

# **MARION COUNTY FARM SERVICE AGENCY NEWS BITS**

## **November 2009**

Marion County FSA Committee:

Lori Pavlicek, Chairperson

John Beitel, Vice-Chairperson

Gary Butler, Regular Member

Martin Nguyen – CED ([martin.nguyen@or.usda.gov](mailto:martin.nguyen@or.usda.gov))

REGULAR MEETING DATE – 2nd Thursday of the Month, most months



Marion County FSA Office

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OR FSA - <http://www.fsa.usda.gov/or/or.htm>

USDA - <http://www.usda.gov>

FSA - <http://www.fsa.usda.gov/pas/default.asp>

NRCS - <http://www.nrcs.usda.gov/>

FCIC - <http://www.act.fcic.usda.gov/>

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To file a complaint of discrimination write USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

### **Dates to Note:**

**Nov 6, 2009** - County committee ballots mailed to voters      **Dec 25, 2009** - Office Closed, Christmas Day

**Nov 26, 2009** - Office Closed, Thanksgiving Day                      **Jan 1, 2010** – Office Closed, New Years Day

### **Final Payments for 2009 DCP**

Enrolled producers can expect their final direct payment to be deposited directly into personal bank accounts sometime during the first few weeks of October.

Producers who did not elect to receive an advance direct payment will receive their entire direct payment for the year in one lump sum after the end of the fiscal year (Sept. 30).

The direct payment for a crop equals 83.3 percent of the farm's base acreage times (x) the farm's direct payment yield times (x) the direct payment rate.

If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the final Direct and Counter-cyclical Program payments you are about to receive.

### **Emergency Livestock Assistance Program for Livestock, Honey Bees and Farm-Raised Fish**

ELAP provides compensation to eligible producers of livestock, honey bees, and farm-raised fish for losses due to disease, adverse weather, including losses due to blizzards and wildfires caused by natural occurrence (for example, lightning.) ELAP is for losses that are not covered by Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), or Supplemental Revenue Assistance Program (SURE).

Eligible producers under ELAP may receive assistance for losses that occur on or after January 1, 2008, and before October 1, 2011. Eligible losses include feed losses, physical losses and additional costs incurred in providing feed to eligible livestock. Losses due to drought are not eligible.

We are currently accepting notices of loss and applications for payment for eligible losses that have occurred in 2008 and 2009. For those who suffered losses in calendar year 2008, producers must provide a notice of loss and application for payment in their administrative county office no later than December 10, 2009. Application for payment for calendar year 2009 losses shall be filed no later than January 30, 2010.

Producers who suffer losses September 14, 2009, through December 31, 2009, shall file a notice of loss within 30 days of when the loss is apparent to the participant, but no later than January 30, 2010.

There are no late filed provisions for ELAP. Producers with eligible losses must timely file an acreage report on grazing land acres, honey bee colonies and farm-raised fish pond acres.

Physical losses of honey bees and honey bee hives lost due to adverse weather or natural occurrence are eligible under ELAP. Producers will be required to provide documentation of beginning and ending inventory of honey bee colonies when claiming a physical loss of honey bees or honey bee hives. Physical losses will be compensated at 60 percent of the actual replacement cost of the honey bees or honey bee hives.

## **Farm Purchase and Operating Loans Targeting Socially Disadvantaged Groups**

The USDA Farm Service Agency (FSA) offers farm loans. The loan programs are designed to help farmers purchase and operate family farms.

With these loan programs, FSA hopes to help reverse the declining number of socially disadvantaged farmers and ranchers across the United States. The intended outcome is to encourage and assist these farmers and ranchers in owning and operating their own farms and ranches, participate in agricultural programs, and become integral parts of the agricultural community.

FSA reserves a portion of its loan guarantee funds each year to assist in this goal. USDA defines socially disadvantaged applicants as 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, the groups are women, African Americans, American Indians and Alaskan Natives, Hispanics, and Asians and Pacific Islanders.

Direct loans are made to applicants by FSA and include both farm operating and farm ownership loans.

Guaranteed loans also may be made for farm ownership or operating purposes, and may be made by any lending institution subject to Federal or State supervision (banks, savings and loans, credit unions, and units of the Farm Credit System including the Bank for Cooperatives) and guaranteed by FSA. Typically, FSA guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails.

Repayment terms for direct operating loans depend on the collateral securing the loan and usually run from 1 to 7 years. Repayment terms for direct ownership loans can be as long as 40 years.

