



Texas FSA Today

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An Online Monthly Newsletter Covering the Hottest Topics in Federal Farm Programs

AGRICULTURE SECRETARY VILSACK ANNOUNCES PROCESS TO RESOLVE DISCRIMINATION CLAIMS OF HISPANIC AND WOMEN FARMERS

As part of continued efforts to close the chapter on allegations that discrimination occurred at USDA in past decades, Agriculture Secretary Tom Vilsack and Assistant Attorney General Tony West today announced the establishment of a process to resolve the claims of Hispanic and women farmers and ranchers who assert that they were discriminated against when seeking USDA farm loans.

The claims process offers a streamlined alternative to litigation and provides at least \$1.33 billion in compensation, plus up to \$160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. This announcement follows the Obama Administration's settlement of longstanding litigation brought by African American farmers and Native American farmers.

In conjunction with this announcement, USDA is launching an outreach effort to potential claimants that will include a call center for farmers and ranchers, a website, public service announcements, and in-person meetings around the country. Individuals interested in participating in the claims process may register to receive a claims package, or may obtain more information, by visiting www.farmerclaims.gov. Beginning February 25, 2011, individuals can register to receive a claims package by calling the Farmer and Rancher Call Center at 1-888-508-4429. USDA cannot provide legal advice to potential claimants. Persons seeking legal advice may contact a lawyer or other legal services provider.

USDA-FSA TO HOST FOUR WEBINARS ON HISPANIC AND WOMEN FARMER AND RANCHER CLAIMS PROCESS

FSA is hosting four webinars to discuss the USDA Hispanic and Women Farmer

and Rancher Settlement Claims Process and current FSA loan programs. These webinars are scheduled for June 30th, July 14th, July 28th and August 11th at 7:00 PM.

The interactive webinars will provide an overview of the USDA Hispanic and Women Farmer and Rancher Claims Process as well as FSA farm loan program updates. Farm loan program topics to be discussed include interest rates, terms, and eligibility and security requirements.

The webinars are free and open to the first 100 participants who register. The webinars are intended as forums to discuss the general plan for the claims process and FSA webinar hosts will not be able to discuss the details of any individual claim during the course of the webinars.

To view the webinar schedule and register, please go to www.fsa.usda.gov/Internet/FSA_File/tx_hwwebinar_2011.pdf.

For more information regarding the USDA Hispanic and Women Farmer and Rancher Claims Process and FSA Lending Program webinars, please contact Eddie Trevino in the Texas State FSA Office at (979) 680-5221 or via email at eddie.trevino@tx.usda.gov.

COUNTY COMMITTEE (COC) NOMINATIONS:

Since COC elections happen only once a year, here is an election refresher. For election purposes, counties are divided into local administrative areas, or LAAs. Each LAA selects one producer to serve a three-year term on the Farm Service Agency county committee. Each year, an election is held in an LAA to replace the committee member whose three year term is expiring. In counties with three LAAs, one seat is up for election. In combined counties in some years, two seats may be up for election.

Nominations:

Producers who are residents in the LAA holding the election and who participate or cooperate in an FSA program and are of legal voting age may be nominated to serve on the county committee. Individuals may nominate themselves or others as candidates. Also, organizations representing socially disadvantaged farmers or ranchers may also nominate candidates. The nomination form, FSA-669A, is available at the county office or may be downloaded online at www.fsa.usda.gov. To be valid, the nomination form must be signed by the person being nominated, indicating agreement to serve if elected. The completed nomination form must be returned to the county office by the close of business on Aug. 1, or postmarked by midnight Aug. 1, 2011.

USDA AUTHORIZES EMERGENCY GRAZING OF CRP ACRES FOR 76 TEXAS COUNTIES

Emergency grazing of land enrolled in CRP has been authorized for the following counties: Armstrong, Bailey, Baylor, Borden, Briscoe, Brown, Calahan, Carson, Castro, Cochran, Coke, Coleman, Collingsworth, Concho, Cottle, Crosby, Dallam, Deaf Smith, Dickens, Donley, Duval, Fisher, Floyd, Foard, Frio, Gaines, Garza, Gray, Hale, Hall, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hidalgo, Hill, Hockley, Howard, Jones, Kent, King, Kinney, Knox, Lamb, LaSalle, Lipscomb, Lynn, Martin, Maverick, Medina, Mitchell, Motley, Nolan, Ochiltree, Oldham, Parmer, Pecos, Potter, Randall, Roberts, Rannels, Scurry, Shackelford, Sherman, Starr, Stonewall, Swisher, Taylor, Terrell, Terry, Tom Green, Uvalde, Wheeler, Wilbarger and Yoakum Counties. Grazing time periods vary by county; please contact your local FSA office to determine the emergency grazing duration approved for your respective county.

Grazing end dates differ between counties depending on the date approval was granted under either the National FSA Office or Texas FSA State Committee authority.

No haying of CRP acres is allowed at this time. Additionally, there will be a 25 percent CRP payment reduction for CRP acres used for grazing under these emergency provisions.

To take advantage of the emergency grazing provisions, authorized producers can use the CRP acreage for their own livestock or may grant another livestock producer use of the CRP acreage. Eligible CRP acreage is limited to those acres located within the approved counties.

