



## Wisconsin State FSA Office

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### Website

[www.fsa.usda.gov/wi](http://www.fsa.usda.gov/wi)

## January 2011

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### From the Desk of Brad Pfaff, Wisconsin State Executive Director

I hope this New Year finds you and your family healthy and happy. As we enter 2011, we, at the USDA Wisconsin Farm Service Agency (FSA), are happy to assist you.

In January, the Supplemental Revenue Assistance Payment Program (SURE) sign-up for the 2009 crop year began. Producers have until July 29, 2011 to sign-up for the SURE program. Producers should also contact their local office to sign up for the direct and counter cyclical (DCP) program and the ACRE program.

Prior to spring planting, producers may also wish to contact our farm loan teams to inquire about the availability and applicability of FSA direct and guaranteed operating loans.

This past year was an interesting year for our state's producers. Corn and soybean producers experienced strong prices, while dairy producers saw milk prices increase from the lows of 2009. Demand for our state's diversified agriculture products continues to remain strong, and our state's land values remain steady.

On behalf of the entire staff of the Wisconsin FSA, thank you for your work and leadership in growing and producing an abundance of healthy and nutritious food. Your work is appreciated!

## FSA Farm Storage Facility Loan Program Available to Producers

If producers are considering upgrading or adding extra storage space for harvested crops next year, the Farm Service Agency's (FSA) Farm Storage Facility Loan (FSFL) program provides low interest loans for building or upgrading storage facilities.

FSFL helps to ensure that producers have adequate capacity to store their harvested production by providing low interest loans for building or upgrading storage facilities.

Filing an application early will ensure the project is completed in time before next summer or fall when additional storage may be needed.

The maximum principal amount of a loan through FSFL has increased to \$500,000 per structure. Participants are 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. Loan terms of 7, 10 or 12 years are now available depending on the amount of the loan. Interest rates for each loan term are different and are based on the rate which CCC borrows from the Treasury Department. Currently interest rates are 2.5 percent for a 7-year loan, 3.125 percent for a 10-year loan, and 3.375 for a 12-year loan, however interest rates change monthly.

Payments will also be available in the form of a partial disbursement and a 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. The partial disbursement is only available on the portion already constructed.



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, please visit your FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

### **DCP and ACRE Sign-up Deadline is June 1, 2011**

Producers are encouraged to sign up now for the 2011 Average Crop Revenue Election Program (ACRE) and the Direct and Counter-cyclical Program (DCP). With spring planting several months away, signing-up now will ease the potentially long wait times and scheduling conflicts that arise as the June 1 deadline approaches.

Producers need to sign a DCP or ACRE contract annually to be eligible to receive program benefits.

FSA computes DCP Program payments using base acres and payment yields established for each farm and makes direct payments at rates established by statute regardless of market prices. For 2011, direct payments may be requested in advance based on 22 percent of the direct payment for each of the farm's commodities. Counter-cyclical payment rates vary with market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

The ACRE program provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price. Producers can also use the electronic (eDCP) and (eACRE) services, which will save time, reduce paperwork and speed up contract processing at FSA offices. It is available to eligible DCP and ACRE participants. To access these online services, an active USDA eAuthentication Level 2 account is necessary, which requires filling out an online registration form at: <http://www.eauth.egov.usda.gov> followed by a visit to the local USDA Service Center for identity verification.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

Producers completing these steps and have an active USDA eAuthentication Level 2 account can access the eDCP and eACRE services online at: <http://www.fsa.usda.gov/dcp> and then click on the link "Access eDCP/eACRE Online Services" which is located under the "I Want to..." section. Lastly, click on the

“Access eDCP/ACRE Service” link.

The June 1, 2011, deadline is mandatory for all participants.

## **NAP Coverage Reminder for Spring-Seeded Crops**



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 by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

The application closing date for Non-Insured Assistance Program coverage on spring-seeded crops is March 15, 2011. This deadline date also applies to producers who have a policy that expires on March 15 and want to renew coverage for 2011.

NAP coverage is available for crops only where insurance coverage is not available under Federal Crop Insurance policies provided by private insurance agents.

NAP is designed to cover losses due to damaging weather conditions. The program covers losses of more than 50 percent of normal yields or the farm's yield calculated using actual production histories. Payments for production lost in excess of 50 percent are paid at 55 percent of the values established for the crop.

The cost per policy is \$250 per crop per producer with a \$750 cap per county. NAP coverage begins 30 days after the application is filed and the \$250 administrative fee has been paid. The \$250 administrative fee is non refundable.

Producers who meet the definition of

“Limited Resource” are not required to pay the filing fee.

Producers with 2011 NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods.
- File a “Notice of Loss” within 15 days of when a loss is apparent, due to drought, hail, etc.

For more information on NAP coverage please contact your nearest FSA county office.

## **FSA and RMA Monitor Crop Insurance**

The Farm Service Agency (FSA) is required to assist the Risk Management Agency (RMA) to improve the integrity of the Federal Crop Insurance Program through the prevention of fraud, waste and abuse.

