



September 2009

Wisconsin State News

Wisconsin
State FSA Office

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 United States
Department of
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Biomass Program Available

The Farm Service Agency's new Biomass Crop Assistance Program (BCAP) provides financial assistance to producers or entities that deliver eligible biomass material to designated biomass conversion facilities for use as heat, power, biobased products or biofuels. Initial assistance will be for the collection, harvest, storage and transportation costs associated with the delivery of eligible materials.

Producers or entities will be eligible for a dollar per dollar match, up to \$45 per dry ton, for the value of the biomass delivered to a designated biomass conversion facility. For example; if a producer is paid \$30 per dry ton for the biomass by the conversion facility the producer would be eligible for a \$30 per dry ton payment for the costs associated with collecting, harvesting, transporting and storing the product. Producers will be eligible for up to two years of payments.

BCAP will benefit producers, the developing biomass industry, the general public and the environment to generate clean and sustainable biomass energy.

FSA will be moving forward with rule making later this year to fully implement BCAP. Please check the following web site for regular updates.

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ener&topic=bcap>

A fact sheet, application documents and a list of participating facilities will be added to the web site in the coming weeks. As more information becomes available, your FSA county offices will be able to educate and assist producers and facilities become eligible to participate.

Farm Storage Facility Loans Available for Hay & Renewable Biomass

As of August 17, 2009, FSA made several pertinent changes to the Farm Storage Facility Loan Program (FSFL) allows eligible producers to obtain low cost financing to build or upgrade their commodity storage facilities.

FSFL loan funds are now available for hay and renewable biomass storage structures. The program has also expanded to include fruit and vegetable storage structures, including cold storage facilities.

Producers will also now have the ability to request that a single FSFL loan be split into two notes with two different loan closing dates. A fee of \$100 per application is required; however, split loans will only require one application fee.

The maximum loan amounts have increased from \$100,000 per person to \$500,000 per loan. Terms for loans greater than \$100,000 have also been amended to authorize longer loan terms; these longer term loans require a higher interest rate.

Additionally, loans used to construct facilities with no resale value, such as horizontal silos, must now be further secured by real estate.

Some facilities eligible for the FSFL program include:

- new cribs or bins
- new and remanufactured oxygen-limiting structures
- horizontal, bunker-type or open silo structures
- permanently affixed grain handling and drying equipment

- renovated existing facilities to increase storage
- new flat storage buildings
- new electrical or safety equipment

Producers interested in the FSFL program may contact their local FSA county office for more information. Additional information concerning the FSFL program, including a fact sheet may be found at: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=flp-fp>.



NAP Coverage Reminders

The Non-Insured Crop Disaster Assistance Program (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.

The application deadline date for the 2010 NAP coverage for “value loss” crops such as ginseng, turf grass sod, Christmas trees, aquaculture, floriculture and ornamental nursery is September 1, 2009.

The deadline date for forage crops, including most spring planted forages and pasture land forages not covered by federal crop insurance, is September 30, 2009. September 30, 2009 is also the application closing date for winter and spring plantings of wheat, barley and rye, and mint.

Perennial crop deadlines on perennial fruit and other crops such as apples, pears, blueberries, strawberries, grapes, honey, maple sap, and asparagus is November 20, 2009.

Producers will still have to file a crop report and/or inventories by the prescribed deadlines for the crops. Many of these have to be filed in the fall for crops with fall application deadlines. If you have

questions about crop specific acreage, inventory or production reporting deadlines, contact your local county office..

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. If producers choose to add a new crop(s) or delete a crop(s) from the previous year’s coverage or change crop shares, they must file a new CCC-471 with signatures and pay the applicable service fee.

The NAP fees are now \$250 per crop with a limit of \$750 per county. The national limit is \$1875 per producer if they farm in more than two counties.

Producers with NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports and/or inventories, and keep track of harvested production using acceptable methods.
- File a “Notice of Loss” within 15 days of when a loss is apparent, due to drought, hail, flood, etc.