USDA REMINDS PRODUCERS TO FILE ADJUSTED GROSS INCOME CONSENT FORMS WITH THE IRS

In order to receive USDA program payments, each payment recipient must have an Adjusted Gross Income (AGI) verification consent form on file with the Internal Revenue Service (IRS).

The consent form authorizes IRS to verify for FSA whether a payment recipient's AGI meets the eligibility requirements for FSA programs. The form became a requirement for payment eligibility beginning with the 2009 crop year, however many program participants have not complied with this requirement.

IRS and USDA reports show that, nationwide, FSA is still missing the required consent forms from many producers for 2009 and 2010. To avoid an interruption of program payments, producers need to turn these forms in to the IRS immediately if they have not done so already.

Individuals must submit form CCC-927 and legal entities must submit form CCC-928. Without these forms on file, producers will not receive USDA program payments.

These consent forms are required for payments received from the Natural Resources Conservation Service (NRCS) as well as those received through FSA. Completed forms must be returned to the IRS.

ACREAGE REPORTING

Filing an accurate and timely acreage report for all crops and land uses on cropland and non-cropland, including failed acreage, can prevent loss of benefits in a variety of programs. Producers are required to file a FSA-578 certification by the applicable final reporting date.

Conservation Reserve Program acreage must be reported to receive annual rental payments. Crop acreage for the Non-insured Crop Disaster Assistance Program (NAP) must also be reported.

Prevented Planting:

Prevented planting is to be reported no later than 15 calendar days after the final planting date. Failure to report prevented planting acreage could result in loss of benefits for the SURE program or possibly other disaster assistance programs.

Failed Acreage:

Reports of failed acreage must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

SURE SIGNUP

Signup for the 2009 Supplemental Revenue Assistance Program (SURE) ends July 29, 2011. SURE provides benefits for 2008 - 2011 crop year farm revenue losses due to natural disasters.

A farm enrolled in SURE may be eligible for benefits when either:

- farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.
- any farm in which, for the crop year, the actual production of the farm because of disaster related conditions is less than 50% or less than normal production of the farm.

DISASTER ASSISTANCE

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

FSA administers several important programs that help producers recover from disaster damage and livestock deaths. Among the key programs available to address impacts from disasters are the Emergency Conservation Program (ECP), the Livestock Indemnity Program (LIP), Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), the Non-insured Disaster Assistance Program

(NAP) and the Supplemental Revenue Assistance Payments (SURE) Program.

Fact sheets for all of these programs can be found at www.fsa.usda.gov; click on Newsroom, then Fact Sheets.

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.

2010 ACRE PRODUCTION

CERTIFICATION DEADLINE EXTENDED

The deadline for a 2010 production certification to comply with the ACRE provisions for production reports has been extended to COB September 1, 2011. Because of this extension, using a register on September 1, 2011, is not authorized.

The extension is for completing both the farm benchmark yield (2005 through 2009) and the actual farm yield (2010).

FARM SAFETY

Summer is an exciting and hectic time on Texas farms. Be careful. Texas FSA employees care about our customers.

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

If you are 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.

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.

If DCP direct payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are

refunded.

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.

FOREIGN INVESTORS MUST REPORT U.S. AGRICULTURAL LAND HOLDINGS

Foreign investors with an interest in agricultural lands in the United States are required to report their holdings and any transactions to the U.S. Secretary of Agriculture. Any foreign person who acquires or transfers any interest, other than a security interest, in agricultural land in the United States is required by law to report the transaction no later than 90 days after the date of the transaction.

Foreign investors must file Agricultural Foreign Investment Disclosure Act (AFIDA) reports with the Farm Service Agency County Office that maintains reports for the county where the land is located. Failure to file a report, filing a late report or filing an inaccurate report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land.

For AFIDA purposes, agricultural land is defined as any land used for farming, ranching or timber production, if the tracts total 10 acres or more.

Disclosure reports are also required when there are changes in land use. For example, reports are required when land use changes from nonagricultural to agricultural or from agricultural to nonagricultural.

Foreign investors must also file a report when there is a change in the status of ownership such as owner changes from foreign to non-foreign, from non-foreign to foreign or from foreign to foreign.

FARM LOAN PROGRAMS

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.

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 that a loan can be processed and funded in a timely manner.

RURAL YOUTH LOANS

FSA 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 \$5,000.

BEGINNING FARMER & RANCHERS

FSA assists beginning farmers and ranchers 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 any loan assessment and borrower training program in production and/or financial management required by the Agency.
- Does not own farm acreage greater than 30 % of the median size farm in the county.

LOANS FOR THE SOCIALLY DISADVANTAGED

FSA has 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 targeted funding

for members of Socially Disadvantaged groups.

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 a group.

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

Readers are advised that dates for FSA programs in Texas are often county-specific. Please contact your local FSA office for detailed information pertaining to your operation.

Selected Interest Rates for July 2011	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	2.375%
Farm Ownership Loans — Direct	4.75%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans (7 yr)	2.375%
Sugar Storage Facility Loans	3.625%
Commodity Loans 1996-Present	1.125%