



NEWSLETTER



September 2012

**USDA
Alabama FSA**

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Please Note:
Alabama has 45 local FSA offices that service producers throughout the State.

For questions or inquiries regarding information contained in this newsletter or regarding other FSA programs, please contact your local USDA–Farm Service Agency Office.

You may also visit the FSA website at:
www.fsa.usda.gov



Drought Disaster Assistance

USDA has streamlined the disaster designation process, lowered emergency loan rates and created greater CRP flexibility to help farmers and ranchers in drought-stricken areas across the country.

FSA’s low-interest emergency loans will help producers recover from losses due to drought, and other natural disasters. The interest rates have been reduced to 2.25 percent, providing a much-needed resource for producers hoping to recover from production and physical losses associated with natural disasters. Changes were made to the Emergency Loan Program so that farmers and ranchers are eligible to apply earlier in the disaster recovery process. With this change, producers are no longer required to wait until the end of the production cycle to obtain a loan. That means livestock producers needing assistance today to offset increased feed costs don’t have to wait. Emergency loan funds may be used to restore or replace essential property; pay all or part of production costs associated with the disaster year; pay essential family living expenses; reorganize the farming operation; and refinance certain debts.

New guidelines were announced for emergency haying and grazing on Conservation Reserve Program (CRP) land. Annual rental payments for farmers enrolled in the CRP, who use those lands for emergency grazing and hay production, will be reduced by 10 percent instead of 25 percent. Also, because of the current severe drought, all counties with a drought level of D0 or higher, as measured by the US Drought Monitor, are approved for emergency haying and grazing outside of the primary nesting season (PNS).

The Risk Management Agency (RMA) has announced another helpful change that livestock producers will appreciate. For the 2012 crop year, RMA will allow haying and grazing of cover crops without affecting the insurability of planted 2013 spring crops. This means farmers and ranchers can plant a cover crop without foregoing crop insurance

coverage in 2013, thus giving producers another opportunity to grow needed forage and feed for this fall and winter. However, before making any plans to plant crop cover, producers should consult with their insurance agent.

All farmers and ranchers are encouraged to contact their crop insurance companies and local USDA Farm Service Agency Service Centers, as applicable, to report damages to crops or livestock losses. In addition, USDA reminds livestock producers to keep thorough records of losses, including additional expenses for such things as food purchased due to lost supplies. More information about federal crop insurance may be found at www.rma.usda.gov. Additional resources to help farmers and ranchers deal with disaster losses may be found at www.usda.gov/disaster.

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NAP Coverage Deadline Reminder

Noninsured Crop Disaster Assistance Program (NAP) coverage for all applicable NAP crops must be purchased prior to the application closing date for the crop. **September 30, 2012**, is the application closing date for several varieties of grasses, barley, canola, oats, rye, strawberries, triticale, vetch, and wheat.

Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that the IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments and; \$1 million nonfarm average AGI for conservation programs.

Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS; and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

Highly Erodible Land initiative

Continuous sign-up for the Highly Erodible Land (HEL) Initiative under the Conservation Reserve Program (CRP) started on July 23, 2012. Offers will be accepted until either the state acreage allocation limit of 4900 acres is reached or September 30, 2012, whichever occurs first.

Farm Safety

Flowing grain in a storage bin or gravity-flow wagon is like quicksand, it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical aspects of grain handling equipment, also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance when operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and accounted for before machinery is engaged.

FSA wants all farmers to have a productive crop year, and that begins with putting safety first.

Rural Youth Loans Available

FSA makes loans to rural youths, ages 10 to 20 years of age, to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000. Applicants must comply with FSA's general eligibility requirements, be unable to get a loan from other resources, and be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands) or a legal resident alien.

Interested applicants should visit their local county office for more details, as well as help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.

Preventing Fraud

The Farm Service Agency supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the FSA office, RMA, or the Office of the Inspector General.



All FSA Offices will be **closed** on the following dates **in observance** of the respective listed **Federal holiday**.

- **October 8 — Columbus Day**



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