



January 2007

# **Ohio FSA State Newsletter**

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

## **Report of Payments to Producers**

The Commodity Credit Corporation is required to file an informational return (Form 1099-G) with IRS when payments are issued to producers. A program payment is considered made in the calendar year that the payment was issued, and not in the calendar year that it was earned or received. The report is provided as a service to help producers report taxable income and is not intended to replace a producer's responsibility to report income to IRS. Producers should direct questions regarding their tax liability to their tax consultant or IRS.

## **Foreign Buyers Notification**

The Agricultural Foreign Investment Disclosure Act requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, Attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## **Controlled Substance**

Any person who is convicted under federal law of planting, producing, cultivating, harvesting, growing, or storing a controlled substance will be ineligible to participate and receive payments under USDA programs. Marijuana, opium poppies, and other drug producing plants are controlled substances.

## **Special Accommodations**

Special accommodations will be made upon request for individuals with disabilities, vision or hearing impairment. If accommodations are required, individuals should contact the County Executive Director of their local Farm Service Agency office.

## **Power of Attorney**

We have a power of attorney form available for those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., that enables you to designate another person to conduct your business at the office. This can be done by completing an FSA-211, Power of Attorney. The form is available at your local USDA Service Center or on-line at: <http://forms.sc.egov.usda.gov>.

Forms obtained and completed outside the USDA Service Centers offices must be notarized. To find out more, call the office.

## **Spousal Signatures**

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation (CCC) programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

## **Payment Limitation/Eligibility**

Program payments that are subject to a payment limitation **can not** be provided until all required forms for an individual or entity are provided and necessary payment limitation and payment eligibility determinations have been made. After the initial filing of payment limitation documents, producers are required to notify the county office of any changes in the farming operation that could affect a person, actively engaged in farming, or foreign person determination.





Entities earning payments subject to a limitation are required to provide the names and related information of the entity's members to the county committee. Members of the entity will be required to designate no more than three entities to earn payments. A producer who receives payment as an individual is permitted to designate two additional entities. Eligibility determinations may be initiated by the county committee and are subject to an end-of-year review process.

The following payments apply to DCP for each contract year under the new Farm bill which comes through both direct and counter-cyclical payments. For all covered commodities, \$40,000 for direct payments and \$65,000 for counter-cyclical payments. The Environmental Quality Incentive Program (EQIP) has a \$450,000 payment limitation. The Conservation Reserve Program (CRP) annual limit is \$50,000 per person. Non-Insured Crop Disaster Assistance Program (NAP) annual limit \$100,000. The Loan Deficiency Payment (LDP) / Market gain is \$75,000.

## Loans for Socially Disadvantaged

The Farm Service Agency (FSA) can make and guarantee loans to socially disadvantaged applicants to buy and operate family size farms. Funds specifically for these loans are reserved each year. A socially disadvantaged farmer is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians and Alaskan Natives, Hispanics, and Asians and Pacific Islanders.

Contact your local FSA Farm Loan Manager or Officer for more details and assistance in applying.

## Bank Account Changes

Please notify your local FSA office of closed accounts, changes in account numbers, and changes in bank routing numbers. FSA has no statutory authority to reimburse producers for charges incurred because of an electronic transfer deposit being made late.

## Appeal Process

After an FSA official makes a decision on your request for USDA services or application, you will be sent a letter informing you of the decision and options you can pursue if you disagree.

Generally, program participants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and appeal to the USDA National Appeal Division.

Selected Interest Rates for January 2007	
90-Day Treasury Bill	5.125%
Farm Operating - Direct	5.125%
Farm Ownership - Direct	5.25%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.00%
Emergency	3.75%
Farm Storage Facility	4.50%
Sugar Storage Facility	4.75%
Commodity Loans 1996-Present	6.00%
Tobacco (TTPP) Discount Rate	10.00%

## Farm Storage Facility Loans Storage Limitations

If you noticed you didn't have enough room to store your silage then maybe it is time for a new bunker. Did you know FSA's Facility Loan Program provides funding to finance bunkers and other facilities to store silage and high moisture corn?

