sign-up period for DCP is coming to a close. Producers are encouraged to sign up for DCP before the Aug. 2, 2013, deadline. The sign-up period for ACRE ended June 3, 2013.

The 2013 DCP program provisions are unchanged from 2012, except that who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013.

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

## Crop 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 15 deadline for spring planted crops with the exception of August 15 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.

## Disaster Assistance

The Farm Service Agency would like to remind crop and livestock producers that have recently experienced severe damage from flooding, wildfires and tornadoes that FSA programs are available to assist with recovery.

We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit their local FSA county office so they get a quick start in the recovery process.

Fact sheets for all of these programs can be found at the disaster assistance program page <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=landing>.

## Filing for NAP Losses

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

## Farm Safety

Summer is an exciting and hectic time on Tennessee farms. FSA employees care about their customers, and want to remind them to practice farm safety.

Remember to walk around machinery and check shields and guards; make sure the PTO's master shield is in place; make sure Slow Moving Vehicle signs are on machinery.

If taking medicine, take it at the appropriate time and eat on schedule.

If working in grain bins know that flowing grain can kill, and it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped. Try not to work alone in bins or confined spaces, and if that's not possible let someone know where you are by checking in regularly by cell phone.

The American Society of Safety Engineers (ASSE) offers the following safety tips for farmers:

1. Educate yourself on farm equipment. Read and follow instructions according to the equipment's manuals about safety.
2. Conduct regular equipment inspections.
3. Don't wear loose clothing while entering confined spaces such as grain bins, silos and hoppers as this can prevent entanglements.
4. Install Rollover Protective Structures (ROPS) on tractors.
5. Use seat belts while operating tractors with a ROPS. Do not allow additional passengers on the tractor with you.
6. While operating tractors and other farm equipment, be very cautious on rural roadways.
7. Use protective gear when operating machinery: Be familiar with hazardous chemicals. Take extra precaution when handling chemicals such as anhydrous

ammonia, carbon dioxide, methane gas and hydrogen sulfide.

8. Consistently educate your family and co-workers about safety practices, especially children.

## Foreign Landowner Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program.

Foreign individuals who have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property.

County government offices, real estate agents, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## Compliance Spot Checks

Compliance spot checks will be conducted on 2013 crops. Instead of locally selecting farms, contracts, and deficiency loans, for review, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in the Conservation Reserve Program, Direct and Counter-Cyclical Program, Loan Deficiency Program or other relevant program.

For more information about the spot check selection procedure, contact a local Farm Service Agency office.

## Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

## Highly Erodible Lands and Wetland Compliance

Producers participating in most programs administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) are required to abide by certain conditions on any land owned or farmed that is highly erodible or that is considered a wetland.

To be in compliance with the highly erodible land conservation and wetland conservation provisions, producers must agree, that they will not:

- Produce an agricultural commodity on highly erodible land without a conservation system;
- Plant an agricultural commodity on a converted wetland;
- Convert a wetland to make possible the production of an agricultural commodity.

Producers planning to remove fence rows, convert woodlots to cropland, combine crop fields, divide a crop field into two or more fields, install new drainage, or improve or modify existing drainage, must notify the FSA and update Form AD-1026. FSA will notify NRCS and NRCS will then provide highly erodible land or wetland technical determinations.

To get additional information on highly erodible land and wetland conservation compliance contact the FSA office or the NRCS office at a local USDA Service Center. Additional information about conservation programs offered by FSA can be found online at [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation), and information on NRCS programs can be found at [www.nrcs.usda.gov](http://www.nrcs.usda.gov).

## 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.

## Microloan Program

The Farm Service Agency (FSA) developed the Microloan program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with a Loan Approval Official.

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



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### Guaranteed Loan Program

The Farm Service Agency loan limit for the Guaranteed Loan Program has increased to \$1,302,000. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness has increased to \$1,602,000.

As a reminder, 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.

Producers should contact their local FSA County Offices with questions about farm loans.

Selected Interest Rates for July 2013	
90-Day Treasury Bill	%
Farm Operating - Direct	%
Farm Ownership - Direct	%
Limited Resource	%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	%
Emergency	%
Farm Storage Facility – 7 year	1.500%
Farm Storage Facility – 10 year	2.125%
Farm Storage Facility – 12 year	2.375%
Sugar Storage Facility	2.625%
Commodity Loans 1996-Present	1.125%

Dates to Remember	
July 18	TN Small Farm Expo at TSU
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