FSA is required to monitor the crop insurance program, report problems to RMA and assist RMA and insurance providers when auditing certain claims. FSA offices are responsible for the oversight plan which includes close monitoring and oversight of the crop insurance program locally and growing season inspections on a selected number of insured producers. This plan also includes an expanded exchange of data between FSA, RMA and local reinsured companies. Information provided to the FSA office and reinsured companies by insured producers will be reconciled in an effort to research and identify inconsistencies. FSA County Committees have the opportunity to suggest changes to the crop insurance program, but are not involved in the decision making process. FSA also assists RMA by gathering facts and reporting observations as they pertain to weather, crop

plantings, maintenance and harvest. Producers who become aware of potential crop insurance abuse should report the information to the local FSA office.

Producers must insure they inform agents of entity changes in their farming operations and, changes in the risks and interests in the crops insured. FSA and RMA annually review discrepancies between records and found inconsistencies in a number of cases. These often resulted in the loss insurance benefits.



## 2011 ELAP Loss Requirements

Eligible producers who lost livestock, honeybees, farm-raised fish, or harvested and purchased feed due to adverse weather can sign up for the USDA Farm Service Agency's (FSA) Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) by filing a notice of loss within 30 days of the loss occurring until September 30, 2011. To be eligible for ELAP, losses must be due to adverse weather. Livestock losses due to wolf depredation and honeybee losses due to colony collapse disorder (CCD) are also eligible.

Producers with livestock, honeybee, or farm-raised fish losses that are not covered by the Livestock Indemnity Program, Livestock Feed Program, or the Supplemental Revenue Assistance Program may be eligible for ELAP.

Eligibility provisions for ELAP also include honeybee and farm-raised fish producers who did not replace their losses from natural disaster to be eligible for ELAP payments based on the fair market value of the losses. In addition, the requirements to document losses for honeybee producers who suffered losses due to CCD allow documentation by an independent third party for losses in 2010 through September 30, 2011.

ELAP applicants are eligible for:

- payments based on 60 percent of the average fair market value, as determined by FSA, of:
  - lost farm-raised bait or game fish
  - honeybees in excess of normal honeybee mortality, as established by FSA

The payment rates, established by FSA, for 2010 honeybee colonies and hives are based on the average fair market values of honeybee colonies and/or hives. FSA has established the following average fair market values for 2010 honeybee losses:

- \$60 per honeybee colony
- \$200 per honeybee hive.

Payments may be factored if national ELAP fund requests exceed \$50 million for a calendar year.

Additional information on ELAP is available at the local FSA county offices or on the internet at [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Paper Check Conversion

When producers present checks, either in person or through the mail, the checks will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the county office or visit the following site for detailed information:

<https://www.pccotc.gov/pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm>.

## Entrepreneurship Loans

Money management and responsibility are two very important lessons for youth to learn before beginning life on their own.

The Farm Service Agency (FSA) Entrepreneurship Loans are available to young men and women ages 10-21 that are participating in 4-H, FFA or similar organizations. Loan funds may be used to finance a modest, income producing, agriculture-related project. These loans provide an opportunity for rural youth to acquire experience and education in agriculture-related skills.

The project must be part of an organized and supervised program and must produce sufficient income to repay the loan. Youth may borrow up to \$5,000 to pay for livestock, equipment and supplies. Through the management of their project, they learn the value of working hard and the reward of realizing how they can profit from that work.

Please contact your local FSA office for more information about Entrepreneurship Loans.

## State Acres for Wildlife Enhancement Program

Wisconsin owners and operators of certain cropland in designated geographic areas in the state may be eligible to enroll in the Wisconsin Farm Service Agency's (FSA) State Acres for Wildlife Enhancement (SAFE) initiative. SAFE CRP addresses high-priority wildlife objectives through specialized conservation practices currently offered through the Conservation Reserve Program (CRP).

Producers in a SAFE area interested in participating must have land that is:

- Cropland (including field margins) that is planted or considered planted to an agricultural commodity 4 of the previous 6 crop years from 2002 to 2007;
- Physically and legally capable of being planted in a normal manner to an agricultural commodity; and
- Located within the state designated SAFE area.

In addition, CRP participants must have owned or operated the land for the previous 12 months and have an average adjusted gross income (AGI) of less than \$1 million unless 66 percent or more of the average AGI is farm income.

There are currently five qualifying geographic SAFE CRP areas in Wisconsin.

The Glacial Habitat Restoration Area tailors CRP practices to provide enhanced habitat to bobolinks, eastern meadowlarks, grasshopper sparrows, Henslow's sparrow, and ring-necked pheasants. The Glacial Habitat Restoration Area is located in parts of Winnebago, Fond du Lac, Dodge, and Columbia counties.

The Southwest Wisconsin Grassland Area provides enhanced habitat to bobolinks, eastern meadowlarks, grasshopper sparrows, Henslow's sparrow, and ring-necked pheasants. The Southwest Wisconsin Grassland Area is available in parts of Dane, Iowa, Green, and Lafayette counties.

The Western Prairie Habitat Restoration Area allows landowners in parts of St. Croix and Polk counties to provide enhanced CRP practices to habitats for bobolinks, grasshopper sparrows, Henslow's sparrows, and sedge wrens.

