



Farm Service Agency News

District 2 – Barton, Ellis, Graham, Jewell, Mitchell, Osborne, Phillips, Rooks, Rush, Russell, Smith, Trego



November 2009



DCP and ACRE Program Signup

Signup for the 2010 DCP and ACRE has begun and runs through June 1, 2010. Advance direct payments of 22% are available beginning in December. New Adjusted Gross Income certifications are required each year and must be completed before payments can be issued.

Contact your local FSA office to ask about scheduling an appointment to complete this task.

Certify Your Acres



Certification can be completed at the same time as enrollment. The final date to certify small grains is May 31, 2010, or 15 days prior to haying or grazing.

Farm Storage Facility Loan Program

The Farm Stored Facility Loan Program was re-enacted in the 2002 farm bill. Under this program USDA makes loans to participants to purchase and construct new storage structures for farm products. The maximum loan amount has increase from \$100,000 to \$500, 000. The term of the loan on the larger loans may be for 7, 10 or 12 years. The interest rates for loans approved in November are 3.0% for a 7 year loan, 3.375 for 10 year, and 3.625 on 12 year loans. The principle amount must exceed \$100,000 to be eligible for the 10 year term and \$250,000 for a 12 year term. USDA requires a 15% down payment for the program. Eligible storage structures include grain bins, drying equipment, concrete pads, and the electrical needs of the bins just to name a few. The 2008 farm bill also allows us to lend on silage pits, hay sheds and other farm storage structures.

Participating producers will be required to carry crop insurance or NAP on all crops of economic significance, insure the bin for physical damage, and pay their real estate taxes. Interested producers will need to provide a copy of a current cash flow, and balance sheet, and a bid or estimate for the bins to be constructed. For loans over \$50,000, USDA will seek a first position lien on enough real estate to secure the loan. An environmental analysis will also be completed on all proposed sites prior to application approval. If you are interested in this program please contact the county office.

Reasonable Accommodations

Special accommodations will be made for individuals with disabilities, or vision or hearing impairment. Please contact the County Executive Director of your local office for any arrangements you may need.



New FSA Payment Process

FSA began using a new centralized computer payment process with the October payments. Producers noticed that their DCP payment statement look a little different if they took an advance payment. This first year the advance payment amount will show as an offset against the total amount that is earned. That is because the advance payments were issued locally and they must be reduced from the final payments in the new system so producers are not overpaid. We apologize for the confusion this has caused. What can make it even harder to reconcile is the way the new system is designed to work. All payments and receivables are now centralized. In the past we were able to withhold any overpayment from the farm it originated from. Now, any amount owed is considered a receivable and is withheld from the first payment processed for a producer. So, if you have multiple farms, or even multiple counties, any receivable will be withheld from the first farms(s) processed for payment. That is why some of you have noticed that you did not receive a final payment from one or more farms; the entire advance payments were deducted from the first farms paid. The local office does not have copies of the transaction statements, which are mailed from our Kansas City office. This has been a learning process for FSA staff as well as all of you and we thank you for your patience as we continue to try to resolve the problems that have been identified with this new process.

County Committee Elections

Ballots will be mailed to all eligible voters beginning November 6th. If there is an election in your LAA this year and you do not receive a ballot, please contact your local office. In order for a ballot to be counted, the return envelope must be signed by the eligible voter. Power of attorneys are not allowed; but, an authorized signature authority for an entity is valid. Ballots are due back in the county office by the close of business on December 7, 2009.



NAP Coverage Deadline

For Noninsured Crop Disaster Assistance Program (NAP) coverage, eligible producers must apply and pay the applicable service fees by the application closing date. NAP Service Fees are \$250 per crop; not to exceed \$750 per county or \$1,875 per producer for all counties. Dec. 1 is the final application closing date for all grasses, alfalfa, oats, mixed forages, apricots, asparagus, blueberries, cranberries, cherries, clover, grapes, lespedeza, honey, nectarines, peaches, plums, strawberries, and vetch.

Foreign Investors 90 Day Reporting Rule

Foreign investors acquiring or transferring any interest in agricultural land exceeding 10 acres are required to report the transaction to FSA within 90 days. Failure to disclose this interest can result in civil penalties of up to 25 percent of the land's market value.



Beginning Farmer Down Payment Loan Options:

1. Beginning Farmers - 3 to 10 years experience & own limited number of acres.
2. Minimum down payment of 5%.
3. FSA loan - 45% of cost, not to exceed \$225,000 at 1.5% fixed for 20 years.
4. Commercial lender provides remaining funds & will have a 1st lien on the real estate.

Real Estate Loan Options:

5. 50% of cost, not to exceed \$300,000 at 5% fixed interest rate for 40 years.
6. 100% of cost, not to exceed \$300,000 at 4.75% (as of November 09) fixed interest rate for 40 years.
7. Guaranteed loans, not to exceed \$1,112,000 at commercial lending rates and terms.

Machinery, Equipment, Livestock or Production Loan Options:

1. 2.875% fixed rate direct loan, (as of November 09), not to exceed \$300,000 to finance machinery, equipment, livestock, production expenses, real estate improvements, etc.
2. Guaranteed loans, not to exceed \$1,112,000 at commercial lending rates and terms.
 - Interest Assistance is available for those in need. FSA pays 4% of the interest expense on eligible guaranteed loans, not to exceed \$400,000 for up to 5 years.
 - Guaranteed Line of Credit Loans are available to finance production expenses.
3. Repayment terms depend on the purpose of the loan and the type of collateral available. Repayment period may not exceed 7 years.

Report Failed and Prevented Planted Crops

Producers are reminded to report failed crop acreage to FSA before they destroy the crop if they wish to receive cropping history credit. FSA will need to conduct a field visit on all uninsured fields to verify the failed crop prior to destruction. Those producers with a crop insurance appraisal will need to provide the office with a copy of the appraisal.

For Noninsurance Crop Disaster Assistance Program (NAP) purposes the report needs to be filed within 15 calendar days after the disaster event occurred.

Producers who have crops prevented from planting due to a natural disaster must report the acreage on an FSA-578, Report of Acreage, and complete a CCC-576, Notice of Loss, within 15 calendar days after the final planting date for the crop to be considered timely filed.

Producers must be able to show there was an intention to plant the acreage by providing documentation of field preparation, seed purchase, and other information that shows the acreage could have been planted and harvested under normal conditions. Failure to plant the crop when other producers in the area were planting the crop will result in a denied claim.

Late-field claims will be denied when an inspection by FSA would not permit us to verify the existence of eligible disaster conditions that prevented the acreage from being planted.



Now is the time to report any owner or operator changes for 2010 so we can timely update your records. In addition, if you change banks or account numbers, you will need to complete a new direct deposit form so your payments will be issued correctly.

There will be a signup for SURE (Supplemental Revenue Assistance Program) in the near future. Watch for more information as it becomes available.

Dates to Remember

Dec 1	Final date to purchase NAP for 2010 grass, alfalfa, oats, & mixed forages.
Dec 7	Final date to return ballots.
Jan 30	Final date to file notice of loss & application for payment for livestock losses after July 14, 2009.
Feb 5 -6	Women Managing the Farm Conference, Wichita
Mar 15	Final date to purchase NAP for 2010 sorghum forage, cotton, & millet.
Mar 31	Final date to obtain loan on 2009 wheat, barley, or oats.
May 31	Final date to obtain loan on 2009 corn, milo, soybeans, oilseeds, or cotton.