



## Texas FSA Today

April 2012

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: [www.farmerclaims.gov](http://www.farmerclaims.gov) or call 1-888-508-4429
- Pigford – The Black Farmers Discrimination Litigation: [www.blackfarmercase.com](http://www.blackfarmercase.com) or call 1-866-950-5547
- Keepseagle – The Native American Farmers Class Action Settlement: [www.IndianFarmClass.com](http://www.IndianFarmClass.com) or call 1-888-233-5506

### CRP SIGNUP EXTENDED TO APRIL 13, 2012

The sign-up deadline for the Conservation Reserve Program (CRP) has been extended to April 13, 2012.

Contracts awarded under this sign-up are scheduled to become effective Oct. 1, 2012. Additionally, current CRP participants with contracts expiring this fall may make new contract offers.

FSA will evaluate and rank eligible CRP offers using an Environmental Benefits Index (EBI) that shows the wildlife, water, soil, and air benefits

of enrolling the land in CRP. Decisions on the EBI cutoff will be made after the sign-up ends and after analyzing the EBI data of all the offers.

For more information on this and other programs contact the local FSA office in a USDA Service Center near you.

### EQUINE OPERATIONS NOW ELIGIBLE FOR EMERGENCY LOANS

Equine operations whose primary enterprise is to breed, raise and sell horses are now eligible for loan assistance under FSA's emergency loan program. Emergency loans are part of the farm safety net that will assist eligible producers who suffer losses due to drought, flooding, quarantine or other natural disasters.

Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year (the calendar year in which the disaster occurred);
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

Emergency loans can be made to farmers and ranchers who own and operate land in a county or contiguous county declared by the President or designated by the Secretary of Agriculture as a disaster area. Producers can borrow up to 100 percent of actual production or physical losses up to a maximum of \$500,000. Terms of the loans include an interest rate

of 3.75 percent and repayment over a period of one to 40 years depending on the nature of the loss and the collateral available to secure the loan.

### NEW CONTINUOUS CRP INITIATIVE

FSA announced a new conservation initiative to protect up to 750,000 acres of the nation's most highly erodible croplands. This initiative will assist producers with targeting their most highly erodible cropland (land with an erodibility index of 20 or greater) by enabling them to plant wildlife-friendly, long-term cover through the Conservation Reserve Program (CRP).

Producers can enroll land on a continuous basis beginning this summer at their local Farm Service Agency (FSA) county office. With the use of soil survey and geographic information system data, local FSA staff can quickly determine a producer's eligibility for the initiative.

Producers are encouraged to contact their local FSA office or visit FSA's website at [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp) for additional information regarding CRP.

### 2012 DCP/ACRE SIGN-UP

2012 Direct and Counter-Cyclical Program (DCP) enrollment started Jan. 23, 2012 and will end June 1, 2012. Here are some IMPORTANT REMINDERS:

- All producers with an interest in DCP base acres must be included on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.
- All producers receiving a share greater than zero on the DCP/ACRE contract must sign the contract no later than June 1, 2012.

Changes on the farm after enrolling June 1st in DCP/ACRE must be reported to your local FSA office such as:

- Ownership changes
- Producer changes (Individuals and Entities)
- Change in crop shares arrangements

Note: Changes cannot be made after Sept. 30, 2012.

### **SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM (SURE)**

The sign-up for 2010 losses runs through June 1, 2012.

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that occurred during the 2010 crop year. SURE is available to eligible producers on:

- 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 on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

### **CASS-MARION COUNTY ECP SIGN-UP STARTS APRIL 9TH**

Cass-Marion County is approved to accept applications for the Emergency Conservation Program (ECP) to address damages from 2011 wildfires. ECP sign-up will begin on April 9, 2012, and end on May 9, 2012.

At this time, Cass and Marion County have not received a dollar allocation. If funds become available, the county committee will approve applications for cost-share assistance.

ECP is administered by FSA to assist producers with the cost of recovery activities required to restore the agricultural land to pre-disaster conditions. Producers who sustained damage from the 2011 wildfires are encouraged to submit their request for assistance prior to beginning reconstructive work. Submitting a

request after completing qualified reconstructive work may result in forfeiture of program eligibility.

For more ECP information, please contact your local FSA office.

### **EFRP ASSISTANCE AVAILABLE FOR 16 COUNTIES**

In Texas, 16 counties were approved to implement the Emergency Forest Restoration Program (EFRP) for damages caused by drought and wildfire. EFRP provides payments to eligible owners of nonindustrial private forest (NIPF) land in order to carry out emergency measures to restore land damaged by a natural disaster.

The following counties were approved for EFRP assistance: Anderson, Bastrop, Cass, Cherokee, Gregg, Grimes, Harrison, Houston, Leon, Marion, Nacogdoches, Rusk, Smith, Trinity, Upshur and Walker.

