



NEWSLETTER



Niobrara County Service Center

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November 2011

NAP Coverage

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop.

The application deadline date for the 2012 NAP coverage for perennial and biennial forage crops and fall seeded crops is December 1, 2011.

Producers who already have coverage on 2011 NAP crops may choose to continue coverage on the same crop or crops for 2012, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add a new crop(s) or delete a crop(s) from previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable service fee.

Marketing Assistance Loans

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

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.

eNewsletters and eUpdates from FSA

FSA is offering a new option for our farmers and ranchers to receive this newsletter and other news, information, deadlines and bulletins. This new tool is called "GovDelivery" and is now available from the USDA / FSA. Just open the FSA home page at www.fsa.usda.gov and click on the E-MAIL UPDATES icon where you can select your subscriptions. To receive this information via E-mail you must provide your email address to the local county office where it will be added to FSA's name and address database.

Commodity Loans and LDP's

Eligible producers of these crops can obtain a loan or Loan Deficiency Payment (LDP) from FSA. The producer must have beneficial interest in order to receive a loan/LDP. Beneficial interest means the grower has (1) control of the commodity, and (2) title of the commodity.

FARM STORED LOAN: An applicant can request either a paid for measured loan or certify the quantity. In either case, a loan for up to 100% production can be made. The commodity must be stored in a structure that can be safely measured and inspected, and be structurally sound. It is the borrower's responsibility to assure the commodity is in good condition and continues to remain so.

WAREHOUSE LOAN: A warehouse grain loan can be obtained through a warehouse. The elevator will issue warehouse receipts to the producer, who, in turn, gives them to CCC (FSA) for keeping as security through the life of the loan. The information on the warehouse receipts will be the basis for the loan quantity and loan rate.

LOAN MATURITY DATE: Loans will mature on the last day of the 9th month following application.

LOAN SERVICE FEES: Fees are the smaller of 1/2 of 1% times the gross loan amount, or \$45/loan plus \$3.00 for each bin or warehouse receipt over one.

INTEREST RATES: Commodity loans will carry the interest rate of the month in which the loan is disbursed through December 31 of each year, at which time the rate will change to the January rate.

LIENS: If any liens on the commodity exist, we require that the lien holder complete a lien waiver form before the loan is issued. CCC requires first lien on any commodity put under loan.

REPAYMENTS: Repayments can be made any time after the loan is disbursed. On farm-stored loans, any quantity can be paid off; however, on warehouse loans, a whole warehouse receipt must be paid off. At the time of repayment, the borrower will pay the lesser of (1) principal plus accrued interest, or (2) the applicable Posted County Price (PCP) times the loan quantity. The second option is referred to as a Market Loan Repayment (MLR) and is only available through the maturity date of the loan.

LOAN DEFICIENCY PAYMENT: A LDP is a payment made to an eligible producer who agrees to forego a loan in return for a direct payment. In order for a LDP to apply, the daily PCP must be below the loan rate for the applicable commodity. FSA currently uses the CCC-633-EZ form for all LDP purposes. It's a one size fits all form you can fill out to indicate your intention to receive loan deficiency payments for any of your crops at the beginning of the crop year, long before you've lost beneficial interest. The same form is then used to submit a request for an LDP any time during the loan/LDP availability period before or after losing beneficial interest.

Commodities harvested as other than grain (hay, silage) are eligible for LDP. In these cases, you will be required to give us information concerning acreages, bale numbers and weights, load weights, crop appraisal information, and yield estimates.

APPLICATION DEADLINES: The deadline to apply for either a 2011 loan or LDP is:

Wheat/Barley/Oats March 31, 2012

Corn/Sunflowers May 31, 2012

Wool/Mohair January 31, 2012

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 present 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 up 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.

Farm Loan Program Information

Farm Service Agency (FSA) has loan programs that could help farmers and ranchers experiencing financial problems in today's economy of tight profit margins. Several types of loan programs are offered through FSA.

Under the Guaranteed Loan program, FSA guarantees farm ownership, term operating loans, and lines of credit used for annual operating through conventional agricultural lenders for guarantees up to 95%. The guarantee generally allows the conventional lender to provide the applicant with longer terms and lower rates of interest. All applicants must meet certain qualifying criteria to be eligible for guarantees. Farmers and ranchers interested in Guaranteed Loans should apply directly with a conventional lender, who arranges for the guarantee.

For those unable to qualify for a Guaranteed Loan FSA offers Direct Loans, which are made and serviced by FSA officials. Funding is limited for Direct Loans, and applicants must sometimes wait until funds are available. To qualify for a Direct Farm Ownership or Operating Loan, the applicant must meet eligibility criteria and have sufficient repayment ability and loan collateral. FSA will work with you to analyze your situation, provide technical assistance, and tailor loans to meet your needs.

Youth between the ages of 10 and 21 may also apply for a direct loan up to \$5,000 associated with their 4-H, FFA, or other youth organization activities.

Farm Service Agency is an Equal Credit Opportunity Lender. Beginning farmers and members of traditionally underserved gender and ethnic groups are encouraged to apply for guaranteed and/or direct loan assistance from FSA.

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 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.

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

Succession in Interest

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these *successions-in-interest* to the county committee by Sept. 30, so a determination can be made on who is eligible for the program.

Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm.
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the "predecessor," are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the "successor." Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

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. 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.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

Important Dates to Remember	
November 11	Veteran's Day Holiday – Office Closed
November 24	Thanksgiving Day Holiday – Office Closed
December 1	Final day to apply for NAP
December 5	Final day for COC Election ballots to be delivered or postmarked
Within 15 days of noticing Loss	File CCC - 576 NAP Notice of Loss

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