For more information on NAP coverage please contact your nearest Farm Service Agency office.

Disaster Program - Crop Insurance and NAP Requirements

The 2008 Farm Bill created permanent disaster programs for a variety of crops and livestock. Many of the disaster programs created through the 2008 Farm Bill require some level of crop insurance coverage, the “Risk Management Purchase Requirements.” Producers must be aware of these requirements for 2009 and future years if they want to be eligible for benefits under these programs once a

crop loss or disaster occurs.

SURE (Supplemental Revenue Assistance Programs) provides benefits for farm crop revenue losses due to natural disaster. For a producer to be eligible for the SURE Program, all of the farming operation's crops (planted or intended) and all hay crops that are of economic significance must be covered by either Federal Crop Insurance (CI) or FSA's NAP coverage. Coverage must also be obtained for other crops for which CI or NAP is available, such as nursery, honey, aquaculture, and floriculture. However, statute does not require coverage for grazed crops for the SURE program.



LFP (Livestock Forage Disaster Program) will be available to eligible livestock producers who suffered grazing losses for eligible livestock because of drought on land that is either native or improved pasture land with permanent vegetative cover or planted to a crop specifically for providing grazing. All crops intended for grazing must be covered by crop insurance or NAP to be eligible.

In summary for a producer to be eligible for the SURE, LFP, TAP and ELAP certain program specific crop insurance or non insured assistance program crop coverage must be obtained. The crops must be covered by either CI or FSA's NAP coverage. Coverage must also be obtained for other crops for which CI or NAP is available, such as nursery, honey, aquaculture, and floriculture. Eligible farmers and ranchers who meet the definition of "Socially Disadvantaged," "Limited Resource," or "Beginning Farmers" do not have to meet this requirement.

For more information about any of the above programs call your local FSA county office.

Livestock Indemnity Program Sign-up Underway

Livestock producers who incur eligible livestock death losses due to adverse weather events on or after January 1,

2008, will be eligible for the Livestock Indemnity Program (LIP).

Producers who suffer livestock losses due to adverse weather, including blizzards, disease, extreme cold, extreme heat, floods, and lightning may be eligible for LIP. To qualify for LIP, producers need to be aware of the following dates:

- Producers that suffered live stock losses in the 2008 calendar year have until September 13, 2009 to file notice of loss and application for payment for LIP at their local FSA Office.

- Producers suffering losses from January 1, 2009 to July 12, 2009, must file a loss application by September 13, 2009. The final date to submit an application for payment for 2009 losses is January 30, 2010.

- For livestock losses that occur between July 13, 2009 and December 31, 2009, producers will have 30 days after the death to file a notice of loss at FSA and will have until January 30, 2010, to apply for payment.

Documentation must prove the death of eligible livestock occurred as a direct result of an eligible adverse weather event in the calendar year for which benefits are being requested. Adequate documentation may include rendering truck receipts, veterinary records, tax assessor records, National Guard receipts of carcass removal, private insurance documents, or a measurement service completed by FSA.

If adequate verifiable proof of death records documentation is not available, a livestock producer may provide reliable records, along with verifiable beginning and ending inventory, as proof of death. Certifications of livestock deaths by third parties, who are not affiliated with the farming operation, may be accepted only if verifiable proof of death records or reli-

able proof of death records along with verifiable beginning and ending inventory records are not available.

LIP indemnity payments will be 75 percent of the fair market value of the livestock as determined by the Commodity Credit Corporation (CCC). Payment rates will be based on per head by livestock kind or type and weight range and payments will be issued on a per head basis.

For more information about LIP, contact your local FSA County Office or visit the FSA web site at www.fsa.usda.gov.