In areas of Adams, Clark, Marathon, Portage, and Wood counties, the



Central Wisconsin Grassland SAFE program provides enhanced habitats for Henslow's sparrows, grasshopper sparrows, upland sandpipers, eastern meadowlarks, and bobolinks.

The Karner Blue Butterfly SAFE area allows eligible landowners in parts of Eau Claire and Jackson counties to enhance habitats for the Karner Blue butterfly.

Eligible participants in the SAFE program are required to perform mid-contract management activities that vary with each SAFE area. A 50 percent cost-share payment is provided in the year that the management is performed.

For additional information about qualifying SAFE areas in your county, please contact the local county FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

### **Emergency Forest Restoration Program**

Owners of nonindustrial private forest (NIPF) land that has suffered damage due to natural disasters, excluding drought and insect infestations, may be eligible for payments through the Farm Service Agency's Emergency Forest Restoration Program (EFRP).

Land eligibility will be determined by on-site damage inspections. To qualify, NIPF land must:

- Have existing tree cover (or had tree cover immediately before the natural disaster occurred and is suitable for growing trees); and
- Be owned by any nonindustrial private individual, group, association, corporation, or other private legal entity with definitive decision-making authority of the land.

In addition, the natural disaster must have resulted in damage that if left untreated would:

- Impair or endanger the land's natural resources; and
- Materially affect future land use.

EFRP program participants may be eligible to receive up to 75 percent of the cost to implement approved emergency forest restoration practices. Payment limitations for eligible participants are set at \$500,000 per person or legal entity per disaster.

Additional information about EFRP is available at county FSA offices or online at [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation).

### **Snowmobiles on CRP Acreage**

It is up to the local FSA county committee to determine whether or not snowmobile trails are allowed to cross acreage enrolled in the Conservation Reserve Program. If this affects any of your CRP acreage, contact your local FSA office to request this particular use prior to allowing a trail on your CRP land.

### **FSA Introduces an Online Tool to Assist Beginning and Socially Disadvantaged Farmers**

The USDA Farm Service Agency (FSA) recently created TIP Net, an online tool that can link retiring farmers who have expiring Conservation Reserve Program contracts with beginning farmers interested in bringing the land into production. Through the Transition Incentives Program (TIP), producers with land for sale or lease are introduced to qualified beginning or socially disadvantaged farmers and ranchers who want to buy or rent land for their operations.

TIP provides up to two additional Conservation Reserve Program (CRP)



annual rental payments to a retired or retiring owner or operator with an expiring CRP contract. To qualify, the landowner must sell or lease the CRP land to a beginning or socially disadvantaged farmer or rancher so the new operator can convert some or all of the land to production using sustainable grazing or crop production methods.



For beginning and socially disadvantaged farmers or ranchers who cannot qualify for conventional credit, FSA offers financing as well. FSA makes direct loans and guaranteed loans made by conventional farm lenders to finance the purchase and operation of a farm. Each fiscal year, the agency targets a significant portion of its direct and guaranteed farm ownership and operating loan funds to beginning and socially disadvantaged farmers or ranchers. In addition to the funding reserves, FSA operates a special “down payment” loan program to assist socially disadvantaged and beginning farmers in purchasing a farm. Like TIP, this program can help retiring farmers transfer their land to future generations.

Additional information on FSA farm loan programs is available online at [www.fsa.usda.gov](http://www.fsa.usda.gov) or at the local county FSA office. TIP Net can be found online at <http://www.fsa.usda.gov/tipnet>.

### **2009 Supplemental Revenue Assistance Payments Program Sign-up Now Available**

Producers are reminded that the sign-up period for the 2009 crop year Supplemental Revenue Assistance Payments (SURE) program began on January 10, 2011. SURE provides assistance to farmers and ranchers who have suffered losses due to natural disasters.

SURE is part of the ‘safety net’ that provides assistance to producers who have suffered losses from natural disasters. Producers who suffered losses during

the 2009 crop year are encouraged to visit their local FSA office to learn more about the SURE program as the sign-up deadline is July 29, 2011.

To be eligible for SURE a farm must have:

- At least a 10 percent production loss adjusted for quality 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 Agriculture Secretary 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.

In Wisconsin, all counties except the following were determined primary or contiguous for 2009:

Columbia	Dane
Dodge	Fond du Lac
Green Lake	Jefferson
Marquette	Milwaukee
Ozaukee	Racine
Sauk	Washington
Waukesha	

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.

For more information on the 2009 SURE program, visit any FSA county office or <http://www.fsa.usda.gov/sure>.

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<b>Dates to Remember</b>	
February 21, 2011	Offices will be closed for George Washington's Birthday Holiday
March 15, 2011	NAP application deadline for spring-seeded crops
May 30, 2011	Offices will be closed for Memorial Day
June 1, 2011	DCP/ACRE enrollment deadline
Continuous	-Conservation Reserve Program (CRP) continuous sign-up -CREP sign-up -SAFE sign-up -Farm Storage Facility Loans

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