



# NEWSLETTER



**March, 2013**

## **Wisconsin FSA**

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### **Hours**

Monday - Friday  
8:00 a.m. - 4:30 p.m.

### **Upcoming Dates and Deadlines:**

**March 15<sup>th</sup>**- Deadline  
to apply for NAP

coverage on spring  
planted crops

**March 25<sup>th</sup>**- Deadline  
for HWFRCP Claims

**March 31<sup>st</sup>**- Deadline  
to apply for a

commodity loan on  
2012-crop small grains  
and wheat

**May 20<sup>th</sup> to June 14<sup>th</sup>**-  
CRP General Sign-Up  
Period

**May 31<sup>st</sup>**- Deadline to  
apply for a commodity  
loan on 2012-crop corn  
and soybeans

**June 3<sup>rd</sup>**- Deadline to  
enroll in the 2013  
ACRE program

**June 7<sup>th</sup>**- Deadline to  
apply for the 2011  
SURE program

**July 15<sup>th</sup>**- Deadline to  
timely file 2013

acreage reports on  
spring planted crops

**August 2<sup>nd</sup>**- Deadline  
to enroll in the 2013  
DCP program

## **Notes from Brad Pfaff, FSA State Executive Director**

As the calendar turns to March, many of us are looking forward to putting away our snow removal equipment and begin working with our spring planting equipment.

Without question, it has been an interesting winter -- one that has seen ample snow and a rare winter thunderstorm. The moisture, in whatever form, has helped remove our state from the drought-like conditions that plagued much of our state last year.

Of note, the current 2008 farm bill was reauthorized by Congress and agreed to by the President for another year -- thereby, expiring on September 30, 2013.

On behalf of Wisconsin FSA, we wish you all a prosperous and safe 2013.

## **CRP General Sign-Up Announced**

USDA will conduct a four-week general sign-up for the Conservation Reserve Program (CRP), beginning May 20 and ending on June 14. CRP protects the nation's natural resources through voluntary participation, while providing significant economic and environmental benefits to rural communities across the United States.

Currently, about 27 million acres are enrolled in CRP. Producers that are accepted during this sign-up can receive cost-share assistance to plant long-term, resource-conserving covers and receive an annual rental payment for the length of the contract (10-15 years).

Nationwide, contracts on 3.3 million acres of CRP are set to expire at the end of September. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

For more information on CRP visit your local FSA office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

## **DCP and ACRE Sign-up**

DCP and ACRE sign-up for the 2013 crop year is on-going. The DCP sign-up period will end on Aug. 2, 2013; and the ACRE sign-up period will end on June 3, 2013.

The 2013 DCP and ACRE program provisions are unchanged from 2012, except that all eligible participants in 2013 may choose to enroll in either DCP or ACRE for the 2013 crop year. This means that eligible producers who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013 or may re-enroll in ACRE in 2013. Likewise producers who were enrolled in DCP may opt for ACRE enrollment for 2013. [Read more about DCP and ACRE](#) or contact your local FSA office for more information or an appointment to enroll.

## **New Microloan Program**

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche, small family farm operations, specialty crop producers and operators of community supported agriculture (CSA).

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers.

This loan program will also be useful to eligible applicants who can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program. Interested parties should contact their local FSA office.

## Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for socially disadvantaged applicants. 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.

## MILC Program Update

Dairy producers enrolled in the Milk Income Loss Contract program (MILC) will have their contracts automatically extended through Sept. 30, 2013. There is no need to re-enroll in the program. The MILC program was part of several FSA-related programs that were continued with the extension of the 2008 Farm Bill.

The production start month previously selected by an operation is applicable for 2013. Starting March 1, 2013, all production start month changes must be made according to normal start month selection provisions. Payments will be issued on up to 2.985 million pounds per dairy operation through August. In September, the limitation drops to 2.4 million pounds. Pounds do not count against the limitation in months a payment was not earned.

The following payment rates have been announced for the 2013 program year (amounts are per hundredweight):

- October 2012- \$0.0236798
- November 2012- \$0.0000000
- December 2012- \$0.0000000
- January 2013- \$0.1179986.

Contact your local FSA office for more information.

## HWFRCP Ends March 25

Agriculture Secretary Tom Vilsack reminds Hispanic and women farmers and ranchers who allege discrimination by USDA in the past that the filing period will close March 25, 2013.

USDA urges potential claimants to contact the Claims Administrator for information and mail their claim packages on or before the deadline.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied

his or her application 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.

Claimants may register for a claims package by calling the following telephone number, Monday through Friday 9 a.m. to 8 p.m. Eastern Time or by downloading the forms from the website.

