



Texas FSA Today

October 2011

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

HISPANIC AND WOMEN FARMERS

A process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans has been established.

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic or because you are female, you may be eligible to apply for compensation.

For additional information on this and other settlement issues contact:

- Hispanic and Women Farmer Claims Process, please visit: www.farmerclaims.gov or call 1-888-508-4429
- Pigford – The Black Farmers Discrimination Litigation, please visit: www.blackfarmercase.com or call 1-866-950-5547
- Keepseagle - The Native American Farmers Class Action Settlement please visit: www.IndianFarmClass.com or call 1-888-233-5506

CRP PAYMENTS

Conservation Reserve Program (CRP) annual rental payments and Transition Incentive Payment processing began October 3, 2011. Payments will be reduced by 25 percent for contracts that took advantage of the CRP haying or grazing provisions unless the reduction was paid in advance. Approximately 97 percent of the payments have been issued nationwide.

NAP CLOSING DATE

The NAP application closing date for 2012 grazing and forage/hay on native and improved grass is Dec. 1, 2011.

2011 DCP FINAL PAYMENTS

DCP payments for 2011 participants will be issued after Oct. 7, 2011. These payments will be deposited directly into participating producers' personal bank accounts.

If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the October Direct and Counter-Cyclical Program payments.

2012 DCP SIGN-UP

Enrollment for the 2012 Direct and Counter-Cyclical Program (DCP) will start on January 23, 2012 and continue through June 1, 2012. Producers can make use of the eDCP automated website to sign up, or they can visit the FSA office to complete their 2012 DCP contract. Advance payments are not authorized for 2012.

Eligible producers receive direct payments at rates established by statute regardless of market prices.

NEW AGI FORM FOR 2012

On September 28, 2011, FSA started using CCC-931 "Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information" for all 2009, 2010, 2011 and 2012 programs that are subject to AGI compliance. FSA will no longer accept CCC-926, CCC-927, or CCC-928 for any program. The new form is a combination of the Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information forms previously used by FSA.

Form CCC-931 is available at your local FSA office or online at <http://intranet.fsa.usda.gov>. Producers can print and mail the form to their local FSA office. FSA employees will review the form for accuracy before forwarding it to the IRS. If CCC-931 is incomplete, the producer will be notified and correc-

tions will be completed prior to FSA forwarding it to the IRS. Producers with FSA-211, "Power of Attorneys" will not be allowed to use the FSA-211 to complete the CCC-931.

LIVESTOCK FORAGE DISASTER PROGRAM

The Livestock Forage Disaster Program (LFP) provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought conditions or fire on federally managed land.

Eligible livestock producers may receive assistance for eligible livestock grazing losses that occurred due to drought or fire before Oct. 1, 2011.

In order for an LFP applicant to qualify for program benefits, the applicant must have purchased insurance coverage through FSA's Noninsured Crop Disaster Assistance Program (NAP) or the Pasture, Rangeland and Forage Insurance-Rainfall Index for Grazing (PRF-RI) program offered through the Risk Management Agency (RMA).

Producers who meet the requirements of a socially disadvantaged, limited resource, or beginning farmer or rancher, as defined in the Food, Agriculture, Conservation, and Trade Act of 1990, Section 2501 (e) (7 U.S.C. 2279(e)), do not have to meet this Risk Management Purchase Requirement (RMPR).

For 2011, sign-up applications must be filed no later than 30 calendar days after the end of the calendar year in which the grazing losses occurred. Losses must occur in the calendar year the application is being filed.

Additional Information about LFP including eligible livestock and fire criteria is available at county FSA offices or online at www.fsa.usda.gov.

FARM STORAGE FACILITY LOAN PROGRAM

The Farm Storage Facility Loan (FSFL) program 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 required to provide a minimum 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. If a participant provides 20% or greater down payment, then the requirement for a severance agreement for loans under \$50,000 will be waived. 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 not to exceed \$250,000.

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.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

FEED LOSS ASSISTANCE FOR LIVESTOCK PRODUCERS AFFECTED BY WILDFIRES

Producers who have suffered feed losses due to wildfires that occurred 90 days after triggering for the Livestock Forage Disaster Program (LFP), but before September 30, 2011, could be eligible for payment under the 2011 Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish Program (ELAP).

In order to meet ELAP eligibility requirements producers must have a 2011 insurance policy equal to at least the catastrophic level of coverage or have Noninsured Crop Disaster Assistance Program (NAP) coverage for each crop planted on the farm, excluding grazing acreage. Farmers and ranchers who meet the definition of a socially disadvantaged, limited resource or beginning farmer or rancher do not have to meet this requirement.

A qualifying loss under ELAP includes the loss of purchased forage or feedstuffs or the loss of mechanically harvested forage or feedstuffs. Producers who incur additional costs for providing or transporting feed to eligible livestock because of wildfire are also eligible. Producers who purchase additional feed, above normal quantities, in order to maintain eligible livestock during wildfires, until additional feed becomes available are also eligible for ELAP benefits.

Producers with a qualifying loss must provide their local FSA office with the total number of livestock, number of acres in their operation, number of acres burned and receipts for purchased feed that was destroyed in the wildfire.