New Practices Available in Conservation Reserve Program

FSA recently announced several new provisions for the Conservation Reserve Program (CRP) included in the 2008 Farm Bill. These provisions include new policies on tree thinning and two new wetland type practices. The new provisions are currently available for the program. Other revisions to the program, such as updating the crop history requirements for enrolling cropland, which was also included in the 2008 Farm Bill, will be implemented after completion of an Environmental Impact Statement.

Tree thinning of older CRP tree stands is important for forest health. Many hardwood tree stands were planted in configurations that included planting every other row with pine trees to act as trainer trees for the hardwoods. After a plantation is about 20 years old, it is likely time for the pine trees to be removed. Upon the recommendation of a DNR Forester, and direction written into the Conservation Plan for the CRP contract, a participant can remove the pine trees through either a commercial or non-commercial thinning. The new provisions allow slash from the thinning to remain in the plantation, as long as it is evenly dispersed, is recommended by the Forester, and is not piled on the CRP. Commercially selling the harvested material is also now authorized without a reduction in the CRP annual rental payment. If the thinning

needs to be conducted but no commercial market can be found for the material to be thinned, FSA will pay cost-sharing for the thinning at a rate of 50 percent of the average cost to perform a thinning.

The new wetland practices made available include constructed wetlands and aquaculture wetlands restoration. Each of these new practices have crop history requirements that are different from the normal cropping history requirements for enrolling cropland into CRP.

The constructed wetland practice was implemented to develop a constructed wetland to treat runoff from row crop agricultural drainage systems. The constructed wetland system is designed to reduce nutrient and sediment loading and provide other water quality benefits while providing wildlife habitat.

The wetland restoration practice restores habitat or the functions and values of wetland ecosystems that have been devoted to commercial pond-raised aquaculture. The level of restoration of the wetland ecosystem will be determined by the producer in consultation with the Natural Resources Conservation Service (NRCS).

If you have land you believe is eligible for any of these new CRP provisions, please contact your local FSA county office for more information.

Managed Haying and Grazing on CRP Acreage

The 2008 Farm Bill currently allows Conservation Reserve Program (CRP) acreage to be hayed or grazed under restrictive circumstances. Written approval must be obtained from the local Farm Service Agency (FSA) office before haying or grazing begins by the CRP participant. Failure to obtain appropriate authorization to hay or graze CRP acreage may result in severe payment reductions or contract termination.

Haying can begin no earlier than the final date of the primary nesting season



specified in the CRP contract and must be completed by September 15, 2009. Haying is limited to one cutting and hay harvested under the managed provision can be sold. Bales temporarily stored on CRP must be removed no later than September 30.



Grazing also cannot begin before the final date of the primary nesting season; however, livestock must be removed no later than September 30, 2009. Grazing plans will specify the stocking rate for the acreage to be grazed and required that cover not be grazed below 3-4 inches.

Authorization of CRP managed haying and grazing can only be on certain cover practices such as grass or legume cover or native grasses. It is not authorized where trees, windbreaks, shrubs, wildlife habitat or food plots were planted. Other restrictions include grass waterways, filter strips, riparian buffers and established or restored wetlands. Managed haying cannot be authorized until after the cover is fully established. CRP acreage may only be authorized for haying or grazing every three years.

Participants must obtain a modified conservation plan to include haying or grazing requirements as determined by USDA's Natural Resources Conservation Service (NRCS). The haying or grazing plan must be site specific and reflect local wildlife needs and concerns.

The haying or grazing privileges may be rented or leased. However the participant must inform FSA of the renter's name and must identify the acreage to be hayed or grazed. The same acreage cannot be hayed and grazed. The participant is also responsible for re-establishing any failed cover at their own expense.

CRP participants who take advantage of this provision must report the number of acres actually hayed or grazed no later than September 30, 2009 and reports are subject to spot check by USDA. Participants must also report tonnage harvested or the number of livestock grazed by

September 30, 2009.

A 25 percent payment reduction, which will be taken from the participant's annual rental payment, applies to the CRP acreage that is hayed or grazed.

Contact your local county FSA office for more information and details regarding the potential haying or grazing of CRP acreage.

