



Texas FSA Today

October 2012

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

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 starting on November 5, 2012. If, for some reason, you don't receive a ballot, feel free to notify your local FSA office.

Completed and signed ballots will be due back in the county office by the close of business on December 3, 2012.

NEW ACREAGE REPORTING DATES

Producers are reminded that new acreage reporting dates are in effect for the 2013 crop year. Filing an accurate and timely acreage report for all crops and land uses, including failed acreage, can prevent the loss of FSA program benefits. Prevented planted acreage must be reported no later than 15 calendar days after the final planting date for the applicable crop. Failed acreage must be filed within 15 days of when the loss becomes apparent.

Most acreage reporting deadlines are county specific. Please contact your local FSA Office to learn more about acreage reporting dates in your county.

NAP CLOSING DATES

Several crops have a NAP sales closing date of December 1, 2012. Since December 1st falls on a Saturday, producers will have until Monday, December 3rd to purchase NAP coverage. Please contact your local FSA office for questions regarding NAP sales closing dates.

INCREASED GUARANTEED LOAN LIMIT

The Farm Service Agency has announced that the loan limit for the Guaranteed Loan Program increased to \$1,302,000 on October 1, 2012. 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 increased to \$1,602,000.

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.

USDA ANNOUNCES DISASTER ASSISTANCE SIGN-UP FOR 2011 CROP LOSSES

Producers can enroll in the Supplemental Revenue Assistance Payments (SURE) program for 2011 crop year losses beginning Oct. 22, 2012. Under the 2008 Farm Bill, SURE authorizes assistance to farmers and ranchers who suffered crop losses caused by natural disasters occurring through Sept. 30, 2011.

All eligible farmers and ranchers must sign up for 2011 SURE benefits before the June 7, 2013 deadline.

During 2011, all Texas counties received a Secretarial Disaster Designation, whether primary or contiguous, and producers are eligible to apply for SURE benefits if they experienced

at least a 10 percent production loss that affects one crop of economic significance.

To meet program eligibility requirements, producers must have obtained a policy or plan of insurance through the Federal Crop Insurance Corporation or obtained Noninsured Crop Disaster Assistance Program (NAP) coverage for all economically significant crops. Eligible 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. Forage crops intended for grazing are not eligible for SURE benefits.

For more information on SURE program eligibility requirements contact your local FSA office or visit the website at <http://www.fsa.usda.gov/sure>.

ALL TEXAS COUNTIES ELIGIBLE FOR FSA EMERGENCY LOANS

As of July 12, 2012, the entire state of Texas was declared a disaster using the new, Fast Track Secretarial Disaster Designation process.

The disaster designation was a direct result of several program improvements announced by Secretary Vilsack on July 11, 2012. The program improvements include a streamlined Secretarial Disaster Designation, known as Fast Track, which automatically qualifies a disaster county once it is categorized as a severe drought for eight weeks according to the U.S. Drought Monitor. Other improvements include a reduced interest rate for emergency loans.

All Texas counties are eligible to apply for low-interest emergency (EM) loans. Emergency loans help producers recover from production

and physical losses due to drought, flooding and other natural disasters or quarantine. The current emergency loan interest rate is 2.125 percent.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. Emergency loan applications will be accepted through March 12, 2013, for production and physical losses.

On August 22, 2012, Secretary Vilsack announced another modification to the emergency loan program allowing them to be made earlier in the season. For example, in the past emergency loan eligibility was decided after the grazing period to determine pasture losses for livestock producers. Eligible livestock producers will no longer have to wait until the end of the grazing period to obtain a loan. This change will support producers who currently need assistance to help offset high production costs.

2012 CRP EMERGENCY GRAZING EXTENDED TO NOV. 30

The original Conservation Reserve Program (CRP) emergency grazing deadline of Sept. 30, 2012, was extended to Nov. 30, 2012. The grazing extension will help livestock producers facing forage and feed shortages as a result of drought.

Counties classified as 'D0 - abnormally dry' are eligible for CRP emergency grazing. Producers who take advantage of the emergency grazing extension will not incur an additional CRP rental payment reduction.

This extension only covers general CRP practices. The extension is not authorized for the environmentally sensitive practices of CP8A, Grass Waterway-Noneasement; CP23, Wetland Restoration; CP23A, Wetland Restoration, Non-Floodplain; CP27, Farmable Wetlands Pilot Wetland; CP28 Farmable Wetlands Pilot Buffer; CP37, Duck Nesting Habitat; and CP41 FWP Flooded Prairie Wetlands.

The emergency haying authorization expired on Aug. 31, 2012 and was NOT extended.

CHANGES TO IRS FORMS 1099-G AND 1099-MISC FOR CALENDAR YEAR 2012

In past years, IRS Forms 1099-G were issued to show all program payments received from the Farm Service Agency, regardless of the amount. For calendar year 2012, the 1099-G reporting will change.

IRS Form 1099-G (Report of Payments to Producers) will only be issued to producers whose reportable payments total \$600 or more for the calendar year. Additionally, if the producer has at least \$600 in reportable payments received from multiple FSA offices, only one Form 1099-G will be issued. Producers subject to voluntary withholding or backup (involuntary) withholding will receive the appropriate IRS form, even if combined payments are less than \$600.

The same changes will apply to producers and vendors who normally receive IRS Form 1099-MISC from FSA.

Any producer who receives less than \$600 in combined payments should consult a tax advisor to determine if these payments must be reported on their tax return.

