



South Carolina State FSA Newsletter

Volume 4, Issue 3

April, 2009



Acting State Executive Director's Column



As of the meeting held in Walterboro on March 19th, the last of the previously scheduled informational meetings on the Farm Bill have been held. Now, we will be holding additional meetings in the upstate, as we were trying to delay these meetings to get additional information on

the livestock, hay and other disaster related programs that will be implemented during the 2009 year. The attendance at these meetings has been encouraging, and it was really a pleasure seeing everyone come out and get some good information on the Farm Bill programs and how they are to be delivered in South Carolina. Now we must get busy and sign everyone up in the DCP/ACRE programs to ensure the most benefits for South Carolina. As to date, signup has been slow, but now that the signup period has been extended, we want to be sure that some don't wait until the last minute. We don't have the option to sign folks up late or even use a register as we have sometimes in the past.

For those of you that use the internet, FSA in general and our State specifically is trying to provide more information to you electronically. You can now submit documents to your local office electronically if you so choose, once you have completed your "eAuthentication" access to FSA on the web. To begin the process of getting this access, please go to:

<http://www.eauth.egov.usda.gov/index.html>

To get general program information, download these newsletters, and see other news for South Carolina FSA, go to:

<http://ppd.fsa.usda.gov/FSA/stateoffapp?mystate=sc&area=home&subject=landing&topic=landing>

With Best Regards,

Perry L Thompson

FARM STORAGE FACILITY LOANS

Low cost loans for storage facilities are available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, soybeans and corn. The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. All farm storage facility loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum 15% down payment is also required. For details, contact the County Office staff.



DCP SIGNUP EXTENDED TO AUGUST 14

LATE APPLICATIONS NOT ALLOWED

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program has been **extended to August 14, 2009**. Secretary Vilsack has responded to producers' concerns about needing time to make an informed decision on the Average Crop Revenue Election (ACRE) Program. FSA will not accept any late-filed applications after this date.



Producers eligible for the DCP Program may instead choose to enroll in the Average Crop Revenue Election (ACRE) Program. The enrollment period for the ACRE Program will begin sometime in April. You may first enroll in the DCP

Program, receive advance direct payments and then later modify your enrollment to the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time on multiple farms. Remember the final date to elect and enroll in ACRE and enroll in DCP has been **extended to August 14, 2009**.

FARM BILL MEETINGS – UPSTATE SC

As many of you remember, we tried to delay the Farm Bill meetings in the upstate until we had more information on the disaster provisions included in the Farm Bill. We have since found out that we shouldn't expect to receive further disaster details until June, 2009. As a result, we can't delay providing the other Farm Bill information so we scheduled the meetings for the upstate as noted below. Of course, further disaster information will be provided to the public as soon as received. We are thankful that AgSouth has partnered with us to put these meetings together. **Both meetings will start at 6:00 PM. Please call the Greenville (864.467.2799 x 2) or Laurens County FSA Offices (864.984.7741 x 2) by April 22 to reserve your place for the meeting.**

Monday, April 27: The Black Buggy Restaurant

Located 3 miles south of Cross Hill, SC, on SC Hwy 39. The address is 12340 Hwy 39, Cross Hill, SC. 29332

Tuesday, April 28: The Taste of Distinction Restaurant

Located at 2274 Powdersville Rd. just off Of SC Hwy 153, between I-85 and Easley, SC. The address is 2274 Powdersville Rd., Easley, SC 29642

MARKETING ASSISTANCE LOANS AND LDP

Farm stored commodity loans as well as warehouse stored loans are available for 2008 Corn, Grain Sorghum, and Soybeans; warehouse stored loans on Cotton, through May 31, 2009. A Loan Deficiency Payments (LDP) is also available through May 31 provided an LDP rate is in affect when request is made.

CROP ACREAGE REPORTING

Filing an accurate and timely acreage report for all crops and land uses, including failed acreage, can prevent loss of program benefits. Producers are required to certify their crops by the applicable final report date. Prevented planted acreage is required to be submitted no later than 15 calendar days after the final planting date for the applicable crop.

FINAL CROP REPORTING and DISPOSITION DATES

CROPS	FINAL CROP REPORTING DATES
Fall Seeded Crops: Wheat, Barley, Oats, Rye, Triticale, Trees, and Fall Seeded Grasses	May 1 Also, final disposition date
Mandatory Intended Acreage Reports: Cotton	May 1
Spring Planted Fruit and Vegetables, Production Reporting Date for Actual Production History (APH)	June 1
Flue-Cured Tobacco	July 15
Spring Seeded Crops: Cotton, Corn, Peanuts, Rice	July 15
Summer Seeded Crops: Soybeans, Grain Sorghum, Summer Seeded Grasses, and other land uses	July 15
CRP, Orchards, Vineyards, all other NAP Crops	July 15
Fall Planted Fruit and Vegetables	September 15
Ornamental Nursery, Aquaculture Species	September 30

NOTE: For spring and fall planted fruit and vegetable crops not planted by the final reporting date, the acreage must be reported by 15 calendar days after planting is completed

PAYMENT LIMITATION RULES HAVE CHANGED

The regulations were revised as mandated by the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) to make changes in payment eligibility, payment attribution, maximum income limits and maximum dollar benefit amounts for participants in CCC-funded programs. In addition, certain provisions were incorporated that are discretionary.

