



# Polk County News – January 2010



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Polk County Committee: Adam Loop, Chair; Tom Crawford, Vice Chair; Don MacCarthy, Member; Sandy Moritz, Advisor

## Dates To Remember

|                  |   |
|------------------|---|
| Now!             | Contact us for 2010 DCP/ACRE Signup (Want Money Quicker? Apply for advance direct payments)   |
| 1/1/2010         | New Year's Day – Office Closed  |
| 1/4/2010         | SURE Crop Disaster Program Sign-Ups Begin (See "SURE Program Signup Begins" page 1)   |
| 1/18/2010        | Birthday of Martin Luther King, Jr. (observed) – Office Closed  |
| <b>1/19/09</b>   | <b>DELAP Deadline</b> to apply for benefits (See "Announcing...DELAP" page 2)   |
| <b>2/1/2010</b>  | <b>LDP Deadline</b> for Wool, Mohair and Unshorn Pelts (See "LDP Deadline" page 2)  |
|                  | Local Food Connection MEETING (See "Local Food Connection" page 2)  |
| 2/15/2010        | George Washington's Birthday (observed) – Office Closed   |
| <b>3/15/2010</b> | <b>NAP Deadline</b> (See "2010 NAP" page 2) & <b>AGR/AGR-lite Deadline</b> (visit <a href="http://www3.rma.usda.gov/">http://www3.rma.usda.gov/</a> ) |
| <b>6/1/2010</b>  | <b>DCP/ACRE Deadline</b> (See "2010 DCP and ACRE Sign-Up" page 1)   |
| <b>6/15/2010</b> | Consent to Disclosure of Tax Info. <b>Deadline</b> (See "New Requirement" below, <b>required for payment!</b> )                                       |
| <b>6/30/2010</b> | <b>Crop Acreage Reporting Deadline</b> (See "2010 Acreage Reporting" page 1)  |
|                  | <b>NAP Deadline:</b> 2009 participants must submit production evidence (See "2010 NAP Deadlines" page 2)  |
| Ongoing          | File NAP Notice of Loss within 15 Days of apparent damage— (See "2010 NAP Deadlines" on page 2)   |
|                  | CREP and Continuous CRP Sign-up   |
|                  | County Committee Meeting held 8:30 am 1 <sup>st</sup> Thursday each month, contact FSA for meeting confirmation                                       |

## NEW REQUIREMENT TO RECEIVE PAYMENT!

Per national regulation, all participants must now submit "2009 and/or 2010 Consent to Disclosure of Tax Information" form CCC-927 for individuals and CCC-928 for entities. Due to a partnership between USDA and the IRS, this form verifies AGI compliance certifications (CCC-926 "Average Adjusted Gross Income Statement") required for payment eligibility. The CCC-927/8 is available at local FSA offices, and **must be received by the IRS within 60 days of signature**, with a **final deadline of June 15, 2010**. Submission of this form is required by all who submitted CCC-926; failure to timely file the disclosure will result in the refund of 2009 and/or 2010 program benefits received from FSA and NRCS.

## 2010 ACREAGE REPORTING

Is your planting completed for 2010 crops? Call the office to set up an appointment to do your acreage report. Why not get it done now before you get even busier with spring work? **Reporting Deadline is June 30, 2010. Planting wheat or another annual crop?** Make sure you check your Highly Erodible Land (HEL) determinations and meet conservation requirements to prevent a violation. If in violation, you may need to repay all funds from our agency.

## 2010 DCP AND ACRE SIGN-UP

Sign-up is now underway for the 2010 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres. Producers will have the option of enrolling in the ACRE program for 2010. A 22% advance of your payments is available now through September 2010. **The sign-up deadline is June 1, 2010. FSA will not accept late filed applications.**

## COUNTY COMMITTEE ELECTION RESULTS

Congratulations to Donal MacCarthy, elected to his first term representing farmers from LAA #2 on the county committee. MacCarthy received 57 of the 68 votes received by the COC. FSA appreciates all of the voters for taking the time to vote; the county committee system works only because of your participation. The committee members will hold their organizational meeting in January to determine who will serve as the county committee chairperson and vice-chairperson.

