



NEWSLETTER



October 2012

**Whatcom County
Farm Service Agency**

6975 Hannegan Road
Lynden, WA 98264-9019
Phone – (360) 354-5658
Fax – (360) 354-4678

Office Hours

Mon. – Fri. 8:00 a.m. – 4:30 p.m.

County Committee

Theresa Sygitowicz, Chairperson
Dan Noteboom, Vice-Chairperson
Ajjab Chauhan, Member
Satpaul Neger, Advisor

Office Staff

Farm Programs

Ellen Medeiros, CED
Betty Snell, PT
Darcy Maldonado, PT

Farm Loans

Mark Turner, FLM
Marlene Garber, PT

Next COC Meeting

December 6, 2012 @ 9:00 am

Dates to Remember

- **SURE PROGRAM SIGN UP** –
October 22 – June 7, 2013
- **November 12** – Office closed -
Veteran's Day
- **November 22** – Office closed-
Thanksgiving Day
- **December 3** – Last date to return
ballots for COC elections
- **December 6** – Ballots counted @ 10
am
- **December 25** – Office Closed

More Information may be found at

<http://www.fsa.usda.gov/wa>

2008 Farm Bill Expiration – What Does It Mean to You?

Many programs and policies of the Farm Service Agency were authorized under the Food, Conservation and Energy Act of 2008 (2008 Farm Bill) through September 30, 2012. As of October 1, 2012, the authority or funding provided under the 2008 Farm Bill for USDA to operate a number of these programs expired. The latest information about FSA programs common in Washington State is listed below. If Congress extends all, or a portion of, the current farm bill or passes a new farm bill, the information may change.

CRP – FSA will continue to pay all Conservation Reserve Program payments for contracts approved before October 1, 2012. FSA will not hold a general CRP signup until and unless the program is re-authorized. This includes Continuous CRP, CREP and SAFE. Base acres on farms with expiring CRP contracts that required a base reduction due to CRP enrollment may be restored. See DCP/ACRE below.

DCP/ACRE - FSA is making Direct and Cyclical Payment and Average Crop Revenue Election program payments for 2012 crops. A 2013 signup will not be held until a new Farm Bill is passed or the 2008 bill is extended.

ECP – Authorization continues for the Emergency Conservation Program. In counties approved for the program, FSA is taking applications. Payments will be made if, and when, funding becomes available.

LIP/LFP/ELAP – Authorization for disaster programs covering livestock feed loss and death expired on September 30, 2011 under the 2008 Farm Bill.

Loans - FSA is still accepting and processing direct operating, farm ownership, youth and emergency loans. FSA is also accepting Farm Storage Facility Loan applications.

MILC – The Milk Income Loss Contract Program ended on September 30, 2012. FSA will make MILC payments for September production in November, if milk prices adjusted for feed prices trigger a MILC payment. To obtain MILC benefits for all previous months for which a MILC payment rate was in effect, you must provide final production evidence and any supporting documentation, if not already submitted, for eligible months by **November 1, 2012**.

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NAP – The Non-insured Crop Disaster Assistance Program is still in effect. As of October 1, 2012, and until further notice, 2013 NAP benefits are not subject to compliance with average Adjusted Gross Income limitations.

SURE – Signup for the SURE Program for 2011 crop losses will begin October 22, 2012, and will end June 7, 2013. SURE was not authorized for 2012 crop losses.

TAP – Authorization for the Tree Assistance Program ended September 30, 2011.

You are encouraged to still report acres and production to FSA. Maintaining current and accurate farm records benefit you for current program participation and possible future program participation.

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 on Nov. 5, 2012. If for some reason you don't receive a ballot, feel free to notify the county FSA office.

Completed and signed ballots must be returned to the county office by close of business on December 3, 2012.

Supplemental Revenue Assistance Payments Sign-Up Period for 2011 Crop Losses

The sign-up period for the 2011 crop year Supplemental Revenue Assistance Payments (SURE) program will open October 22, 2012. The SURE program is part of the Food, Conservation, and Energy Act of 2008 (Farm Bill). 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.