The actively engaged provision requires that individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of (1) capital, equipment, land, or a combination; and (2) personal labor or active personal management, or a combination.

Under rules in effect since 1988, not every member of an entity is required to contribute active personal labor or management. The interim rule requires **each** partner, stockholder, or member with an ownership interest to make a contribution of active personal labor or active personal management. The contribution must be **regular** and **substantial**, and documented as well as **separate** and **distinct** from any other member's contribution. The rule limits the ability of passive stockholders to continue to realize benefits from the entity.

The substantive rule changes make the requirement for adding new persons to a farming operation more restrictive. The addition of a person to an existing farming operation can be met through an increase of 20 percent of **base acres** to the operation; previously the requirement was an increase of 20 percent in cropland.

PAYMENT ELIGIBILITY

All FSA participants requesting benefits must complete a farm plan, FSA-902, Farm Operating Plan, for their farming operation and complete an Adjusted Gross Income (AGI) form, FSA 926, Average Adjusted Gross Income Statement, before payments are issued.



For commodity and disaster programs under the new farm bill, the AGI limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000** such that a person or entity shall not be eligible for such programs if the non-farm AGI exceeds \$500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to **\$750,000 per year from farm income** in order to qualify for direct payments issued under the Direct and Counter-cyclical Program and the new ACRE (Average Crop Revenue Election) program.

For conservation programs, the average nonfarm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has **non-farm AGI in excess of \$1 million** remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations.

NAP CROP AND PRODUCTION REPORTING REQUIREMENTS

To remain eligible for the Noninsured Crop Disaster Assistance Program (NAP) assistance, producers must annually report both acreage and production information. Producers should report crop acreage soon after planting. The report should include the following crop information:

- name of the crop,
- type and variety,
- location and acreage of the crop
- producer's share of the crop and the names of
- other producers with an interest in the crop
- type of practice used to grow the crop, e.g., *irrigated*
- date the crop was planted by field if there are several; and
- intended use of the commodity, e.g., *fresh market*



Additionally, producers must annually provide the following production information:

- the quantity of all harvested production of the crop in which you have an interest during the crop year
- the disposition of the harvested crop, such as whether it was marketable, unmarketable, salvaged, or used differently than intended
- verifiable or reliable production records, when required.

The Farm Service Agency (FSA) uses the acreage information to verify that crops exist and to record the number of acres of the subject crop. Acreage information is combined with the production data to calculate an *approved yield*—expected production for the crop year. An approved yield for a crop for an individual producer is usually the average of the producer's actual production history (APH) for a minimum of 4 to a maximum of 10 years.

FSA'S FARM LOAN PROGRAM MARKETING INITIATIVE

Last year, FSA's National Office developed a Marketing Initiative in order to focus on "getting the word out on the street" concerning our farm loans. The National Office felt that the agricultural sector was not fully aware of the types of assistance that FSA offers to farmers and ranchers across the nation. Therefore, every farm loan program team in every state has had to develop a marketing plan to focus on implementing measures to successfully spread the word on the types of loan programs that we are able to provide. In this process, FSA has tried to become more visible in agricultural areas through the use of more publications, advertisements in farm and ranch periodicals and holding producer meetings across the country. FSA is trying to publicize the fact that FSA's loan programs are designed to help family farmers obtain loans and loan guarantees, and conduct business planning. In many cases, these are beginning farmers who need additional financial and business experience to qualify for commercial credit. In other cases, they are farmers who have suffered financial setbacks from natural disasters, or who need additional resources with which to establish and maintain profitable farming operations.



Some farmers obtain their credit needs through the use of loan guarantees. Under a guaranteed loan, a commercial lender makes and services the loan, and FSA guarantees it against loss up to a maximum of 90 percent in most cases. In certain limited circumstances, a 95 percent guarantee is available. FSA has the responsibility of approving all eligible loan guarantees and providing oversight of lenders' activities.

For those not yet meeting the qualifications for a loan from a commercial lender, FSA also makes direct loans, which are serviced by an FSA official. FSA has the responsibility of providing credit counseling and supervision to its direct borrowers by making a thorough assessment of the farming operation. The Agency helps applicants evaluate the adequacy of the real estate and facilities, machinery and equipment, financial and production management, and the farmer's goals. FSA assists the applicant in identifying and prioritizing areas needing improvement in all phases of the operation. An FSA official then works one-on-one with the farmer to develop and to help strengthen the identified areas that ultimately result in the farmer's graduation to commercial credit.

So, if you would like to know more about our farm loan programs or would like an agency official to come speak to your farm group or organization, please call your local Farm Service Agency office.