## SURE PROGRAM SIGN-UP BEGINS JANUARY 4, 2010

This disaster program is different from past disaster programs. All crops must have been covered by: an insurance policy, NAP, NAP Buy-In, Cat Buy-In or Relief to be eligible for SURE. Exceptions to this requirement are: (A) Crops that are not of economic significance (contribute <5% of the total expected value of all crops grown by a producer in all counties) (B) Crops reported for grazing (C) Persons that have certified to socially disadvantaged, limited resource or beginning farmer status. To be eligible for SURE producers must farm in a county with a Secretarial Disaster Designation due to damaging weather – or – must have a crop with at least a 50% loss. Polk County does not qualify for 2008 or 2009 under the Disaster Designation provisions. Producers farming in other counties will need to check for eligibility in those counties.

## **LOCAL FOOD CONNECTION: MEETING February 1, 2010**

Now in its fourth year, the **Local Food Connection** brings together local food producers and buyers to make business connections and build/maintain strong sustainable food networks. The annual **Local Food Connection – Linking Farmers, Fishers and Food Buyers** will be held **on Monday, February 1, 2010, 7:30 am – 3:30 pm** at Lane Community College (LCC) in Eugene, Oregon. The event is presented by Cascade Pacific Resource Conservation & Development, and sponsored by EWEB, Oregon Tilth and LCC. The \$20 registration fee includes lunch featuring locally grown products provided by local farmers and fishers and prepared by local chefs. Space is limited, so register early at <http://cascadepacific.org>. For more information, call Kelly at (541) 341-4663 x217 or email [kelly.hoell@goodcompany.com](mailto:kelly.hoell@goodcompany.com)

## **2010 NAP DEADLINES**

The Non-Insured Crop Disaster Program (NAP) is available for producers growing crops that are not eligible for multi-peril crop insurance. This program provides a level of financial protection (50% quantity coverage at 55% of price) in the event of crop losses due to a catastrophic weather event. March 15, 2010 is the deadline to purchase NAP for beans and corn. If you participate in NAP you must: (1) File a crop acreage report by June 30, 2010. (2) Provide 2009 production evidence by June 30, 2010. (3) File a notice of loss within 15 days of the damaging weather event or when a loss becomes apparent. ***Producers wanting to maintain eligibility for SURE must purchase NAP for all non-insurable crops of economic significance.***

## **ANNOUNCING DAIRY ECONOMIC LOSS ASSISTANCE PROGRAM (DELAP)**

DELAP provides dairy producers in the U.S. with a one-time payment to assist dairy producers who have recently experienced low milk prices and high production costs. To be eligible to receive DELAP benefits, from **February 2009 through July 2009** you must have produced and marketed cow milk commercially in the U.S., and provide production evidence by the dairy operation. If you meet this criterion, contact the office for specific eligibility requirements, and to apply during the signup period of: ***Now through January 19, 2010.*** If you participated in the 2009 MILC program, payments have been made. If you participated in MILC and did not receive a payment, please contact FSA.

## **IRS FORM 1099-G: NEW PROCEDURES**

Producers annually receive CCC-1099Gs detailing payments producers have received from FSA. This year, the 2009 Advance payments producers received from the Direct and Counter-Cyclical Payment (DCP) Program were processed as overpayments and offset from the 2009 Final payments. The 2009 Advance payments will not be separated on the CCC-1099G's producers receive, but rather the CCC-1099G's will reflect only the total annual 2009 DCP direct payment.

Producers who have repaid a market gain on a Commodity Credit Corporation (CCC) loan with cash or commodity certificates in exchange for outstanding loan collateral will have their market gains reported to the IRS on Form 1099-G. FSA is required to report to the IRS all market gains associated with the repayment of a CCC loan. A market gain is the difference between the repayment rate, determined by the CCC, and the original loan rate. If the repayment rate drops below the original loan rate then the difference is considered a market gain. Producers will receive, by mail, the amount reported by FSA to the IRS on Form 1099-G.