If interested, be sure you contact the FSA County office for details. It is important to remember that you can't start any work on the site or have any material delivered until after your loan has been approved by FSA.

## Applications for FSA Loans

Farmers that intend to apply to the Farm Service Agency for loan assistance for the upcoming crop year are encouraged to file their applications as early as possible. Filing early will help ensure that your loan is processed and approved as early as possible so that planting decisions can be made. Failure to ap-



ply early can result in a delay in processing loans due to the volume of applications that must be processed in date order. Contact your local FSA Farm Loan Manager or Officer for more details and assistance in applying.

## Youth Loans

Remember, FSA makes operating loans to individual rural youths ages 10 through 20 to establish and operate income producing projects. These projects must be of modest size and be initiated, developed, carried out by rural youths participating in 4-H Clubs, FFA, or a similar organization or with a vocational teacher or county extension agent. The project must be an organized and supervised program of work. It must be planned and operated with the assistance of the organization advisor, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience. Contact your local FSA office for more details.

## Faxed Signatures

Most USDA forms can be submitted by FAX. USDA is not responsible for transmission failures or other problems that prevent successful and timely receipt of faxed information. Producers no longer need to authenticate a faxed signature with Form FSA-237.

## Customer Statement

January signals the beginning of a new year, and a time to gather financial records and start thinking about filling out a 1040. Producers who have signed up for a USDA eAuthentication Level 2 account will be able to access their farm data via their Customer Statement.

The Customer Statement puts a range of USDA services and programs into a single report that's at your fingertips and available online, 24 hours a day, seven days a week.

It allows USDA customers to view their participation, application and payment status in various commodity and conservation programs; information on farm loans; conservation plan and land unit information.



## Maintaining Grain Quality

This year's bumper grain crop has its obvious upside, but there is a downside too. Many producers are hard pressed to find adequate storage for every bushel harvested. Before giving into the temptation to overfill storage bins, producers should think about the problems that can result. Overfilling storage bins can result in spoiled grain. Bins are meant to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

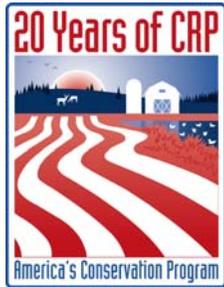
Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the commodity for the term of the loan.

## Highly Erodible Land and Wetland Conservation Compliance

Producers are ineligible for benefits under USDA programs if they plant an agricultural commodity on a wetland that was converted after December 23, 1985. After November 28, 1990, it is also considered a violation to convert a wetland by draining, dredging, filling, leveling, or any other means to make the production of an agricultural commodity possible. Producers who plant agricultural commodities on land determined to be highly erodible must be in compliance with an approved conservation plan or system. Producers are required to request a conservation compliance determination before performing drainage activities or bringing new land into production.

## Misaction and Misinformation

The Farm Service Agency offices strive to provide the most accurate program information to ensure that producers are adequately informed. Misaction/misinformation does not occur when a producer fails to take action or when an agency representative fails to warn a producer of the consequences of an action or did not tell a producer of a provision that might have been helpful. Benefits are not extended to a producer who had sufficient reason to know that the action or advice upon which he/she relied was improper or erroneous or when a producer relies on his/her own misunderstanding or misinterpretation of program provisions.



It is not feasible for an employee to advise a producer of all of the possibilities that could affect his or her own participation, either positively or negatively. Employees are responsible to provide the most accurate information and service to the best of their ability when the information or service is requested by the producer.

It is most important that producers be specific in requesting the service and information that will best serve their own individual needs or situation.

Dates to Remember	
Jan. 1	New Year's Day Holiday. <b>FSA Offices Closed.</b>
Jan. 1	Elected committee members and alternates take office.
Jan. 15	Martin Luther King Jr. Holiday. <b>FSA Offices Closed.</b>
Jan. 31	<b>Deadline</b> on LDPs for wool, mohair and unshorn lamb pelts.
Continues	Continuous CRP.
Continues	Farm Storage Facility Loans.
Continues	Continuous Conservation Reserve program.

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