



# NEWSLETTER



October 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

Frank Rodgers  
Chief, Farm Loans

David Sweany  
Chief, Farm Programs

Tyeisha Samples  
Administrative Office

## 2013 County Committee Elections

Watch your mailbox for your official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters on Nov. 4, 2013. If for some reason you don't receive a ballot, feel free to notify the county FSA office.

Completed and signed ballots must be returned to the county office by close of business on Dec. 2, 2013.

## Increased Guaranteed Loan Limit

The Farm Service Agency has announced that the loan limit for the Guaranteed Loan Program will increase to \$1,355,000 on Oct. 1, 2013. 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 will also increase to \$1,655,000.

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.

## 2013 Reporting of Fall Seeded Crops

All producers are reminded that the acreage reporting date for 2014 fall seeded crops is Dec. 15, 2013. This applies to all fall seeded crops including winter wheat. Please call your local FSA office for an appointment to timely certify your wheat crop.

## FSA Issues CRP, DCP and ACRE Payments

FSA has begun distributing Conservation Reserve Program (CRP) annual rental payments to participants across the country. FSA also will distribute 2013 direct payments and 2012 Average Crop Revenue Election (ACRE) program payments beginning Oct. 24. Payments originally were scheduled to be issued earlier in the month, but were delayed by several weeks due to the lapse in Federal funding.

## Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H Clubs, FFA and other agricultural groups.

Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience.

The maximum loan amount is \$5000. For more information you can stop by your FSA county office. Our staff can help with preparing and processing the application forms.

## **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 operation 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 and that begins with putting safety first.

## **Farm Storage Facility Loan Program**

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

For more information about FSFL please visit your FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

## **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 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 also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation 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 administrative actions, 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.

## **Beginning and Limited Resource Loans**

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 than 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.

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).

## **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.

## **Loans for the Socially Disadvantaged**

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Farm operating loans are available as well as loans to 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.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

## **Electronic Services Available**

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 [www.eauth.egov.usda.gov/](http://www.eauth.egov.usda.gov/) followed by a visit to the county office for identity verification.

If you would like assistance establishing your account, just contact your local USDA Service Center.

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



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

## GovDelivery

The USDA Farm Service Agency offices are moving toward a paperless operation.

Producers are asked to enroll in the new GovDelivery system which will provide notices, newsletters and electronic reminders instead of a hard copy through the mail.

FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email will help conserve resources and save taxpayer dollars.

County Committee ballots will continue to be mailed to all eligible producers.

Producers can subscribe to receive free e-mail updates by going to <http://www.fsa.usda.gov/subscribe>.

Selected Interest Rates for October 2013	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.875%
Farm Ownership - Direct	4.125%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency	2.875%
Farm Storage Facility – 7 year	2.275%
Farm Storage Facility – 10 year	2.875%
Farm Storage Facility – 12 year	3.000%
Sugar Storage Facility	3.250%
Commodity Loans 1996-Present	1.125%

Dates to Remember	
Nov. 4	COC Ballots Mailed to Eligible Voters
Nov. 15	NAP Purchase Deadline for Apples, Blueberries, Caneberries, Grapes and Peaches
Dec. 1	NAP Purchase Deadline for Honey
Dec. 2	Last Day to Return COC Ballots
Dec. 15	Fall Planted Small Grain Certification Deadline