



February 2007

Ohio FSA State Newsletter

Visit our website at:
www.fsa.usda.gov/OH

1099-G Mailed from Kansas City

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you in calendar year 2006. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend that you check the amounts shown with those in your records to see that the amounts are correct.

Refunds will no longer be reported on the 1099-G, but will be available on-line from the FSA Financial Inquiries (FSA-FI) web-based database.

Program participants with eAuthentication USER ID's and passwords can access their refund information at the FSA's homepage, and click on "Online Services". Once the page opens, click on "Financial Inquiries for FSA Producers" which is located under the "Related Topics" section. Next, producers will login with their USER ID and password and then select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity webpage.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

NAP Coverage Deadline

March 15th is the last day for producers to apply for Non-Insured Crop Disaster Assistance Program (NAP) coverage using Form CCC-471, Application for Coverage, and pay the service fee at the county office. The application and service fee must be filed **by March 15th** the deadline date for 2007 spring planted crops which include: forage sorghum, oats, potatoes, soybeans, sunflowers and all spring planted specialty crops grown for food.

The service fee is \$100 per crop per county or \$300 per producer per county. The fee cannot exceed a total of \$900 per producer with farming interest in multiple counties. Limited resource producers may request a waiver of service fees.

To qualify, a producer must be a landowner, tenant or sharecropper who shares in the risk of producing an eligible crop.

Farm Storage Facility Loans

Low interest rate 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. Eligible facilities include new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures.

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 down payment is also required. For details, contact the county office staff.



Honey Loans Available

Marketing assistance loans and loan deficiency payments for 2006 crop year honey are available **until March 31, 2007**. The national loan rate for honey is \$0.60 per pound. Market prices currently exceed the loan rate; so LDPs are not available right now.



To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extracted the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping the honey. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan.

The honey must be produced in the United States by an eligible producer, from an approved floral source, and stored in approved containers.

The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed. Honey used as collateral may not be disposed of without approval of the county office staff.

FSA Spot-Checks

All member information (CCC-501s) and payment eligibility (CCC-502s) are subject to spot-check through our end-of-year review process. If selected for a spot-check, producers will be asked to submit proof of their contribution to the operation such as seed, fertilizer and chemical bills, land lease agreements, land contracts or property tax payments, equipment lists, cancelled checks for paid labor or hired management and any other items the FSA County Committee determine are necessary.

The producer is required to provide these items for the spot-check so the FSA County Committee can make a determination that the farming operation is actually being performed as was stated on the applicable CCC-501 or CCC-502 that was originally completed.

Conservation Compliance

All participants in USDA programs are required to have a conservation system in place or actively applying an conservation system on all the highly erodible land (HEL) that they operate. Several areas where problems can arise with complying with a conservation system are; renting new cropland, purchasing new land, breaking out additional cropland, planting different crops such as soybeans and changing or removing existing conservation practices.

It is very important that you contact the FSA office before doing any of the above. Also, it is very important that you contact our office before modifying - tiling, draining, dredging, filling, or leveling - any wetland or drainage ditch. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and eligibility.

Youth Project Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other youth organizations. 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.

Eligibility Requirements:

- 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;
- Be 10 to 20 years of age;
- Live in the open country or in a town of less than 10,000 people;
- Be unable to get a loan from other sources;
- Conduct a modest income-producing project in a supervised program of work as outlined above; and
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

FSA employees will help you prepare and process the application forms and answer any questions you may have about the program. Remember, FSA is an equal opportunity lender.

Direct and Guaranteed Loans Available

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are available now.



Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan.

Loan funds are available now — applying early is important so that a loan can be processed and funded in a timely manner.

Most of our loan programs have special funding available for minority, female and beginning farmers.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it or who to contact to get it. To find out more about FSA loan programs, contact your local FSA county office.

Selected Interest Rates for February 2007	
90-Day Treasury Bill	5.000%
Farm Operating Loans — Direct	5.000%
Farm Ownership Loans — Direct	5.125%
Limited Resource Loans	5.000%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	4.000%
Emergency Loans	3.750%
Farm Storage Facility Loans	4.625%
Sugar Storage Facility Loans	4.875%
Commodity Loans 1996-Present	6.000%

The Northern Bobwhite Quail Habitat Initiative

Since the blizzard of 1977, the call of the bobwhite has been silent in all but a few Ohio counties. Since 1980, the bobwhite quail populations have declined from an estimated 59 million birds to about 20 million birds in 1999. The habitats are disappearing due to urbanization, loss of native grasslands, intensive agriculture and a transitioning of once grassy fields into forests.

In 2004, President Bush announced a program that aims to return the song of the Bobwhite to the landscape. All counties in Ohio are eligible for the CRP Northern Bobwhite Quail Habitat Initiative.

The habitat buffers for upland birds practice, commonly called practice # 33, is a border of native grasses and forbs placed between the edge of the field and the crop. The border can be between 30 and 120 ft. wide. Farmers find this practice particularly economically advantageous under field fence rows and around woods.

Presently, producers will receive annual rental payments for the length of the contract, maintenance incentive payments and cost-share assistance of up to 50 percent of the eligible practice cost to establish CP33 cover. Additionally, FSA provides producers with a signing incentive payment of up to \$100 per acre, and a practice incentive payment of up to 40 percent of the eligible establishment cost.

The purpose of this practice is to provide food and cover for bobwhite quail and other upland birds in cropland areas. Also, the practice will reduce soil erosion from wind and water, increase soil and water quality and protect and enhance the on-farm ecosystem. The program will only apply to land around field edges of eligible cropland.

CRP Northern Bobwhite Quail Habitat Initiative sign-up continues at local FSA offices. The program will run on a continuous basis, meaning eligible land may be enrolled at any time until 14,200 acres have been enrolled in Ohio, or Dec. 31, 2007, whichever comes first. Currently, Ohio has enrolled 11,140 acres in the program.

If you are interested in restoring the Bob White Quail habitat on your land or wish to learn more about the CRP Northern Bobwhite Quail Habitat Initiative then stop by your local FSA office. More information is available on the FSA's Website at: www.fsa.usda.gov.

You can also visit the websites of the conservation partners helping to restore bobwhite quails. These partners include; Quail Unlimited, the Southeast Quail Study Group, Pheasants Forever, Quail Forever, Ducks Unlimited, the National Wild Turkey Federation, The Ohio Division of Wildlife, Soil and Water Conservation District, the U.S. Fish and Wildlife Service and NRCS.

Dates to Remember	
Feb. 19	Washington's Birthday holiday. FSA offices Closed .
Mar. 15	Deadline to obtain 2007 NAP coverage on spring planted crops.
Mar. 31	Final Availability for 2006 crop wheat, barley, oats, honey loans and LDPs.
June 1	Sign-up ends for 2007 Direct and Counter-cyclical Payment Program.
Continues	Farm Storage Facility Loans.
Continues	Grasslands Reserve Program.
Continues	Continuous Conservation Reserve program.

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