Commodity Credit Corporation Loan Reminders

August and September are when many Commodity Credit Corporation (CCC) corn and soybean loans mature. This time of year also brings weather patterns of humid air and fluctuating temperatures that can damage stored grain. We encourage you to inspect the condition of your stored grain to ensure quality is maintained. It is the borrower's responsibility to maintain the quantity and quality of stored commodity grain.

Another reminder for producers is that any grain under the CCC loan cannot be removed or disposed of by selling or feeding without prior county office staff authorization or repayment. County offices may issue marketing authorizations based on telephone or in person requests when a producer is ready to sell grain. However, if grain is sold or fed without proper authorization, significant monetary and administrative penalties, such as repaying the loan at principal plus interest, liquidated damages, calling the loan and denial of future farm-stored loans and loan deficiency payments, may be applied.

Contact your local Farm Service Agency (FSA) office with questions regarding the CCC loans and before moving or disposing of any grain under the CCC loan.

The CCC-633 EZ Required for Possible LDP Benefits

For the past few years, commodity prices have been well above county loan rates for traditional commodity crops such as corn and soybeans. However, the possi-

bility exists that the posted prices may fall below county loan rates. If prices do drop below the loan rates, the Loan Deficiency Program (LDP) provisions will be available again.

The CCC-633 EZ is a two-part Loan Deficiency Payment (LDP) request that allows commodity crops, wool, mohair and unshorn pelts producers to (1) indicate their intentions to receive LDP benefits before losing beneficial interest in the eligible commodity, and (2) submit a request for an LDP at any time during the loan/LDP availability period before or after losing beneficial interest.



By signing the first page of the EZ form, the producer indicates his or her intentions to receive LDP benefits. This one page covers all counties and all eligible harvested commodities for the entire crop year for the individual, joint operation, or entity identified on the form.

Once the first page of the form has been signed and submitted, the producer can submit an LDP request by completing page 2 for all harvested commodity crops or page 4 for wool, mohair, and unshorn pelts. The LDP request can be submitted at any time during the loan availability period, before or after losing beneficial interest.

A key point to remember is that page 1 of the EZ form must be signed by the producer before beneficial interest in the commodity is lost. Once beneficial interest is lost, the commodity is ineligible for an LDP, even if beneficial interest is regained.

In order to be eligible for a payment, there must be an LDP rate in effect on the date beneficial interest is lost. Currently, there are no LDP payment rates for the traditional crops. However, there continues to be an LDP payment rate for wool, mohair and unshorn pelts.

The deadline to apply for 9-month loans and LDPs for unshorn pelts, wool, and mohair produced in crop year 2009 is

January 31, 2010.

The deadline to put 2009 crop wheat, small grains, many minor oilseeds, and honey under a 9-month loan or to apply for an LDP is March 31, 2010.

The last day to request a 9-month loan or LDP on 2009 corn or soybean crops is May 31, 2010.

Loan rates are similar to last year. Contact your county office at least a week prior to the time you would like the loan.

Electronic Services Availability Makes FSA Accessible From Home

If a producer has Internet access, program participants can access many services from home 24 hours a day, seven days a week, and receive approval and payment by direct deposit within 48 hours.

To participate in these services, you must meet all program eligibility requirements. Online services have stringent security measures to protect your private information.

To utilize electronic services a producer needs an active USDA eAuthentication Level 2 account, which requires an e-mail address and filling out an online registration form at <http://www.eauth.egov.usda.gov/> followed by a visit to the county office for identity verification.

If you have more questions, or would like assistance establishing your account, just contact your local USDA Service Center and talk with our trained FSA personnel.

Wisconsin Farmers Receive \$40 Million in Supplemental Funding

Wisconsin producers recently benefitted from the passage of the Supplemental Appropriations Act which funded 340 approved loans totaling about \$40 million.

