June 2014

Oklahoma FSA Program Updates and Reminders

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Hours:
Monday - Friday
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State Committee Members:

Cletus Carter, Beaver (Chairman)
Steve Nunley, Marlow
Brenda Neufeld, Fairview
Steve Butler, Wagoner
Jo Jennings, Depew

State Staff:

Phil Estes,
Farm Loan Programs

Tona Huggins,
Production & Payment Eligibility

Rod Wanger,
Conservation Programs

Danny Lee,
Compliance & Price Support

Krey Reimer,
Administration

Shelly Bilderback,
Public Relations/Outreach

In order for us to better serve you – Schedule an Appointment with FSA

To insure maximum use of your time and to insure that you are afforded our full attention to your important business needs, **please call our office ahead of your visit to set up an appointment** and to discuss any records or documentation that you may need to have with you when you arrive for your appointment. FSA Office contact information can be located online at www.fsa.usda.gov/ok.

Acreage Reporting Deadline – July 15

After spring planting, producers should certify their 2014 acreage. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Acreage reports are required for many FSA programs. For crops enrolled in programs other than NAP (Noninsured Crop Disaster Program), acreage reports are to be certified by the July 15 deadline on all spring-seeded crops.

Acreage reports on crops covered by NAP are due in the county offices by the earlier of July 15 for spring-seeded crops, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

Sign-up is underway for FSA Livestock Disaster Assistance Programs

Livestock producers are encouraged to schedule an appointment with their local FSA office in order to sign up for disaster assistance programs now underway. The programs cover losses that have occurred since the expiration of previous programs in 2011, including calendar years 2012, 2013, and 2014.

The Livestock Forage Disaster Program (LFP) will provide payments to eligible livestock producers for grazing losses due to drought or fire.

The Livestock Indemnity Program (LIP) provides compensation to eligible livestock producers that have suffered livestock death losses in excess of normal mortality due to adverse weather.

The Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish that have losses due to disease, adverse weather, or other conditions, such as wildfires.

Another disaster program currently available is the Tree Assistance Program (TAP) which provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

New Changes to Fruit, Vegetable and Wild Rice Planting Rules

FSA has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation. **Contact your local FSA office for further information as to whether your county is an approved double-cropping region and what cropping combinations meet the requirements.**

New Farm Bill Offers Increased Farm Loan Opportunities

The 2014 Farm Bill includes FSA Farm Loan Program (FLP) modifications that create flexibility for new and existing farmers. The Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Changes that will take effect immediately include: Elimination of the 15 year term limit for guaranteed operating loans; Modification of the definition of beginning farmer, using the average farm size for the county qualifier instead of median farm size; Modification of the Joint Financing Direct Farm Ownership Interest Rate to 2 percent less than the regular Direct Farm Ownership rate, with a floor of 2.5 percent; Increase of the maximum loan amount for Direct Farm Ownership Down Payment Loans to $300,000; Elimination of rural residency requirements for Youth Loans; Increase of the guaranteed percentage on Conservation Loans; and, Microloans will not count toward term limits for veterans and beginning farmers.

June Farm Loan Interest Rates:

- Farm Operating Loans = 2.25%
- Farm Ownership Loans = 4.0%
- Farm Ownership Down Payment Loans = 1.5%
- Micro Loans = 2.25%
- Youth Loans = 2.25%
- Emergency Loans = 2.25%

Producers Must Report Crop Losses to FSA

Crop losses are acres that were timely planted with the intent to harvest, but the crop failed because of a natural disaster.

It is very important that producers report crop losses, including those insured under Federal Crop Insurance (FCIC) and Non-insured Crop Disaster Assistance Program (NAP) within 15 days of the date damage occurred or 15 days from the date damage is apparent. Losses and or damages to crops must be reported on a form CCC-576, Notice of Loss, after each disaster occurrence and in a timely manner to insure continued eligibility for benefits.

Prevented planting is the inability to plant the intended crop acreage with proper equipment by the final planting date for the crop type because of a natural disaster. Producers, who request prevented planting, must report their acreage and complete a CCC-576, Notice of Loss, part B, within 15 days after the final planting date. Producers will need to provide documentation showing field preparation, seed purchase, and other information that proves their intent to plant the acreage.

Reports of failed acreage must be filed before disposition of the crop and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

Highly Erodible Land and Wetland Compliance

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions is required. Farmers with HEL determined soils must apply tillage, crop residue, and rotation requirements as specified in their conservation plan.

Producers should notify FSA prior to conducting land clearing or drainage projects to insure compliance. If you intend to clear any trees to create new cropland, these areas will need to be reviewed to ensure any work will not jeopardize your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

Farming Operation Changes

Producers who have bought or sold land, or added or dropped rented land from their operation must report those changes to the FSA office as soon as possible. A copy of the deed or recorded land contract for purchased property is needed to maintain accurate records with FSA. Failure to do so can lead to possible program ineligibility and penalties. While making record updates, be sure to update signature authorizations. Making record changes now will save time during signup for a program.

FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

If a producer has a durable power of attorney, while that may be sufficient to take care of most non-FSA business, the durable power of attorney may not suffice for FSA purposes. Producers should complete an FSA-211, Power of Attorney, to enable the attorney in fact to take care of FSA business as necessary.

Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into a bank account. In order for timely payments to be made, producers need to notify the FSA county office when an account has been changed or if another financial institution purchases the bank where payments are sent. Payments can be delayed if the FSA office is not aware of updates to bank accounts and routing numbers.

Average Adjusted Gross Income

For FSA commodity and disaster programs, as well as many programs administered by the Natural Resources Conservation Service (NRCS), under the 2014 Farm Bill, the adjusted gross income (AGI) limitation is based on a three-year historical average AGI of $900,000 such that a person or entity shall not be eligible for applicable programs if the AGI exceeds $900,000.

You are required to annually certify your historical AGI. USDA has a Memorandum of Understanding with the Internal Revenue Service (IRS) to establish an electronic information exchange process for verifying compliance with the AGI provisions. The agreement ensures confidentiality whereby the IRS uses data from tax returns and compares the values to the AGI limitations. FSA is only provided a record that indicates whether or not the program participant appears to meet income limits. No actual tax data is provided. If you receive program payments, you need to annually complete a CCC-941 and provide it to FSA.