For more information regarding IRS reporting changes, please contact your local FSA office.

LIVESTOCK PRODUCERS AFFECTED BY DISASTERS URGED TO KEEP GOOD RECORDS

Livestock producers affected by natural disasters are encouraged to keep thorough records of livestock and feed losses, including additional expenses like feed purchases due to lost supplies.

FSA recommends that owners and producers record all pertinent information of natural disaster consequences, including:

- Documentation of the number and kind of livestock that have died, supplemented if possible by photographs or video records of ownership and losses;
- Dates of death supported by birth recordings or purchase receipts;
- Costs of transporting livestock to safer grounds or to move animals to new pastures; and

- Feed purchases if supplies or grazing pastures are destroyed.

Producers are reminded that the department's authority to operate the five disaster assistance programs authorized by the 2008 Farm Bill expired on Sept. 30, 2011. This includes the Supplemental Revenue Assistance Payments (SURE) program, the Livestock Indemnity Program (LIP), the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP) program, the Livestock Forage Disaster Program (LFP) and the Tree Assistance Program (TAP). Production losses due to disasters occurring after Sept. 30, 2011, are not eligible for disaster program coverage.

2011 DCP & CRP FINAL PAYMENTS

DCP and CRP payments for 2012 participants will be issued during the first few weeks of October. These payments will be deposited directly into participating producers' personal bank accounts.

CRP and DCP payments could be affected if producers have not submitted the required Adjusted Gross Income (AGI) forms. Affected producers will need to submit the proper AGI forms before payments can be issued. In addition, producers who signed up for CRP emergency haying and grazing and did not pay in advance will notice that their annual rental payment was reduced by the acreage that was hayed or grazed.

If there are any unearned DCP payments, Commodity Credit Corporation will automatically subtract those amounts from the October Direct and Counter-cyclical Program payments you are about to receive.

For more information on CRP and DCP payments, contact your local FSA office

PRODUCERS MUST REPORT CROP LOSSES TO FSA

Producers must report crop losses resulting from a weather-related disaster event within 15 days of the disaster or when the loss first becomes apparent, this includes crops covered by crop insurance, the Noninsured Crop Disaster Assistance Program (NAP) and crops without insurance coverage. Prevented planting must be reported no later than 15 days after

the final planting date.

Crop losses are acres that were timely planted with the intent to harvest, but the crop failed because of a natural disaster. It is important that producers file accurate and timely loss reports to prevent the potential loss of FSA program benefits.

Producers who have NAP coverage will be required to report crop losses on an FSA form CCC-576 - "Notice of Loss and Application for Payment Noninsured Crop Disaster Assistance Program."

2013 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 2013 harvest. The new acreage reporting date is November 15, 2012. This applies to all fall seeded crops including winter wheat. Please call for an appointment to certify your wheat crop.

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.

HISPANIC AND WOMEN FARMER AND RANCHER CLAIMS PERIOD NOW OPEN

Agriculture Secretary Tom Vilsack today announced that Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades can file claims between September 24, 2012 and March 25, 2013.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied their applications for loan or loan servicing assistance for discriminatory reasons for certain time periods between 1981 and 2000.

As announced in February 2011, the voluntary claims process will make available at least \$1.33 billion for cash awards and tax relief payments, plus up to \$160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. There are no filing fees to participate in the program.

The Department will continue reaching out to potential Hispanic and female claimants, around the country to get the word out to individuals who may be eligible for this program so they have the opportunity to participate.

Call center representatives can be reached at 1-888-508-4429. Claimants must register for a claims package (by calling the number or visiting the website) and the claims package will be mailed to claimants. All those interested in learning more or receiving information about the claims process and claims packages are encouraged to attend meetings in your communities about the claims process and contact the website or claims telephone number.

Website: www.farmerclaims.gov

Phone: 1-888-508-4429

Claims Period: September 24, 2012 - March 25, 2013.

Independent legal services companies will administer the claims process and adjudicate the claims. Although there are no filing fees to participate and a lawyer is not required to participate in the claims process, persons seeking legal advice may contact a lawyer or

other legal services provider.

To read Secretary Tom Vilsack's entire news release issued today (9/24/12) click on the following link: <http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/09/0309.xml&contentidonly=true>

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. Additional security is required for poured-cement open-bunker silos, renewable biomass facilities, cold storage facilities, hay barns and for all loans exceeding \$100,000. 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.

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, dry beans and dry peas
- Hay
- Renewable biomass

- Fruits (including nuts) and vegetables - cold storage facilities
- Honey

For more information about FSFL please visit your FSA county office or 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.

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 \$5000.

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. The FSA staff can help you with questions you may have about a particular program.

BEGINNING FARMER 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 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
- Except for operating loan assistance, does not own farm acreage 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.

LOANS FOR 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 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 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 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.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. 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.

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. 22	SURE Sign-up Begins
Nov. 5	County committee ballots mailed to voters
Nov. 12	Veterans Day Holiday
Nov. 22	Thanksgiving Day Holiday
Nov. 30	CRP Emergency Grazing Ends

Selected Interest Rates for October 2012	
90-Day Treasury Bill	.125%
Farm Operating - Direct	1.125%
Farm Ownership - Direct	3.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	2.125%
Farm Storage Facility (7 years)	1.125%
Sugar Storage Facility	2.125%
Commodity Loans 1996-Present	1.125%