## **LDP DEADLINE: WOOL, MOHAIR AND UNSHORN LAMB PELTS**

**February 1, 2010** is the deadline to apply for an LDP on your **2009** wool, mohair or unshorn pelts. Producers may submit the form CCC-633EZ, page 1 for the 2010 crop year beginning October 1 of the preceding crop year, through the final loan availability date as long as the producer has beneficial interest in the commodity. Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Please contact the office for eligibility determinations.

## **MAINTAINING THE QUALITY OF LOANED GRAIN FOR MAL's**

This year's large grain crop has its obvious up side, but there is a downside too. Many producers are hard pressed to find adequate storage for every bushel harvested. Overfilled grain storage bins can lead to grain quality problems. Bins are ideally designed 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 (MALs) and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

## **BANK ACCOUNT CHANGES**

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers must notify the County Office if your ***account has been changed.*** Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

## **PAYMENT ELIGIBILITY/LIMITATION DETERMINATIONS**

Entities earning program benefits that are subject to limitation are required to provide the names, addresses, and tax ID numbers of the entities' members to the County Committee. All applicable payment eligibility and payment limitation forms submitted by producers are subject to **spot check** through the end-of-year review process in which case a producer **must** provide approved documentation for the information submitted to the County Committee.

A determination of not actively engaged in farming results in the producer being ineligible for any payment or benefit requiring the determination. Noncompliance with AGI provisions, either by exceeding the applicable limitations or by failure to submit a certification statement, will result in the determination of ineligibility for **all** program benefits subject to AGI provisions; program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible person or legal entity in any legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.

## **FARM RECORD CHANGES**

After 2009, a farm operating plan is **not** required to be filed annually, if the farming operation continues to be conducted as reflected on the farm operating plan and supporting documents are on file in the County Office. If any changes occur (Including farming more or less land, significant changes in adjusted gross income (AGI), individual contributions to an operation, member shares, etc.) that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average AGI determination, producers **must timely notify** the County Office by filing revised farm operating plans and/or supporting documentation, as applicable. Payment eligibility and limitation determinations may be requested by the producer. **Note:** Failure to timely notify the County Office may adversely affect payment eligibility.

## **PAYMENTS AND BENEFITS**

Payments and benefits under certain programs are subject to some or all of the following:

- Payment limitation by direct attribution
- Payment limitation amounts for the applicable programs
- Actively engaged in farming requirements
- Cash-rent tenant rule
- Foreign person rule
- Average AGI limitations

No program benefits subject to limitation will be provided until (1) **all** required forms for the specific situation or provided, and (2) necessary payment eligibility and payment limitation determinations are made.

## **POWER OF ATTORNEY**

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any Farm Service Agency office near you for more information. If you want a crop loan, a power of attorney form will need to be completed for husband and wife, if both do not come into the office to sign the forms on the day the loan is disbursed.

## **SPECIAL ACCOMMODATIONS**

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

## **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:

- A married woman shall sign her given name: Mrs. Mary Doe, not Mrs. John Doe
- 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 an entity
- All members of a general partnership must sign for the general partnership unless an individual is authorized to act on the behalf of the general partnership and bind all members
- Acceptable signatures for general partnerships, joint ventures, corporations, estates, and trusts shall consist of an indicator "by" or "for" the individual's name, individual's name & capacity, or individual's name, capacity, & name of entity
- For a minor, FSA requires the minor's signature and one from an eligible parent. *Note:* by signing the applicable document, the parent is liable for actions of the minor and may be liable for refunds, liquidated damages, etc.
- When signing on one's behalf the signature must agree with the name typed or printed on the form, or be a variation that does not cause the name and signature to be in disagreement. Example - John W. Smith is on the form. The signature may be John W. Smith or J.W. Smith or J. Smith. Or Mary J. Smith may be signed as Mrs. Mary Joe Smith, M.J. Smith, Mary Smith, etc

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## **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 with 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.

## **CUSTOMER STATEMENT FOR TAXES**

It's a New Year, and time to think about filing taxes. Producers with an 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; and conservation plan and land unit information. Contact our office for more information on how to establish an eAuthentication Level 2 account.

## **CONTROLLED SUBSTANCE**

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

## **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 finally an appeal to the next level of authority within the agency.