APRIL FARM LOAN INTEREST RATES

Farm Operating	2.250%
Farm Operating – Limited Resource	5.000%
Farm Ownership	4.125%
Farm Ownership – Limited Resource	5.000%
Farm Ownership – Beginning Farmer Down Payment	1.500%
Emergency – Actual Loss	3.750%

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

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

The SC State FSA Newsletter is published and distributed by the SC State FSA Office at 1927 Thurmond Mall, Suite 100, Columbia, SC 29201-2375

DISASTER BUY-IN WAIVER EXTENSION

Producers who did not obtain crop insurance or Non-insured Crop Disaster Assistance Program (NAP) coverage for 2008 can pay a buy-in fee through May 18, 2009, to become eligible for 2008 disaster assistance programs authorized by the Food, Conservation, and Energy Act of 2008.

Farmers have an additional opportunity to become eligible for several programs if they suffered 2008 agricultural losses due to natural disaster.

If you have not already taken the necessary steps to become eligible for the Supplemental Revenue Assistance Program (SURE), Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP), you are required to complete the following steps by May 18, 2009:

- √ Pay a \$100 "buy-in" fee per crop. The maximum fee is \$300 per county, per producer, not to exceed \$900 for multi-county producers.
- √ In the case of each insurable crop, excluding grazing land, agree to obtain a policy or plan of insurance for the next insurance year for which crop insurance is available; coverage level should equal 70 percent or more of the yield at 100 percent of the price.
- √ In the case of each noninsurable crop, agree to file the required paperwork and pay the applicable administrative NAP coverage fee by the applicable state application closing date for the next available year.

Those who choose to "buy in" under this provision will be considered, for insured crops, to have obtained a policy or plan of insurance for the 2008 crop year at a level of coverage not to exceed 70 percent of the yield at 100 percent of the price. For noninsurable crops, producers will be considered to have a level of coverage equal to 70 percent of the yield. These levels of coverage will be used to calculate the 2008 SURE guarantee.



Producers who meet the definition of "Socially Disadvantaged, Limited Resource," or "Beginning Farmer or Rancher," are not required to pay the buy-in fee.

National Farm-City® Week

Did you know the average grocery store stocks more than 30,000 different items? During Farm-City Week, November 20 – 26, take a moment to thank someone who played a part in getting the food you enjoy from the farm to your table. <http://www.farmcity.org>.

CONTINUOUS CONSERVATION RESERVE PROGRAM (CCRP)

Through the Conservation Reserve Program, USDA is serious about restoring and enhancing habitat for wildlife and protecting permanent water bodies while providing clean well water for livestock.

Practices available now are:

- **Restoration of longleaf pine plantations** that provide habitat for numerous species of plants and animals. Land must have 4 out of 6 year cropping history in years 1996 through 2001 and be longleaf suitable soils. Other eligibility requirements apply.
- **Establishment of bird buffers** that provide habitat for the bob-white quail and numerous other bird species. The bird buffer strips established under CCRP have been proven to increase quail populations in the State. Land must have 4 out of 6 year cropping history in years 1996 through 2001. Other eligibility requirements apply.
- **Establishment of riparian buffers** on marginal pastureland that protect water quality for all animals, including humans. This practice establishes a strip of trees next to an eligible permanent water body used for livestock drinking water. The livestock are fenced out of the protected water body and cost-share assistance is provided to **install wells as an alternate water source**. Livestock producers that have utilized this practice in the past have stated that providing reliable clean well water to their livestock has greatly improved herd health.

Practices that will be available in the near future:

- **Cost-share for thinning CRP pines.** A new practice will be available for land currently under CRP contracts and planted to pines. This practice will provide cost-share assistance for a pre-commercial thinning. If the trees are ready for commercial thinning, eligible producers can still apply, and if approved may thin their pines with no reduction in annual rental payments. Thinning thick monoculture pine stands to an acceptable level will greatly improve wildlife habitat.
- **Cost-share for pollinator habitat improvement.** Portions of land currently under CRP contracts may be eligible to receive cost-share assistance to be converted to mixes of grasses/wildflowers/forbs needed for pollinator habitat. Why care about pollinators? Native pollinators such as bees and butterflies are in decline. One out of every three bites of food you eat is dependent on pollinators. By establishing pollinator habitat you

are helping ensure an adequate food supply for our country, even if you are not producing food commodities on your farm.

FSA PROGRAMS OPEN TO SOCIALLY DISADVANTAGED PRODUCERS

USDA's Farm Service Agency in South Carolina is reaching out to women, ethnic and minority farmers in the state in an effort to get more of them involved in its programs.

FSA programs are available to all producers but the agency is working to increase participation by traditionally underrepresented groups in all program areas.

FSA defines a socially disadvantaged (SDA) farmer, rancher, or agricultural producer as one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of his or her identity as a member of the group without regard to his or her individual qualities. SDA groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders. (Note: The FSA livestock programs do not designate women as an SDA group.)

FSA also reserves a portion of its direct and guaranteed loan funds each year for SDA loans for eligible participants. These 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 farmers and ranchers across the United States and especially here in South Carolina. These loans help to encourage and assist them in owning and operating their own farms and ranches, participate in agricultural programs, and become integral parts of the agricultural community.

Applicants must meet the eligibility requirements for a given program before FSA can extend program benefits. For more information on these programs and other programs available through FSA, contact your local Farm Service Agency at the county USDA Service Center. USDA is an equal opportunity employer and provider.