Guaranteed loan terms are set by the lender. Interest rates for direct loans are set periodically according to the Government's cost of borrowing. Interest rates for guaranteed loans are established by the lender.

Farm ownership loan funds may be used to purchase or enlarge a farm or ranch, purchase easements or rights of way needed in the farm's operation, build or improve buildings such as a dwelling or barn, promote soil and water conservation and development, and pay closing costs.

Farm operating loan funds may be used to purchase livestock, poultry, farm equipment, fertilizer, and other materials necessary to operate a successful farm. Operating Loan funds can also be used for family living expenses, refinancing debts under certain conditions, paying salaries for hired farm laborers, installing or improving water systems for home, livestock, or irrigation use, and other similar improvements.

Applications for all FSA direct loan programs are made through FSA's Marion County Office. The county office is located at 650 Hawthorne Avenue SE, Suite #130, Salem, Oregon 97301. The phone number is (503) 399-5741, ext. #2.

## **Farm Storage Facility Loan Program Changes**

The Farm Storage Facility Loan (FSFL) program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now 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. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Early 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.

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:

- pulse crops – lentils, small chickpeas and dry peas,
- hay
- renewable biomass
- fruits ((including nuts) and vegetables – cold storage facilities
- 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

### **Biomass Crop Assistance Program**

The new Biomass Crop Assistance Program (BCAP) is of interest to biomass conversion facilities and those who own, chip and transport biomass material to these facilities.

Chippers and producers with conversion facilities contracts to prepare and deliver materials can apply for matching payments under the collection, harvest, storage and transportation (CHST) component of BCAP. Once an agreement is signed between FSA and a biomass conversion facility and funding is provided, the facilities can begin accepting materials under this program. The matching CHST payments are paid at a rate of \$1 for \$1 per dry-ton equivalent received by a qualified biomass conversion facility, not to exceed \$45 per dry-ton equivalent. A biomass owner is eligible to receive payments for two years. The purpose of the matching payments is to assist biomass handlers with the CHST cost of delivering biomass to a qualified biomass conversion facility. Once a facility becomes qualified, eligible material owners or producers who deliver biomass to that facility may be eligible to receive CHST payments.

Eligible material owners or producers, who market eligible material to a qualified biomass conversion facility, may apply for the matching CHST payment at their FSA county office. An application must be submitted and approved before the eligible material is sold or delivered to a qualified biomass conversion facility. After the product is delivered, a material handler must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office and information provided under the terms of MOUs with the qualified biomass conversion facilities. CHST payments will not be authorized until appropriate environmental analysis is completed. Contact your FSA state office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) for more information.

### **Non-Insured Assistance Program (NAP) Coverage - Deadlines & Details**

The 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.

Producers who already have coverage on 2009 NAP crops may choose to continue coverage on the same crop or crops for 2010, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add new crop(s) or delete a crop(s) from previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable service fee.

Producers with 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. For example, bale weights or other means of determining quantities of hay are required.
- File a "Notice of Loss" within 15 days of when a loss is apparent, due to drought, hail, etc.

Sign-Up Deadline Date	2010 Crops
November 20, 2009	Caneberries, Chestnuts, Hazelnuts, Honey, Pears, Plums, Prunes, Strawberries, and Walnuts
March 15, 2010	Broccoli, Cantaloupe, Cauliflower, Cucumber, Lentils, Mustard, Pumpkin, Safflower, Sunflower, Squash, Tomato, and Watermelon
March 31, 2010	Buckwheat

U.S. DEPARTMENT OF AGRICULTURE  
 FARM SERVICE AGENCY  
 Marion County FSA Committee  
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### Succession in Interest

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these successions-in-interest to the county committee by Sept. 30, so that a final determination can be made on who is eligible for the program on the farm.

Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including a an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm.
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the “predecessor,” are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the “successor.”

Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

#### County Committee Elections

Be watching your mailbox for your official county office committee election ballot starting early November. If you don't receive a ballot, notify the county FSA office. Completed and signed ballots are due back in the office by close of business on December 7, 2009. Ballots will be counted on December 10, 2009.

**Discrimination Prohibited:** No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

Interest Rates for November 2009 Crops	
90-Day Treasury Bill	0.125%
Farm Operating – Direct	2.875%
Farm Ownership – Direct	4.75%
Limited Resource	5.000%
Farm Ownership – Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency – Actual Loss	3.750%
Farm Storage Facility	3.000-3.625%
Commodity Loans	1.375%

