



NEWSLETTER



November 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

County Committee Voting Begins

Ballots for this year's county committee election will be mailed to eligible voters on Nov. 4, 2013. Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on Dec. 2, 2013. If mailed, ballots must be postmarked by midnight Dec. 2, 2013.

The candidates in this year's election are nominated in Local Administrative Areas within each FSA County Office jurisdictions, to serve as committee members.

Eligible voters in a local administrative area who have not received a ballot should contact the local FSA county office staff.

2014 Reporting of Fall Seeded Crops

All producers are reminded that the acreage reporting date for fall seeded crops has changed, beginning with the crop planted for 2014 harvest. The new acreage reporting date is Dec. 15, 2013. This applies to all fall seeded crops including winter wheat. Please call for an appointment to certify your wheat crop.

Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producers name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

FSA Makes Payments

FSA has started issuing Conservation Reserve Program (CRP) annual rental payments to participants across the country. CRP payments will be followed by 2013 Direct and Counter-cyclical Payments and 2012 Average Crop Revenue Election (ACRE) program payments beginning Oct. 24. These payments were delayed by several weeks due to the lapse in Federal funding.

ACRE payments for 2012-crop barley, corn, grain sorghum, lentils, oats, peanuts, dry peas, soybeans, and wheat are scheduled to be released beginning Oct. 24. ACRE payments are contingent upon national average market prices and yields in Tennessee. Only those farms that participated in the 2012 ACRE program and met both the state and farm trigger will be eligible for payment. ACRE payments for upland cotton are scheduled to be made in early November, after the 2012/13 average market year price is published in the Agricultural Prices publication scheduled to be released on October 31.

ACRE payments for 2012 large chickpeas, small chickpeas, canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame, and sunflowers are scheduled to be made in early December and for long grain rice and medium and short grain rice in early February 2014 when the final 2012/13 market year average price data becomes available. ACRE payments are contingent upon national average market prices and yields in Tennessee. Only those farms that participated in the 2012 ACRE program and met both the state and farm trigger will be eligible for ACRE payment.

The 2008 Farm Bill, extended by the American Tax Payer Relief Act of 2012, provided authority to enroll land in DCP, ACRE and CRP through Sept. 30, 2013; however, no legislation has been enacted to reauthorize or extend this authority. Effective Oct. 1, 2013, FSA does not have legislative authority to approve or process applications for these programs.

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. 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. 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 result in liquidated damages, calling the loan and denial of future farm-stored loans.

FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

Increased Guaranteed Loan Limit

The loan limit for the Guaranteed Loan Program increased 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.

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.

Changing Banks

Almost all Farm Service Agency payments are made electronically using direct deposit.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to insure continued uninterrupted service.

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.

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

Selling Land

If you plan on selling farmland, you should be aware of several consequences associated with FSA programs. For example, if you're planning to sell land that's enrolled in the Conservation Reserve Program, the buyer must agree to continue the enrollment. If the buyer doesn't want to continue the CRP contract, you might have to refund all of the payments you've received to date.

Reviewing program implications with your local Farm Service Agency staff before completing a sale of farmland is always a prudent precaution.

Farm Reconstitutions

When changes in farm 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.

The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-Cyclical Program.

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.

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



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

NAP Coverage Deadlines

Noninsured Crop Disaster applications are due at different times according to the crop being insured. Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee **MUST** be filed by the crop sales closing date. Contact your local FSA office for the filing dates for your crops.

Selected Interest Rates for November 2013	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	2.125%
Farm Ownership - Direct	4.250%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency	3.125%
Farm Storage Facility – 7 year	2.000%
Farm Storage Facility – 10 year	2.625%
Farm Storage Facility – 12 year	2.875%
Sugar Storage Facility	3.125%
Commodity Loans 1996-Present	1.125%

Dates to Remember	
Nov. 4	COC Ballots Mailed to Eligible Voters
Nov. 11	Veterans Day, a Federal Holiday
Nov. 28	Thanksgiving, a Federal Holiday
Dec. 2	Last Day to Return COC Ballots