At this time, a dollar amount has not been allocated to the counties; fund allocations will be announced after the conclusion of the sign-up period. All counties will conduct EFRP sign-up from April 9, 2012, to April 29, 2012.

Land eligibility will be determined by the local county committee after completion of an on-site inspection that assesses the type and extent of the damage. In order to meet eligibility requirements, NIPF land must:

- Have existing tree cover (or had tree cover immediately before the natural disaster occurred and is sustainable for growing trees) and,
- Be owned by any nonindustrial private individual, group, association, corporation or other private legal entity, that has definitive decision-making authority over the land.

The natural disaster must have also resulted in damage that if untreated would impair or endanger the natural resources on the land and/or materially affect future use of the land. Please contact your local FSA office for eligibility details.

### **MILC PROGRAM REQUIREMENTS REMINDER**

Dairy producers must meet program requirements in order to maintain eligibility in the event that prices drop

and trigger a MILC payment.

To maintain program eligibility, MILC participants must notify their local FSA office of any operation changes, such as a change in producer, shares, address or bank routing number. In order for dairy producers to receive a MILC payment, they must meet adjusted gross income (AGI) requirements by completing, "CCC-931 - AGI Certification and Consent to Disclosure of Tax Information."

Dairy producers who want to enroll in MILC must fill out, "CCC-580 - Milk Income Loss Contract" and select a start-month for which the Commodity Credit Corporation (CCC) will begin issuing payments to the dairy operation. Current dairies that participate in MILC can make changes to their start-month with certain restrictions.

Any start-month changes must be made on or before the 14th of the month before the selected MILC production start-month. The change must also be made before requesting payment and before the original MILC production start-month has passed.

Changes to the dairy operation start-month must be designated on FSA's form, "CCC-580M - Milk Income Loss Contract (MILC) Modification."

For more information about the MILC program, please contact your local FSA office or visit the web at: [www.fsa.usda.gov/tx](http://www.fsa.usda.gov/tx).

### **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>.

## REMEMBER HAY NET

Producers are encouraged to use Hay Net on the FSA website (<http://www.fsa.usda.gov/haynet>). This online service allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

## ACREAGE CERTIFICATION

Time is nearing for producers to certify their 2012 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. Reporting deadlines vary by county so please contact your local FSA office for acreage reporting deadlines for crops covered by the Noninsured Crop Disaster Assistance Program (NAP) and for small grains and other crops that are enrolled in programs other than NAP.

## ADJUSTED GROSS INCOME

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-931- "Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information" to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/efcommon/eFile-Services/eForms/CCC931.PDF>.

## 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 producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

## 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

Marketing Assistance Loans, also referred to as Commodity Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

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.

## FINAL AVAILABILITY DATES FOR MARKETING ASSISTANCE LOANS

- May 31-Cotton, Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans, Sunflower Seed

## 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.

### DIRECT AND GUARANTEED LOANS

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 have a maximum limit of \$1,214,000. 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 is 1.5 percent of the guaranteed portion of the loan.

To find out more about FSA loan programs, contact the county office staff.

### BEGINNING AND LIMITED RESOURCE LOANS

FSA has a program to assist 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 that 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.

Each member of an entity must meet

the eligibility requirements. Loan approval is not guaranteed.

Additional program information, loan applications, and other materials are available at the local USDA Service Center or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) and [www.nrcs.usda.gov](http://www.nrcs.usda.gov).

### 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's 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.

### YOUTH LOAN ELIGIBILITY REQUIREMENTS:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien;
- Be 10 years to 20 years of age;
- Comply with FSA's general eligibility requirements;
- Reside in a rural area, city or town with a population of 50,000 or fewer people;
- Be unable to get a loan from other sources;
- Conduct a modest income-producing project in a supervised program of work as outlined above;
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

### FARM RECORD CHANGES

June 1, 2011 is the deadline to provide changes to your farm records at the local FSA office for the 2011 crop year. If you are changing your operation entity type, adding or dropping cropland or farms, or adding entities to your operation, contact the FSA county office by June 1.

**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	
April 6	CRP Sign-up Deadline
April 29	EFRP Deadline
June 1	DCP/ACRE Deadline
June 1	SURE Deadline
June 1	Farm Record Changes Deadline
Continues	Continuous Conservation Reserve program

Selected Interest Rates for April 2012	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	1.25%
Farm Ownership Loans — Direct	3.375%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans — 7 yr	1.50%
Farm Storage Facility Loans — 10 yr	2.125%
Farm Storage Facility Loans — 12 yr	2.375%
Sugar Storage Facility Loans	2.625%
Commodity Loans	1.125%