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Do you wish to receive the newsletter by email? Do you no longer wish to receive this newsletter? Please call 503-623-2396 extension 2. If you leave a message please provide us with the full name on the mailing label and your phone number. Or email [janelle.huserik@or.usda.gov](mailto:janelle.huserik@or.usda.gov).

Persons with disabilities who require accommodations to visit the USDA Polk County Service Center should contact Janelle Huserik at (503) 623-2396 extension 2, or email [Janelle.Huserik@or.usda.gov](mailto:Janelle.Huserik@or.usda.gov)

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# FSA PROGRAM REVIEW: Some of Polk County's most popular programs

Please retain for your information.

## Farm Programs:

|   |   |
|---|---|
| <p><u>ACRE</u><br/>Average Crop Revenue Election</p>  | <p>Producers on farms with covered commodity base acres may elect to participate in ACRE, authorized by the 2008 Farm Bill, instead of DCP. Under the ACRE Program, producers may receive revenue-based payments as an alternative to receiving price-based counter-cyclical (CC) payments. The following planted or considered planted crops may be eligible for ACRE payments: wheat, barley, oats, grain sorghum, corn, upland cotton, rice (medium and long grain), soybeans, other oilseeds, canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed, peanuts and pulse crops (dry peas, lentils, and small and large chickpeas (garbanzo beans)).</p>   |
| <p><u>BCAP</u><br/>Biomass Crop Assistance Program</p>  | <p>BCAP was authorized in the 2008 Farm Bill to assist agricultural and forest land owners and eligible material owners with the collection, harvest, storage, and transportation (CHST) of eligible material for use in CHST qualified Biomass Conversion Facilities (BCF). These payments are available to eligible material owners at a dollar per dollar match per dry ton paid by the CHST-qualified BCF to the eligible material owners. Establishment and annual payments are also provided for eligible crops on eligible land for conversion to bioenergy in selected project areas.</p>   |
| <p><u>CRP</u><br/>Conservation Reserve Program</p>  | <p>CRP is a voluntary program available to agricultural producers to help safeguard environmentally sensitive land. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion, and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.</p>   |
| <p><u>CREP</u><br/>Conservation Reserve Enhancement Program</p>                                     | <p>CREP is a derivative program of CRP. CREP is a voluntary land retirement program that helps agricultural producers protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water. The program is a partnership among producers; tribal, state, and federal governments; and, in some cases, private groups.</p>   |
| <p><u>DCP</u><br/>Direct and Counter-cyclical Payment</p>   | <p>DCP payments provide income support to producers of eligible commodities and are based on historically-based acreage and yields and do not depend on the current production choices of the farmer. DCP was authorized by the 2008 Farm Bill for farms enrolled for the 2008 through 2012 crop years for barley, corn, grain sorghum (including dual-purpose varieties), oats, canola, crambe, flax, mustard, pulse crops, rapeseed, safflower, sesame and sunflower (including oil and non-oil varieties), peanuts, rice (excluding wild rice), soybeans, upland cotton, and wheat.</p>  |
| <p><u>FSFL</u><br/>Farm Storage Facility Loan</p>   | <p>The Commodity Credit Corporation (CCC), through FSA, may make loans to producers to build or upgrade farm storage and handling facilities for rice, soybeans, dry peas, lentils, small chickpeas, peanuts, hay, renewable biomass, sunflower seeds, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds as determined and announced by CCC. Corn, grain sorghum, oats, wheat, barley, fruits and vegetables are also eligible, subject to program requirements.</p>  |
| <p><u>MAL &amp; LDP</u><br/>Nonrecourse Marketing Assistance Loan &amp; Loan Deficiency Payment</p> | <p>MALs provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. MALs allow producers to store production at harvest and facilitates more orderly marketing of commodities throughout the year. MALs for covered commodities are nonrecourse because the commodity is pledged as loan collateral and producers have the option of delivering the pledged collateral to the Commodity Credit Corporation as full payment for the loan at maturity. A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain an LDP. An LDP is the amount by which the applicable loan rate exceeds the alternative loan repayment rate for the respective commodity.</p> |
| <p><u>MILC</u><br/>Milk Income Loss Contract</p>  | <p>The MILC Program financially compensates dairy producers when domestic milk prices fall below a specified level. MILC payments are made monthly when the milk price falls below the established price per hundredweight.</p>   |
| <p><u>NAP</u><br/>Noninsured Crop Disaster Assistance Program</p>                                   | <p>NAP provides financial assistance to eligible producers affected by drought, flood, hurricane, or other natural disasters. NAP covers noninsurable crop losses and planting prevented by disasters. Landowners, tenants, or sharecroppers who share in the risk of producing an eligible crop are eligible. Eligible crops include commercial crops and other agricultural commodities produced for food, including livestock feed or fiber for which the catastrophic level</p>   |