To be eligible for SURE, a farm or ranch must have:

- At least a 10 percent production loss on a crop of economic significance
- A policy or plan of insurance under the Federal Crop Insurance Act or the Noninsured Crop Disaster Assistance Program (NAP) for all economically significant crops
- Been physically located in a county that was declared a primary disaster county or contiguous county by the Secretary of Agriculture under a Secretarial Disaster Designation. Without a Secretarial Disaster Designation, individual producers may be eligible if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster.

A "farm" for SURE purposes means the entirety of all crop acreage in all counties that a producer planted or intended to be planted for harvest for normal commercial sale or on-farm livestock feeding, including native and improved grassland intended for haying.

Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage.

Farmers and ranchers interested in signing up must do so before the June 7, 2013 deadline.

For more information on the 2011 SURE program, Contact the Whatcom County FSA Office or www.fsa.usda.gov/sure.

Increased Guaranteed Loan Limit

The Farm Service Agency has announced that the loan limit for the Guaranteed Loan Program will increase 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 will also increase 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.

IRS 1099 Changes

Calendar year 2012 has brought changes to the way FSA reports farm program payments to the producer and to the IRS.

In past years, IRS Forms 1099-G would be issued to show all program payments received from the Farm Service Agency, regardless of the amount.

Starting with calendar year 2012, producers whose total reportable payments from FSA are less than \$600 will not receive IRS Form 1099-G. Also, producers who receive payments from more than one county will only receive one Form 1099-G if the total of all payments from all counties is \$600 or more.

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

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 fall seed crops is December 15, 2012 and most fruit crops is January 15, 2013. This change applies to all fall seeded crops including winter wheat and perennial fruit crops. Please call for an appointment to certify your crops now.

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 aspect 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.

USDA Announces Hispanic and Women Farmer and Rancher Claims Period Now Open

Agriculture Secretary Tom Vilsack has 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.

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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.

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 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 U.S. 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.

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 visit your FSA county office or www.fsa.usda.gov.

CROP MARKETING TOOLS AVAILABLE

FSA offers 9 month marketing assistance loans, using the harvested commodity as collateral. Obtaining a loan enables a producer to extend their marketing season by allowing them to hold the commodity beyond harvest when prices are usually lowest. Producers must maintain beneficial interest in the commodity for the entire length of the loan. The commodity may be stored on the farm or in CCC licensed warehouses. Producers who use farm-storage must provide safe storage of the crop and are responsible for maintaining quality of the grain through loan maturity. The structure must allow for safe inspection, measurement, and sampling of the commodity. FSA will disburse a commodity loan after receiving acceptable documentation from the producer. Documentation must show that all in-handling charges have been provided for or paid.

Producers who obtain a marketing assistance loan agree to loan provisions. 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 of the available loan commodity.

Producers may choose a Loan Deficiency Payments (LDPs) in lieu of a loan. The LDP payment amount is determined by comparing the posted county price (PCP) for a commodity to the county loan rate for that commodity in the county. If the PCP is less than the county loan rate, the producer may file for a payment of the difference between the two prices on the date of application, or the date beneficial interest is lost. Producers must have beneficial interest when applying for an LDP.

The following crops are eligible for commodity loans or LDPs: barley, oats, wheat, corn, grain sorghum, soybeans, canola, crambe, flaxseed, mustard seed, rapeseed, safflower seed, sesame seed, sunflower seed, dry peas, lentils and large and small chickpeas. Honey and wool are also eligible. Unshorn pelts are eligible for LDP only. Mohair is no longer eligible for marketing assistance loan or LDP.

Final availability date for loans and LDP's are January 31 for wool and unshorn pelts; March 31 for barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat and sesame seed; May 31 for corn, dry peas, lentils, mustard seed, safflower seed, chickpeas, soybeans and sunflower seeds.