This fiscal year, direct operating loans in Wisconsin are up 74 percent from 2008 and guaranteed operating loans are up 98 percent from 2008. The combination of a

weak global economy, low milk prices and tighter credit markets has created a large demand for FSA loans and loan guarantees.

The loans are available for large and small producers' operating expenses. Loans are also available to aid beginning farmers' purchases of farmland and equipment expenses.



FSA offers a variety of low interest loan choices for most needs. These include loans for beginning farmers, youth, disaster recovery, operating, farm expansions and farm ownership. However, FSA does not replace conventional credit.

All of FSA's farm loans are available to members of socially disadvantaged groups consisting of American Indians, Alaskan Natives, Asians, African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

Producers looking to lock in fixed interest rates while rates are low can also take advantage of the FSA guarantee and the secondary market. Besides loans, FSA offers some of the best farm planning and financial counseling in production agriculture. For specific information about FSA farm loan programs, please visit your FSA county office or our web site at <http://www.fsa.usda.gov>.

Important Payment Changes

Producers will see an additional business day delay in the receipt of direct deposit/ electronic payments from the FSA.

In addition to the payment delay, producers may notice a change in the description field for electronic payment/direct deposits from FSA on the personal financial institution records. Previously electronic payments from FSA were stated as "USDA-FSAKCMOCDSP." Current and future payments from FSA will reflect a payment via U.S. Treasury by displaying the description "FSA TREAS 310."

These changes in producer payments are due to the implementation of the Treasury

Implementation Project, which brings FSA closer to compliance with the Debt Collection Improvement Act of 1996 (DCIA). Instead of issuing electronic payments directly to producers, DCIA requires that all Federal payments be processed through the U.S. Treasury for inclusion in their Treasury Offset Program (TOP). By routing payments via TOP all federal payments are compared against a delinquent federal debt database and, if debts are found, payment may be offset accordingly.

Customers with delinquent federal debt, such as delinquent federal taxes, may have their payment reduced by the Treasury. The U.S. Treasury will notify the customer of any offsets taken for debts due to other agencies.

If the Treasury offset is not a result of an FSA debt, then FSA will not be able to answer your questions about the offset. Questions regarding TOP offsets should be directed to the TOP Call Center at 1-800-304-3107 and they will provide contact information for the offsetting agency.

FSA Asking Producers to Keep Records Updated

FSA county offices stress the importance of informing your local county office of any changes to farming operations.

Changes to the farming operation, such as adding or removing land, changing members within the operation, or members passing away can affect payment limit determinations.

If you are unsure if a change will affect any FSA programs the operation participates in, please contact your local county office for more information and clarification.

Wisconsin State FSA Office
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Dates to Remember	
September 1	NAP application deadline for 2009 "value loss" crops
September 7	Offices will be closed for Labor Day
September 13	-LIP notice of loss filing & application for payment deadline for 2008 livestock losses -LIP notice of loss application deadline for livestock losses from Jan. 1, 2009 - July 12, 2009
September 15	Managed haying on CRP acreage completion deadline
September 30	-NAP application deadline for 2009 forage crops, including pasture land forage -NAP application deadline for 2009 winter & spring plantings of wheat, barley, rye and mint -Livestock and hay bales must be removed from CRP managed haying and grazing acreage
October 12	Offices will be closed for Columbus Day
November 6	Ballots mailed to eligible voters for County Committee Elections
November 11	Offices will be closed for Veteran's Day
November 20	NAP application deadline for perennial crops
December 7	Last day to return committee election ballots to local FSA office
December 25	Offices will be closed for Christmas Holiday
January 1, 2010	-Offices will be closed for New Years Day Holiday -Elected county committee members take office
January 18, 2010	Offices will be closed for Martin Luther King Jr. Holiday
January 30, 2010	LIP application for payment deadline for livestock losses between Jan. 1, 2009 - Dec. 31, 2009
January 31, 2010	LDPs & 9-month loans for unshorn pelts wool and mohair deadline

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