Website: [www.farmerclaims.gov](http://www.farmerclaims.gov)

Phone: 1-888-508-4429

Independent legal service 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.

## NAP Coverage Deadline

**March 15** is the last day for producers to apply for Non-Insured Crop Disaster Assistance Program (NAP) coverage on spring-planted crops. The application and service fee must be filed **by March 15**, the deadline date for 2013 spring planted crops.

NAP coverage is available for crops on which a Federal Crop Insurance Policy is not available in the county. The service fee is \$250 per crop per county or \$750 per producer per county. The fee cannot exceed a total of \$1875 per producer with farming interest in multiple counties. Limited resource producers may request a waiver of service fees.

To qualify, a producer must be a landowner, tenant or sharecropper who shares in the risk of producing an eligible crop. More information about NAP may be found on the FSA website located at [www.fsa.usda.gov](http://www.fsa.usda.gov)

Stay up to date on the latest information from FSA. Visit our website at <http://www.fsa.usda.gov/wi>



## Actively Engaged in Farming

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on a regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management;
- The total direct payments received by the legal entity and each of the members can't exceed \$40,000.

## Farm Storage Facility Loans

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. The interest rate in effect at the time the loan is approved is locked in for the life of the loan. Loans for storage facilities are available on traditional commodities as well as hay, fruits and vegetables, biomass, and honey.

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. There is a \$100 non-refundable applicable fee to apply for a loan. 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).

## Beginning and Limited Resource Farmers

FSA assists 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 and does not own a farm in excess of 30 percent of the county's median size.

Additional program information, loan applications and other materials are available at your FSA office. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov)

## Adjusted Gross Income Provisions for 2013

Most FSA and NRCS programs require that producers be in compliance with adjusted gross income (AGI) provisions. For entities, this means that all members of the entity must also meet the AGI provisions in order for their share to be eligible to be paid. The AGI certification is completed on the CCC-933 form. Upon completion this form is sent to the IRS to verify the certification that was completed on the form.

For the 2013 program year, the certification is based on the average AGI for the years of 2009, 2010 and 2011. More specifically:

- If your non-farm AGI exceeds \$500,000 you are ineligible for DCP/ACRE, MILC, LDP's and disaster assistance programs
- If your farm AGI exceeds \$750,000 you are ineligible for DCP and ACRE direct payments
- If your AGI from all sources exceeds \$1 million you are ineligible for DCP and ACRE direct payments

- If your non-farm AGI exceeds \$1 million and less than two-thirds of your income was from farming, you are ineligible for CRP, EQIP and other conservation programs.

Producers whose certifications do not match IRS records will be required to submit documentation to support their certification. Producers with questions should contact their local FSA office.

## **GovDelivery**

FSA is transitioning away from the traditional mailing of newsletters and program announcements to a new electronic delivery system known as GovDelivery. By providing FSA your e-mail address, you can be kept up to date on the latest program announcements and changes as soon as they are released.

We know that you already receive a lot of e-mails, so FSA will not share your e-mail address and we will only send information when something of importance needs to be shared.

If you do not have an e-mail address or would like to keep receiving paper copies of our newsletters please let your local FSA office know.

## **Conservation Reserve Program Reminders**

The primary nesting season for CRP contract acreage begins on May 15<sup>th</sup>. The ending date is indicated in your conservation plan and can differ depending on the age of your contract. During this time period no disturbance of the acreage is allowed. If you find it necessary to control weeds during the nesting season to the extent that if you don't the cover will be in jeopardy, you may contact your local FSA office for permission to conduct necessary weed control operations. If you are unsure as to when your nesting season ends, contact your local FSA office.

Many CRP contract holders are required to establish practices or complete management activities on their acreage this year. Be sure to follow the specifications of your conservation plan exactly as they are written. Failure to do so can result in payment reductions or contract termination.

Sales of CRP land must be immediately reported to your local FSA office. Failure to do so can result in the contract being terminated, resulting in a required refund of all past payments, plus interest and an assessment of

liquidated damages. FSA does not have access to local register of deeds office land records, so it is the contract holder's responsibility to notify us of ownership changes. The contract holder of record is responsible for all payments on the contract until the new owner signs a succession contract. Also, in the event of a death of a contract holder, please have the family contact the FSA office as soon as practical.

## **Farm Record Changes**

It is important that you keep our office informed of changes in your farm operation. This includes changes in the amount of land that you are operating, owner changes, entity changes (such as forming a partnership, LLC, corporation, etc. or the changing of members or member shares within an entity). If you have changed bank accounts please notify our office. Failure to notify us of changes in your account information will delay the receipt of your payments from FSA and NRCS.

## **IRS 1099-G Changes**

Calendar year 2012 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.

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

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

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Ave, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).