



# NEWSLETTER



**March 2012**  
**ALASKA**  
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**State Committee**

Arthur Keyes, Chair  
Susan Willsrud,  
Member  
Mike Schultz, Member

## FSA State Director's Column

### A Winter for the Record Books: Have you been affected?

All across the state, Alaska farmers, ranchers, and growers have experienced one of the toughest winters on record. The Interior had record cold weather in January. Record snow fell from Southeast, across Prince William Sound to Anchorage. Southcentral Alaska is only 3 inches away from breaking the all time record for snow!

How has this weather affected your structures or your production? Alaska FSA is interested in hearing from you. Has your hoop house collapsed from the snow load? Have you seen any other serious structural damage on your farm or ranch? How has your livestock handled this winter weather? Do you expect production losses? What about your neighbors?

Alaska FSA is ready to help. Please contact our offices in Palmer or Delta to let us know how you are doing!

### Advice for clearing roofs of snow

One cubic foot of compressed snow on your roof weighs about 20 pounds. If the snow on the roof is 2 feet deep, that's 40 pounds per square foot, which is the Anchorage building code standard. Many older roofs around the state were not built to hold that much weight.

To prevent structural damage, take action NOW by removing snow from trouble spots.

- A flat, loading dock or canopy roof may not be able to handle the load
- Look at building additions where drifts accumulate
- Pay attention to north facing roof slopes
- Add temporary heat to hoop houses or greenhouses to accelerate snow sliding
- Clear snow and ice from around roof drains and downspouts
- DON'T use a snowblower or other equipment on the roof

### Farm Business Planning for the upcoming season

Are you thinking of expanding or changing your operation this year to meet increased consumer demand or fill a market niche? Now is a good time to contact Alaska FSA. We can help you develop a business plan, evaluate options, or consider financing a new venture. For more information, contact our offices in Palmer or Delta, or check us out on our website, [www.fsa.usda.gov/ak](http://www.fsa.usda.gov/ak)

### Transportation Cost Reimbursement Payments coming soon!

Checks for last fiscal year's RTCP program should be arriving by the end of April. Remember to continue tracking farm costs during this fiscal year (October 1, 2011 through September 30, 2012). The sign up period for this year's program will be announced later this summer.

Happy Spring!

# NOTICE TO HISPANIC AND/OR WOMEN FARMERS OR RANCHERS COMPENSATION FOR CLAIMS OF DISCRIMINATION

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation.

To register your name to receive a claims packet, call the Farmer and Rancher Call Center at 1-888-508-4429 or visit: [www.farmerclaims.gov](http://www.farmerclaims.gov)

The claims package will have detailed information about the eligibility and claims process.



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## DCP/ACRE Sign-Up

2012 Direct and Counter-Cyclical Program (DCP) enrollment runs from Jan. 23, 2012 through June 1, 2012. Here are some IMPORTANT REMINDERS:

- All producers planting on **DCP base** acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.

- Changes on the farm after enrolling June 1 in DCP/ACRE **must** be reported to your local FSA office. Changes may include:

- oOwnership changes

- oProducer changes (Individuals and Entities)

- oChange in crop shares arrangements

**Note:** Changes cannot be made after Sept. 30, 2012.

## Supplemental Revenue Assistance Program (SURE)

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the crop year 2010.

Sign-up for 2010 SURE losses continue through **June 1, 2012**. SURE is available to eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.

- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

## 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.

## NAP Enrollment

Producers must apply for coverage before a disaster strikes. Noninsured Crop Disaster Assistance Program (NAP) applications for coverage must be filed using Form CCC-471 and the applicable service fees by the closing date. Application closing dates vary by crop. Alaska producers can contact the Northern or Southern County FSA Offices for specific crop application sales closing dates.

Producers are reminded about the need for insurance coverage on crops in order to remain eligible for the agency's Disaster Assistance Programs such as SURE, Livestock Forage Program, Tree Assistance Program, and Emergency Livestock Assistance Program. Producers must purchase at least catastrophic (CAT) level of insurance for all insurable crops.

NAP provides coverage to producers for non-insurable crops when low yields, loss of inventory, or prevented planting occurs due to natural disasters. Crops eligible for NAP coverage are those for which crop insurance is not available, including fruits and vegetables, aquaculture, pecans, turf grass and forage crops just to name a few.

More information about NAP may be found on the FSA web site located at <http://www.fsa.usda.gov>

## Loans: Land Contract Guarantee Program

The new FSA Land Contract Guarantee Program provides help to beginning farmers by offering guaranteed payments to landowners willing to sell and finance a land purchase to a beginning or socially disadvantaged farmer. The national program has two options. One guarantees up to three annual installment payments on the contract and the other guarantees 90% of the unpaid principal of the contract. This program can be used in the purchase of land for up to \$500,000. Contact your local FSA office for further details.

## 1099-G – Advisory

Producers who have received payments from FSA should have received a CCC-1099-G. This is a report to the Internal Revenue Service about FSA payments to producers during the previous calendar year. The CCC-1099-G helps producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

Contact your local FSA office for assistance with the 1099-G refund and in locating the correct payment data.

## MILC Requirements Reminder

Dairy producers must meet program requirements to maintain program eligibility. MILC participants must notify their local FSA office of any operation changes, such as a change in producer, shares, address or bank routing number.

Dairy producers applying for MILC payment must meet adjusted gross income (AGI) requirements by completing, "CCC-931 - AGI Certification and Consent to Disclosure of Tax Information."