# FSA PROGRAM REVIEW: Some of Polk County's most popular programs

Please retain for your information.

## Farm Programs:

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| <u>NAP</u><br>(continued)  | of crop insurance is unavailable. Also eligible for NAP coverage are controlled-environment crops (mushroom and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod).        |
| <u>SURE</u><br>Supplemental<br>Revenue<br>Assistance<br>Payments | SURE was authorized by the 2008 Farm Bill and covers crop revenue losses from quantity or quality deficiencies only those counties and contiguous counties declared disaster areas by the Agriculture Secretary or in cases where the overall production loss exceeds 50 percent. |

## Farm Loan Programs:

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|--|---|
| <u>Beginning<br/>Farmer and<br/>Rancher<br/>Loans</u>      | FSA provides direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources. A beginning farmer or rancher is an individual or entity who (1) has not operated a farm or ranch for more than 10 years; (2) meets the loan eligibility requirements of the program to which he/she is applying; (3) substantially participates in the operation; and, (4) for FO loan purposes, does not own a farm greater than 30 percent of the average size farm in the county and has farmed for at least three years.   |
| <u>Direct Farm<br/>Ownership<br/>Loan Program<br/>(FO)</u> | FSA direct farm ownership loans are loans to purchase farmland, construct or repair buildings and other fixtures, and promote soil and water conservation. To qualify for a direct loan, the applicant must be able to show sufficient repayment ability and pledge enough collateral to fully secure the loan.   |
| <u>Direct<br/>Operating<br/>Loan Program<br/>(OL)</u>      | FSA direct farm operating loans are loans to purchase items such as livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance, and other operating expenses. They can also be used to pay for minor improvements to buildings, costs associated with land and water development, family subsistence, and refinancing debts under certain conditions.   |
| <u>Down<br/>payment Farm<br/>Ownership<br/>Loans</u>       | Down payment Farm Ownership loans were developed to help beginning farmers and ranchers and SDA applicants purchase a farm or ranch. These loans provide a way for retiring farmers to transfer their land to a future generation of farmers and ranchers.  |
| <u>Guaranteed<br/>Farm<br/>Ownership<br/>Loan Program</u>  | FSA guaranteed loans provide lenders (banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. A percentage of guaranteed loan funds is targeted to beginning farmers and ranchers and minority applicants. Guaranteed Farm Ownership Loans may be made to purchase farmland, construct or repair buildings and other fixtures, develop farmland to promote soil and water conservation, or to refinance debt.   |
| <u>Guaranteed<br/>Operating<br/>Loan Program</u>           | FSA guaranteed loans provide lenders (banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. A percentage of guaranteed loan funds is targeted to beginning farmers and ranchers and minority applicants. Guaranteed Operating Loans may be made to purchase items needed such as livestock, farm equipment, feed, seed, fuel, farm chemicals, repairs, insurance, and other operating expenses. Operating Loans also can be used to pay for minor improvements to buildings, costs associated with land and water development, family living expenses, and to refinance debts under certain conditions. |
| <u>Youth Loans</u>   | FSA makes loans to individual rural youths, between the ages of 10 and 20 years, to establish and operate income-producing projects of modest size in connection with their participation in 4-H clubs, the Future Farmers of America and similar organizations. Each project must be part of an organized and supervised program of work and must be related to agriculture. The project must be planned and operated with the help of the organization adviser, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience.  |

### MORE INFORMATION:

For more information about FSA programs, contact your local FSA office, or visit online at [www.fsa.usda.gov](http://www.fsa.usda.gov)