

August 2013



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Jackson-Josephine County FSA Updates

Jackson-Josephine County FSA Office

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Medford, OR 97501

Phone: 541-776-4270
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County Executive Director:
Joe Hess

Farm Loan Officer:
Chris Kirby
Phone: 541-883-6924

Farm Loan Manager:
Jim Jutson
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Remaining 2013 County Committee Meeting Dates:

August 28 - 10:00 am

December 11 - 10:00 am

Jackson-Josephine FSA is Moving!

The FSA office is moving from its current location at 573 Parsons Drive, Suite 101 in Medford, Oregon to 89 Alder Street in Central Point, Oregon. The move will take place during the week of September 16-20, 2013. The office will be closed during this week. Watch for more information as the move date gets closer.

DCP Deadline

The sign-up period for DCP has been extended and is still open. Producers are encouraged to sign before the extended Sept. 16, 2013, deadline.

For an appointment or more information, contact the FSA county office.

Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs. Starting with 2012, a combined overall income exceeding \$1 million excludes participation in DCP or ACRE.

Participants in CCC programs subject to average AGI rules must submit form CCC-933 to their local FSA County Office to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices or online

at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>.

Microloan Program

The Farm Service Agency (FSA) developed the Microloan program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process that helps new and smaller producers as well as specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants 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.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with an FSA Farm Loan Manager or Officer.

Actively Engaged

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 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.

Emergency Loans

The Farm Service Agency reminds crop and livestock producers who have recently experienced severe damage from weather-related natural disasters (including drought) to aid affected operations. Note that a USDA Secretarial Disaster Designation must be declared for your county before the low-interest Emergency Loan (EM) can be made available.

We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit the local FSA office to they get a quick start in the recovery process.

For FSA disaster assistance information: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=landing>. For FSA Emergency Loan information:

NAP Losses

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

Youth Loans

The Farm Service Agency 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 \$5,000.

For more information you can stop by your FSA county office. Our staff can help with preparing and processing the application forms

Guaranteed Loan Program

The Farm Service Agency loan limit for the Guaranteed Loan Program has increased to \$1,302,000. 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 has 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.

Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture

production. Farm operating loans are available as well as loans 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 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 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.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Hay Net

Producers are encouraged to use Hay Net on the FSA website (<http://www.fsa.usda.gov/haynet>). This online service allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

Direct Deposit Changes

If you have recently changed your financial institution or had made changes to your account information, please let us know. This is needed to ensure that you will receive your future payments in a timely manner. Please contact the FSA office with any questions.

Dates to Remember

Aug. 28 Jackson-Josephine FSA County Committee meeting, 10:00 am

Sept. 2 Labor Day Holiday, Office Closed

Sept. 16 DCP Deadline, Office moving to Central Point

Oct. 14 Columbus Day Holiday, Office Closed

Nov. 4 COC Ballots mailed to Eligible Voters

Nov. 11 Veteran's Day Holiday, Office Closed

Dec. 2 Last Day to Return COC Ballots

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