For MILC enrollment, dairy producers must fill out, "CCC-580 - Milk Income Loss Contract" and select a start-month for payments. Current dairies in MILC can make changes to their start-month with certain restrictions.

Any start-month changes must be made on or before the 14th of the month before the selected MILC production start-month. The change must also be made before requesting payment and before the original MILC production start-month has passed.

Changes to the dairy operation start-month must be designated on "CCC-580M - Milk Income Loss Contract (MILC) Modification."

## IMPORTANT - AGI Reconciliation Process

FSA's *Adjusted Gross Income (AGI) Reconciliation Process* begins when FSA is notified that the IRS has not received a valid "Consent to Disclosure of Tax Information" form. There are two distinct reasons why a producer appears on an FSA AGI Reconciliation Report: 1) IRS did not receive a consent form from the producer or 2) IRS rejected the consent form.

In these cases the IRS notifies the FSA National Office which then directs the producer's recording FSA County office to reconcile the report. The county office then contacts the producer to complete a **CCC-931 "Average Adjusted Gross Income (AGI) and Consent to Disclosure of Tax Information"**.

It is then the FSA County Office responsibility to mail the completed CCC-931 consent form to IRS. Failure to provide the required "Consent to Disclosure of Tax Information" forms may render a producer ineligible for FSA program benefits and require repayment of benefits received.

## CRP General Sign-Up

There will be a four-week Conservation Reserve Program (CRP) general signup which will begin on March 12, 2012 and end on April 6, 2012.

CRP is a voluntary program available to agricultural producers to help them use environmentally sensitive land for conservation benefits. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion and develop wildlife habitat. In return participants receive rental payments and cost-share assistance. Contract duration is between 10 and 15 years. Producers with expiring contracts and producers with environmentally sensitive land are encouraged to evaluate their options under CRP. Producers also are encouraged to look into CRP's other enrollment opportunities offered on a continuous, non-competitive, signup basis.

For more information on CRP and other FSA programs, visit a local FSA service center or go online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

## Marketing Assistance Loans

Marketing Assistance Loans, also referred to as Commodity Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

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.

## Beginning and Limited Resource Farmers

FSA assists beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more that 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's median size.

Additional program information, loan applications and other materials are available at your local USDA Service Center. You may visit [www.fsa.usda.gov](http://www.fsa.usda.gov)

## New Continuous CRP Initiative

FSA has announced a new conservation initiative to protect up to 750,000 acres of the nation's most highly erodible croplands. This initiative will assist producers with targeting

their most highly erodible cropland (land with an erodibility index of 20 or greater) by enabling them to plant wildlife-friendly, long-term cover through the Conservation Reserve Program (CRP).

Producers can enroll land on a continuous basis beginning this summer at their local Farm Service Agency (FSA) county office. With the use of soil survey and geographic information system data, local FSA staff can quickly determine a producer's eligibility for the initiative. Producers are encouraged to contact the local FSA office or visit FSA's website at [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp) for additional information regarding CRP.

## Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating expenses or help 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 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 a group.

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

## GovDelivery – Your next step to save time and increase efficiency

The USDA Farm Service Agency offices are moving toward a paperless operation that saves tax payer dollars. Producers can now enroll in the new GovDelivery email system which provides electronic deadline reminders, bulletins and newsletters instead of printed paper documents through the mail.

County Committee ballots will continue to be mailed to all eligible producers. Producers can subscribe to receive free e-mail updates by visiting [www.fsa.usda.gov/subscribe](http://www.fsa.usda.gov/subscribe). Give it a try right now.

## EMERGENCY LOAN ASSISTANCE (EM)

Two locations in Alaska have been declared major disaster areas where eligible family farmers may qualify for FSA Emergency Production Loss Loans due to losses caused by severe storms. This designation makes all qualified agricultural producers in the affected areas eligible for low-interest EM Loans, providing eligibility requirements are met. Farmers have eight months from the date of the declaration to apply for the loans to help cover part of their actual losses.

A producer must have at least a 30% loss in crop production or a physical loss to livestock, livestock products, real estate, or chattel property.

The two disaster areas are:

Severe winter storms and flooding that occurred November 08, 2011 through November 13, 2011 in the following areas:

North Slope Borough,

In the Bering Strait Regional Educational Attendance Area (REAA)

The Lower Kuskokwim REAA

The Lower Yukon REAA

The Southwest Region REAA

Contiguous disaster areas for this declaration are:

**Boroughs: Lake and Peninsula, Northwest Arctic**

**Census Areas: Bethel, Dillingham, Nome, Wade Hampton, Yukon-Koyukuk**

A severe storm that occurred November 15, 2011 through November 17, 2011 in the **Kenai Peninsula Borough**

Contiguous disaster areas for this declaration are:

**Boroughs: Anchorage, Matanuska-Susitna,**

**Lake and Peninsula, Valdez-Cordova**

**Census Areas: Bethel**

Further information on the EM Loan Program is available in your local FSA Office or on the FSA web site at:

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

Selected Interest Rates for March 2012	
Farm Operating - Direct	1.375%
Farm Ownership - Direct	3.375%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Farm Storage Facility Loan 7 year	1.375%
10 year	2.000%
12 year	2.250%
Commodity Loans 1996-Present	1.125%

Dates to Remember	
March 12	General CRP Signup Opens
April 16	General CRP Signup Ends
June 1	2012 DCP Enrollment closes
June 1	SURE Sign up ends

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