Producers who suffered a qualifying loss must file a notice of loss and application within 30 days of when the loss is apparent, but no later than October 31, 2011. Legislative authority for ELAP expires on September 30, 2011.

PRODUCERS CAN SIGN UP FOR USDA WILDFIRE ASSISTANCE DESPITE PROGRAM BACKLOG

Several FSA county offices are accepting Emergency Conservation Program (ECP) applications to restore permanent fences destroyed by wildfires.

FSA is accepting applications in eligible counties, but there is currently a backlog for ECP funds. Producers are still encouraged to submit an application and will be notified as funds become available.

It is normal procedure for producers to submit their requests for ECP assistance prior to beginning reconstructive work. Completing reconstructive work before submitting an ECP request would usually result in forfeiture of program eligibility.

Because of the backlog, FSA district directors have the authority to waive the start date for beginning reconstructive work on a case-by-case basis. Approval to waive the start date would allow producers to begin repairing fences before ECP funds are secured without jeopardizing program eligibility.

Conservation problems that existed before the disaster are not eligible for ECP assistance. ECP program participants can receive financial assistance for up to 75 percent of the cost to implement approved emergency conservation practices.

To find out if your county is accepting ECP applications or to request a start date waiver, please contact your local FSA office.

COUNTY COMMITTEE ELECTIONS

Watch your mailbox for the official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters starting Nov. 4, 2011. If for some reason you don't receive a ballot, feel free to notify the county FSA office.

Completed and signed ballots are due back in the county office by the close of business on Dec. 5, 2011.

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 aspects 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

ACREAGE SPOT CHECK DETERMINATIONS AND NOTIFICATION

Each year the Farm Service Agency completes spot checks of acreage reports. Acreage reports are an integral part of farm program participation. Acreage spot checks are completed to ensure accurate acreage reports are used in farm program computations.

FSA will conduct spot checks on a selected number of farms in each state. All acreage determinations will be completed using the FSA Geographic Information System official acreages.

After farms are spot checked, a Notice of Determined Acreage will be sent to the farm operator. Producer notifications will be issued by FSA as spot checks are completed. Questions concerning determined acres should be directed to your local FSA office for further explanation.

MARKETING ASSISTANCE LOANS

A Marketing Assistance Loan (MAL) is available to producers who share in the risk of producing a 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.

Section 1291 of the Department of Defense and Full-Year Continuing Appropriations Act of 2011 does not authorize funding to provide nonrecourse MALs for mohair for the remainder of FY 2011. Effective April 14, 2011, County Offices are no longer authorized to accept requests for mohair marketing assistance loans and loan deficiency payments.

FARM LOAN PROGRAM GUARANTEED LOAN LIMIT INCREASES

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are a current guaranteed loan customer or if your current lender is considering an FSA loan guarantee, increased limits might help you meet your financing needs.

The combined loan limits for guaranteed farm operating and guaranteed farm ownership loans has increased to \$1,214,000 starting on Oct. 1, 2011. For producers with existing or proposed direct FSA loans, this makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans has also increased from 1 percent to 1.5 percent of the guaranteed portion of the loan, for loans obligated after Oct. 1, 2011.

To find out more about FSA loan programs, contact your local FSA office.

EMERGENCY FARM LOANS

On June 24, 2011, the Secretary of Agriculture designated all 254 counties in Texas eligible for Emergency Farm Loan assistance due to drought, excessive heat, high winds and/or wildfires.

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine.

Loan Uses:

Emergency loan funds may be used to:

- Restore or replace essential property;

- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

Further information and applications for the loan programs described are available at local FSA county offices.

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 AND LIMITED RESOURCE 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.

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 <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.

MOST TEXAS FARM SERVICE AGENCY LOANS REQUIRE CURRENT LIVESTOCK BRAND REGISTRATION

Livestock brand re-registration started on August 31, 2011 and ends February 29, 2012. All livestock producers who have a brand recorded in the county clerk's office must re-register their brand in the county in which the livestock are located in order for the brand to remain valid. After the re-registration period is over, any previously recorded brands that were not re-registered will expire and become available to the public.

Producers who obtain FSA direct or guaranteed loans and pledge their cattle as collateral are typically required to have a registered brand that is recorded with the county clerk. This condition must be met as long as the loan is outstanding.

It is the producer's responsibility and a condition of most livestock operation loans to have your livestock brand recorded. Questions regarding a livestock producer's specific FSA loan conditions should be directed to their local FSA farm loan manager.

Brand applications can be found at: <http://www.tscra.org/brands/application.pdf>. Producers who have obtained FSA credit should provide their local FSA farm loan manager with a copy of their current brand registration.

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.

Dates to Remember	
Oct. 10	Columbus Day Holiday
Nov.	County committee ballots mailed to voters
Nov. 11	Veterans Day Holiday
Nov. 24	Thanksgiving Day Holiday

Selected Interest Rates for October 2011	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.75%
Farm Ownership - Direct	4.25%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	3.75%
Farm Storage Facility (7 years)	1.50%
Sugar Storage Facility	2.625%
Commodity Loans 1996-Present	1.125%